

Japan's Foreign Policy Towards the South Caucasus States Policy of 'Low-Relevance and High Purpose' on the Crossroad Between Russian and Western Interests

David Goginashvili

Abstract The paper discusses motives, decisive factors and limits of Japan's decision-making process concerning its policy towards Armenia, Azerbaijan and Georgia – three South Caucasian states with drastically diverse foreign policy agenda. Academic analysis of Japan's policy towards the South Caucasus (SC) region is dramatically underdeveloped. Geographical remoteness is the main pitfall, preventing researchers from deeper scrutiny of the subject. However, Conceptualizing Tokyo's engagement in the SC gives valuable insight on Japan's positioning in the region, where Russia's Geopolitical interests encounter the West's increasing presence, which laid basement for reemergence of a so-called New Cold War international dimension. Japan's relations with these actors directly influence on its SC policy, circumscribing Tokyo's decision-making limits. Tokyo elaborated policy design with limited political element, both on bilateral and multilateral level, mainly based on depoliticized Official Development Assistance. We conceptualized Tokyo's strategy as a policy of low relevance and high purpose, whereas Japan is endeavored to uphold its high political, economic and humanitarian objectives, by retaining low posture amid geopolitical confrontation over the region, following the principle of ownership, and thus maintaining low risk exposure to its regional and wider multilateral interests. The paper introduces comparative case study of Japan's policy to the SC states and examines merits and disadvantages of such approach.

Keywords Japan - South Caucasus - Foreign policy - Geopolitics - Foreign aid

JEL Classification F50

Introduction

Japan's foreign policy faced a range of new challenges along with the dissolution of the Soviet Union and following emergence of a new political map in 1991. Long established inflexible bureaucratic system of Japanese governmental bodies had to elaborate cutting-edge policy towards the newly emerged states with consideration of their individual external and internal agendas. The first step was the recognition of independence and subsequent establishment of diplomatic relations with the newly independent states. Armenia, Azerbaijan and Georgia – three former Soviet republics of the South Caucasus (SC) region sought to find their place in the post-Cold War international system, hence partnership with such economic power

David Goginashvili (✉)

Keio University, SFC Research Institute, Tokyo, Japan

e-mail: david_gogina@yahoo.com; david83@sfc.keio.ac.jp

as Japan was a priority goal for their diplomacy, notably, given the economic and political turmoil the region had to experience since the end of 1980s and through the 1990s, when the region encountered such challenges as ethnic conflicts, interstate wars, civil war, corrupt state bureaucracy, excessively high crime rate, financial crisis, etc.

Given these conditions, international diplomatic support, as well as financial aid towards the SC played a significant role in maintaining the states relatively functional. Immediately after the restoration of independence, all three republics became direct beneficiaries of Japan's Official Development Assistance (ODA)¹. Increasing involvement of such powerful donor, as Japan, was an important move for the region, notably since the late 90s, when Tokyo considerably boosted its aid disbursement in the SC and placed itself among the leading donor states for the region.

From the beginning of the 1990s till 2013 allocation of Japan's ODA per capita in the SC exceeded 87 US\$, which outstrips even such traditional beneficiary regions, as ASEAN.² In 2002, Azerbaijan became one of the top 10 recipient countries of Japan's bilateral official development assistance. In 2009 Armenia accounted number 8 among the largest yen loan recipient countries. However, despite the promising potential of Japanese involvement in the SC, its actual political and economic presence has been rather limited. Explaining Japan's unexplored potential in the region, specialists often limit the argument to geographical remoteness and disregard the complexity of international political conjuncture as one of the impeding factors. Due academic scrutiny has to be addressed to Japan's decision-making in regards to collision of Russian and Western interests in the SC region, given the condition, where Japan's international stance is largely determined by the alliance with the West and at the same time it bears the burden of territorial disputes with Russia.

Russia's critical involvement in the Black Sea region, namely Russo-Georgian war and expansion in Ukraine resonated on a global scale, bringing cold war rhetoric back to the contemporary international political language. Being one of the world's leading economies and having an ambitious foreign agenda, Japan is aptly expected to take a clear stance in the allegedly reemerging Cold War international dimension. Nevertheless the question over some dissonant ambiguity of Japanese international positioning is often raised amid media establishments, political commentators or think tanks. Tokyo's foreign policy has long been discussed in the scope of Japan's alliance with the United States. Due academic discourse has been addressed to Japan-Russian relations as well. However, qualitative research over Japan's foreign policy in the region where Russia's vital interests encounter Western increasing involvement is still underdeveloped. Closer study of Japan's foreign policy towards the SC provides a remarkable case for understanding Tokyo's search for its position in Russo-Western rivalry, since, within the same region each of the three countries pursue drastically diverse foreign policy. Georgia has set precise goals to integrate in Euro-Atlantic institutions, while Armenia positions itself as a strategic ally of Russia. Unlike the two Azerbaijan maintains more-less balanced foreign policy, making no major moves towards any of the vying powers. Overall task of this paper is to clarify differences and similarities between Japan's policies towards each of the three republics, as well as to analyze the correlation between Japan's approach to Russia, the West (notably the USA) and the SC states. Do US-Russia-Japan relations influence Japan's relations with the

¹ In fact, Russian Federation is the only former Soviet State, which did not receive Japan's ODA, although, Japan has provided aid from the non-ODA funds to Russia as well.

