

RETROSPECTIONS AND PERSPECTIVES OF RUSSIAN DIPLOMACY ACTIONS IN 2006

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According to the author of this article, Prof. Miao Huashou – from the Euro-Asian Social Development Research Institute and from the Development Research Center of the PRCh State Council, Russian diplomacy may boast of many great successes in 2006. Russia once again creates its image of a great empire by demonstrating its geopolitical and economic influences. The country underlines this way its position of an empire equal to the USA. It will continue to strengthen its influences in the Commonwealth of Independent States and undertake all the efforts aiming to development of strategic partnership with the EU on equal rules. It will also develop its contacts with the USA, as well as it will continue political dialogue and economic cooperation with other, great world powers.

I. RUSSIAN FOREIGN POLICY IN 2006

You may often find a statement that “Russian foreign policy is changeable”. However, you shall also point out the fact that Russia categorically sets and implements the direction of foreign policy drawn by the President Putin. The aim of this activity is to keep secure and to strengthen its international position. According to the above one may point three primary principles, following which Russian foreign policy is shaped. These are initiative, proficiency and pragmatism. The principles are the characteristic feature of actions undertaken by the Kremlin at the international arena. In 2006 you could characterize them as follows.

1. **Organizing the G8 summit. During that time the Russian diplomacy had two main goals – to defend its state interests on the international forum and to strengthen its position of a world empire**

Organization by Russia, in Sankt Petersburg, the G8 summit became an effective tool of fulfillment of goals set for the diplomacy. Firstly, it was a great step in history of co-operation with other states at the international arena. Secondly, it made it possible to officially enter the club of the richest countries. Due to the fact that Russia puts a lot of effort to organize the G8 summit - not only to take part in it. The meeting of heads of the richest states was the mile stone of building new position of Russia of a world empire. Russian authorities were prepared to this affair not only in the substantial and propaganda aspect, but also in the economic one. The government assigned 10 billions rubles to organize the summit. The money was dedicated not only to the organization of the meeting, but also to prepare the substantial and technical infrastructure. The place of the meeting was also chosen not by a coincidence. Sankt Petersburg is described as the “capital of north” and since ages it is a place where cultures meet and views are exchanged. Organization of the summit gives you one more important privilege – leading the debate. It allows having an active influence on the taken decisions. Russia set itself three main directions following which the talks were conducted. Naturally, the directions were not pointed arbitrary by the Moscow. The character of the topics was consulted with other seven states. This way three main problem streams were pointed. First one was the energetic security, second – preventing spreading of infectious diseases, and the third one – the development of education. At the same time it was also pointed that there is a need to discuss matters concerning fighting the terrorism, preventing distribution of weapons of mass destruction, environment protection and also economic development as well as matters regarding regional conflicts.

Preparations to the summit met criticism expressed mainly by the US and Western Europe parliaments and media. However, Russian diplomacy managed to find common matters during the talks with other states. During the time before the summit main goal of the diplomatic actions was to find possibly broad support for these undertakings. For instance, the platform of the agreement for Russian diplomats and the US President were fighting the terrorism and prohibition of distribution of weapons of mass destruction. Multilateral talks during the debate eased it to come to an agreement about the energetic security and the situation in the Middle East and in other “burning points” in the world. Variety of businesses of Russia and other states that took part in the debates and different attitude do certain matters did not influence destructively on the summit. Nine common declarations were signed then, thanks to which common goals and platforms, causing serious moves, were pointed.

President Putin, in his speech at the end of the summit, said that he is satisfied because of many successes, which the G8 states had during the summit in Sankt Petersburg. Vladimir Putin underlined that all previously marked goals were fulfilled. According to the President of France – Jacques Chirac, the debates were a “great meeting on the top (...) It will remain in peoples memory”.

Summarizing, one may state that the Russian diplomacy reached goals set for it, which were defense of Russian influences and businesses, as well as strengthening position of their state of a world empire. Meanwhile actions of Russian diplomacy had an influence on change of the way of thinking in some countries. Russia is no longer seen in the cold-war categories, and its role of a world empire has been noticed. Organization of the summit has strengthened position of Russia among the G8 states.

