

# **Russia and Contemporary East Asia: Also on the Interaction of Sino-Russian-Japanese Trilateral Relations in the Early Twenty-first Century**

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As President Vladimir Putin has been vigorously boosting an east-oriented diplomatic strategy over the last several years, contemporary relations between Russia and East Asia have become the focus for discussion among international academics and decision-makers. Yet the focal point of relations between Russia and East Asia is in the trend of Sino-Russian-Japanese trilateral relations. Will the trilateral relationship become a new start of multilateral cooperation in the new century, or will it become a dangerous axis triggering turmoil throughout Northeast Asia, toppling the existing global order?

Reflections on this question involve not only judgments on the internal development of the three countries as well as development of their foreign policies, but also a lucid understanding and interpretation of the mutual relations and the complicated interaction arising out of it. Even more imperative is the linkage within the Northeast Asian region in which the three countries are located, and the entire international scenario needs to be further probed so that a more comprehensive and objective understanding of the above-mentioned important objective can be achieved.

## Major Contextual Factors Influencing Current Russian-East Asian Relations

James F. Hoge Jr., editor of the *Foreign Affairs* journal, pointed out in his article “A Global Power Shift in the Making” in the July/August 2004 issue of that journal that “The transfer of power from West to East is gathering pace and soon will dramatically change the context for dealing with international challenges—as well as the challenges themselves. Many in the West are already aware of Asia’s growing strength. This awareness, however, has not yet been translated into preparedness.”<sup>1</sup> Almost at the same time, on July 9, 2004, the *Washington Post* published an op-ed piece by Henry Kissinger under the title “A Global Order in Flux,” in which Kissinger commented that with the worsening and deepening chasm coming into shape with the War on Iraq, the focus of international affairs is shifting to the Pacific region. Almost all the major players on the world stage are adjusting their roles. Such changes are at the level of fundamental concepts, instead of being mere tactical considerations.<sup>2</sup>

The author of this article does not completely agree with the above two writers. Despite indications that the focus of international affairs has shifted in certain areas, this does not mean the shift is complete. However, it remains an indisputable fact that East Asia has had unprecedentedly significant influence in global affairs.

If there is truth in the observations made by these two scholars, we can conclude that the most important region in the new focus of international affairs, namely the Asia-Pacific region, is Northeast Asia.

The Northeast Asia region is a confluence of tremendous forces of major powers, namely the United States, China, Japan, Russia and even Europe, which have been actively engaged in exercising influence over this region. According to statistics of the World Bank, economic development in the world since the 1970s, 1980s and 1990s has been in favor of East Asia, with annual growth rates of 6.67 percent, 7.87 percent and 7.29 percent, more than three percent higher than the average growth

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<sup>1</sup> James F. Hoge Jr., “A Global Power Shift in the Making,” *Foreign Affairs* 83, no. 4 (July–August, 2004): 2–7.

<sup>2</sup> Henry Kissinger, “A Global Order in Flux,” *Washington Post*, July 9, 2004.

rate of the world economy. Apparently, China and Japan in Northeast Asia have been respectively making significant contributions.

With East Asia's economic growth gaining obvious speed over the rest of the world, the gross volume of China's export and import ranked fourth in the world trade, namely \$851.2 billion in 2003, 40.3 times higher than that in 1978, which amounted to \$20.6 billion. Different from the situation during the economic take-off of Japan, China's trade growth has provided neighboring countries with tremendous market opportunities. In 2003, China's export volume reached \$412.84 billion, 36.9 times higher than it was in 1978, which amounted to \$10.89 billion, becoming the third-largest import country in the world after the US and Germany. Even when international commodity imports dropped by one percent in 2001 and increased by 1.6 percent in 2002, China's import volume still gained 8.2 percent and 21.2 percent. When world trade had a recovery growth rate of 4.5 percent in 2004, China's import volume showed a 39.9-percent rise, in which imports from Asian countries grew by 42.4 percent, higher than imports from the US (24.3 percent) and the EU (37.77 percent). Academics around the world almost unanimously agree that China's domestic demand has provided the world, especially Asian countries, with good opportunities.

