SAKHALIN’S GOVERNORS AND THE SOUTH KURIL ISLANDS: MOTIVATING FACTORS BEHIND INVOLVEMENT IN THE RUSSO-JAPANESE TERRITORIAL DISPUTE

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In the former Soviet Union, foreign policy decisions were largely made at the discretion of the General Secretary of the Communist Party, with some input from other Politburo members. Generally speaking, public opinion and pressure were not important factors in the policy making process. However, with the introduction and advancement of political liberalization in Russia, the leadership increasingly began to depend on public support in both the domestic and foreign policy spheres. This introduced a limiting effect on the government’s ability to set foreign policy goals and implement these decisions. Pressure from domestic forces, in particular, has prevented the leadership from making concessions to Japan over the disputed South Kuril Islands/Northern Territories. Prominent amongst these domestic forces is the position of the Sakhalin leadership and local public opinion regarding the territorial dispute: the “Sakhalin factor.”

This article examines the first element of the “Sakhalin factor”: Sakhalin’s governors, and elucidates their relationship with the aforementioned territorial dispute. The article explores the underlying motives behind their attempts to intervene in bilateral territorial negotiations. It argues that, a genuine desire to maintain Russia’s territorial integrity notwithstanding, a significant reason behind this involvement lies in the Sakhalin governors’ perception of the territorial dispute as an important weapon to be exploited for political and economic gain.

The disputed islands’ value for Sakhalin’s governors escalated as a result of Russia’s troubled attempts at state-building, which facilitated center-periphery bargaining and the struggle for power between the executive and legislative branches of government throughout the country. The perceived gains derived from exploiting the territorial dispute have reduced the efficacy of Japanese policies designed to alleviate Sakhalin governors’ hardline stance on the South Kuril Islands and, in the process, remove a perceived key obstacle to Russian territorial concessions.

THE FIRST GOVERNOR: VALENTIN FEDOROV

The emerging salience of the “Sakhalin syndrome” became synonymous with the thoughts and actions of one individual – Valentin Petrovich Fedorov – the first Governor of Sakhalin. Fedorov came to Sakhalin with the aim of turning the island into “an experiment for market reforms.” He was elected as a member of the Russian Congress of People’s Deputies on 18 March 1990. The following month he was elected chair of the oblast Soviet Executive Committee (Ispolkom). He was initially seen as a radical reformer in the economic field with a particularly keen eye on developing relations with the neighboring Japanese island of Hokkaido. The local Hokkaidô Shimbun even called Fedorov “Sakhalin’s Yeltsin.”

The important question for those involved in the Japanese movement for the return of the Northern Territories was whether Fedorov’s “radical” views would be limited to economics or if they would apply to the political sphere as well.

This question was soon answered in Fedorov’s controversial proposal of a “Fourth Way” (chetvertyi put’) to resolve the territorial dispute with Japan. The plan, announced whilst he was on a visit to Hokkaido in August 1990 at the invitation of municipal authorities in Wakkanai, called for turning the four disputed islands, along with Sakhalin and the northern part of Hokkaido, into a free economic zone and developing them jointly with Japan. The plan was unaccepta-
lands to remain under Soviet sovereignty. Fedorov was critical of the “Third Way” of resolving the territorial dispute, put forward by Aleksandr Iakovlev, a Central Committee secretary and one of the architects of perestroika, during a visit to Japan in November 1989. The “Third Way” was not a choice between returning the four islands (“Second Way”) or a continuation of the status quo (no islands or “First Way”), but called for both sides to reach a compromise—either selling the islands to Japan or joint administration. Fedorov, on the other hand, stressed that a lesson must be learnt from Tsarist Russia’s sale of Alaska (to the United States in 1867 for $7.2 million), which brought Russia little economically and also no peace with the United States. According to Fedorov, if Russia were to receive billions of dollars from Japan for the islands, “that would be a drop of freshwater in the saltwater sea of our problems. Our inefficient system will consume the money, and in a couple of years Russia will have neither money nor islands.”