2. The energy. Russia thanks to its natural resources not only strengthened its economic power and elevated its position of an empire, but also influenced Eastern states

In world economy, as well as in particular countries, the demand for energy goes up. Wealth of natural resources not only helps Russia to rebuild and develop its economy, but also it is a weapon of strategic importance in the rebirth of its imperial position. The energy is also an effective tool which can be used to limit infiltration of Russian domestic economy and politics, by western countries. In the conflict between Russia and Georgia or Ukraine the energy was an important factor of pressure. For member states of the EU dependence on energy coming from Russia is even more important and noticeable. Import of energy from Russia covers 44% of annual use of it in the EU, while $\frac{1}{4}$ of natural gas used there also is imported from Russia. According to prognosis in the near future this numbers will be higher. To the meeting of the 25 member states of the EU in Pupin Lahti, which took place on the 20th of October 2006 unofficially Vladimir Putin was invited. During the dinner he led an opened and genuine discussion with the President of Finland – Tarja Halonen. Putin presented a plan of energetic development of Russia and an offer of cooperation in this branch with the EU. Representatives of the 25 expressed their hope for closer cooperation with Russia, and for setting law frames and long-term, beneficial directions of cooperation. Puttin underlined that Russia is willing to develop cooperation with the EU based on common businesses.

It shall be emphasized, that the EU and Russia are, concerning economic matters, mutually dependent. Due to that, for both parties, strengthening the cooperation is necessary. However, solving the energy matters is still an obstacle, not easy to go through. In January 2006, due to an uneasy to reach agreement with Ukraine, Russia

stopped its deliveries of natural gas to that country. Until today the EU cannot recover after that fact.

The EU puts pressure on Russia to accept the agreements regarding the deliveries of energy signed in 1991 as Russia does not obey these contracts. They concern production, transit and investments in the energy sector. The EU aims to set clear rules concerning this matter and wants them to be abided by Russia as well as Eastern and Central Europe Countries.

Russian authorities are, however, aware of the fact that abiding these rules will weaken their position of a monopolist in the sector of exploitation and deliveries of resources to the EU. It will influence the process of setting prices of energy and will weaken the role of export. Russia will be forced to give advantageous conditions concerning transit deliveries of the energy resources from Central Asia to the EU member states. This is why Putin is in opinion that the present situation is not a good time when these agreements shall come to force.

In 1994, a partnership agreement between Russia and the European Union was signed and from 1997 it came to force. The agreement is in force until the 30th of October 2007. The EU Committee suggests Russia to possibly quick start the negotiations in order to sign a new agreement. Proposed by the EU, new text of the agreement concentrates on the energy and also on the trade exchange. However, there shall be, in this same document, notices concerning democracy, human rights, the emigrants' matters, cooperation in the security sector, etc.

Russia has clearly stated that the content of the new agreement shall concern main fields of cooperation for the future 10 or 15 years, and not pure solutions of the current matters.

Russia does not accept the project of the agreement proposed by the EU because of its too much attention to matters concerning the energy.

The energy dialogue between the EU and Russia will be slow and will meet various problems.

3. Raising the rank of relations between Russia and China. The rank of relations between the two countries has risen. A new level has been reached

Since 2006 development of Russian-Chinese relations came to a new level. In his speech, made via a Chinese-language website in Russia, President Putin pointed that relations between these states in near future will reach the best level ever. He also said that Russia and China, regarding many important international matters, have identical or close opinions and attitudes. The rapprochement is especially noticeable concerning matters of peace and stabilization on the European and Asian continent.

You may distinguish the following points, characteristic for Russian-Chinese relations in 2006; 1. intensifying the idea of everlasting friendship and avoiding enmity, 2. existence of mutual trust concerning politics, 3. improving mechanisms of meetings on various levels, 4. moving on to the next stage concerning the economic cooperation, 5. the year of Russia in China was very fruitful and helped the friendly exchange of people.

4. Development of the Shanghai Cooperation Organization. Russia keeps its significant influence on the political and economic situation in the region

Russia is the main founder of the Organization and one of the most actively working members. On the 15th of June 2006, in Shanghai, the 6th summit of the heads of the member states took place. It was agreed then that the members in the future will consult establishment of multilateral agreements concerning friendship, good neighborhood and multilateral cooperation. While analyzing the summit you may clearly notice that Russia is already aware of the fact that the SCO is for the country a great opportunity to improve diplomatic and economic relations and as well to strengthen its' security. The Organization has then a significant strategic meaning. Since 2005, when the new "velvet revolutions" took place, especially in the region of Central Asia and other SCO member states, Russia puts a lot of attention to functioning of the Organization. The pressure has been moved from the political ground to the military and economic ones. Russia, using the SCO, has actually ended the expansion tendencies of the USA in the Central Asia region. After the collapse of the USSR, Russia for the first time gained superiority over the USA in the Central Asia region. By this fact the Organization helped Russia to strengthen its influences on the neighboring and other countries of the region. Again it plays the role of a world empire.