While the Northeast Asian region is demonstrating a strong impetus to sustain development, the region has not yet solved its old problems. Firstly, the integration of Northeast Asia or the whole East Asian region has greatly lagged behind that of Europe and North America. Secondly, although the Cold War confrontation became less serious as early as the early 1970s in the Northeast Asian region, the formal end of the Cold War atmosphere came much later in this region than in Europe, as this region has witnessed the split-up of two countries since the end of World War II, namely China and the Korean Peninsula. In fact, an unprecedented situation has emerged in Northeast Asia: for more than 2000 years, China was a considerably strong power with Japan having retreated to the fringes. However, in the past 150 years or so, Japan became increasingly stronger while China declined to a very weak position. Yet since the inception of the new century, China and Japan, the two countries that have never simultaneously been in possession of great strength, have become two major players in the international arena at the same time. This situation is bound to bring great possibilities of change to regional development.

Accompanying the eastward shift in international focus is the shift in Russia's geoeconomic and political focus. In his annual address, President Putin said, "Today, the Asia-Pacific region is becoming the most dynamic center of world economic development, and our foreign policy line on deepening relations with the Asia-Pacific region should be closely tied up with domestic tasks, with the promotion of potential Russian interests towards using these ties to further develop the economy of Siberia and the Far East."<sup>3</sup> Sergei Karaganov from the Institute of European Studies, Russia's Academy of Sciences, provided annotative remarks to President Putin's words: Since the end of 1999 and the beginning of 2000, Russia has attempted to bring Russia's policies more in line with Europe. This experiment did not succeed partly because of various external factors, and partly because of Russia's unsystematic policies, but more importantly, because of the exclusiveness of the European Economic Community, which has become increasingly reluctant to adopt active policies in dealing with external matters. Therefore, the existing relationship with Europe and the general trends in international relations have made Russia embrace pluralistic policies in terms of geopolitics, including policies that encourage closer links with Asian countries.<sup>4</sup> It seems that the strategies of NATO to expand simultaneously with the EU have somehow pushed Russia to maintain a more balanced attitude towards the East and the West. The so-called "color revolutions," climaxing in 2004 and 2005, initiated turbulence in the former Soviet region and moreover, directly drew Russia closer to the East Asian region.

Indeed, one of the most important international contexts for the study of mutual relations among China, Russia and Japan is the fact that Northeast Asia has become the major focus of international economic and political attention. In this regard, domestic political and economic trends are apparently the internal dynamic for the three countries' respective external policies. First, within several years following the start of the twenty-first century, the domestic political and economic systems in China, Russia and Japan have been facing deepening reform and adjustment, and second, in varying degrees, economic growth and recovery have emerged in these three countries. Third, what is more noteworthy is that the consciousness of national identity in the three

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<sup>3</sup> Vladimir Putin, President Annual Address, Moscow, 2004. [www.strana.ru](http://www.strana.ru).

<sup>4</sup> Sergei Karaganov, "A President Out of His Time," *The Russia Journal*, July 28, 2004.

countries has been more or less boosted. The emergence of this mentality of national identity can lead to the rise of nationalism if it is not properly controlled and managed.

To sum up, current relations between Russia and East Asia are at a phase of unprecedented, profound, overall, regional and even internal changes in different countries.

## **Bilateral Relations among China, Russia and Japan since the Beginning of the New Century**

Since the beginning of the twenty-first century, bilateral relations among the three countries have their own distinct and unique features, while possessing several shared characteristics. Each pair of bilateral relations is both independent and closely mutually related.

### **Maturing Sino-Russian Relations**

In fact, the Sino-Russian (Soviet) relationship has experienced three stages, namely the stage of empire, the stage of revolution and the stage of reform. The stage of empire refers roughly to the bilateral relationship before Russia's October Revolution in 1917. The stage of revolution is between the October Revolution and the end of China's Cultural Revolution. The stage of reform started from the end of China's Cultural Revolution, through the collapse of the Soviet Union, and has continued until the present day. Sino-Russian relations in the three stages are different with issues and concerns unique to the particular times. However, the three stages are linear with links between each stage. Each new stage would inherit legacies from its historical past.

Talking about the level of present-day Sino-Russian relations is not without controversy. Government leaders of both countries tend to use the phrase "the best in history" when describing current bilateral relations. Given the volume of bilateral trade, the consensus reached by the top of the governments on a series of important issues, and the steadfast and flexible posture that the bilateral relationship takes when major important issues occur, "the best in history" is apparently not an exaggeration. However, on the other hand, calling the bilateral relations "the best in history" is relative as there are still important challenges to meet in Sino-Russian relations.