² For example; within the same period, aid disbursement in the Central Asia, which has been considered as the region of Japan's main interest in the post Soviet space, equals only to 43.7 US\$, amount of aid to former Yugoslavian states equals to 41.2 US\$ per capita, at the same time, Japan's aid disbursement in the ASEAN countries, which have traditionally been foreseen as the main target of Japanese ODA, equals to 81 US\$. Based on the official data by Japan's ministry of foreign affairs and World Bank.

SC countries? What purpose(s) does Japan's foreign policy pursue in Armenia, Azerbaijan and Georgia? What kind of policy is being deployed in order to accomplish this/these purpose(s)? Through answering the above stated questions we will conceptualize Japan's strategy towards the SC states on bilateral and multilateral levels.

Japan is willing to boost its presence in the SC to the frames in which it doesn't undermine pursued policy towards Russia. At the same time Japan is willing to pursue its Russian policy unless it undermines relations with the West, notably the United States. In order to maintain balanced foreign policy, Japan has been refraining from political engagement in the region of Russo-Western rivalry, limiting its foreign policy tools mainly to official development assistance. As the initial phase of our research showed Japan's aid policy in the SC often has rather ad hoc, circumstance driven nature, inflicting criticism for having ill-defined strategy. However, wider analysis of Japan's relations with the powers involved in the region demonstrates that farther proactive boost of Tokyo's political influence in the SC bears risk of bringing inconsistency in its overall foreign policy. In fact, Japan's relations with the major powers largely frame its policy towards the region, circumscribing the boundaries of Tokyo's decision-making limits, thus minimizing Japan's political influence on international level.

Restrained foreign policy framework has been linked to the popular criticism over Japan's inability to develop its independent action plan on international arena. However, within those frames Japan elaborated remarkably subtle policy structure, which can be shortly framed as *low-relevance and high-purpose* policy, whereas *low-relevance* framework can be divided into three main directions: low-posture, low-interference and low-risk. The concept of low-relevance has been derived from Japanese socio-cultural perception of an ideal approach to life (however mainly limited to women only) – so called *Santei* (三低 - literally means three lows), whereas it is important to maintain low posture, low dependence and low risk attitude in different spheres of social life. Despite the non-positive image of the word low, the term *Santei* does not necessarily have negative meaning. Low-posture refers to virtue of humbleness and respectful attitude to people, low-dependence stands for an independent stance in a society and low-risk praises the skills of avoiding troublesome and potentially risky activities in order to keep oneself and one's family safe. We slightly altered this essence by substituting low-dependence with the concept of low-interference and deployed the term for conceptualization of Japan's foreign policy to the SC. This paper discusses each direction basing on the case studies analyzed through the spectrum of Japan's wider foreign policy vision.

Low-relevance approach towards such risk-saturated environment as the SC region, serves Japan's higher objectives, which as well can be divided into three analytical dimensions; bilateral economical, multilateral political and humanitarian. The SC policy, based on non-political aid approach, secures bilateral intergovernmental relations, providing safe operational platform for Japanese companies, minimizes jeopardy to Japan's multilateral political objectives, and at the same time, ensures effective penetration of Japan's aid allocation. However, various aspects of this policy can be highly vulnerable to criticism, which as well will be discussed in this paper. The paper presents brief empirical insight of Japan's involvement in this complex Geopolitical entity and conceptualizes its low-relevance and high-purpose policy through the scope of Japan-Russian relations on the one hand and Japan-West relations on the other, at the same time, taking in account newly emerging Chinese factor as well. The paper aims to contribute into long lasted theoretical discourse over Japan's foreign policy. Providing structural analysis on bilateral and multilateral levels, we will conceptualize Japanese SC relations and point out merits and pitfalls of the low-relevance and high-purpose policy approach.

1. Japan in the South Caucasus

The history of Japan's cooperation with the SC can be traced back to the Czarist era, when Japanese government funded Caucasian national movements through its Europe based agent Baron Motojiro Akashi. In particular Japanese intelligence supplied immense funding for military equipment to Georgian social-democratic movement in order to undermine Czarist regime in its peripheral areas.³ Later in pre World War II period Japan continued support of the South Caucasian anti-Kremlin movements, such as Georgia's national democrats and Azerbaijani anti-Soviet activists, as well as Haydar Bamat lead North-Caucasian groups.⁴ The cooperation lasted throughout the World War II, but did not lead to any substantial change for the Caucasian independence movements.

Classical realism views military aid as a mutually beneficial cooperation, which often benefits a provider more than a beneficiary, thus largely serves to the donor's interests. Hans Morgenthau distinguishes 6 types of foreign aid, "which have only one thing in common: transferring money, goods and services from one nation to another." These 6 types include such methods as military aid and bribery as well. He claims that even per se non-political humanitarian aid "can indeed perform a political function when it operates within a political context."⁵ DAC attempted to limit political element in international aid by setting strict rules of what type of aid can fit the definition of Official Development Assistance (ODA). Nevertheless, non-political, welfare-oriented aid has been exposed to well-founded criticism in the context of political science, as well as the economical point of view. The leading donor states do pursue political or ideological purposes by the means of foreign aid – so called Other Official Flows (OOF). However, the same statement cannot be addressed to Japan's SC policy, since, it drastically lacks political element. The first Japanese aid provision to the SC since the establishment of the Cold War was recorded in 1988, when devastating earthquake hit northern part of Armenia, killing over 25000 people and leaving around 500 000 Armenians homeless. The Cold War tensions were rapidly de-escalating and the Soviet Union, for the first time, since the World War II, officially requested for international aid. Tokyo deployed disaster relief group and special debris removal equipment in order to assist the post-earthquake relief efforts. A few years later, after the dissolution of the Soviet Union Japan continued increasing aid allocation to the SC states on bilateral basis. It should be mentioned that adaptation of Japan's ODA Charter in 1992 amid the years of drastic boost of foreign aid does not find chronological reflection in the aid disbursement to the SC. On the contrary, Japan's aid fund towards the SC started substantially increasing through the 2000s while its overall aid budget allegedly was in relative crisis. Moreover, the second ODA Charter adapted in August 2003 calls for rather rational and interest oriented disbursement of the ODA. Thus we exclude the argument that aid allocation to the SC was put in the frames of the general disbursement trends.