Fedorov’s “Fourth Way” proposal was unique and certainly contrary to the common practice of Soviet regional elites toeing the party line and refraining from becoming involved in foreign policy matters, and particularly issues of territorial sovereignty. Fedorov’s initial—and as it turned out not the last—foray into a policy-area commonly perceived as the state’s exclusive preserve may well have been a politically calculated move. Kimura Hiroshi, an expert on Japanese-Soviet/Russian relations, suggests that Fedorov made this proposal in response to one by his rival Vitalii Gulii, a journalist and member of the USSR Congress of People’s Deputies representing South Sakhalin and the Kuril Islands, which called for joint management of the islands in order to create a favorable environment for resolving the territorial dispute. Gulii even went as far to say that both the Soviet Union and Japan had a strong legal case to the disputed islands. Gulii’s political credentials were earlier boosted by winning a landslide victory over the oblast’s First Secretary V. Bondarchuk in local elections in 1989, running on a platform of creating a “salmon-trout kingdom,” which opposed the unchecked development of Sakhalin. Gulii reportedly received 90% of the vote on the disputed islands. Yeltsin later appointed him as presidential representative (predstavitel’ prezidenta) for Sakhalin. As a politician, it was necessary for Fedorov to be cognizant of and responsive to any proposals put forward by his political rivals regarding the South Kuril Islands. As will be discussed shortly, Fedorov’s less than comprehensive victory in the March 1990 elections to the Russian Congress of People’s Deputies heightened his awareness of the territorial dispute’s political value.

Having had his “Fourth Way” proposal rejected by Moscow and Tokyo, Fedorov launched a vocal campaign aimed at maintaining Russian sovereignty over the South Kuril Islands. Some of his more notable acts included cutting short a visit to Japan in April 1991 in protest at what he believed was Mikhail Gorbachev’s overly conciliatory response to Japanese territorial demands; threats to create a Far Eastern Republic should the Soviet Union transfer the disputed islands to Japan; a plan to establish Cossack settlements on the islands; the announcement in September 1992 that a Hong Kong company, Carlson-Kaplan, had signed a US$7.8 million contract with the regional administration to build a resort and casino complex on Shikotan Island; threats that “patriots will overthrow the government and block the return [of the islands]” should Yeltsin accede to Japan’s territorial demands; and extensive lobbying of the Kremlin and other regions in the Russian Far East.

Fedorov’s opposition to Yeltsin’s proposed visit to Japan and other attempts to complicate Russian policy towards Japan regarding the territorial dispute contrasted with the position of the chairman of the Sakhalin People’s Deputies Council, Anatoli Aksenov. In the early post-Soviet period, many regions had become arenas in the struggle for power between Yeltsin-appointed executives (Heads of Administration or glava administratsii) and the regional legislatures. Perceptions of popular legitimacy were at the root of this conflict. The regional legislatures believed they had been given popular mandates as a result of the 1990 elections, whereas they viewed the glava administratsii less favorably. Their power derived from Moscow’s or, more precisely, Yeltsin’s fiat. Whilst Fedorov was trying to arouse local opposition to any territorial concessions and refused to participate in any discussions where Russian jurisdiction over the South Kurils was questioned, Aksenov, on the other hand, displayed a willingness to cooperate with central authorities. After visiting the Tatar Republic in July 1992 for a meeting of re-
Signs began to emerge of a difference of opinion amongst the Sakhalin leadership regarding the South Kuril problem. This was highlighted in an interview Fedorov and Aksenov gave to the Hokkaidô Shimbun in Iuzhno-Sakhalinsk after Fedorov’s tour of the disputed islands. In the interview Fedorov repeated earlier assertions that a territorial problem did not exist in Russia, which was reminiscent of the Soviet attitude during the Brezhnev period, and also that the 1960 Gromyko memorandum had put an end to any discussions regarding the 1956 Japan-Soviet Joint Declaration. Aksenov disagreed, declaring that the territorial problem did exist and if a special decision was given concerning the Joint Declaration, the territorial problem could be resolved. However, he did not explain what such a “special” decision would entail. As will be discussed shortly, if any difference of opinion between the regional executive and legislative branches regarding the territorial dispute existed at this time, it would soon disappear. Both branches of government are now vehemently opposed to Russia transferring the South Kuril Islands to Japan.

