



Japan's Foreign Policy (1991-2016) in the South Caucasus

Ali Golmohammadi 

Assistant Professor, Department of South, East Asia and Oceania Studies, Faculty of World Studies, University of Tehran, Tehran, Iran. Email: golmohammadi.a@ut.ac.ir

ARTICLE INFO

Article type:
Research Article

Article History:
Received 26 October 2024
Revised 27 October 2024
Accepted 29 October 2024
Published Online 29 October 2024

Keywords:
Eurasia,
Foreign policy,
Japan,
Official Development Assistance,
South Caucasus.

ABSTRACT

This article examines the dynamics of Japan's foreign policy in the South Caucasus, with a focus on the factors and strategic initiatives shaping its approach in this geopolitically sensitive region. The study addresses Japan's challenge in balancing its diplomatic ambitions with the competing interests of major powers, such as Russia and Western countries. The guiding research question is: What factors and initiatives influence Japan's foreign policy in the South Caucasus? The hypothesis posits that Japan's foreign policy is primarily driven by economic interests and geopolitical constraints, leading to a restrained and low-profile approach. Methodologically, this study conducts a qualitative analysis of Japan's Official Development Assistance (ODA) initiatives, diplomatic engagements, and regional collaborations, supplemented by an in-depth literature review. Findings reveal that Japan's non-intrusive stance, supported by its ODA strategy, fosters a favorable image while reducing diplomatic risks. Although modest, Japan's diplomatic efforts contribute meaningfully to regional development; however, these efforts face limitations due to geopolitical pressures. Ultimately, this article argues that Japan's foreign policy in the South Caucasus reflects a pragmatic equilibrium between expanding its international presence and avoiding conflict with dominant powers, illustrating the nuanced nature of Japan's diplomatic strategies.

Cite this article: Golmohammadi, A. (2024). Japan's Foreign Policy (1991-2016) in the South Caucasus. *Journal of Iran and Central Eurasia Studies*, 7 (1), 31-44. DOI: <http://doi.org/10.22059/ijces.2024.384379.1075>



© Ali Golmohammadi
DOI: <http://doi.org/10.22059/ijces.2024.384379.1075>

Publisher: University of Tehran Press.

Introduction

The South Caucasus occupies a critical geopolitical position within the Eurasian region, serving as a gateway between Asia and Europe. Its energy resources and strategic location hold particular importance for Japan. Establishing peace and economic stability in this region aligns with Japan's economic interests and the broader goal of regional stability. As a major global economy, Japan seeks to advance these aims by providing economic support to the three South Caucasian countries, fostering infrastructure development, enhancing the business environment, and supporting human resources initiatives. Japan's foreign policy approach in this region can be categorized into three phases: 1) the "Without Strategy" period (1992–1996), 2) the "Eurasian Diplomacy" period (1997–2005), and 3) the "Arc of Freedom and Prosperity" period (2006–2016). This study examines these phases with a focus on the South Caucasus, aiming to elucidate the cautious and low-profile stance Japan has maintained in this strategically significant region, as well as the function of its ODA policy as a political tool. The central question is: What factors and initiatives influence Japan's foreign policy in the South Caucasus? Employing a qualitative, exploratory methodology, this study investigates existing literature on Japan's foreign policy to clarify the motivations, influencing factors, and constraints shaping Japan's decisions regarding Armenia, Azerbaijan, and Georgia, with analysis on both bilateral and multilateral levels.

1. Literature Review

The strategic importance of the South Caucasus as a crossroads between Europe and Asia has attracted considerable scholarly interest. Numerous studies examine Japan's foreign policy within this context. Hans Joachim Morgenthau (1962) offers foundational insights on the role of foreign aid in shaping diplomatic relations, which is crucial for understanding Japan's use of Official Development Assistance (ODA) in the region. Rouben Azizian (2006) explores Japan's relations with Russia, highlighting the complexities of Japan's diplomatic efforts amid competing major-power influences.

David Goginashvili (2016) characterizes Japan's policy as one of "low relevance but high purpose," a theme echoed by Syuzanna Vasilyan (2016), who identifies Japan's pragmatic yet enigmatic approach in the South Caucasus. These studies suggest that Japan maintains a cautious balance, minimizing risks while fostering development initiatives. Additionally, Pyle (2007) discusses Japan's resurgence as a significant power, emphasizing its multifaceted foreign policy strategies aimed at economic growth and regional stability.

Challenges to Japan's influence are further underscored by Timur Dadabaev (2016) and Fatima P. Urazaeva and Zainidin Karpekovich Kurmanov (2016), who explore the impact of regional geopolitical dynamics and Japan's need to navigate complex relationships with both Russia and Western countries. This body of literature underscores ODA's critical role in Japan's diplomatic strategy, facilitating deeper ties with South Caucasian states while promoting economic development and regional stability.

2. Background of Japan's Diplomacy in Central Asia and the South Caucasus

In the aftermath of World War II, Japan adopted an inward-looking stance as an island nation. Geographically positioned between the Soviet Union and Communist China, Japan was compelled to "balance" its foreign policy with the support of its ally, the United States, which stationed forces on Japanese soil.

Japan's historical view of the Soviet Union, shaped by the invasion of Manchuria and the occupation of the Kuril Islands, influenced its post-Soviet relations with Russia. Despite this legacy, Japan has adhered to a policy of separating security and political issues from

economic engagements, investing in Russia while both nations set aside territorial disputes to maintain stability on the Korean Peninsula (Togo, 2007, as cited in Vasilyan, 2016: 56).