This new era has the following unique features: firstly, the heads of state of both governments are personally involved in pushing ahead development of the relationship, while on the other hand, there has been an unprecedented concern regarding Sino-Russian relations at a non-governmental level. Reports on China-Russian affairs have been eye catching in the Chinese media. Secondly, significant breakthroughs have been achieved on a number of issues, while patient negotiations have been carried out in dealing with major challenges under the principle of mutual trust. In the areas of politics and security, Sino-Russian relations have endured changes in leadership in both countries and have moved ahead smoothly. Heads of state of both countries have based the bilateral relationship on the principle of “strategic partnership” to reach agreements on various issues including China-Russia border disputes, anti-terrorism, anti-separatism, the War on Iraq, Russia’s accession to the WTO, etc. In economic and trade relations, bilateral trade has gained an annual increase of 20 percent over the past six years. The volume of trade is expected to reach or even exceed \$30 billion in 2006. The bilateral communiqué even set the target for 2010’s bilateral trade volume at \$100 billion. This is well over the previous general estimate made by scholars in both countries. In the sensitive area of military and technological cooperation, some scholars estimate that even after the EU countries reopen the sale of weaponry and high technology to China, Russia will still be one of China’s most important partners in military and technological cooperation. And, in particular, the joint military exercise conducted by China and Russia in the summer of 2005 has become a major event in the development of bilateral relations.

What is especially worth noting is that, first, President Putin has been pushing forward the development of Russia’s far eastern territory, while China has been engaged in revitalizing the traditional old industrial base in Manchuria. The conjoining strategies for development in both countries provide a sound basis for cooperation between the two countries. Second, not only are the two countries starting to cooperate in developing the remote, less developed regions of each country, but economic cooperation between the more developed areas is also substantially catching up. For example, Shanghai and St. Petersburg enjoy a sister-city relationship. In recent years, big enterprises in Shanghai have been leading cooperation in major projects, including large-scale investments in St. Petersburg’s construction of infrastructure and the service industry, which, marked by

the “Baltic Pearl” project, have achieved significant progress. Third, the issue of investment and protection of safe trade in China and Russia, an issue of great concern to nationals of both countries, is being tackled further. It is expected that the Chinese and Russian governments will sign an Agreement on Encouragement and Protection of Mutual Investment in the near future. The Agreement will bring considerable improvement to the trade and investment environments of both countries.

All in all, the fact that both countries are able to make adjustments and push forward bilateral relations when major problems and challenges occur provide ample justification to the conclusion that Sino-Russian relations are moving ahead toward a more mature level.

The issue of the China-Russia energy pipeline has been the focus of attention in the international community. Although non-government opinions as reported in the media are quite heated, with frank negotiation and sincere communication, a breakthrough has been made as a result. (A later section of this article will discuss this issue further.)

Apart from cooperation in energy issues, immigration control between China and Russia has been another major focus of media attention. Since the spring of 2004, senior Russian officials, such as Sergei Prikhod’ko, foreign affairs aide to the Russian presidency, have written to indicate that the so-called Chinese emigration to Russia’s Far East territory “should not be exaggerated as has been done by the media. The total number of Chinese nationals regularly residing in Russia is no more than 150,000 to 200,000, while the official census made by Russian authorities is as low as 35,000.” Untrue reports exaggerating the number of Chinese immigrants in Russia are thus rebuffed by such senior officials in foreign affairs as Prikhod’ko.<sup>5</sup>

Major problems for bilateral relations between China and Russia include, first, the development in bilateral relations still lagging behind the respective internal development of each country. In other words, mutual understanding of the profound internal changes of both systems, or the development strategies rapidly taking place in both China and Russia, still needs to be deepened although great improvement has been made in this regard. Second, both China and Russia should improve their capacity for effective management in relation to the development of bilateral relations.

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<sup>5</sup> Sergei Prikhod’ko, “Moskva—Pekin: My nuzhny drug drugu,” *Rossii v Global’noi politike* 2, no. 2 (2004): 166–171.

For example, criminal activities in bilateral commerce are yet to be totally curbed. Third, insufficient cultural exchange between China and Russia is one of the most acute problems. Generally speaking, exchange between the two peoples at the humanistic and cultural levels are far from compatible with the status of the two great countries, each with a long cultural and historical heritage, or with the status of the two biggest neighboring developing and transition countries. Only when such exchanges reach adequate levels can a mutual trust mechanism be soundly built.

### **Japan-Russia Relations in Upheaval**

While China-Russia relations have been moving ahead more steadily after the end of the Cold War, Japan-Russia relations have been characterized by false starts and upheavals.

