

The Southern Kuril Islands Dispute

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The dispute between Russia and Japan over the southern Kuril Islands represents one of the longest standing territorial disputes in East Asia. The dispute concerns possession of the four southernmost islands in the chain, Etorofu, Kunashiri, Shikotan, and Habomai.¹ This dispute has recently returned to the headlines in the aftermath of a visit to one of the islands by Russian Prime Minister Dmitry Medvedev, a move that drew condemnation from leading Japanese officials.

Russia and Japan have traded possession of the Kuril Islands and Sakhalin Island since they first established diplomatic relations in 1855. In that year, the Treaty of Shimoda assigned possession of the northern Kuril Islands to Russia, while Japan received the four southernmost islands. Sakhalin itself was administered as a joint condominium until the 1875 Treaty of St. Petersburg assigned the entire island to Russian possession in exchange for Japan receiving the entire Kuril Islands chain up to the Kamchatka Peninsula. The Russo-Japanese border shifted again after Russia's defeat in the 1904-05 Russo-Japanese war. The Treaty of Portsmouth that concluded the war gave the southern half of Sakhalin Island to Japan.

These borders remained stable until the end of World War II. The Soviet Union occupied the entire Kuril Islands chain and southern Sakhalin Island in late August 1945. Soviet possession of these territories was decided during the Yalta summit in 1945, at which time Joseph Stalin promised to attack Japanese forces three months after the conclusion of the war with Germany. The entire population of the four southern Kuril Islands was expelled in 1947 and resettled in northern Japan.

¹ The Russian names for the first two islands are Iturup and Kunashir. I use the Japanese names for the sake of consistency.

The Japanese Position

Japan first began to raise its claim to the four islands in the 1950s. Initially, only the smaller Shikotan and Habomai were claimed. As late as 1956, Japanese negotiators reached an agreement with their Soviet counterparts to settle the dispute by transferring Shikotan and Habomai to Japanese control while simultaneously renouncing all claims to the much larger Kunashiri and Etorofu (see Figure 1).² This deal was scuttled as a result of pressure by the United States, which threatened to keep control of Okinawa if Japan accepted this compromise.³ In the end, the two sides signed a joint declaration that ended the state of war that had existed between the Soviet Union and Japan since 1945 but postponed the resolution of the territorial dispute until the conclusion of a formal peace treaty between the two states. The text of the declaration stated that the Soviet Union agreed to hand over Shikotan and Habomai, but that the actual transfer would only occur after the conclusion of a peace treaty. Since the early 1960s, however, the Japanese government has unwaveringly claimed all four islands to be Japanese territory.

Since the end of the Cold War, Japan has sought to expand its cooperation with Russia, in part because it hoped that better overall relations would result in a favorable settlement of the territorial dispute. During the difficult years immediately after the break-up of the Soviet Union, Japan began to provide humanitarian assistance to Russian residents living on the disputed islands. Since 1991, residents of the disputed territories have been allowed visa-free travel to Japan in exchange for similar privileges granted to former Japanese residents of the islands and their families.

At the same time, Japan has in recent years taken a number of actions that have shown unwillingness to compromise on its official position. In July 2009, the Japanese parliament adopted a law stating that the southern Kuril Islands are Japanese territory that has been unlawfully occupied by Russia. After President Medvedev visited Kunashiri in November 2010, Japan filed a protest with the Russian government and temporarily recalled its ambassador from Moscow. The government also protested subsequent visits to the islands by senior Russian officials. While protests on Northern Territories Day (February 11) are an annual occurrence, in 2011 protesters desecrated the Russian flag in front of the Russian embassy in Tokyo while the Japanese Prime Minister declared President Medvedev's visit to Kunashiri an "unpardonable rudeness."

However, Japanese leaders have increasingly come to understand that they need to establish a cooperative relationship with Russia on a broad range of issues separate from the Northern Territories dispute. Japan badly needs to diversify its energy supply sources and increasingly sees Russia as a necessary ally in the region that could help to prevent Chinese domination of East Asia. On energy, Japan has sought to gain access to Russian gas and oil exports from fields in Siberia and Sakhalin, amid concern that pipelines may be built that send the energy resources to China instead. Both countries

² Gregory Clark, "[Northern Territories dispute highlights flawed diplomacy](#)," *The Japan Times Online*, March 24, 2005.

³ James E. Goodby, Vladimir I. Ivanov, Nobuo Shimotomai, "'Northern territories' and beyond: Russian, Japanese, and American Perspectives," Praeger Publishers, 1995.

see China as a rising power that potentially needs to be balanced and have sought to deepen their security relationship to address the changing security dynamics in East Asia. In 2011, Japanese leaders announced they would be willing to consider participating in joint economic activities in the southern Kurils, provided that such activities did not negatively affect Japan's claims to the disputed territories. Japan's leaders have thus recognized that the chances for solving the territorial dispute are quite low and have resolved to bracket the dispute while developing other aspects of the bilateral relationship.