Following the Soviet Union's collapse and the emergence of a new political landscape in 1991, Japan faced various foreign policy challenges. The newly independent states of Armenia, Azerbaijan, and Georgia sought to establish themselves in the post-Cold War international system, making partnership with a major economic power like Japan a priority in their diplomatic agendas (Goginashvili, 2016: 51).

In contrast to the assertive foreign policies of Russia, the United States, and the European Union—who sought to expand their influence in the South Caucasus after the Soviet collapse—Japan approached the region with caution. Geographically distant and modest in ambition, Japan established diplomatic relations with the three South Caucasian countries in 1992, slightly behind other global players. Japan's engagement was thus marked by tactical, field-specific goals rather than a comprehensive policy approach (Vasilyan, 2016: 55-56).

Japan's measured participation in the South Caucasus offers insight into its positioning within a region where Russian geopolitical interests face rising Western influence. This situation forms the backdrop for a "new Cold War" dynamic, with Japan's relations with these actors directly affecting its South Caucasus policy. To navigate this complex landscape, Japan's approach incorporates limited political elements, both bilaterally and multilaterally, primarily through non-political ODA initiatives. This strategy enables Japan to pursue high-level objectives in the region while maintaining a low-profile stance in a risk-laden geopolitical environment. By adopting a restrained approach, Japan seeks to advance its political, economic, and humanitarian goals while minimizing risks to its regional and global interests (Goginashvili, 2016: 51).

3. Explaining Japan's Foreign Policy Inactivity in the South Caucasus: A Cultural-Social Concept

Japan's foreign policy in Central Asia and the South Caucasus often faces criticism, described by researchers as low-profile, inactive, passive, and reactive. Understanding the rationale behind this approach is crucial for analyzing Japan's policies toward countries in this region. While factors such as geographical remoteness, unfamiliarity with the region, and its unknown capacity are often cited, Japan's calm policy, particularly its reliance on Official Development Assistance (ODA) as a tool amidst powerful competitors like Russia and the West, is better explained through the lens of Japanese attitudes and culture.

Despite the promising potential for Japan's engagement in the South Caucasus, its political and economic presence remains relatively limited. Experts often attribute Japan's perceived lack of influence in the region primarily to geographical remoteness, overlooking the complexities of international political conditions that serve as deterrents. Since Japan's international position is largely shaped by its alliance with the West, it is essential to consider its decision-making within the context of the clash between Russian and Western interests in the South Caucasus and the burden of territorial disputes with Russia (Goginashvili, 2016:).

The "Arc of Freedom and Prosperity," articulated by former Foreign Minister and Prime Minister Taro Aso, aimed to promote Western liberal democratic values in the region through "value-driven diplomacy." A significant aspect of this policy focused on economic cooperation, particularly in energy security, viewing Georgia and Azerbaijan as critical suppliers of natural resources. Unsurprisingly, Russia did not welcome Aso's initiative, which negatively impacted Russo-Japanese relations (Goginashvili, 2016: 56).

Criticism of Japan's foreign policy may stem from its value-driven approach, similar to that of Western countries. Prominent Japanese politicians have adopted slogans of active engagement to counter accusations of passivity, aligning with shared values and norms. While

Japan's relations with the European Union are founded on principles such as "freedom, democracy, rule of law, and human rights" (Nakamura, 2015, as cited in Vasilyan, 2016: 57), its role as a "normative power"—a title typically attributed to the EU—has been somewhat rejected, particularly in the South Caucasus. Japan's recent emphasis on democracy, human rights, and the rule of law, particularly during Shinzo Abe's tenures as Prime Minister, has been characterized as a "declarative" shift intertwined with a U.S. discourse of "great power" ambitions (Pugliese, 2016, as cited in Vasilyan, 2016, p. 57). This notion was further elevated by Hidetoshi Nakamura, who framed Japan as an "active non-military power," given its contributions to post-war reconstruction in Iraq and Africa (Nakamura, 2015, as cited in Vasilyan, 2016, p. 57). Despite its adaptability, Japan is often perceived as "local, parochial, and unimaginative" (Berger, 2007, as cited in Vasilyan, 2016: 58).

Several factors contribute to Japan's "reactive and immobilist" nature, including its anti-nuclear stance and the constraints it faces regarding military engagement. Consequently, Japan primarily relies on ODA as its foreign policy tool (Hook et al., 2001, as cited in Vasilyan, 2016: 58). Japan's foreign policy can be characterized as "pragmatic" and "opportunistic," aligning closely with its national interests (Pyle, 2007, as cited in Vasilyan, 2016: 58). Furthermore, Japan's perception of international norms tends to be essentialist, implying that it views society not as inherently "inactive" and "reactive" but as shaped by nature. This perspective leads Japan to support "low-risk and low-profile international initiatives," which align with its understanding of how a "normal state" behaves (Hook et al., 2001, as cited in Vasilyan, 2016 : 58). Such "quiet" diplomacy is facilitated through its economic power, employing "economic, technological, and developmental assistance" (Hook et al., 2001: 75-76).

In striving for balance in its foreign policy, Japan has refrained from political engagement in the competition between Russia and the West, primarily limiting its foreign policy tools to ODA. Evidence indicates that Japan's aid policy in the South Caucasus often exhibits a temporary and conditional nature, leading to criticism regarding its lack of a clear strategy. In reality, Japan's relationships with major powers dictate its policies toward the region and establish the boundaries of Tokyo's decision-making.