Usually, Japan is hardly mentioned while analyzing the international political conjuncture of the SC, however, being one of the leading donor countries, Japan is significantly involved in the region's development issues. As a result, Tokyo maintains extensive space for maneuvers in Russia's backyard. Traditionally, Russia painfully reacts against any political intrusion of a third party in its near abroad. The non-political design of Low relevance policy doesn't inflict Moscow's fury, but it provides strong foothold for Tokyo to efficiently insert political element in its SC policy and reinforce pressure on Russia, in case if Kasumigaseki decides to bring rather hawkish element in its Russia policy.

3 About relations of Motojiro Akashi and leader of Georgian social-democratic movement Giorgi Dekanozishvili see: Kuromiya, & Mamoulia, 2009, 1416 – 1418.

4 Ibid, pp. 1423 - 1424.

5 Morgenthau, 1962, 301.

2. Low Posture

2.1 Japan's Eurasian Diplomacy and the SC

As the empirical analysis shows, Japan's political agenda has been underrepresented in the SC. However, Tokyo not once declared the plans to bolster its presence in the region. In 1997 Japan's assertive Prime Minister Hashimoto enounced Eurasian Diplomacy as a new dimension of country's foreign policy, whereas the SC together with the Central Asian countries was perceived as a region, towards which "Japan has deep-rooted nostalgia [...] stemming from the glory of the days of the Silk Road." Hashimoto outlined three main pillars of Eurasian Diplomacy: "First of all, there is political dialogue aiming to enhance trust and mutual understanding. Secondly, there is economic cooperation as well as cooperation for natural resource development aiming to foster prosperity. Thirdly, there is cooperation to build peace through nuclear non-proliferation, democratization and the fostering of stability."⁶ However, in fact the main focus was placed on economic cooperation and resource diplomacy. As Ferguson points out, Hashimoto's speech was drafted "with the help of officials at MITI (including section chief of the policy division Kenji Isayama) and an emphasis was placed on energy cooperation."⁷ Kazuhiko Togo, then official of the Ministry of Foreign Affairs (MOFA), who insisted on excluding the emphasis on disputed islands from the new policy, later wrote, that the main objective of Hashimoto's diplomacy was to get Russia involved in Asia pacific region in order to balance China and the USA.⁸ Relations between the leaders of the two countries were indeed developing positively. Yeltzin even announced that the long-craved peace agreement would have been achieved by the end of the century, bringing false expectations to Japanese society. A few in Japan understood that Russian Duma (Russia's legislative body) was dominated by the ideas opposing the President's policy. Thus, Japanese scenario of resolution of the territorial dispute was less likely to be implemented. Moreover, Yeltzin never specified what sort of conditions he suggested for the potential peace treaty.

Michael Green claims that Japan was short of a choice but to abandon robust policy towards Russia due to so-called *Gaiatsu* (external pressure). In 1997 President Clinton made his infamous phone call to Hashimoto, searching for his consent on inclusion of Russia to G-7 summits, which eventually "catalyzed quiet rethinking of Russia policy already under way in MOFA, MITI and the prime minister's office itself."⁹ Tokyo decided to lead the process, rather than to be driven by external forces into the newly forming international reality, however inability to implement value driven political agenda led to partial failure of Eurasian diplomacy. Nevertheless, Hashimoto's policy did contribute to development of bilateral relations between Japan and the SC states and successfully introduced Japanese companies to the region, namely to the region's large scaled energy projects.

2.2 The Arc of Freedom and Prosperity and the SC

The second attempt to reconsider Japan's SC approach was in 2006, when foreign minister Aso introduced the policy of Arc of Freedom and Prosperity.¹⁰ As then counselor of Azerbaijan to Japan, Gursel Ismaylzade stresses, Aso's speech was perceived as statement of a new pillar of Japan's foreign policy, which hitherto was "based on three existing pillars: reinforcement of the Japan-U.S. alliance, international cooperation, most notably under the auspices of the United Nations, and relations with neighboring countries, namely China, Russia and the Republic of

6 Hashimoto, 1997.

7 Ferguson, 2008, 83.

8 Togo, 2014.

9 Green, 2001, 151-152.

10 Aso, 2006.

Korea.”¹¹ The speech was drafted in close cooperation with the specialists of the Black Sea and the Caucasus regions. The interest toward this region is believed to have served as a major incentive for elaborating this policy. However the Geography of the announced policy expanded from “Northeast Asia to Central Asia and the Caucasus, Turkey, Central and Eastern Europe and the Baltic states.”¹² The Arc encircles Russia forming the region, which in Mackinder’s geopolitical terms represents vital periphery of heartland – so called inner or marginal crescent. Spykman later reviewed Mackinder’s theory of Heartland supremacy and placed greater importance on this very inner crescent, which he calls Rimland - “Who controls Rimland controls Eurasia; who rules Eurasia, controls the destinies of the world” – argues Spykman.¹³ Rimland largely overlaps with the geographical area of the Arc of Freedom and Prosperity. From Geopolitical point of view, Western advancement in this Geographical area leads to the supremacy of Sea Powers and inevitable decline of Land Powers, thus represents immediate threat to Russia’s vital interests. The recent history of the Black Sea region proves that Moscow acts based on its Geopolitical interests, while for the West the primary goal is economic and ideological expansion.

