ASIA TODAY

JAPANESE AND RUSSIAN POLITICS

Polar Opposites or Something in Common?

Edited by
Takashi Inoguchi

ASIA TODAY

Before 1820, Asia generated more than half of the world's gross domestic product. Since then, the region underwent a period of decay and decline. Today, Asia is in the midst of a great transformation, and it is estimated that by 2035 it will be responsible for more than one-half of the world's gross domestic product. Propelled by three decades of rapid economic growth, momentous political transitions, and intensified regional integration, Asia is no longer simply a fast-expanding and evolving region; it is increasingly the geopolitical epicenter for the global system itself. The goal of this series is to offer readers a front-row seat to view and better understand this kaleidoscope of regional change in all its dazzling dynamism and diversity. Who would have thought in 1978, when Deng Xiaoping came to power in Beijing, that China would soon begin a generation of double-digit economic growth? Who could have foreseen that Asia would become the region where the world's richest countries, Singapore and Brunei, would live shoulder-to-shoulder with the world's poorest, Afghanistan and Laos? The Asia Today series is designed to respond to the growing demand for sustained research and deep knowledge of contemporary Asia. It covers the full expanse of this vast region—from China to India, Japan to Pakistan, Kazakhstan to Turkey, Mongolia to Israel, Iraq to Indonesia. The series editors, Takashi Inoguchi and G. John Ikenberry, aided by a 44-member advisory board, are dedicated to identifying fresh and penetrating studies of Asia by the region's foremost experts.

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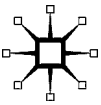

JAPANESE AND RUSSIAN POLITICS

Softcover reprint of the hardcover 1st edition 2015

First published in 2015 by
PALGRAVE MACMILLAN®
in the United States—a division of St. Martin's Press LLC,
175 Fifth Avenue, New York, NY 10010.

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ISBN: 978–1–137–48844–2

Library of Congress Cataloging-in-Publication Data

Japanese and Russian politics : polar opposites or something in common? / edited by Takashi Inoguchi.
pages cm—(Asia today)
Includes bibliographical references and index.
1. Japan—Politics and government—21st century. 2. Russia (Federation)—Politics and government—21st century. 3. Japan—Foreign relations—21st century. 4. Russia (Federation)—Foreign relations—21st century. 5. Political culture—Japan. 6. Political culture—Russia (Federation) 7. Comparative government. I. Inoguchi, Takashi, editor of compilation.

JQ1631.J3629 2015
320.947—dc23 2014028623

A catalogue record of the book is available from the British Library.

Design by Newgen Knowledge Works (P) Ltd., Chennai, India.

First edition: January 2015

10 9 8 7 6 5 4 3 2 1

ISBN 978-1-349-50410-7 ISBN 978-1-137-48845-9 (eBook)
DOI 10.1057/9781137488459

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Preface and Acknowledgments

In an era of globalization, connectivity and sensitivity among sovereign countries increase. When Crimea was detached from Ukraine to Russia, the Japanese government must have wondered how to respond. For a number of known reasons, Japan and Russia have not yet concluded a peace treaty of World War II leaving territorial, commercial, and many other issues unsettled or undersettled. Japan insists on the recovery of what they call Northern Territories, while Russia yearns for Japanese inputs into Siberia and the Far East. If Japan condemns Russia for Crimea and Ukraine, the prospect for Japan's enhanced economic cooperation with Russia is likely to decrease somewhat. If Japan does not criticize Russia for taking Crimea, Japan will be more vulnerable to self-assertive China with which disputed islands (the Senkaku/Diayu) persists. In the Hague nuclear summit in spring 2014, the Group of Seven issued a joint communique criticizing Russia for Crimea and Ukraine. Japan also sent a special emissary to Moscow in May 2014 to convey a more nuanced message directly. Russia does not seem to rebuff Japan. China kept basically silent on Russia and Crimea and Ukraine.

Although Japan and Russia are widely regarded as polar opposites in many ways, the awareness to know each other better has been on the steady rise on both sides. President Vladimir Putin has put forward his Ostpolitik eyeing Japan and China to make breakthroughs into the Siberian and Far Eastern development. Although Prime Minister Shinzō Abe is often regarded as out of sync with President Barack Obama of the United States, President Park Geun-hye of South Korea, and President Xi Jingping of China for known and unknown reasons, he is sometimes rumored to be on the same wavelength with President Vladimir Putin.

This volume has come out of the meeting between Professor Sergei Chugrov, a foremost political scientist and editor of *Polis*, a Russian

political science journal at Moscow State University of International Relations (MGIMO) and myself during the Annual Meeting of the Japanese Association of International Relations some years ago. Professor Nobuo Shimotomai, a foremost Russian specialist at Hosei University, introduced me to him. Then an academic conference idea sprang up among us. A couple of years later the Nomura Foundation gave the University of Niigata Prefecture a grant on the Japan-Russia project. The University of Niigata Prefecture's Center for Empirical Political Science Research gave an additional grant. In March 2013 a conference was held in Tokyo. Ten political scientists, five from each, participated, and frank and vigorous discussion ensued. This volume is one of the outcomes of this Japanese and Russian academic encounter.

I am grateful to the Nomura Foundation and the University of Niigata Prefecture for their grants to enable us to carry out this academic endeavor. Professor Sergei Chugrov and Professor Nobuo Shimotomai have been most gracious in participating in the project with their thorough scholarship and warm friendship. I express my utmost gratitude to them and to those Japanese and Russian participants. Also I am grateful to the staffs of the University of Niigata Prefecture for their meticulous work of holding the conference, getting draft papers revised, and helping me to finish the editor's work: Chizuru Morita, Eri Kimura, Tomomi Okano, Fumie Shiraishi. I cannot fail to register my sincerely gratitude to Dr. Farideh Koohi Kamali, General Academic Editor at Palgrave Macmillan (New York), who established its "Asia Today" series with coeditors, G. John Ikenberry of Princeton University and myself.

Takashi Inoguchi in Tokyo

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Japan and Russia: Domestic Politics and Foreign Policy*

Takashi Inoguchi

Introduction

This volume attempts to present how Japanese and Russian academics portray and analyze the domestic politics and foreign policy of the two countries in the 2010s. In an era of globalization, Seymore Martin Lipset[1] is most apt when he says that one never knows one country without knowing other countries. A foremost scholar specializing in and well-versed with one country cannot automatically be a scholar in the Lipset sense. When "socialism in one country" was a good slogan for Russia during much of the Soviet period (1917–1991) and when the Economic Planning Agency drew Japan's "national economic outlook" in much of the preglobalization era (before 1985–), knowing one country was almost enough for country specialists—a starkly different feat in the 2010s.

Japan and Russia are widely considered one of the many pairs of countries that are polar opposites in many senses. For example, one can say that Japan is democratic in politics, market-oriented in economics, "dovish" in foreign policy, whereas Russia is authoritarian in politics, control-oriented in economic management, and "hawkish" in foreign policy. Scholars specializing in one country tend to characterize other countries' politics and economics in light of their familiar home country. Those scholars who are well-versed with two or more countries are sometimes different. Alexander Gerschenkron[2] coined the concept of the advantage of a latecomer on the basis of his

unrivalled familiarity with Russian and German economics. Ronald Dore[3] compared the strengths and weaknesses in British and Japanese management of manufacturing factories due to his unsurpassed knowledge of British and Japanese factories.

This volume aims at a much more modest task. It is to present how Japanese and Russian scholars portray and examine the domestic politics and foreign policy of the two countries. In order to alleviate the deficiencies of one country specialists in the Lipset sense, the editor formulated the team of scholars as follows: the team of Japanese scholars examined both Japanese and Russian domestic politics and foreign policy, while the team of Russian scholars examine both Russian and Japanese domestic politics and foreign policy. Strict pairing of scholars was not adopted in terms of the same comparative concepts used. What is the merit of this approach in comparing Japan and Russia? What is the merit of avoiding strict fixed conceptualization? The editor has recourse to Albert Hirschmann,[4] when he argues that what he calls the hiding hand principle enables one to be creative when facing difficulties. Or in his own words:

> Since we necessarily underestimate our creativity it is desirable that we underestimate to a roughly similar extent the difficulties of the tasks we face, so as to be tricked by these two offsetting underestimates was into undertaking tasks which we can, but otherwise would not dare, tackle. The principle is important enough to deserve a name: since we are apparently on the trail here of some sort of Invisible or Hidden Hand that beneficially hides difficulties from us, I propose "The Hiding Hand"[5].

Hence the task of this volume is for Japanese and Russian scholars to portray and examine the politics of both countries in a set of somewhat loosely assigned instruction: Identify the key characteristic of the politics of both countries and title your chapter accordingly.

Then readers may ask a key question: Why is the hiding hand principle possibly effective in guiding this volume? The world, besides country specialists in both countries and beyond, knows little of these two countries; their perceptual and behavioral interactions; their analytical and judgmental slants and biases; and their low probability "correlation of forces." However "correlation of forces" might perhaps be better phrased as "coincidence of ideas or models. For example, what would happen if Japan in Asia and Russia in Europe become closer? Or what would happen if they remain as "cold" as it has been since 1945?

Two Historical Portrayals

Japan is normally compared either with other Organization for Economic Cooperation and Development (OECD) industrial democracies[6] or more recently with East Asian democracies.[7] Russia is commonly compared to other former communist countries in Eastern Europe. Both are often treated as *rara avis,* and thus neither is compared with the other. Why are we interested in this comparison? Because they have one commonality: they are latecomers vis-à-vis the West. This introduction attempts to lay out why the Japan-Russia historical comparative portrayal is important to those interested in their politics, internal and external.

The concept of latecomer and its use in analysis are fairly common both in Japan and in Russia.[8] Cognizant of being a latecomer in the nineteenth century, both Japan and Russia chose a determined and quick development path. Let us compare Japan and Russia at the time of the Russo-Japanese War of 1904–1905 in terms of prevailing conditions of the economy and the regime. Their learning from the West had brought about tumultuous transformations at times. One of them was economic development. Another was democratization.

At the beginning of the twentieth century, Japan had a functioning parliamentary democracy of a limited sort[9]. The government was run by a regime based on a bureaucracy that was somewhat suspicious of increasingly powerful political parties as an opposition in parliament. Voting rights were limited to those who paid a certain amount of tax to the state. The government appointed the House of Peers, one of the two houses in parliament. The government wanted to strengthen those pro-government members in the House of Representatives who were busy coopting political parties that by definition were antigovernment in legislation, especially in budget legislation. The revolutionary heroes of the Meiji Restoration of 1868 and their successors were in charge and evolving their regime in the direction of democratization. In Russia the tsar's regime tried intermittently and cautiously to modernize the economy by focusing on banks and railroads to quell suspicions of the growing influence of Western ideas of freedom and democracy. Alarmed by the rise of Prussia and its modernization and arms buildup west of Russia, Russia's modernization drive wavered between the reformers and traditionalists in pushing for it. Russia's eastward expansion took place in the context of constrained and often stalled domestic modernization efforts. The Russo-Japanese

War took place in the very far East as both latecomer countries pursued expansionism.

World War I critically divided Japan and Russia. Japan formed an alliance with Britain and was victorious. The Japanese regime evolved in the direction of a more fully fledged parliamentary democracy during and after World War I. In 1925 universal suffrage was provided for the entire male adult population. In the same year, Japan enacted a stricter public security preservation law. In 1914 Russia joined the entente and endured a devastating defeat by the invading German forces, resulting in the fall of the government, which was subsequently taken over by a provisional goverment, all the while continuing to wage war against Germany. The antiwar Bolsheviks resorted to a coup d'etat and revolution, employing the slogan of peace and land. Peace resulted. Communists consolidated their power through a reign of terror.

In the 1930s, both Japan and Russia initiated preparation for war. The efforts focused on not only arms buildups but also the purging of political domestic enemies. As democratization receded in Japan, in Russia the worst kind of physical elimination of political enemies were carried out. War preparation meant war-focused industrialization in both countries. Japan was drawn into a long war with China, yet continued to consider the possibility of launching a war against the United States. Russia's insecurity heightened as domestic political terror grew. The wars both countries waged seriously and deeply impacted their economies. Both Japan and Russia fought fierce battles respectively against Americans and Germans. Japan lost against the United States, and Russia won against Germany. Japanese territories shrank as Russian territory expanded. The Allied powers, led by the United States, occupied Japan. Russia became leader of the anti-US camp. Whereas Japan completely democratized itself under US occupation, Russia expanded communism in adjacent countries.

The commonality appeared also in the economic management of both countries: state-directed concentration of resources bore fruits after World War II. In the 1950s–1960s, both countries achieved high-economic growth and gained international status. Japan attracted attention in 1962, with the article, "Consider Japan" in *The Economist*. Russia gained attention by launching Sputnik into space in 1957. Some 30 years of heightened economic growth receded thereafter, however. In the 1970s–1980s, Russia stagnated, more or less, confronted by crossroads. Japan continued economic growth with an annual growth rates higher then most OECD countries, but with

rates halved compared to the 1950s and 1960s. In 1991 the Soviet Union collapsed and deserted communism. From then onward, Russia has been wavering between a loose dictatorship and authoritarian pluralism. Japan temporarily put an end to the rule of the Liberal Democratic Party in 1993. But since that time Japan has maintained a democracy of some kind, often featuring short prime ministerial tenures and mostly registering low-economic growth.

At the end of the Cold War, Japan and Russia had very different foreign policy positions and power in the world. Japan had a high per capita income level and lightly armed forces helped by its alliance with the United States. Yet how to direct the country into the twenty-first century was not well envisioned. Overshadowed by the enormous success of the recent past, Japan did not articulate its direction sufficiently after the Cold War[10]. The long recession, which started in early 1990s, continued for the next two decades. Meanwhile the significance of the alliance with the United States has decreased slightly. Russia was vanquished after the Cold War and resisted hard efforts to liberalize[11]. The Boris Yeltsin regime worked hard toward economic liberalization made by the World Trade Organization, an organization Russia was eager to join to maintain its great power status. In the Vladimir Putin regime, the resource boom elevated Russia to an unprecedented level of economic growth. The Putin regime tried to orchestrate innovation and competitiveness during the boom years. Yet it remains an important agenda item without being a vigorous operationalized lever for industrial and technological breakthroughs[12].

Preview of this Volume

In this section, I will highlight what the chapter authors titledtheir chapter.

The early chapters on Japanese politics are entitled "Politics of Swings" and "Political Parties in Disarray."

The chapters on Russian politics are entitled as "Politics of Volatility" and "Politics of Dictatorship and Pluralism."

The chapters focused on the Japanese and Russian economy are entitled "Economics Takes Command" and "Politics of Modernization."

The Japanese foreign policy chapters are entitled "Continuity in Alliance" and "Foreign Policy in *Statu Nascendi*."

Russian foreign policy chapters are entitled "Improvising at Kremlin" and "Pragmatic Realism."

Japanese Politics

What are the key characteristics of Japanese or Russian politics according to the chapter authors? On Japan, politics of swing and swing away (Inoguchi) and political parties in disarray (Streltsov); on Russia, politics of volatility (Smirnov) and politics of dictatorship and pluralism (Shimotomai).

On Japanese politics Inoguchi highlights the fairly frequent turnovers of prime ministers. Two preconditions were necessary. First, the stagnation of the economy prevailed since 1991 when the collapse of the largest bubble took place. Between 1991 and 2012, 12 prime ministers were born. A deflated economy registered almost zero to one percent annual growth. Between 2006, when the Liberal Democratic Party lost power to the Democratic Party of Japan, and 2012, when the Liberal Democratic Party recaptured power, six prime ministers were born. Second, prime ministers did not enjoy electoral strength and often times led them to procrastinate calling for a general election. Between 2006 and 2012, the general elections took place only twice (i.e., 2006 and 2012). The two years coincided with the maximum years of tenure for House of Representatives members. Inoguchi argues that the two key underlying conditions of frequent turnovers of prime ministers were deflation and prime ministers' timidity of facing electorates' verdict. These two conditions accumulated electorates' discontent, which led to the large scale swings of party support patterns, that is, from the Liberal Democratic Party to the Democratic Party of Japan in 2009 and from the Democratic Party of Japan to the Liberal Democratic Party in 2012. With Prime Minister Shinzō Abe's comeback in late December of 2012, these two conditions apparently disappeared at least for the time being. First, Abe's economic policy executed the first quantitative easing of money since March 2013, which resulted by summer 2013 in both the depreciation of Japanese yen's exchange rate vis-à-vis US dollars and most other major currencies. This boosted export sectors like automobiles, electric appliances, electronic devices, construction machines, precision machines, tourism. Poll figures favoring Abe as prime minister had been high hovering around 60 percent. Nikkei stock price averages went up somewhat up to approximately 16,000 yen from the nadir of lower than 10,000 Japanese yen in 2012. How effective will Abenomics turn out in 2014 and beyond? Of the three arrows of Abenomics, quantitative easing of money (monetary policy), fiscal tightening (fiscal policy), and deregulation and innovation (growth policy), the first arrow and the second arrow have been executed with some initial success, but the third

arrow has not been executed. Especially those deregulation measures (like the reduction of business firm tax, the liberalization of investment from abroad in areas such as insurance, banking, pharmaceutical, agricultural, and measures to encourage and induce innovation and discovery in development and research remain to be legislation in the National Diet in 2014 and beyond.

Streltsov analyzes the disarray of political parties as one of the key features of Japanese politics. Important in his analysis of Japanese political parties are: 1) blurred ideological difference of political parties, and 2) murky policy differences put forward by political parties. Perhaps a hidden comparison to Russian political parties seems to be made in Streltsov's mind. Indeed the array of ideologies attached with political parties like capitalism, communism, commutarianism, anarchism is sharper in Russia than in Japan. In Japan, conservatism in the vague meaning seems to be dominant. By conservatism is meant by him to be right-wing and market-focused. This ideological characterization does not explain the coexistence of two schools of thought in the Liberal Democratic Party, 1) constitutionalist about sovereignty and peace, and 2) constitutional revisionist about sovereignty and war rights. Prime Minister Abe belongs to the latter. Their ratio for and against is something like 70 versus 30 within the supporters of the Liberal Democratic Party when polls ask about constituational revision. In terms of policy differences across political parties, including opposition parties, 1) pro-growth and pro-liberalization, 2) pro-welfare and pro-protection, 3) pro-alliance, 4) anti-alliance, 5) pro-small government, and 6) pro-large government do coexist within each party. But their coexistence does not take place by political parties. Rather within each party, these six dimensions of policy line coexist. The Liberal Democratic Party and the Democratic Party of Japan most typically exemplify this point.

Japanese Economics

On Japanese economics, Harada makes up the major list of Japanese economic problems that await politicians to resolve them and ameliorate difficulties, and he provides reasons for the extent of ease and difficulty in each of the policy tasks. The list includes deflation, public investment, pensions, and medical care for the aged. Harada regards putting an end to deflation should be easy. As a matter of fact, Abe's Abenomics has been able to transform deflation to inflation to a very minimum extent: from 0 percent to about 1 to 1.5 percent price inflation. The instrument is quantitative easing of money by

the Bank of Japan, which was instituted since March 2013. Public investment is one of the favorite policies for politicians to envisage for pro-growth persuasion, which is, according to Harada, useless or even poisonous to growth. For growth, Harada recommends to liberalization strategy typified by the Trans-Pacific Partnership and the Regional Comprehensive Economic Partnership agreement. Yet politicians may not agree with liberalization. Also pro-growth strategy advocated by many politicians is industrial policy, whether it is sectorial or regional, which Harada regards as neither useful nor successful. Politicians want to give jobs to people in poor areas and increase their income. But people in those poor areas tend to be too old to work in the construction industry. Ageing is the most serious problem. Fiscal revenues and large accumulated debts will make it impossible to afford generous pensions and medical care for the aged. But politicians are too timid about persuading people along this recipe. Harada skips one of the key problems of astronomically accumulated fiscal debts amounting to some US$10 billion dollars. As Abenomics is to proceed successfully through the first arrow phase (quantitative easing of money), the second phase (fiscal tightening and consumption tax hike) and the third arrow (deregulation and innovation), the fiscal debts problem might be alleviated in the long run. Yet so far as of May 2014, the deflation has stopped but the Nikkei average stock price went up from the nadir of 10,000 Japanese yen as of February 2013 and then started to fall from the peak of 16,000 Japanese yen by the end of 2013 to the level of 14,000 by May 2014. The cause for the most serious concern are the shortage of third arrow strategies. They include: trade liberalization; development and research breakthroughs; and the alleviation of negative demographic trends.

Russian Economics

On Russian economics, the scope of Karelova is broader than Harada on Japanese economics and yet narrower than Harada. Broader in the sense that Karelova examines Russian economic and socioeconomic modernization encompassing the relationship between the state and society, elite rotation, corruption, and effective governance institutions. Narrower because it focuses on how innovation strategy "making the active use of energy resources might work to enhance the strategic sectors of the economy and the strengthening Russia's position in the world." Salient in Karelova is the realistic tone of the prospect for Russia's modernization. "Conservative modernization from above" means that it would produce a probably modest achievement

despite all the fancy plans and programs coming out from those elites stuck to the status quo. As Karelova correctly predicted, by the third Putin Administration period, the bonanza of booming resource sectors exports became things of the recent past. The whole chapter sounds like discussing one of those resource-based and corruption-ridden developing economies in the Middle East, the Caucasus, and Central Asia.

Russian Politics

On Russian politics, William Smirnov characterizes Russian politics as a neofeudal system, an outcome of the initial stages of modernization toward civil society and the creation of the rule of law. "Disappointed in the failed democratic transition, irritations by poverty and social deprivation in the 1990s," the majority of people accommodated the limitations of political rights in exchange for stability, order, and raising standards. Vladimir Putin is responsive to the popular accommodation of what may be called Putin's personification of power. Political power is concentrated in the office of president because of the weakness of other branches of state authority. However, it is different from "superpresidentialism" with a "fig leaf" parliament, as some Western analysts argue. Smirnov argues that because of the predominant political-legal culture of elites' paternalism over political subjects that the overwhelming majority of the population in the Tsarist, Soviet, *and* contemporary Russia have valued equality over freedom and justice over legality. Smirnov seems to be quite akin in this regard to Emmanuel Todd's analysis of Russian modernization if Smirnov is not based on his analysis on the guiding principle of reproducing the family and the absence of the state's election authority.

Nobuo Shimotomai analyzes Russian politics on the Aristotelian categories of political systems. Thus the dictatorship for Putin I (2000–2008), duumvirate for tandem regime (2008–2012), Putin II for Politburo (2008–today), and their alternative characterizations are discussed in his meticulous analysis of Russian elite politics spanning from 1991–2013. Shimotomai argues that Aristotelian categories are useful in fathoming Russian politics of the past 25 years as it has paraded the wide range between dictatorship and pluralism, and that branding Russian politics as a fixed, hard type monolithic dictatorship may as well hinder better understanding. In 2013–2014, the center of gravity of decision is concentrated in the presidential office, above all Igor Sechin and his Fuel-Energy complex. Shomotomai predicts, especially when Russia has been facing the general economic crisis in Europe, the United States, and Japan, the decline of energy resource

prices, and the Chinese self-assertive actions, that Putin's enhanced authority would be one of the outcomes of Russian politics..

Smirnov and Shimotomai together provide a lucid and thorough analysis of Russian politics: Smirnov on deep historical origins of what he calls neofeudal politics and Shimotomai on useful application of Aristotelian categories for understanding Russian elite politics.

Japanese Foreign Policy

Shigeki Hakamada gives what he believes is an authentic realist view of Japanese foreign policy. Authentic in the sense that the framework of Japanese foreign policy is based on what he calls the postmodernist world view where state sovereignty and power politics hide themselves low in foreign-policy formation. This kind of world view negatively affected the diplomatic performance of the Japanese government during the Democratic administration (2009–2012). Freed from this, the Liberal Democratic administration led by Shinzō Abe's top priorities in its Asia-Pacific policy include: (1) pro-alliance with the United States jointly sustaining the US-led international order; (2) managing the relationship with China by standing on your feet without unnecessarily provoking China; (3) continuing cultivating relations with Russia by focusing on commonalities; (4) strengthening ties with Southeast Asia, India, and Australia; (5) formulating a new energy policy.

Sergei Chugrov views Japanese foreign policy as *statu nascendi* (i.e, still in formative stage). By which he means that the Japanese foreign policy positions are not sufficiently articulated and that they are not fully integrated. Perhaps the deliberate contrast against the previous Democratic administration's foreign policy line, Shinzō Abe has been quite vocal in his political statements like Abenomics and Abegeopolitics. As seen from Russia, particularly salient are Japan-US relations, growing Chinese power, constitutional revisionism, North Korean security challenges and the free trade club membership, and negotiation and its outcomes. Shinzō Abe's "pro-active pacifism" is the best summarizing phrase. Its content is meant to be that Japan, joining the United States and others in sustaining the international order constructed by the principles of peace, rule of law, democracy, and human rights, proactively carry out its foreign policy. Russia's foreign policy elites, mass media, and academic's views are presented. Putin II faces Europe economically stagnating; politically antagonistic; withAmerica often obstructing Russia's well-meant actions and China flexing its verbal, and not merely verbal, muscles here and there;

and falling energy resource prices. Recognizing these global trends, Russia is mildly apprehensive of Japan's proactive pacifism's concrete manifestations on its alliance with the United States, its Russian policy on energy and disputed territories, its constitutional revisionism, and Japan's handling of Chinese and North Korean relations.

Shigeki Hakamada and Sergei Chugrov jointly show two faces of Japanese foreign policy under Shinzō Abe. Hakamada contrasts the Liberal Democratic administration (2012 onward) with the Democratic administration (2009–2012) a little exaggeratedly, whereas Chugrov, not knowing as yet the concrete manifestation of proactive pacifism, is somewhat mildly apprehensive about Japan navigating from statu nascendi to fait accompli of nascent militarism and anti-Russianism.

Russian Foreign Policy

Sergey Oznobishchev terms Russian foreign policy as pragmatic realism. It is a broad phrase. Given the enormous workload of the feeble state apparatuses, Russia cannot afford to be fully concentrated on the needs of the country's long-term development and has to be reactive. Putin II (2012–onward) faces the three major difficulties: falling energy resource prices, the export of which Russia relies heavily for its state revenue; somewhat unpredictable Obama II foreign policy line with its general economic crisis from which the US economy has not fully recovered; and the European recovery from its own unforeseen economic crisis and now being tugged by NATO toward anti-Russian position on Crimea and Iran. Russia, needing high-technology transfer from the United States, Germany, and Japan for Russia's economic development, yearns for friendly relationship with these and some other countries. But the reality is very complex; Russia faces problems near abroad and far abroad, which have negative effects to Russia, reacting to which keeps Russian state apprati busy and preoccupied. Crimea and Iran are such issues in relation to Japan in their implications to Japan's issues.

Akio Kawato portrays Russian foreign policy as it evolves on the basis of his diplomatic service for many years in Russia, the Soviet Union, and Uzbekistan. What he sees in Russian foreign policy formation is improvisation in reacting to what they regard as infringements of Russia's national interest. Because state apprati are insufficient, inefficient and ineffective in many cases, the personification and its related problems ensue. Because Russia's priority is to ensure peace along the border and beyond, foreign policy issues keep coming up, awaiting Vladimir Putin to handle them in an improvisational manner.

Because Russia's priority is its economic development, resource economics and its administration are given priority in politics, which causes endless infightings among elite groups. On the relationship between Russia and Japan, the future projects are clear, but not easy. Kawato's solution is that Russia steps forward on the territorial issue whereas Japan steps forward on the development of Siberia and the Far East. Crimean issues evidence, however, how difficult it is because the positions taken on Crimea have directly to do with the Senkakus and the Northern Kuriles islands and with the position of sanctions led by the NATO and Group of Seven against Russia. Until the Crimean issues erupted, both looked as if they would move forward at least by one step diplomatically.

Together Sergey Oznobishchev and Akio Kawato converge their analysis from opposite angles. Russia likes pragmatic realism because it is constrained at home and abroad. Russia must improvise at the highest level, because the state is not equipped with high talents and fierce infightings between intraelite groups are not uncommon.

Notes

* Financial support from the Nomura Foundation and theUniversity of Niigata Prefecture is gratefully acknowledged.

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2

Japanese Politics: Leaders, Political Parties, and Economic Policy

2.1

Politics of Swings*

Takashi Inoguchi

Yoshihiko Noda won the party leadership election of the incumbent Democratic Party of Japan (DPJ) in September 2011, half a year after the great East Japan earthquake and the ensuing tsunami and nuclear power plant disaster of March 11, 2011.[1] Noda became the third DPJ primeminister of Japan. He has survived longer as a prime minister than his five predecessors, Shinzō Abe, Yasuo Fukuda, Tarō Asō, Yukio Hatoyama, and Naoto Kan. But one common quality marks these six prime ministers, Liberal Democrat or Democrat, as their popularity rankings share a similar evolution: initial popularity usually registers between 50 to 60 percent and then falls at a steady rate of about five percent per month until about the one-year point when the popularity of each leader reaches its nadir of 10 to 15 per cent—at this time another prime minister enters as if through an automatic revolving door.[2] It is said that Noda has survived slightly longer in part because of his success in legislating a tax hike. As of October 2012, his popularity ratings hover around 20–25 percent. But the trend looks the same. Sooner or later another prime minister will make his entrance. Rather than trying to give some explanations of this phenomenon here, let me try first to summarize what happened to Japanese politics as it evolved in 2012. After that, I will provide some general evaluations.[3]

How Yoshihiko Noda Became the Third DPJ Prime Minister

Noda won a party leadership election in August 2011 after the "three founding fathers" of the Democratic Party each disappeared as their

weaknesses were exposed: Ichirō Ozawa was indicted for his alleged money irregularities; Yukio Hatoyama for his inept handling on *Futenma*, a US air field on Okinawa, and his East Asian community idea; and Naoto Kan for his inept leadership in handling the great natural and nuclear disasters of 2011. Ozawa's puppet candidate, Banri Kaieda, failed in the leadership election and Noda won in a swift formation of an anti-Ozawa coalition in the second round of the leadership election. Noda was quick to gain the full support of two key bureaucratic agencies, Treasury and Foreign Affairs, agencies that dearly wanted to have the ear of the prime minister during hard times. The DPJ's election campaign in 2009, which brought it an overwhelming victory, contained two slogans—"Citizens' Livelihood First" and "Politics Take Command" (not bureaucratic agencies).[4] Hard times is used in two senses: both the debacle of the Lehman Brothers of 2008 and the great disasters of 2011 (earthquake, tsunami, and nuclear) aggravated the government's financial positions, which worsened with the DPJ's election promise and subsequent inept handling of social policy budgets. To add salt to the wound, Hatoyama's failure to get support from the United States government exposed Japan to its neighbors' "onslaughts," that is, activating territorial issues on three islands claimed by several regional states, northern islands (southern *Kuriles*), *Takeshima* (*Dokto*), and *Senkaku* Islands (*Diaoyu* Islands).[5]

Noda's Four Missions: Recovery, Government Deficits, Social Policy, and Alliance

Noda's first priority was recovery from the 2011 disasters. Noda was aware of the need for speed in garbage and debris collection from the disasters but was slowed by opposition coming from the selected places for disposal. A more fundamental issue, human resettlement, had to be expedited from those disaster-stricken areas to new but temporary barracks that would lead hopefully to the eventual establishment of permanent homes, either at the original or new address. Interagency adjustments take an enormous amount of time, months or even a year or more; to hear "go ahead" is music to those waiting. To get the economy to move ahead, infrastructure has to be reconsolidated. Most of those indispensable items such as water, sewage, electricity, gasoline, roads, bridges, railways, airports, telephone communication, TV, radio, newspapers, and post were returned to

normal. One item that requires long, intermediate, and immediate planning and/or action is the 40-odd nuclear power plants scattered across the Japanese archipelago. The debates continued about how to tame a Prometheus unbound, whether to put an end to it, how to generate electricity without relying on nuclear power generation, how power generation can be efficiency achieved without nuclear power generation, how power generation can be achieved without unnecessary emission of carbon dioxide, how putting an end to nuclear power generation can alter international power configuration, etc. Public opinion is divided as to whether nuclear power generation should be ended and how many years is necessary to prepare for a society powered by nonnuclear sources without causing a perennial power shortage for industrial and daily household consumption. Immediately after the disaster of Fukushima No. 1 power plant, the WIN-Gallup International polls conducted throughout some 50-odd countries[6] and reveal that Japanese public opinion is divided but leaning toward "facing it with calmness"[7] across income, occupation, and educational categories. Yet a continuous eruption of antinuclear demonstrations of notable size and vigor took place, such as the public protests that numbered in the thousands and focused on the building of the Prime Minister's office throughout much of August 2012. The agitators apparently sensed from the government responses to the government-, National Diet–, and nonprofit-organization (NPO)-sponsored assessment reports that the government was not really intent on abolishing nuclear power plants once and for all, no matter how difficult it might be and however long it might take to do so. Such protestors include antinuclear ecologists and antinuclear pacifists who are fairly widespread. What is sensed as the government's procrastination and inability to make an authoritative decision promptly and effectively has been a significant factor in the steady decline of popularity ratings. *Kimerarenai seiji* (politics that cannot make an authoritative decision) has become one of the phrases used to characterize Japanese politics.[8]

To be fair to the Japanese government and people, recovery is fast by international standards. Aside from Fukushima No. 1 power plant, recovery of those negatively affected areas of Japan's Northeast compares very favorably to other areas devastated by natural disasters, including New Orleans posthurricane Katrina and 2008 Sichuan postearthquake.

The second priority is government deficits. For the last 40 years, the Ministry of Finance or Treasury has nudged every prime minister

to either introduce consumption tax or to legislate an increase (say from 3 to 8 and then to 10 percent, as Noda's tax hike accomplished). Noda was clever and skillful in legislating the hike despite all the adversities confronting him. Noboru Takeshita (r.1987–1989) legislated consumption tax legislation successfully but with the ultimate self-sacrifice, that is, resignation from the position of prime minister. Most prime ministers, starting from Masayoshi Ohira (r. 1978–1980), had to face at least a significant reduction in popularity immediately after hinting even casually or merely raising the possibility of tax legislation. Prime Minister Ohira even passed away from a heart attack while campaigning during an election to introduce consumption tax in 1980. Noda's popularity ratings went up a little bit when he legislated a consumption tax hike bill in August 2012. But soon they were on a steady decline as if automatic. With regard to government deficits, citizens have consistently rejected a tax hike for the last 40 years. The consequence is that the government has had to issue an astronomical amount of government bonds over time. Government bonds are purchased largely through banks and other financial institutions that normally hold a large amount of citizens' savings in bank accounts. Government bonds are largely backed by domestic savings, and thus, according to many economists, do not necessarily cause a Greek-like state bankruptcy. Yet the government budget looks odd in a sense.[9] First, the government pays a huge amount of interests to banks and financial institutions on a rate that may not be "reasonable" when ordinary savings accounts yield 0 percent interest. Government bond servicing costs \22 trillion annually, which represents about 25 percent of the government budget. No less significant is the local transfer of money to local government, amounting to \16.6 trillion, about 18 percent of the annual budget. Local governments handle the grassroot-level of administration of such areas as social policy, hospitals, education, police, land conservation, transportation, and internal communication. For the remaining 54 percent or so of the budget, it goes to numerous central government tasks, such as foreign affairs, finance, internal affairs, health and labor, education and science, justice, treasury, agriculture, forestry and fishery, the economy, industry and trade, the environment, defense, internal security, state strategy, Okinawa and Northern Territories, antidisaster preparations, gender equality, demographic decline, local government sovereignty, consumer protection and food safety, nuclear power plant administration, space policy, economic and fiscal policy, science and technology policy, new public goods, and administrative innovation.

Social security accounts for \26 trillion, about 28 percent of the budget. The long-term strategy of the Ministry of Treasury is twofold: (1) to use consumption tax hikes to achieve a balance between revenue and expenditure rather than having to issue a large amount of government bonds for this objective; and (2) to direct a certain percentage of consumption tax to local governments, subsequently reducing the central government's transfer to them.

The third priority is social policy or the social entitlement promise made in the 2009 general election that caused a massive and dramatic sway in the electorate decision.[10] At the time the economic recession, sparked by the Lehman Brothers in 2008, created a receptive atmosphere for prioritizing the public first with the slogan of "Citizens' Livelihood First," especially when the then incumbent Liberal Democratic Party (LDP) prime ministers held power without being tested by voters. Thus the first DPJ prime minister Hatoyama's popularity ratings went sky high, reaching 70 to 80 percent. Then voter support swung away as quickly as it had swung in his support. Although some anti-DPJ people have labeled the DPJ a liar on its social entitlement promise, the party, especially Prime Minister Noda, has been trying to ensure that the government keeps its promise whenever government revenue is available. If the government raises revenue high enough to sustain the minimum of social entitlement that the DPJ promised in the 2009 general election via consumption tax hike legislation now passed in the National Diet, the cooperative legislation of that bill by the House of Councilors would be gratefully appreciated. The government party does not enjoy a parliamentary majority in the House of Councilors. The support of the LDP and the *Komei* Party would be necessary when Prime Minister Noda tables the bill to explicitly tie the two policies of tax hike and social entitlement together. The problem is that the LDP is adamantly against Prime Minister Noda's "nonpromise" of calling for a general election "in the near future (*chikaiuchini*)" as of August 2012 and thus threatens to table a nonconfidence motion once the National Diet resumes in the fall. Such a position by the LDP causes Prime Minister Noda to postpone the resumption of the National Diet for as long as possible. Popular ratings as of early October are in the range of 20 to 25 percent for the cabinet headed by Prime Minister Noda. The consumption tax hike to 10 percent will not enhance government revenue significantly, even if it is to be implemented in 2015. Thus, the argument to tie the two policies together looks superficial although it represents, at least, a sincere argument in that direction. Meanwhile, knowing that

the popularity rating of the DPJ has been eroding so steadily that DPJ parliamentarians, especially in the House of Representatives, appear to be departing from the DPJ one by one, and sometimes by the bunch. As of October 8, 2012, the DPJ's parliamentary majority is tenuous: if five more DPJ members of the House of Representatives leave then that majority status will be lost, and legislative efforts may become much more hazardous to Prime Minister Noda.

The fourth priority is alliance. Sick of US unilateralism in response to the alleged Islamic fundamentalists' terrorism in the 2000s and the current US pivot strategy of rebalancing and refocusing in response to the alleged aggressive rise of China in the 2010s, the alleged "anti-American" wing of the DPJ, headed by Yukio Hatoyama and Ichirō Ozawa, tried to shift Japan's policy direction toward Japan distancing itself somewhat from the United States and enhancing ties with China in 2009–2010. Opposition at both home and abroad blocked the attempt.[11] This is in part to the DPJ's slogan, "Politics Take Command." Bureaucrats were disgusted by the slogan and spirit of making a decision without briefing and discussing matters with bureaucrats, especially those in the Ministry of Foreign Affairs on alliance. Moreover, Ozawa's visit to China that facilitated every DPJ parliamentary member to shake hands with Vice President Xi Jinping in Beijing combined with Hatoyama's call for an East Asian community formation without the United States raised instantaneous suspicion on the part of the US government. Also, Hatoyama's speech to the Okinawan people that he wanted to relocate the *Futenma* air base outside Okinawa prefecture, preferably to other prefectures or even to non-Japanese territory, could not be realized, with the result that that the people of Okinawa felt deeply alienated from, and furiously angry with, the government. The consequences of their actions are the indictment of Ozawa for the alleged misuse of money and his resignation from the leadership of the DPJ (he was the DPJ leader immediately before the general election of 2009) and Hatoyama's resignation from the position of prime minister. Prime Minister Kan stuck to the proalliance policy line, knowing that two of the DPJ troika had fallen in part because of the alliance. The maritime dispute with China, surrounding the *Senkaku* Islands (*Diaoyu* Islands) in autumn 2010, led Kan to develop the policy line that was to be amplified by Prime Minister Noda. On March 11, 2011, the triple disasters (earthquake, tsunami, and nuclear) took place. The US Armed Forces, led by aircraft carrier *Ronald Reagan*, were heading toward the western Pacific to prepare for a possible nuclear test by North Korea but instead redirected their

mission toward the disaster-affected areas of Japan. The US armed forces promptly reached these areas and carried out a very effective rescue operations there. It was called Operation *Tomodachi* (friends). The Japanese citizens enthusiastically welcomed US help. Trust in the United States among Japanese soared to heights not known for many years. Stressing the alliance with the United States, Kan upgraded the security consultative committee (Japan-US two by two, foreign and defense ministers of both countries sitting together) in June 2011, and at the end of 2011, Noda selected the F-35 as the next generation fighter aircraft over some competitors, citing its superior ability of air penetration with stealth capability. Also, Kan and Noda stressed the East Asia Summit meaning ASEAN plus Japan, Korea, and China plus India, Australia, and New Zealand, making no mention of the East Asian community that Ozawa and Hatoyama had promoted. Japanese politicians debated Japan's entry into the Trans-Pacific Partnership but as of October 2012, it appears that Japan's participation would be delayed, possibly marred by domestic differences.