The framework of Japan's self-restraint in foreign policy is often associated with well-known criticisms of its inability to develop an independent action plan on the international stage. However, within these frameworks, Japan has outlined a nuanced policy that, in the short term, appears as a low-profile approach with high objectives. This low-profile approach can be categorized into three main dimensions: low posture, minimal intervention, and manageable risk. The concept of "low-profile" is derived from a Japanese cultural-social idea of an ideal approach to life, referred to as *Santei*¹, which translates to "three lows²." This concept emphasizes three attitudes: low posture³, low dependency⁴, and low risk⁵. Each of these attitudes holds significance in various aspects of social life. While the term "low" carries negative connotations, the *Santei* concept itself does not inherently imply negativity. Low posture reflects humility and respect toward others; low dependency signifies an independent position in society; and low risk embodies the ability to avoid troublesome and potentially dangerous activities to ensure personal and familial safety. In this context, "low dependency"

1. 三低

2. In contrast to the three lows, Japanese women's standards for marriage and choosing a life partner are generally based on three highs (三高 / Sankō): high income (高収入 / Kōshūnyū), higher education (高学歴 / Kōgakureki), and high social status (高身長).

3. Tei shisei / 低姿勢

4. Tei izon / 低依存

5. Tei risuku / 低リスク

is slightly adjusted to "low intervention" to better describe Japan's foreign policy in the South Caucasus.

Japan's low-profile approach in the risk-saturated environment of the South Caucasus serves its high-level objectives, which can be analyzed through three dimensions: bilateral economic relations, multilateral political engagement, and humanitarian efforts. By adopting a non-political aid strategy, Japan not only secures bilateral intergovernmental relations but also creates a stable operational environment for Japanese companies. This strategy minimizes risks associated with Japan's multilateral political objectives while ensuring the effective impact of its assistance. Japan's engagement in this complex geopolitical region, characterized by a low-profile policy with high objectives (a low-relevance but high-purpose policy), will be examined in relation to its interactions with Russia on one hand and the West on the other, while also considering the emerging influence of China (Goginashvili, 2016: 54). Before exploring specific instances of this approach in Japan's diplomacy toward the South Caucasus and outlining two significant historical initiatives alongside one multilateral partnership initiative, it is important to highlight their substantial influence in shaping this approach.

4. Japan's "Eurasian Diplomacy" Initiative and the "Arc of Freedom and Prosperity"

Although Eurasia has not historically been a focal point of Japan's foreign policy, its importance is increasing. However, despite Japan's significant economic aid to the region, its influence remains limited as it seeks more effective ways to engage (Dadabaev, 2016: 1). Conversely, there is considerable enthusiasm among Central Asian countries for cooperation with Japan, viewing it as a relatively independent, economically prosperous, and generous player.

In the early 1990s, Japan's motivation for collaboration with Central Asian and South Caucasian nations was tied to its commitment to strengthening peace, security, stability, and prosperity by fostering democratic governance in the post-Soviet landscape. Initially, Japan's energy interests were not pronounced, but over time, it sought to deepen ties with energy-rich countries through official exchanges and private sector engagement, including nuclear energy initiatives (Shimao, 2008: 168). Japan's approach is notably different from that of the United States and EU member states, as it adopts a similar stance toward both resource-rich and resource-poor countries (Tetsuya, 2008: 182).

Japan first conceptualized its foreign policy framework towards Central Asia following the Soviet Union's dissolution, particularly in the latter half of the 1990s. In 1997, then-Prime Minister Ryutaro Hashimoto introduced "Eurasian diplomacy" as a new dimension of Japan's foreign policy. At this time, Japan held a strong nostalgia for the South Caucasus and Central Asian countries, rooted in the historical significance of the Silk Road. Hashimoto's Eurasian diplomacy was built on three main pillars: first, fostering political dialogue to strengthen trust and mutual understanding; second, promoting economic cooperation and collaboration for natural resource development to enhance prosperity; and third, cooperating on peace initiatives through nuclear non-proliferation, democratization, and stability enhancement. Economic cooperation and resource diplomacy lay at the core of this initiative. Some viewed Hashimoto's ultimate goal as engaging Russia within the Asia-Pacific framework to balance against both China and the United States. Regardless, Hashimoto's policy contributed to the development of bilateral relations between Japan and South Caucasian countries and successfully introduced Japanese companies into large-scale energy projects in the region (Goginashvili, 2016: 55).

With the introduction of the Eurasian diplomacy doctrine in 1997, Hashimoto was the first to highlight Central Asia and the Caucasus—as well as Russia and China—as focal points for Japan (Dobrinskaya, 2011, as cited in Paramonov and Puzanova, 2018: 137). The essence of

Hashimoto's Eurasian diplomacy was fundamentally a strategy to draw Russia into Asia and the Pacific, thereby creating a new regional dynamic that would provide Japan with greater maneuverability against China and the United States (Tōgō, 2014, as cited in Paramonov and Puzanova, 2018: 137). The foundational principles proposed by Hashimoto for bilateral relations with Russia laid the groundwork for many subsequent bilateral agreements between the two nations (Urazaeva and Kurmanov, 2016, as cited in Paramonov and Puzanova, 2018: 137).

Several researchers argue that Japan's initiative to develop transportation in Central Asia aims to isolate Russia and diminish its influence in the region. Usabaliev suggests that establishing a long transport route from Asia to Europe, independent of Russia, is a genuine objective of Japan's "Silk Road diplomacy." Such concerns are valid, as this route would enable Central Asian republics to bypass Russia and connect with potential trading partners interested in their vast energy resources, consequently altering the geopolitical orientation of the region (Usabaliev, 2013a, as cited in Paramonov and Puzanova, 2018: 137). Indeed, the second wave of Japan's involvement in Central Asia began with the announcement of "Silk Road diplomacy" in 1997. Japanese diplomats recognized the geopolitical importance of the Caucasus and Central Asia, believing that Japan's influence in these regions would bolster its diplomatic efforts against Russia, China, and the Middle East, even if the specific nature of Japan's gains remained unspecified (Kawata, 2008: 17). However, Hashimoto's Eurasian doctrine ultimately failed to meet the high expectations it generated in the international community. Lacking a well-defined concept, it was primarily general and declarative in nature, suggesting Japan's reluctance to make overly tangible commitments (Paramonov and Puzanova, 2018: 138).