The Arc of Freedom and Prosperity was supposed to be primarily based on “value oriented diplomacy,” promoting so-called Western liberal democratic values in the region. The Second dimension of this policy is focusing on economic cooperation, especially in such field as energy security, whereas Georgia and Azerbaijan are seen as “extremely important with regard to the supply of natural resources to the globe.”¹⁴ Undoubtedly, Russia did not welcome Aso’s policy and its implementation would negatively reflect on Russo-Japanese relations. As one Georgian diplomat mentioned in the interview with the author, “The Arc of Freedom and Prosperity is a stillborn policy, unless Tokyo is ready to pursue rather assertive policy toward Russia.”¹⁵

2.3 Low Posture in Japan’s aid Policy

Indeed, Japan’s SC policy cannot be discussed out of the context of the major actors’ interests involved the SC’s international politics, namely the interests of Russia and the U.S., or even newly emerging China. Inserting political agenda in the SC policy is highly likely to counter these interests and trigger the possibility of undermining Japan’s policy on a higher, multilateral level. Tokyo has been reluctant to take sharp position in the SC’s internal and/or international conflicts. For ex. being the West’s ally Japan recognizes and supports Georgia’s territorial integrity, but has always been reluctant to make critical statements towards Russia. On the contrary, In July 2011 the web site of Japan International Cooperation Agency (JICA) uploaded a map of Georgia without its breakaway regions of Abkhazia and South Ossetia (See map 1). The next day the author interviewed a representative of the MOFA, who explained that JICA displayed only the map of the regions where it operated in and had no political background behind it. Abkhazia and South Ossetia were absent as JICA had never conducted any project in those regions.¹⁶ Nevertheless, the map was taken down from the web site the same day. Moreover, the argument was less convincing, as for ex. Azerbaijan’s breakaway Nagorno-Karabakh region, which as well had never been targeted by JICA projects, was included in the same map. Attempts of MOFA to reconsider uncompromised stance towards Russia have traditionally been regarded as a policy lobbied by relatively pro-Russian representatives of so-called Russian School. However, we cannot exclude the possibility of a mere technical mistake on a lower bureaucratic level. Thus,

¹¹ Ismaylzade, 2008, 196.

¹² Aso, 2006.

¹³ Cohen, 2003, 22.

¹⁴ Aso, 2006.

¹⁵ Georgian diplomat, Tokyo, April 22, 2013.

¹⁶ Employee of MOFA, Central Asia and Caucasus department, Tokyo, July 26, 2011.

any farther considerations over this incident without deeper research of an actual reason behind it bear the risk of stepping into the sphere of ill-founded speculation.

Map 1



Map taken from the Web page of JICA, accessed July 2011,
<http://www.jica.go.jp/english/countries/asia/index.html>.

Noteworthy for us is that unlike the EU or the USA, Japan has been reluctant to elaborate peace building oriented projects even on aid level. The United States Agency for International Development (USAID) has been actively supporting various conferences, symposiums, etc. aimed on promotion of intercultural and interethnic dialogue¹⁷ and even provided direct aid to Nagorno-Karabakh region. The EU has been committed to “funding for conflict resolution efforts through its financial instruments”¹⁸ and aided joint infrastructural projects aimed on re-establishing the flow of goods and electricity between conflicting parties.¹⁹ However, Tokyo’s aid agenda never included the projects directly related to the conflict regions.

Russia is not the only factor, Japan has been taking in consideration when pursuing its SC policy. Tokyo is reluctant to get involved in any international action, which potentially bears incoherence with the Western interests in the region. This halted Japan’s aid allocation to Armenia’s North-South road corridor project.

In the late 2000s landlocked Armenia initiated a large scaled infrastructural project, aimed to establish connecting road between Georgia and Iran. This road has greater importance than just an infrastructural entity. As Davtyan stresses, the road facilitates “the transit role of Armenia and becoming the major highway corridor between Europe, Iran and Central Asia, thereby softening the dual blockade, imposed by Turkey and Azerbaijan.”²⁰ Iran strongly supported the project, while it was causing certain fears amid the Western politicians. Iran was under the U.S sanctions due to the disagreements over Teheran’s nuclear projects. Thus, a highway project facilitating flow of goods between Iran and Armenia, where Russian military bases are stationed, was not welcomed in the west.

17 The author himself has participated in several these sorts of events.

18 European Union External Actions, “EU relations with Georgia,” accessed September 23, 2015, http://eeas.europa.eu/georgia/index_en.htm

19 For ex. EU financed rehabilitation of the Enguri Hydropower plant, or railway station in Tskhinvali and so on. See: Popescu, 2009, 198.