Relations with Japan's neighbors have deteriorated recently. After the maritime dispute with China in autumn 2010, Noda declared the nationalization of *Senkaku* Islands only two days after Hu Jintao met and conveyed to Noda the Chinese red line that the *Senkaku* Islands (*Diaoyu* Islands) should not be nationalized. Apparently, Hu was infuriated that Noda had not informed him of the imminent action of nationalization, and in response the Chinese leadership decided to mobilize anti-Japanese protestors on a massive scale throughout China. Sentiments also ran high as many Chinese believe *Senkaku* Islands (*Diaoyu* Islands) were stolen by the Japanese. Most events planned for the fortieth anniversary of the Japan-China diplomatic normalization in 1972 were cancelled. Chinese protestors attacked many Japanese stores and factories. Relations with South Korea also worsened. President Lee Myung-bak flew to *Takeshima* (*Dokdo*) Islands in August 2012. President Lee noted to journalists that he has been urged to take action in response to the constitutional court's verdict in spring 2012 that Korean victims could sue for restitution. President Lee is criticized for not taking any action to redress the human rights records in wartime Korea (alluding to comfort women). The Japanese government insensitively kept insisting that all war-related issues had been resolved, once and for all, by the Basic Treaty between Japan and South Korea in 1965. The Trilateral Cooperation Dialogue among Japan, China, and South Korea was held in Tokyo in May 2011. The three leaders visited the disaster-affected region

together. The dialogue was not held in spring 2012. Instead, Noda "talked" to Lee and Hu separately, outside the sessions of the Asia Pacific Economic Conference, at Vladivostok in September. It was not even a conversation.

Japanese Politics in an Era of Globalization

Viewed from afar, what does Japanese politics in 2012 look like macroscopically? Three features stand out. First, interactions between civil society across borders have become salient.[12] Japanese civil society was very much roused by territorial issues. Puzzled somewhat about why the territorial disputes came to the forefront and about why the Japanese government did not appear to be well prepared to meet challenges coming from not only neighboring governments but also from neighboring civil societies, segments of Japanese civil society reacted self-defensively to these challenges by becoming more patriotic. The surge in patriotism that echoes the government's rigid stance on *Senkaku* Islands, *Takeshima*, and northern islands was noteworthy. At the same time, Japanese civil society lamented what they regarded as the weak and unpreparedness of their country. But segments of citizens, no less large, seem to take the issues calmly. Most noteworthy in relation to Japanese politics is that some segments of Japanese civil society pay attention to what neighboring civil societies do remarkably well. Examples seen in China and Korea include Cui Weiping, a female novelist in China, who led a Internet joint appeal of Chinese intellectuals entitled, "Restore reason in China-Japan relations."[13] Supporters of the appeal strongly opposed the Japanese government's nationalization of the Senkaku Islands, but they also took issue with: 1) political groups who promoted self-interest using nationalism and instead asked the government to be responsible and show reason in leading Chinese citizens; 2) the use of violence in anti-Japanese demonstrations, which do not represent most Chinese citizens; and 3) publication bans on Japan-related books. Similar moves in South Korea are also reported in Japan. To what extent various actions in Chinese and South Korean civil societies impact Japanese civil society is not precisely known. But the fact remains that they are reported by widely read daily newspapers and monthly magazines as well as through the Internet. Authoritative government voices appear to have reduced their influence of the past whether they are in Japan, South Korea, or China. Vast numbers of literate citizens and Internet users act across national borders, both in terms of inflaming emotions and

calming them. One tends to forget that nationally confined citizens have a say in national politics. This fact is outdated. Earlier in 2012, Gallup International conducted polls in 50-odd countries on the US presidential election[14]. It is not surprising that on average 80 percent of respondents in North Asia, meaning China, Japan, South Korea, and Hong Kong, affirmatively replied to the question of whether the US presidential election impacts their country. It is a small surprise to know that as many as 49 percent of respondents of North Asia replied affirmatively to the question: Do you agree or disagree with the proposition that citizens of your country have the right to vote in American presidential election! If legitimate and legislated nationally and internationally, North Asia's segment of the United States of NANA (North Asia-North America) would be decisively for Obama![15]

Second, As the tide of globalization deepens, intermediate organizations in nationally organized societies decrease in number and in terms of vigor. By intermediate organizations I mean those organization whose role is primarily to represent and/or mediate various interests of society between the state and citizens. Here interest groups, political parties, bureaucracy, the military, the parliament, nongovernmental organizations, etc. are all included. Take political party. Paul Whiteley has dramatized the shrinking activities of political parties by rhetorically asking, "Is the Party Over?"[16] The figures he has assembled are not confined to Britain but also include the whole world. Political parties in Japan have been predominantly parties of parliamentarians, not of grassroot-level members. If you look at the prerequisites of candidates running for the election of party president within a political party, whether it is the DPJ or the LDP, the two major parties of Japan, a certain number of parliamentarians of your party is the only requirement to make you a candidate. In the September 2012, party representative election of the governing DPJ or the party presidential election of the LDP, one quality is crystal clear: The total valid votes of the LDP were 491,205 whereas the total party votes of the DPJ were 326,974(15). Membership number reduction is almost ubiquitous across intermediate organizations. Three conjectures are possible here. First, some intermediate organizations including political parties have now the option of being subsidized by the state (in Japan by the Ministry of Internal Affairs and Communication). Second, nongovernmental organizations are monitored by the state once the organization is registered as a tax-free organization. Third, citizens can now voice freely their preferences

and sentiments independent of parliamentarians as people's deputies. They all participate across borders. Gallup International's poll results are a good testimony to this development.

Third, citizens are busier, say in comparison to 30 or 50 years ago. Work has become more organized and systematically monitored. Work has become more globalized. Without upgrading continually skills and teamwork, one cannot expect to increase his/her wages and improve other entitlements. This means work is associated with stress of many kinds. The Internet, smartphones, and other devices facilitate communication and collaboration. Intermediate organizations do matter, but to a lesser degree. Citizens armed with the Internet, that is, netizens, have been on a steady increase in North Asia, more so in China and South Korea than in Japan in the 2000s. In the 2010s, Japan appears to have also caught up with an increase of netizens. The emergence of regionally specific initiatives, such as the *Ishin-no-kai* (Osaka-focused Restoration Society) or Nagoya-focused *Genzei Nihon* (Japan for Tax Reduction), have a lot to do with the development of netizens who are happy to be alone but are also happy to be virtually connected with other people with such devices. You are alone, but at the same time you are pleased to be connected to others through tweeting.[17] Once conditions are met, it appears easier for Japanese society to be dominated by netizens than by more class-based or tribal-based or ruthlessly meritocratic societies. Class-based societies, portrayed by Stein Rokkan and Martin Seymore Lipset, capture European societies; tribal-based societies speak to Afghan society; and ruthlessly meritocratic societies reflect China and the United States, although differently.[18] Japanese society does not easily permit elitism: business and political elites must look like ordinary people. Dokou Toshio, the fourth president of Keidanren (r.1974–1980), Japan business federation, is known not only for his poor peasant family heritage but for his habit of having a very frugal breakfast that consisted of a bowl of rice, a bean cake soup, horseradish pickles, and a small sautéed salted sardine. People listened to him in part because he was from the same ordinary stock as others. Bureaucratic elites in Japan have one distinguishing quality from their counterparts in many other societies. Only a small number of Japanese bureaucrats hold a higher academic degree like MBA and PhD. When the Internet flourishes in society, many cleavages like class, religion, ethnicity, wealth, and merit tend to be blurred or, as in the words of Thomas Friedman, flattened.[19] Japanese society is even more easily flattened under globalization. So many citizens lean to one side as sentiments

swing en masse in that direction. So do so many citizens swing away overnight as sympathies recede.

Will Japanese politics continue to repeat this theme of swinging and swinging away soon after? Not quite. Witness tens of thousands of activists who protested, again and again, using smartphones and other electronic devices, amidst the intolerable heat and humidity of summer 2012, against Prime Minister Noda's decision to start up those nuclear reactors again that had been shut down since the disasters of March 11, 2011. The magnitude of demonstrators reached an unprecedented level, one that had not been seen during the last half century. In May 1960, protest erupted over legislated revisions of the Japan-US treaty, and protestors assembled in large numbers around the National Diet and surrounding areas. The impact was substantial[20]. Nobusuke Kishi, the then prime minister, immediately resigned from office. But its scale was no match to those protestors who gathered against the resumption of the nuclear power plants. Newspaper and TV coverage of those protestors and antinuclear power plants were visibly underreported. Prime Minister Noda granted a meeting to the representatives of the protestors once in the Prime Minister's office. The thought that Prime Minister Kishi, half a century before, had resigned from office after being confronted by protestors surrounding the National Diet, probably never entered Noda's mind. Prime Minister Noda has not resigned from office. Yet the popular ratings keep falling. And those departing parliamentarians from the DPJ have not stopped.

Not only antinuclear protestors but also anti-US protestors against US military bases have been strong. Two US marines sexually assaulted girls in Okinawa in 1995. This triggered the Japanese government's decision to start negotiations with the US government to relocate the US Marine Air Field from *Futenma*, located in the midst of a congested city, to *Henoko* on the coast, where demographic conditions are regarded more lightly. Both the Japanese and US governments headed by Prime Minister Ryutaro Hashimoto and President Bill Clinton, respectively, signed agreement in 1996 to replace the US Marine Corps, a core of the US Marines in East Asia. Since 1996, protests against US military bases have been persistent, albeit at a reduced level. In 2005, US Defense Secretary Donald Rumsfeld wanted to confirm whatever progress might have been made on this matter en route to Seoul for discussions on North Korean issues. To his great dismay and surprise, he found that although ten years had elapsed since the joint communique nothing had happened on the relocation matter.

In the immediate post-Cold War years, Japanese politics was preoccupied with itself. The LDP gradually disintegrated and lost power briefly in 1993–1994. In 1995 when the marines' sexual assault of girls took place, the Japanese Socialist Party and the LDP cohabited government. Since 1995 the LDP came back fully in 1998 without the Socialists as a coalition partner. But under the LDP, Japanese politics was kept uneasy and unstable for the succeeding decade. Junichiro Koizumi's tenure (2001–2006) provided a temporary boost to its popularity. On October 16, 2012, another marines sexually assaulted another woman. This event took place in the midst of anti-US protests against deployment of Ospreys, a long-range transport helicopter-cum-aircraft. Again, newspaper and TV underreported the degree of anti-US protests.

Conclusion

In tandem with the demonstrators protesting against the start up of the damaged nuclear power plants and US military bases, it seems fairly safe to note that voter swings (and swing-aways) and frequent leadership turnovers will continue to occur. Giuseppe di Palma published in 1977 a book on the Italian political system entitled, *Surviving without Governing*.[21] The successive governments formed by the LDP and the DPJ, at a pace of one prime minister a year since 2006, may be assessed by critics in a similar fashion. Perhaps it would be harsh to use the title of the book to characterize Japanese politics for 2006–2012. Nevertheless, swings and swing-aways in voter support are likely to continue for a while.

The penetration of borderless forces, the reduction of intermediate organizations, and the degeneration of bureaucratic elitism and meritocracy in Japanese society seem to be enhancing the pronounced features of Japanese politics in the 2010s, especially in the year of 2012. Hence, voters swing, and swing away soon. Prime Minister Noda was acting adroitly despite all the adversities the DPJ face in 2012. Noda did not succeed in running against semi-automatic structural forces working against the longevity of one person as prime minister. On December 16, 2012, Prime Minister Yoshihiko Noda faced the general election, which he himself called for, after having weighed between the steadily increasing number of DPJ parliamentarians and the pressure of public opinion that he was prolonging general election unduly against his promise to Shinzō Abe in late August that he would call for general election in a not-so-distant future. The die was

cast. The outcome was a disastrous defeat for the DPJ and an overwhelming victory for the LDP by default. The DPJ got 57 seats (compared to 233 prior to the general election) while the LDP got 294 seats (compared to 118 prior to the general election). The paradox is that while participation rates (59.32 percent for the scheme of one winner taking all from one district and 59.21 percent for the scheme of proportional representation) were the lowest since 1946, the first general election after World War II, the number of political parties increased next to 1946 when they mushroomed under the occupation. It is the dissonance between irresistible apathy on the electorates and indefatigable contestation among candidates. Electorates were bewildered by their choice as to whether political parties are good intermediating agents for them. To many of them, the DPJ was clearly bankrupt; the LDP looked too old-fashioned; many mushrooming smallish parties were not significantly reliable when many people stick to the dictum that known devils are better than unknown angels. Candidates were do desperate for winning seats which they believed should belong to them. LDP candidates stuck together, knowing solidarity begets benefits called political subsidies for political parties given by the Ministry of Internal Communication and Affairs. DPJ candidates, being certain about losing seats as long as their candidacy was associated with the DPJ label, left the DPJ one by one and formed new smallish parties by expedience.

On December 26, 2012, Shinzō Abe was nominated as prime minister in the National Diet and formed the cabinet. On December 28, 2012, Shinzō Abe's Cabinet's popularity poll data were published on big newspapers. They ranged 55–65 percent. Abe calls his cabinet *kiki toppa naikaku* (cabinet overcoming multiple crises). The cabinet composed of two key persons, that is, a former prime minister Tarō Asō as vice prime minister-cum-treasury minister and chief cabinet secretary Yoshihide Suga. Asō is very close to Abe both in terms of economic policy and defense policy. Suga is solidly loyal to Abe. Foreign and defense ministers, Fumio Kishida and Itsunori Onodera, respectively, are not regarded a heavy class, indicating Abe, Asō, and prime minister's key advisors will run the show. Attention should be paid to two fronts, that is, how to change a gear in macroeconomic policy regarding inflation targets and how to consolidate or mend fences in bilateral relations with the United States, China, and South Korea. Heated and delicate issues like free trade and nuclear power plant issues are assigned to two contestants at the LDP presidential election in December 2012, that is, Yoshimasa Hayashi and Nobuteru

Ishihara. Appointment of key party positions focuses on how to win the July 2013 House of Councillors election with a major power contestant of the LDP presidential election, Shigeru Ishiba, assigned secretary general of the party, who swept nonparliamentarians' votes in nonmetropolitan districts. Abe wants to stop the vicious cycle of voters swing, then swing away soon. A cabinet armed with the breakthrough weapons and strategies should be able to do so.

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2.2

Political Parties in Disarray*

Dmitry Streltsov

The Japanese Party System

In political science the most popular view holds that a political party emerges as a form of protest against privileges and power. Political parties in Japan, however, have never performed such a function. Since the birth of the modern party system political parties in Japan have been organized inside the existing power system and as an instrument of power against opposition. The main philosophy of *Seiyukai* (the first large oligarchic party, which formed the first party cabinet in 1900) was to be at the right hand of power.

Throughout the twentieth century the most common view in Japan was that parties that were not (or had not been) in power were not political parties at all. According to this view, it is the rise of a party to power and the acquisition of certain privileges by its members, e.g., access to cabinet posts, a principal role in decision-making, etc., that are the supreme aims of its activities and its justification for existing.

In reality, decision-making in Japan after the Second World War was characterized by the expectation that political influence could be exercised only from within the ruling camp. The multisection Political Council of the ruling Liberal-Democratic Party (*Seimuchosakai*) duplicated some of the government functions and had a powerful say about the destiny of government bills. The members of Parliament (MPs) of the ruling party formed the majority of clans and pressure groups in the Diet.

Another vital feature of the Japanese political parties is their excessive political expedience, which results in ideological amorphousness and even unprincipledness. In the eyes of many people political parties look like mutual assistance societies whose main function is not to serve electors' needs but pave the way to power for their members. Public disappointment in political parties has been aggravated by the excessive pragmatism of their leaders, their disregard of moral standards in the power struggle, and their readiness to sacrifice principles for the sake of short-term objectives. The most widely known example is the Social Democratic Party of Japan, whose withdrawal of opposition of the security treaty after entering the ruling coalition actually led to the party's self-destruction. As regards individual politicians, MPs' changes of party affiliation, fully complying with the prevailing moral standards, is a routine affair. An election victory completely writes off former sins, and MPs are gladly accepted in any party, including the one they have left previously (e.g., the renegade MPs who were expelled from the Liberal Democratic Party (LDP) for their protest against the Koizumi postal reform in 2005 and let back in again by Shinzō Abe in 2006).

During the "1955 system," the LDP positioned itself as a "supermarket party" where electors from every social stratum could find desirable "items." It can be accepted that under the Cold War paradigm the LDP acted in the interests of the whole nation, whereas its main competitor the Socialist Party, whose support base was formed by large enterprise-based trade unions, largely reflected the interests of the hired workforce of export industries. The ideological struggle between these two poles primarily addressed the foreign policy agenda, toward which the electors' attention has been constantly lowering since 1960s. After the end of this epoch the ideological bipolarity lost its initial base, so the limited space for interparty confrontation actually vanished. The niche for ideological parties like Socialist Party of Japan (SPJ) or Communist Party of Japan (CPJ) has significantly narrowed, resulting in the loss of their support by the masses.

Initiators of the political reform of 1993–1994 wished to strengthen the role of political parties in the system of public administration. They aimed at the formation of a two-party system tailored to the US or British model, meaning that the two largest parties should periodically alternate between government and opposition. Yet the reform did not lead to a fully fledged competition between different party concepts of strategic choices. Practically all parties appealed to the masses with similar manifestos: "pure politics," "public support of

the weak," "decentralization," etc. They voiced their intention to do away with the "dark" past and to conduct reforms aimed at redistributing power from bureaucracy to politicians, eradicating corruption, and strengthening public welfare, etc. Sometimes parties even felt themselves to be victims of plagiarism, as was the case of the Democratic Party of Japan (DPJ) when Koizumi's structural reforms "stole" many items of its party program. This resulted in a sort of identification crisis of political parties, the main subject of ideological struggle.

Since the political reform of 1993–1994, practically all parties failed to draw a line between different political approaches to many urgent problems. The slogans of "political reform," "administrative reform" or "financial reform" that were intensively introduced into the political agenda by the LDP administrations actually did not meet with a wide response from the masses. At the same time, problems of "small politics" or "local politics," that are really close to electors' hearts, such as violence in schools, income of irregular workers, gender inequality, high suicide rates, etc., were almost completely disregarded by party manifestos and were not covered by public discussions.

In reality parties failed to touch the hearts of voters. According to public polls, after the middle of the 1990s, almost half of all electors did not have a stable preference for any of the existing political parties. During most elections up to 60 percent of votes were referred to as "floating." Another noteworthy trend was the high rate of absenteeism, no less than 30 percent, reaching by the end of 2012 an unprecedented level of 40 percent.

One of the reasons for that was that parties failed to create something like the US-styled "focus groups," which conduct research on electors' needs and report their results to the parties' headquarters. For example, in the 1990s the LDP spent only 1 percent of the state subsidies given to political parties as required by the Law of Political Funds on research needs (i.e., studies of the local situation and working out the policy concepts), and the remainder was used to cover public relations and office expenses.

Even after the change of power in 2009, the LDP and the DPJ, pretending to form a two-party system, failed to construct a watershed regarding the major issues of public policy that would distinguish them as a "conservative" and a "liberal" party respectively. Both parties' manifestos concerning the security treaty, integration in Asia, global warming, threats of nuclear proliferation and other challenges

evidenced no real difference. The similarity of views can be noticed in most spheres of financial, tax, and economic policy and—to a lesser degree—in the approach to social functions of state, where the DPJ positioned itself as the proponent of the European model of the state system of social guarantees, in contrast to the LDP, which claimed a "self-reliance" approach toward social problems.

Difficulties in Rooting the "Classic" Ideological Dichotomy in Japanese Soil

The "classic" differentiation between the major parties in most Western democracies with two-party systems is based on the dichotomy of two ideologies—the liberal and the conservative. In Japan, this paradigm did not work, because of the specific position of conservatism in the spectrum of political choices.

Conservative ideology has always occupied a marginal position in the history of Japanese thought. Philosophical and esthetic traditions have prevented conservatism from growing into a powerful ideological platform. As a result, conservatism never became a national idea that could address major policy issues.

In the post-Second World War era, the axis of ideological antagonism displayed itself differently in foreign and economic policy contexts. In the 1955 system, political groups supporting the USA were labeled as "the conservatives," whereas those who were more positive about alignment with the communist bloc were identified as "the forces of renewal." As regards domestic policy, belonging to the "conservatives" was associated with their service to "special interests," with privileged groups, and with the denial of social progress, so that the notion of "being a conservative" became a synonym for "being a reactionary."

One of the paradoxes of this situation is that "the conservatives" often acted as champions of liberal and even socialist policies. The Liberal Democratic Party, which remained in power for more than half a century, paved the way for Japan's postwar economic breakthrough because of its pragmatic, flexible ruling with no ideological stereotypes.

In the domestic life of postwar Japan, conservatism was, peculiarly, based on egalitarian ideas and on a conception that strong social disparities, confrontation, and disequilibrium in development should be avoided. The proponent of these ideas was the middle class,

which comprised a generation of townspeople who had moved from rural areas but had not lost their ties with native villages. Domestic policy was largely confined to the redistribution of incomes generated by economic growth, in order to level out individual and regional disparities and to make Japanese society highly homogeneous. An important role in the proliferation of the conservative frame of mind was played by the institution of enterprise, *kaisha*, which became the target of the government policies of redistribution of wealth in order to minimize the social costs of a market economy.

By the early 1990s, the role of political power in performing redistribution of surplus wealth had substantially declined under prolonged economic stagnation. Political groups lost the ability to appeal to patriotic feelings of migrants from rural areas, and faced the need to appeal to their constituency with political programs, announcement of national goals, etc. As a result, the social base for community- and village-based conservatism was diluted, and this dilution accelerated a great deal because of structural reforms conducted by the Koizumi cabinets.

In reality the variety of choices for social development models is not so vast. Several years ago Japanese researchers Jiro Yamaguchi and Taro Miyamoto conducted a survey on which models were most desirable to the Japanese. Three such models were identified: a society like Scandinavian countries that stress welfare, "a society like traditional Japan that stresses lifelong employment" and "a society like the U.S. that stresses competition and efficiency."[1] In other words, the choices is between three roads: social democracy (a highly developed social security system with state guarantees but extremely high taxes), market fundamentalism (low level of social guarantees, low taxes, and little state interference in the life of citizens), and so-called Japanese values (high corporate and low income taxes, little state interference with the life of citizens and the major role of traditional Japanese social institutions such as family and local community in tackling social problems). I should stress that this set of choices is not unique to Japan, but its vitality is strengthened by the aging society, when social security issues are at the top of the national political agenda (see Table 2.2.1).

The US model does not pose a viable alternative for most Japanese, as it contradicts the traditional moral standards. The real choice is between social democracy, better represented by the DPJ, and the Japanese self-reliance approach, offered by the LDP. Yet many people combine a dream of strong social security guarantees, like high

Table 2.2.1 Public support for different development models

Party support	*A society like the USA that stresses competition and efficiency*	*A society like Scandinavian countries that stress welfare*	*A society like traditional Japan that stresses lifelong employment*	*Don't know/ no answer*
Total	6.7	58.4	31.5	3.4
LDP	6.3	50.3	41.4	2.0
DPJ	5.5	61.3	31.5	1.8

Source: Jiro Yamaguchi and Taro Miyamoto, "What Kind of Socioeconomic System Do the Japanese People Want?" Posted *Japan Focus* on March 28, 2008, http://japanfocus.org/-T-Miyamoto/2709 (accessed August 29, 2013).

pensions and access to good-quality medical services, with an implicit disgust at the necessity to pay high taxes (like the notorious consumer tax) and to feel dependent on state patronage.

The results of many general elections of recent years could be interpreted as the rise of public interest in "Japanese values," that seem to be reinventing themselves as spiritual guidelines. Since these values are definitely associated with the spirit of conservatism, it can be suggested that a kind of "conservative renaissance" is under way, and conservative ideology as a creative principle is undergoing rehabilitation.

In spite of the enduring popularity of "Japanese values," it is clear that they cannot be the only basis for future economic prosperity. Given that almost all political groups are extremely negative about extreme neoliberalism, which implies that the economy should be left at the mercy of spontaneous market forces, the most likely scenario for Japanese society is a social democratic path with specific Japanese features: to put it more precisely, a hybrid of "Japanese values" and a "social welfare state." So, the present-day Japanese paradox is a union of conservatism with social democracy, based on the rejection of neoliberalism and giving rise to a new "hybrid" model of social development.

An interesting approach toward the axes of ideological differentiation between parties during the 2012 general elections is presented by Taichi Sakaiya in his recent book.[2] He divides parties into a 2D graph where the abscissa stretches from the "suppliers' position" toward the "consumers' position," while the ordinate lies between those who want to "preserve the system" and those who wish to destroy it. From

his analysis of the parties' stances toward Trans-Pacific Partnership (TPP), nuclear energy, and consumer tax hikes, the author comes to the conclusion that the LDP remains the most universal "supermarket" party with the greatest range of views, whereas the DPJ is clearly a "suppliers" party (containing both reformists and preservers). According to Sakaiya, the most clearly "consumer-inclined" parties with a strong reformist spirit are the Japan Restoration Party (JRP) and Your Party, whereas the Japan Future Party with its ecology-first approach is consumer-motivated but reluctant to reform.

The survey raises many questions about the future of Japan's party politics. How is the axe of "consumer-supplier" position correlated with the "classic" dilemma of "liberalism-conservatism" (or "market-state regulation")? Can we accept that the principle of the priority of the market is tied in with "consumers" and the priority of regulation with "suppliers"? Can the "preservers of the system" be labeled as "conservatives" in the political sense? In any case, it is evident that competition between the party manifestos in Japan is not based on a classic "ideological" model rooted in Western soil. The Japanese case is unique.

Results of the 2012 General Elections

The December 2012 general elections dramatically changed the balance of political power in the country. At least on the surface, the change in government was no less staggering and perhaps even more dramatic than the one that occurred a little more than three years ago.

People had been saying for a long time that the ruling Democratic Party of Japan would be defeated and replaced by its long-standing rival, the liberal democrats. It was also predicted that the LDP would win a comfortable majority in the chamber's new makeup. Some developments, however, surprised even seasoned political observers.

First of all, the scale of the change was astounding. The DPJ retained less than a quarter of the 230 seats it had held before the election—57. The DPJ's defeat was blistering, not just in the small districts, which could have been anticipated, but in proportional representation districts where the party traditionally feels secure. The Democrats won only 30 seats there, yielding second place to the Japan Restoration Party (40 seats).

Second, the LDP victory looked more than convincing; it increased its representation from 119 to 296 seats. The LDP secured a clean

victory by winning seats in every small district in 19 prefectures (three years ago the DPJ did the same in only two prefectures).

In coalition with their traditional ally, the New Komeito Party, the liberal democrats will now be able to control 325 seats in the Lower House. In other words, the ruling coalition will have a qualified two-third majority in the Lower House, which will enable them to enact any law by overcoming a veto by the House of Councilors. When the LDP representation in the Lower House dropped from 300 to 119 in 2009, many believed that the party would need at least 10 years to recover. The inept actions of the Democrats that drove away a large portion of their supporters were a stroke of luck for the LDP, however.

Third, the other political parties did significantly worse than expected. For example, the Social Democrats won only two parliamentary mandates, and the Communists won eight (nine before the election). The showing of the major parties that had positioned themselves as a "third force"—the Japan Restoration Party and the Japan Future Party—likewise was unimpressive. The JRP won 53 seats, not the 100 seats it was seeking, which put it in third place after the DPJ. It failed to pick up a single vote even in the small districts of Tokyo, where the JRP head Shintaro Ishihara had until recently been the mayor. As for Ozawa's Japan Future Party, which held 61 seats in the Lower House prior to the election, it would be hard to describe the nine seats it won as anything but total failure. Of the "comers," only the Your Party, which more than doubled its representation (18 seats), can be said to have succeeded.

Fourth, voter turnout was unprecedentedly low—under 60 percent, or about 10 percent less than during the last elections. This low rate of participation first emerged after the small district system was introduced in 1994. Japanese voters were unable to choose until the last minute—according to polls conducted by the *Yomiuri* newspaper, more than a quarter of voters were undecided as late as December 7, that is, ten days before the elections. Thus, the elections were met by massive public apathy and political indifference and the loss of all reference points by voters.

The election outcome raises a number of questions. Why did the Japanese vote for a political force in which they had recently lost confidence and which had the support of no more than 20 percent of the public prior to the elections? Why did the discontent with the existing state of affairs that had accumulated among the floating voters, who have recently been a decisive electoral segment in modern Japan, favor the liberal democrats?

Certainly, one of the main reasons was a strong desire to give the ruling party the "finger." The prevailing emotion toward the Democrats among most voters was disenchantment and even irritation. The DPJ did not fulfill most of the election promises that earned the party its victory in the 2009 elections—they failed to introduce the full range of children's benefits, establish a system for targeted support of farmers and eliminate highway tolls, and they broke their promise not to raise consumption tax, although the Democrats themselves had acknowledged it as invalid on their platform a couple of years ago. Bleak economic conditions also worked against the Democrats: the GDP continued to stagnate, and overall trends were negative during the last quarter before the elections. It has been estimated with the mathematical accuracy that out of 170 items of the DPJ's 2009 election manifestos the government managed to implement only 53, or about 30 percent.[3]

The attempts of the Democrats to put into practice the principle of "political leadership," reinforcing the state policy prerogatives of the political leaders of the ruling party at the cost of weakening the authority of the professional bureaucracy, can be seen as at least ambiguous, not to say unsuccessful. The campaign of "public bashing" of bureaucracy launched by the DPJ led to neither an increase in the financial efficiency of the government nor to an improvement in the quality of its decisions. On the contrary, in some cases the result was the paralysis of power, caused by the artificially created confrontation between politicians and bureaucrats, outright hostility between them, and, in some cases, an apparent boycott by bureaucrats of the decisions passed down to them from the political Olympus. In other cases, the reform resulted in the lack of initiative from technocratic units of the government: intimidated bureaucrats were just waiting for guidance from above, whereas politicians were not able to produce such guidance because of their incompetence or a lack of information.

It was especially noticeable when well-coordinated work by the government was especially required: for example, government policy toward Fukushima. The DPJ's handling of the Fukushima tragedy was frankly bad: the Cabinet's inaction in the immediate aftermath of the accident was justifiably criticized as "criminal"—according to the experts, it resulted in damages costing many millions of dollars that could have been avoided.

The attempts by the leadership of the Democrats to do away with the phenomenon of political lobbying were also a complete fiasco. In the aftermath of the DPJ's rise to power, the much-bruited about

dissolution of the Council of Political Affairs, which was considered the main stronghold of deputy clans, caused widespread discontent among party backbenchers removed from the process of political decision-making. This forced the party leadership to recreate the structure in the same shape only a year after its liquidation.

Failure followed the Democrats on the diplomatic front as well. The inability to meet the promise to relocate Futenma base outside Okinawa resulted in the retirement of the DPJ leader Y. Hatoyama from the Prime Ministerial position less than a year after his inauguration. Many people blamed the Democrats for the cooling of Japan's relations with China, South Korea, and Russia. Under the Democrats, Japan, perhaps, for the first time in several postwar decades, felt itself in the position of a "surrounded fortress."

Another thing that put a lot of voters off the DPJ was its inability to look like a consolidated force with clear positions. The party was torn by an open confrontation between various intraparty groups with different positions on the fundamental issues of public policy, which resulted in the inability of the DPJ to take clear and unambiguous decisions. The party image was shaped in the eyes of voters by the prolonged infighting between supporters and opponents of Ozawa. Even after the defection of the Ozawa group in August 2012 the process of the DPJ's self-destruction was not over as more than two dozen MPs left the DPJ over the following months despite Noda's exhortations, and many of the remaining party deputies, ignoring the party rules, continued to speak out publicly against the official party decisions. Besides, Noda's inconsistent political statements on, for example, the future of nuclear power, Japan's membership of the TPP and other issues did not help the party's credibility. The DPJ also failed to work out a coherent road map for many pressing public policy issues. The DPJ manifestos, deprived of their attractive image as a fully fledged political program, were labeled by the *Asahi* newspaper as "nothing more than a long list of promises."[4]

In the postelection poll conducted by the *Yomiuri* newspaper, the largest number of respondents cited "lack of unity in the ranks of the DPJ" (51 percent) as among the reasons for the DPJ's defeat, followed by "disappointing results of the DPJ" (21 percent) and, finally, "dissatisfaction with the Prime Minister" (4 percent).[5]

All of these factors combined to produce a desire to give the Democrats time out on the "bench." In other words, the lack of votes for the DPJ was an emotional response to its unseemly conduct rather than a conscious political stance.

Although it was clear that the DPJ leader had to engage in political maneuvering and was attempting to prevent further disintegration of the party with early elections, many politically involved voters justifiably saw his behavior as lacking in principle (or as betrayal). The time came when the Democrats' inherent ideological "omnivorousness" did them a disservice.

The "third force" factor played less of a role in the elections than expected. It would appear that the Japan Restoration Party did everything it could to win over the voters disenchanted with the Democrats. In February 2012, the JRP held an ambitious "political school" for its political reserve, and its leader repeatedly stated his intention to field candidates in every small district. That makes the excuse offered by its leader, Shintaro Ishihara, that the elections were "unexpected" and the party lacked the time to prepare for it almost comical. In fact, it was just the opposite—the elections took place at the most convenient time for the party. In fact, Hashimoto's party had been disastrously losing popularity several months before the elections, and its leaders' radical ideas failed to catch on with anyone. Therefore, the fact that the elections were announced just after the JRP merged with the Sunrise Party of the relatively popular Mayor of Tokyo actually gave the party a chance to restore its image. The good opportunity for the JRP was also affected by the fact that voters were influenced by Japan's recent territorial spats with China and South Korea. In other words, Ishihara's election slogans calling for "revival of the Japanese spirit" and "return to roots" fell on fertile soil. Still, the Japan Restoration Party's success can be called very, very relative. As regards the Japan Future Party, its emergence a few days before the election coupled with the behind-the-scenes meetings between Ichirō Ozawa and Yukiko Kada and frantic maneuvers was reminiscent of a poorly staged and even worse performed vaudeville show.

It is difficult to escape the impression that the third pole was an ill-prepared and incompetent political project, and that its newly elected MPs were pursuing an egotistical agenda—to get into parliament by exploiting the widespread dissatisfaction with both "establishment" parties. My attention was caught by the competition among the leaders to make popular promises (like Kada's promise to put an "immediate" stop to nuclear power!), the "confusion and vacillation," the behind-the-scenes poaching of each other's well-known political figures, and even the blatant squabbling. It is hard to avoid an impression of jockeying for position as the "only true third force" capable of showing the people the way to go. The voters sensed it very keenly.

They had had their fingers burned by the Democrats' populism, and they generally preferred to avoid risk by voting for the "dyed in the wool" liberal democrats, who could hardly be expected to do anything unexpected. Incidentally, members of the "third forces" recognized that. For example, New Reform Party leader Yōichi Masuzoe said, "The LDP was helped by the fact that the 'third pole' was in complete disarray."[6]

As for the LDP itself, the voting for it can be compared to an act of "desperation" by the voters, who had lost faith in ideals. Many people believe the elections turned out the way they did because the voters were in a mood to protest, having lost faith in the colorful slogans of the new-wave populists.

Of course, it cannot be denied that some people voted for the LDP consciously, having bought into some of its manifestos. Some were impressed by Abe's nationalist rhetoric. He promised to amend the constitution, establish a "defensive army" and permanently station military personnel on the Senkaku Islands—in other words, do everything possible to defend the country's national interests, especially in the light of the worsening territorial disputes with China and South Korea.

Another idea that attracted part of the electorate, especially in regions with depressed economies traditionally dependent on government contracts, was the LDP's promise to stimulate the economy with government spending by pumping in lots of money for infrastructure improvements. The good old government contract system, or "pork barrel politics," will apparently again bloom in glorious color in Japan. With the national debt already exceeding 200 percent of GDP, the only question is who will pay.

It appears, however, that the "renaissance" of political indifference mentioned earlier came into full play during the elections. The low turnout was a powerful argument against the DPJ, which was primarily supported by the "urbanites," who largely boycotted the elections. A low turnout always helps the LDP, which retained a system of collecting votes (though considerably diminished compared with the 1955 system) throughout the country. Komeito voters who are currently one of the most structured segments of "organized votes" also voted for the LDP in accordance with tradition in the small districts.

The specific aspects of Japan's electoral system, which favors large parties, greatly augmented the LDP's initially preferable positions. The struggle between the two major parties—the LDP and the DPJ—was most apparent in the small districts. In contrast to the other parties,

they were able to field candidates throughout the entire country. After the DPJ split and the Ozawa group left it, however, the DPJ could no longer present a viable alternative to the liberal democrats in every district. That development significantly lowered the bar for victory in the majority districts. Therefore, LDP candidates won with significantly less electoral support than was the case in the last elections.

Almost all of the LDP candidates were victorious in the small districts, where the party obtained a record number of 237 seats. Because of the system of double nomination, almost all liberal democrats in the party lists in proportional districts secured a seat, even those on the bottom of the party ladder, including second-rate provincial party functionaries without any parliamentary experience. The LDP actually won 61 percent of the mandates in the house with only 43 percent of the votes in the small districts and 28 percent in the proportional representation districts. The following figures speak particularly eloquently: the LDP received in small constituencies only 1.9 times more votes than the DPJ, whereas the number of seats won by them in the lower house exceeded that of the DPJ by 8.8 times. The number of "dead votes" was about 53 percent, however, i.e., more than half of the votes in small constituencies were in favor of parties other than the LDP. Therefore the notion that the LDP won "a decisive victory" in which Japanese voters unconditionally extended them the reins of power raises justifiable skepticism.

The 2013 Elections to the Upper House

On July 21, 2013, elections to the Upper House of Parliament were held in Japan. At stake were 121 seats, exactly half of the House of Councilors' list, put under scrutiny every three years. The vacancies were claimed by 433 candidates from almost a dozen political parties.

As expected, the elections brought victory to the ruling Liberal Democratic Party, which won 65 seats. As a result, the ruling coalition of the LDP and the Komeito party will possess a comfortable majority of 135 seats in the Upper House. Thus, the main objective for the LDP has been achieved: all legislative initiatives of the Cabinet are guaranteed to gain support in both Houses of Parliament, allowing the ruling party to ignore the opinion of the opposition. This means that the situation of "twisted Parliament," in which two chambers are controlled by opposing political forces, will not resume for at least the next three years.

The full program, however, which sought to secure the LDP a qualified majority of two-thirds in the Upper House, was not implemented. Such a majority is needed for the LDP to carry out constitutional reform, which is an important part of the political agenda of the Abe Cabinet. The LDP will not be able to push the amendments to the Constitution through the Upper House, even with the support of parties that hold a similar position on constitutional reform, that is, the Your Party and the Restoration Party.

Japan's main political parties built their election campaigns in a different way. The liberal democrats made a bet on the success of Abenomics, the policy of active stimulation of the economy through massive public investment in the infrastructure, intensive increase of the money supply as a means of combating deflation, keeping bank lending rates artificially low, etc.

As regards the opposition parties, they came to the elections in a state of chaos. It was clear from the outset that the opposition would not be able to pose a real threat to the LDP in all of the 31 single member prefecture constituencies. All it could do was try to win the second and the subsequent seats in multimember districts of the most populated prefectures: Tokyo, Osaka, Kanagawa, Chiba, etc.

The Democratic Party of Japan, the largest opposing party, came to the election without having recovered from a crushing defeat in the December 2012 elections to the Lower House. The main problems for the party were created by the low popularity of its leader Banri Kaieda, as well as the lack of a consolidated position on many pressing issues on the political agenda. The DPJ remained a friable conglomeration of several internal groups with different "pedigrees," demonstrating diametrically opposite views on such important issues as Japan's membership of TPP, socioeconomic policy, tax reform, foreign policy, and security.

Moreover, mindful of the election defeat in December, in which voters had recalled the Democrats' unfulfilled campaign promises, the DPJ this time preferred not to specify any numerical guidelines in its manifesto, thus limiting itself to abstract declarations. The main emphasis was placed on the social welfare of citizens, gender equality, public support of families with children, education programs, etc. The manifesto's lack of specificity and the unimpressive image of the party were negative factors, which deterred many potential voters. Even on the future of nuclear power the DPJ did not take an unequivocal position: it appears that the party failed to come to a consensus on the issue.

The DPJ's goal was to prevent an excessive drop in the level of its representation in the Upper House similarly to what happened in 2012. The party could not avoid a crushing defeat, however, which was no surprise to anyone: it won only 17 seats. Even in the proportional representation district, where the DPJ has traditionally been strong, Democrats gained only seven seats, the worst result since the foundation of the party in 1998. Holding the mandates obtained in the 2010 election, however, the DPJ still retains the largest number of seats in the Upper House after the ruling LDP's 59 seats, remaining the largest opposition party.

Even greater precariousness can be seen in the election results for the Japan Restoration Party, which had pinned its hopes on the so-called third pole: the party gained only eight seats. After the dubious statements of its leader Tōru Hashimoto, who has tried to justify the sexual exploitation of Korean women by Japanese soldiers during the Second World War, the party's initially high ratings have sharply declined. Another problem for the JRP was that after the merger with that of nationalistically minded politician Shintaro Ishihara the party moved to the right, repelling many potential voters with center-left views. The Japanese political scene had previously witnessed the general trend toward a stronger right on the political spectrum: the activity of nationalists increased both in the LDP and the JRP. However, the DPJ failed to promote the brand of a social-democratic party, sticking to amorphous declarations devoid of any ideological connotation. In these circumstances, voters disillusioned with the "system parties" chose to vote for the communists, who obtained the right to initiate legislation in the Upper House after winning eight seats in the elections (a total of 11 mandates in the House).

One can see several reasons for the victory of the LDP. First, a significant role was played by the effect of expectations. Abenomics has not yet lost its attractiveness as an effective means to pull the economy out of crisis. Indeed, in the first six months of Abe's Cabinet, the economy has shown a moderate growth, there has been an influx of foreign investment, and the overvalued yen which hindered the development of export industries has fallen markedly against the US dollar. After a long period of economic stagnation, many voters voted for the LDP, putting their trust in the new premier.

Second, the kaleidoscopic change of cabinets in the last few years and the situation of permanent political crisis born of the "twisted parliament" annoyed Japanese society.

Third, the factor of divided opposition was also important. The DPJ failed to restore confidence in society, and the "third pole" forces have proved unable to overcome internal frictions. For example, Your Party declined to engage in electoral cooperation with the JRP, which was discredited by the statements of its leader. In these circumstances, many voters skeptical of the liberal democrats chose not to come to the polling station at all: the turnout was 59 percent, one of the lowest in postwar history.