5. Strengthening the economic power of Russia will have an influence on strengthening its position in relations with the USA

After the collapse of the USSR Americans permanently used opportunities to weaken Russia and to increase their influences in the Central-Eastern Europe and Central Asia. At the same time they were going to cause a total collapse of the CIS and establishment of absolutely independent states. The USA pursued the policy of weakening Russia and policy of putting pressure on the Russian Federation. The policy of the United States met a strong criticism from Russia. From the middle of 2005 Russia has changed its long-term concept of a passive-defensive attitude and

started an offensive policy. It has increased its investments and strengthened relations with the Central Eastern Asia. The USA has been forced to close its military bases and to withdraw its army from Uzbekistan. Russia signed mutual cooperation agreements with that country. However, it shall be mentioned that there is a great difference among vision of development of the region. Officially relations with these countries are acceptable. At first Putin undertook every action to improve the specific model of development of the country. In domestic policy he runs a specific model of democracy – the Russian democracy. In economy he introduces the free market model controlled by the state. Through diplomacy he forms a self-reliant and pragmatic foreign policy. He uses a wide political strategy, active and equally placed diplomacy on every direction.

Concerning military matters Russia puts pressure on modernization and creating new defense systems. It is aimed to control and influence military conflicts around the whole world.

In 2006 Russia undertook many actions in order to put challenges to the USA. First of all it concerned limiting and closing deliveries of natural gas to Ukraine. Pressure on Georgia, in the matter of South Ossetia, concerned active and comprehensive influencing domestic relations in that country. Russia shows this way its disapproval for the US actions supporting Georgia.

By exposing spy actions of the English diplomats operating on the territory of Russia, as well as enacting laws limiting actions of the non-government organizations the state has limited influences of other states on shaping its own policy. Simultaneously Russia forbade the US to intervene in their domestic matters.

Making an offer to the Iran, that Russia will enrich uranium ore, which is necessary for functioning of the economy of this country, was aimed to gain enough time for the Iran to undertake actions to achieve diplomatic solutions. In the UN Security Council Russia delayed the decision of enacting a resolution against Iran and of putting an embargo on that country. Russia was also against taking up active military actions against Iran and in public opposed to this hard policy of the US against this country.

Russia also invited the Hamas organization to make a visit in Moscow. This activity was clearly against the USA – its aim was to increase Russian influences in the Eastern Asia as well as to solve the Israeli-Palestinian conflict.

The above activities cause specific fears, however reaction of the USA was not firm.

Summarizing the above thoughts one may notice that in the activity of Russian diplomacy in 2006 you may find plenty of mistakes and faults. Especially it is noticeable in the context of relations with some CIS states, which have bearing on the current relations in the region. I.e., relations between Russia and Georgia, concern-

ing which the frames of bilateral relations has not been clearly and precisely specified. Similar is the situation with Ukraine. However, there are differences concerning the energy matters in relations with Western Europe. Not without meaning seem to be also attempts of influencing by the USA and the EU member states the domestic matters of Russia and the CIS states, made under a pretence of expanding democracy in the western grasp, on this area. These problems remain to be solved by the Russian diplomacy in 2007.

SUMMARY

Regardless of the previously mentioned problems Russia has changed many of the troublesome situations, which were making it dependent. Russia has limited influences of the USA and the EU in the Central Asia as well as in some part of Europe. On some extend it has changed its current situation. On many levels Russia has taken up active activities which are supposed to make its situation much better. It has led to strengthening the global position of Russia.

II. PERSPECTIVES AND TENDENCIES OF DIRECTIONS OF DEVELOPMENT OF RUSSIAN DIPLOMACY

On the 10th of May 2006, in his annual speech to the nation and during his speech to the diplomats on the 8th of June 2006, President Putin presented main directions of the Russian foreign policy for the next period. From the above mentioned speeches one may distinguish tendencies of Russian diplomacy development. These are:

1. Continuing strengthening influence on the CIS states, which is aimed to secure the dominating position of Russia in this region

The region is still the priority in thinking and range of interests for Russia. Due to that it has taken up all the efforts to keep its traditional influences. Meanwhile, Russian diplomacy is going to improve its system of balance between the USA, NATO, EU and Russia. The 'Velvet Revolution' in Georgia and the 'Orange Revolution' in Ukraine, despite the fact that they took place a year ago, caused a growth of caution in the Russian perception of the situation. However, infiltration of democratic influences of the USA and EU into these states has not been stopped – it has even grown. Bush, during his meeting with reporters, has challenged Putin. He said that democracy cannot be introduced in Russia, this same as it cannot be introduced in Iraq.