The Russian Position

When he first came to power, Vladimir Putin sought to solve the dispute with Japan by negotiating on the basis of the 1956 declaration. This was the first official recognition by the Russian side since that year that they might be willing to return some of the islands as part of a negotiated solution. However, the Japanese government rejected this overture, insisting that it was only willing to negotiate the timing of the transfer of all four islands to Japanese control and therefore could not base the negotiations on a declaration that called for the transfer of two of the four islands to Japan while allowing Russia to retain the other two. At the same time, Russia became much stronger politically and economically and was much less in need of the assistance that Japan had always held out as a carrot in exchange for the return of its Northern Territories. As a result, Russian leaders became far more reluctant to endorse even the compromise two-island solution that they had promoted during Putin's first term.

Beginning in 2005, Russian officials have generally argued that the islands belong to Russia and that Japan has to accept Russian sovereignty over all four islands before any discussions can begin. Russia has said it is open to a negotiated "solution" to the island dispute while declaring that the legality of its own claim to the islands is not open to question. In other words, Japan would first have to recognize Russia's right to the islands and then try to acquire some or all of them through negotiations.

During Vladimir Putin's second presidential term, the Russian government began to undertake a number of concerted measures to strengthen Russia's hold on the islands. The first step was the adoption of a special federal program for the economic development of the islands. The program earmarked 18 billion rubles for various infrastructure development projects on the islands to be completed between 2007 and 2015. To ensure its security in the region, the Russian government has recently taken steps to strengthen the islands' defenses. To this end, it is planning to modernize the equipment used by the 18th artillery division, which is based primarily on Kunashiri. Analysts do not expect the dispute to result in armed conflict but do believe that the strengthening of the disputed territories' defenses will show Russia's resolve to keep possession of the islands and may convince Japan to focus on other aspects of the bilateral relationship.⁴

⁴ See, for example, Andrei Kisliakov, "Iuzhnyim Kurilam Obeshchanna Usilennaia Oborona," *Nezavisimoe Voennoe Obozrenie*, April 22, 2011; Ilya Kramnik, "Kurilskii Pretsedent," *VPK: Voenno-Promyshlennyi Kur'er*, March 2, 2011; Ilya Kramnik, "Kurily: Prognoz Politicheskoi Nepogody," *Golos Rossii*, February 21, 2011.

The primary reason that Russian leaders insist on keeping possession of the islands has to do with conceptions of national honor and the sense that a handover would be seen by both the international community and by the Russian population as an admission of weakness. However, there are also a number of more practical considerations that have pushed the Russian government into a more uncompromising position. According to Russian scholars, The islands and their territorial waters possess a great deal of economic value for their mineral resources, which include offshore hydrocarbon deposits, gold, silver, iron, and titanium. Etorofu is also the only source in Russia of the rare metal rhenium, which has important uses in electronics. The islands are also able to supply enough geothermal energy to meet its entire annual heating needs. The waters off the southern Kurils are the location of an upwelling that makes the area an exceptionally rich source for fish and seafood production, worth an estimated 4 billion dollars a year. Russian leaders also believe they could turn the region into a profitable tourism center, though this seems somewhat dubious given its remoteness and lack of appropriate infrastructure.⁵

Russian leaders also see possession of the southern Kurils as playing an important role in defense planning. The islands control access to the Sea of Okhotsk and thereby allow the Russian Pacific Fleet free access to the Pacific Ocean. The deep channels between the southern Kuril Islands allow Russian submarines to transit to the open ocean underwater. Russian military planners have argued that the loss of these channels would reduce the effectiveness of the Russian Pacific Fleet and thereby reduce Russian security in the region.⁶

Russia's current position on the dispute has much in common with that of Japan. Russia is not particularly interested in making serious concessions on the territorial dispute, but it would like to further develop the bilateral relationship in other spheres, particularly trade and joint development of Russian energy resources. Russia is also concerned about the rapid increase in Chinese economic and political power and would like to work with Japan to constrain Chinese influence.

Potential Solutions

A number of potential solutions to the conflict have been proposed over time. Most of these proposals have come from scholars, although until recently the Russian government was also willing to compromise. Traditional solutions have focused on the number of islands or amount of territory that would be transferred as part of a compromise agreement. The Russian government has periodically offered to transfer the two southernmost islands, while offering to include Japan in efforts to jointly develop the other two islands. From the Japanese point of view, this offer does not seem very equitable, since the two islands that would remain in Russian possession comprise 93 percent of the disputed territory's total land area. The Japanese scholar Akihiro Iwashita notes, however, that the exclusive economic zone (EEZ) commanded by Habomai and

⁵ A. Koshkin, "Rossiia i Iaponiia: Vozmozhen li Kompromis o Kurilakh," *Aziia i Afrika Segodnia*, November 2008, p. 32.