20 Davtyan, 2014, 34.

The Author obtained a document, which shows that Armenian government officially requested Tokyo for the loan to fund the project.²¹ Japanese company Padeco, which is consulting JICA-funded Georgia's East-West Highway construction, had already made a feasibility study in Armenia and as Padeco representative told the author; they had high expectations that Japan would provide funds for North-South project as well.²² According to Armenian Official, interviewed by the author, initially Japan agreed to fund the Iran-linking southern part of the road, but "due to America's pressure" Tokyo reconsidered the aid allocation and would most likely fund the northern part of the road.²³ As a result neither the northern part was funded by Japan. Later Armenia raised necessary funds from international banks and organizations, whereas the major donor is Asian Development Bank (ADB). The sanctions against Iran have been lifted, but certain fears over farther developments remain, as alongside to the road, Armenia is working on establishing a railway access to Iran. If Armenia succeeds in implementing the railway project and Georgia restores its railway over Abkhazia to Russia, as Ivanishvili's new government declared after sweeping elections in 2012, then Russia will gain direct and fast overland access to Iran.

As we can see, Japan has been endeavoring not to challenge or upset neither Russian, nor Western interests in the region. Maintaining low posture in such complicated region has its merits in terms of pursuing other international goals. However, it demonstrates Tokyo's inability to make independent moves on international arena and follow its declared goals, which inevitably extends negative effect on Japan's long-lasting leadership ambitions.

3. Low Interference

This chapter presents the insight of Tokyo's traditional reluctance to cooperate with civil society groups of a developing country. Stressing the importance of civic culture²⁴ for a state's democratic development, we point out the ineffectiveness of Japan's policy in the context of democratization process.

3.1 Importance of Civic Culture and Georgia's Case Study

Lack of freedoms, corruption, unconsolidated democracy and underdeveloped civic culture are among the major problems, the SC states have been facing. In terms of civil liberties Georgia has made relative progress, notably since the Rose Revolution, whereas Armenia did not advance much and Azerbaijan is dropping backwards (see chart 1). According to Transparency International, within last 10 years Georgia improved its position in CPI (corruption perception index) world ranking from being 133rd in 2004 to 50th in 2014, outstripping such European countries as Italy, Czech Republic, Croatia and so on. In the same ranking of 2014 Armenia ranks 94th and Azerbaijan 126th. According to World Bank's ease of doing business ranking of 2105, Georgia ranks 15th out of 169 economies, whereas Armenia and Azerbaijan hold respectively 45th and 80th positions.²⁵

The score is based on two numerical ratings—from 1 to 7—for political rights and civil liberties, with 1 representing the most free and 7 the least free.

21 Request of Japanese ODA Loan to Armenia North-South Road Corridor Project, May 20, 2010.

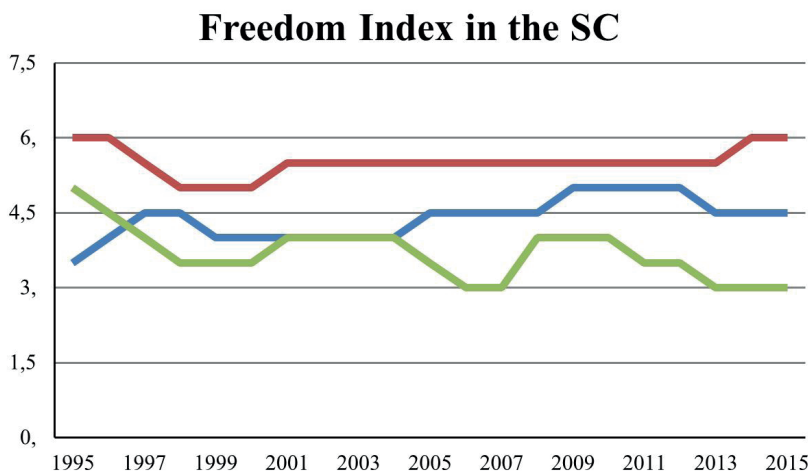
22 Padeco representative, Tbilisi, August 14, 2012.

23 Armenian official, Yerevan, August 22, 2012.

24 Civic Culture as it was defined by Almond & Verba, 1963.

25 The World Bank, 2014, 4.

Chart 1



Based on the data of Freedom House organization.

Georgia's progress was largely facilitated by rapidly developing civil society and civic culture in general. According to Almond and Verba civic culture refers to the level of the society's involvement in the political processes, such as delegation of political power to the government – so called input, and how the government exercises the power it is endowed with – so called output. The highest level of civic culture (participatory type) is generally inherent to democratic societies, in which the citizens manage to influence the government in various ways and are actively involved in both input and output. The concept of civic culture still remains amorphous and leaves a lot of room for scholarly debate, notably for the specialists of comparative politics. Although, despite its “deliberately vague conditioning concepts” this theory still enjoys considerable popularity among specialists of political science and finds certain implications among historians as well.²⁶

Basing on Almond and Verba's classification, it can be argued that most of the post-communist societies fall under the definition of subject political culture, where the citizens are well aware of the political institutions and actors, and display significant interest in government's output of power, but at the same time reluctantly participate in the process of formation of administrative political bodies. Societies, in which the whole generations were shaped within the Soviet Union, do not have a tradition of participating in formation of the governmental bodies, not to speak about active civil societies.

However, the beginning of the 21st century marked a breakthrough in the development of Georgia's civic culture. The civil society groups (notably the movement “Kmara”- Serbian “Otpor's” Georgian counterpart, nongovernment organization “Georgian Young Lawyers' Association” etc.), which enjoyed strong financial support from Western international foundations, emerged as substantial political actors and eventually played a crucial role in the mobilization of politically active parts of the society in order to overthrow Shevardnadze's corrupt regime.²⁷ Proactive civil participation in political life resulted with the revolution, which subsequently

²⁶ For the review of a scholarly debate on the political culture see: Formisano, 2001, 393-426.; Lehman, 1972, 361-370.