The end of the 1990s witnessed a peak in Japan-Russia relations. With Russia's initiative to push forward its Euro-Asian-based diplomacy, and Japan's so-called "three principles of Hashimoto," Japan and Russia drew closer. The Tokyo Declaration on Japan-Russia Relations signed in 1993 pointed out that the two countries should sign a peace treaty and solve the Northern Territories dispute. According to the Declaration, Japan would be involved in large-scale cooperative development of the Northern Territories, and even the whole Kurile Islands. Meanwhile, Japan would support Russia's attempt to join APEC, while Russia would support Japan's attempt to become a permanent member of the UN Security Council. However, Boris Yeltsin aborted his visit to Tokyo at the last minute in the face of strong domestic opposition at the end of 1998. Senior government officials and analysts believed that it was almost impossible for the two countries to sign a peace treaty before 2000.

After Putin took presidency in 2000, two Japanese prime ministers, Mori Yoshiro and Koizumi Junichiro, devoted their energies to promoting the development of Japan-Russia relations, the result of which was a visit in January 2003 by Koizumi to Russia. The two governments reached an agreement according to which Russia would continue its support of Japan to become a permanent member of the UN Security Council, and Japan would support Russia's bid to accede to the WTO. Japan would also welcome Russia taking part in the ASEM. Koizumi displayed great enthusiasm in the energy diplomacy with Russia, and even raised the question of Russia building an oil pipeline from East Siberia to Nakhodka.

Since then, Japan has promised Russia to not only invest in the Sakhalin 1 and 2 projects, but also to provide a \$7 billion (which was later raised to \$13 billion) loan as a guarantee to help Russia build the pipeline from Angarsk (later changed to Taishet) to Nakhodka. The Japanese government has started an unprecedented lobbying campaign to Russia for the Far East oil pipeline. Although negotiations between Japan and Russia concerning the Far East pipeline are yet to be concluded, various signs show that Japan-Russia relations may not be developing as speculated by some critics, i.e., given Japan's enormous investment, Russia could easily build the pipeline according to Japan's blueprint, and soon solve the dispute over the Northern Territories. On September 2, 2004, Koizumi inspected the four disputed islands, trying to exert pressure on Russia. This, in fact, indicated that the territorial dispute has been put on the agenda between Japan and Russia. Some Russian scholars estimated that the value of the four islands is \$2.5 trillion, equivalent to six years' GNP of Russia. In this regard, Russia will not easily concede on the Northern Territories dispute.

During President Putin's visit to Japan in November, 2005, for the first time since his coming to power, both sides signed 12 agreements to strengthen bilateral cooperation, including Japan's support of Russia's accession to the WTO, and confirmed that they would attempt to reach an agreement on the oil pipeline in the Far East in 2006. But no flexibility has been seen in the most crucial issue of the Northern Territories.

Japanese scholars have several predictions concerning the development of Japan-Russia relations in the twenty-first century. First, Russia has drawn significantly closer to Western countries after the collapse of the Soviet Union, even sharing ideology with the West. After the 9/11 terrorist attacks, Russia has actively supported America's campaign against terrorism, allowing the United States access to and entry into Central Asia. This policy orientation is in line with that of Japan. Although Japan is situated in East Asia, it is already a member of the Western countries. The closer Russia becomes to the West, the better it would develop its relations with Japan. The Russia-Japan relationship would become better, and even serve as a containment of the China-Russia relationship.

The second opinion is that although Russia is drawing closer to the United States and other Western countries, this does not necessarily mean closer relations with Japan. After the start of the anti-terrorist campaign,

Putin's closeness with the West does not originate from shared concepts, but is a reflection of his pragmatic principles considering Russia's national interests. Russian scholar Andrei Piontkowski believes that "there is not much feeling towards each other between America and Russia, nor are there many shared values. The only affinity lies with similarities in both countries' geopolitical interests." Some Japanese scholars believe that given the context that Putin's support of the United States' anti-terrorist campaign has not received support from Russian conservatives, especially as the Russian media believes that Russia has done so at a great price, the West has not given Russia the expected returns but rather, constraints and containments resulting from the eastward expansion of NATO and the EU, and mutual distrust between Russia and the United States has become resurgent. With this international and domestic background, Putin is not likely to give much concession to Japan.