Putin responded that he does not want such a democracy. Despite from this oral conflict within some time there will be changes inside that states. Russia cannot do anything about infiltration of democratic mechanisms inside the CIS member states from the West and cannot stop their rapprochement. It may only, through its efforts and making its economic potential bigger, make these states dependent, and *ipso facto* make its influences in the region greater. In order to weaken the US and western states influences on that states Russian diplomacy has taken up activities which shall cause weakening the outside tendencies which are present among the CIS states and started policy of making them dependent to Russia. At the same time it is using its influences in those countries to increase its capital, which is the negotiating power in talks with the USA.

In order to find and to improve common points of interests of both parties it was supposed to improve relations between Russia and the USA in the region. It will provide conditions for the future to create good external conditions for the economic growth of Russia. However, in the near future, Russian policy towards the CIS, which might be:

- a) Continuation of adapting the process of democratization and socio-economic reforms in the CIS states. Russia will make efforts so that in those countries it will be possible to keep the continuity of the pro-Russian power. From the results of the presidential elections in Kazakhstan, Uzbekistan and Tajikistan one may notice that Russia has come to right conclusions after the events in Georgia, Ukraine and Kirgizstan. It has kept influences in those countries and towards states, which had officially challenged Russia, i.e. Georgia, the Russian government has taken up strong measures. This way Russia has shown that it will use all the available ways to hold back the negative for itself tendencies and to secure its interests in the region.
- b) Using totally different political, economic and military organizations existing in the CIS member states – Russia is strengthening relations with them. In order to keep Russian military presence in the region the role of treaties and organizations concerning common security has been strengthened. Through that activities Russia is making stronger its influences in the region. It causes deepening dependence of that states from Russia in the military and security aspects. At the same time it limits the thread to Russian security from that states themselves, as well as in aspect of possible alliances with western states.
- c) Russia is going to use the SCO and China for its own influencing in the Central Asia countries. This matter is to serve further strengthening of their cooperation with Central Asia countries, concerning economy and security. The activities are still a key undertakings, which are aimed to limit the US and

- western countries influences, as well as in the aspect of military, economic and socio-democratic infiltration of conditions to the Central Asia region.
- d) The energy is still the key element of putting pressure and blocking infiltration of free market and democracy mechanisms in the CIS member states area. The energy matters are used to its strengthen position in that region. Russia is expanding its influences through penetration of its own capital, energy, electric and communication potential. It is aimed to further domination of main strategic branches of industry and production in those countries.
 - e) In order to stop democratic and cultural influences of the West, Russia has taken up plenty of initiatives with the countries from that region. It has intensified the cultural exchange; it has improved funds for that; strengthened the non-government activity popularizing the Russian idea of culture and values. It has increased its own power of cultural and ideological influences in that countries – it shall lead to domination of Russian culture and values in the region, because Russia wants them to be dominating concerning creating opinions of the society.

2. Activities of Russian diplomacy are suppose to create strategic, equal and growth-directed relations with the EU

Putin, in the article from the 23rd of November 2006, underlined that “Russia is not trying to enter the EU structures, but it is ready create with the EU a comprehensive, equal and strategic relations”. At the same time he emphasized that “Russia and the EU, in recent years, have become partners concerning important political and economic sectors. Now cooperation between Russia and the EU is still directed on four basic spheres; common external security, common spheres of science, culture and education.” The Russian party declares being ready to create in the future a partnership relations with the EU, but in practice fulfillment of these goals will not be easy. Russian diplomacy will conduct activities in two directions, which are:

- a) Strengthening cooperation with the EU in the political sphere, while preserving close relations with Germany and France. Despite the fact, that due to the stance of Poland negotiations concerning the new partnership treaty between Russia and the EU could not be immediately started, general tendencies of the development of the relations will not be stopped. This matter made Russia aware of the need of putting more attention to loosening relations with former “little partners” from Eastern Europe. However, preserving and strengthening close relations with Germany and France will still be the key point concerning the development of relations with the EU. At the same time,

during the rapprochement with the EU, Russia will keep its “border lines”, which means that it will not enter structures of the treaty/alliance. Putin has clearly expressed his stance concerning that matter. According to him Russia, in the predictable future, will not enter the structures, as well as it will not politically penetrate Europe.