In 2006, the launch of the "Arc of Freedom and Prosperity" initiative by Foreign Minister Taro Aso during the first Abe administration marked another effort to revise and enhance Japan's role concerning the Baltic states, the Balkans, the Caucasus, the Middle East, and Central Asia. This initiative was partly a response to U.S. requests to pay attention to these regions, which were perceived as potential centers of terrorism (Iwashita, 2008: 28) and aimed at satisfying U.S. interests (Pugliese, 2016: 10). Prior to this, Japan's foreign policy was anchored in three pillars: strengthening the Japan-U.S. alliance, international cooperation under the auspices of the United Nations, and relations with neighboring countries, namely China, Russia, and South Korea. Taro Aso's statements represented a new cornerstone in Japan's foreign policy. This "arc" includes Russia and forms a region that geopolitical theorist Halford Mackinder described as the vital margin of the Heartland—referred to as the inner crescent or margin. Spykman later expanded on Mackinder's Heartland dominance theory, attributing even greater significance to this inner crescent, which he termed the Rimland. According to Spykman, whoever controls the Rimland controls Eurasia, and whoever rules Eurasia controls the fate of the world. The Rimland largely overlaps with the geographical area of the "Arc of Freedom and Prosperity." From a geopolitical perspective, Western advances in this area pose an immediate threat to Russia's vital interests (Goginashvili, 2016: 55-56).

The backdrop of China's "One Belt, One Road" (OBOR) initiative and the collaboration between Russia and China in creating a larger Eurasian partnership has intensified interest in the South Caucasus. In response, Tokyo exhibits a mix of jealousy and apprehension, eager to capitalize on its rivals' new projects, particularly China's ambitious economic belt initiative aimed at establishing a new trade route to Europe and Russia's expansion plans. Driven by its alliance with the United States, Japan seeks alternative strategies to counter the rising influence of "authoritarian" powers like Russia and China. This includes efforts to isolate these nations while incorporating Central Asian countries, Afghanistan, Pakistan, and India into a U.S.-friendly coalition known as "The Arc of Freedom and Prosperity," proposed by former Foreign Minister and Prime Minister Taro Aso.

Given Japan's stagnant economy, there is a pressing need to seize trade and investment opportunities arising from the development of Eurasian countries to avoid falling behind its more dynamic neighbors, primarily China and South Korea.

On June 5, 2017, former Prime Minister Shinzo Abe announced Japan's willingness to expand cooperation on China's OBOR initiative, contingent upon "coordination with a more open and fair Trans-Pacific Economic Partnership." This announcement sharply contrasted with Japan's considerations of joining the Asian Infrastructure Investment Bank (AIIB)—a regional structure established by China in 2014—and highlighted a notable shift in the Prime Minister's attitude toward China's infrastructure projects in Eurasia. This shift was particularly striking given the heightened tensions from the 2012 dispute between Japan and China over the sovereignty of the Senkaku Islands (Paramonov and Puzanova, 2018: 135).

Prime Minister Abe's special interest in Central Asia and the importance of fostering cooperation in the region are evident in his book, "Toward a Beautiful Country," which served as a political manifesto. Taro Aso also played a key role as one of the main architects of Japan's policy toward Central Asia, introducing the concept of "The Arc of Freedom and Prosperity" in a book of the same name. This initiative advocates for establishing a belt of states committed to global human values, stretching from Northern Europe through the Baltic countries and Central and Southern Europe, curving around Russia and China to encompass the Caucasus, Central Asia, South Asia, and Southeast Asia (Dobrinskaya, 2011, as cited in Paramonov and Puzanova, 2018: 136). In response, Russia and China accused Tokyo and Washington of attempting to encircle their nations. Nevertheless, "The Arc of Freedom and Prosperity" never progressed beyond a conceptual stage and was largely forgotten following the change of government in Japan in 2009 (Murashkin, 2015, as cited in Paramonov and Puzanova, 2018: 136).

With the introduction of "Eurasian diplomacy" and "Silk Road diplomacy," Russia, China, Central Asia, and the Caucasus became targets of Japan's future foreign policy. In these regions, there was an expectation not only for Japan's Official Development Assistance (ODA) but also for increased political engagement aimed at reducing reliance on both Russia and the United States. The essence of Japan's political dialogue required unconditional diplomatic sessions and consultations. While political dialogue with Central Asia began in earnest after 2004 through the "Central Asia + Japan" talks, which initiated meetings among foreign ministers, a multilateral investment dialogue for the South Caucasus failed to materialize. Azerbaijan's reluctance to engage in regional cooperation with Armenia unless the Nagorno-Karabakh conflict was resolved in its favor hindered the establishment of a similar multilateral dialogue between Japan and the South Caucasus. Consequently, Japan was compelled to limit its engagement to bilateral dialogues with Armenia, Azerbaijan, and Georgia at the vice and foreign minister levels (Vasilyan, 2016: 63-64).

The terrorist attacks in the United States on September 11, 2001, prompted a significant shift in Japan's approach to Central Asia. Japan recognized the necessity of strengthening relations with Central Asian governments, particularly those sharing borders with Afghanistan, to lead in the economic reconstruction of the region (Dobrinskaya, 2011: 45). Following a slowdown in cooperation with Central Asia, discussions began in 2003 within the Central Asia section of the Japanese Foreign Ministry regarding the formation of a Central Asian organization modeled after ASEAN. This led to the institutionalization of Japan's cooperation with the region through the "Central Asia + Japan" dialogue.