A third group of academics points out that constructive consideration of Russia-Japan relations should break out of the framework of Russia's relations with the West. The Russo-Japanese relationship has unique features independent of Russia's relations with the West, and is not necessarily subordinate to US-Russia relations.<sup>6</sup>

I think that given the above-mentioned opinions, the following conclusions can be made. First, the development of Japan-Russia relations can be traced to domestic developments in Russia and Japan in the recent decade. Both Japan and Russia have experienced almost ten continuous years of economic crisis and depression, especially the East Asian financial crisis of 1997 and the Moscow financial crisis in 1998. The two countries have just walked out of the quandary toward recovery and growth, but there are enormous problems pending a solution, including business group interests, systemic issues and different directions of development, all of which need to be adjusted, tackled, integrated and coordinated. Within the context of resurgent nationalism in both countries, compromise is not likely to be expected on such major issues as the Northern Territories dispute. Second, given the context of the shift in the international political and economic focus and the new trends in the Northeast Asian geopolitical situation, both Russia and Japan need to seek

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<sup>6</sup> KIMURA Hiroshi, "Iaponskoe napravlenie vneshnei politiki Rossii," *Mirovaia ekonomika i mezhdunarodnye otnosheniia*, 2003, no. 3: 84-94.

a new strategic balance. It is no easy job to maintain and develop the momentum of cooperation between Japan and Russia while readjusting the strategic balance.

### **Sino-Japanese Relations as the Background to Russian-East Asian relations**

China and Japan are close neighbors. Even during the Cold War, the two peoples had very impressive friendly exchanges. However, Sino-Japanese relations have recently undergone serious difficulties since the establishment of a formal diplomatic relationship in the early 1970s.

First, with a series of events after Koizumi took power, especially his five consecutive visits to Yasukuni Shrine, it has been very difficult for both China and Japan to find the opportunity to hold top-level meetings in the past several years. Second, different from expectations of “cold political relations with hot economic ties,” there are signs that the growth of Sino-Japanese economic and trade relations has been slowing down. Generally speaking, the proportion of trade with China in Japan’s volume of international trade is becoming more and more significant. In 2000, it was 9.9 percent, but in 2003, it was as high as 15.6 percent, only five percent less than that with the US, Japan’s biggest trade partner. This shows that Japan’s dependence on China in terms of trade is increasing. On the other hand, the proportion of China-Japan trade is dropping in China’s international trade, from 20 percent in the early 1990s to 15.7 percent, close to the lowest level experienced in 1992 (15.3 percent). Since 1993, Japan had been China’s biggest trade partner, but between January and May, 2004, the trade volume between China and the EU overtook that between China and Japan, making the EU China’s biggest trade partner, with Japan retreating to second place. Despite an increase of some 12 percent in trade volume between China and Japan in 2005 over the previous year, this was the 11th consecutive year in which the growth of trade volume between China and Japan was lower than the average increase in China’s international trade. Although China has become the biggest trade partner of Japan, the proportion of China’s export to Japan to its total export is on the decline. Third, non-governmental concern regarding Sino-Japanese relations has been on the rise. The incident during the final game of the Asia Cup soccer match in the summer of 2004, as well as the demonstrations targeting Japanese in some Chinese

cities in 2005, indicates that disharmony in Chinese and Japanese public opinion is considerably significant.

What effects will Sino-Japanese relations have on Russia's role in East Asia?

First, with world opinion in favor of China's economic development, Japan has had its third year of recovery and growth since 2002. Some economists forecast that this growth will maintain. If this forecast is accurate, this boom will be the longest since the end of Japan's "bubble economy." With more than a decade's adjustment, Japan's economic system has been further perfected. The development of high technology has demonstrated that there is a solid foundation for Japan's growth. We can expect that in Northeast Asia, there will emerge a situation in which China and Japan will be the two major powers for a comparatively long period of time. This has confronted Russia with a situation in which it has options not only with great limitations but also with great opportunities in the future.

Second, changes in the US-Japan alliance, considered as the pillar of Japan's external relations by Japan, is one of the major factors with significant impact on Russia. Particularly in the case of Russia faced with great pressure from NATO's eastward expansion, if there emerged another "quasi-NATO" in East Asia, Russia's "vulnerable" mentality would be further strengthened.

Either the expansion of Russia's influence into East Asia or the direction and progress of Sino-Japanese relations might possibly hinge on the emergence of a stable and effective multilateral mechanism in Northeast Asia and East Asia. The formation of such a mechanism will take some time to mature as it will experience a relatively long period of contest and rivalry among countries.