⁶ Kisliakov; Koshkin, p. 32.

Shikotan is quite large and rich in marine resources. Depending on how the boundary is demarcated, the total territory handed over (including maritime territory) could reach half the size of the total EEZ of the four disputed islands- (see Figure 1).

Japanese scholars and a few politicians have recently sought to promote various proposals that include the transfer of Kunashiri and in some cases part of Etorofu to Japanese control. These proposals have collectively been labeled “the 50/50 plan.” These proposals have received the support of a sizeable number of former Japanese residents of the disputed islands and their descendants. Surveys show that both former islanders and other Japanese strongly oppose any solution that would compel Japan to renounce its claims to Etorofu and Kunashiri, but they are willing to accept solutions that are far more flexible than the Japanese government’s current all—or-nothing negotiating position.

At the moment, most Japanese and Russians prefer the continuation of the status quo to territorial compromise. As long as this situation persists, the possibility of a successful negotiated solution is very low. Given the situation on the ground, the ball is entirely in Japan’s court, as Russia holds the territory and therefore has an advantage. Russian leaders have repeatedly made clear that the transfer of all four islands to Japan will never happen. The only way for any progress to be made is for Japan to take the quite radical step (by internal political standards) of dropping its insistence on an all or nothing solution and offering to negotiate the exact parameters of territorial compromise. This would move the ball to Russia’s court as the Russian government would face pressure to confirm its willingness to actually give up territory. Given that Russia has previously on several occasions declared its willingness to give up two islands, it may be difficult for Russian leaders to stick to their recent statements that the southern Kuril Islands are indisputably Russian territory and not subject to negotiation. If they feel confident enough to reiterate their willingness to give up two islands, that would create an opportunity to enter into negotiations over the exact parameters of the territorial compromise, whether this ends up being two islands, three islands, or some version of the 50/50 plan.

However, such a compromise is actually extremely unlikely. The initial move would require a strong Japanese leader to break with decades of precedent and be willing to take on the concerted criticism that is sure to come from Japanese nationalists. Given the long-term weakness and instability exhibited by the Japanese political system over the last two decades, there is a very low probability that such a leader might emerge any time in the foreseeable future. If such a leader did emerge, he would have to expend a great deal of political capital to shift the preferences of the Japanese people and political elites.

There is also the possibility of a non-traditional solution, such as joint sovereignty by both countries over all or some of the four disputed islands. Such a solution would allow the two countries to focus on joint economic development projects in the region, rather than arguing about territorial delimitation. However, such a solution would require Russian willingness to withdraw its military from the four islands. This move would have to be combined with guarantees of major Japanese