In contrast to the Hashimoto doctrine, this new initiative focused specifically on Central Asian countries, excluding the South Caucasus. It was described as an open framework welcoming participation from all interested nations, in stark contrast to the operational principles of the Shanghai Cooperation Organization, which was designed as a "closed

structure" to limit Japan and Western influence. Further proposals suggested that Central Asia should establish a pan-Asian organization operating on principles similar to those of the Organization for Security and Cooperation in Europe. Such an organization would aim to unify the "Central Asia + Japan" dialogues with the Shanghai Cooperation Organization and other regional entities into a broader regional framework (Paramonov and Puzanova, 2018: 138).

The second to sixth meetings of foreign ministers from these countries were held in June 2006, August 2010, November 2012, July 2014, and May 2017, respectively. These dialogues primarily focused on political engagement between Japan and Central Asian countries in international forums, regional cooperation, and the development of trade, cultural, and humanitarian exchanges. Key topics included improving human welfare, combating extremism, restoring the Aral Sea region, cooperating in transportation and hydropower, and contributing to Afghanistan's reconstruction. Japan committed \$700 million to enhance regional cooperation over the next decade, emphasizing the application of Japanese expertise and technology for agricultural development, particularly in combating drug trafficking and managing national borders. Participants expressed gratitude for Japan's support of Central Asian countries' efforts to achieve sustainable development and tackle socio-economic issues. In the sixth meeting, Central Asian countries condemned terrorism in all its forms and stressed the necessity for practical measures against extremism, drug trafficking, and arms proliferation. Japan also offered to share comprehensive studies on terrorist organizations, ethnic minorities, and the spread of religious extremism in Central Asia with interested countries (Paramonov and Puzanova, 2018: 138-139).

As mentioned, Official Development Assistance (ODA) has been a crucial tool in Japan's foreign policy. Understanding Japan's approach and diplomacy in this region necessitates a clear description of how ODA is administered, as documented in official papers and aligned with the scope of this research.

5. Japan's Official Development Assistance (ODA) in Central Asia and the Caucasus Region

Japan's engagement in the Central Eurasian region can be divided into three main periods. The first period, from 1930 to 1945, involved Japanese researchers studying Soviet Central Asian countries to uncover weaknesses in the Soviet government, ensuring the stability of the Japanese Empire. The second period, from 1991 to 2004, marked Japan's recognition of newly independent countries and the establishment of diplomatic relations. While Japan maintained bilateral relations in the early 1990s, its policy remained unclear and fluctuating. The contemporary phase began in 2004 with the introduction of the "Central Asia + Japan" concept and the establishment of the Central Asia and Caucasus section within Japan's Ministry of Foreign Affairs. By 2014, total ODA to the region amounted to \$290 million. Since then, Japan has engaged comprehensively with Central Eurasian countries in three key areas: (1) diplomatic/political engagement, (2) trade and investment, and (3) aid and assistance (Nazarmuhamedov, 2018: 171).

Japan's substantial financial assistance, particularly its increased ODA in the South Caucasus since the late 1990s, has positioned it among the leading donor countries in the region. From the early 1990s until 2013, Japan's per capita ODA allocation in the South Caucasus exceeded \$87, surpassing traditional beneficiary regions like ASEAN. By 2009, Armenia ranked eighth among the largest recipients of yen loans (Goginashvili, 2016: 52).

Japan's ODA charter prioritizes Asian countries, stating, "Asia is a region with close ties to Japan and can significantly impact Japan's stability and prosperity." Over the past two decades, Japan has actively engaged in Central Eurasia, particularly in Armenia and Kyrgyzstan, primarily through ODA and the involvement of Japanese companies in pursuing economic interests (Nazarmuhamedov, 2018: 169).

Concerns have been raised about the potential political motives behind Japan's ODA. Some researchers argue against these suspicions. Hans Morgenthau distinguishes six types of foreign aid, including military aid and bribery, asserting that even non-political humanitarian aid can serve a political function in a political context (Morgenthau, 1962: 301). The Development Assistance Committee (DAC) has sought to limit political elements in international aid by establishing strict regulations on qualifying ODA. Leading donor countries often pursue political or ideological goals through foreign aid, termed "other official flows" (OOF). However, non-political and welfare-oriented aid has faced criticism in both political and economic spheres. In contrast, Japan's policy in the South Caucasus lacks significant political elements, suggesting that its aid allocation diverges from general trends (Goginashvili, 2016: 54).

5-1. Japan's ODA Policy in the South Caucasus

Japan's Official Development Assistance (ODA) reflects significant disparities among South Caucasus countries. Azerbaijan has received the highest amount, primarily in the form of loans, while Armenia ranks second, with loan assistance nearly double that of Georgia, which, although receiving a significant portion, still falls short of Azerbaijan's total (Vasilyan, 2016: 61). Japan's engagement with Armenia began during the 1980s, linked to the former Soviet Union, with initial aid focused on disaster relief following the Spitak earthquake in 1988. After diplomatic relations were established in 1992, Armenia received its first batch of Japanese ODA in 1994. According to the Country Assistance Policy set between the two countries in 2012, priority areas identified include (1) economic infrastructure development and regional development, and (2) strengthening disaster prevention measures.