It is difficult to assess unambiguously the seemingly predictable outcome of the election. Of course, Japan is on the verge of a long-awaited period of political stability, which can be considered a positive result. The carte blanche given to the Abe Cabinet by voters, however, could do it a disservice: in the absence of real instruments of deterrence from the opposition, the government risks losing feedback from society, and many of its radical initiatives, which in other situations would have been blocked, will now get the green light. Meanwhile, many experts now speak of the serious risks posed by Abenomics: the uncontrolled inflation, the snowballing growth of public debt, the largest in the world in terms of GDP, the growth of social contrasts, etc. In addition, the Cabinet has not yet decided how it intends to address the long-standing problems of ineffective economic governance, absence of free market competition, preferential support by the government of particular corporate interests, excessive regulation, etc. Against this background, further political development will depend on the concrete results of the economic policy of the government, and also on whether the DPJ will be able to overcome internal contradictions and consolidate itself as a viable social-democratic alternative to conservative rule.

What Next?

One of the factors contributing to the radicalization of political life is the qualitative changes in the social portrait of the Japanese electorate. Although it is too early to talk about the withering away of the phenomenon of a party-indifferent, personally oriented electorate, the outcome of the elections is determined to a larger degree by the politically motivated strata of voters. It is noteworthy that the recent elections in small constituencies have repeatedly demonstrated the strengthening of floating votes. The decades-long urbanization led to an increase in the share of floating votes, which are not affiliated to any existing political forces. More Japanese voters have become

less personally-oriented, so that their vote is cast in favor of a distinct political manifesto. They demonstrate a lively interest in the content of the political manifestos, and at every subsequent election they count with mathematical accuracy which of the pre-election pledges has been fulfilled by incumbents and which of them has not. At the same time the value of party brands in terms of electoral motivation has significantly increased. Party manifestos attract a lot of attention from voters.

In contrast to the traditional voters, whose political choice is to a larger extent determined by origin, social status, and attitude to traditional institutions, etc., floating voters, as a product of the postindustrial civilization, appear to be more volatile in their political preferences. Their support was critical for the landslide victory of the democrats in the elections to the Lower House in 2009, and the loss of this support predetermined the defeat of the DPJ in the elections to the Upper House in summer 2010 and to the Lower House in 2012. As the politically motivated voter makes his/her decision at the very last moment on the basis of subjective feelings, the overall outcome of the voting is increasingly unpredictable.

Recent elections confirmed the growing importance of populism, in the sense that political choices depend on the image of a popular/unpopular political leader. In this respect, special importance is given to the moral reputation of politicians and their personal nonsusceptibility not only to obvious corruption but also to minor violations of current legislation: for example, noncompliance with the rules in the areas of taxation, pensions, political donations, and so on.

The results of the elections have attracted increased attention to issues of electoral reform, which were one of the main items on the political agenda of several cabinets. The majority principle determines dramatic changes of power at each subsequent election. In the general elections of 2005, and 2012, the winning party acquired a landslide victory, obtaining in each case around 300 seats, which is close to the constitutional majority.

Some aspects of the majority principle attract justifiable criticism. For example, in the wave of the changes in the public mood elections recruit a large number of inexperienced newcomers who are patronized by one of the influential leaders of the winning party. It is often referred to as the phenomenon of “children” or “girls”: the MPs are often picked up as official party candidates in national elections by a powerful politician and have the relationship of personal devotion to their patron. There were the “Koizumi children” of 2005–2009

and "the Ozawa girls" of 2009–2012. Actually most of them fail to hold the parliamentary seat for more than one term (e.g., only nine of 83 "Koizumi children" survived the 2009 elections). Their arrival in the political world reduces the quality of MPs, which in turn gives rise to an even greater level of public frustration over the current power.

Another object of criticism is the negative impact of electoral rules on the coherence of party platforms. Given that even small fluctuations in electoral consciousness can be decisive for the outcome of the vote the parties prefer not to put forward clear-cut and well-articulated policy manifestos, which can "scare off" even a limited number of dissenting voters. Moreover, some parties fear that the proclamation of a distinct political line that could harm the interests of certain support groups would reduce the financial aid provided by influential organizations. For example, the fear of losing political donations from the All-Japan Council of Agricultural Cooperatives (*Dzenno*), and the Japanese Association of Physicians (*Ihsikai*) forced both the LDP and the DPJ to refrain from a clear course regarding Japan's partnership with the TPP in their election manifestos. As a result of the parties' inability to identify a clear position on important issues, policy differences between them are blurred, not allowing voters to make a deliberate choice based on ideological rather than personal preferences.

The elections have confirmed that under the current rules a real opportunity for political survival is in the hands of fairly major political parties (I call them establishment parties). In fact, only these establishment parties are able to draw up a political alternative to that of their rivals in every electoral district. Other parties may be regarded not as independent players but rather as potential candidates for a coalition with one of the two major parties. Thus, the political arena is dominated by the polarization effect that makes any party of the "third," "fourth," and other poles gravitate toward one of the two main forces.

Compared with many other countries, political polarization in Japan is aggravated by the lack of a political niche for small parties. Historically, the demand for political protection of the rights of racial, ethnic, religious, gender, and other minorities was limited, so the political institutionalization of their interest did not occur. Moreover, Japanese society with its strong middle class is relatively homogeneous in economic terms, and the gap between capital and labor is not irreconcilable.

Another factor contributing to the polarization effect is that Japanese voters are characterized by their protectionist-policy-motivated type of consciousness. They are inclined to support primarily the parties who have a real prospect of coming to power. As mentioned before, it is a popular notion that the ultimate goal of political parties is their entry to power, even at the cost of sacrificing their ideological principles. From this perspective, the parties of the "third pole" retain their potential primarily as political actors capable of making certain policy corrections toward a better accommodation of the particular interests of social and corporative interest groups after joining the ruling coalition. A typical example is the new Komeito, which is seen by many as a "pacifist wing" of the LDP.

Of course, it is hard to deny that in future small parties will, in many cases, play a significant role in the political process. They are helped by the electoral rules, particularly the difference in the election systems of both chambers of the Diet and the large blocks of seats in the Lower House elected in proportional representation districts. Sometimes small parties are associated with new trends in the electoral behavior of voters, who regularly show disappointment with the establishment parties (the LDP and the DPJ). The key to solving the political crises stunning Japan is in their hands, especially during "twisted Diets," when the government needs a two-third majority in the Lower House to overcome the veto of the Upper House.

Small parties are favored also by the rise of populism, when ambitious politicians for largely personal reasons sometimes resolutely break with the establishment party and form their own party. There is no doubt that charismatic leaders will continue to appeal directly to the masses and enjoy substantial public support, even for a limited period of time. Thus small parties will certainly continue to emerge from fragments of establishment parties, as well as to merge and to dissolve themselves. One cannot ignore the general trend, however: against the background of the polarization phenomenon, small parties will either be forced to block the stage with larger actors or to simply fade away from the political scene.

As a result of the elections, the two-establishment-parties configuration in the Diet ceded ground to the model of "one large, two middle (or three, if Komeito is counted)" parties, which was unprecedented in Japan's postwar political history. It is already clear that this model will be extremely volatile and unstable, mostly because of the abovementioned factors of floating (swing) votes and the pendulum effect rooted in the majority principle. Small parties will inevitably gravitate

to large or middle ones, so that in future the Japanese political mainstream will accommodate only a couple of parties and one or two middle ones that could act to balance the whole construction.

Notes

* Financial support from the Nomura Foundation and the University of Niigata Prefecture is gratefully acknowledged.

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3

Russian Politics: Leaders, Kremlin and Politics of Vperyod (Forward)

3.1

Politics of Volatility*

William Smirnov

2011–2012 Federal Election Cycle

Post-Soviet Russia is almost in a continuous process of electoral and party system reform. However, in this ongoing process, there are certain stages or cycles.[1] They reflect and simultaneously generate extremely controversial and conflictual reforms in the country in the past two decades. The result is that there is a huge variation in the estimates of the nature and the results of these transformations. Political reform, including electoral and party, attempts to overcome the tyranny of regional barons in the Russian neofeudal political and legal system that emerged in the early 1990s. Efforts to restore the unity of the state and the rule of law have received some support from society.

However, the country has shifted from regional to centralized authoritarianism as legislative, political, and technological measures: eliminate the small- and medium-sized political parties; force the creation of a three-to-four-party system; ensure the dominance of the "party of power"; limit the role of elections in institutional formations and in the recruitment of elites and leaders, including canceling the elections of executive heads of federal entities; and strengthen the control of the federal center of elections. These top-down changes have prompted foreign and domestic analysts to speak of electoral authoritarianism.[2] At the same time, the elections to the State Duma are to some degree worthless, insofar as their results do not determine the composition of the country's government and have a limited impact on the internal and external policies that the Duma carries out.

The majority of Russians have had somewhat different attitudes and views to these political developments. In general, the Russian public was disappointed with the failed democratic transition and irritated by poverty and social deprivation of the 1990s. In the framework of an unwritten contract with the federal government and with its personification in the person of Vladimir Putin, Russians were ready to give up part of the power of the people proclaimed by the Constitution of the Russian Federation and to close their eyes to the limitations of their political rights in exchange for stability, order, and improved living standards. Strictly controlled by the federal center, the State Duma 2007 election and the 2008 election of President Dmitry Medvedev were accessible to this majority.

Political and economic conditions began to change with the approach of the federal election cycle, 2011–2012. Several reasons were behind this shift. First, stability and order were gradually losing their importance in the eyes of the population, faced with the negative consequences of the financial crisis and recession of 2008 to 2010 and with increasing social and economic polarization. Second, dissatisfaction with the results, and with the direction of Russia's transition, though for different reasons, was growing in almost all segments of society—from liberals to communists to nationalists.

The modernization program of the country, including political modernization, designed primarily by the Institute of Strategic Analysis, and put forward by Medvedev as part of his election platform in the 2012 presidential election, aroused public demand for political innovation. Criticism of the current electoral system and electoral practices were legitimated by proposals to amend the electoral system and the electoral law pronounced in the Annual Addresses of President Medvedev to the Federal Assembly of the Russian Federation in 2008 and 2009.

Most of these proposals were cosmetic and symbolic. An example is the limits of ruling elites who are not ready to yield to public opinion. The Federal Law of May 12, 2009, "guarantees of equal coverage of parliamentary parties and their activities by state television and radio channels." But, first, it applies only to the political parties represented in the State Duma. Second, Article 6 of the law essentially eliminates its applicability during election campaigns because this article does not allow for the compensation of missing air time during this period.

Finally, announced at the Congress of the United Russia, the decision of Medvedev and Putin to swap their presidential and prime ministerial

positions was perceived as part of a blatant and cynical disregard for citizens' will, as an usurpation of their sovereign right to vote.

Election campaigns of 2011–2012 revealed a marked shift in public opinion toward elections, and they have confirmed that Russia is a country not so much of political beliefs as of political sentiments. Part of the electorate, obediently voted for the United Russia, yet another segment followed the call of Alexei Navalny to "vote for any other political party." As a result, in the elections of December 4, 2011, United Russia received less than 50 percent of the votes, whereas all the opposition parties gained more votes than in the previous parliamentary elections. In general, there has been a shift in society to the left of the political, ideological spectrum.

This campaign also shows the limits of the Kremlin's monopoly of power over the media and of its use of huge administrative and financial resources. Perhaps, the most unexpected consequence of the elections for the federal center was an explosion not only of protesting electoral attitudes but of protest actions. Demanding of honest, fair, and transparent elections, hundreds of thousands of voters joined together from different political orientations in the country. All the attempts by the authorities to apply the familiar means of pressure, control, and manipulation, as well as the means developed in the program to combat a possible "orange revolution" in Russia, proved futile.

As a result, the federal government changed its tactics. It decided not just to make concessions to protests but to develop steps to quickly reduce or even remove some of the barriers to the implementation of ambitious oppositional leaders. They were given a legal opportunity to take politically powerful positions while reforming political institutions. To ordinary citizens, the government offered the chance to enhance their political participation.

Speaking in December 2011, at the first meeting of the State Duma of the sixth convocation, Medvedev in his presidential address to the Federal Assembly of the Russian Federation, announced the joint development with Putin of a comprehensive program to reform the political system. Keys points included:

- a significant simplification of the registration of political parties,
- transition to selection of the Executive Heads of the Federation Entities by direct vote,
- abolition of collecting signatures for inclusion in electoral ballots for participation in races for the State Duma and regional legislative bodies,

- reduction in the number of signatures for the inclusion in electoral ballots for the presidency of the Russian federal election,
- restoration of the mixed electoral system for elections to the State Duma under which 225 Members of the Parliament (MP)s will be elected on the basis of a proportional representation system and the remaining 225 MPs will be elected in single-member constituencies on the basis of a majoritarian system, and
- increased representation of political parties in central and regional election commissions.

Through these main points of reform, a substantial portion of key oppositional interests and demands in electoral and party areas were legitimized, and the federal government engaged in direct dialogue with opposition leaders.

The legislative embodiment of the above initiatives demonstrates that federal power holders seek to minimize the practice of concessions to the opposition. Thus, in accordance with the new wording of Article 18 of the Federal Law, "On general principles of organization of legislative (representative) and executive bodies of the Russian Federation," the direct election of governors is restored. But the nomination of a candidate for governor must be maintained between 5 percent and 10 percent of members of the representative bodies of municipal entities and (or) by heads of municipalities elected in the municipal elections. In addition, each member can only support one candidate.

As demonstrated by the 2012 nomination process and the actual number of Russian Federation entities for gubernatorial candidates from political parties other than United Russia (and even more for self-nominated candidates), it is almost impossible to obtain the necessary registration support without the consent of the actual management of United Russia and behind-the-scenes help from the presidential administration. At the end of the process, the majority of the deputies and heads of municipalities belong to United Russia or are controlled by that party.[3]

These and other steps, including the installment of surveillance cameras at all polling stations and the mobilization of those loyal to the Russian president to counter oppositional street meetings and marches, were able to reduce the wave of protest. In general, Putin managed convincingly to win the election.

The lessons of the last two federal election campaigns, the relatively high continued potential for protest and the reduction in trust for all

three branches of government, have shown an increasing proportion of all citizens are willing to speak out strongly against an appropriation of their electoral power by the ruling federal and regional elites. In these circumstances, continued political and state transformation of the country is inevitable. The future scenario about the nature and pace of further political and legal reforms in Russia are dependent on many factors, including the particularities of the political party system.

Political Parties: A Forced Consolidation or Fostered Differentiation

In the 1990s, a political arena had many institutionalized political entrepreneurs, the majority of which were in reality protoparties, parties of one leader, the members of which were registered mainly on paper, but activity was limited outside the Moscow Ring Road. They were directly or indirectly financed by individual oligarchs, corporations, or by chief executives. Lobbying was the main source of the party's budgets and the leaders' income for the majority of parties starting with the Liberal Democratic Party. Hence, the ease with which these leaders have created and abandoned coalitions, run from one camp to another, and changed their ideological and policy slogans and affection.

It is the absence of strong political parties and the atomization of society that contributed to the selfish and destructive patterns that negatively affected the country, the economy, government policy, and the ruling group's behavior. In turn, a rejection of the federal and most regional authorities and their policies by a large part of the electorate did not help liberal-reformist forces for ten years, as they tried to create a full-fledged political party with well-functioning branches and to gain support of the population in most of the country's regions.

In the 2000s, the government created strict legislative conditions for the registration of political parties. For example, a political party must have regional branches in more than one-half of the regions of the Russian Federation, within each region of the Russian Federation only one regional office of the political party can be created, a political party must have at least 50,000 members, and each regional branch must have at least 500 members.

The reduction in the number of political parties is also part of the transition to a fully proportional system for elections to the State Duma. As part of this transition, electoral blocks were abolished and

the electoral threshold increased from 5 percent to 7 percent after the December 2007 elections. These efforts were accompanied by measures to consolidate the preferences for the parties that already have factions in the State Duma and the legislative (representative) bodies of the Federation. For example, this group of parties was exempt from collecting signatures or making a deposit to place its representatives on the list of candidates for deputies. Public funding of parties was established and then significantly increased to correspond to the proportion of votes received by list candidates and by candidates running for the presidency of these recognized parties.

These and other steps taken by the Kremlin as well as the use of administrative resources has led to the marginalization of almost all oppositional forces, thereby blocking them from running for federal and regional legislative (representative) bodies. The result is that there are two to three major political parties that are loyal to the government led by United Russia. These parties help to consolidate the factions in the State Duma, and have led to the loss of representation in the State Duma of small but significant sociopolitical forces on the left and right of the political spectrum

In the post-Soviet period, only two political parties have always retained their title and participated in elections—the Communist Party and the Liberal Democratic Party. The first is an opposition party with a relatively small (8 percent to 13 percent of voters in the country) but stable core of electorate. The second is a political party, led by the charismatic leadership of Vladimir Zhirinovsky, a talented and popular actor. This party exists largely due to the massive support from the presidential administration and government controlled media as evidenced by the almost complete change of voters for the party at every parliamentary election.

Parliamentary and presidential elections 2011–2012 demonstrated a fall in voter confidence for almost all nonoppositional political parties, including the United Russia and its allies. This trend contributed to the perception by a significant number of young, educated, and urbanized voters that these elections are unfair and even dishonest. Together this perception and the growth of public protest led to a crisis in relations between government and society.[4]

Federal authorities began to look for a way out of this political crisis in the legislative area of political parties. Hence, the shift from a policy of forced consolidation of parties to a policy of party differentiation. For example, the minimum number of party members for registration has been reduced from 50,000 to 500 people.

The principal objectives of these reforms are obvious-combining concessions to some demands of the most active part of society with the selective inclusion of some of the most charismatic oppositional leaders and by these leaders. As confirmation of this strategy, as of April 2013, the list of political parties that have a right to participate in elections numbers 65.

In response to a revival of leftist sentiment, as also witnessed in several other European countries, the political party list includes three left-wing political parties, created by Kremlin political technologists to manipulate, split, and weaken this ideological grouping.

With some care, we can discuss the trend of slow realization by Russian power groups of the threat of unresolved problems in all major areas of the country and the likelihood of a full-blown political crisis. In the next election cycle, mass discontent of the emerging new middle class could become a trigger for such a crisis—hence, the policy of gradual and inconsistent expansion of political pluralism and of the right of the opposition to the creation of more open public institutions. Such policy is also a response of the Russian elites to growing societal demands for a comprehensive modernization of the nation.

Changing Public Opinion

Sociologists and political scientists have been routinely critical of the actions of Russian authorities, which is accompanied by increasing demands of Russian society. Mass street protests are once again possible in Russian politics.

The research suggests that there is a growing trend of public discontentment among the population, an erosion of the base of political support for the government at the center and in outer regions, and increasing demands for change. The return of spontaneous political protest, civic activism, and competition policy was in no small part thanks to an unexpected group of young and educated voters in big cities. The restructuring of civil society, the formation of an autonomous network, including the blogger community, a return to public policy nongovernmental organizations (NGO), were accompanied and accelerated by the emergence of new moral and political norms and patterns of behavior.

Demands for honest, fair, and transparent elections united hundreds of thousands of Russian voters from different political views. All attempts by the authorities through the usual means of pressure,

control, and manipulation were in vain. As a result, the federal government has changed its tactics and made concessions to appease the protestors. The government took urgent steps to reduce or even remove some of barriers. Ordinary citizens were offered some prospects for the expansion of political participation. Thus, a substantial portion of the opposition's demands to improved the legislative conditions of electoral and party politics was recognized as legitimate, and the federal government entered into direct dialogue with the opposition leaders.

These and other steps, including the installation of independent surveillance cameras at all polling stations and the mobilization of Putin supporters, were able to reduce the wave of protests. Recent polls have shown a massive decline of societal dissent. However, according to the Levada Center, the degree of trust and support for Putin is decreasing. Tables 3.1.1, 3.1.2, 3.1.3, and 3.1.4 illustrate some of the data collected in 2011 and 2012 by the Levada Center through the following questions.

Table 3.1.1 What words reflect your opinion of Vladimir Putin? (%)

	May 2000	*Nov. 5*	*Jan. 10*	*Oct. 11*	*Jan. 12*	*Mar. 13*
Delight	3	4	3	3	3	2
Sympathy	28	32	28	24	20	18
I cannot say anything bad about him	35	36	36	33	32	30
Neutral, indifferent	8	11	18	17	19	22
Cautious, watchful, waiting	18	5	4	7	11	10
I can not say anything good about him	3	8	5	9	8	8
Antipathy, aversion	1	3	3	3	5	7
Difficult to answer	4	2	3	5	2	3

Source: Presidential Election in Russia: Post-Electoral Analyses. Analytical Report. Analytical Center of Yuria Levada, Levada-Center, Moscow, 2013 (in Russian).

Table 3.1.2 To what extent do you trust Vladimir Putin? (%)

	May 8	*Sep. 9*	*Aug. 1*	*Jan. 11*	*Jan. 12*	*May 13*
Completely trust	28	28	25	12	12	7
Trust a little	56	48	53	58	51	50
Not trust	10	12	12	18	22	25
Absolutely do not trust	2	6	4	4	7	10
Do not know	4	6	6	8	9	7

Source: Presidential Election in Russia: Post-Electoral Analyses. Analytical Report. Analytical Center of Yuria Levada, Levada-Center, Moscow, 2013 (in Russian). © 2003–2014 Levada-Center.

Table 3.1.3 Would you like Putin to be elected as president of Russia for another six years or to have Medvedev for another six years or to have an entirely different person? (%)

	May 12	*Aug. 12*	*Dec. 12*	*Mar. 13*
I would like Putin to be elected for another six years as Russian president.	17	22	23	22
I would like Medvedev for another six years as Russian president.	6	7	6	8
I would like the six years of Putin as President of Russia was replaced by another person	43	50	45	47
Do not know	34	22	27	23

Source: Presidential Election in Russia: Post-Electoral Analyses. Analytical Report. Analytical Center of Yuria Levada, Levada-Center, Moscow, 2013 (in Russian). © 2003–2014 Levada-Center

Table 3.1.4 Would you like to see Putin as Russia's president after his current presidential term in 2018? (%)

	Oct. 12
Yes, I would.	34
No, I woud not.	40
Do not know.	26

Source: Presidential Election in Russia: Post-Electoral Analyses. Analytical Report. Analytical Center of Yuria Levada, Levada-Center, Moscow, 2013. (in Russian). © 2003–2014, Levada-Center

The legislative passage of some of the above reforms demonstrates that those in power intend to minimize concessions to the opposition. For example, in accordance with the new wording of Article 18 of the Federal Law, "On general principles of organization of legislative (representative) and executive bodies of state power of subjects of the Russian Federation," the direct election of governors is restored, but the nomination of a gubernatorial candidate has to have between 5 percent and 10 percent of support of municipal deputies and heads of municipalities.

Thus, each of these municipal actors can support only one candidate. As demonstrated in a number of studies of the Russian Federation on nominated gubernatorial candidates, the majority of deputies and heads of municipalities belong to United Russia or are controlled by the party. Hence, the candidates of other political parties (and even more so for the self-nominated candidates) are in an almost impossible situation in trying to obtain the necessary support for registration without having the consent of the leadership of United Russia and the presidential administration.

The federal government has faced not only criticism from opposition for the selection process of candidates for the chief executive of the Federation but also from some of the regional elites and leaders, especially from some of the republics, who sounded the alarm about the possible loss of control over the selection of candidates for these key regional offices. But even more, the fear of these regional elites and political actors is again that by allowing all voters to vote for gubernatorial candidates, various interests, ranging from ethnic and religious interests to concerns of stability, will determine and fracture the outcome. And the federal government agrees with these concerns, and for the election of each of their own respective regional governors, it gave the right of legislative (representative) bodies of the Federation to decide what procedure should follow.

The lessons of the last two federal election campaigns and the relatively high potential for future public protests against all three branches of government have shown that an increasing proportion of citizens are willing to speak out strongly against any appropriation of public electoral power by the federal and regional elites. In these circumstances, the continuation of the political transformation of the country and state is inevitable. How the transformation develops and the nature and pace of further political and legal reforms in Russia are dependent on many factors, including how the global and Russian financial crises unfold.

However, one area and one of the tactical objectives of these reforms is obvious—combining, as done in the 1990s, some concessions to the demands and expectations of the most active and vocal parts of political and civil society with the selective inclusion of political entrepreneurship were made. They included some opposition leaders, and opportunities for upward mobility of all political actors. Political parties and their recent development serve as an example of reforms. Currently, 65 parties now qualify to participate in elections. Conversely, there are ideological and political forces that try to perpetuate the ban of opposition forces through hidden party electoral blocs.

With some care, we can discuss the prospects of unresolved problems in all the important areas of national life and have an awareness that the crisis has the potential to escalate into a full-blown political conflict. Hence, the policy of gradual and inconsistent expansion of political pluralism and the right of the opposition to push for the creation of a more open public policy are examined.

In essence, we are witnessing a change in the course of the political transformation of the country. For example, there have been attempts at mandatory registration of some of the NGOs as "foreign agents". There is a compulsory "nationalization of the elites."

Economic geographers, demographers, sociologists, political scientists, and some regionalists have long been sounding the alarm on the deepening differentiation of Russian regions in terms of key sociocultural, economic, and political indicators. Socioeconomic inequalities, which are close to the level of the poorest Latin American countries, and strikingly divergent, and conflicting interests of Russians pose a serious threat to the unity of the country and is perhaps the main challenge to the federal government.

Modernization and Political Modernization

Russian leaders realize the need for comprehensive modernization, including political modernization. This need is increasingly accepted by different segments of society. In the Commonwealth of Independent States (CIS), the need for political reform is heightened by the combination of superficial modernization and a revival of archaic traditional ideas as the economy, culture, and science decline. The post-Soviet countries are open to the possibility of retreating in political and legal-judicial systems instead of moving forward with modernization and reforms. There are many types of modernization that these political entities can pursue.

The type and rate of modernization depend, above all, on the historical peculiarities of the country under transformation, its dominant political and legal culture, the level of elite support for modernization, and the level of national consensus on the means and costs of achieving those reforms. This applies also to Russia.

All the previous attempts at modernization in Russian history have been carried out "from above" and to varying degrees with violence. Society without civil rights was effectively the passive object of this kind of Westernization. The Marxist-Bolshevik project to transform the country was, despite all of its populist rhetoric, itself a revolution of the avant-garde, whose proclamations and actual aims could not be achieved without mass terror and total party-state control. For this reason, both perestroika in the second half of the 1980s and the consequent radical-liberal reforms were all, to a significant degree, initiated and carried out by competing groups of the old-new nomenklatura. These groups are linked by the attempt to transform the country not so much on the basis of the dominant tendencies in public opinion or the readiness of society for such modernization but rather on the basis of the ideas of those leaders and the elites surrounding them about the aims of the modernization and the most effective ways of achieving them.

The unchanging domination of leaders and elites over the course of almost all of Russian history can be partly explained by the fact that her political-legal culture is based on paternalistic relations to political subjects. It is enough to point out that the overwhelming majority of the population in both Tsarist and Soviet Russia, and even in contemporary Russia, valued equality over freedom and justice over legality.

The society and state that emerged in the 1990s resulted from the complex interaction of Russia's inherited historical-cultural characteristics, the leaders' and elites' desire for modernization, the various forms of resistance offered to the reforms by the uncoordinated forces of opposition, and the passive adaptation to new conditions shown by the majority of Russians.

Postcommunist Russia has been confronted with a problem of unprecedented complexity, namely how to resolve simultaneously three historical tasks, which the transitional countries of Latin America, Southeast Asia, and Eastern Europe dealt with in stages, albeit in different sequences: the creation of political and economic markets (modernization) and the search for a new nation-state identity.

Thanks to such international institutions as the UN and such specialized bodies as the International Monetary Fund (IMF) and the

World Bank, consensus on criteria of economic modernization has been achieved. This consensus does not exist in the political domain. It is possible to suggest some operational indicators of political modernization such as:

- extent of division of authorities;
- extent of court's independence;
- level of law abiding state-building;
- stage of human rights and freedom;
- maturity of civil society and NGOs;
- transparency and responsiveness of government and governmental institutions;
- maturity of political party system;
- conformity of election to international norms and standards;
- nature of elites, elite rotation, and opportunities for vertical mobility for different strata and groups;
- meaning and outcomes of political participation;
- mass media independence and access of citizens to mass media;
- legal and actual opportunities for political opposition;
- quality of local government.

In terms of the above indicators and Russia's progress, the results of the last two decades of modernization in Russia are mixed and incomplete.

One of the obstacles to modernization is the small size of the middle class, which, by the most optimistic estimates, does not constitute even 30 percent of the population. This is compounded by the huge gap between the richest (top 10 percent) and the poorest members of society, which is many times larger than in Western countries. This polarization of rich and poor, characteristic of poorly developed countries, is a constant source of social and political tension and conflict and creates fertile ground for political extremism of different kinds.

Russia is also still in the initial stages of the modernization process toward civil society, and the creation of the rule of law and has not yet overcome the centuries-old traditions of undervaluing the individual and denigrating his rights and freedoms.

In spite of the separation of powers laid out in the constitution, political power legally, and to an even greater extent in practice, is concentrated in the office of president because of the weakness of other branches of state authority. This is so much so that Western analysts often characterize the national political system as "super-presidentialism" with only a "fig leaf" parliament.

Both the experiences of the world and of Russia show that leaders and elites play the decisive role "from above" at times of modernization. This experience also shows that if civil society, political and economic pluralism, and a system of institutional checks and balances do not all develop during a period of violent modernization from above, even if this is in the name of democracy and the free market, dominant elites in society will evolve into a force independent of society. Whatever ideology they may proclaim, their concern will be to limit the potential for opposition and to prolong their own power.

In such a situation, elections are characterized predominantly by infighting between leaders of various elites, reducing representative democracy to an elitist authoritarian regime. Russian elections do not fully meet the international standards of a fair, transparent, and competitive process. That is why they cannot fulfill such democratic, constitutional functions as citizens' efficient political participation and civic control over public authorities. Elections, as well as representative democracy itself, are predominantly the instruments of legitimization and self-reproduction of power holders.

It is the elites and their perpetual infighting, the changes of coalitions, and political victories and defeats of one or another of those coalitions that determine much of Russia's political development and modernization.

Federal authorities are conducting a double-standard policy toward civil society and human rights. On the one hand, they are insisting that constitutional freedom of expression and mass media should be observed. They organize civic forums and create favorable legal and financial conditions for NGOs. Two consecutive Russian presidents have declared that it is impossible to build a worldwide competitive and innovative economy without the elimination of bureaucratization and corruption, without citizens enjoying free and democratic rights, and without a strong civil society.

On the other hand, the same authorities often violate human rights. Freedom of meetings, marches, demonstrations, and picketing are restricted for the opposition and proactive oppositional organizations are suppressed. Most foreign NGOs were compelled to leave Russia. The law on NGOs as "foreign agents" was passed in July 2012. According to this law, all NGOs that receive foreign money and are involved in political affairs should be registered in a special list as foreign agents.

The "War against corruption and bureaucratization" is predominantly symbolic. In reality and in the perception of most of the Russian

population, the country is far from being a law-abiding state and having an independent judiciary.[5]

Russian ruling elites started to realize, under the impact of the global financial crisis, growing domestic tensions, and social-political conflicts, the scale of threat to their wealth and power. Under these circumstances, a modernization project has been suggested since the 1990s in various versions.[6]

The current Medvedev modernization project recognizes the huge gap between expectations of the politically active and educated part of society, the design and promises of the liberal reformists and outcomes of these reforms, and the recognition of the failed Russian democratic transition. This modernization project is designed to play in an ideological vacuum a role of pragmatic and reduced national idea.

How to mobilize, consolidate, and assess the reformist potential of this vague modernization project are not yet clear. At the same time, the evolving discussion between authorities and society about Russia's modernization has the potential to attract public attention to many of the unresolved problems and to create momentum in searching for their solutions.

One of the principal lessons of the past two decades of postcommunist reforms in Russia is that the collapse of the old system does not necessarily mean that the conditions for emergence of the new system exist. Democracy and human rights, even if they are proclaimed by the national constitution, are not necessarily the values and goals of the ruling elites. To make democracy and human rights priorities in internal and external policies, pressure from an awakening and fledging civil society is mandatory.

As a well-known regional specialist says, "The Putin-Medvedev period could become crucial for Russia. Even though today the country continues its suicidal statecraft, still this period holds a window of opportunity for modernization."[7] In recent months, focused discussions have been both more open and critical about the internal obstacles to Russia's modernization and about the need for a policy course for the country's transition to sustainable development. These discussions all point to the need for a new government strategy.

Meanwhile, the policy in 2013, as well as in previous years, remains extremely volatile. Russia is still in search of an institutional, managerial, and normative value of design, which will help overcome the deep fissures in between the elites and society. In the last two decades, Russia has pursued an authoritarian-bureaucratic management model,

yet in all its variations, the model has not been able to resolve Russia's problems.

At the same time, there is growing skepticism, even from some members of business and academic communities, of a full-fledged Western type of democracy for Russia's current transitional period. This right reformist movement is inspired also by Western scholars of different disciplines and schools. As Michael Power (London School of Economics and Political Science) underlines in his review of Robert Alasdair's book, *The Logic of Discipline: Global Capitalism and the Architecture of Government*:[8]

> The case of private-public partnerships illustrates a more general claim by Roberts that many areas of public policy were subject to a distinctive reform philosophy—the 'logic of discipline'. At the heart of this philosophy is an assumption that democracy poses risks to efficiency and effectiveness in a number of key policy areas. Specifically, the influence of politics and politicians is malign, encourages the prioritization of short-term goals, leads to instability, and rewards selfishness. As if this were not bad enough, civil servants lack the execution capabilities required for critical projects. In short, the logic of discipline assumes that pressure for governability and democratization are counterproductive and must be curtailed by delegating policy to a class of technocrat-guardians who, by definition, are protected from the vicissitudes of politics.[9]

As a well-known Russian sociologist comments, "The main obstacle to Russia's modernization . . . is in the type of Soviet or post-Soviet man (*Homo sovieticus*), his basic distrust of the world, in the experience of adaptation to the violence, which make it unfit for the reception of more complex moral ideas and interrelations, this means his inability to institutionalize, fix new social forms of interaction."[10] With this conclusion we can agree only partially.

In large cities, there is a growing demand for participative politics in the sense as understood by Kai Eriksson (University of Helsinki): "Participative politics provides a vision of vibrant partnership between citizens, business and government and of active citizenship as the foundation of democracy. It defines society as a dynamic interactive network in which ideally citizens engage increasingly in the self-organization process of a political community."[11] This request is intertwined with the desire of the emerging middle class for open government and open governance, in which active citizens are among the main producers and consumers of political and management information.[12]

Notes

* Financial support from the Nomura Foundation and the University of Niigata Prefecture is gratefully acknowledged.

1. Domestic researchers variously isolated and specify these stages or cycles. See, for example, Vladimir Gel'man, Grigorii V. Golosov, Elena Meleshkina, eds., *The First Election Cycle in Russia, 1993–1996* (Moscow: Ves' Mir, 2000); Vladimir Gel'man, Grigorii V. Golosov, Elena Meleshkina, eds., *The Second Election Cycle in Russia 1999–2000* (Moscow: Ves' Mir, 2002); Aleksandr Vladimirovich Ivanchenko and Lyubarev A. E., *Russian Election from 'Perestroika' to a Sovereign Democracy* (Moscow: Aspect Press, 2006).
2. See, for example, Schleder Andreas, ed., *Electoral Authoritarianism. The Dynamics of Unfree Competition* (Boulder, CO: Lynne Rienner Publishers, 2006); Grigorii Golosov, "Electoral Authoritarianism in Russia," *Pro et Contra* No. 1 (January–February 2008).
3. Details can be seen in the analytical report of the Institute of Socio-Economic and Political Studies, "Direct election of governors and municipal collection signatures system in 2012: The impact on the development of the political system and on directions for improvement," Moscow, November 2012.
4. Results of the study of factors leading to the crisis, and its very nature, are in the report of the Expert Committee of the Center for Strategic Research to the Committee of Civil Initiatives, led by the former Russia minister of the finance Alexei Kudrin, "Society and the Power in the Political Crisis," Moscow, May 2012.
5. It was confirmed by the survey project "Monitoring of the implementation of the Federal purposeful program 'The development of the courts system in Russia in 2007–2011 and evaluation of the judicial institutions by citizens and organizations,'" conducted with participation of the author of this chapter.
6. To a certain degrees Yosif Diskin summarized these versions and models. Yosif Diskin, *Breakthrough: How We Can Modernize Russia* (Moscow: ROSSPEN Publishing House, 2008) (in Russian).
7. Lilia Shevtsova, "Russia Today: Historical and Foreign Policy Implications of the Economic Crisis," Presentation, Kennan Institute 1 June 2009. *Kennan Institute Meeting Report* XXVII:2 (November 2009).
8. Robert Alasdair, *The Logic of Discipline: Global Capitalism and the Architecture of Government*. (Oxford: Oxford University Press, 2010).
9. Alasdair Roberts, "The Logic of Discipline: Global Capitalism and the Architecture of Government, *Public Administration: An International Quarterly* 90:4 (2012): 1114–1117.
10. Gudkov Lev, *Abortive Modernization* (Moscow: Publishing house "ROSSPEN", 2011), 7 (in Russian).
11. Eriksson Kai, "Self-Service Society: Participative Politics and New Forms of Governance," *Public Administration: An International Quarterly* 90:3, (2012): 685–698.
12. William V. Smirnov, *Open Government: The Way for Achievement* (Moscow: Institute of State and Law, 2005) (in Russian).

3.2

Politics of Dictatorship and Pluralism*

Nobuo Shimotomai

Introduction

Understanding politics is always difficult, as political systems and behavior change constantly, and because they can be viewed differently by observers. This is all the more true with Russian politics, which has been adrift between democratization and authoritarian inclination. Still President Vladimir Putin's regime between 2000 and 2007 was, though less democratic, more stable and predictable[1] than previous times of uncertainty. Following this period was a tandem regime or duumvirate by Dmitry Medvedev as president and Putin as prime minister. Under this dual leadership system, things became more complicated and attracted wider attention. This tandem system of leadership ended in 2012 officially, and the new regime called PutinII has been evolving from May 2012 onward.

Scholars and analysts are divided over the interpretation of the Putin II system. The Japanese view on Putinism and the present Russian political system are also at variance among experts. Following the famous Aristotelian classification of political systems according to the number of rulers, one can see the Japanese view on: (1) one-man rule, (2) tandem or two-man rule, (3) a few rulers, including oligarchs, and (4) massive number of rulers called a democracy. In this chapter, I follow this line of argument of dictatorship and and analyze the transformation of Putinism, paying special attention to the numerical subjects, or numbers of the "system."

One-Man Rule of Vladimir Putin

By highlighting the one-man-rule political system, the dictatorial-despotic character of the Russian political system is underlined. Some scholars emphasize this aspect of Putinism. The historical background of Russian political culture is well known, which is inherited from the days of autocratic Ivan the Terrible, Peter the Great, Lenin, and Stalin. Thus, some still tend to think that Putin is a "dictator" whose power is absolute and has a complete grip over elites and institutions. Russia is a typical one-man controlled country, according to this theory. This understanding was also disseminated by some Kremlin ideologues and by political strategists.

Among contemporary Japanese literature, such scholars as Hiroshi Kimura and such journalist as Kenro Nagoshi tend to have this viewpoint. Another academic is Kengo Nagatsuna, who may be also included to some extent. Among others, Kimura may be categorized as the most sophisticated advocate of this school. In his recent and voluminous work *Medvedev vs. Putin*, he described Putin as the dictator and his regime as dependent on one person. According to Kimura, Putin as dictator is located in a "beautiful place, but once on ascendance, there is no place to exit."[2] He regards tandem system of rule with Medvedev as "a great invention by Putin for Putin."[3] If the regime continues until 2024, when his second term ends, then Putin is second in political longevity to only Stalin who reigned for 30 years.[4] In the same vain, journalist Nagoshi portrays Putin as a "Black Tsar" in his book *Dictator Putin*. Nagoshi highlights the data of political scientist Olga Kryshtanovskaya in which she finds that almost 80 percent of Putin's elites come from the St. Petersburg faction and are former KGB colleagues.[5] They are homogeneous followers with the same ideas and interests.

If Kimura regards Putin as a post-Soviet dictator, Nagatsuna regards Putin as the "Soviet" person who still pursues Soviet values and wants to rehabilitate Soviet norms.[6] Of course, Nagatsuna understands that the "socialist economy" is no longer sustainable and that the Communist Party of the Soviet Union (CPSU) as a political system cannot be easily revived. Thus, his argument is that Putin, as a former KGB agent, has a leadership style and basic core values that are very similar to Soviet values[7]. The heritage of homosovietics cannot be overcome easily.

Nagatsuna's Soviet image of Putinism is somewhat outdated, especially given Putin's commitment to privatization and marketization,

but it still has important connotations in the discussion. Putin's first election campaign for the 2013 presidency began with his commitment to the "Eurasian Union" in the Russian newspaper, *Izvestya*.[8] Some experts regarded this article as expressing his intention to integrate the post-Soviet space into a "Mini-USSR."[9] In fact, Putin's address to the effect that the collapse of the Soviet Union was the "greatest geopolitical tragedy of the twentieth century" is well known, although he added also that "those who want to revive the USSR have no head."[10]

A somewhat modified version of the one-man leadership of Putinism underscores his populist-orientation. Populism as a postmodern political trend was considered as a possible description, partly because Russian society had changed dramatically during Putin's reign. In Japan, at the 2004 meeting of the Japan Political Science Association, a panel on "comparative populism" discussed Putinist populism. The majority of comparative analysts came to the conclusion that Russia under Putin did not fall into the concept of populism.[11]

It is true that Putin and his team want to mobilize youth organizations like *Nashi* (Ours), especially when faced with "democratic" challenges of 2012. Also, because the conservative party "United Russia" remains in power, it is dubious whether one can call Putin II a populist.