- b) The economic unification may happen in some time. From the 30th of October 2007, the treaty concerning mutual economic relations between Russia and the EU will be no longer in force. Due to that, taking into account further deepening of the trade cooperation, the problem shall be solved in the ‘pattern way’ – through signing a new treaty. The EU Commission suggested to start the negotiations that shall lead to signing the new treaty with Russia as soon as possible. Russia has not abolished the prohibition to import Polish meat, and Polish veto stopped the start of the negotiations process. The negotiations were supposed to begin in November 2006 during the EU summit. However, it did not take place due to the Polish veto, supported by the EU. Russia imports from the EU meat which is valued at 2.2 billion USD. The best solution would be to find common solutions and compromises between Russia and Poland. But Russia and the EU have mutual needs and dependences. One of them is the trust of Russia to open its energetic market and to sign a contract to deliver energy resources. Securing long-term and stable energy supplies is the key element for the EU. Keeping stable relation of the economic cooperation with the EU is causing economic penetration between the two. Also for the economic development of Russia stable development of cooperation with the EU is necessary. So for both parties it is important that the relations does not get rigid. The ministers of foreign affairs of Russia and Poland expressed a will of immediate finding of a positive solution to that matter. It will allow to begin further negotiations between Russia and the EU. Signing the very contract seems to be just a matter of time.

3. Continuing expanding diplomatic relations with the USA – this matter is the priority direction for shaping mutual relations with the United States

There are traditional differences between Russia and the USA, which might be characterized as mutual containment and counteraction. The tendencies has not been yet weakened (Policy of containment). However, from the economic point of view, and taking into account securing its international position, Russia will keep its consulting stance. On this ground it will actively strengthen cooperation with the USA in the sphere of fighting against terrorism and proliferation of mass-destruction

arms, and the energy matters. However, in the further development of relations with the USA, Russia will still keep some limits. These are aspects concerning the CIS and Russia military potential, problem of the Balkan region and the Arab world, Israel, the nuclear matter of Iran and North Korea. Russia, concerning these matters, will definitely defend its interests. Tendencies of Russian policy towards the USA are;

- a) To continue development of cooperation with the USA concerning the fight against terrorism and proliferation of mass-destruction arms and to assure the atomic security.

Russia is aware of the need to prevent nuclear proliferation in Iran and North Korea and in the Middle East. The USA, in these matters, may treat Russia as the strategic partner. At the same time Russia is awake of the fact that conducting different policy in these aspects will have negative effects on itself. Due to that, Russia will surely undertake certain activities according to the aim that has been defined in the common declaration concluded between presidents of the two states. The diplomacy will cooperate in the sphere of the struggle against terrorism and preventing sale of radioactive material. However, during the practical realization of the formal arrangements, Russia will still undertake some activities which are aimed to secure its own businesses, even in contrary to the arrangements with the USA.

- b) Still Russia and the USA will be going to preserve strategic balance at the international arena. Russia is aiming at preserving global atomic balance, in the military field, with the USA.

Russia is going to develop its nuclear arsenal in order to be secured from a potential attack. It is going to keep symmetric strategic balance with the USA. This is the key point of Russian foreign policy in relations with the USA, especially, due to further strengthening the economic potential of Russia and the speed up of creation of the antimissile system on the Russian border. In the future Russia will carry out research on the new type of antimissile protection. It will be going to develop its own air and cosmic space defense system. In order to secure its nuclear matters according to Putin cooperation with the USA will be more beneficial.

- c) To actively develop energy cooperation with the USA.

In recent years the market price of energy is on a very high level. The plentitude of oil and gas not only has remarkably contributed to the development of domestic Russian economy, but has also influenced strengthening the stance of the country concerning exchange with foreign partners. Even the USA needs supplies of oil from Russia. The perspectives of the energy cooperation of Russia with the USA will probably be good. Due to that, Russia will still try to protect its leading world position of the energy safety. I.e.

the natural gas pipelines to Northern Europe, the pipeline to the Far East have a strategic significance. Building great energy objects has a strategic meaning for Russia. The building will be an important opportunity for Russia to expand its export of resources to the whole world. It is especially important concerning presentation of Russia as an energy superpower.

d) Russia will adapt to the US actions and will not react.