One of the first ODA programs initiated was the food production development program in 1997. Between 1997 and 2000, Japan allocated 420 million yen to support agricultural development in Armenia. Another significant milestone in bilateral relations was the discussion around the potential reopening of the Silk Road and the agreement on mutual cooperation to revive it. During these negotiations, the Japan International Cooperation Bank committed to financing the renovation of Zvartnots Airport in Yerevan (Nazarmuhamedov, 2018: 176-177).

While Armenia was the largest beneficiary of Japan's ODA in the South Caucasus during 2007 and 2008, Azerbaijan took precedence from 2009 to 2013. In this period, Azerbaijan had a higher share of ODA, with Armenia following and Georgia receiving the least. Japan's prioritization of Azerbaijan is partly driven by its need for energy resources. As the largest global importer of liquefied gas and the third-largest oil importer, after the United States and China, Japan is drawn to the Caspian region. Currently, a substantial portion of Japan's oil and natural gas imports originates from the Persian Gulf, Russia, Southeast Asia, and Africa.

Between 2007 and 2014, Japan maintained a positive trade balance with South Caucasus countries, with exports consistently exceeding imports. Notably, Japan's export rate to Georgia was more than double that to Azerbaijan, while Azerbaijan's exports exceeded those to Armenia by more than eight times. In terms of imports, Azerbaijan supplied about ten times the volume imported from Georgia, with Georgia's imports from Japan being roughly double those from Armenia. In 2014, Japan ranked as the seventh-largest trading partner for Azerbaijan and Georgia, and the ninth for Armenia in imports, though it did not feature in the top ten export partners for any of these countries (Vasilyan, 2016: 61-63).

6. Japan's Bilateral and Multilateral Relations with South Caucasus Countries

Japan's engagement with the three South Caucasus countries varies significantly in terms of timing and nature. Japan recognized Azerbaijan's independence in December 1991, followed by Georgia in April 1992 and Armenia in December 1992 (Akiner, 2004, as cited in Vasilyan,

2016: 58). The Japanese embassy in Azerbaijan was established in 2000 and was initially responsible for Georgia until the Tbilisi embassy opened in 2009, followed by the Armenian embassy in 2015. Azerbaijan opened its embassy in Japan in 2005, followed by Georgia in 2007 and Armenia in 2010. This sequence of diplomatic engagement reflects Japan's varying interests concerning each South Caucasus country and their corresponding interests in Japan (Vasilyan, 2016: 58).

On a multilateral level, Japan's ties with Georgia and Azerbaijan have been bolstered through the establishment of GU(U)AM + Japan since 2007. The Japan-GUAM Cooperation Program aims to align with Japan's fundamental approaches to regional cooperation in Southeastern Europe, promoting political stability and economic prosperity, preserving global values, and fostering a peaceful civil society (Ministry of Foreign Affairs of Japan, 2015a, 2015b, 2015c, as cited in Vasilyan, 2016: 58).

Japan supports the development of GUAM member countries that uphold values such as democracy, freedom, human rights, the rule of law, and principles of international law and market economy. Consultations on global and regional issues focus on maintaining international peace and security based on the United Nations Charter and recognized principles of international law, particularly regarding sovereignty and territorial integrity. Japan's endorsement of GUAM's principle of "territorial integrity" is particularly relevant due to its ongoing dispute over the Kuril Islands with Russia. Additionally, GUAM is a U.S.-backed initiative involving countries that have increasingly distanced themselves from Russia since its inception in 1997, further solidifying Japan's strategic position in the region (Vasilyan, 2016: 59).

7. Considerations of Japan's Foreign Policy in Facing Rivals in the South Caucasus

Japan is rarely highlighted when analyzing the international political landscape of the South Caucasus. However, as a leading donor country, Japan plays a significant role in regional development, allowing Tokyo to navigate effectively in a region traditionally dominated by Russian influence. Russia typically reacts strongly to third-party political involvement in its neighboring territories. By adopting a non-political diplomatic approach, Japan can maintain smoother communication with Moscow while strategically introducing political elements into its South Caucasus policy, thereby increasing pressure on Russia (Goginashvili, 2016: 54).

Japan's national security strategy does not condition its relations with Azerbaijan on democratization progress. Instead, it focuses on investment driven by Azerbaijan's internal needs. This pragmatic approach reflects a calculated assessment of costs and benefits, adopting a liberal normative stance. Official visits and dialogues demonstrate Japan's commitment to political discussions through regular meetings and economic collaborations, alongside ongoing development assistance. However, Japan has not engaged in resolving the region's conflicts, such as those in Nagorno-Karabakh, Abkhazia, and South Ossetia, nor has it prioritized improving human rights and democracy in Armenia, Azerbaijan, or Georgia. This indicates Japan's preference for focusing on economic interests, which may carry indirect political or security implications.

Regionally, Japan seeks to cooperate more closely with Russia, primarily due to concerns about the potential threat posed by a stronger Russia-China alliance, while also supporting organizations like GUAM and the CDC that oppose Russian influence. Despite its support, Japan has tempered its political demands regarding these entities, reflecting a "default" foreign policy aimed at avoiding antagonism with Russia, given that its primary perceived threat comes from China. Regarding Azerbaijan, Japan has successfully avoided friction with Russia concerning Baku's energy separation policy, though potential tensions with China remain as both countries pursue unconditional policies (Vasilyan, 2016: 69).

Japan's foreign policy in a region where Russian interests are increasingly challenged by Western influence shows that each South Caucasus country adopts a diverse foreign policy stance. Japan finds itself navigating the rivalry between Russia and the West, with Georgia seeking integration into Euro-Atlantic institutions, Armenia positioning itself as a strategic ally of Russia, and Azerbaijan maintaining a relatively neutral foreign policy without significant alignment to either power (Goginashvili, 2016: 52). Given these dynamics, Japan's political approach, characterized by a low-profile, low-intervention, and low-risk stance, becomes more understandable.