The Kremlin wanted to change the image of Putin from macho to a spiritual or moral leader of Russia, such as "Wise Patriarch," by the autumn of 2012.[12] The Pussy Riot scandal became instrumental in bringing this aspect into action. Putin's presidential address on December 2012 also underlined the importance of "national ideas and moral prosperity." It may not be accidental that Putin refused the demands to remove Lenin's Mausoleum when he hinted that the mausoleum was inherited from the Greek Orthodoxy tradition to respect spiritual leaders who died long ago.[13] He even saw communism as one of the "Religions" in this interview. It may not be accidental that some "Old Believers," such as the writer Aleksandr Dugin, traced the same argument.[14]

Having discussed the autocratic image of Putin in recent Japanese works, the more cautious and balanced view of Putin can be found in the works of journalists in Japan. Masatika Sato, a journalist, in his recent book *Putin's Orientation* offers a typical interpretation of his colleagues' analysis. He argues how Putin's vertical power is, in fact, limited. Citing the film director Nikita Mikhalkov's statement to the effect that Putin should be labeled a "Monarchist Tsar" without

the constraints of the constitutional limits. However, Sato himself is inclined to regard Putin's power as restricted and modest, following the same conclusion as the famous analyst Stanislav Velkovskii who argues *Putin is not Tsar.*[15]

Two-Man Control or Tandem Revisited

Russian politics is full of old Greek political terms. It was Boris Yeltsin's Russia that revived the plutocratic oligarchs into the contemporary context. The second category of Aristotelian classification is rule by a few rulers, including a two-man system. Tandem by definition is governance by two rulers. Russian Tandem is the name of a system of two-man control, following the period after May 2008, when the duumvirate of the newly appointed President Medvedev and Prime Minister Putin began to work.[16] This political configuration of Medvedev-Putin officially worked until May 2012, when President Putin was inaugurated again.

During this period, it was difficult to discern who really decided the most critical issues. The constitutional competence of the president and the prime minister was not that clear. There were several theories on the real relationship between Putin and Medvedev. One group of analyses tended to see Putin's predominance, whereas the other emphasized Medvedev's growing preeminence, perhaps motivated ideological nuances. Relations between the two were defined as "cooperative," "competitive," "subjugation," "division of labor," etc. On TV, Medvedev was usually reported first, but the public image of him lagged behind that of Putin.

Even political ambiguity emerged, especially after the autumn of 2010, as the incumbent President Medvedev hinted at his willingness to run a second term as president. This political ambiguity continued for a while, and was eventually settled by September 24, 2011, when Putin was nominated as the new presidential candidate at the congress of the "United Russia."

However, the tandem issue has deeper roots than the conventional understanding of Putin's control of power as witnessed by the bypassing of the constitutional ban on his third-term presidency. The Russian Constitution (1993) is somewhat contradictory in character as it was written following the collapse of the Soviet system. The Russian political system emerged from the rubble of the former Soviet state system, when in December 1993, a national referendum adopted the new constitution of the Russian Federation. Officially

proposed by President Yeltsin, the constitution displays remnants of the Soviet model. Russia became a presidential-parliamentary country. The 1993 initiative of Yeltsin to introduce this semi-presidential system exacerbated the amorphous and even hybrid character of the post-Soviet Russian political.

The newly emerged political system under Yeltsin had inherited an ambiguous character, partly because the constitution was a kind of compromise between a strong presidency advocated by Yeltsin's entourage (Gennadi Burbulis and others) and a Soviet parliamentary system (proposed by Ruslan Khasbulatov and others). Alignment of political forces fluctuated between those who were committed to a stronger presidency and those who were against. Even at the height of Yeltsin's presidency or in his second term, Prime Minister Viktor Chernomyrdin could be a counterweight, especially when the State Duma had strong opposition forces.

Seemingly, the omnipotent president had to face his strong prime minister, as was the case with Chernomyrdin in the second term of Yeltsin's presidency. Thus, Yeltsin had to dismiss him, replacing him with Sergei Kirienko, a young technocrat of local oligarchic origin. However, Kirienko had to resign after the economic crisis of August 1998. Yeltsin wanted to reinstall Chernomyrdin as prime minister but failed because the majority of the parliament was against this appointment. A broad coalition emerged with the call of Grigorii Yavlinskii, the leader of the Yabloko faction. This communists-liberals coalition nominated Yevgeny Primakov, a former journalist and academic and once Mikhail Gorbachev's politbureau member, as the prime minister.

This constitutional crisis became a real threat to Yeltsin, when the majority of the Duma supported a strong prime minister. Still Primakov worked as prime minister from September 1998 to May 1999. In a divided and polarized society in the 1990s, the introduction of neoliberal marketization policies caused deprivation and impoverishment for the majority of people. Thus, the majority of the Duma was hostile to the Yeltsin regime, especially oligarchic groups, who supported the prime minister. Primakov easily overcame the economic crisis, and he gained in popularity. He could rely on this broader coalition of parliamentarians who consisted of communists and radical nationalists and who dominated the majority of the Duma. This coalition was hostile to Yeltsin's presidential regime. The "democratic" President Yeltsin had been, in fact, supporting and hence controlled by the plutocratic oligarchs, such as Boris Berezovsky and others who were

competing with each other to privatize national wealth and maximize their power and privilege. Thus, pro-Yeltsin "democrats" were confronted with a majority of parliamentary members who were critical of "democrats." The Russian democracy was sometimes hampered by "democrats" but was promoted by what was called "anti-democrats" and democratization by their majority rule in parliament.

Thus, this crisis of Russian governance had its roots in the constitutional ambivalence over the competence and power structure between the president and the prime minister, especially when the latter was supported by a strong majority of Duma factions.

However, the "Primakov phenomenon" did not continue long. Despite Primakov's success in stabilizing the economy, Yeltsin dismissed him from his position in May 1999, and replaced him with Sergei Stepashin. Stepashin proved to be incompetent and eventually Vladimir Putin was appointed prime minister in August 1999. Primakov resigned from the Duma, but he was then nominated by the anti-Yeltsin coalition to be a presidential candidate. Several local magnates like Moscow Mayor Yuri Luzhkov and the Tatarstan president Mintimer Shaimiev supported him. Thus Primakov became a symbol of this contradictory political configuration.

This "Primakov phenomenon" consisted of a strong prime minister and a majority in parliament, and it became a challenge to the Kremlin, which wanted to enhance the power of the presidency. This phenomenon continued to haunt Russian political elites. It is interesting that both the Kremlin and Putin cautiously studied the "Primakov phenomenon."

By the time Putin was president, he wanted to incorporate Primakov supporters into his system by fusing with them with his pro-Putin faction, thereby organizing the "United Russia" as political party. This enabled Putin to get rid of his other rivals, oligarchs like Boris Berezovskii and Vladimir Gushinsky who wanted to use a weakened President Putin for the promotion of their own interests and goals. In the 2000 election, Putin was a weak president, winning only 54 percent of the votes.

This "Primakov phenomenon" still haunts Russian elites and oligarchs. It was even revived in the 2003 political crisis, when another oligarch, Mikhail Khodorkovskii, reportedly wanted to introduce a political reform that favored a strong prime minister model for the 2004 election. Khodorkovskii received financial support from both "democrats" and "communists" in parliament. Putin reacted and countered by arresting Khodorkovskii. After the arrest, trial, and

guilty conviction, Khodorkovskii became the eternal antipode for Putinism. If one wants to trace the origin of the tandem system of a weak president/stronger prime minister, it is clear that it stems from the constitutional framework and the effect of Primakov's legacy on Putin's political strategy.

Crises of Tandem System

Tandem, in retrospect, was a kind of reemergence of the "Primakov phenomenon," but this time it was used by Putin in a different context. A stronger prime minister had a technical presidential counterpart, according to political scientist Vyacheslav Nikonov. However, even the formal constitutional framework of a duumvirate has a function of redistributing the power in the longer context. In fact, a systemic crisis occurred, as incumbent Medvedev hinted at real presidential power by October 2010, by ousting the mighty Moscow mayor Yury Luzhkov. This was followed by Medvedev's visit to Kunashir Island, a part of the territorial dispute with Japan. Though less is known about the approval of Putin, this move of Medvedev was domestically motivated as promoting him as a national leader, as a Russian analyst pointed out.[17] His adviser group, Igor Yurgens advocated radical, political modernization. Medvedev's presidential address in November 2008 began a discussion of political reform and democratization, though limited as an agenda item. It was a topic Putin had neglected after the authoritarian choice of strong control following the tragedy of the Beslan school siege (ending with 380 deaths) in September 2004. Medvedev also organized a Yaroslavl Forum around his birthday, which coincided at a similar time to Putin's Valdai club meeting with advisers and experts. Michael McFaul, an academic at the time, gave a paper "Democracy and Economic Modernization" at the pro-Medvedev Yaroslavl Forum in September 2010. In December 2011, he was appointed the US Ambassador to Russia. He was inclined to be pro-Medvedev.

We do not know when Medvedev and his entourage began to distance themselves from Putin and initiate plans to organize Medvedev's own power center. It is true that pro-Putin political scientists, such as Andranik Migranyan, argue that Medvedev's 2009 article "Russia Advance!" was Medvedev's own political program.[18] But the political view of Medvedev had deviated somewhat from Putin's and had become more liberal even in the 2006 to 2007 period, when he debated with Kremlin ideologue Vladislav Surkov over the concept

of sovereign democracy. Surkov was regarded as a strong proponent of Putinist authoritarianism. Curiously enough, Surkov became more "democratic" and closer to Medvedev, when he was dismissed from the Kremlin in December 2012, and subsequently appointed a cabinet secretary. By 2011, it became clearer that Medvedev was more reformist-minded than Putin.

Meanwhile the issue or debate of who would run for the 2012 to 2018 presidency became a hot issue among experts, following the US-based expert Nicolai Zlobin's famous question to Prime Minister Putin at the Valdai Forum in September 2008 about the comeback of Putin. He answered by saying a decision would be made after consultation. It is clear that Medvedev's ideologues, such as Gleb Pavlovskyand Yurgens, were more openly advancing Medvedev's second presidential term by the 2010 to 2011 period. The Yurgens Institute, also known as the Institute of Contemporary Development, was instrumental in bringing a new image of modernization to its chairman of the Board of Trustees Medvedev. The institute published a report on "Strategy 2012" in March 2012, in which serious political change was advocated.[19]

Putin's reaction also became well known. By August 2011, Putin had come to the conclusion that he must be the next president, thereby dissolving the previous tandem system, or at least again changing the roles of the tandem framework. We still do not know what the behind-the-scene reason was and how Putin came to this conclusion. Some argue that the international crises, following the "Arab Spring," especially in Libya, played a vital role. In fact, Putin commented on the Libyan issue in March 2011, which was at variance with Medvedev's position. Putin attacked the US commitment and interference in the country, and by doing so indirectly criticized Medvedev's handling of international affairs, although Putin admitted it was the presidential prerogative. Sato also suggests that Putin and Medvedev differ on state corporations.[20]

A more serious issue came into play when the popularity rating of Putin, Medvedev, and the "United Russia" party started to wane in 2011. The peak of Medvedev's popularity was in March 2010 when it reached 59 percent, but a year later it had dropped to 50 percent, and by August 2011 it had dipped to 43 percent. Putin's popularity peaked in 2008 when it reached 70 percent, but dropped to 57 percent by March 2011 and 49 percent by August 2011.[21] This was anything but a systemic crisis of the tandem system itself. Putin went on the counterattack. In May 2012, Putin advocated the organization of his own

movement called the "National Front." It is less known when and how Putin decided to run for the presidency. The Russian publication *Argumenti Nedeli,* which sometimes provides a hint of the Kremlin voice, announced that Putin had decided to run for the presidency by August.[22] This was followed by Medvedev's indecisive address before the Yaroslavl Forum on September 9, 2011. Anyway he spoke for running the Presidency at On September 24, 2011, Medvedev announced that he was running for the presidency at the congress of the "United Russia" party. He also pointed out that it was "tradition" that the incumbent president be at the top of the list of the ruling party for the parliamentary election of December 2011. A tradition Putin invented in December 2007.

However, the election campaign was organized poorly, and the result proved to be far from successful for the Kremlin. The average support for "EdinoRoss" party was some 40 percent in the October opinion polls.[23] "United Russia" won only 49.54 percent of the votes, less than a one-half. The most exciting and unexpected development was the emergence of the anticorruption protests that appeared during the presidential campaign. On December 10, and especially on December 24, a mass protest movement gathered, numbering some 100,000 people at Sakharov Plaza, which in turn attracted the attention of experts. This movement peaked in February 2012, when both anti-Putin protests and the "anti-Orange" protests took place in Moscow and other cities. Such Putinism advocates, such as political scientist Migranyan, argued that the Kremlin organized liberals around Medvedev, such as Pavlovskii and Igor Yurgens, and others became "anti-Putin" campaigners, following the suggestions or at least the silent permission of the Kremlin.[24] Migranyan also argued that anti-Putin campaign was aimed at the second presidential term of Medvedev.

This schism in the Putinist leadership, following the mass protest movements, gave rise to the debate over Putinist authoritarianism. This was not a democratization of Russian politics, but a a kind of middle-class movement, according to Levada Center sociologists.[25]

Revival of Kremlinology or Comeback of the Politburo?

By September 24, 2012, Putin publicly announce his intention to run for the presidency. Medvedev was appointed prime minister, when the

pro-government party "United Russia" scarcely won the December parliamentary election. A strong protest movement began to emerge on the issue of falsification of election results in the winter of 2011–2012. By February 2012, the mass movements had gained momentum and were calling for democratization, although pro-Putin forces also had mobilized people to counter the public unrest. Putin eventually won the March election and after his inauguration, what is called, the Putin II regime started in May 2012.

How to define this ambiguous and transitional phase of Putinism? Political scientists and specialists also face challenges. A Russian political scientist called it the revival of Kremlinology, when Russian political turmoil in 2010 took place even before Putin's presidential comeback.[26] Putin appears cautious and is less interested in democratization. Yet the political landscape has widened and scientists and analysts have had to cope with wider issues and problems than experienced in the Putin period of 2000–2007 and the tandem period of 2008–2012.

The most attractive discourse on the political system of Putin II is the revival of politburo discourse. If one-man control is not adequate because so many different clans and institutions are also competing for influence, then neither is the rule of a dictator nor oligarchs sufficient to understand the political context. Thus, the emergence of the third model helps to understand Putin and his system of governance. The Russian political analyst Yevgeny Minchenko offers a model for Putin's political system, which he regards as a kind of "Politburo II" of modern Russia (2012).[27] Mincenko's model attracted the attention of Japanese analysts, who were not satisfied with the previous models.[28] He interviewed some 60 experts after the 2012 election campaign and came to the conclusion that a system of "informal decision making took place in Russia," something similar to decision making in the politburo.

Among others, Minchenko included eight members of the "politburo": namely Medvedev (prime minister), Sergei Ivanov (head of presidential administration), Igor Volodin (first deputy head), Igor Sobyanin (mayor of Moscow city), Sergei Chemezov (military industrial complex), Gennadi Timchenko (Novatek Company), Igor Sechin (Rosneft), and Yuli Kovalichuk (media magnate) (Prybylovskii, 2012). His characterization is noteworthy in that Medvedev has slipped from the status of "lesser equal" vis-à-vis Putin and from possible candidate as the "next successor."

Also, at the candidate level, two figures are nominated as *Moscow Times* describes:[29]

> The Kremlin is grooming influential figures such as liberal-leaning former finance minister Alexei Kudrin and nationalist deputy prime minister Dmitry Rogozin as possible leaders in the case of a political crisis, and President Vladimir Putin's system of governing resembles the Soviet Politburo more than the so-called power vertical, according to a new report by an influential think tank.[30]

Incidentally, another think tank report also considers the rising political fortunes of Kudrin and Rogozin. The famous sociologist and former deputy minister Mikhail Dmitriev of the Institute of Strategic Research argues that Rogozin, who is from the nationalistic circle, and Kudrin, who is from the liberal circle, emerged as possible heirs or future leadership candidates. Kudrin is from financial circles and Rogozin was appointed deputy prime minister in charge of the military industrial complex.

Again, the analogy of the present system with the politburo model is not as easy as it looks. The politburo system has evolved from Stalin's hegemonic leadership, through Nikita Khrushchev's "transitional and heterogeneous" team, through Leonid Brezhnev's "institutionalized and formalistic organs" to the final stage of the self-destructive team of Mikhail Gorbachev. Minchenko also failed to define and categorize the politburo system itself.

If we follow Minchenko's line of argument, there may be at least three types of the "politburo" analogy. First, Putin's politburo consists of simply the homogeneous St. Petersburg clan. However, all Russian experts agree that this clan is far from homogeneous. They know that at least two different groups exists and have emerged from the same local people: Siloviki and Civiliki.

Thus emerges the second version, or what I may call "Khrushchevian," or a "transitional" model of the politburo analogy, where different groups are competing with each other, trying to kick out their rivals or enemies. This interpretation may be more real than the first version. In fact, some political scientist insiders, such as Migranyan, argue that tandem had "transformed" so that "liberals led by Medvedev" and "Putin and his team" are competing for supremacy. He argues that some political scientists, such as Inozemtsev, Gontmakher, Yurgens, and Pavlovskii, are helping to advance Medvedev as an alternate line to Putin whose course they see as "doomed."[31]

However, it is more safe to say that Minchenko is referring to a Brezhnevite model of politburo in reference to Putinism II. This analogy may fit better than the other period. First, Putin was far from

heir apparent in the initial stage, as was the case with Brezhnev. Both were surrounded by stronger rivals and even enemies. Second, the Brezhnev-Aleksei Kosygin tandem has something in common with the Putin-Medvedev tandem. Kosygin, as prime minister even had some diplomatic prerogatives, as was the case with Medvedev. Eventually and gradually, however, Kosygin lost power, wheras Brezhnev accumulated power from *primus inter pares* to supreme power. Third, Putin's years in power will amount to 18 years, if he officially remains in power until the end of his presidency in 2018. Brezhnev stayed in power for the same length of time. Fourth, Brezhnev pursued and Putin pursues a deliberate cadre policy that was and is less benign than previous leaders had pursued.

However, this analogy also ends, as we take a closer look at the difference between Brezhnev's and Putin's leadership. First, Minchenko characterizes it as an informal mechanism, but the Soviet politburo was far from informal. The politburo had a sophisticated control system of the Secretariat-Central Committee apparatus to implement the "leading role" through cadre policy (nomenclature) and other informal control systems over the vast state apparatus, economy, and society. However, the Putin system is more limited in scope over control of the economy and society. Among others, Putin's "vertical control" and authoritarian control over regional elites simply means that he lacks a local control mechanism.[32] Debates over gubernatorial elections are on the president's agenda and reluctantly Putin has permitted the reinstallment of the electoral system for governors, although liberals are critical. The minister on local affairs, Oleg Govoryn, became the first minister to be dismissed because of poor implementation in October 2012.

Second, Putinism lacks ideological control mechanisms, even if he has control of most of the state and private TV media. Even at the height of Putin I, he faced criticism by democratic leaders and foreign media. Third, Putin lacks a formal succession mechanism, even though the politburo also sometimes found it difficult, but basically it could appoint a *de facto* "second secretary," such as Yuri Andropov, Konstantin Chernenko, and eventually Gorbachev. Putin, however, may lose his heir apparent, as Medvedev claims to be the heir in his address at Davos this January.[33]

Putin II in Reality

The following model emphasizes the scattering or even centrifugal character of the regime, following the end of tandemocracy. Internal

integrity, offered by official media, is only the coverage of different colors and interests of present Russian political players and institutions. In this context, ideology, interests, and institutions matter.

Ideological cleavage among the ruling elites was evident, especially on February 24, 2013, when pro-Putin and anti-Putin leagues mobilized each other. In this election campaign, "democrats" and conservative "anti-Orange" group had separate meetings. Following debates over the Magnitskii Law and other issues, the split has shown West leaning and West phobia among the two groups. Medvedev's inclination for European civilization is well known, but Putin prefers an Asian dimension in Russia's orientation, which was apparent at the Vladivostok Asia-Pacific Economic Cooperation (APEC) summit. Russia is looking East as well.

Ideological chief Vladislav Surkov was removed and in his place Vyacheslav Bolodin was added. He comes from Saratov prefecture as a political scientist and was once secretary of the "United Russia" faction of the Duma before he was appointed the first head of administration. Surkov turned out to be more liberal and so became the cabinet secretary, but his role may be lessened accordingly.

More importantly, the relationship between the presidential administration and cabinet ministry has changed drastically, both in personnel and competence. Putin's administration carries greater weight than the lightweight cabinet on decision-making issues. An example is the energy policy that is of prime importance for the Russian economy and politics. At the cabinet level, Medvedev appointed a former presidential aide, Arkadii Dvorkovich as deputy prime minister, but Putin appointed Igor Sechin, head of Rosneft and a former deputy prime minister on energy, as the secretary for the Fuel Energy Complex commission, attached to the president. Thus, Putin and Sechin are involved in the highest decision-making body of the Fuel Energy Complex.

A serious debate took place over the privatization policy between cautious Sechin and optimistic Dvorkovich. Rosneft became the second largest energy company by the autumn of 2012. Also, policy over the development of the Far East occurred between liberals who are against and those who are in favor for the setup of a state corporation for the development of Siberia and the Far East.

All the important former prime ministers were appointed as presidential aides and were given the power to inspect, advise, and control governmental bodies.[34] Individuals, such as Tatyana Golikova, El'vira Naviulina (economic policy, president of Central Bank), Yuri Tortunev (energy), Yury Ushakov (diplomacy), were appointed as aides.

The political weight of Prime Minister Medvedev is waning. Two members of the cabinet are already ousted and several were severely reprimanded. The media has begun to speculate who is going to be the next prime minister and several names have been suggested, such as Igor Shuvalov, Sergei Ivanov, German Gref, Mikhail Prokhorov, and even semioppositionist Aleksei Kudrin and Dmitrii Rogodin.

This ideological dimension is related to the interest of domestic forces in Russia. Medvedev and former defense minister Anatoly Serdyukov wanted to introduce foreign military hardware, but after Serdyukov's removal following the scandal at the Ministry of Defense, Sergei Shoig was appointed. He had been a minister of an extraordinary situation. Shoig is a non-Russian, and he initially moved to Moscow as a regional governor before his appointment as defense minister. This appointment hints at how Putin-supporters are thin among the cadre reserves.

A Distant Democracy?

Democracy is by definition a system of"demos kratos," that is, a rule of the majority. However, "democracy," both as a normative value or a model for understanding present-day Russia is far from appropriate. Under Putinist governance, this term turned to minority oppositionists who were sometimes labeled "nonsystemic." Even such individuals like Yeltsin's deputy prime minister Boris Nemtsov or even Putin's first prime minister Mikhail Kasyanov was regarded as such. They eventually contested Putin's regime but failed to challenge Putin in the presidential election of March 2012.

However, opposition groups partially succeeded in challenging Putin and his system by focusing on the corruption of the regime. Through new forms of media, like the Internet and social networks, critics mobilized public opinion. Alexei Navalny, a lawyer and blogger, rose to prominence as an opposition leader in 2011–2012. At first, the democratic movement that emerged between the December 2011 Duma elections and the March 2012 presidential election seemed promising, as it organized spontaneously middle-class citizens of larger cities into protest movements. New figures like Kseniya Sobchak, and leftist Sergei Udaltsov projected a new image for the future leadership.

However, the regime could succeed to minimize the impact of protestors by marginalizing their forces, especially after the March election. All the social movements have tides. In the instance of the

Right-Left or Nationalist-Democratic opposition forces, their differences could not be easily overcome, and by the middle of 2012, these opposition forces were marginalized, losing public visibility. By the autumn of 2012, they set up coordination committee and elected Navalny as leader, but with its political weight diminished, few paid attention. Nemtsov, Kasyanov, and others formed the People's Freedom Party (PARNAS) in September 2010, but were not allowed to register as a party and were thus excluded from the system and marginalized as a minority movement. They are vocal, inviting foreign media, above all US media, to mobilize support, but this tactic proves to be counterproductive against the Putin majority.

Semi-oppositionists or half-oppositionists like Kudrin, a former finance minister, want to participate in local elections to show the alternative model of development. His associate, Dmitriev of the Centre for Strategic Research, regularly reports on the political situation in Russia, and he suggests that the opposition wait until it can consolidate itself, but the local election also in the latter half of 2012 seemed less promising. In essence, the season of political upheaval seems to be diminishing.

Putinist politics part II seems monophonic and conservative, and the political weight of Medvedev is waning. The center of gravity for decisions is concentrated in the presidential office, above all with Setin and his Fuel Energy Complex. The European economic crises, the US success on the shale gas revolution, and Chinese claims of superpower status on every front has over time necessitated Putin's enhanced authority.

Notes

* Financial support from the Nomura Foundation and the University of Niigata Prefecture is gratefully acknowledged.

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3. Ibid., 446.
4. Ibid., 428.
5. Kenro Nagosh, *Dokusaisya Putin* [*Dictator Putin*] (Tokyo: Bungeisyunjyu, 2012), 153.

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9. This term was used by Nagoshi Kenro and others. Ibid., 211.
10. There were long debates over the Russian commitment over the former Soviet nations. Russia's imperialistic integration or Soviet Monroe doctrine was often criticized, or even advertised. More sophisticated integrationist was also advocated by some experts like Karaganov, Migranyan, and others. However, Soviet integrationist interpretation seems too much exaggerated; it seems to the present author, given the presence of Chinese influence over the post-Soviet and especially over the Central Asian countries or republics.
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15. Masatika Sato, *Putin no Shikou* [*Putin's Orientation*] (Tokyo: Iwanami shoten, 2012), 78.
16. "From the Crisis of Putinism to the fall of Tandemcracy," paper presented on December 15–16, 2011, at Hankuk University of Foreign Studies, Seoul, Korea. "Russia's Political System in Transition: A Search for a Unique Model or a Return to an Authoritarian System?"
17. "Islands for Domestic Use," http://www.politcom.ru/10989.html (accessed June 20, 2011).
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20. Sato, *Putin's Orientation* [*Putin no Shikou*], 121. It should be underlined that difference existed between Putin and Medvedev had existed even in 2007 when Putin was president. That was part of the reason why the Premier was dismissed and was replaced by Zubkov in September 2002.
21. "Fond Obshchestvennoe Mnenie," [Public Opinion Foundation], *Monitoring* No. 35 (2012): 2, 4.

22. Andrei Uglanov, "Dvulikii Putin(Ambivalent Putin)," *Argument Nedel* (August 31, 2011).
23. www.politcom.ru/12955.html article by O.Stanovaya. Moscow and St. Petersburg people are less supportive of both Putin and Medvedev. It may not be accidental that Meyer of both cities are loyal to Putin (Sobyanin's case) or from the KGB-related politician (G. Poltavchenko's case).
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29. Mikhail Dmitriev's Institute "Strategic Priority Center" is more inclined to semi-opposition position. Their report in May 12, "Society and Power in a Condition of the Political Crisis" has named also four possible future leaders, namely, Mikhail Prokholokh, A. Kudrin, D. Rogodin and Aleksei Navelny. "Obshchestvo i Vlast v usloviyakh politicheskogo krizisa," *Moscow*, (2012): 49–52.
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32. It should be noted that Putin was first appointed as the director controlling local matters in the presidential administration.
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4

Japan and Russia Economics

4.1

Economics Takes Command*

Yutaka Harada

Introduction

The Japanese economy has been in a slump since the 1990s. The growth rate of GDP in real terms has dropped from 4.6 percent in the 1980s to 1.2 percent in the 1990s to 0.6 percent in the first ten years of the twenty-first century. This decline is termed the *Great Recession* because the growth rate, while low, is not negative on average and so cannot be called a *depression*. What were the causes? One is that politics did not effectively respond to the symptoms. In the 1990s, Japanese politicians continued administering the same old medicine, that is, expansion of public works spending. The medicine, however, was not effective.

In 1996, there appeared to be a genuine recovery, as real GDP grew by 2.6 percent, but in 1998, the growth rate was minus 2.0 percent, and politicians started to point to the bad assets that had accumulated during the bubble economy at the end of the 1980s and that had burst in the early 1990s. The government tried to solve the problem of nonperforming assets, but the economy did not recover as expected. From 2002 to 2006, though, a real recovery did occur with a real growth rate of 1.8 percent. But after the Lehman shock in September 2008, the Japanese economic growth rate became negative again.

The Liberal Democratic Party (LDP), which was formed in 1955 and governed Japan for more than half a century, was ousted from power from August 1993 to April 1994, and there was a full-fledged change of government following its loss in the House of Representatives election of September 2009. The Democratic Party of Japan (DPJ)

replaced the LDP and initiated a number of interesting experiments, but ultimately they were not able to run Japan very effectively.

This chapter has five parts in addition to this introductory section. First, I discuss the Great Recession and the policy responses of the LDP. Second, I discuss *Abenomics*—the economic policy of Prime Minister Shinzō Abe. Third, I explain the interesting and important experiments by the DPJ. Fourth, I show how serious Japan's aging problem is and how Japanese politics has been unable to respond to it. Finally, I conclude these discussions.

The Great Recession and the LDP's Response

The recession is an important reason behind the Japanese electorate's distrust toward the LDP. The party did not understand why the economic malaise occurred, and even among Japanese experts many different arguments are made.[1]

Japanese politics was unable to respond in the 1990s, as already noted; the old medicine of public works spending to stimulate the economy proved ineffective.

Figure 4.1.1 shows the growth rate of real GDP and public investment (government gross fixed capital formation). The figure indicates

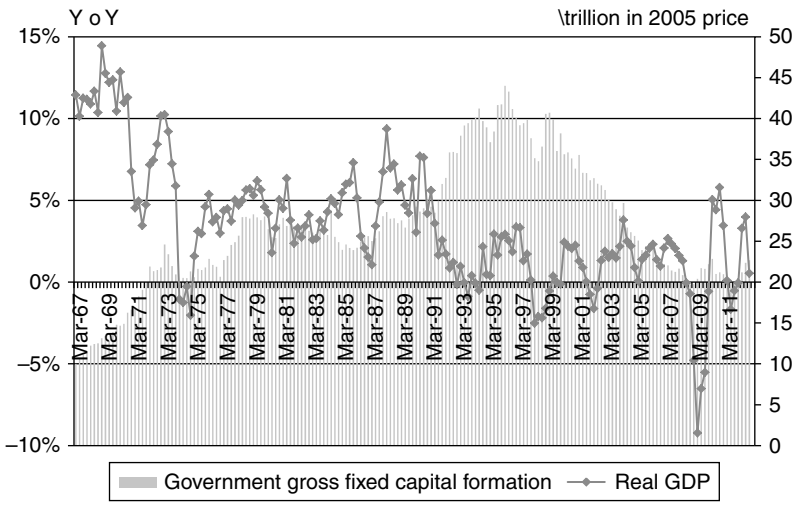

Figure 4.1.1 Growth Rate of Real GDP and Government Gross Fixed Capital Formation.

Source: Cabinet Office, Government of Japan.

that although public investment increased from 1990 to 1996, the GDP growth rate did not. After 1996, the GDP growth rate declined in the ensuing two years, but from 1999 it increased until 2008, when the Lehman shock crippled the economy in spite of higher public investment expenditures. This shows that public investment cannot increase the growth rate.

Economists do not agree on a single, principal reason for the Great Recession. Instead, they used at least four key arguments to explain Japan's economic woes: (1) the bubble hypothesis—asset bubbles that burst caused a long slump; (2) the efficiency shock hypothesis—certain structural problems eroded the efficiency of the Japanese economy in the 1990s; (3) the financial system hypothesis—a decline in financial system functions hampered economic growth, that is, nonperforming assets weakened the ability of banks to extend loans to industry; and (4) the monetary policy hypothesis—an insufficient monetary expansion caused the slump.

Authors examining the Great Recession usually discuss most of these hypotheses, and books on the subject cover all or most of these possible explanations. Next, I briefly describe the most salient of these hypotheses and also explore other arguments.

Can the Bursting of the "Bubble" Explain the Great Recession?

Many Japanese economists attribute Japan's Great Recession to the "bubble," its subsequent bursting, but many countries have experienced bubbles, seen them subsequently burst, and gone through financial crises. No country, however, has experienced as prolonged a period of stagnation as Japan.

Japan's prolonged stagnation is quite exceptional and needs to be explained by factors other than the bubble and its bursting.

Was There an Efficiency Shock in the 1990s?

Many economists also contend that an efficiency shock to Japan's economy best explains its low growth rate. Although I do not assert that the Japanese economy is free of structural problems that lower its efficiency, one must remember that it is a dual economy: the export-manufacturing sector, which accounts for only about 20 percent of GDP, enjoys high productivity, while other sectors have low productivity. The point is that Japan had structural problems not only in the 1990s but also in the 1980s.

Additionally, Japan had already implemented substantial structural reforms that applied a positive efficiency shock to the economy leading up to the 1990s. Major public corporations, such as Nippon Telegraph and Telephone and the Japanese National Railways, were privatized in 1985 and 1987, respectively.

If structural reform had been important, then lower taxes would have been an essential structural reform. The huge tax reduction, including the marginal tax rate cut—the maximum income tax rate was reduced from 80 percent (including local tax) in 1987 to 50 percent in 1997, while the consumption tax was hiked to 5 percent in 1997—should have had a major positive impact on the Japanese economy, but we have yet to see that impact.

Did a Decline in Financial Intermediary Functions Significantly Reduce the Growth Rate?

Some economists argue that the huge nonperforming loans (NPLs) of Japan's banking system in the early 1990s were responsible for the Great Recession. NPLs eroded bank capital, they claim, and banks could not expand loans, which reduced the growth rate of the economy.

Ryuzo Miyao concludes, after surveying several studies, that in the first half of the 1990s the effect of NPLs was limited, with a credit crunch being seen in only some sectors, whereas in 1997–1998, there was a credit crunch that affected the economy overall.[2] So the decline in this function cannot explain the long-term stagnation.

Was Monetary Policy Important?

The Great Recession occurred simultaneously with deflation, which caused stagnation through various channels and was itself caused by monetary contraction. Thus, I believe that monetary policy is an important factor in explaining the Great Recession.

Additionally, unemployment increased from 2.5 percent in 1990 to 5 percent in 2000. This was not due to higher inefficiencies in the labor market, because nominal wage rigidity was partly destroyed at the end of the 1990s, enabling firms to be more flexible in hiring labor, such as through temporary employment agencies and contract agencies. Thus, the Great Recession can perhaps be explained by a decline in the utilization of the existing labor pools and production facilities. Monetary policy can stimulate an economy in such a situation.

There is broad agreement that monetary policy caused the fluctuations toward the end of the 1980s and early 1990s, but there is

no agreement that monetary factors are important in explaining the economic fluctuations in and after the late 1990s because the mechanisms that perpetually inactivate an economy are not clear. Economic textbooks argue that monetary policy influences real variables such as production and output in the short run, but not the long run.

The Bank of Japan (BOJ), however, did not expand the money supply in response to the negative demand shocks that repeatedly occurred. In the late 1980s, the BOJ excessively expanded the money supply and, in the early 1990s, sharply contracted the money supply. In the mid-1990s, the BOJ did not pursue an expansionary policy in response to the excessive appreciation of the yen. During the financial crisis of 1997–1998, the BOJ did not expand the effective monetary base[3]. And just before the collapse of the information technology (IT) bubble in 2000, the BOJ increased interest rates.

These misguided monetary policies continued to reduce Japan's growth rate. In response to the Lehman shock, other central banks aggressively expanded the monetary base, but the BOJ did not, which resulted in a sharply stronger yen.

The Case for Monetary Expansion and Its Effects

I have considered the case that monetary contraction reduced the growth rate. Yet the BOJ did expand the monetary base from March 2001 to March 2006, that is, it pursued a quantitative easing monetary policy (QEMP). QEMP was effective in stimulating the economy in the first half of the 2000s[4], and real GDP from 2002 to 2007 increased from the 1 percent average of the previous ten years to 2 percent, providing additional evidence that monetary contraction in the 1990s caused the Great Recession. The period of QEMP (March 2001–March 2006) coincided with the administration of Junichiro Koizumi (April 2001–September 2006), during which Shinzō Abe served as minister and chief cabinet secretary.

By the time Abe took over as prime minister from Koizumi in September 2006, QEMP had already been halted, and the economy was on a gradual decline. Abe resigned after a year in office, and following two short-term LDP prime ministers, the DPJ replaced the LDP in the September 2009 general election. Abe came to believe that the BOJ's deflationary monetary policy was responsible for the stagnant Japanese economy. Since Abe's return to power in the December 2012 general election, he has tried to embark on new economic policies.

Before I explain the economic policies of the Abe Administration—dubbed *Abenomics*—I will explain why the BOJ did not expand the money supply.

The BOJ's Reluctance

The simple question arises as to why the BOJ did not pursue monetary relaxation. Why did the BOJ limit QEMP to 2001–2006? Both Mitsuhiro Fukao[5] and I[6] argue that the BOJ is afraid of raising interest rates. In the short run, QEMP or any monetary easing reduces nominal interest rates, but, in the long run, such a policy direction leads to higher rates. QEMP stimulates the economy, leading to increases in real output and higher prices. As a result, nominal interest rates increase because of economic recovery and a rise in the inflation rate (the Fisher effect). Two studies, Honda et al.[7], and Yutaka Harada and Minoru Masujima[8] show that QEMP results in rising long-term interest rates.

An increase in interest rates in the long run causes a decline in bond prices, which may negatively affect the balance sheets of banks holding huge amounts of bonds in the absence of borrowers. If bond prices decline, then some banks might face serious problems. Of course, if an increase in interest rates is due to a recovery from stagnation and deflation, banks can expand loans and increase interest rates to make a profit. Some banks, however, would be unable to wait for this to happen, which is what strongly concerns the BOJ. The situation could worsen, though, if such banks purchased more bonds because new borrowers could not be found in a stagnant economy.

This is a typical case of Japanese politics being impeded by small interests and not effectively responding to big problems.

Abenomics and the New LDP

Abenomics consists of monetary easing, expansion of public investment, and strengthening of a growth strategy. Abe views these three policy objectives as the keys elements for economic revitalization.

Monetary Easing

Monetary easing is actually a very conventional and well-accepted policy. Abe tried to get the BOJ to adopt an inflation target of around 2 percent and succeeded in it. With this policy, Abe hopes to overcome deflation, reverse the yen's appreciation, and achieve an economic recovery.

More than 40 countries have adopted inflation targeting policies, some of these countries include the United States,[9] Canada, Mexico, Australia, New Zealand, Britain, Eurozone countries, Scandinavia (that is, most European countries), Turkey, Israel, South Africa, Brazil, Chile, Indonesia, Thailand, South Korea, and the Philippines.[10]

Even before the BOJ adopted this policy, the mere anticipation of such a policy caused the yen to depreciate and stock prices to rise. Also, the export industry welcomes the currency depreciation as it allows it to expand employment and investment. Consumption will rise, and investment, such as in real estate, will be encouraged.

Inflation targeting can also help avoid hyperinflation. If the inflation rate rises significantly higher than 2 percent, the policy can be reversed, helping to stabilize the Japanese economy.

Expansion of Public Investment

I am skeptical about the effect of an expansion of public investment for three reasons. First, such spending is extremely inefficient. Koizumi reduced such investment, and so did the DPJ administrations, prompting the LDP to assert that the reductions went too far, causing infrastructure to fall into disrepair. The charges are true to some extent, but now the LDP is trying to expand spending on the most inefficient of infrastructures.

Additionally, because of the 2008 world financial crisis and the Great East Japan Earthquake of March 2011, Japan has already expanded public investment. Public investment in the general account budget had fallen from a peak of 14.9 trillion yen in 1998 to 7.3 trillion yen in 2008, but it increased to 8.8 trillion yen in 2009 and 7.8 trillion yen in 2011, respectively.

Japan's public investment is not limited to the general account. The ratio of Japan's public fixed capital formation to GDP is quite high among the leading industrial countries. Japan's ratio is 3.2 percent, whereas those of Britain, the United States, and Germany are 2.5 percent, 2.5 percent, and 1.6 percent, respectively in 2010[11].

Second, wages in the construction sector have already increased due to reconstruction work following the 2011 disaster. This suggests that construction jobs are already filled and that the government needs to create other jobs.

Third, government expenditures increase interest rates and cause the yen to appreciate, offsetting the positive effect of public investment in the economy. This is a mechanism that the Mundell-Fleming model

teaches[12]. The expansion of public investment in 2009 strengthened the yen from 105 yen per dollar to 95 yen per dollar, although this was due mainly to insufficient monetary expansion. The result was a drop in Japanese exports, thereby negating any positive stimulus from public investment.

Strengthening of a Growth Strategy

A growth strategy is essentially an industrial policy that is based on the idea that the government can find growth sectors, effectively subsidize those sectors, and then reap gains in excess of the cost of the subsidy. Such an industrial policy, though, has not been successful. The growth rates of subsidized industries were often lower than those of unsubsidized sectors, as shown by Richard Beason and David Weinstein[13] and Michael Porter and Hirotaks Takeuchi.[14]

Porter and Takeuchi found that in 20 successful industries, the government had not given any major subsidies and government intervention was almost entirely absent, and yet in seven unsuccessful industries, government intervention had been significant.

Both the LDP and DPJ have subsidized sectors that they think are important, but such efforts have not been successful. The DPJ emphasized new energy sectors, medical care, and childcare. It introduced a fixed price purchase system (feed-in tariff) that obligates electric power companies to buy power generated through solar, wind, and other renewable sources at a high price. This may be a growth strategy for these renewable energy sectors, but not for the sectors that have to pay more for the energy they use.