Looking at Sino-Russian, Russian-Japanese and Sino-Japanese relations, we can see that the China-Russia relationship is relatively stable, while Sino-Japanese and Russian-Japanese relations will develop smoothly only after significant adjustments regarding major problems are made. On the other hand, the three pairs of relationship are also complicatedly interactive. In other words, even with the smooth development of China-Russia relations, support from the other two pairs of relations is needed to bring about positive interaction, without which even the China-Russia relationship would experience upheaval and frustration. Therefore, we should not only pay attention to the

development of bilateral relations, but also look more comprehensively at major issues on a large scale and at the interaction among the three pairs of relationship. Only by doing so can we achieve a better, more pertinent understanding of the issues of this region.

## **Mutual Relations among China, Russia and Japan from a Multilateral Perspective**

Mutual relations among China, Russia and Japan from a multilateral perspective involve the construction of the Far East energy pipeline, nuclear non-proliferation on the Korean Peninsula, and the planned integration of East Asia, including contextual mutual relations among China, Russia and Japan in Central Asia.

### **The Far East Energy Pipeline**

The biggest issue in recent years for the trilateral relations of China, Russia and Japan is the Far East energy pipeline issue.

From the mid-1990s to the beginning of the twenty-first century, with the support of the Chinese and Russian governments, the China Petroleum and Chemical Corporation (CPCC) and Russia's Yukos and Pipeline Transportation Corporation signed a series of agreements, stipulating the direction of the pipelines, volume of oil supply, and the promised ways of purchase and sale of crude oil. The agreements especially stipulated the "Angarsk-Daqing" pipeline, which would start from Angarsk in Russia, through Manchuria in China to Daqing in China. But after many years of repeated discussions, it was decided only during Putin's fourth state visit to China in March 2006 that the pipeline in the Far East would start in Taishet in the first phase and would end in Skovorodino, 60 kilometers away from the Sino-Russian border area, and is estimated to be completed by around 2008 with a transport capability of 10 million tons of oil a year.

The direction of the Far East pipeline reflects some important changes at three levels in the trilateral relations among China, Russia and Japan. The first problem is the relationship between the domestic government and companies. The Russian government has had tension with Yukos over a series of political and economic issues. The auctioning of the core industries of Yukos had made the China-Russia pipeline deal "nobody's child." However, that was several years ago and now this crisis

is no longer. The second change involves the bilateral relations between China and Russia. Russia has been reiterating its support of the cooperation between the two countries in energy development, and China has been strongly indicating its belief in Russia's sincerity in adhering to its support of the pipeline project. China also expressed its understanding of Russia's necessity to make certain adjustments out of concern to protect its national interests. The third change is the trilateral relations among China, Russia and Japan revolving around the energy issue. China and Russia have been able to overcome difficulties to push forward cooperation in new situations.

In fact, with medium- or long-term perspectives, either China, or Russia, or Japan can find mutual or complementary interest in cooperation in developing the Far East energy pipeline, thus promoting a coordinated development of trilateral relations. Various opinions offered by scholars can be summarized as follows.

First, an "East Asia Energy Forum" or "Energy Foundation" can be established to push forward the development of new energy and solutions regarding the direction of the oil supply pipeline. Some scholars have pointed out the possibility of using a considerable part of Japan's earlier aid to China for this project.

Second, since 50 percent of the imported crude oil of China, Japan and Korea is from the Middle East, 80 percent of which goes through the Malacca Strait, various related parties have been seriously considering and discussing the possibility of building a land passage in the past several years. Although opinions vary, the prospect of cooperation still exists.

Third, cooperation development has been explored to develop the oil and LNG in the Sakhalin and Caspian Sea regions. China is willing to participate in the development and purchase of Sakhalin oil and LNG. Japan as the investor and China as the purchaser can expect to interact and cooperate positively.

Four, as suppliers and purchasers, China, Russia and Japan can cooperate in not only exerting influence to control energy prices, but also cooperate at full scale in the mining, processing, transportation and sale of energy, thus making a network of multilateral cooperation in the development of East Asian energy.

## **Relations among China, Russia and Japan in the Nuclear Non-proliferation Issue on the Korean Peninsula**

The nuclear non-proliferation issue is the most urgent and pressing problem in present-day Northeast Asia. While competition over the much needed energy supplies in the Far East is fierce, the failure to peacefully resolve the Korean issue could result in the resumption of a nuclear arms race in the region.