Japan's policy in the South Caucasus cannot be fully understood without considering the interests of the main regional actors, particularly those of Russia and the United States, as well as the emerging influence of China. Tokyo remains cautious about adopting a hardline position in internal or international conflicts in the region. For example, while Japan, as a Western ally, recognizes and supports Georgia's territorial integrity, it has consistently hesitated to make critical statements toward Russia.

Moreover, Japan is mindful of not intervening in actions that could conflict with Western interests in the South Caucasus. In the late 2000s, Armenia initiated a significant infrastructure project aimed at establishing a transportation route between Georgia and Iran. This route holds importance beyond mere logistics; it positions Armenia as a vital corridor for transit between Europe, Iran, and Central Asia, mitigating the dual blockade imposed by Turkey and Azerbaijan. Iran's strong support for this project raised concerns among Western politicians, especially given the sanctions placed on Iran due to disagreements over its nuclear program. Consequently, the highway project, facilitating the flow of goods between Iran and Armenia—where Russian military bases are located—was met with skepticism from the West.

Initially, Japan agreed to finance the southern segment of the road connecting to Iran but later revised its aid allocation due to U.S. pressure, opting instead to fund the northern segment. Subsequently, Armenia secured the necessary funding from banks and international organizations, with the Asian Development Bank (ADB) being the primary contributor. Although sanctions against Iran have been lifted, concerns persist regarding future developments, as Armenia is also working on a railway to Iran alongside the road. Following the sweeping elections in 2012, the new Ivanishvili government announced that if Armenia successfully implements the railway project and Georgia restores its railway from Abkhazia to Russia, it would provide Russia with direct and rapid land access to Iran.

Japan's strategy appears aimed at neither challenging nor upsetting Russian or Western interests in the region. While a low-profile stance can be advantageous for pursuing broader international goals, Japan's reluctance to take independent actions and adhere to its stated objectives suggests a detrimental impact on its long-term aspirations for leadership (Goginashvili, 2016: 56–58).

Historically, Japan has been hesitant to engage with civil society groups in developing countries. The South Caucasus countries face significant issues such as a lack of freedoms, corruption, unstable democracies, and underdeveloped civic cultures. Georgia has made relative progress in civil liberties since the Rose Revolution, while Armenia has seen minimal advancement, and Azerbaijan is experiencing a decline. Georgia improved its ranking in the Corruption Perception Index (CPI) from 133 in 2004 to 50 in 2014. According to the World Bank's Ease of Doing Business rankings in 2015, Georgia ranked 15th among 169 economies, while Armenia and Azerbaijan ranked 45th and 80th, respectively (Goginashvili, 2016: 58).

Unlike Western countries, Japan has shown little inclination to collaborate with active political groups in civil society. Such Western engagement is often perceived as interference in the internal affairs of recipient countries, potentially jeopardizing the humanitarian aspect of cooperation. The promotion of democracy and civil society can be unattractive to local

elites, particularly in Azerbaijan, which has enacted repressive measures against civil groups. Despite its value-based diplomacy toward governments in the Freedom and Prosperity Curve, Japan has hesitated to criticize Azerbaijan's democratic shortcomings, prioritizing economic interests instead.

By pursuing a non-political, ODA-based policy, Japan minimizes risks to its international politics, economic interests, and humanitarian goals. Bilaterally, Japan presents itself as an unconditional supporter, ensuring favorable perceptions among its counterparts. At the international level, Japan's South Caucasus policy does not jeopardize its relations with Western partners and allows for flexibility in its approach to Russia (Goginashvili, 2016: 60–62).

Conclusion

Japan has not only been sidelined as a player in the South Caucasus but has also faced criticism for its foreign policy, often labeled as "checkbook diplomacy" and faceless engagement. Approaching the region as a cautious and low-profile actor, Japan has gradually moved towards bolder initiatives through its consistent diplomatic presence.

Japan has provided substantial assistance for economic development in Central Asia and the Caucasus. In this context, ODA has been the primary tool for promoting regional development, establishing bilateral relations, and supporting its foreign policy objectives in recipient countries. Although there are doubts regarding the commercial motivations behind Japan's ODA projects, this assistance has significantly bolstered Japan's diplomatic foothold in the South Caucasus. For example, Japan has utilized technical assistance in Armenia to support agricultural and private sector development, positioning itself as a crucial player in revitalizing the country's economy. However, political considerations and geopolitical barriers have impeded the full realization of this potential. Rather than enhancing its political presence and international role, Japan appears more focused on avoiding confrontation with Russian interests and aligning itself with U.S. interests. Despite Japan's claims of adopting a "value-based" approach, its reluctance to cooperate with civil society and exclusive focus on government-to-government economic projects limits its ability to strengthen bilateral relations.

By pursuing a cautious foreign policy and minimizing risks, Japan creates space for maneuvering its diplomacy in the South Caucasus. Given the region's political complexities, particularly regarding Russia and the U.S., a balanced, pragmatic policy may be Japan's most suitable approach. However, this low-activity strategy does not align with Japan's ambitious goals of enhancing its political presence, achieving international leadership, and fostering democracy in the region.