The new LDP government will be subsidizing certain sectors, but this will not increase the efficiency of the total economy.

It would be better to center a growth strategy on trade liberalization, privatization, deregulation, and tax reduction, especially corporate tax, but the Abe government does not appear to be moving in these directions. It is, however, a good sign that Prime Minister Abe declared in March 2013 that Japan is ready to join the Trans-Pacific Partnership (TPP) negotiations after he visited the United States, but so far there are no indications that he intends to pursue the options just cited for a growth strategy.

Why Expand Public Investment and Strengthen Growth Strategy?

Why does the new LDP government seek to expand public investment and strengthen its national growth strategy? If the government

subsidizes certain sectors, it can create power. The LDP can then mobilize the subsidized sectors to collect votes for the next election.

The next election for the House of Councilors (upper house) was to be held in July 2013. The LDP had an absolute majority in the House of Representatives (lower house), but not in the upper house, which is almost as powerful as the lower house, and so the LDP needed a majority in both to pass legislation. The LDP is no doubt subsidizing certain sectors as an election tactic.

This is a very old strategy, which the LDP has used in the past. In the 1960s, this did not decrease efficiency as the Japanese economy needed to build infrastructure. After the government constructed roads, more cars and trucks were sold, new factories were built, and more people had jobs to perform. This trend dissipated in the 1970s, and in the 1980s, it almost disappeared. The LDP expanded public expenditures in the 1990s in response to the long period of economic stagnation, but the economy did not grow.

In the 2000s, Koizumi introduced a policy innovation—an expansionary monetary policy and shrinking fiscal policy. This, though, was actually the "easy money and tight budget" policy that the LDP adopted in the 1960s. The money supply annually expanded by more than 10 percent, and the government had budget surpluses.

Koizumi garnered great public support with his charismatic personality, and he did not have to rely on an election machine, but subsequent LDP leaders have lacked his charisma, and so they have had to return to the machine again. This has naturally reduced the efficiency of the Japanese economy.

DPJ's Experiments and Breakdown

In a democracy, political parties need to collect votes, but most voters are not interested in politics. Thus, parties seek to forge groups of supporters either through ideology or pecuniary interests. Sometimes, though, offering benefits to the electorate can become too expensive. In the case of the LDP, it has spent a great deal of money on wasteful public projects to collect votes.

DPJ's New Idea

The DPJ had a different approach to collecting votes, but it was unable to take advantage of this policy. Next, I present a synopsis of their interesting experiment.

In the 1990s, people realized that expanding public spending was not an effective way to boost the economy, but the LDP saw no other viable option. The LDP did not understand that monetary expansion can be an easy way to create jobs. The DPJ did not understand the efficacy of monetary policy either but knew that public investment was extremely inefficient. They knew it was a waste to launch gigantic construction projects, as only a small portion of the money spent for iron and concrete went to the people. If such was the case, then they argued why not distribute money directly to the people?

Thus the DPJ promised to double the child allowance; distribute individual income support for farming households; eliminate highway tolls to revitalize local economies; and create a unified pension system with a "minimum guaranteed pension" of at least 70,000 yen a month. The DPJ estimated that these new policies would cost 16.8 trillion yen per year.

They also asserted during the September 2009 election campaign that these new expenditures could be realized by eliminating government wastes without raising taxes. The DPJ scored a landslide victory and swept into power, but they were unable to identify 16.8 trillion yen worth of wasteful government spending. The public investment budget had already been cut during the Koizumi years, and was about 7.3 trillion yen in 2008, and, of course, not all of such expenditures were wasteful. The search for budget waste turned up only a few trillion yen.

Direct Paying System Was Not Bad

Japanese intellectuals were largely critical of this policy. Some asserted that the government should spend more for social security, such as childcare, medical treatment, education, vocational training, and so on. Others argued that government should earmark funds to promote technological innovation, renewable energies, and agricultural reform.

Although the DPJ was unable to fully calculate the expenditures and revenues of the national budget, I believe that the direct distribution approach is less costly than indirect income redistribution through public investment. Additionally, policies for vocational training, subsidies for renewable energies, and agricultural reform were repeatedly tried, but were not successful. Still, I believe direct redistribution policies are more efficient.

Japanese politicians dislike direct redistribution policies. This is because they lose political leverage if people are directly allocated

money for defined programs and services. The electorate welcomed the DPJ's increase in child allowance, but the feeling of gratitude quickly dissipated. Conversely, voters rarely lose gratitude for public work projects because politicians control such money and may decrease the amount if the recipients do not show enough gratitude in the next election (I am indebted to Jun Saito for this idea[15]).

Japan, however, already spends a lot of tax money directly on its people. Pension is actually an old-age allowance. Pensioners may view benefits as coming from money they contributed when they were young, and consider pensions as simply the government returning their money. But, that is not the case. One-half of the benefits that come from taxes come from the present working generation who must pay. Japan distributes money directly to the aged but not to working people; working people receive benefits in the form of jobs from public work projects. Public investment is extremely inefficient: it neither promotes private production nor redistributes wealth from the rich to the poor. It is actually a public waste.

Why a Distribution Revolution Is Needed in Politics

A distribution revolution is needed in politics. The purpose of firms that make consumer products is to sell their products to consumers. Initially these firms had to first sell their products to retail shops, and in order to sell them to the shops, they had to sell them to the wholesalers. This was a costly arrangement, so in the 1970s and also in the 1990s, the number of small shops and wholesalers sharply decreased as firms began selling their products directly to big shops. The change was held in the 1980s by regulation called *Daitenho* (Large-scale Retail Stores Law) to limit new openings of large-scale retail stores. The long and complicated distribution channels were shortened and became more efficient. This was called a *distribution revolution*.

Politicians are interested in attracting votes, but to do so they have to finance their election machines, which may include construction companies, companies in declining industries, and agricultural cooperatives. If they can directly communicate to the electorates and enhance the efficiency of these election machines, the cost of democracy can be significantly reduced.

The Meaning of Japan's High Relative Poverty Rate

Japan's income redistribution system is inefficient. According to the Organization for Economic Co-operation and Development (OECD),

as shown in Figure 4.1.2, Japan's relative poverty rate based on disposable income after tax and social security payments was the second highest after the United States among 14 advanced countries in 2000, and in the mid-1990s (for the same income) was the third highest after the United States and Italy. The relative poverty rate is the ratio of people with less than the median income to total people in a country. This means that the number of extremely rich in a population is small and the number of poor is large as in Japan.

If we look at relative poverty rate in terms of market income (income before tax and social security payments), Japan's relative poverty rate was the sixth lowest after Scandinavian countries, the Netherlands, and Canada in 2000. Japan's relative poverty rate is high in terms of disposable income after tax and social security payments, but low in terms of market income. The reason is that in Japan social security payments, such as child allowances, unemployment benefits, and public assistance, are low.

For example, Japan's level of public assistance payments on paper is as high as those of European welfare states, but Japan does not actually provide assistance to the poor. Toshiaki Tachibanaki[16] estimated that the proportion of those who subsist on lower amounts to the total population is 13 percent, yet only 0.7 percent of the population

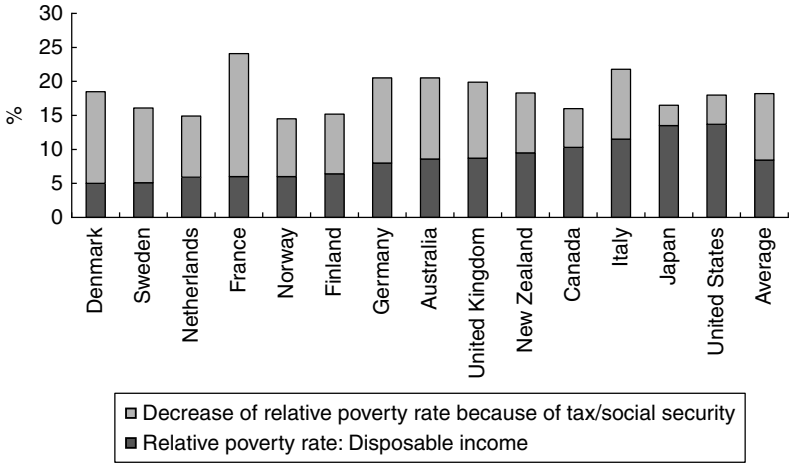

Figure 4.1.2 Relative Poverty Rates of Market Incomes and Adjusted Incomes in Major Countries.

Source: OECD, *Economic Survey of Japan 2006*, Table 4.9. (OECD Publishing, 2006).

actually receives public assistance. Additionally, regular workers, who are seldom fired, are heavily protected by the unemployment insurance system, but nonregular workers, who are often fired, are not provided the same protective benefits. Given this strange system, it is natural that the relative poverty rate is high.

Until now, Japan's social stability has been achieved through organizations. An increase in public investment meant giving money to construction companies to hire the unemployed. This was a good idea in that it killed two birds with one stone, that is, as long as the construction companies built necessary infrastructure, but, in the 1980s, ten years after the end of the high economic growth period, the Japanese government found it difficult to pinpoint suitable infrastructure projects. This became a costly way of maintaining social stability. Japan should have perhaps copied the European system of providing assistance directly to its people.

Aging and Social Security in Japan

The Abe government's monetary expansion will make the economy go up, and alleviate the problems that Japan faces, but, of course, it cannot solve all the problems. Among them, an aging population is the most serious. In the past, the budget deficit was also a serious problem, but the Koizumi government solved it. It is difficult, but manageable, if politics can control government expenditure and force the BOJ to expand money as Koizumi did.

Japan's social security system is too generous to its seniors, and current benefit levels cannot realistically be maintained. It is a system created when Japan enjoyed relatively high growth and aging was not yet a serious problem.

What It Will Take to Maintain Benefit Levels

Aging and social security is a very grave issue. If the government were to use consumption tax revenues to maintain the present level of social security benefits, the tax rate would have to be raised to anywhere between 70 percent and 80 percent by 2060.

This is based on a simple calculation. In 2010, Japan spent 74.6 trillion yen for social security (pensions, medical treatment, nursing care, etc.) for the aged. This means that Japan spent 2.53 million yen per senior citizen. If this expenditure level is maintained, total social security expenditures will rise with the increase in the number

of seniors. Using the future population projections by age group, released by the National Institute of Population and Social Security Research, I calculated total social security expenditures by multiplying per capita expenditures by the projected number of elderly.

Will the economy be able to support such expenditures? I estimated future gross domestic product by multiplying the projected working-age population by the per capita working-age GDP in 2010. Then, I calculated the future ratio of social security expenditures to GDP.

One must, of course, consider productivity increases and inflation, but per capita social security expenditures generally also rise when productivity and prices increase. This is because when productivity increases, real wages tend to increase as well. As prices rise, so do nominal wages. The government, then, needs to increase insurance payments to doctors, nurses, and healthcare workers as well as pension benefits. When the denominator increases, the numerator also increases. So productivity and inflation are not essential factors in the long run.

Figure 4.1.3 shows the results of these calculations. The ratio of social security expenditures to nominal GDP was 21.6 percent in 2010, but it is estimated to rise to 39.7 percent in 2060. This is an 18.1-percentage-point jump in social security expenditures. A 1 percent hike in the consumption tax produces revenues equivalent to 0.5 percent of GDP. Financing an 18.1-point jump will thus require an additional 36.2 percent rise in the consumption tax.

This is not the end of the story. Until today, seniors have not borne the full burden of social welfare costs. In 1989, when the consumption tax was introduced, and in 1997, when the rate was raised from 3 percent to 5 percent, pension benefits were also raised to offset the higher costs for pensioners. This effectively meant that those living on pensions did not have to bear the burden of the tax hike; it was borne by the rest of the population. As working-age people will make up only 60.1 percent of the population in 2060, the 36.2 percent hike in the consumption tax rate will need to be divided by 0.601, resulting in an equivalent of a 60.2 percent increase for people not receiving pensions. The consumption tax rate in 2060, therefore, will be the current 5 percent, plus 60 percent, plus the 5 percent hike that was recently enacted to defray rising social security costs, resulting in a total of 70 percent.

Obviously, a 70 percent consumption tax is impossible. So social security expenditures will inevitably have to be cut, but politicians are reluctant to see this "inconvenient truth." Instead, they want to believe that a small increase in the consumption tax will solve the problem. This was the gist of the Diet debate over a bill to raise the consumption

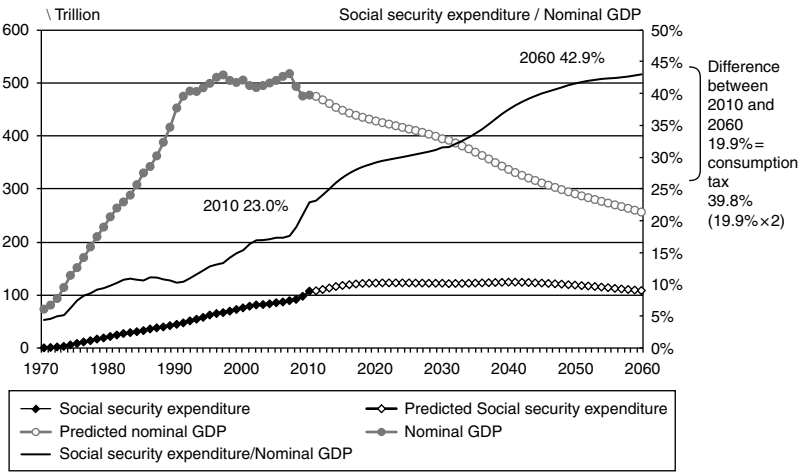

Figure 4.1.3 Predictions of Social Security Expenditure and GDP.

Note: Social security expenditure in 2010 is estimated by growth rates of social security budgets of Ministry of Health, Labor and Welfare. Prediction of social security expenditure is estimated in the following way. Social Security expenditure is divided into medical care, pension, and the others in Social Security Expenditure Database. Medical expenditure is divided into age groups by MHLW "Expenditure on National Medical Care." Then, future medical care expenditures by age groups are estimated by multiplying population prediction by age groups. Future pension is estimated by prediction of over 65 population. The other is estimated by the growth of total population prediction.

Sources: National Institute of Social Security and Population Research, "Population Projection for Japan: 2010–2060" (January 2012); "Social Security Expenditure Database"; Cabinet Office "SNA"; Ministry of Health, Labor and Welfare, "Expenditure on National Medical Care, (November 14, 2013)."

tax hike by 5 percent. In the very near future, however, they will find that a 5 percent or even 10 percent rise will hardly be sufficient.

Future Tax Rates

The "inconvenient truth" is the product of an overly generous social security system created in the past. Why was such a system built? For answers, we have to look at the past.

Figure 4.1.4 shows social security expenditures for seniors and nonseniors, as per capita GDP, and the age dependency ratio. In 1970, the ratio of social security expenditures per elderly person to per capita GDP was only 26.9 percent, but this more than doubled to 67.5 percent in 2010. Such a high percentage suggests that social security benefits for the elderly are overly generous.

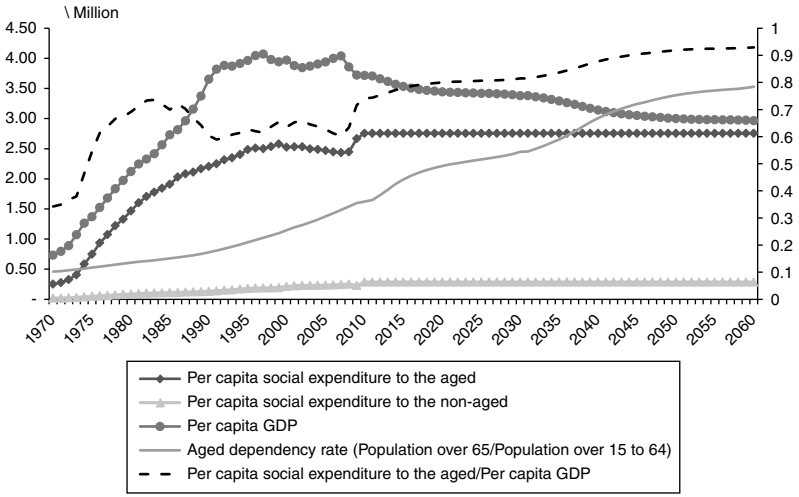

Figure 4.1.4 Predictions of Social Security Expenditure per the Aged and Per Capita GDP.

Note: Social security expenditure in 2010 is estimated by growth rates of social security budgets of Ministry of Health, Labor and Welfare. Prediction of social security expenditure is estimated in the following way. Social Security expenditure is divided into medical care, pension and the others in Social Security Expenditure Database. Medical expenditure is divided into age groups by MHLW "Expenditure on National Medical Care." Then, future medical care expenditures by age groups are estimated by multiplying population prediction by age groups. Future pension is estimated by prediction of over 65 population. The other is estimated by the growth of total population prediction.

Sources: National Institute of Social Security and Population Research, "Population Projection for Japan: 2010–2060 (January 2012); "Social Security Expenditure Database"; Cabinet Office, "SNA"; Ministry of Health, Labor and Welfare, "Expenditure on National Medical Care (November 14, 2013)."

Additionally, Figure 4.1.4 shows that social security expenditures for nonseniors have hardly increased at all. The ratio of social security expenditure for nonseniors to per capita GDP was 2.9 percent in 1970 and was still hovering around 7.8 percent in 2010. This indicates that Japan's social security expenditures have largely been made for the elderly.

At the same time, the age dependency ratio increased from 0.102 in 1970 to 0.361 in 2010, and consequently the ratio of per capita social security expenditures for seniors to per capita GDP increased by 40.6 points, from 26.9 percent in 1970 to 67.5 percent in 2010.

The Japanese government recognizes this problem and has been trying to reduce this percentage since the early 1980s. After climbing to 68.3 percent in 1986, it fell to 60.6 percent in 2007—a drop of 7.7

points. It made a noticeable jump in 2009, though, so the government obviously needs to do more. One way of meeting rising social security costs is to increase the consumption tax, and the government did recently succeed in passing a tax hike bill. But this will not solve the problem, as the rates needed to meet projected costs are unrealistic. The government has no choice but to cut expenditures.

The decline in the ratio through 2007 was, I believe, a reflection of government policy. Some might argue that a bigger factor was an increase in nominal and real GDP, but I do not think this is correct. It is true that both the late 1980s and the 2003–2007 period were boom years, but with the rise in revenues, pressure mounted to expand the budget. It was against these pressures that politicians in both periods reduced the ratio.

The highest reasonable rate for the consumption tax is probably around 20 percent. To meet social security expenditures with this rate, the government will have to cut spending by 30 percent from 2.53 million yen per senior. Total social security expenditures will then fall to 1.77 million yen, the level in 1984 or 85, and the projected ratio of social security expenditures to nominal GDP in 2060 would become 27.8 percent—only 6.2 points higher than the 21.6 percent in 2010. As a 1 percent hike in the consumption tax produces revenues equivalent to 0.5 percent of GDP, as noted above, financing a 6.2-point increase in expenses would require a 12.4 percent hike. Assuming that seniors are asked this time to bear the burden of the higher rate—allowing the government to cut other expenses to reduce the budget deficit—the higher expenses could realistically be covered with a 20 percent consumption tax: the current 5 percent plus a 12.4 percent hike and an additional 2 percent to allow for leeway.

Conclusion: Why Politics Can't Solve the Problem

The Japanese economy faces many serious problems, including protracted deflation, low efficiency, growing wealth gap, fiscal debt, and an aging population. Among these, deflation is the easiest to solve, as an inflation rate can be targeted under a monetary policy. Finally, we have a prime minister who understands this and who has forced the BOJ—long afraid that an expansionary monetary policy will adversely affect the balance sheets of small banks—to take bolder steps so that Japan can overcome deflation and correct the excessively strong yen. Yet the new Abe Administration is not properly approaching other problems.

The prime minister believes that an expansion of public investment will increase production, employment, and income. But the effect of public investment is small, and it will decrease the efficiency of the economy in the long run and increase public debt. In the 1990s and in 2009, Japan boosted public investment, but the economy did not grow.

The LDP government is not actively taking steps to increase efficiency. For example, the LDP has taken a cautious stance toward TPP, which has the potential to open up Japan to the world and increased efficiency. Some politicians are very much interested in a growth strategy, but they are focused on an industrial policy, which will not succeed, as I explained in section 2. Regarding income disparities, the LDP still seems to believe that public investment will give jobs to people in poor areas and increase their income, but this is very costly (as government money will go to concrete and iron, not to people), and people in these areas tend to be too old to work in the construction sector. Because of such inefficient spending, the public debt will only continue to mount.

Lastly, aging is the most serious problem. The ratio of people aged 65 years old or over to the total population will be nearly 40 percent in 2040. Japan will simply be unable to afford generous pensions and medical care for its seniors. Politicians will have to confront the public with the painful truth that benefit levels have to be cut.

Let me reiterate the problem areas. The LDP government will be able to easily beat deflation, but it will not be able to solve other problems. They might be better addressed—if not solved—by other political parties that are keen on decreasing public investment, participating in the TPP, and curbing government spending. No party, though, can solve the problem of an aging population. Politicians will have to truthfully tell the public that Japan cannot afford to maintain present generous levels of welfare expenditures, but this is a task that will prove extremely difficult for most politicians.

Notes

* Financial support from the Nomura Foundation and the University of Niigata Prefecture is gratefully acknowledged.

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4. Yuzo Honda, Yoshihiro Kuroki, and Minoru Tachibana (2007), "An Injection of Base Money at Zero Interest Rates: Empirical Evidence from the Japanese Experience 2001–2006," Discussion Paper 07–08, Discussion Papers in Economics And Business, Graduate School of Economics and Osaka School of International Public Policy (OSIPP), Osaka University; Yutaka Harada and Minoru Masujima, "Kinyuu no Ryoteki Kanwa wa Dono Keiro de Keizai wo Kkaizen shitanoka (In What Channel Did Qunatitative Easing Monetary Policy Improve Economy?)," in Hiroshi Yoshikawa, ed., *Defure Keizai to Kinyu Seisaku* [Deflation Economy and Monetary Policy] (Tokyo: KeioGijyuku Daigaku Press, 2009); English Version: "Effectiveness and Transmission Mechanism of Japan's Quantitative Monetary Easing Policy," *The Japanese Economy* 36:1 (March 2009).
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4.2

Politics of Modernization*

Liubov Karelova

While the world is engaged in a process of rethinking its principles and values in the face of increasing disparities, growing chaos, and conflicts (ideological, political, economic, social, etc.), for Russia, it is important not only to join the global economy as an active participant but also to find ways of building a so-called civilized consensus on its path of development. Russia must deal with challenges that are not only global but also internal in origin. The challenges of an increasingly complex Russian society are associated with long-term, unresolved Russian problems (relationship between the center and the regions, issues of social justice, corruption, weak legal institutions, etc.). The elaboration of new strategies of development in a changing world community inevitably raises the question of modernization on the basis of new values and ideological orientations. It is no coincidence that the keyword of current political discourse in Russia is *modernization*. In Russia's case, broad definitions of modernization, in our view, are most appropriate. For example, philosopher Vitaly Tolstykh defines modernization as a country's readiness to respond to the challenges of the globalization era in all spheres of life—economic, science, engineering and technology, social, cultural spheres.[1] Therefore, modernization implies movement to a new modernity of the twenty-first century, and therefore this chapter focuses on new strategies of Russian modernization.

The *objective* of this chapter is to analyze official projects of Russia's development strategies and to evaluate them from the following points of view. First, how the proposed projects coincide with the context of global challenges? Second, how they respond to the

expectations of the society? Whether they are feasible on the basis of the existing social realities and long-standing traditions of Russian society and the state? What effects they can cause?

The Task of Modernizing Russia as the Leitmotif of Its Development Strategy

The purpose of modernization as the general direction of national strategy was proclaimed by Vladimir Putin in his first term as president. From this moment, the discussion of a renovation project started. However, during his second term in office (2004–2008), Putin put emphasis primarily on stability and "sustainable development" as a strategy of politics. Then the course of modernization was again announced by Dmitry Medvedev at the end of his presidential term. In his 2009 address to the Federal Assembly and in his article "Go, Russia!," President Medvedev formulated the modernization strategy in the following way: "In the 21st century, the country is again in need of a comprehensive modernization. And this will be the first experience in our history of modernization based on the values and institutions of democracy. Instead of primitive resource economics, we will create a smart economy, producing unique knowledge, new goods and technologies that are useful to the people."[2]

Further he emphasized the humanistic nature of the planned modernization: "Innovative economy can be formed only in a particular social context as a part of an innovative culture based on humanistic ideals, creative freedom, and desire to improve the quality of life."[3] In the beginning, he stressed that Russia should assume a comprehensive approach to modernization, which should cover not only economic but also political and social spheres. However, the vector of the modernization strategy eventually turned to be increasingly technical. In terms of political modernization, its content and timing were not specified. He limited himself by plans to return to the practice of direct gubernatorial elections, simplification of political parties registration, decreased number of signatures needed for inclusion of candidates on electoral lists for presidential elections, etc. As a whole, Medvedev's modernization concept has remained an abstract symbol of general changes.

In the last two years, more or less articulated versions of Russia's development strategy have appeared. They include *The Strategy of Innovative Development of the Russian Federation for the Period*

up to 2020, liberal *Strategy 2020,* and a new official plan formulated in Putin's electoral speeches and articles, which we conditionally call *Putin's Plan*. As we will see, they differ from each other conceptually.

The Strategy of Innovative Development compiled by the Ministry of Economic Development and approved in December 2011 applies primarily to technological and socioeconomic modernization. This document defines the threats and challenges of innovative development of Russia, identifies the objectives, priorities, and instruments of the state policy in the field of innovations, and actually sets the course for strengthening the state's presence in all spheres. Focusing on the tasks of human capacity building, improving the innovation climate of businesses, creating an innovative environment, and raising the transparency of the national innovation system, etc. the document does not address the modification of state institutions in accordance with the needs of the innovation economy, limiting itself by the tasks of implementation of modern technology in governance.

The Strategy of Innovative Development outlines the transition to an innovative, socially oriented model of development by 2020, whereby Russia will take 5 percent to 10 percent market share of high-tech and intelligent services in five to seven sectors of the economy, and double the share of high-tech products in GDP (from 10.9 percent to between 17 percent and 20 percent). The document gives three possible options for innovative development: inertia, catching up, and the option to achieve leadership in key scientific and technical sectors. However, the optimal scenario from the point of view of its authors, is to implement the catch-up option in most sectors of the economy with elements of leading in some segments, which have competitive advantages. Such segments include aerospace engineering, composite materials, nanotechnology, biomedical technology, software, nuclear and hydrogen energy sector, etc.

The Strategy 2020 was formulated during 2011 at the request of Putin, then the head of the Russian government, by a team of experts, mainly economists, from the Higher School of Economics and the Russian Academy of National Economy and Public Administration. Among its authors were inspirers of the 1990s reforms (Vladimir Mau and Yevgeny Yasin) and of liberal reforms of the first decade of the twenty-first century (Yaroslav Kuzminov and Evsei Gurvich). In contrast to the previous document compiled by the Ministry of Economic Development, *The Concept of Long-Term Development of Russia until 2020*, which was approved in November 2008, and *The Strategy*

of Innovative Development, The Strategy 2020 was prepared not by departmental bureaucrats but by a large group of experts. The aim of the new document was to analyze the problems and challenges facing the economy and society and the risks and consequences of the global financial and economic crisis. The *Strategy 2020* was published in March 2012, entitled *Final Report on the Results of the Expert Work on the Issues of Social and Economic Policy in Russia until 2020. Strategy 2020: A New Growth Model, New Social Policy.* The authors stressed that a new social policy is not feasible without a new model of economic growth.

The *economy* of the near future, according to *Strategy 2020*, must be *post*industrial; it should be based on the "service sector," focused on the development of human capital: education, health, information technologies, media, and design. These fields must also cease to be state-run monopolies. Nonprofit organizations and private businesses should be widely involved.

The *new social policy* should take into account not only the interests of risk-affected strata but also those who are able to realize the potential of innovation. This is the middle class, which from an economic point of view is characterized by the capacities to choose patterns of behavior and consumption. According to the *Strategy 2020,* the 4 percent cut of military expenditure and the relevant increase of social sector expenditure were planned. Important points of the *Strategy* was to rise the retirement age to 63 by 2030, and to engage 300,000 migrant workers in Russia.

Political modernization, in line with the *Strategy 2020*, suggests a rather radical political reform. Its authors offer optimization of state presence: reducing regulatory functions and intensification of transparency. And in the chapter on federalism and local government, a fairly radical plan for the return to political freedom at the regional and local levels was proposed.

Actually, the updated strategy was neoliberal and caused a wave of criticism in the society. The main counterattack was focused against the major thesis of the document: emphasis on the *post*industrial economy and the modernization of catching up development type. The point that only *intensive competition* can create a real demand for innovation caused a lot of criticism about the risk of losing remnants of social solidarity, cohesion, and humanism. With skepticism were perceived requirements to reduce state intervention in the labor market and the rejection of large-scale federal projects in depopulated regions (that are over 90 percent). The proposed *Strategy* was also

criticized for the lack of recommendations concerning the development of rural areas.

This *Strategy* had not been published prior to the 2012 presidential election. Meanwhile, during the electoral campaign, in his annual government report to the Duma, in April 2011, Putin formulated a program quite different from the version of the authors of the *Strategy 2020*. *Putin's plan* was further concretized in seven preelectoral articles published in national newspapers. In these articles, Putin offered his team's vision of what risks and challenges Russia would face, what place Russia should occupy in the global economy and politics, and due to what resources Russia could strengthen its position and ensure sustainable development?

According to one of the authors of the *Strategy 2020*, the president of the Institute of National Strategy, former consultant of Kremlin administration Mikhail Remizov, "Putin was given a mandate to a completely different set of policies associated more with the concept of 'state–development' than the concept of 'state–the night watchman'."[4] Although the whole concept of *Strategy 2020* has not been accepted, in the laws recently adopted by the State Duma, in particular the law on education, the principles of this *Strategy* were partly implemented. To what extent the new government will use the *Strategy 2020* in the future is not yet clear.

Fundamental differences between the *Strategy 2020* and *Putin's Plan* are as follows.

The authors of the *Strategy 2020* insist on reducing the expenses of the defense industry and raising the expenses of social services. In his article in *Rossiyskaya Gazeta,* Putin mentioned a huge sum of 23 trillion rubles that he planned to invest in the military-industrial complex by 2020.

In the Report to the Duma of April 20, 2011, as one of the key tasks Putin formulated the goal of *reindustrialization* of the country, but not *post*industrialism. He stressed that the country's defense issues must be on the top list of priorities. It is in the development of the defense industry that he sees one of the main sources of reindustrialization. Putin said: "*The increased defense procurement, increasing defense procurement we consider as an important tool for modernization of the defense industry and the economy of Russia* [emphasis added]. . . . Once again, a strong defense industry, nuclear industry, rocket science—it is our competitive advantage inherited from previous generations."[5] Putin defends his model of industrial policy, in which the emphasis is made on the support of domestic

industry with the assistance of development institutions and foreign investors as "junior partners." In the field of economics, according to *Putin's Plan*, the technoparks, innovative industrial clusters will become a model and a driver of development, where efforts of government, science, business will be focused on new research and development (R&D).

In *Putin's Plan*, Russia is supposed to take the most important place in the international division of labor, not only as a supplier of raw materials and energy but also as the owner of constantly updated advanced technology at least in several sectors, such as pharmaceuticals, high-tech chemistry, composite and nonmetallic materials, aircraft industry, information and communication, nanotechnology, and nuclear and space technologies.[6]

Putin's also uses a new interpretation of the term *modernization*. In his rhetoric, the word "modernization" is used visibly less often. As a rule, he speaks about the modernization in concrete fields, such as the economy, education, medical care, etc. He interprets this concept not as a new edition of *perestroika* and not even as a radical reform of the current model of development, but as quality development, investment in people, creating opportunities for their self-realization, and on this basis, high-growth and technology breakthrough. Thus, just as the authors of the *Strategy 2020*, Putin intends to rely on the "middle class": "The middle class has to grow further. It is becoming a social majority in our society…We should learn to use the 'educational drive' of the young generation, to mobilize the increased demands of the middle class and its willingness to take responsibility for their well-being, for economic growth and sustainable development. In Russia, a system of social mobility, social lifts, corresponding to modern society should be formed in full scale."[7]

In *Putin's Plan*, once again we find the key word *stability* through which he tries to distance himself from the proposed radical neoliberal reforms: "The country needs decades of stable, gradual development without any dashing aside, reckless experiments sometimes based on unjustified liberalism or, on the other hand, social demagogy. We do need neither one nor the other. Both will detract from the general development of the country."[8] At a news conference on December 20, 2012, Putin reaffirmed his course, saying that "stability is the foundation for further development."[9]

In his preelection article, "Democracy and the Quality of the State," Putin proclaimed the modernization of state as a strategic objective. In addition to his proposals to simplify party registration, to cancel

the signature collection for the State Duma election and regional legislatures, and to reduce the number of signatures required to register for the presidential election, he outlined seven priorities for state reform: (1) the break of "power-property coalescence," the limits of the state's intervention in economic life should be clearly outlined; (2) the widespread adoption of effective practices of governmental institutions of leading countries; (3) the competition of state administrators, identification, and widespread adoption of best practices in public administration; (4) the next generation of standards for public services (including e-government services); (5) the officials' responsibility for noncompliance to standards of public service delivery to the population and businesses; (6) setting wages of state employees in accordance with the requirements of the labor market; and (7) development of an ombudsmen institution.[10] In reality, most of these proposals are cosmetic adjustments of the existing system of government. They have more administrative than political character.

At a news conference on December 20, 2012, Putin stressed that Russia should take the path of democracy, but this democracy should not be a carbon copy of Western democracy: "For Russia, there can be no other political option but democracy. And I would like to say and even stress that we share the universal democratic principles adopted worldwide. But Russia's democracy is the power of the Russian people, with its own traditions of national governments, and not the implementation of the standards imposed upon us from outside."[11] In the Message from the President of Russia Vladimir Putin to the Federal Assembly on December 12, 2012, he stressed that "the modernization of the political system is natural and even necessary, but it is unacceptable to pay for the thirst for change by the destruction of the state."[12] In general, Putin's interpretation of "modernization" is basically conservative in nature. Actually, it can be called "conservative modernization," providing smooth gradual progress, based on an already existing economic and political bureaucracy-driven system.

On the Subject of Russian Modernization

In assessing *Putin's Plan*, it becomes clear that the key subject of modernization is the state, particularly the ruling elite and bureaucracy. Throughout Russian history, all the reforms and modernizations were executed from the top; the impulse always came from the authorities, not from civil society. And authority in Russia has always been entrenched authoritarian, personified, and, to some extent, sacralized.

The feasibility of modernization pursued by an authoritarian state has become now a subject of controversy in Russia. Liberal scholars consider the impossible goal of successful modernization while maintaining an authoritarian system. In addition to the requirements of democratization of the state system, there are two different approaches to the role of the state in general. One of them involves the concentration of control in the hands of the state to meet national priorities (this approach is shared by the authorities). Another approach is to minimize government regulation. According to opinion surveys, the bulk of the population (67 percent) pin their hopes for economic development and improved quality of life on a strong state.[13] However, the current political elites are more interested in maintaining privileges within the distribution of public resources than in the transformation of the distribution system and solving the problems of modernization. One the one hand, the oligarchic nature of power causes monopolization of the economy and lack of competitive markets, which clearly does not create incentives for modernization. Extremely high levels of corruption, excessive bureaucratic control, and unaccountability of officials reduce the effectiveness of investments in innovative programs and create conditions for lobbying of what are obviously unpromising projects. On the other hand, for the success of the modernization project initiated by the authorities, it is necessary to use the mobilization mechanisms, which imply a high level of trust between the ruling elite and society, and which create real conditions for the realization of civil initiatives. Currently this level of trust is visibly low, the bulk of the population is experiencing frustration and social apathy. Samuel Huntington wrote: "The most important political distinction among countries concerns not their form of government but their degree of government. The differences between democracy and dictatorship are less than the differences between those countries whose politics embodies consensus, community, legitimacy, organization, effectiveness, stability, and those countries whose politics is deficient in those qualities… These governments command the loyalties of their citizens and thus have the capacity to tax resources, to conscript manpower, and to innovate and to execute policy."[14]

Modern challenges to humankind come to the forefront as a set of crises—not only of economic and financial origin but as crises of "aging" institutions, ideologies, values, styles of life, etc. Those politicians who consider the existing world order as constant and universal offer to strengthen it by routine means—increasing military and financial strength, deterrence and repression of protest activity,

embedding values and institutions of the past. But if we take as basic concept that the modern world crisis is a starting point of the new world order that is characterized by nonlinear and complex development, the existing logocentric and Eurocentric approaches, notably in politics, routine force solutions may turn as inadequate to the situation. The approach based on forecasting and modelling patterns seems to be more appropriate. In this sense, studies in the sphere of social synergetics that consider the global socium as a set of self-organizing systems may appear rather fruitful. Political management in the frame of this approach is a search for an optimal balance between the governance and self-organization of the system with the help of finding and using the attractors, or loci of its self-organization, which is not a matter of large-scale efforts.[15] In this context, the concept of "stability" for Russia should not only acquire the meaning of balance of political forces and controllability of the state but its sustainability and capacity for adjustments to the increasing complexity of modern world. The scenario of the "modernization from above" inevitably raises the question of political modernization. Thus, there emerges a dilemma—on the one hand, vertical axis of state power is currently the only dominant force in politics and economy, and therefore the only real subject of modernization; on the other hand, for the success of the modernization of all spheres of society, the state should first modernize itself.

Prospects for Political Modernization

Certainly, transformation of today's Russia faces great difficulties. A sacralized perception of the state was historically inherent for Russia. Tsar, secretary general, president have always been surrounded by a halo of idealization. In the post-Soviet time, the 1993 Constitution enshrined an authoritarian model of presidential power. Practices of appointing a president's successor as well as an increase of the presidential term were introduced. From the time of Boris Yeltsin, presidential power has become the center, around which the ruling elite, consisting of nomenclatura-oligarchic clans and possessing real power, was formed. Administration of the president has turned into an institution that oversees the government and regulates the balance of political forces. All this has created a special status of the president and his entourage as compared to other political institutions. In the 2000s, a parliamentary system of so-called sovereign democracy was developed. In the official rhetoric of the power elite, this term was

intended to emphasize the right of the country to choose its political system. This form, which analysts called "managed democracy," is different from competitive democracy by presence of "controlled opposition," or the "loyal opposition," consisting of the right- and left-wing parties, framing the dominant centrist party.

Following tradition, the authorities initiated creation of formal democratic institutions, which exist in line with the growth of authoritarian and bureaucratization tendencies. Although Russia has formally held competitive elections to bodies of state power through democratic procedures, at the same time, there is still no real separation of branches of power. The Russian parliament is actually transformed into a stamping structure that performs more functions to legitimize the power of the president and the executive branch rather than the legislative and oversight functions. As a result, the current Russian political system is a symbiosis of the elements of democracy and authoritarianism. Paradoxically, democratic institutions often serve as instruments of authoritarianism. Yet the Russian political system is traditionally bureaucracy-driven. The "United Russia" party of power is actually a party of bureaucrats. The political modernization process in Russia is also complicated by the people's habit to stick to governmental paternalism. Although the authorities proclaim a policy of promoting civil society, they create simulacra of civil society in the form of the Public Chamber, for example, embedding them in the state infrastructure. Moreover, the authorities see a threat in all kinds of nongovernmental organizations (NGOs), especially after the 2012 mass protests, when the adoption of the law on "foreign agents," greatly complicated NGO funding from foreign sources. The authorities demonstrate a constant desire to take control over new forms of political information space, for example, online blogs.

The government and society both believe in the need to modernize Russia, but they also fear such reforms. The government and society realize that the need for political modernization to make Russia more attractive for potential allies in a globalized world is strong, especially for foreign and domestic investors. However, both fear reforms and prefer to preserve the *status quo* in the foreseeable future. In people's memory, the so-called jump into the market of the last decade of the twentieth century is still vivid. New reforms, especially associated with liberal ideas, cause phobia-like reactions. In this regard, Putin's program really reflects the mood of the major part of the society although it has drawn wide criticism. Maintaining the status quo is the least risky option to which the government is sticking. Russian

political elites understand that leaders who initiate reforms inevitably lose popularity and risk losing legitimacy. Therefore, the government is carrying out only cosmetic administrative reforms that principally cannot provide intensive modernization of state structures. In particular, reforms implemented to meet the challenges of globalization, will badly hit large amounts of noncompetitive businesses, which the government artificially keeps afloat, and the people employed in them. For the same reason, political reforms will also hit corrupt officials, who fully support the existing system, as it serves them very well.[16]

Hence, it is highly unlikely to expect a rapid and radical political reform in the near future. In this regard, a model of preventive democracy proposed by an economist and political analyst Vladislav Inozemtsev seems to be realistic for today's Russia. Preventive democracy seeks to prevent the self-destruction of the system by taking signals from the society and transforming them into rational evolutionary reform. Such a model suggests that Russian elites, guessing the direction of the protest movement, intercept the most obvious initiatives and substitute them with their own agenda, which is partly in line with the needs of society, but first of all, free of radicalism, second, is designed to a relatively long-term perspective, and, third, to some extent, protects the ruling circles from an abrupt departure from the *status quo*. According to Inozemtsev, only the assumption of such a form of democracy can prevent the looming conflict between society and authorities, as demonstrated in the mass protests of 2011–2012; promote the "exchange of manpower" between supporters and opponents of the government, neutralizing the most prominent figures of the opposition and saving the government from the least capable bureaucrats; and solve relatively and efficiently well the new issues that arise that concern people. Thus, society will gradually develop.[17]

Risks of and Obstacles to Modernization

There is an important factor that poses an obstacle to modernization and increases its risks. It is the extremely uneven development of Russia's regions. So, political geographers, instead of one Russia, see two or three, or even four "different Russias."[18]

The "*first Russia*" is a country of megapolis agglomerations, home to more than 21 percent of the population. Industry, business, financial institutions, large proportion of skilled workers, middle class, Internet users are concentrated in this section. This part of the

population is the most politically active and advocates political and economic transformations.