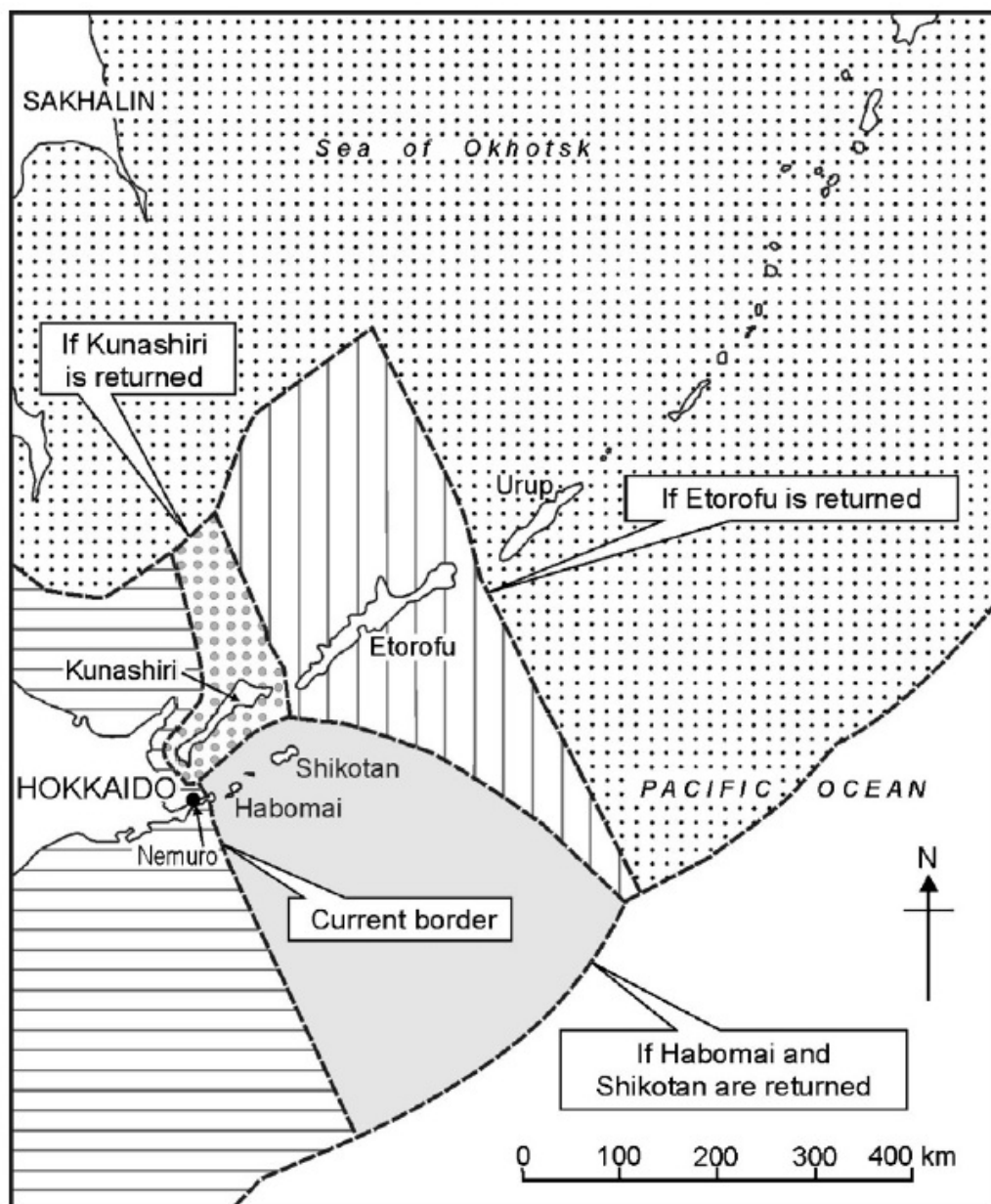
investment in Russian energy development or other economic incentives.

Such a compromise is as unlikely to be reached as the more traditional solutions based on a formal division of the disputed territory between the two sides. The strength of nationalist attitudes on both sides makes it very difficult for political leaders to stand down from the maximalist positions they have adopted for years. Nationalists in Japan have fiercely attacked both academics and politicians who have broached the merest hint of compromise on the government's long-standing all or nothing position. While Russian nationalists are not as powerful an interest group as their Japanese counterparts, they have previously protested against Russian territorial concessions to China made in 2004. While at that time, Vladimir Putin had broad popularity among the Russian public and could dismiss such protests as irrelevant, the Putin regime now faces a great deal of popular discontent and may find itself less willing to alienate one of its core remaining constituencies.

The change in the Putin regime's circumstances in the last few years points to a second reason that makes compromise unlikely. The political elites in both countries are relatively weak and likely to remain so for the foreseeable future. Numerous large protests opposing Vladimir Putin's stage-managed return to the presidency revealed a widespread sense of discontent with the Russian president, reducing his ability both to make unpopular political decisions and to shift the public discourse in favor of new initiatives. The Japanese government has been weakened by two decades of slow economic growth and popular discontent with widespread corruption among political and business elites. The result has been a revolving-door cabinet, with no prime minister serving for longer than fifteen months since 2006 and only one serving a full term since 1989. Last year's tsunami and subsequent nuclear reactor meltdown at Fukushima further reduced confidence in the government among the Japanese public. The consequence of this lack of trust and government weakness is that Japanese leaders are not likely to take a significant risk on an unpopular foreign policy initiative such as compromising on claims to the Northern Territories.

With neither the Russian nor Japanese leadership in a position to take the political risks that would be necessary to resolve the dispute, the status quo is virtually certain to continue for the foreseeable future. However, this will not prevent the two states from continuing to strengthen their relationship in other spheres, as both sides seek to protect themselves from the economic and political consequences of China's rapid emergence as the preeminent East Asian power. As trade in energy expands and bilateral security cooperation deepens in the coming years, the territorial dispute left over from World War II will become increasingly irrelevant to both the governments and the public. This development could in turn allow for a compromise solution to emerge ten to twenty years down the road.

Figure 1. The Northern Territories' EEZ



Source: Brad Williams, "Dissent on Japan's Northern Periphery: Nemuro, the Northern Territories and the Limits of Change in a 'Bureaucrat's Movement,'" *Japanese Journal of Political Science* 11(2), p. 232. Adapted from Akihiro Iwashita, *Hoppo Ryodo Mondai: 4 demo 0 demo, 2 demonaku* (Chuko Shinsho, 2005), p. 165.