²⁷ For the role of civil society during the Rose Revolution see: Agle E., 2010.

led to progressive reformation of Georgia. The new government which largely was formed by the representatives of the civil society groups made immense progress in decreasing the crime rate and corruption, and increasing the doing business rate, freedom rate and so on.²⁸ Later, in 2012, because of the unprecedentedly proactive and wide participation of Georgian society in the political processes, the country made the first historical precedent of a peaceful regime change by elections. At the same time it is a rare case in the whole region and is widely evaluated as a breakthrough towards more consolidated democracy.²⁹

Non-government organizations and other civic groups largely contributed to the rise of social awareness of political participation on individual, as well as segmental level of the society. Large number of civic activities became possible mainly due to the proactive foreign support and international cooperation, which was not limited to financial aid only. Logistic cooperation, consulting activities and diplomatic support on intergovernmental level as well were crucially important for the significant breakthrough in the civic culture of Georgian society.

3.2 Japan and Democratization in the SC: self-help philosophy vs. good governance

The core philosophy of Japan's aid policy, so-called Jijodoryoku (self-help effort) fully corresponds with the very idea of cooperation the civil society. If the first ODA charter (1992) focused solely on the socioeconomic aspect of Self-Help philosophy, the second charter (2003) stressed that "ODA is to support the self-help efforts of developing countries based on good governance, by extending cooperation for their human resource development, institution building including development of legal systems, and economic social infrastructure building, which constitute the basis for these countries' development."³⁰ As above-described example of Georgia's civic culture shows, civic participation is crucially important for development of good governance and institution building. However, unlike the Western countries' approach, Tokyo has been reluctant to cooperate with politically active civil society groups. Japanese official documents, as well as diplomats and officials often stress that "Japan respects the ownership by developing countries,"³¹ whereas Western type of cooperation is perceived as interference in the domestic issues of a recipient state, which can jeopardize humanitarian aspect of the cooperation. One of the chief dimensions of the Western policy in the SC, namely democratization and promotion of civil society, is not always attractive to local elites. Particularly, Azerbaijan took repressive measures against the civic groups. In 2000 Azerbaijan adopted a new progressive, liberal law on NGO activities. Major pipeline projects to transfer Caspian energy resources to the Black Sea, Turkey and farther to Europe, were still underdeveloped and Baku was searching for stronger ties with the West in order to secure its economic and diplomatic goals. However, later in the late 2000s and 2010s the law has been revised several times; first creating more obstacles for NGO registration and then restricting foreign aid flow for civic groups. The new amendments to the NGO law caused heavy criticism of the Western organizations.³² However Baku gained strong financial background and maintains the position of an important energy supplier for the West, which "overrides concern for the poor state of democracy and human rights."³³ Economic

28 For Georgian reforms after the Rose Revolution see: Burakova, 2011.

29 For ex. see the reports by Freedom House for the previous and the following years of the elections.; For the evaluation of the civil society's role in elections see: Goginashvili, 2013, 71-86.

30 Japan's Official Development Assistance Charter, 2003.

31 *Ibid.*

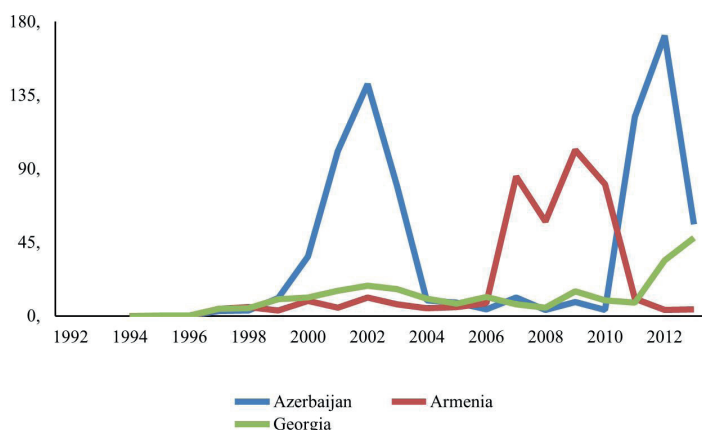
32 For detailed description of the amendments and their international evaluation see: Bilkova, Clayton, Thorgeirsdottir & Van Dijk, 2014, 4-5.

33 Raik, 2011, 5.

and Geopolitical conditions allow Azerbaijani elites to develop rather confident internal as well as external policy. Despite the heavy criticism, the West has been reluctant to impose any type of conditionality on Azerbaijan. Kobzova and Alieva claim, that “this conditionality-free approach has brought Europe few benefits and continues to discredit the EU in the eyes of Azerbaijani society.”³⁴

Energy security was the main incentive to strengthen the relations with Azerbaijan for Tokyo as well. In the Second half of the 1990s such Japanese corporations as Itochu and Mitsui started large-scale investments in Azerbaijan. After Hashimoto declared his Eurasian Diplomacy, Japan's foreign minister Komura visited Baku (the first and the only minister level visit to the South Caucasus) and farther cooperation was facilitated by long term, low-interest loan agreements.³⁵ At the same time Azerbaijan was the first country in the SC to host Japanese embassy. Later despite the proclaimed Value-Based Diplomacy towards the Arc states, Japan remained reluctant to take position over the deficit of democracy, hence the economic interests prevailed. In fact, the wealthiest SC state, with allegedly the least developed democracy remains the largest beneficiary of Japanese foreign aid in the region (see chart 2). Although aid allocation has been the main foreign policy tool for Tokyo, Aso's proposed policy never found its implications on Japan's aid disbursement in the SC.³⁶

Chart 2 Japan's aid disbursement in the SC according to each year. Denomination – Million USD.