There are many similarities in the positions adopted by China, Russia and Japan. First, all three countries wish to see the Korean Peninsula become a stable, nuclear-free region. Second, with different perspectives, all three countries wish to see North Korea initiate further reforms to promote a market economy and democracy. Third, as neighbors around the Korean Peninsula, the three countries are opposed to extreme measures to solve the nuclear proliferation problem. Fourth, the three countries wish to promote the six-party dialogue mechanism out of concern for their own interests. Fifth, the three parties are all in support of improvement of the relationship between the North and South Korea, although they all believe such an improvement would take a rather long time. There are some who believe that China, Russia and Japan do not wish to see a unified, strong Korean Peninsula. But I believe such a process is natural, independent of whims and wants.

The three countries have different emphases in their standings regarding the Korean Peninsula. First, the three countries have different formal relations with North Korea. Technically, China still maintains its Treaty of Military Friendship Alliance with North Korea; however, in practice, China is not necessarily in support of the use of force over the issue of the Korean Peninsula. Russia and North Korea have a friendship treaty that does not involve military cooperation. Japan, on the hand, has not established formal diplomatic relations with North Korea. Second, the actual development of the relations of North Korea with the three countries is quite different. China has sustained steady development with North Korea, while Putin has drastically adjusted Russia's relations with the isolated country. Japan has not yet solved the problem of the kidnapping issue. Third, the three countries have different attitudes concerning whether to "freeze" or "eliminate" nuclear weapons, and whether to put in force a linkage mechanism providing security guarantees to North Korea. With the United States' shift in attitude from "freezing"

to “eliminating” North Korea’s nuclear weapons, Japan has kept pace with the US. However, neither China nor Russia can provide security guarantees to North Korea. China and Russia still share much common ground with North Korea, and stress the importance of real parallel relations between the US and North Korea in implementing “denuclearization” and providing a “security guarantee.”

As for the prospects of the six-party talks regarding the Korean nuclear problem, I believe, first, that the six-point consensus reached at the six-party talks on the North Korean nuclear issue in 2005 provided a strong incentive for Russia to continue participating in and promoting the development of the current situation in the Korean Peninsula in the direction of denuclearization and stability. Second, since China, Russia and Japan have shared interests in nuclear non-proliferation, in making the six-party dialogue into a regional security guarantee mechanism, and in making use of the economic opportunities arising from North Korea’s possible economic reform, the three countries can still expect to have room for cooperation.

### **China, Russia and Japan at Play in Central Asia**

From a medium- and long-term perspective, Central Asia can be a region in which changes in the balance of power on the Eurasian continent become the most fierce and most significant. This is not only because of the strategic space left after the disintegration of the Soviet Union, but also because this region has great strategic resources awaiting exploration. With the increasingly clearer picture drawn by scholars of the resource potential of this region, the pattern of struggle by the great powers is becoming more and more distinct.

The existence in Central Asia of China, Russia and Japan can serve as a complement to the Far East order. If Russia can be perceived as holding an advantageous position with its energy resources in trilateral relations in Northeast Asia, Russia will likewise recover its traditional influence in the Central Asian region, thus gaining a balance of power that was once lost. Particularly after the “color revolution” and marked by the attempt to form closer ties with Russia by Uzbekistan as well as the Shanghai Cooperation Organization’s request that the US put forward a timetable for its withdrawal from Afghanistan, it indicates that Russia is

staging a comeback following its loss of influence after the “color revolution.”

Compatible with the recovery of Russia’s influence over Central Asia, Japan has been invigorating its activities in this region. The Astana Conference held by Japan with the five countries of Central Asia on August 28, 2004 can be seen as an important landmark. The direct target of Japan’s Central Asian strategy is energy and the environment. Japan promises to provide a loan of the value of 16.4 billion Yen to Uzbekistan, while accepting 1,000 students to study in Japan. Japan is now the biggest donor country for Kazakhstan and Uzbekistan. By the end of 2004, Japan had provided Central Asian countries with \$2.5 billion worth of official development assistance. The meeting of “Japanese-Central Asian foreign ministers” under the initiative of Japan on June 5, 2006 can be viewed as a new strategic and significant measure in Japan developing its relations with the Central Asian countries.

China’s relations with Central Asia have witnessed rapid growth after the Cold War, but the total volume of trade between China and Central Asian countries was \$3–4 billion in 2003, half of Russia’s trade with the same region, and 0.5 percent of China’s total external trade volume. China’s investment in Central Asia is only just above \$1 billion, much less than the large-scale investment by Japan.