The "*second Russia*" is a quilt of industrial cities with populations ranging from 20 or 30,000 to 250,000, and sometimes larger up to 300 to 500,000 (Cherepovets, Nizhny Tagil, Magnitogorsk, Naberezhnye Chelny). Not all medium-sized cities have preserved their industrial specialization in post-Soviet years, but its spirit is still strong in the form of the so-called Soviet way of life. In addition to blue-collar workers, there are many state employees, most poorly qualified. This Russia embraces about 25 percent of the population. The strife for employment and wages leaves it completely indifferent to the issues of middle-class concerns.

The "*third Russia*" is a huge territory of the periphery regions, consisting of residents of villages, towns, and small cities. The total proportion represents 38 percent of the population, and is focused on survival, leaving its people mostly indifferent to politics and reforms.

The "*fourth Russia*" is the North Caucasus and southern Siberian (Tuva, Altai) republics, which comprise fewer than 6 percent of the population living in large and small cities with almost no industries. This Russia is engaged in a power and resource struggle among local clans and ethnic and religious conflicts; it is dependent on aid and investments from the federal budget, so its population in general is loyal to existing authorities. The existence of "multiple Russias" makes innovation-oriented modernization implemented according to a single plan inevitably risky. Overall, it is impossible to disucss innovative modernization for regions trying to cope with poverty. The gap in human capital is a considerable barrier to modernization. A cluster type of modernization, centered on special economic zones and industrial parks, in the absence of specific programs of modernization for each region, brings a risk of marginalization to entire territories. Such programs should be focused not only at the subsidizing of the regions but also at the coordination and harmonization of different cultural, religious, and political values. Otherwise, modernization is an empty declaration for the greater part of the population.

Sociologists and philosophers point to such risks. Thus, academic Sergei Kravchenko drew attention to the fact that different groups of Russians living in objectively different "tempo-worlds," cannot at once adapt to the demands of modern regulation and management methods. One of the greatest risks of impending modernization is the risk of newly marginalized groups, and, possibly, new "dangerous classes" that may appear in the context of rapid transformations. If

the pace of transformation is entirely profit-oriented and not coordinated with humanistic targets, the risks of social tensions and disasters, phobia, and anxieties will increase.[19]

Of the major risks, is the lack of social and ecological responsibility among policy makers and businesses. There are two aspects: one is the human and ecological dimension of new technologies, and the other concerns social consequences of innovations. Recently, these topics were not widely known in Russia. However, now it is high time to integrate them into new programs.

The predominance of technocratic approaches in contemporary Russian politics and an underestimation of the humanitarian dimension are turning into issues of concern among political scientists and philosophers. The modernist approach, inclined toward universalization of meanings and principles, monologue—not dialogue—prevail in the strategies of Russia's development. Instead of this approach, it is the humanistic component, based on national cultural heritage, that must dominate in the development of strategies faced by global society.

The official development strategy does not deny that creativity, education, and culture should become the main resource of the future. The term *human capital*, widely used by the authors of the new edition of the *Strategy 2020* is also present in Putin's rhetoric, although visibly less frequent. In both cases, the middle class is considered the social basis of modernization. However, the majority of population that does not meet the requirements of belonging to this creative middle class and appears to be outside of modernization processes. Today, the Russian middle class is a relatively small group that does not support the current government and is prone to protests. The authorities understand well that modernization is not possible without transformation of the human factor, but they connect the development of human factor with a broad introduction of the market to the social sphere. Thus, the Federal Law No. 83 on the commercialization of social services, adopted on April 23, 2010, by the State Duma, allows budgetary institutions to be engaged in profit activities. In this context, educational and medical institutions seeking to earn extra money, are legally allowed to introduce paid services. Thus, the government is trying to cut social spending in spite of the fact that it could reduce access to education and healthcare for poor people. The Law on Federal Budgets for 2013–2015 envisages a substantial reduction in education expenses—from 607.2 billion rubles in 2013 to 572.5 billion rubles in 2015—and a reduction

in healthcare expenses—from 495.0 billion rubles in 2013 to 361.3 billion rubles in 2015.[20] The new Law on Education for 2013 implies an increase of commercialization in education. Reliance on uniquely market mechanisms with the goal to modernize the social sphere in Russian conditions may lead to a failure of social modernization. The practices established in Russia in recent years are pushing producers of services to gain maximum profits instead of promoting quality of services. For the market mechanisms to be efficient in Russia, the country badly needs corporate ethics to be introduced at all levels, from governance to private business.

The consequences of education policies, aimed primarily at economic efficiency, bring about the marginalization of the humanitarian sciences, exactly those that are shaping the human being as a creative, moral, and responsible individual. Representatives of the Russian philosophical community argue that such a policy is fraught with risks that could result in disastrous consequences for the future.[21]

One more serious risk, in our view, is a policy of transformation of research and education spheres focused on a complete overhaul of Western-style patterns without taking into account national specifics along with underestimation of the competitive advantages previously achieved in these spheres. The main instrument of the modernization of science and education is the strengthening of administrative control. An example of this are principles of the *Strategy of Innovative Development* and recent policies of the Ministry of Science and Education. Particular concern is the proposed law, "On the Russian Academy of Sciences, the reorganization of the state academies of sciences and Amendments to Certain Legislative Acts of the Russian Federation," aimed at the actual transfer of management of scientific institutions from Russian Academy of Sciences to newly created bureaucratic structure.

The present state of society is characterized by the absence of a mobilizing idea shared by the majority of people, although the search for such an idea has been declared. Russia is far away from any consensus on the desired future for the country. If we compare the list of priorities declared by the authorities with the dreams of the Russian general public, the following picture appears.

Authorities put emphasis on innovative technologies, advanced R&D in the military-industrial complex, and the creation of a strong state. In contrast, the goals most attractive to the general population are social justice (44 percent), human rights and democracy (28 percent), stability and development without shocks (27 percent), return of great power status for Russia (26 percent).[22]

The broad spectrum of ideas on Russia's future and the ways to achieve it point to a complexity and polarization of Russian society. At the one extreme, we find social conservatives who constitute the largest group; on the other, the liberals of both the right (advocates of minimizing the role of the state) and the left (supporters of social democracy). *Social conservatives* dream of a traditional great-power Russia, which can provide social justice, the state with its own individual path of development, which avoids following the lead of the West and Western civilization. At the same time, they dream of a stable, peaceful development without revolution and turmoil. *Liberals*, by contrast, are focused more at an exceptionally limited role of the state with minimal impact on business and civil society and the formation of a legal society that respects all democratic rights and freedoms.[23] The current authorities and their policies have received the support of the majority of the population, mainly in towns, medium-sized cities, and rural areas because there is no attractive alternative to the existing political regime.

A few years ago, Putin was inclined to give up the construction of whatever ideology, including the national idea, and instead called for honest work for the future prosperity of Russia. He assumed a purely pragmatic approach to the development of society. Then cautiously, the task of patriotic education was formulated. Sporadic attempts to formulate a unifying idea have been episodically undertaken. For example, in 2006, Deputy Prime Minister Sergei Ivanov, in trying to answer the question of where we should go, formulated three national values: "sovereign democracy, strong economy, and military power."[24]

Meanwhile, the concept of "sovereign democracy" increasingly discredits itself and is associated more with the administrative-command system of pseudo-democracy. The slogans of national unity, civil patriotism, and restoration of great-power status, from time to time, are mentioned by the president meeting a positive reaction from society. Public opinion polls clearly reflect this nostalgia for Russia's grandeur. In 2011, the Levada Center question, "Do you support the view that Russia must regain its status as a great empire?" received the answer "definitely yes" and "yes" from 78 percent of the public.[25] It should be kept in mind that in spite of all political earthquakes and ruptures of historical continuity, Russia has survived as a geopolitical entity. This fact is an important part of the image of a great power, which was established in the early eighteenth century.

There is no consensus on the objectives of modernization between the political elite, corporate sector, and the population in Russia. The

majority of the society must clearly see the merits of innovation, and innovation policies should not limit themselves to the oases of modernization, such as Skolkovo. Therefore, the absence of a national idea is often considered a constraint to modernization. For example, in a Russian academic Marietta Stepanyants's view, "pragmatic calculation, whether material or political, is able to bring together groups of people interested in practical benefits. Yet it is unable to serve the cause of national reunification around inspirational ideas, principals, and ideals. That requires ethical motivation, which may be formulated only on the basis of the national cultural heritage, taking into account the requirements of the new time."[26] In the absence of a unifying idea, there is no other choice besides the constant search for partial compromises.

Conclusion

The official plan for Russia's development is sort of an application to an imperial project of existence in a global world—the project, which claims to influence the global agenda from the perspective of a strong state, which has a military power. This suggests a certain analogy with the slogan of the Meiji modernization, "Enrich the country, strengthen the military" (*fukoku kyohei).*

Russia consistently reproduces its genetic sociocultural code of authoritarian state and specific type of relationship between the people and the elite, which cannot be assessed on a "good–bad" scale as the national type of political mentality and culture will inevitably have an impact on the current political configuration.

The most likely scenario according to Russian analysts Andrey Melville and Ivan Timofeev is "*The Kremlin Gambit*." Its mechanism is a partial "chess exchange" of political and economic competition for modernization from above and the strengthening of Russia's role in the world arena. This scenario assumes an asymmetrical response to growing threats by rapidly strengthening economic and military power, mainly by administrative methods. It also implies active use of energy assets for the modernization of strategic industries and social spheres, as well as for pressure on outside contractors. The state visibly dominates society and business. Energy recourses constitute the basis for continued economic growth. The state controls the energy sector and strategic industries. In domestic policy, the Kremlin also defines the rules of the game. The executive power enjoys predominant influence. The political opposition has neither resources nor

public support. Society is somewhat satisfied with the economic condition of the country and interest in politics is minimal. The Federal Center almost completely controls the situation in the regions. The main priority of the Kremlin is the accelerated modernization of strategic sectors of the economy and the strengthening of Russia's position in the world. [27]

Current "stability" does not mean a high level of sustainability and adaptability of the state in relation to a range of modern challenges of a changing world. There is not even civil consensus, but a parity of forces that preserves the status of the current elite. However, this balance is guaranteed mainly by an external factor: it will last only as long as energy prices remain high, allowing the ruling elite to build a system of feeding and subsidizing various groups that support it. The success of Russia's modernization project is directly related to the solution of problems of rotation of the ruling elites, the establishment of effective governance institutions and mechanisms of interaction between the state and society, reduction of corruption, and restoration of confidence in the political power. Russia's future will depend on how imaginary stability can turn into stability that meets the challenges of the modern world.

As a result of the 2014 Ukrainian crisis, which entailed a confrontation between Russia and the West, and the war of sanctions, Russia has received an additional impetus toward modernization and intensive development of its economy; however, the level of national consolidation in the society has increased significantly. Will Russia use this chance? This is to be seen.

Notes

* Financial support from the Nomura Foundation and the University of Niigata Prefecture is gratefully acknowledged.

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5

Japanese Foreign Policy: "Searching for an Honorable Place in the World"

5.1

Continuity in Alliance*

Shigeki Hakamada

Introduction

Just over 20 years have passed since the end of the Cold War in the early 1990s. In that time, the global balance of power has shifted, and particularly in the past decade international relations in the Asia-Pacific region have undergone major changes. How Japan deals with these changes is a core issue for its foreign policy. Japan's foreign and national security policy-making has, however, been in disarray since the change of government three and a half years ago, and it has not been able to respond adequately to the changing situation in Asia.

As I see it, Japan as a nation is currently facing two fundamental diplomatic challenges.

The first is what needs to be done realistically to handle the tense situation in East Asia, where foreign relations are still largely dominated by modernist or even traditional principles of international relations. This is usually seen as a contrast to Europe and the United States, where postmodernist principles apply. Put simply, the postmodernist approach says that the old concepts of nation-state and national sovereignty are anachronisms and that traditional concepts of national security based on handling disputes between nation-states are rapidly becoming outdated. By extension, it also means that viewing sovereignty and border disputes as major international diplomatic issues is a relic of the past. Even in Japan, most liberalists and supporters of an East Asian Community adhere to this postmodernist view.

In contrast, I see myself as a realist, someone critical of overgeneralizing about postmodernist principles, and I think this is particularly true when we look at East Asia. I believe that conflicts in Asia stemming from nationalism and matters of national sovereignty are more serious now than they were during the Cold War. I believe that today's situation, rather than being postmodernist, more closely resembles that of the first half of the twentieth century.

The second of the core challenges facing Japan is that it needs to take the initiative in building relations with other countries and establishing security policies of its own. For most of the time since the end of the Second World War, and to a great extent because of the influence of the Cold War, Japan's diplomacy and security policies were not those of a fully independent nation. It did not seem either necessary or practical for Japan, a stalwart member of the Western camp during the Cold War, to formulate a security policy of its own. But today, given the huge changes in international relations and the massive shifts in the geopolitical balance of power, the situation is different.

In terms of specific policy-making issues, we must also deal with the problem of how Japan can go about repairing its strained diplomatic relations and rebuilding its security policy after three years of disarray during the Democratic Party of Japan's time in power. Having spent so much time in opposition, DPJ politicians were far more familiar with criticizing the government than with governing. The result was that many of them lacked the kind of realistic view of statehood that is necessary to forge national policy.

In the rest of this paper, I want to examine Japan's foreign policy with these two fundamental issues in mind.

Breaking Free of the DPJ's Policies

Just a little over three years after the DPJ government came to power, the Liberal Democratic Party (LDP) returned to power in a landslide electoral victory. In its short time in office, the DPJ government managed to change the focus of Japanese foreign policy, replacing its previous emphasis on the United States, or on following the United States' lead, with a new philosophy aimed at keeping Japan "equidistant" from both the United States and China. In fact, former Prime Minister Hatoyama began asserting that Japan's relationship with the United States was one between equals, although it is clearly nothing of the sort, particularly in terms of defense issues (e.g., the United States has long protected Japan with its "nuclear umbrella" and is obliged to

come to Japan's defense should it ever come under attack, but Japan is not obliged to reciprocate). In December 2009, DJP Secretary General Ichirō Ozawa formed a highly unusual diplomatic mission of 483 Diet members, among them 143 DPJ legislators, to visit China and demonstrate the DPJ's pro-China stance to the rest of the world. The DPJ even worked to realize its vision of an East Asian Community focused on China and turning its back on the United States—which makes it somewhat ironic that relations between China and Japan reached a new postwar low during the DPJ's tenure.

At first glance, the DPJ's "equidistant diplomacy" and "relationship between equals" do appear to show an independent nation asserting itself. In reality, though, they were merely abstractions with little chance of practical execution—the DPJ had no true diplomatic or security policies capable of dealing realistically with the changing world situation. The United States, China, and Russia did not take the party's naive, amateurish diplomacy seriously, and Japan came to be all but ignored by the rest of the world.

One issue that sped the decline of US-Japanese relations was the problem of relocating the Futenma Air Station in Okinawa. Normally, things like treaties and crucial agreements between countries are maintained regardless of changes in political leadership. For example, even after the monumental changes brought about by the collapse of the Soviet Union, its immediate successor, Russia, maintained international treaties and agreements signed by the old USSR. Although the DPJ maintained the majority of treaties and agreements it inherited, it trashed the US-Japanese agreement covering the relocation of the Futenma base, thereby seriously damaging relations between the two countries. The DPJ leadership claimed that the change of government gave it every right to rework past treaties with the United States, and as a result the relocation of US bases remains unresolved today.

It is interesting to note that even today most Russians have a very mistaken interpretation of the US presence in Japan. They believe that US military presence is a sign that Japan is still under occupation, and—helped by the occasional antibase protests that are always prominently featured in the Russian media—they conclude that a majority of Japanese are opposed to having American bases on their soil. Although it is true that most local residents in Okinawa would like to see the bases moved elsewhere (and who could blame them?), that is a far cry from saying that most Japanese think the bases are unnecessary, and even though most people today recognize that postwar Japanese diplomacy and security policy were subservient to US leadership, few

believe that Japan is still under American occupation. As for the notion of Japan being subservient to the United States in terms of economic issues, remember that by the 1980s Americans saw Japan as their leading commercial rival and a threat in several key industries (the era was symbolized by Ezra Vogel's *Japan as No. 1*). Numerous, sometimes acrimonious, trade disputes between the two nations prove that Japan has been following its own path in commercial matters for some time.

It is also interesting to note that Japan's diplomatic subservience to the USA sparked ferocious criticism, not only from the Left but from the Right as well. More recently, China's increasingly aggressive posturing has given the Japanese people reason to reconsider the importance of cooperation with the United States and its pledge of military assistance.

New Diplomatic Policies from the LDP

The new LDP government is working hard to restore the trust and bring back the closeness that were so seriously eroded under the previous administration. But the challenges the new government is facing are fundamentally different from those it knew during the Cold War or even in the 1990s. Japan can no longer simply follow US leadership; it must now take the initiative. In other words, these new challenges demand that Japan not only rebuild and strengthen its ties to the United States, but at the same time develop its own diplomatic and national security policies as an independent state.

Recently, the countries of Southeast Asia, whose relations with China have been strained by China's increasingly brash moves to assert itself as a maritime power (particularly in the South China Sea), have begun seeking a stronger US presence in the Asia-Pacific region as a counterbalance to China. As part of this scenario they want Japan to maintain its close relations with the United States and the US military. One of the first things the LDP government did when it assumed office in January 2013 was to dispatch top leaders to seven of the ten ASEAN nations—Prime Minister Abe to Vietnam, Thailand, and Indonesia; Deputy Prime Minister Asō to Myanmar; and Foreign Minister Kishida to the Philippines, Singapore, and Brunei—where they were all welcomed warmly. What these countries want of the LDP government is for it to bring back and even strengthen the stability that characterized Japanese-US relations before the DJP tried to undo all those years of trust-building.

This dates back to 1978, when the then Prime Minister Masayoshi Ōhira propounded his Pacific Basin Community Concept, which

eventually led to the formation of APEC in 1989 and laid the foundation for a cooperative framework covering the Asia-Pacific region that included the United Sates. Later, there were other moves—such as the 1997 founding of the ASEAN +3 group—which sought to integrate East Asia without the United States. Then, in 2012, the United States once again shifted its political emphasis toward the Asia Pacific region, to the delight of most Asian countries save China. Prime Minister Abe visited the United States in February 2013, so naturally the tours of Asian capitals by the new government's top brass were partly in preparation for the meetings between the Japanese and American leaders.

In 1977, in Manila, Prime Minister Takeda Fukuda unveiled the Fukuda Doctrine ("Japan is committed to peace and rejects the role of a military power"); on January 18, 2013, Prime Minister Abe was scheduled to announce the Abe Doctrine in Jakarta, the final stop of his Southeast Asia tour. Although he had to cut short his visit in order to deal with the hostage crisis in Algeria, the text of Abe's speech was published on the official Cabinet website. In the speech, the Prime Minister laid out five foreign policy principles, committing Japan to the following stance in the Asia-Pacific region:

(1) Protecting freedom of thought, expression and speech, which are universal values.
(2) Ensuring that the seas are governed by laws and rules and not by might.
(3) Pursuing free, open, interconnected economies as part of Japan's diplomacy.
(4) Bringing about ever more fruitful intercultural ties between the peoples of Japan and this region.
(5) Promoting exchange among the younger generations who will carry our nations into the future.

China immediately objected to the Abe Doctrine as an attempt to contain China or build a security framework encompassing the United States and the countries of Asia and excluding China. It saw the first and second of Abe's five principles in particular as direct challenges, and it understood the third, with its economic multilateralism, as a rejection of Chinese policies valuing unilateral ties.

Russia, China, and the United States in the Asia-Pacific Region

Russia's changing relations with China and the United States in the Asia-Pacific region also have consequences for Japan's foreign policy. Althoughofficially Sino-Russian relations are good, they are in fact

more complex than they appear. For example, Gazprom is collaborating with Vietnam in resource development in the South China Sea. China asserted its rights to resources in the region and declared that third parties should not engage in any development there, a view that Russia continues to ignore. At the same time, Russia is increasingly wary of China's aggressive maritime policy. In July 2012, for the first time ever, the Russian Navy officially took part in "RIMPAC," a US-led military exercise in the Pacific. Although this may seem to be a big step forward in bilateral relations, there are undoubtedly Chinese factors in the background. Russia has a deep mistrust of America and Europe and feels it must preserve its strategic partner relationship with China. Yet in the face of expanding Chinese economic and political influence, Russia is also looking to the Asia-Pacific region to help balance the scales. Its strong desire to see Japanese economic involvement in Siberia and the Russian Far East is another example of this search for greater balance. However, if Russia were to become too cozy with the United States, Japan, and the TPP countries, that would invite a strong reaction from Beijing and threaten Russia's strategic partnership with China.

Thus, Russia is working to gradually extend its political and economic ties with Asia-Pacific countries while avoiding pressure to choose between the United States and China, maintaining reasonable relations with both. This is the essence of Putin's policy of focusing on Asia.

Last September at the Vladivostok Forum, organized by the Council on National Security Problems (Anpoken), a Russian Academy of Sciences specialist on international issues remarked that in the past the United States played the role of keeping Japan and Russia apart, but today it does not do so. Instead, he said, the interests of Russia, the United States, and Japan in the Asia-Pacific region now generally coincide.

From Japan's perspective, this means that Japan is soon likely to be looking for ways to build a new relationship with Russia, one founded on common interests between the two countries in the midst of new international trends. When that happens, Japan's approach to China will be crucial, and Japan will have to look for a new approach to Russia in full awareness that Moscow has no choice but to give priority to its strategic partnership with China.

Top Priorities for the Abe Administration's Diplomatic Policies

I think it is important to clarify something that is often forgotten when we look at the Abe Administration's diplomatic policies. Prime

Minister Abe has two public faces. The first is that of the right-wing nationalist whose top priorities are national sovereignty and security. Abe clearly takes sovereignty very seriously. As a result, many people believe that this will lead to increasing tension in Japan's relations with its neighbors, China, Russia, and South Korea. Abe's other face, however, is that of a pragmatic realist. When he formed his first government in August 2007, his first overseas visit was to China (remember that there was considerable friction between the two nations at that time because of Japanese cabinet members worshipping at the Yasukuni Shrine). Abe used his visit to propose that the two countries form a mutually beneficial strategic relationship. Now, the new Abe government is making economic growth its primary target, and China and Russia are watching to see which of Abe's public faces will come to the fore.

The Abe Administration needs to establish priorities in formulating its ongoing diplomatic policies. Here are my five top recommendations in order of importance:

(1) First and foremost, rebuild the trust relationship and increase cooperation with the United States in maintaining international order.
Being diplomatically "equidistant" from an authoritarian communist state such as China and a relatively open, democratic society such as United States, which shares many of our values and has long been an alliance partner, is not a realistic option for Japan. Our main concern now should be to restore stability to that vital relationship, which was strained in the past few years. We must also realize that Japan cannot be a mere puppet of US policy, as it was to a large extent during the Cold War. Japan must exercise greater initiative in diplomacy and security policy while at the same time cooperating closely with the United States. For example, in order for the US-Japanese Security Treaty to extend to the Senkaku Islands issue, the United States expects Japan to protect its own sovereignty and maintain administrative rights over the islands as a prerequisite for helping it in any dispute. And, following the Upper House elections in July 2013, the Abe government took a more positive approach toward the TPP discussion.

(2) Stand your ground in dealing with China, yet at the same time avoid needless provocation.
Japan may want to work more closely with the United States in developing its relations with China, but no one really wants tensions between Japan and China to escalate further. It is important for Japan to deal with the Senkaku issue sensibly, in an understated manner, possibly by gradually building up its maritime security and

defense capabilities. Instead of stationing Japanese officials permanently on the Senkakus, the most likely scenario is that Japanese police or coast guard units will move onto the islands in order to arrest Chinese who are attempting to land or squat there illegally, and afterwards remain stationed there. Japan must navigate a very tricky course between standing its ground over territorial issues, such as the Senkakus, and continuing to develop a healthy, stable relationship with China. No one believes this will be easy, but with clear goals in mind from the start, it can be achieved.

(3) Continue cultivating relations with Russia by focusing on common interests.
Russia is taking a more positive approach toward its relations with Japan, and interest in common issues is building in both nations. Japan will most likely reciprocate Russia's positive stance. The new government is unlikely to shelve the Kuril Islands dispute and will probably maintain its basic, neutral policy, which essentially says, "We will sign a peace treaty with Russia after the problem of the sovereignty of the four islands has been resolved."

(4) Strengthen ties with Southeast Asia, India, and Australia.
This point already seems to be well understood by the new administration. The fact that senior cabinet members made visits to so many Southeast Asian countries shortly after taking office is a clear sign of the government's intentions in that regard. Going forward, Japan is also likely to focus on building closer political and economic cooperation with India, as it should.

5) Formulate a new energy policy.
In contrast to the DPJ and other opposition parties that want to make Japan nuclear-free, the LDP has in the past taken a more realistic stance, leaving the door open to the possibility of nuclear power as a component of Japan's overall energy picture. Needless to say, this directly affects Japan's energy-import policies, and the ability to play the nuclear energy card can give Japan more leverage in negotiating with overseas energy providers. That said, political unrest in North Africa and the Middle East will still have a significant impact on Japan's energy policy. The new government will need to work closely with European nations to help stabilize conflict in those regions and in the struggle against international terrorism.

In closing, I would like to add a comment about fears that Japan is shifting to the Right or somehow turning into a militarist state. China and other nations have been quite vocal in their concerns about what they see as heightened nationalism and even militarist tendencies in Japan. Yet one has only to look at the frightening scenes in the fall of

2012, when huge numbers of Chinese demonstrated simultaneously in more than 50 cities in protest over the Senkaku Islands issue, ransacking Japanese-owned stores, setting Japanese cars and factories on fire, and all but rioting in the streets, to realize which government stokes the flames of nationalist sentiment. Japanese people are concerned about these same diplomatic issues, but their government does not stir them to mass demonstrations and violent displays of anti-Chinese sentiment. There have always been nationalist elements in Japan, as in other countries, and they may always exist, but they are not part of the mainstream and they most certainly do not make foreign policy. To call Abe a "nationalist" is simply a convenient way of comparing him with his predecessors who were much less interested in issues of sovereignty. In other words, the term is relative.

More to the point is the fact that China, Russia, and several other Asian countries have sharply increased their defense budgets over the past several years; Japan is the only country in the region to have reduced its defense spending. Defense outlays in most countries are at least 2 to 3 percent of GDP, whereas, regardless of which party is in power, Japan has long maintained defense expenditures at around the same 1 percent level. This shows that arguments that Japan is suddenly changing course, becoming militarist, or even turning strongly right-wing are unfounded.

Indeed, I think it is safe to say that most Southeast Asian countries want Japan to strengthen its security policy. They see some merit in having a slightly stronger, more decisive, yet not-militaristic Japan emerge in the very near future. If the Abe government can achieve that kind of strategic and diplomatic growth, both improving cooperation with its allies and standing up for its sovereign interests without provoking its neighbors, it will gain new respect worldwide.

Note

* Financial support from the Nomura Foundation and the University of Niigata Prefecture is gratefully acknowledged.

5.2

Foreign Policy in *Statu Nascendi**

Sergey V. Chugrov

This chapter is a review of Russian opinions, views, and assessments of Tokyo's diplomatic activities in the last decade. The author is far from having the slightest ambitions to reveal anything new to Japanese colleagues, though he has something to say on how Russian politicians, public opinion leaders, and Japanologists see the problem. It is also an attempt: (1) to assemble together an "opinion jig-saw puzzle" of numerous small, often oddly shaped, and messy pieces of information; (2) to find common denominators; and (3) to formulate some prognostic assessments. The Russian vision of Japanese foreign policy may appear somewhat distorted in a slightly curved mirror that reflects, at times, not so much real problems of the Japanese foreign policy as Russia's own foreign policy anxieties and phobia.

In analyzing the Russian view of Japanese foreign policy, three major sources of domestic opinions are important: ruling elite; media and public opinion; and Japan specialists.

According to the Russian Japanology community, the main issues that retain special importance for Russia are: Japan's relations with the United States, growing Chinese power, changes in the Japanese Constitution, North Korean security challenges, and mounting Trans-Pacific Partnership (TPP) membership problems.

Japan–US Relations

In the background of the globalization process, Russian analysts have noticed some new cooperative shifts in Japanese security strategy

vis-à-vis the United States and an escalation of difficulties in dialogue between Japan and the United States. (Frankly, ever-increasing frictions between Washington and Tokyo have been detected so frequently under the Soviet regime that one may wonder why the union has not collapsed several times since then. Now this discourse as a rule is devoid of ideological tunnel vision).

To start with, chief editor of the *Russia in Global Policy* magazine Fyodor Lukyanov, who is considered to be one of Russia's moderate liberal opinion leaders on foreign policy issues, comments, "Tokyo and Washington are likely to face tough negotiations on the fate of the U.S. base in Okinawa, since its presence causes a negative reaction from the residents."[1]

The traditional Soviet version and wording we find in Anatoly Koshkin's assessment is that the long-term US goal was "to turn Japan into a stronghold of its hegemony in the Far East."[2] However, this point of view is no longer on the agenda.

The Russian mainstream view is as follows: "Urging Tokyo to take greater responsibility, the USA is forced to take into consideration the realities of Japan, which faced the American media accusations of 'stowaway' at the expense of US strategic guarantees. Actually, the USA spends about $5 billion annually just to pay for the maintenance of American bases on its territory." Moreover, "improvement in Soviet-American relations in the years of 'perestroika' and, in particular, the demise of the Soviet Union have caused even more profound impact on the union of Washington and Tokyo, as the removal of the Soviet threat, undermining the old psychological basis of the U.S.-Japan strategic partnership."[3]

Japan adheres to the tradition of foreign policy decision-making through consensus. In the Russian perspective, this pattern, in a way, hampers self-assured and fast decision-making that is capable of disturbing the balance (or the illusion of balance) of national interests. Similarly, the United States tends to conduct a direct and offensive foreign policy. In the view of Russian scholars, in striving to adapt to US demands, Japanese foreign policy-makers often expect Washington to take Tokyo's interests into account in return. Washington may be under the impression that Tokyo simply wishes to do nothing without external pressure.

At the same time, although hotbeds of terrorisms in Algeria and Syria are far away from Tokyo, the strengthening of global antiterrorism measures together with two-plus-two meetings of the Security Consultative Committee are making Tokyo and Washington drift

toward each other. In Russian experts view the strengthening of the Japan-US alliance as a process of transforming the alliance into a potential regional actor that in turn could lead to a future global partnership. Thus, the Russian political elite and intellectuals no longer consider the US-Japan military political union as a means of occupation by the US military or a one-sided deal to the detriment of the Japanese people. Russia clearly sees the advantages of this union for Tokyo, although the protests of Okinawan residents demanding the relocation of the Futenma base are regularly reported by Russian mass media as an anti-American wave of protest.

China and the Rest

The Russian intellectual community appears to be unintentionally Western-biased and follows a classic West-centered design. Russian concerns are mainly focused on the United States, the North Atlantic Treaty Organization (NATO), and the European Union (EU). Some ten years ago, it would be perfectly correct. Now, the world landscape has radically changed as we witness a tectonic transformation in global politics. It is China's impressive leap toward modernity that has rearranged the geopolitical landscape. China has become the most powerful driving force in global politics. Beijing is shaping the world space according to its own templates. The antiballistic missiles are losing their former significance. China does not need colossal muscle in terms of nuclear weapons and the means of their delivery as it successfully makes use of its "soft power." And antiballistic missiles are ineffective and useless against Chinese soft power, which together with the threats of international terrorism have become dreadful political headaches for Russia, Japan, and the West. It is the Chinese soft expansion that may bring together Russia, the United States, and Japan to counterbalance Chinese mounting might. (Of course, importance of China for Russia is beyond these discussions, but the Shanghai Cooperation Organization (SCO) remains the cornerstone of regional security in the framework of the balance-of-force game in Northeast Asia, which may push Tokyo and Moscow to form a new political cooperation model).

The Russian public is watching, with growing anxiety, the robust rise of China as an economic and political player with increasing military capacity. In Japan, the Chinese threat is also at the top of primary concerns among Japanese decision makers and the general public.

Many Russian analysts, based on the origins of the maritime dispute, hold the United States as the architect of the Sino-Japanese Senkaku

Islands (Diaoyutao) dispute. For example, the former Russian ambassador to Japan, Alexander Panov, argues that the Senkaku (Diaoyu) problem "was largely inspired by the United States."[4] Political analyst Lukyanov emphasizes that "firstly, the shift in the PRC behavior is an objective process and is connected mainly with changes in the balance of power. Secondly, in Beijing, too, a transfer of power has recently occurred, and the fifth generation of leaders needs to assert itself."[5]

A crucial question for Russia is how to position itself between Japan and China. Some people in Russia cannot resist the temptation to exacerbate the dispute. They want Russia to side with Beijing in order to badly snub Japan. Fortunately, they are only a few. Russian officials demonstrate neutrality by their behavior. Highly skilled diplomat Panov comments: "Russia should not interfere. In general, aggravation of the situation in the region is extremely disadvantageous for Russia…Therefore, to face the necessity to choose between them is far from our interests. So, Russia should make every endeavor to help them harmoniously settle the issue."[6] This opinion was echoed by Lukyanov, commenting on the Chinese ambassador's statement: "These comrades are very eager to see Russia on their side in the dispute, and try to create a united front against Japan…But the dispute between Russia and Japan around the Kuril Islands, and China and Japan [around Senkaku] are of the same brand. Russia in its dispute with Japan is in the same position where Japan is in its dispute with China." [7] A political analyst explained that, in the dispute between China and Japan, the latter enjoys *de facto* control over the islands, which it has as a result of World War II. "It is the same situation in our dispute with Japan. However, here we enjoy control over the islands, which we received as a result of the World War II. China challenges the right of Japan. Japan challenges the right of Russia. These are similar situations." [8]

Forecasts about the outcome of the current state of the disputes are different. Vice-Rector of the Diplomatic Academy Alexander Lukin comments: "I think, this time it is possible to avoid a war. There are many reasons—first, there is a strong mutual economic dependence between the two countries: Japan is China's second biggest trade partner; the first is the United States. Japan is also China's second or third largest investor—10 per cent of investment into the Chinese economy flows from Japan." However, mentioned Lukin, "it seems impossible to completely exclude the worst scenario. This may occur only if internal Chinese problems exacerbate dramatically."[9]

In Russian media, some speculate that the escalation of the territorial row with China could push Japan toward the development of its

own nuclear weapons. Both political analysts and scholars in Russia deny the possibility of Japan going nuclear. "This is a taboo topic—not so much because of the military as of moral and psychological factors," says Vasily Molodyakov.[10]

Russian politicians and experts concentrate on the formula of "separation of politics and economics" in China-Japan relations as Moscow is particularly interested in keeping Russia-Japan economic ties "hot"—even if Tokyo is dissatisfied with the state of political relations and even if there are tensions around territorial issues. In the coming years, the most dramatic challenge to both Japanese and Russian foreign policy agencies will be the problem of how to deal with China. Russia-Japan cooperation as a counterbalance to the Chinese hegemony may become one of the basic elements of a new geopolitical configuration.

Japan–North Korea

The Russian establishment and expert community comprehensively evaluated Japan's foreign policy anxieties on the growing security threat posed by Pyongyang in Northeast Asia against the backdrop of the suspension of the Korean Energy Development Organization (KEDO) activities, with an international framework aimed at monitoring and tackling Pyongyang's nuclear development. This threat is a major concern for Russia, although not to the same extent as it is for Japan. Russia and Japan account for almost the same position on the Korean Peninsula developments. Dmitry Streltsov, president of the Russian Association of Japanologists, writes: "Actually, Moscow and Tokyo have no basic divergences regarding settlement on the Korean peninsula—except the fact that Japan rigidly links, at negotiations with Pyongyang, its policy with a problem of the abduction of Japanese nationals," which is naturally considered in Moscow as a shocking violation of human rights.[11]

Russian experts seriously consider that statement of the Japanese minister of defense Naoki Tanaka that the North Korean missile will be shot down if there is any sign of danger to Japanese territory. Theoretically, of course, this policy option is viable. However, former ambassador to South Korea, a researcher at the Institute of World Economy and International Relations (Russian widely used acronym—IMEMO) think tank George Kunadze commented that he would not "take this statement for truly valid intentions."[12]

The scholar categorized this statement as propaganda. In my view, Kunadze underestimates in some ways the Japanese level of political

anxiety and the impact of the North Korean factor on Japanese foreign policy. I am certainly closer to the opinion of the Japanese analyst Kazuo Okura that in combination with the strengthening of the Japan-US alliance, the frictions with Pyongyang have greatly "affected Japanese foreign policy toward Iraq and other areas of the Middle East."[13]

The ITAR-TASS correspondent in Japan Vasily Golovnin believes that Pyongyang's relations with the outer world is like a pendulum, dragging neighbors into "the next round of friction, which is a reproduction of the previous one. Periods of frosts and thaw make a vicious circle."[14] In a sense, the Korean set of problems has become a truly international issue, which is in line with how Tokyo views the issue. Kunadze makes it clear that "the goal of the Six-Party Talks is not simply to reach a result, because no one really knows how to reach it and what is actually the desired result, but to simply continue them."[15] There is consensus on this point among Russian experts.

Russian-Japanese Relations

Assessments by the Ruling Elite

If we try to characterize briefly the state of political interaction between Russia and Japan, it should be emphasized that "while understanding generally the importance of bilateral relations for each country neither Moscow nor Tokyo has yet determined the strategic significance of these relations for themselves…At the same time, with the exception of the territorial problem there are not any other obstacles preventing Russia and Japan from moulding a true partnership between them."[16] The common goal is, therefore, to get rid of this annoying constraint.

Vladimir Putin, after his return to the Kremlin in the March 2012 elections, commented on his vision of a draw (*hikiwaki*) in bilateral relations, reconfirming that Russia was ready to carry out its commitments formulated in the 1956 Soviet-Japanese Joint Declaration. However, to achieve a mutually acceptable agreement is enormously difficult if not impossible in the near future. The divergence between the sides is not only immense but principles are at stake.[17]

The Russian political elite tends to think that the Joint Declaration of 1956 performs the function of a peace treaty between the two countries with the exception of the unrealized so-called territorial article 9. The Russian media released some analyses asking whether Russia really needed a peace treaty with Japan. The same article contained a negative answer to this question, for example: "Russia has no need to sign a peace treaty."[18]

Highly cautious wording in diplomatic documents reflects Russia's lack of incentive to turn Japan into a potential strategic partner. The government official document *Concept of Russian Foreign Policy*, published on July 15, 2008, routinely mentions the enduring search of a "mutually acceptable decision" and the necessity of "delimitation of the borders on the basis of international law."[19] This lack of incentive can be explained by the absence of skilled Japanologists in the presidential entourage. However, the advancement of a young expert on Japan Anton Vaino, who has spent time in Japan, to a deputy head in the presidential administration is encouraging.

Russian politicians and diplomats stress "good prospects for cooperation"[20] with an emphasis on economic contacts, but Tokyo focuses on a *political rapprochement*. Hence, the acrid conclusion characterizing the moods dominating the Russian ruling elite: "Tokyo's passivity and stubborn inflexibility in the so-called 'northern territories problem' makes a breakthrough in Japan-Russia relations impossible.[21] In an interview (mid-January 2013) given to foreign media, minister of foreign affairs Sergey Lavrov in answering a question of the *Mainichi* correspondent took a more positive stance by reproaching Japan as only lacking a complex approach to the development of bilateral relations, thus giving hope that the situation could change, should Japan assume this *complex approach*.

Public Opinion

The general public shows little interest toward Japanese politics and foreign policy. The only fact an average Russian knows of Tokyo's political course is that "Japan wants to deprive us of territories."[22] Moreover, some Russians perceive Japan as a source of danger. Russian historical memory still recalls the military devastation experienced in 1905, the atrocities of the invading Japanese Imperial Army in Russia's Far East in 1918 in the course of the Civil War in Russia, and military provocations near Lake Khasan (1938) and the Nomonhan Incident (1939).[23] Decades of Communist indoctrination of the Russian population has resulted in an almost knee-jerk reaction of everything related to "samurais" and "Japanese militarism."

Similarly, regular invectives by some Japanese politicians related to the territorial dispute over the Kuril Islands reduced the level of Russian sympathies for Japan from 69 percent (1995) to 44 percent (2011), and the level of antipathy grew from 19 percent (1995) to 31 percent (2011). Table 5.2.1 illustrates the dynamics of public opinion shifts. The dramatic downfall of sympathies toward the United

Table 5.2.1 Attitude of Russians Toward the United States and Japan (%)

Attitude	*1995*	*2001*	*2007*	*2011*
The United States				
Positive in general	78	37	37	33
Negative in general	9	39	45	48
N/A	13	24	18	19
Japan				
Positive in general	69	53	60	44
Negative in general	9	16	18	31
N/A	22	31	22	25

Source: Dvadtsat' let rossiyskikh reform. Itogi mnogoletnikh sotsiologicheskikh zamerov (Twenty Years of Russian Reforms. Results of Long-term Sociological Measurements). M. Gorshkov et al. (eds). Moscow: Institute of Sociology, Russian Academy of Sciences, 2011, p. 195.

States occurred due to its military attacks against facilities in Iraq (1993, 1996, and 1998), Bosnia (1995), Sudan and Afghanistan (August 1998), and especially against Slavic and Orthodox Serbia (March–June 1999), etc. What war broke out between Russia and Japan in 2010–2011?