Based on official data of MOFA.

3.3 Incident over 2KR Project

Japan has been maintaining conditionality-free approach, with clear reluctance to engage in development of civil society. At the same time Tokyo refrained from making critical statements over the state of democracy, human rights, civil liberties or transparency, even if it directly concerned the projects involving Japan. The incident over the tractors provided by Japan to Georgia is another blatant example.

In 1996, in the framework of Grant Aid for the Increase of food Production (also called 2 Kennedy Round or 2 KR project) Japan took responsibility to allocate 2 560 million yen worth of aid for development of Georgia's agricultural sector. Part of the fund was spent on purchase of 367

³⁴ Kobzova & Alieva, 2012, 2.

³⁵ For rather detailed analysis of Japans first steps in Azerbaijan see: Dekmejian & Simonian, 200,146-148.

³⁶ Total amount of Japan's aid to Azerbaijan exceeds 774 million USD, while total aid disbursement to Armenia and Georgia is respectively 406.8 and 237.23 million USD. See MOFA's official data.

tractors. Unofficial conversations with Georgian diplomat and an official of Georgia's ministry of agriculture revealed that part of the tractors went missing. One of JICA representatives neither denied nor confirmed the case of misappropriation as well. However, during all other interviews, none of the officials of JICA and/or MOFA confirmed the incident. At the same time, Georgian side failed to allocate the part of the fund, which it had taken the responsibility to provide. In fact the incident halted Japan's farther engagement in 2KR project. The author obtained the copies of notes exchanged by the two governments, which discussed the terms of continuation of the project. Japanese side requested Georgian government the reimbursement according to taken obligations, however dispute continued until 2008. Meanwhile no large-scaled project was implemented in the frames of Japan-Georgian cooperation, but Tokyo did not halt grants, grassroots projects and technical cooperation.

Georgia's post-Rose Revolution government representatives, namely the Prime Minister Gilauri, deputy minister Tsintsade and the minister of agriculture Kvezereli, who were actively involved in negotiation process, successfully reestablished friendly relations with Japan. The tractors were said to have been stolen during the Georgia-Russian war in 2008, which appeared to be fully acceptable explanation for Tokyo. At the donor conference held in Brussels, Japan, together with the western governments took responsibility to provide large aid funds in order to help the post-war rehabilitation efforts, and became the second largest donor following the USA. The negative impact of 2KR project's failure was overridden by the importance of maintaining favorable bilateral relations.

4. Low Risk

The case studies discussed in the previous chapters demonstrate certain mismatch between Japan's stated policy and practical actions in the region. It can be argued that, on the scale of priority goals, preservation of favorable intergovernmental relations with the SC states and consideration of interests of the region's powerful actors prevail, whereas support of democratization, as well as boost of Tokyo's political presence in the region ranks the least. Policy based on political factor-free ODA does facilitate those goals, but at the same time inflicts considerable portion of criticism both internally and internationally.

Pursuing non-political ODA based policy minimizes the risks for Japan's international policy, economic interests and humanitarian purposes. On bilateral level, Japan maintains the image of an unconditional supporter, ensuring the counterparts pro-Japanese attitude. While on international level, Japan's SC policy doesn't jeopardize relations with its Western partners and leaves extensive room for adjusting its Russia policy. While Russia has been traditionally perceived as a country, which occupied part of Japan's northern territories, the two countries did succeed to elaborate mutually lucrative economic ties. Moreover, Japan places significant focus on partnership with Russia in terms of diversification of energy import sources. Promotion of Russo-Japanese bilateral partnership is seen by Tokyo as a strategic step towards solving the territorial issue, however, in fact, the problem of islands is being overridden by the importance of economical factors. Such prioritization in turn plays furthermore impeding role to Japan's political engagement in Russia's backyard.

Building favorable bilateral relations through the ODA policy facilitates advancement of Japanese companies in the region, since most of the grant projects are tied to Japanese companies. Even though long-term yen loans are not officially tied, practically most of the projects are partly or fully implemented by Japanese companies. Encouraged by the ODA projects the companies are expected to extend their activities in the region, thus strengthen bilateral economic links and promote internationalization of Japanese companies. For ex. Padeco gained ground in Georgia

through JICA funded East-West highway project, what later served as base for advancement to Armenia as well. Being one of the first companies on the ground and timely investing in the feasibility study of Armenia's North-South road construction allowed Padeco to engage in non JICA funded project as well. Mitsui & co. Ltd., which was the main contractor for JICA funded Shimal Gas Combined Cycle Power Plant construction project (2004),³⁷ successfully extended its activities to Armenia, obtaining contract for implementation of Yerevan Combined Cycle Co-generation Power Plant project (2006) as well. Crucial factor for successful engagement was knowledge of the region, namely needs and development trends, as well as political situation between Armenia and Azerbaijan, given the condition that a company operating in one country is not always welcome in another, thus some preliminary work is needed to avoid various impeding factors.

On the other hand, the beneficiary states are motivated to facilitate stronger presence of Japanese companies, given the importance of public-private relations in the ODA allocation process. As Arase argues, the distinguishing characteristic of Japanese ODA "is the structural inclusion of private sector actors in policymaking and implementing structures and this is the point that needs emphasis."³⁸

Along with bilateral political and economic relations, Japan places great importance on humanitarian motives in its foreign aid policy. Despite well-founded criticism over Tokyo's mercantilist objectives underlying its ODA policy, element of altruism plays significant role in shaping the aid design as well.³⁹ It is especially visible in such region as the SC, where Japan's political and economical motives are constrained by geopolitical hindrances.