Although the secretariat of the Shanghai Cooperation Organization is set up in Beijing, and the first secretary-general was a former Chinese diplomat, this organization represents more the cooperation and coordination of the member countries.

Therefore, in view of strategic, economic and political influences, Russia still leads the power structure in Central Asia. In Central Asia today, there is no great power that can dominate local affairs, which provides room for multilateral cooperation in the region. Perhaps some new tendencies will become factors in promoting such multilateral cooperation. First, the Shanghai Cooperation Organization has insisted on being an “open” regional cooperative organization; second, significant adjustments by the US to its Central Asian strategy, which not only sees Central Asian affairs and South Asian affairs as a whole, but also stresses advancing economic cooperation in areas such as energy and infrastructure, have been made. From medium- and long-term perspectives, the above-mentioned changes might possibly provide opportunities for Russian-Japanese-Chinese trilateral cooperation.

## **China, Russia and Japan Relations, Regional Cooperation in the Northeast Asian Region and the Planned East Asian Integration**

One important topic of heated discussion in recent years in the governments, media, and academia of East Asia is the prospect of East Asia's integration. What is the relationship between integration and the trilateral relations as discussed above?

Obviously, the concept of "East Asia" cannot be limited to the east of Asia, but rather, it should refer to the west of Pacific Asia, which should of course include countries like China, Russia and Japan. Particularly when considering the issue of an energy pipeline in Northeast Asia, the west of Pacific Asia that includes China, Russia and Japan should be taken as a whole.

At present, there are the following characteristics of the considerations regarding East Asia's integration and its very limited practices. First, countries in the region tend more to negotiate for a free trade area on the basis of bilateral relations. Multilateral regional cooperation has been put aside as their medium- or long-term plan. This reflects the loose pattern of the geopolitical situation in East Asia. It is still a long way from achieving East Asian integration in any real sense. Second while, it is the general expectation that China and Japan should play a more important role in East Asia's integration, Russia's push into the Asia-Pacific region has received recognition and support from some countries; for example, China supports Russia's participation in the East Asian summit. The advantage enjoyed by Russia in terms of its resources has made it increasingly important in the region. Future East Asian integration cannot leave Russia out of the picture. Third, East Asian integration is different from European integration. In other words, it is not like in Europe where France and Germany led the integration process. In East Asia, integration started from a sub-regional level. The Shanghai Cooperation Organization and China's negotiation with ASEAN for FTA, the trilateral negotiation for strategic cooperation among China, India and Russia, and the six-party talks over the Korean Peninsula all indicate the formation of a new geopolitical landscape, which is emerging in the surrounding area of China's territory. Many countries in this region are making themselves more market economy and democracy oriented. This situation makes China not only unlikely to return to a time in its history when it was closed to the rest of the world, but take a more open attitude

and shoulder more responsibilities towards regional stability, cooperation, progress and prosperity. It is very possible that Northeast Asia will become the start of regional cooperation in the entire East Asian region. China, Russia and Japan are apparently decisive, indispensable players in this process.

Although the interaction and contest between China, Russia and Japan in the process of regional integration is just starting, with a better study of the history of European integration, lessons can be learnt to facilitate the process: display of forgiveness and tolerance of past enemies; strengthening sovereignty while experiencing transfer of sovereignty; and all-round cooperation and integration starting through partial, functional cooperation.

## **Conclusion**

All in all, the following conclusions can be made based on our study of the multi-level relations among China, Russia and Japan.

First, there is a realistic possibility of a potential crisis occurring in the Northeast Asian region. There are also issues pending resolution in the core countries in the region, namely, China, Russia and Japan. However, people's awareness and the regional management mechanism are still far from satisfactory in facing the need to solve possible crises.

Second, compared with existing problems in the trilateral relations, there is still enormous room for complementary cooperation among the three countries. Intentions and practices are emerging, too.

Third, most imperative is for the three countries to quicken the process of dialogue and negotiation starting from functional departments and the highest levels of government. The six-party talks, and the Proliferation Security Initiative under the UN's Security Council, including APEC and the East Asia Summit, can be adapted into platforms for the three countries' further cooperation, with proper adjustments made to the function and membership structure.

Last but not the least is the existence of the United States, which serves as the background to the trilateral relations. Although the United States does not want to see its influence dwindling because of the cooperation among China, Russia and Japan, neither does it wish to see itself bogged down in unrestrained competition in the Northeast Asian

region. Therefore, US support is one of the keys to the rational development of trilateral relations among China, Russia and Japan.