Here is a persuasive explanation. The lower house of the Diet, on June 11, 2010, voted for the adoption of amendments to the law "[o]n special measures forcing the solution of the problem of the Northern Territories." Russian public opinion reacted with an outbreak of passions and the ruling elite felt badly snubbed. In order to reaffirm the sovereignty of Russia, President Dmitry Medvedev visited Kunashir Island on November 1, 2010, challenging Japanese public opinion, which *volens nolens* found itself involved into a vicious circle of mutual retaliation. According to Kunadze, the *Gaimusho*'s (Ministry of Foreign Affairs) main error was "an exceedingly irritated reaction: now the situation has little chance of being settled."[24]

Similarly, Russian scholars were taken aback with the comparable results of a public opinion survey conducted in Japan in 2011. It vividly demonstrated that among the world major nations the Japanese were least friendly to Russia (13 percent) with those antipathetic to Russia—83 percent.[25] The investigators emphasized that the causes of such a Japanese attitude toward Russia can be explained by a constant negative image of Russia created during the postwar, mainly the Cold War, period of assertive implanting into the minds of the Japanese the image of a bear threatening to capsize and squash the tiny peaceful Land of Kami. According to Russian researchers, "among those who

shape public opinion in Japan are mass media, think tanks, prominent historians, and political scientists. Yet all of them are not only infected with 'an anti-Russian virus' but also use Russia's negative image for the purpose of reinforcing the political course of Japan's ruling circles, which is aimed at exercising pressure on Moscow to achieve the principal goal—to get back the Northern Territories." [26]

Academic Community

The situation with Japanese studies, especially in the field of Japanese foreign policy, is more stable than it used to be in the two decades after the collapse of the Soviet Union. Chapters on foreign policy issues regularly appear in annual collective monographs published by the Russian Association of Japanologists with the assistance of the Japan Foundation. The official site of the Association http://www.japan-assoc.ru/ has been restored and renewed. Thematic collections, written by a team at the Center for Japan Far East Institute, also contain analyses of Japanese foreign policy.

The Russian expert community is not as dramatically polarized over the territorial issue as it used to be some ten years ago having consolidated in the central part of the political spectrum.

Of the Japanologists, one group, which includes Panov (Institute of the USA and Canada) and Streltsov (Moscow State Institute of International Relations), can be called "rationalists." This group argues that the absence of internationally recognized borders is abnormal although not dramatic. In the opinion of the rationalists, the necessity to deal with the territorial dispute is not only Japan's but also Russia's headache. The complication is that Tokyo will not conclude any agreement until it has firm guarantees from Russia that the territorial issue will be settled, and Moscow will be always reluctant to give such promises. Both sides understand well that the signing of the treaty will noticeably reduce Tokyo's chances to have the islands returned. In the Russian view, although the Japanese leadership does not have any realistic hopes of getting the territories in the foreseeable future, it is still interested in preserving levers of pressure on Russia. Both sides continue this everlasting sophisticated game for tactical purposes.

Radical supporters of the Japanese territorial bid are very few in number. Reputable and bellicose Vadim Ramzes (IMEMO), who had insisted on the unconditional and immediate return of the islands because they had been stolen, died in May 2008. It should be noted

that the lands at issue were not stolen: Japan lost them as a result of its defeat in war. Similarly, Mexico lost its northern territories—now the US states of Texas, New Mexico, and California—in 1848, which, however, does not prevent it from maintaining close relations with the United States and participating with it in integration processes.

The other group of Japanologists may be defined as "patriots." Their common slogan is not to surrender a single square inch of Russian land. The most hawkish advocate of this radical stance, Igor Latyshev (Institute of Oriental Studies) died in 2007. His most consistent heir seems to be historian Anatoly Koshkin (Oriental University, Moscow). These academics believe that territorial concessions are tantamount to the loss of national dignity, and their point of view has influential supporters among federal and regional politicians (for example, vice-prime minister Dmitry Rogozin, minister of culture Vladimir Medinsky, the "Sakhalin lobby," etc.).

Some self-styled scholastic Russian experts resort to historical arguments in a bid to undermine Japanese foreign policy goals in the territorial dispute (Kirill Cherevko, Institute of Russian History). They spend much time and energy studying rare archival diplomatic documents and maps and are exhaustive in their research. But such a pattern of thinking only serves to plunge Russian-Japanese relations into a state of stalemate.

The supporters of a compromise agree to a step-by-step approach to solving the territorial problem. For this purpose the governments of both countries should develop, in every way possible, economic cooperation (Valery Kistanov, Institute of Far-Eastern Studies).

Russian experts analyze the current Japanese diplomacy in the report, "Current State of Russia's Relations with Japan and Prospects for Their Development,"[27] written on the basis of a focus group held in spring of 2012 (headed by Panov) and sponsored by the Russian International Affairs Council, a think tank of the Ministry of Foreign Affairs of Russia with an nongovernmental organization (NGO) status. According to this report, there exists in Japan a lobby of politicians, businessmen, scientists, and journalists who understand that "in the national interests of Japan, it is necessary to discard the pursuance of the US-pegged policy, confrontation with China, and instead establish constructive and diverse relations with Russia."[28] The advocates of the "principled position," led by the bureaucrats of the Russian desk of the *Kasumigaseki* (Japanese national bureaucracy), experts on Russia known for their critical attitude toward Japan and "conservative-nationalistic mass-media (for example, *Fuji*

Sankei Communications Group) are in opposition to this group." The underlying premise of their arguments is that "there won't be devised any new approaches to the territorial problem with President Putin in office. At best there might be a proposal to again revisit Article 9 of the Joint Declaration signed in 1956." [29]

Meanwhile, according to the report, the number of supporters with a realistic approach is growing and they are supported by mass media (*Asahi*, *Mainichi, Yomiuri* and *Nihon Keizai* newspapers, for example), academics, and business community.

> The opinion of the hopelessness of asserting the claim to return the four islands, let alone all four simultaneously, is heard more often now. The understanding that the only reasonable and actually the best way for Japan to resolve the islands' problem is through a deepening of cooperation with Russia in the security and economic spheres is emerging. What is proposed is to set a new agenda for Japan's diplomacy against the backdrop of a relative weakening of United States, a rising China, growing weight of Asian states, the creation by Russia of the Euro-Asian Union for the purpose of Moscow's expansion into the East. One of the main objectives of Japan's diplomacy should be the establishment of 'multiple relations' with Russia and the facilitation of its promotion in the Asia-Pacific region. As a result of it, Japan will be able to count on benefiting from the compromise with Russia on the territorial problem. In other words, there should be created an environment in which the Russian side can compromise on the territorial issue…If this chance is missed, Japan will forever lose hope on the return of the islands. Certainly, such approaches are not prevailing, let alone determinant…The leadership of Japan's Ministry of Foreign Affairs which largely moulds the tactics and strategy of negotiations with Moscow is against changes in the stance on the territorial issue. Therefore, we can proceed from the assumption that the Japanese side is unlikely to give up its principled position on the territorial problem in the near future.[30]

General Assessments of Japanese Foreign Policy

Russian Japanologists are divided in their general assessments over Japanese foreign policy. Some experts deny that Japan has its own independent political line. For example, Kunadze believes that independent foreign policy is absent in Japan. However, many researchers (including myself) tend to think that Japan's submissive following of the US lead is a tactical line, while, in fact, Tokyo pursues its own articulated political interests.

Although Japan is not in a position to lead the globalization process, it seeks to actively participate in it. Thus, Japan has to undertake focused efforts to make use of "soft power" on various fronts. Japan seeks compromise between its own globalization concepts, Western expectations, and Eastern realities, and it finds a solution in forming quite abstract and nonambitious version—creating a new smart image, not so much of Japan, but of a Japanese. It started to disseminate a Japanese "cultural influence"[31] instead of the former "Japanese order." To put it more precisely, it is the image of a "cool Japanese." This image-making strategy is based on several key positions: the necessity to alter the image of Japan in the outer world; the possibility to maintain the national uniqueness; and the *idée fixe* of the Japanese diplomacy—the official policy in forming the image of Japan abroad through the activity of governmental and NGOs.[32]

Will the future see changes in the so-called passive and reactive style of Japanese foreign policy, sometimes called *kimerarenai seiji* (policy that hesitates to make a decision)? As Russian experts say, the vector of changes became obvious over 20 years ago. Step by step, Japanese foreign policy reluctantly turns into *kimerareru seiji* (that can take responsible decisions). After Iraq's invasion of Kuwait in August 1991, Japan contributed four billion US dollars to the coalition against Iraq. Then, in June 1992, *Nagatacho* (Japanese government) completed the enactment of legislation that permits it to send Japanese troops abroad to participate in United Nations (UN) peacekeeping operations. In a series of more self-assertive moves, Tokyo has proclaimed its backing of the US-led war against terrorism and military operations in Iraq and Afghanistan, and it has in a constructive manner participated in peace-keeping operations in Cambodia, Mozambique, and the Golan Heights.

In the opinion of most Russian experts, Tokyo is likely to be more and more engaged in military operations initiated by the UN. This diplomatic activity will take increasingly the form of multilateral efforts, for example, under the aegis of the UN or the Association of Southeast Asian Nations (ASEAN) (consequently, ASEAN+3 and ASEAN+6).

Streltsov insists that Japan will gradually move away from the remnants of the Yoshida Doctrine that emphasized the need for a limited foreign policy and a heavy national focus of resources on economic development. Notwithstanding many positive implications of this policy, the country became a sort of a "colossus with feet of clay." In the Russian experts' view, Japanese foreign policy will make efforts

to shift its image to a "trading state" model, but will succeed only if it sheds its unfavorable mercantilist image in Southeast Asia.

In the view of Russian scholars, domestic sources of Japanese foreign policy constitute the locus of control of the country's diplomacy. Among Russian publications, of certain interest is the section of a monograph on the impact of domestic factors on the foreign policy of Japan by Alexey Senatorov and Irina Tsvetova. They analyze the disappearance of the differences in the views of political parties on many issues of foreign policy, etc.[33]

Some authors point at the passivity and lack of initiative on strategic issues in Tokyo's course: on the one hand, the country has reached an "historic crossroad where the choice of vectors . . . becomes a necessity"; on the other hand, the impression that Japan "can, but does not want to claim a leading role in world politics." [34]Ambitions of Japan do not go beyond the boundaries of regionalism, and they are limited by recognition of the essential dominant role of the United States (in the short term) or China (in the longer term).[35] Kunadze sadly notes that "in Japan few consider seriously the need for changes, both conceptual and organizational."[36]

Russian experts almost unanimously emphasize that assistance to the developing world will be Japan's main task in the new system of international relations in the twenty-first century. Indeed, Japan's role as a donor and consumer of imports from Asian countries is very likely to increase, against the backdrop of the reduction of the similar role of the United States. Seen in this context, the task of Japan is perceived as assisting the development of world and regional free trade, promoting its concept of "human security." Russian scholars consider that, in the next decade, Japan will play in this sphere a role that is proportionate with its economic and financial weight.

In the view of Russian experts, Japan is more committed to helping efforts to create economic infrastructures in developing countries and to subsidizing environmental measures of the Rio de Janeiro program. Thus, at the December 1997 Conference in Kyoto, Japan made a major contribution to the formulation of tasks targeted at overcoming the greenhouse effects in the world. In particular, Tokyo launched costly deliveries of ecological technologies to Mexico, China, and other countries.

Russian experts forecast that Tokyo will consolidate its position as a *mediator between Asia and the Western world*. However, these experts also believe that Japan still has to learn how to represent the interests of Asia on the international arena in a more efficient

manner. They highlight Japan's outstanding contribution to regional cooperation in Asia, including *Gaimusho*'s efforts to harmonize multilateral dialogue within the Asia-Pacific Economic Cooperation (APEC), the ASEAN+3 and +6 forums, the East Asia Summit, the East Asia Foreign Ministerial Meetings, its activity within the Manila Framework concerning finances, and, finally, its contribution to the establishment of a three-stage process of confidence building and preventative diplomacy.

Japan is a common vertex in two adjacent triangles: Japan—US—South Korea, on the one hand, and Japan—China—Russia, on the other.[37] Therefore, Japan could play a role in reconciling political actors and could capitalize on its belonging to different groups of states. In a broader sense, the Japanese appear to develop a more consistent *self-awareness of belonging to both Asia and the world as a whole*.

Russian experts mainly agree with Shigeki Hakamada who has stressed that in the twenty-first century, when the developing countries wish to have as high a standard of living as the developed countries, the world will be engulfed in an energy crisis, and an energy policy will become a matter of strategic importance. Then, it will be hard to overestimate Japan's special experience in the sphere of energy-saving technologies. No less important are the signs of the Japanese foreign policy going global as the passage of a UN resolution concerning the final elimination of nuclear weapons, Japan's crucial initiative on the banning of antipersonnel mines, efforts in pushing forward for UN reorganization, etc. I fully share a well-thought opinion of my Russian and foreign colleagues that Japan has reinforced its reputation as a responsible player in international security affairs, a country in transit from a peace state to an international state.[38]

It is difficult to find one common denominator for Russian opinions of Japan's multiple diplomatic activities in the twenty-first century; it is similarly too early to speak of Tokyo's new foreign-policy strategy as a *fait accompli*. The consensus among Russian experts points to Japan's new course as being in *statu nascendi*. Actually, *Nagatacho* and *Gaimusho* find themselves at a threshold of new formulas and a conceptual breakthrough toward more self-assured decision-making pattern.

Notes

* Financial support from the Nomura Foundation and the University of Niigata Prefecture is gratefully acknowledged.

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6

Russian Foreign Policy: Vperyod (Russia Go Forward) Eastward?

6.1

Improvising at Kremlin*

Akio Kawato

Russia throughout its history has been repeating cycles: from reform to conservative consolidation, from international conciliation to confrontation, and from defense to expansion. This is because Russia cannot be fully incorporated in the mainstream of the global economy, as it largely lacks a capacity for self-sustained economic development. The direction of today's Russia is ambiguous with a mixture of contradictory elements: conciliation and anti-Americanism, desire to join the Organization for Economic Co-operation and Development (OECD), and conservative consolidation of its society.

With this in mind, I analyze the nature, habits, strength, and weakness of contemporary Russian foreign policy and its bearing on Russo-Japanese relations. My views are based on my own experience as a diplomat (four consecutive postings in Moscow for a total of 11 years) and on constant reading of publications in Russia and outside.

From a Global Power to a "Multi-bordered" State

Any dissolution of an empire generates hotbeds of conflict, as in the case of the Ottoman and Austrian-Hungarian Empires in early 1900s. But unlike the latter two cases, Russia remained a big power even after the collapse of the Soviet Union. The Russian Federation, as its name suggests, remains an "empire" in its own right with various ethnic minorities and a vast territory that spans nine time zones and borders more than ten countries.

In the United States, a country also with a large territory, open opportunities for a better life generate an integrating force among the heterogeneous people, but in Russia, where the economy is weak, a unitary and almost autocratic way of governance serves as the integrating force. And the fear of "foreign enemy," inherent in the Russian psyche, is utilized by the government to secure national unity. The anti-Americanism of today, which replaced the fear of the Germans, is the current version of this xenophobia.

Therefore, today's Russia is not so much a modern "nation state" in the Western European sense of the word as an entity that retains elements of erstwhile imperialism. It has a single set of laws, parliament, central bank, a single army, and intelligence, but its nation is not homogeneous, rule of law is not firm, and democratic norms are not fully secured.

In the area of its economy, Russia holds onto many remnants of the socialist planned economy, and remains to be a country of "state capitalism" with most of its large corporations state-owned or under strong state control. As most Russian enterprises lack experience or strength in doing business abroad, economic deals are often solved in a "political way," that is with a strong involvement of high-ranking government officials.

In 2000s Russia's GDP grew more than six times due to high oil prices. Today, unitary governance has been restored and the state armament program is being modernized. And yet Russia remains in a weaker phase of its history with its foreign policy lacking a grand design and being mostly reactive to changes outside.

Russian Diplomacy After the Fall of the Soviet Union

A Vain Cycle from Reform to Consolidation?

Similar to any other country, Russia's basic objective in its foreign policy is its security and economic benefit. During the Cold War, Russia pursued this goal with such tools as the communist cause, military intimidation, and assistance to subversive activities abroad. But Boris Yeltsin, who usurped power from the communists, used "democracy and market economy" as tools to prevent the West from encroaching on Russian interests, even when the country was in a weakened economic state, and to secure economic assistance from the West. These causes were also used to cement his power. The wholesale and

haphazard privatization of state enterprises toward 1993 worked well in liquidating communists' influence from business.

I was posted to Moscow from 1991 to 1994, and vividly remember all the euphoria about democracy and market economy. Yeltsin himself, an old-guard ex-communist, was not familiar with the Western norms of democracy and market economy, but his policy was enthusiastically welcomed by intellectual people, who even during the Soviet rule leaned toward Western values and yearned for a Western way of life.

Yeltsin's government strongly solicited assistance from the West. The former enemies of the Soviet Union, the United States and Western Europe, were suddenly called "friends" of Russia; Andrey Kozyrev, foreign minister, regularly shuttled between Russia, Western Europe, and the United States, and Yeltsin established cordial relations with the US president Bill Clinton. In this way Russia secured for itself security, economic assistance, and due respect as a big power. Consummation of this policy was Russia's membership in G7 (G8 with Russia) toward 1998.

Now that Russia embraced Western values, there was no need to maintain a huge armament. The defense procurement was so drastically reduced that the Russian military industry lost its capacity to catch up with the modernization of arms in the United States.

However, toward the end of Yeltsin's rule it increasingly became visible that the West had not accepted Russia as true member of their community. Toward 1999 the North Atlantic Treaty Organization (NATO) was enlarged to cover Poland, Czech Republic, and Hungary, and toward 2004, it was extended to Estonia, Latvia, Lithuania, Bulgaria, and Romania, among others. Russia regarded this as a breach of the tacit agreement that was reached allegedly in 1990, when Mikhail Gorbachev agreed to the reunification of Germany. The 1999 bombing of Serbia by NATO forces as part of an effort to help Kosovo's independence antagonized further on the Russian government and its people. However, President Vladimir Putin, who took power in 2000, continued Yeltsin's conciliatory posture toward the West. Just after the September 11, 2001, terrorist attack on New York Trade Center buildings, Putin gave approval for US troops to use the Khanabad air base in Uzbekistan.

In mid-2000s, the George H. W. Bush Administration started to promote the stationing of a US Missile Defense System (MD) in Eastern Europe. Although the US administration asserted that the MD was directed against Iranian missiles, the Russians argued that the

MD would substantially compromise Russia's strategic strike capability against the United States. Thus, the historical enmity and suspicion had returned to the Russian psyche. Many Russians openly expressed bitterness, saying that the West had not sufficiently helped them, even though they embraced Western values (this is an expression of dependence mentality), and that the West had started to contain Russia.

In February 2007, President Putin took a hard tone in his speech at the Munich Security Conference and reinstated military reconnaissance flights to the NATO countries, which had been suspended since the collapse of the Soviet Union. Simultaneously Russia started to take measures to prevent NATO's further expansion eastward into Georgia. After a lengthy game of mutual provocation and intimidation, the Russian army entered Georgia in August 2008, and three weeks later officially recognized South Ossetia and Abkhazia, separatist regions of Georgia, as independent states.

The United States did not take any military countermeasures; Georgian president Mikheil Saakashvili miscalculated the US position. The latter was bogged down in the Iraqi War, and even without it, the United States would have avoided a direct confrontation with the nuclear superpower Russia. Saakashvili was not provided with sufficient military assistance to fight against the Russians, even though he later sent about 1,000 Georgian troops to Afghanistan in 2009. The West waited until the dust around the Georgian War settled, and the new US president Barack Obama proposed a "reset" policy to his Russian counterpart Dmitry Medvedev.

Owing to the "reset," the European Union (EU) and the United States saw a concurrence of their positions toward Russia, conciliatory in general but in its substance close to a benign-neglect. The West and Russia halted their ineffective game, that is, constant repetition of pressure by the West and reaction by Russia (mostly verbal). In fact the precarious economic situation after the Lehman crisis in 2008 forced the United States to shift its focus from Russia. And Russia, also hit by the Lehman crisis, did not have resources to encroach on Western interests. The United States even reaped some fruits from the "reset." For example Medvedev halted the deal to provide Iran with the advanced surface-to-air missile system S-300 in 2010.

Putin, when he was reinstated as president in 2012, discarded the word "reset" but did not change the substance of Medvedev's policy toward the United States. It was Putin who strongly made a case of the Russian proposal to offer mid-Volga Ulyanovsk airport as a logistic hub for NATO troops in Afghanistan.

The Lack of an Articulated Direction

Putin's foreign policy cannot be labeled either as anti-Western or as pro-Western. Judging from his public speeches and publications his policy can be named "realistically pro-Russian." In mid-July 2012, Putin spoke at a meeting with Russian foreign emissaries, stating that Russia pursues a self-reliant and independent policy, but that it does not seek isolation or confrontation. As buzzwords for his foreign policy he chose "proactive, constructive, pragmatic, and flexible."[1] The same words were used in the new "Foreign Policy Concepts" published in mid-February 2013.[2]

The recent tendency is for Russia to become more and more receptive of international norms. It is particularly visible when Russia chairs high-profile international gatherings like the Asia-Pacific Economic Cooperation (APEC) summit in September 2012 and G20 in 2013. Russia's final accession to the World Trade Organization (WTO) may strengthen this tendency. At the APEC summit in 2012, Russia did not resort to showy but meaningless PR extravaganza; it did not invite North Korea's Chairman Kim Jong-un, and it did not repeat the old Soviet idea of establishing a "collective security system" in Asia. President Putin limited his speech within the confines of APEC's economic terms of reference. And in early January 2013, Russian ambassador to Great Britain Alexander Yakovenko made public his country's position on G20, saying, "We have decided not to introduce any essentially new items to the agenda but rather to concentrate on the traditional track in support of sustainable, inclusive and balanced growth and job creation around the world."[3]

Since the fall of the Soviet Union a far larger number of Russians have started travelling abroad. The total number of annual foreign travels (to "Western" countries) now exceeds ten million («статистика посещения российскими гражданами зарубежных стран» from the site of the Russian Association of Tourist Industry).[4] This may change Russian people's understanding of foreign countries, their mindset, and behavior. When I travel in European countries, for example, I notice how Russian tourists behave better than before; they quietly stand in queues (this is remarkable progress).

However, the overwhelming majority of Russians have never been abroad. The "Window on Eurasia" on December 29, 2012, reported that 83 percent of Russians do not possess passports.[5] Such people are more prone to believe stereotypical images of foreign countries with all the presumptions of guilt—the attitude inherent to Russians.

And there are such Russians, including politicians and high-ranking officials, who do not change their conservative views, even if they have opportunities to go abroad. They do not believe in Western values like liberty and human rights. I heard of one Russian businessman who asked his adviser whether it was possible to "buy" Western values (that is, to silence Europeans through bribery), and I know many Russian intellectuals who express disgust at today's United States, which is, according to their views, too multinational and too democratic (privilege of the elite is not warranted). This becomes a burden when the Russian government is trying to strengthen its PR activities abroad through "soft power." Such "soft power" would work better, if cultural activities were free and civic norms were well practiced. Russia certainly possesses its own soft power through literature, visual art, pop rock and jazz music, but the free creators are not sent abroad on official money. The Bolshoi Ballet (mostly nineteenth-century style) and Repin's paintings, which the Russian officials love to send abroad, are marvelous, but they cannot secure positive feelings of association and connection among foreigners toward today's Russia.

These facts demonstrate that the lack of consensus about values in Russian society causes splits in its foreign policy; those who defend state capitalism are apt to confrontation with the West, and those who advocate reforms are inclined to collaboration with the West.

Main Actors in Russian Foreign Policy

People in the West believe that the Russian leadership can arbitrarily manipulate foreign policy, because its parliament and the mass media are not strong enough. In the West and in Japan it is very difficult to conduct farsighted, strategic, and coherent foreign policy, because political fighting in parliament and criticism from the mass media often twist strategy.

But in Russia, too, the president's power is relative,[6] simply because there are multiple actors who influence the formulation of foreign policy. They are the Ministry of Foreign Affairs, the General Staff of the Army, intelligence, academic institutes, experts, journalists, local authorities, and so on. They together form the so-called political class, that is, opinion leaders. Their views and assessments are collected by the President's Office, and then the president's advisor on foreign policy compiles them for the president. The minister for foreign affairs and others can have direct access to the president, too.

When foreign policy involves economic matters, the Prime Minister's Office plays its own role, as economy is mostly the prerogative of the prime minister and interested ministries. As today's world politics increasingly involves economy, Russian diplomats find it difficult to coordinate interested Russian ministries for a solution to one or other conflicts; most of them do not possess sufficient knowledge about economy.

Russian diplomats are usually highly competent and knowledgeable, but they tend to form closed "schools" (those who mostly work on specific areas like the United States, Japan, Germany, and so on), making judgments and recommendations based on their parochial experience. Many of them are civilized and liberal, but this feature is not necessarily reflected in their policy. Moreover, because of the economic difficulty in the 1990s, a gap is visible in the age structure of Russian diplomats; during the 1990s a supply of younger diplomats was largely on halt (remuneration was too low). I suspect that diplomats in the age group of 30 to 50 years old must be in dire short supply now.

As I observe, even younger generations are now replenishing the Ministry of Foreign Affairs, and they are free from ideological prejudices. But I do not know whether they correctly understand the country in which they are posted, in so far as they received their education mostly from elderly teachers with outdated views. These young diplomats come and go fast—after a few foreign assignments many of them quit their position to work in business. When the old guard diplomats (they used to be highly-talented and liberal "young Turks" during perestroika) are depleted, who will be able to take charge—that is the problem that Russian foreign policy will soon face.

Aging is visible also among experts on foreign policy. The collapse of the Soviet Union engendered a bunch of independent and highly intelligent experts (they were called "lobbyists" in Russian) on politics. These people used to be either speechwriters or advisers for Gorbachev and Alexander Yakoblev, and some of them split from academic institutions, supported by private sponsors. Many of them aspired for liberty and the Western way of life only to be betrayed by reality. Most of them have aged, and yet their successors are not visible.

Tools for Russian Foreign Policy

During the Soviet times the Russians mocked themselves, saying that their country is an "Haute Volta with advanced nuclear missiles," or that even if they do not produce posh passenger cars, they can

go sightseeing in Europe in their tanks. Russians today enjoy a standard of living, much higher than in the Soviet days, owing to high oil prices. But Russia still lacks the needed degree of economic strength that would allow it to project itself abroad. Except for energy, mineral resources, and weapons, Russia has little to offer the world. Russia does not give out soft loans as generously as China for construction of infrastructure and development of natural resources in developing countries, either.

Russian manufacturing industry does not have the capacity to engage in direct investment abroad, which is much coveted by developing countries. Russian companies do not have sufficient capital, management skills, or technology for production of civil consumer goods. Indeed, as mentioned already, the Russian companies often require the assistance of their government when they do business abroad.

The export of oil and natural gas at discount prices works as an effective means of Russian diplomacy toward developing countries and former Soviet republics, but vis-à-vis industrialized rich countries it cuts both, because although the latter may depend on Russian resources, Russia to a greater degree depends on the latter as good large customers of their resources. Now that shale gas is pushing down natural gas prices, Russia has been put under severe pressure to lower gas prices to Europe.

Russia uses its military power in its foreign policy. The Russian armed forces invaded Georgia in August of 2008 as a counterattack against Georgia's shelling of South Ossetia. It stations one army division in Tajikistan, about 4,000 troops in Armenia, 1,500 troops in Moldova, and one squadron of the air force in Kirghiz. The forces in Tajikistan work as a deterrence against Afghanistan and Uzbekistan; the forces in Armenia work as a deterrence against Azerbaijan's possible attack on the Armenia-affiliated enclave Nagorno-Karabakh; the forces in Moldova guard the Russian inhabitants in self-professed Pridniestr republic; and the air force in Kirghiz function as a counterbalance against the US Air Force that use Manas airport as a logistic hub for their operation in Afghanistan.

The supply of Russian weaponry with discounted prices works as bait for some former Soviet republics, such as Uzbekistan, Tajikistan, Kirghiz, inter alia. The export of Russian weapons to China, Southeast Asian countries, and India is done on a commercial basis, but it nevertheless serves as catalyst for building better bilateral relations.

Russia, like many other countries, uses military exercises as a tool of its foreign policy. Prior to the war with Georgia in 2008, the Russian

armed forces conducted several military exercises near Georgia to intimidate it. Whereas NATO often conducts low-profile joint exercises with former Soviet countries (almost all of them are "partners" of NATO), Russia makes it a rule to "reciprocate" with the same, but on a larger scale. Joint military exercises within the framework of the Shanghai Cooperation Organization (SCO) are designed to demonstrate to the United States the unity between Russia and China. Conversely, when Russia sent its warships for the first time to participate in the RIMPAC (Rim of the Pacific) international exercise in 2012, it was probably intended to avoid excessive dependence on the cooperation with China. The regular joint exercises between the Russian and Indian armies have a similar effect.

Russia's close relations with some of the "rogue states" and with the countries under Western sanctions are utilized as tool to demonstrate Russia's significance in the world. As mentioned above, Russia lacks in capacity to conduct market-based international business, and thus ends up exporting arms to the countries that do not enjoy good relations with the West. When a country is labeled a rogue state and is subjected to UN sanctions, the West urges Russia to withdraw. Russia eventually withdraws, but before doing that it demands some remuneration from the West. This is a technique to turn a negative asset into a positive one, and is often used by countries, which belong to the Soviet school of diplomacy, like North Korea.

Russian diplomacy is tenacious. It starts some move from a disadvantageous point, but with strenuous efforts brings it to a point where Russia can reap dividends. A good example is Russian relations with Pakistan. Pakistan plays a vital role in bringing stability to Afghanistan. Therefore, in order to have some clout in Afghan affairs (Russia has to do so, because otherwise it will not be able to maintain its influence in Central Asia, which may be exposed to threats from Afghanistan) Russia decided to cultivate its relationship with Pakistan, which in turn keeps close ties with China and the United States. Russia invited and hosted ex-president Pervez Musharraf in May 2009, which eventually developed into a regular meeting at the presidential level involving Afghan and Tajik presidents as well.

Russia has an ultimate property stake in its foreign policy: its own territory. Russia's strength—political, military, and economic—emanates from its vast territory and natural resources in it. They are sacred to the Russians. However, as most of the territory is newly acquired, it is negotiable and sometimes given to others in order to achieve some urgent objectives. For example, Russia sold Alaska for a

mere 7.2 million US dollars to replenish its state coffer ruined by the Crimean War. In March of 1918, the revolutionary Bolshevik government signed the Brest-Litowsk Peace Treaty with Germany and others, ceding vast territories in its western part (Finland, Estonia, Latvia, Lithuania, Ukraine, and others) in an effort to secure stability for the new government. Along the same lines, the Bolshevik government severed the Far Eastern part to create an independent "Far Eastern Republic" in March 1920 (it again merged into Russia in 1922) as a buffer against the Western (Japan and the United States took the lead) invasion of Siberia in 1920.[7]

In making use of these devices, Russia has managed to maintain a rather high status in world politics, even if it lacks economic strength. This deserves admiration, especially from the Japanese, who cannot manage to fully turn its economic strength into a political advantage.

Russia's Relations with Major Powers

Putin, who is labeled by the Western media as "anti-Western" and a "hard-liner," does not seek a confrontation with the West. He only wants to secure for Russia an independent and respected position in the world. Russia keeps close but cautious relations with China. A Russian publicist Dmitri Trenin says in his latest book *Post Imperium: A Eurasian Story*—"For the Russians, there is no alternative, as they used to say in Gorbachev's time, to good-neighborliness and friendship with China. To have China as an adversary is a recipe for catastrophe, no less."[8] Thus, Russia has neither the threat of a fatal confrontation with a country nor an excessive dependence on any foreign country.

Former Soviet Republics

In the ex-Soviet realm, things are so far so good for Russia. Putin keeps saying that the collapse of the Soviet Union was the worst tragedy in humankind's history, and he continues relentless efforts to regain the position of senior brother among former Soviet republics. Russia established the Collective Security Treaty Organization (CSTO) with Belarus, Kazakhstan, Kirghiz, Tajikistan, and Uzbekistan (the latter temporarily halted its participation in 2012) to rival NATO. Russia also founded a customs union with Belarus and Kazakhstan, which later developed into a "Single Economic Space" in 2011. Putin further proposes to establish a "Eurasian Union" by 2015 (its content is rather

vague. Putin reiterates that its core is economic integration, thus denying the rumor that he has an ambition to reinstate the Soviet Union).

Before the Lehman Brothers financial crisis most of the former Soviet republics showed "centrifugal" tendency; they wanted to have closer relations with EU, NATO, and China. But after the crisis Russia has managed to keep these countries in its hold, making full use of its clout, either through the supply of energy with a discount or through its military presence. The once defiant Belarus, Ukraine, and Moldova are all "quiet" now. Georgia, too, is now trying to mend its relations with Russia (in the general election in 2012 Saakashvili's party lost power). Only Azerbaijan and Uzbekistan continue to maintain an independent posture vis-à-vis Russia (the Baltic republics are now members of NATO and EU. They are "gone" permanently).

Russia's advantageous position will be temporal, however. When the Western economy recovers, the former Soviet republics will again start wooing the West. In Central Asia, China is rapidly enlarging its economic (and accordingly political) influence, with which Russia will have difficulty in coping. CSTO, despite Russia's strenuous efforts, has not developed into a full-fledged "collective" security arrangement with only Russia and Kazakhstan providing meaningful forces. The "Single Economic Space" remains an arrangement among three countries only, and Russia will have to make many concessions to lure other former Soviet republics into it: supply of oil and gas at discounted rates, enlarged quota for immigrant workers, loans to build infrastructure and to cover financial deficits, so on and so forth. Probably in order not to provoke the West, the Russian government hardly mentions the "Eurasian Union" lately, and prospects for its formulation by 2015 are meager anyway.

Some pundits in the West highly value SCO. They contend that the West is now being pushed out of Central Asia, but the reality is that SCO is not developing as an institution because of a constant rivalry for leadership between Russia and China, and that Central Asian countries always welcome the West's economic involvement in the region.

The United States

I will not repeat here Russia's current relations with the United States. I only add that in Obama's second term Russia will have to make a decision on the further reduction of nuclear arms, strategic and tactical. Syria and Iran will remain as contentious issues between Russia

and the United States. However, a certain level of tension is needed in Russia's relations with the United States, as it serves to rally the society around the government and helps to justify the use of huge resources for the modernization of the army. Therefore, rapprochement between Russia and the United States will be fairly limited, though a serious confrontation will be equally improbable.

China

China has first priority in Russia's foreign policy in East Asia. Both countries share long boundaries of more than 4,200 kilometers; China is the largest trade partner for Russia (88 billion US dollars in 2012),[9] although as region the EU remains the largest partner for Russia with 236 billion US dollars in 2009[10]; many Chinese[11] are doing either small business or farming in Siberia and the Russian Far East; and the Trans-Siberian Railway, the main transportation route between east and west for Russia, runs close to the border with China. The population in the Russian Far East is merely 6.5 million, whereas the Chinese Northeastern Region (past Manchuria) beyond the border has 130 million, that is 20 times as many. In economic and military strength, the gap is even wider. And yet both Russia and China value each other as the most important (not always reliable, however) comrade in arms to counter US unilateralism. Thus China has large strategic meaning for Russia in terms of both opportunity and danger.

Russia's policy vis-à-vis China is mainly designed to prevent China from becoming a threat to the security of Russia, to jointly resist pressure from the United States, and to achieve mutual economic benefit. China is an important customer of Russia's natural resources and weaponry, although Russia prefers Japan and South Korea as buyers of oil and gas. Russia does not want to depend too much on China, and Japan and South Korea are willing to pay more than China for resources.

Russia and China are not allies (the Treaty on Friendship, Alliance and Mutual Assistance expired in 1980), but they signed a Good Neighbor and Friendship Treaty in 2001, and they resolved the territorial disputes in 2004. However, Russia borders on China where Russian troops are the thinnest. The friendly relationship between Russia and China is a "marriage for expediency" for countering US unilateralism with both Russia and China maintaining historical and racial apprehension toward each other. And whenever the relations with the United States improve, the relations between Russia

and China tend to be benignly neglected (but not to the point of confrontation).

From a longer perspective, one important historical fact should be kept in mind: Vladivostok and the surrounding Primorsky Krai used to belong to the Qing Dynasty. This region was ceded to Russia by virtue of the Beijing Treaty in 1860. If you add the territories, which Russia had taken from the Qing Dynasty prior to that, they comprise 1.44 million square kilometers (four times as large as the Japanese territory). The border between China and Russia is now fixed, as stated above, by the agreement in 2004, but China can suddenly "recall" this historical grudge and make an official demand as in the case of the Senkaku Islands dispute with Japan. Moreover, if the Chinese navy makes any foray into the Japanese Sea (China does not directly face the Japanese Sea), Russia's position in the Far East will be even more compromised.

Mongolia and Southeast Asia

Mongolia is located in a strategically pivotal area, sandwiched between China and Russia. Since the nineteenth century, Mongolia has been maintaining its independence, balancing its relations with China and Russia. When the Soviet Union was strong, Mongolia had an alliance with it, and thus coped with the pressure from China. Today, it is exposed to the Chinese economic onslaught, although Russia still maintains large economic interests in Mongolia: the Russian Railway (state) Company (RZD) still owns 50 percent of the Mongolian railways, development of nonferrous metals and coal often comes under Russian influence.

In Southeast Asia, the influence of Russia is even more limited. In the past, the Soviet Union used to possess more clout. For example, it gave assistance to North Vietnam in its fight against the United States, and Richard Nixon went out of his way in 1972 to establish relations with China, which in turn exerted additional pressure on the Soviet Union in its ideological dispute with China. However, Southeast Asia was too remote from Moscow, and at that time the region's economic level was too low to attract the attention of the Soviets. After the fall of the Soviet Union, the Russian government simply gave up its right to use the Vietnamese Cam Ranh Bay facilities, which its fleet had been allowed to use.

Today, Russia maintains and even promotes its relations with Southeast Asian countries, mainly by means of weapon deals and

participation in oil and gas development. Russia has been present in multilateral fora such as ASEAN Regional Forum (ARF) and Association of Southeast Asian Nations Post-Ministerial Conference (ASEAN PMC). The Russian government declared its diplomatic participation in the Asia-Pacific area, ASEAN inter alia, in its new "Basic Directions of the Russian Foreign Policy" in 1998, joining APEC in the same year. In September 2012, Russia became the host country of the APEC summit meeting. After years of diplomatic endeavor, Russia was invited to a meeting of the East Asia Summit (EAS) in November 2011. Alas, President Medvedev just sent his minister of foreign affairs Sergei Lavrov in his place; the excuse was the impending election for the Russian Lower House.

Japan

Japan and the Russian Empire (later the Soviet Union) fought each other several times over interests in China and the Korean Peninsula: the Russo-Japanese War in 1904, Japan's military intervention in Siberia in 1918, the battle in Khalkhin Gol in 1939, and the Soviet invasion of Manchuria in 1945. After the end of the Pacific War, the Soviet Union detained 750,000 Japanese (Japanese estimate) in forced labor camps and kept control of the Northern Territory of Japan after occupation.

After the war, Japan joined the global free trade system under the aegis of the United States, thus breaking with its prewar imperialist past. The Soviet Union led the socialist camp and opposed the US-led global system, thus generating the Cold War. Japan and the Soviet Union ended the state of war in their Joint Declaration signed in 1956, but because of the Northern Territory issue both countries could not conclude a peace treaty. Political relations between both countries remained tense, although Japan was one of the top "Western" trade partners for the Soviet Union, and Japan engaged in large-scale economic development in Siberia and the Russian Far East in the 1970s, even providing official credits. The results were development of natural resources such as coal, natural gas and timber, modernization of the Wrangel seaport, and the Sakhalin project, which today provides oil and gas to Japan, equivalent to about 8 percent of the total consumption.

When the Soviet Union collapsed, and when Yeltsin denounced communism, and in its place adopted democracy and a market economy, the Japanese government parted from its old policy of linking

politics and economy—that is, if there is no progress in resolving the territorial issue, economic relations did not proceed.[12] Japan, like other "Western" countries, engaged in substantive assistance to Russia to mitigate the suffering of the common people and to facilitate reforms toward democracy and market economy. It even constructed a building to house the Business School of the Moscow State University.

The Japanese government considers that the more benefit people receive from bilateral exchanges, the better the atmosphere that is generated for the two countries to resolve the territorial issue. In the 1990s, Japanese private companies were cautious in their business with Russia: the situation was chaotic, and Russia did not pay for the arrears incurred during the last days of the Soviet Union. However, as the Russian economy improved in the 2000s, Japanese companies started to make direct investment in Russia. Japan Tobacco Co. Ltd., which bought the Reynolds' factory in Sankt Petersburg, became the largest cigarette producer in Russia, and Toyota and other automobile makers have built factories in Russia. Komatsu, Nippon Sheet Glass (NSG) Group, and other Japanese companies also have started production in Russia.

Although private US and EU firms prefer to invest in the Russian energy sector, Japanese companies mainly prefer the manufacturing sector. The manufacturing industry should play a vital role in changing the nature of the oil-dependent Russian economy, and, therefore, Japanese capital's contribution should be given due regard.

The Japanese government repeatedly announced its willingness to help develop the economy in the Russian Far East. Japanese private companies, banks, and official institutions have invested more than 10 billion US dollars in the Sakhalin oil and gas project. The Japanese government and private companies are ready to engage in new projects, which are now under discussion. What is significant is that Japan now recognizes the importance of stability and prosperity in the Russian Far East; it has not so much economic as strategic meaning.