If Azerbaijan and Georgia are often seen as important access to Caspian energy sources, for Japan Armenia has less importance as a resource exporter and even less importance as a transit corridor. However, Japan has been developing highly responsive aid policy to Armenia's infrastructural or human security needs as well.

It can be claimed, that one of Tokyo's main objectives is to secure the humanitarian effect of its assistance. As Japanese high-ranking diplomat Sunaga Kazuo stresses, Japan develops intergovernmental relations in order to alleviate concerns over the aid projects, "because what ultimately matters is how to best grasp and respond to the actual needs of developing countries".⁴⁰

Conclusion

Japan's foreign policy has often been criticized to be faceless, pursuing so-called Checkbook Diplomacy and lacking consistency with the stated goals. At the same time, due criticism has been addressed to the mercantile motives behind the ODA projects. However, politics-free ODA has significantly contributed to establishing a foothold of Japanese diplomacy in the SC. Nevertheless, the positive potential has not been exploited due to above-mentioned geopolitical hindrances. Japan places greater importance on coordination of its policy with the US interests, which are strongly presented in the region, avoid countering Russia's interests and upsetting bilateral relations, rather than boost of its political presence and international importance.

Tokyo is still reluctant to introduce political agenda in the region of Russia's high interests. Despite Abe's hawkish policy on certain foreign dimensions, he is endeavored to re-approach Russia in order to keep his vow to solve the long-lasting territorial issue. Although Japan did follow its G7 counterparts and imposed sanctions on Russia, it was rather an outcome of an external

³⁷ For details see external evaluation of the project: Katagiri, & Itoh, 2007.

³⁸ Arase, 1994, 172.

³⁹ For ex. see: Sunaga, 2004.; Tuman & Strand, 2006, 61-80.

⁴⁰ Sunaga, 2004, 16.

pressure, than Tokyo's voluntary act. Japan's sanctions are the weakest among G7 members. Tokyo targeted bonds of 5 Russian banks,⁴¹ which did not have any considerable representation on Japanese market. Import-export transactions related to arms or military technologies were sanctioned as well,⁴² however Japan-Russian military cooperation was heavily underdeveloped from the beginning, thus no significant harm was inflicted on Russia. Sanctions against individuals are limited only to people involved in self-proclaimed governments of Crimea and Eastern Ukraine, and several members of Yanukovich's regime.⁴³ In fact, the sanctions did not target any Kremlin official. Despite relatively harmless sanctions, Russia responded with angry statements and increased the number of military flights near the border.⁴⁴ Japan avoided any farther actions antagonizing Russia. However, In October 2015 Moscow announced farther build up of military presence on Kuril Islands,⁴⁵ which could have been taken as a failure of Japan's Russia policy. Nevertheless, Abe is less likely to abandon his balanced policy toward Russia and endeavor to boost Japan's political presence in the SC.

Georgia's example of civil society's development and following progressive reforms do prove the effectiveness of the Western policy to support civic groups, contributing to elevation of civic culture in the society. Raising the awareness of Political participation and providing the platform for intellectual search for the governance knowhow spurred remarkable progress in Georgia. We do not intend to make a worldwide generalization of Georgia's case study, since, cooperation between civil society and foreign donors covers wide range of aspects regarding the positive and negative effects of such interference in a developing country's political life and needs deeper scholarly debate. However, considering cultural and socio-political background of the SC countries, development of civic culture is vital for democratization process. Hence, Japan's policy of non-cooperation with civil society and sole focus on bilaterally lucrative economical projects promoted by the ODA at least do not lead to promotion of democracy and at most facilitate non-democratic processes in the beneficiary state. It can be claimed that announced "value-based" approach has not found reflection in actual policy. On the other hand, Tokyo doesn't undermine Japanese business in a recipient country and minimizes the risk of deterioration of bilateral relations.

Comparing the three SC states, Azerbaijan enjoys the highest level of cooperation with Japan. The argument of Tokyo's resource oriented foreign policy is relevant, however not sufficient enough, since, according to JETRO the share of Azerbaijani oil in overall Japan's oil import is extremely low and according to year, sometimes equals to zero. Analyzing through the concept of Low Relevance and High Purpose, it can be argued that Baku's geopolitical conditioning, namely well preserved balance amid clash of the influential powers in the region, as well facilitates development of Japan-Azerbaijani bilateral relations. Despite the announced value based policy, democratization level of a counterpart state hardly influences on Tokyo's decision making, hence neither Georgia, nor Armenia introduce more favorable conditions for Japan's farther engagement than Azerbaijan.

Allegedly poor strategy of Japan's foreign policy in fact provides essential maneuver space for Japanese diplomacy in the SC and keeps the risks low, as it was shown in the case studies. Overall, Japan is pursuing pragmatic and well-balanced policy under extremely sensitive circumstances of Japan-USA-Russia triangle in the region of extreme political complexity, with additionally

41 Ministry of Foreign Affairs of Japan, September, 2014.

42 Ibid.

43 Ministry of Foreign Affairs of Japan, August, 2014.

44 Reynolds, 2015.

45 BBC, October 22, 2015.

emerging China factor. However, the policy of Low Relevance and High Purpose, explained in this work has significant mismatch with Tokyo's certain goals such as international leadership, strengthening political presence and promotion of democratization processes in the region.

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