Resources

- Akiner, S. (2004) *The Caspian: Politics, energy and security*. London: Routledge.
- Azizian, R. (2006) "Japan's relations with Russia: The painful search of a new paradigm". In Sato, Y. and S. Limaye (Eds.) *Japan in a dynamic Asia: Coping with the new security challenges*. Oxford: Rowman and Littlefield.
- Bibilashvili, M. (2021) "Japan's South Caucasian diplomacy: The development of Japanese foreign policy towards Georgia". *Asia Europe Journal*, 19, 309–328. <https://doi.org/10.1007/s10308-021-00599-2>
- Berger, T. U. (2007) "The pragmatic liberalism of an adaptive state". In T. U. Berger, M. M. Mochizuki, and T. Jitsui (Eds.), *Japan in international politics: The foreign policies of an adaptive state*. London: Lynne Rienner Publishers.
- Dadabaev, T. (2016) *Japan in Central Asia: Strategies, initiatives, and neighboring powers*. Basingstoke, Hampshire: Palgrave Macmillan.
- Dobrinskaya, O. (2011) "Yaponiya – Tsentral'naya Aziya: V poiskakh nefi i statusa". [Japan – Central Asia: In search of oil and status]. *Aziyai Afrika segodnya*, 8, 47.
- Goginashvili, D. (2016) "Japan's foreign policy towards the South Caucasus states: Policy of 'low-relevance and high purpose' on the crossroad between Russian and Western interests". *Global Policy and Governance*, 5(2), 51-66. <https://transitionacademiapress.org/jgpg/article/view/152/100>
- Hook, G. D., et al. (2001) *Japan's international relations: Politics, economics and security*. London: Routledge.
- Iwashita, A. (2008) "The Shanghai Cooperation Organization: Beyond a miscalculation on power games". In C. Len, et al. (Eds.), *Japan's silk road diplomacy: Paving the road ahead*. Washington, DC: Central Asia-Caucasus Institute, Johns Hopkins University.
- Kawato, A. (2008) "What is Japan up to in Central Asia?" In C. Len, et al. (Eds.) *Japan's silk road diplomacy: Paving the road ahead*. Washington, DC: Central Asia-Caucasus Institute & Silk Road Studies Program, Johns Hopkins University-SAIS.
- Morgenthau, H. (1962) "A political theory of foreign aid". *American Political Science Review*, 56(02), 301–309. <https://doi.org/10.2307/1952366>
- Murashkin, N. (2015) "Zachem prem'er Yaponii ob'ekhal vsyu Tsentral'nuyu Aziyu". Carnegie Moscow. Available at: <http://carnegie.ru/commentary/61989>. (Accessed on: 5 July 2018).
- Nakamura, H. (2015) "Japan as a 'proactive civilian power': Domestic constraints and competing priorities". In: P. Bacon et al. (Eds.) *The European Union and Japan: A new chapter in civilian power cooperation?* Ashgate.
- Nazarmuhamedov, B. (2018) "Japan's ODA policy toward Central Asia and the Caucasus: An analysis of Japanese assistance to economic development in Kyrgyzstan and Armenia". *Journal of International and Advanced Japanese Studies*, 10, 169–185.
- Paramonov, O. and Puzanova, O. (2018) "Tokyo's Eurasian diplomacy: Successes and failures (1997–2017)". *Journal of Eurasian Studies*, 9(2), 134–142. <https://doi.org/10.1016/j.euras.2018.06.003>
- Panda, A. (2015) "Abe and Putin may meet in November". *The Diplomat*. Available at: <http://thediplomat.com/2015/06/abe-and-putin-may-meet-in-november/>. (Accessed on: 18 Oct. 2024).
- Pugliese, G. (2016) "Kantei diplomacy? Japan's hybrid leadership in foreign and security policy". *The Pacific Review*, 30(2), 152–168. <https://doi.org/10.1080/09512748.2016.120>
- Raik, K. (2011) "Between conditionality and engagement: Revisiting the EU's democracy promotion in the Eastern neighborhood (FIIA Briefing Paper 80)". The Finnish Institute of International Affairs, April.
- Shimao, K. (2008) "Japan's energy strategy towards West and Central Asia under contemporary globalization". In: C. Len et al. (Eds.) *Japan's Silk Road diplomacy: Paving the road ahead*. Washington, DC: Central Asia-Caucasus Institute, Johns Hopkins University.
- Tetsuya, H. (2008) "Japan's diplomacy in Central Asia: The perspective of a working-level policy maker". In C. Len et al. (Eds.) *Japan's Silk Road diplomacy: Paving the road ahead*. Washington, DC: Central Asia-Caucasus Institute, Johns Hopkins University.
- Tōgō, K. (2010) *Japan's foreign policy 1945–2003*. Leiden: Brill Academic Publishers.

- Tōgō, K. (2014) "Eurasian diplomacy in Japan, 1997–2001". Nippon.com. Available at: https://www.nippon.com/en/features/c00205/#auth_profile_0. (Accessed on: 21 October 2024).
- Urazaeva, F. and Z. Kurmanov (2016) "Yevraziyskaya diplomatiya Yaponii". [Japan's Eurasian diplomacy]. International Scientific and Practical Conference "World Science," 5(9), 13.
- Usubaliev, E. (2013) "Tsentral'naya Aziya na perekrestke tsivilizatsiy i politicheskikh blokov: Yaponskiy plan". Available at: <http://www.polit.kg/conference/3/174>. (Accessed on: 5 July 2018).
- Uyama, T. (2008) "Japan's diplomacy towards Central Asia in the context of Japan's Asian diplomacy and Japan-U.S. relations". In C. Len et al. (Eds.) *Japan's Silk Road diplomacy: Paving the road ahead*. Washington, DC: Central Asia-Caucasus Institute, Johns Hopkins University.
- Vasilyan, S. (2016) "Japan's policy towards the South Caucasus: Pragmatic even if enigmatic". *Asia Europe Journal*, 15(1), 55–73. <https://doi.org/10.1007/s10308-016-0462-1>.