Subtle Power Games in East Asia

The rapid international rise of China is making the power games between Japan, Russia, China, and the United States more complex and intricate. Russia now becomes more vigilant about the growing power of China.[13] The stark power imbalance in the Far East is the main concern of the Kremlin. Chinese economic forays and

corresponding political influence into Siberia and the Russian Far East, and China's ever growing clout in Central Asia are the source of such concerns. The Russian army now conducts exercises with a view to counter a possible Chinese invasion,[14] and in June of 2013, as mentioned already, Russia sent its warships for the first time to the multilateral navy exercise "RIMPAC," held under the aegis of the U.S. Navy.[15] Russia has shown interest in resuming its use of the Cam Ranh Bay facilities for its naval ships.[16] This is a striking move, because Vietnam and China have maritime territory disputes nearby. The Russian navy has also been conducting joint exercises (for maritime rescue operations) with the Japanese Maritime Self-Defense Forces.

At the same time, the Russian armed forces have been conducting joint exercises with their Chinese counterpart. Interestingly, Russia became the first foreign destination of the new Chinese leader Xi Jinping's in March 2013. In the ensuing Joint Statement of this visit, both countries reiterated mutual support for maintenance of sovereignty, territorial integrity, and security, possibly intending to counter US pressure.

Likewise, Russia's policy toward Japan has two sides, prod and smile. Over the past several years, the Russian government, in its policy statements, often omitted Japan as a partner in Asia or as an economic and technological power. Probably it is because they took some statements of the Japanese politicians directed at Russia as undiplomatic, and because Japan looked unreliable with the frequent turnover of prime ministers.

However, President Putin often mentions Japan and repeatedly expresses willingness to facilitate negotiations on the question of Japan's Northern Territory. In October of 2012 he sent his right-hand man Nikolai Patrushev to Japan (who then continued his trip to South Korea and Vietnam), and in November sent a large economic delegation under the deputy prime minister Igor Shuvalov for a regular meeting on trade and investment. Apparently Putin recognizes Japan as valuable balancing factor toward China and as a vital partner in the development of the Russian Far East.

During the Senkaku Islands row between Japan and China, in autumn 2012, the Russian leaders and the media did not side with China. This is a remarkable difference from the past few years, when Russia made it a rule to isolate Japan, siding with China and South Korea in the Senkaku and Takeshima issues, respectively. Moreover, Patrushev's tour above (to Japan, South Korea, and Vietnam) created an impression, as if Russia intended to "encircle" China. Chinese

diplomats in Tokyo anxiously collected information about his visit in Japan, and in December of the same year China "made" Patrushev visit Beijing (for a regular meeting, however) and expressed its objection over the US development of MD.

Meanwhile, on February 8, 2013, two Russian fighter planes violated Japanese airspace near Hokkaido (the Russian government denied it), marking the end to a five-year absence of such activity. Further, just over a month later, on March 15, two Russian bomber airplanes made a tour around Japan, for the first time in two years.

Such a mixture of precaution and conciliation is visible in the mutual relations between major powers in East Asia, and in Russia's relations with Japan, China, and the United States this holds true as well. However, Russia's power is the most limited among these countries, as its economic and military strength in the region is insufficient and as its relationships with major powers leave much to be improved; Russia has close relations only with China.

What Russia Means for Japan and Vice Versa

It is rather amusing to note how Japan and Russia have been underestimating each other's significance in East Asia. For Russia, Japan is a mere vassal of the United States, obstructing the free passage in Russia's vital logistic line—the navigation route between Vladivostok and Kamchatka, which is the bastion of the Russian nuclear submarines. For Japan, the Russian Far East and Siberia are too small as markets, and the natural resources in the region take too much financial resources to develop.

Both sides should take one step forward, Russia in the solution of the territorial issue and Japan in the development of Siberia and the Far East. Then they both will appreciate the benefit that their marginal moves bring to their foreign policy.

Since the fall of the Soviet Union, there have been times when a window of opportunity was open for the resolution of the Northern Territory question. Yet whenever a serious process started, excessive mass media attention in both countries roused negative reactions and complicated negotiations. Russia and China were able to reach an agreement on their own territorial question in 2004. Those Russians who took part in the process told me that their efforts to secure a calm environment surrounding the negotiations were the key to the success.

The Japanese should break with the illusion that a quick solution of the territorial issue with Japan's concession will make Russia a

reliable "counter balance" toward China. Russia does not want to antagonize China for the sake of Japan. Persistent and forward-going negotiations for a solution of the territorial issue and stable progress in relations will generate sufficient effects for the foreign policy of both Japan and Russia.

As of March 2013, it is not clear which way the Russian leadership wants to lead their country. Some repressive measures against the political opposition appear as if the leadership would like to resurrect the Soviet Union, and in spite of all official talks about the necessity to escape excessive dependence on oil exports, the manufacturing industry is not growing with major companies effectively nationalized. Although the growing middle class aspire for liberty, the so-called masses still linger with a dependence mentality, envying the rich and waiting for free government benefits. As long as the prices for oil and natural gas remain high, the Russian economy and society will keep growing. Once capital is acquired, it will keep swelling until Russia becomes the fifth or sixth largest economic power in the world.

Japan's economy remains robust, supported by a tenacious manufacturing industry. Its capital, technology, and managerial skills now prevail abroad, in East Asia inter alia. In the coming years, Chinese "state capitalism" will start betraying its weakness, and South Korea will have to compete on par with Japan after the yen / won currency rate becomes favorable for Japan's exports.

So, although Japan and Russia will not "pivot" on each other, they will have a larger bearing on the other.

Notes

* Financial support from the Nomura Foundation and the University of Niigata Prefecture is gratefully acknowledged.

1. («Sovjeshchanije poslov i postoyannykh prjedstavitjelei Rossii» from the Kremlin site «Prjezidjent Rossii»), http://kremlin.ru/transcripts/15902 (accessed March 15, 2013).
2. («Kontsjeptsiya vnjeshnei politiki Rossiiskoi Fjedjeratsii» from the site of the Russian Ministry of Foreign Affairs), http://www.mid.ru/brp_4.nsf/newsline/6D84DDEDEDBF7DA644257B160051BF7F (accessed March 15, 2013).
3. ("Ambassador's Notebook: G20: Russia Picks Up the Baton for 2013" from the site of RIA Novosti), http://en.rian.ru/blogs/20130104/178575820.html (accessed March 15, 2013).
4. http://www.rstnw.ru/statistika-poseshheniya-rossijskimi-grazhdanami-zarubezhnyix-stran.html (accessed March 15, 2013).

5. "Few Russians Have Travelled Abroad, Polls Show," http://windowoneurasia2.blogspot.jp/2012/12/window-on-eurasia-few-russians-have.html (accessed March 15, 2013).
6. Some Russians tell me that President Putin has strengthened the one-man control of foreign policy. As compared to President Medvedev, it may be true, but things are still far from an arbitrary dictatorship.
7. There are other cases, too. For example, in April 2010 Russia agreed with Norway to draw boundary lines on the resource-rich Barents and Arctic Sea on equal footing, thus solving the long-standing dispute between both countries. Russia wanted to open the way for mining of oil and gas in the seabeds in this area. But this case was not motivated by political calculations; it was based on urgent economic gains.
8. Dmitri V Trenin, *Post-Imperium: A Eurasian Story,* (Washington, DC: Carnegie Endowment for International Peace, 2011), p. 136.
9. RIA-Novosti, January 1, 2013.
10. Official data from the site of Russian Ministry of Economic Development, www.economy.gov.ru/wps/wcm/.../vneshtorg_statistika (March 20, 2013).
11. There are various estimates about their number, but 200,000 to 300,000 would be the reasonable figure, *Huan qiu Shibao*, January 20, 2011.
12. In a speech in July 1997, Prime Minister Ryutaro Hashimoto explicitly discarded the linkage policy. "Address by Prime Minister Ryutaro Hashimoto to the Japan Association of Corporate Executives," July 31. 1997, http://www.kantei.go.jp/foreign/0731douyukai.html (accessed March 15, 2013).
13. In his meeting with experts on February 24, 2012, in Sarov, then Prime Minister Putin, answering a question of one conservative retired general, denied the necessity to build alliance-relationship with China. He gave a positive evaluation of Sino-Russian cooperation in development of military technologies, adding that he will go further in this with certain caution, and changed the subject to Russia's relations with India, (http://oko-planet.su/first/104079-vvputin-vstretilsya-v-gsarove-s-ekspertami-po-tematike-globalnyh-ugroz-nacionalnoy-bezopasnosti-ukrepleniya-oboronosposobnosti-i-povysheniya-boegotovnosti-vooruzhennyh-sil-rossiyskoy-federacii.html (accessed March 15, 2013).
14. In the "Vostok" exercise in July of 2010, a use of a tactical nuclear device was simulated, and the land-to-air anti-missile device S-300 was used to hit a target on the ground. Only China could be the target of these maneuvers, http://www.jamestown.org/programs/edm/single/?tx_ttnews%5Btt_news%5D=36614&tx_ttnews%5BbackPid%5D=484&no_cache=1#.UiC83OWCjIU (accessed March 15, 2013).
15. In March 2013 it turned out that China had been invited to the RIMPAC 2014 as well, http://www.utsandiego.com/news/2013/mar/22/china-participate-rimpac-exercises/ (accessed March 23, 2013).
16. Russia's interest is pertinent, since the Gasprom is engaging in oil and gas drilling off-shore of Vietnam, http://www.itar-tass.com/en/c35/666641.html (accessed March 15, 2013).

6.2

Pragmatic Realism*

Sergey Oznobishchev

The foreign policy of modern Russia is based on the principle of "pragmatism," and it is this guiding principle that is employed to address and solve world problems. The Russian minister of foreign affairs Sergey Lavrov stresses that the "key principles of the Russian foreign policy, such as pragmatism, openness, multi-vectorness, are consistently applied, but without confrontation, in upholding national interests."[1] Lavrov in his "conceptual speeches" explains that these considerations form the foundations for present-day Russia's foreign policy in the modern world. He also emphasizes that these principles are the central ones that characterize Russia's foreign policy through all principal documents, starting from the "Concept of the Foreign of the Russian Federation"[2] through to future documents of this kind.

In Search of the Foundations for Foreign Policy

If foreign policy practices and provisions of policy are examined in more detail, one may reveal that in fact the declared slogan of pragmatism often substitute "strategic thinking" and "strategic planning" (goal-setting). As rightly noted by well-known analyst Sergey Kortunov, who for a long time worked in practical policy and diplomacy, Russian foreign policy "does not rest on the system of strategic planning."[3]

Of course the question arises—what are the "national interests" that should be defended? The formula of these interests "for the long term perspective" according to the "Strategy of the National Security

of Russia" consists of three broadly formulated goals, the first one of which is seen "in development of democracy and civil society, raising of competitiveness of the national economy."[4]

The recipe for how to raise this competiveness through foreign policy means is provided in the release of the two latest publications of "Concepts of the Foreign Policy of the Russian Federation" (2008 and 2013). In the 2008 document, after declaring Russia's goal to safeguard the interests of national security and its position in the world, the objective of the second aim is "to create favorable external conditions for the modernization of Russia, transition of its economy to an innovative route of development."[5] With slight differences between documents, the same is repeated in the recent 2013 document: "creating of favorable external conditions for the stable and dynamic growth of the Russian economy, its technological modernization and transition to an innovative route of development."[6]

Hence, a clear-cut foreign policy aim is dictated and repeated several times in the founding policy documents. Moreover, and this is no less important—the principles of implementation of this idea are also provided by the political leadership.

In his article "Go Russia!" the former President Dmitry Medvedev emphasized that "the modernization of Russian democracy and establishment of a new economy will, in my opinion, only be possible if we use the intellectual resources of post-industrial societies. And we should do so without any complications, openly and pragmatically."[7]

The former president Medvedev was constantly returning to, and developing, this theme. Later on he provided the public with more organizational details. "What we need"—as he developed his idea—"are special modernization alliances with our main international partners."[8].

Vladimir Putin never publicly questioned this plan of action. Soon after his election for the third presidential term in 2012, he issued a special Executive Order on foreign policy goals in which these same themes were the main priority. The president in his order "instructed" the Foreign Ministry of the Russian Federation jointly with other federal executive authorities, as follows: "To assist in creating favorable external conditions for the Russian Federation's long-term development, modernization of its economy, and strengthening of its positions as an equal partner in global markets."[9]

Later the same year, in his address to the Federal Assembly, Putin emphasized: "Our foreign policy has become more modern, working for the goal of modernizing the country."[10] The minister of foreign

affairs Lavrov assured that the main provisions of the next Foreign Policy Concept of the Russian Federation, which, as it was declared, was already prepared and introduced to the president, would preserve the provisions of the previous documents of this kind.

Given this policy background, one would expect that every future initiative be viewed as a priority when linked to the day-to-day foreign policy practices that support and develop relations with the countries who occupy leading positions of modernization. This was the logical and direct advice of the former president and current prime minister Medvedev who said that "we should identify the countries which may become our major partners of cooperation, for such cooperation to bring the greatest benefits in developing various technologies and markets in Russia, in helping Russian high-tech goods to enter global and regional markets." He even asked that the "results of the respective efforts" be "immediately visible to everyone, including the leadership of the country." [11] This added a certain "time factor" to the necessity of such foreign policy steps, thereby giving an urgency to the task of organizing and supporting such contacts.

Innovations, being rightly understood at the highest official level in Russia "as a new technical solution, not known until now,"[12] is an important imprescriptible part of modernization. As a result, it appears that Moscow cannot adequately fulfill the goal of building "modernization alliances" without first creating close friendly and even partnership-like relations with the key states that are innovation leaders.

Following this logic, the "identification" of these countries should be the first task, which should not very difficult to fulfill.

Russia and the West: Degrading Stimulus for Cooperation

Such states may be found by assessing the indisputable indicators of a country's level of "innovative development." The key indexes are: domestic spending on research and development, budgetary appropriations for scientific research and development, and the number of national patent requests for inventions.

In all these categories, Japan and the United States occupy the lead positions, far ahead in comparison to the figures (in fact achievements) that are presented by other countries. If to follow the logic of political guidance provided above, that is, the forging of "modernization alliances" as a strategic goal of present-day Russia, then Moscow

should set its priority in creating close and partnership-like relations with these two countries.

Instead, relations with Japan have been tense for decades with both sides being unable to find a solution to the issues of not just the post-Cold War years but of the post-World War II period (more details below). According to President Putin, in the instructions given in May 2012 to the Foreign Ministry and the "other federal executive authorities, pertaining to the Asia-Pacific region," Japan is to be placed in line with other countries of the region in which Russia maintains normal, but not priority relations—described by standard diplomatic nonexpressive language as "mutually beneficial."[13] The further development of events, previsioned by the author contributed to the improvement of this situation.

If relations with Japan suffer from a "stable negative burden," then relations with the United States are subjected to constant ups and downs. This state of relations prevents the implementation of stable cooperation and stymies opportunities to cooperate in a fruitful manner as needed in any kind of modernization project. The distance between the "poles" in this bilateral relationship appears to be polars apart, even for a rather short period of time.

In the joint declaration by presidents George Bush and Putin, on the New Strategic Relationship between the United States and Russia, adopted during the summit meeting in May 2002, it was acknowledged that "[w]e are achieving a new strategic relationship. The era in which the United States and Russia saw each other as enemies or a strategic threat has ended. We are partners and we will cooperate to advance stability, security, and economic integration, and to jointly counter global challenges and to help resolve regional conflicts."[14]

In Putin's 2012 foreign policy executive order, we find somewhat chilly instructions on how "to treat" the United States: "to pursue the policy of ensuring a stable and predictable cooperation based on the principles of equality, non-interference in internal affairs and respect for mutual interests, with the goal of taking the bilateral cooperation to a truly strategic level."[15] It means that the level of bilateral relations dramatically decreased from a partnership, a status achieved a decade ago, to only the hope of building "predictable cooperation."

More than that, in the same part of the executive order, there is a direct acknowledgment that, as viewed by Moscow, the United States has become a principle source of disturbance, threatening international stability and the national interests of Russia. The Russian federal executive authorities, in this respect, are ordered, for instance, to

work actively: on preventing the United States taking unilateral extra-territorial sanctions against Russian legal entities and individuals and on seeking firm guarantees that the global missile defense system being created by the United States is not aimed at Russian nuclear forces.[16]

In several official documents, a different "set" of evidence emerges about Russia's view of the West, especially the United States, which Moscow treats as a challenge and even direct threat to Russian interests and security.

A number of conflicts and critical situations in the world often demonstrate the different approaches and inability of Russia and the United States to cooperate. The almost complete stop in arms control and the opposite approaches to the crisis in Syria are symptomatic of this bilateral relationship.

At the same time this does not fully exclude the tight cooperation when the situation becomes really critical. Here comes the Syrian case again with the suddenly initiated Russian-American plan to get rid of the Syrian chemical weapons.

The anti-Western and much more extensive anti-US sentiments are becoming stronger within the Russian political elite. Such negative sentiments were deliberately intensified during the latest presidential elections won by Putin in March 2012. The political technologists claimed the opposition as being supported by Washington and other "foreign centers," and hence, the real "patriots of Russia" who voted for Putin and "stability" had at the same time to fight against this negative trend.

Anti-US sentiments are especially strong among the military community, even among the most "enlightened" ones. Speaking at one of the expert meetings, the former chief of the General Staff and former deputy chairman of the UN Security Council Colonel-General Vladimir Baluevsky emphasized that "in the foreseeable future the outer and, to emphasize it especially, the military threats will be defined by the policy of our partners [here the word *adversaries* is more suitable in my opinion]—by the USA and NATO, the aim of which, to my mind, has never changed. And this aim is—not to allow the revival of Russia as an economic and military power, able to contest its interests in an independent way."[17]

Of course, a return to the Cold War period is impossible, but the "counteraction to Washington," as a certain guiding principle for Russian foreign policy actions in quite a number of cases, is traceable.

At present, the new return of an old phenomenon, which constantly spoiled Soviet-US relations, reappeared—so-called US interference in

Russian "domestic matters." The US Congress adopted the Magnitsky Bill, which in turn was followed by the "Russian response" of legislating against the adoption of Russian children to US families—both causing a very strong reaction from officials and the public in both countries. This was followed by the Russian list of Americans who are not allowed to enter Russia. The US and Russian withdrawal from different bilateral cooperative structures and programs also ensued, complicating the possibility of an easy return to cooperative, friendly, but not speaking—partnership of bilateral relations.

The attitude to the West and the United States is becoming a sizeable watershed between the opposition and the "loyal citizens," giving grounds for mutual accusations (in the first address of the opposition, it is accused to receiving financial support from Washington in preparation for a "colored revolution").

In its relations with the European Union (EU), Moscow appears to have taken at least a time-out. The initial enthusiasm and even admiration of Europe by the Russian political elite of the 1990s has gone. Although the level of economic trade cooperation is currently rather high, relations with the EU are not easy to navigate for Russian decision-makers who prefer to build relations at different level with different countries. The Agreement on Partnership and Cooperation (PCA) of 1994 between Russia and the EU was not renewed.

In some cases, the level of counteraction with European countries is influenced by the personal sympathies between the leaders (or other subjective reasons), which in Russian policy has become a sizeable factor.

The closest Western partner for Moscow in Europe is Germany. Italy and France were privileged partners when Silvio Berlusconi and Nicolas Sarkozy were in office. In the Russian-British "case," the critical moment that provokes constant unrest and crisis is the political shelter provided by British authorities to some Russians (such as well-known tycoon Boris Berezovsky, who died in England in March 2013) against whom Moscow has laid criminal charges.

At the same time, the constant accusations of breaching "democratic procedures" that emit from different European structures toward Russia have been a permanent irritation to Moscow. This was one of the pretexts for its "divorce" with the Organization for Security and Co-operation in Europe (OSCE). At one time, Moscow had been pushing for the OSCE to act similar to a "European UN."

Following its declaration for "modernization with Western help," Moscow has signed agreements for partnership in its modernization with more than 25 countries in Europe. But a great number of them

(for instance, Bulgaria, Lithuania, Romania, and even Iceland) cannot be treated as "locomotives of modernization" and in this capacity can give almost nothing to Russia in fulfilling the noble tasks of modernizing a country and "innovative development."

In the documents between Russia and the North Atlantic Treaty Organization (NATO), not once was an appeal made to build partnership relations. But in fact NATO as a remaining "military block" is considered by the majority of the Russian political elite to be a remnant of the Cold War. The military being supported by a number of politicians and experts even consider NATO to be a principal military challenge (and even—direct military threat) to Russia in Europe (this thesis being openly presented as: "not NATO itself, but its policy," especially the policy of enlargement, being the threat). Hence, the "beginning of a fundamentally new relationship between NATO and Russia" as declared in 1997 in the NATO-Russia Founding Act and the goal to develop "a strong, stable and enduring partnership"[18] proclaimed in the act appears impossible to achieve in the foreseeable future.

One of the rare uniting factors at present may be the common threat posed by Afghanistan, a threat that is becoming more and more realistic as the withdrawal of U.S. troops from Afghanistan approaches. The Executive Order of the president calls "to provide assistance" to Afghanistan, using" the framework of Russia-NATO Council projects."[19]

The principal drawback in the relations between Russia and the West is the lack of trust and stimulus for cooperative relations, which result from several important factors:

- legacy of the Cold War;
- selfish policy of the West, unwilling to unite efforts to render substantial support to a "young democratic Russia" in a critical time;
- indifference to the concerns and objections of Russia in critically important situations (inability to build the working mechanism of a partnership);
- "intrusive policy" (military and diplomatic interference in domestic affairs of countries);
- inability to create the mechanism of partnership (mainly the fault of the West)—a system of measures that would support and develop positive trends in cooperation and remove concerns;
- anti-US sentiments, which are cultivated by part of the Russian elite to "unite" the nation and to justify the planned tremendous growth in defense expenditures;
- growing Russian negligence to the principles of democracy adopted in the West.

This evidence and set of perceptions (should be the subject of a separate analysis) have created a deep sense of disillusionment among the Russian leadership toward the West and toward any possibility of "constructive cooperation" with Western countries. Putin himself also suffered personal disillusionment as his attitude evolved from acknowledgements of partnership to his 2007 Munich speech—the first time he was very critical of the West. Yet at that time Russia still demonstrated a readiness to improve relations. Now the enthusiasm to do so on the Russian side has almost evaporated.

On top of it all, due to the destructive and prolonged financial economic crisis, the West has lost its previous attractiveness as a "nonalternative" partner representing, among all, a system of political, economic, and financial management—as a possible example to be followed by Russia. Meanwhile, against the background of the Western crisis, Russia's leaders started to feel more confident, especially when national economic indexes, due to massive oil and gas sales, started to look optimistic.

Although Russia is not referred to as an "energy superpower" anymore, the ongoing dependence of Europe on Russia's resources is considered to be a "long-lasting factor" by several Russian state functionaries and experts. This gives additional support to Moscow's argument to not consider any form of partnership with the EU as an urgent necessity, especially given the present unstable economic situation there.

The new foreign policy concept publication (cited earlier) states that the provisions (appeared in Putin's article "Russia and the Changing World"[20]) that Russia has to implement its foreign policy in an extremely unstable world that is further troubled by the policy of the United States and NATO (Foreign Policy Concept [21]).

Hence, in day-to-day foreign policy practice, the logic that strategic thinking done at the very top of government should be implemented and translated into "building modernization alliances" with the West is nullified sometimes by the necessity of realizing the "pragmatic" interests of Russia's policy as they are understood in each individual case.

Of course, necessary attention is paid to the policy toward the territory of the former Soviet Union. The Commonwealth of Independent States (CIS) is considered a priority partner in all official Russian foreign policy documents.

This policy line is pursued from a realization that economical loses, still felt due to the disintegration of the formerly unified system of Soviet economic management, need to be managed. The goal of

CIS is to renew the integration processes where the members mostly require it. Compared to the EU, the integration potential of CIS is much weaker; the interests of many participants are very different and, sometimes, strongly vested in the West, which makes CIS functioning problematic. Even the relations between the three principal Slavic states—Russia, Ukraine, and Belarus—are not always smooth. The members of CIS can add very little to support the goals of modernization of the Russian economy.

The Collective Security Treaty Organization (CSTO) has a future potential, as the "natural" security interests of the participants (CIS members) coincide and can be most rationally executed through this group. This organization functions because of the readiness of Moscow to take the largest burden in supporting this security structure.

Will the "Eastern Choice" of Russian Policy be Fruitful?

The complexity of reasons described above serves as a strong impetus for Russian policy to search intensely for partners in the East and, moreover, to initiate the formation of rather unusual amalgamations. For example, the association of Brazil, Russia, India, China, and added not long ago South Africa (BRICS), as a grouping of states situated in such distant parts of the world, the question of whether cooperation is possible arises. Another organization created with the active participation of Russia is the Shanghai Cooperation Organization (SCO), but its aim is more security issues.

In his "big interview" in December 2012, Putin paid particular attention to the growing possibilities "to work more effectively at accessing one of the most quickly developing markets—the Asia-Pacific market."[22] In his press conference, Minister Lavrov also emphasized two important factors: "the growing role of the Asian-Pacific region" and the "build-up of our [Russia's] presence in the Asian-Pacific region." [23]

The current principal partners of Russia's policy in the Asian-Pacific region are, according to President Putin, China, India, and Vietnam. There are certain differences in the type of cooperation between Russia and these three partners: with China, Moscow is pursuing a "deepening, equality-and trust-based partnership with strategic cooperation;" and with India and Vietnam, Russia's focus is a "strategic partnership."[24]

In all areas, China is treated as a principal partner and is given the "highest priority" by the Kremlin. China is the largest neighboring country with which Russia has to maintain as friendly relations as possible. In China, Moscow has found a significant and rather loyal partner in its containment of "American global influence" and Russia's effort to "strive for hegemony," which is often manifested in coordinated stands with China on vital issues in the international arena and in voting in the UN Security Council.

The Russian political elite was pleased that Russia was the first visit (March 22, 2013) for the newly elected president of the People's Republic of China Xi Jinping. It was expected that during the visit a more formal approval of the existence of the strategic-level partnership of the highest possible grade (the so-called all-inclusive partnership) between the two states would result in a special joint statement.[25]

These types of relations are strongly supported by the Russian elite who are influenced by the Kremlin's disillusion of cooperating with the West. Although China has lost its positions that it held in 2000 as the main recipient of arms sales from Russia, there are prospects of Beijing becoming a destination for energy resource imports.

At the same time, China has growing economic relations with the United States and the West, which definitely influences its policy and is the cause for some troubling notes in its interactions with Moscow.

At present, the attitude toward China among part of the expert and political community is becoming more and more cautious due to a growing concern over the concealed character of Chinese military preparations, especially its nuclear arsenal. Although the official policy of China in the near future is not expected to change, bilateral relations may be more and more qualified as a "cautious partnership."

In addition to the 1993 Treaty of Friendship and Cooperation between Russia and India, in 2000, during Putin's visit to India, the two countries signed a declaration on strategic partnership. India also often introduces support for Russian foreign policy positions that are sometimes disputed by other countries. Such support is highly valued in Moscow.

In his recent article, in connection to his visit to India, Putin emphasized that in the face of "serious challenges . . . India and Russia show an example of responsible leadership and collective actions in the international arena." And in this case too, the president outlined the prospects for the "further development of a strategic partnership." [26]

Still, India and China—the two countries considered to be close partners of Russia, being also the largest importers of Russian

armaments—have not had very smooth, and even at times tense, relations (in the mode of nuclear deterrence). "Competing interests" are already in existence and will likely cause a crisis in the relations of this triangle.

Still it is difficult to expect that India will ever be a 100 percent partner to Russia as it has clear vested interests in Washington. The signing of the 123 Agreement between India and the United States was clear evidence that Delhi never will be ready to put all its "eggs in one basket," and this will always pose problems for Russia's foreign policy.

Vietnam, with its history of military conflicts represents the "fourth side" of the competing "triangle of interests" between Russia's three main partners. With this state, Russia also signed a declaration of a strategic partnership that emphasizes a special closeness between Moscow and Hanoi. Definitely for Russia, it is not easy to regulate the level of closeness and cooperation between China, India, and Vietnam.

Close relations with these countries serve the pragmatic interests of Russia's foreign policy, including the necessity to support Russian anti-Western or competing positions in the international arena. But neither of these "close eastern friends" made a sizeable contribution to the strategic task of supporting the modernization of Russia. Yet relations with a significant potential partner for its modernization in the Asian-Pacific region—Japan—officially are not considered a priority and are always burdened with unresolved problems.

Russian-Japanese Relations: Legacy and Perspectives

The complications in the relations between Moscow and Tokyo are well-known. The primary claims that each country has against the other are old and rather unique for the modern world and relations between leading countries—they are inherited, not even from the times of the Cold War, but from the end of World War II.

Russia has been historically discontent with Japan's close alliance with the United States (especially in the military sphere) and with Tokyo's claims over the Kuril Islands. One of the complaints often expressed by Russian officials and politicians is the absence of a peace treaty between the two countries, which should have been signed after the end of World War II. In its turn, in Japan the problem of Northern

Territories is a very strong factor that is practically the central theme in the "foreign policy programs" of all party candidates and in the platforms of all political parties.

The Territorial Issue: From History to Modern Times

Once more this was highlighted during the recent Japanese elections when the Liberal Democratic Party (LDP) regained its position as the leading national political force, in power for most of the period since 1955. Shinzō Abe, in his capacity as a candidate for the position of prime minister had to include this important issue in his platform. He declared his intention to do his utmost to resolve the existing problems with Russia, including the Northern Territories and the signing of a peace treaty. This commitment to action was in the context of developing relations against a wider spectrum of cooperation.[27]

The visit of the former prime minister Yoshiro Mori to Moscow was planned for February 2013[28] and already was announced before the new prime minister was officially sworn into office. This visit is considered a preparatory one for the official high-level meeting between Abe and Putin.

It appears to be not a coincidence that the person chosen for this preparatory visit, Mori, is the same high-level figure that signed as prime minister of Japan the Statement of Irkutsk (2001) with his counterpart in the Russian Federation. In the statement both countries pledged to the continuation of negotiations toward a peace treaty. The document emphasized that:

> the sides being driven by the assurance that the conclusion of the Peace Treaty would serve to further activate Russian-Japanese relations and would open relations to a qualitatively new stage:
> - agreed to conduct further negotiations on concluding a Peace Treaty on the basis of the documents adopted at the present time, including the Joint Declaration of the USSR and Japan of 1956…
> - confirmed that the Joint Declaration of the USSR and Japan of 1956 represents the basic legal document, which serves as the beginning of the process of negotiations on the conclusion of the Peace Treaty after the renewal of diplomatic relations between the two countries.[29]

According to the press Russia in 1992 secretly proposed the return to Japan of two (Shikotan and Habomai) of the four islands prior to the conclusion of a peace treaty and the continuation of negotiations on the fate of the other two islands (Etorofu and Kunashiri). This information

comes from a person who deserves full confidence—from Kazuhiko Togo, who was in charge of negotiations over the four islands through the end of 1991 as head of the Foreign Ministry's Soviet Union division. He described the move as a "maximum concession" on Russia's part. But, in the words of Togo, Japan rejected the proposal because it did not guarantee to the return of all four islands.[30]

On November 14, 2004, Foreign Minister Lavrov together with President Putin visited Japan. The position of the Russian side at that moment is often considered by experts as being ready to compromise in a "1956 year style." In the context of this visit, Lavrov, in an interview to the NTV television channel on November 14, 2004, declared that "if Russia is taken as the state-successor [of the USSR], we acknowledge this declaration as the existing one"[31] and that Moscow would like "to handle relations with Japan in full form."[32] He emphasized that "for these ends it is important to sign the peace treaty, and within the framework of the peace treaty, we acknowledge that there should be a resolution to the territorial problem." The minister hinted by reminding the Japanese that the "final settlement of the territorial issue with China became possible only when our relations reached the level of strategic partnership."[33]

Saying that "Moscow would like to fix the relations with Japan in a full scale," Lavrov presented the consequence of steps emphasizing that for these ends it is important to sign the peace treaty and "within the framework of this treaty we acknowledge that the territorial problem should be settled." He also reminded that it appeared to be possible to arrange the territorial issue with China when our relations reached the level of strategic partnership."[34]

Lavrov gave one more important hint. He expressed his assurance that "the realization of this idea demands the dialogue of two persons."[35] This provision is very important (appearing, by the way, much more Eastern in style than Western in approach) as it indicates that the issue should be settled by the two national leaders at the very beginning of the process. It also appears to be not a coincidence that more than eight years later, in 2013, in his press conference, summarizing the "results of the foreign policy activity" in the year 2012, Lavrov called on Japan "to work out trust-based approaches."[36]

As one may see, the turns in Soviet/Russian policy toward Japan were occurring close to periods of fundamental changes in Moscow leadership. Recently, Russia has once more come through such a change—the return of a partially "old," but to a great extent "new" president Putin.

Of course, in the present political environment in Russia, for the "patriotically" tuned politicians and wider public (after the presidential elections, street demonstrations and the growing struggle between opposition and those in power), the concessions of a "1956-type" are extremely hard to realize.

According to the All-Russian Center for the Study of Public Opinion (VTSIOM), the overwhelming majority of the population consider the "Kuril islands problem" to be settled once and for all and not to be subject to further discussion (63 percent). Another poll, executed by the research center of "Superjob.ru" gives an even higher percentage (75 percent) of Russians who believe that Russia should not change its position on this issue.[37]

Prompted by public expectations and by the desire to demonstrate decisive leadership of a great country, Russia made two high-level visits in a short period to the Kuril islands: one visit by the secretary of the Security Council of the Russian Federation Nikolai Patrushev in September 2010 and another by President Dmitry Medvedev in July 2012. Both visits caused a wave of public, and even official, "indignation" on the Japanese side.

At first glance, the present disposition of leaders and the public in both countries do not appear to be very favorable to finding a "final" compromise on the territorial issue. But is it completely unfavorable for any compromise at all? It appears not.

Ways to Compromise

On the Japanese side, as noted earlier, the new leadership in Tokyo appears to display a new enthusiasm in prolonging the dialogue with Russia. The presidential elections in Moscow under certain conditions may open new possibilities in its relations with Tokyo, especially given the evolution of foreign policy perceptions (mainly a heightening of anti-Western sentiments) that the Russian leadership has gone through.

In turn, Tokyo should abandon the policy of "everything or nothing at all" to try to avoid making the "territorial issue" a stumbling block in the development of bilateral relations. It should be understood that a compromise is much more probable if relations are positive and completely excluded if relations are strained. It should also be understood that territorial concessions are extremely unpopular with the public and are complicated for any leader to undertake without facing domestic criticism.

Such bold steps are most probable under two conditions: when the political leader is popular, in Western terms, enjoying a very high rating or (and) when power is concentrated in his hands with all other branches of power occupying a subordinate position. Today, both these conditions are present in the Russian political system: Putin's popularity is significantly more than 50 percent and the parliament occupies a subordinate position, often being addressed in the press as one of the "departments" of the presidential administration.

It is also worth remembering that it was Putin who signed in October 2004 the agreement on the demarcation of the Russian-Chinese border, according to which more than 300 square kilometers of "questionable territory" was officially recognized as belonging to China.

Also, as mentioned earlier, Russian policy is visibly shifting the balance of its efforts from a Western direction to the East where it is searching for "true" friends, allies, and partners. One more consideration for modern Russian politicians in favor of developing closer relations with Japan (which is contrary to the Soviet position of the 1960s) may be the fact that Tokyo is a close ally of the United States (under present conditions the Kremlin often acts from the position of "countering" US policy).

Keeping this factor in mind, it appears desirable, and even pleasant, for some of Russia's decision-makers to try to build "special relations" with one of the important allies of the United States. To a certain extent this strategy has already been proven in Russia's relations with Germany and France. It should not be forgotten that the intention to "separate" Europe from its mighty ally, the United States, was a constant hidden aim of Soviet policy, which is being now more and more "reincarnated" in modern Russian foreign policy activity.

These factors create new possibilities for finding solutions in Russian-Japanese relations that are of a complex character.

The priority between the two countries should be to normalize bilateral relations. Putting aside all the known complicating factors, it is definitely unusual that more than 60 years after the end of World War II, two leading world powers who opposed each other in that war do not have a peace treaty. A very forward-looking decision would be to initiate a signing of such a treaty and make it unconditional. This would immediately raise the level of bilateral relations and create possibilities of a qualitatively new level between countries.

One of the results of the high-level meeting that would have to take place between the leaders of Russia and Japan is the signing of a declaration on bilateral relations that would focus on building

friendly and partnership-like interactions. In his press conference on the results of the foreign policy activity in 2012, Minister Lavrov called on Russia and Japan, as mentioned before, "to work out trust-based approaches." Attention should be paid to the official wording of this message from Moscow.

The political steps should be supported by an improvement of overall Russian-Japanese cooperation, which is absolutely necessary to back up the political ties and respond to the genuine interests of both sides. Already specialist has written a number of well-thought-out proposals, for instance, in the "Current State of Russia's Relations with Japan and Prospects for their Development," which is a profound study carried out by well-known experts of the Russian International Affairs Council.[38] This study provides a number of concrete proposals in different fields. As a whole, it should be summed up that a number of wide-scale infrastructure projects may be picked up and supported by Japanese large financial capital.

To the rather detailed list of proposals already existing in the minds of experts, some key considerations may be added. There is a genuine interest between the two countries: in natural resources on the Japanese side and in new technologies and new organizational approaches on the Russian side. Here, the level of cooperation should be decisively raised. For these ends, the existing bilateral intergovernmental commission on trade and economic issues may be turned into a high-level commission under the direction of the two state leaders.

What should be of special interest to modern Russia? The answer is cooperation in innovations and modernization, especially given that Japan is an acknowledged leader in this sphere. This interest was emphasized many times by Medvedev, especially in his capacity as president (the goal of "building modernization alliances" with other countries). President Putin has not once mentioned this topic. This opens an opportunity to adopt a kind of agreement on partnership in modernization between Russia and Japan.

Bilateral cooperation between the states is lacking an "organizational approach." The roadmap should supplement political and economic cooperation by introducing concrete goals: volumes and specifications of projects, time limits for their completion, and a list of institutions (state figures) that are in charge. As a unilateral step, Japan could have organized long ago something like Japan Trade Chamber in Russia, which would have represented and pushed forward the interests of Japanese companies and entrepreneurs. Also,

a set of Japanese foundations that support Asia-oriented studies of Russian institutions and specialists should be activated.

At present, there appears to be favorable momentum toward the build-up of Russian-Japanese financial economic interaction. At the meeting of the Asia-Pacific Economic Cooperation in Vladivostok in September 2012, the newly nominated chairman of the Russian part of the intergovernmental commission, first deputy prime minister Igor Shuvalov at the meeting with the Japanese Minister of Foreign Affairs Kōichirō Gemba at the Vladivostok "week of APEC" declared that the "authorities will do everything in their power to make Japanese investors feel comfortable in Russia"[39] This is one more indication of the changing sentiments in Moscow.

The development of events in Russian-Japanese relations confirmed the predictions having been made when writing the first version of this chapter in the fall of 2012. The election of President Putin appears to have opened new possibilities for the bilateral relations. During the official visit of Prime Minister Abe to Russia (the first high-level visit in ten years), nine documents were signed, including the memorandum on cooperation in the field of energy. Eight documents for specific areas of cooperation were concluded during the official visit. The provisions of these documents made a solid contribution to the development of the "roadmap" mentioned above—a set of cooperative agreements and steps fulfilled within a certain time frame.

The political guidelines for future cooperation, adopted as a result of the visit, were provided by the joint declaration on the development of the Russian-Japanese partnership, the desirability of which I have expressed. The leaders of the two states even concluded that the meeting had established good preconditions for the building of a strategic partnership, an aim declared by both sides.[40]

As the author anticipated, the conclusion of a peace treaty (the intention was expressed to "speed up this process") was separated from finding a solution on the problem of the Northern Territories. At the same time, the Russian president expressed the intention to solve this problem on "conditions suitable for both sides,[41] which is an important formula presented by the Russian side. This time a special agreement on partnership in modernization between Russia and Japan was not concluded. But within the text of the joint declaration, one may find, for the first time in the history of bilateral relations, the expression of a "unified opinion" of the two leaders on the "necessity of development of cooperation in the sphere of modernization, innovations, manufacturing, and production made with a high level

of added value and with the utilization of modern technologies." Here lies the interest of the Russian side, expressed in a number of official documents and speeches of its leaders and high-level officials.

It may be concluded that the documents of the meeting are based on a certain balance of interests and are targeting goals deemed to be achievable by both sides in the very near future. For the next step, the achievement of a qualitatively new position in the development of bilateral relations and the achievement of developing a level of practical dialogue are important, that is, improving the quality of relations.

Dependless on the "political weather," Moscow and Tokyo should not give up actively exploiting new opportunities for the improvement of relations with as wide a scope as possible. Only with such a basis, can compromise on disputed issues be reached. The hope is that both sides chooses as a priority the fulfillment of the long-term strategic goals, where the development of partnership-like relations between the two states are treated as an unquestionable priority in building a long-term policy toward each other.

Until now, the implementation of foreign policy goals to bring modernization for the "greatest benefits in developing various technologies and markets" to Russia appears to be under threat. The devastating political crisis around Ukraine seriously undermined relations between Russia and a large number of highly developed states—among them are those indisputable leaders in modernization and innovative development, USA and Japan, first of all. This makes the implementation of still existing "strategic goal" of Russia's development, mentioned above, much more complicated. From the rational point of view, one of the principal tasks for Russian foreign policy for the nearest future should be the revival of relations with these countries. At the same time, from the Western side, there should be the understanding that whatever concerns appeared in connection with the Ukrainian crisis there may be no other constructive policy but the engagement of Russia.

Notes

* Financial support from the Nomura Foundation and the University of Niigata Prefecture is gratefully acknowledged.

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