Expanding the NATO to the East and putting, by the USA, pressure on democratic freedoms in Russia, forces Russian authorities to strengthen and modernize its military force and to improve their army equipment. Russia wants to achieve that by cooperation with France, Germany etc., and by contributing to the development of self-reliant military forces of Europe. It shall stop the development of NATO to the East and counterbalance the influences of the USA in Europe. At the same time Russia underlines that it will follow its specific democratic way. Russia will support every CIS member state in entering the road of self reliance and independence. Consequently Russia will assist every of that countries to develop its own system of defense and will jointly create a protection of the defense and legal system. In that aspect coordination between Russia and the Commonwealth states will be improved. Concerning the countries, which will on public challenge Russia it will be an excuse to react and punish, in order to prevent the Commonwealth from collapse. In the key matters Russia will not easily resign from protection of its own businesses. However, if the USA will not put to much pressure on the Russian authorities, Russia will not aim at confrontation with the USA and it will not change the status quo rules, and will remain at the middle-of-the-road position.

4. Expanding economic cooperation and political dialogue with big countries such as China, India and Japan.

a) Further strengthening and development of strategic and friendly relations between Russia and China. It will take place on various grounds:

- further strengthening of political relations by improving mutual political trust;
- concerning the SCO alliance – strengthening cooperation of Russia with China will take place, which is aimed to reduce the pressure of NATO, CIS and Central Asia etc.;
- deepening cooperation, technology and consultant exchange, in the military sphere. It will cause an rise of sale of arms to China, on beneficial to

- Russia terms, and will keep the influence on this huge Chinese market. Meanwhile Russia is aiming to organize military maneuvers with China in order to improve the level of the substantial and strategic cooperation;
- intensifying the energy cooperation between Russia and China – Russia will search for profitable opportunities to strengthen cooperation in the energy sector, in order to get some percentage of the Chinese market of oil. Meanwhile Russia is trying to export gas, oil and electric energy to China. In its plans for the future Russia puts a lot of attention to the energy cooperation, not only in certain aspects of it, but also in general;
 - to take advantage of the success which was the Russian Year in China in 2006, as well as the Chinese Year in Russia in 2007, in order to activate and strengthen relations in the sphere of political, economic, science and humanistic matters, as well as to improve the cultural and bilateral social exchange. Creating strong interpersonal foundations will be the base for strengthening strategic friendly relations between Russia and China.
- b) To deepen the strategic and friendly relations between Russia and India.
- Due to its needs, Russia is going to strengthen cooperation with India in the sphere of the military and energy industries as well as foreign trade, aim to create establish new strategic partnership with India.
- In the future the general direction of development of these relations will be following:
- Russia will strengthen cooperation with India concerning the nuclear energy, electric energy (the energy from coal) and water-power stations and exploration and exploitation of oil;
 - mutually, sale of weapons will take place, so that in the future, step by step, it will be brought to the level of cooperation in the sector of modernizing and production of arms;
 - both countries will strengthen the exchange of high technologies and the IT. At present the trade exchange between the two is exceeding 5 billions USD, of a half is the sale of military equipment.
- c) Russia will be aiming to, through organizing various summits, develop its political and economic relations with Japan. Currently the biggest issue, in that development, is the matter of ownership of four Kuril islands. President Putin has clearly said that Russia is not ready for negotiations with Japan concerning the ownership. Meanwhile, he emphasized that the Russian party wants to solve all matters of argument, with neighbor countries, including Japan. Russia perceives the actual alliance of Japan and the USA. Due to that, in long term, it will take into account only strengthening the economic relations with Japan. It will most of all concern trading oil and gas. However, on

the other hand, as its economy revives, Russia will watch closer the development of relations with Japan, including securing and growth of domestic businesses. At present, on the Japanese political arena, the Right and the conservative are in power. Despite that, the Minister of Foreign Affairs of Japan expressed the will to divide the four islands between the interested parties. However, whether Russia will agree to that solution is still questionable. Due to that, in the nearest future, the problem of ownership of the four Kuril Islands will be difficult to solve. Because of that fact the economic cooperation between Russia and Japan, which is mostly oil and gas trade, will not achieve a quick development.