It has been suggested that Aksenov, seen by many as a reformer, was attempting to gather the support of anti-Fedorov deputies in the regional legislature to put an end to the governor’s recklessness and strengthen his own power base. Aksenov was thus trying to distance himself from Fedorov’s hardline position and present himself as a reasonable and rational alternative to the fiery Sakhalin Governor. The South Kurils issue was becoming a tool in the political struggle in Sakhalin. Later, however, Aksenov, perhaps sensing the prevailing political current in the region, was not prepared to go any further than to recognize the existence of the territorial dispute, agreeing that Yeltsin should not hurry a resolution. Aksenov’s position within the Sakhalin leadership did not go unnoticed in Japan’s ruling Liberal Democratic Party (LDP). In March 1991, the LDP dispatched a four-member delegation to Sakhalin to meet with Aksenov. Led by Satô Takayuki, the acting LDP Secretary-General, who was often dispatched abroad to conduct delicate diplomatic assignments, the delegation’s primary purpose was to change Aksenov’s position regarding the territorial dispute, thereby neutralizing the Sakhalin administration’s negative pressure upon Gorbachev in the leadup to the Soviet-Japanese summit in April 1991.

Fedorov’s actions during and after Gorbachev’s visit to Japan, however, suggest the delegation was unable to achieve its objective.

Astrid Tuminez argues that elites, in general, are likely to resort to the use of nationalistic propaganda if they believe there are benefits to be derived from such an undertaking. Before arriving on Sakhalin with a pledge to carry out a “market experiment,” Fedorov gave few indications of the vitriolic, nationalistic campaign upon which he was about to embark. Indeed, the first item of Fedorov’s five-point proposal to conduct an “experiment” on Sakhalin called for all state authority, except in the areas of diplomacy and defense (emphasis added), to be transferred to Sakhalin. Moreover, Fedorov was reported to have proposed the islands’ partial return at an economic forum held in Tokyo in January 1991. This suggests that at this stage Fedorov was not cognizant of the perceived gains to be made by exploiting the territorial dispute. Nevertheless, it is difficult to argue that he was not a sincere patriot deeply committed to maintaining Russian territorial integrity. It was previously noted that Fedorov certainly went to extreme lengths to display his patriotic credentials, which, in effect, led to a de facto localization of diplomatic channels and complicated Soviet and later Russian policy towards Japan vis-à-vis the Northern Territories problem.

He was even a member of the People’s Patriotic Party (Narodno-patrioticheskaiâ partiia).

At the same time, however, there also appear to be economic and political considerations underpinning his campaign to maintain Russian sovereignty over the South Kuril Islands. According to Iakov Zinberg, Fedorov initially began opposing Moscow on purely economic grounds. Upon arriving in Sakhalin, Fedorov began calling for more economic autonomy from Moscow. In order to implement his plan to develop the South Kurils economy, it was vitally important to control the islands and subsequently the rich fishing grounds located in their exclusive economic zone.
The prospect of returning the islands to Japan has raised fears that the inevitable increase in Japanese fishing activities in the South Kurils EEZ would result in a reduced catch for local fishers.

With the failure of his “experiment” to deliver the promised results and the economic crisis that had befallen the island, Fedorov came under increasing attack from his political opponents in the regional legislature and from Moscow. Stirring up nationalist opposition to a transfer of the disputed islands to Japan thus became a convenient tool to divert attention from Fedorov’s failing economic program and to strengthen his political position vis-à-vis his local and federal opponents. As mentioned previously, Fedorov was elected by his peers in the regional soviet as chairman of the oblast Ispolkom in April 1991. Boris Yeltsin later appointed him to the post of glava administratsii in October 1991 – thus essentially transforming Fedorov from an elected official into an appointed one. As a result, he became vulnerable to dismissal by the capricious Russian President who, throughout his period of office, would display a proclivity for sacking political appointees.

Moreover, although Fedorov was elected as one of Sakhalin’s five deputies to the Russian Congress of People’s Deputies in March 1990 – his only opportunity to receive a direct mandate from the people – the election result was not entirely clear-cut. As Iakov Zinberg notes, Fedorov only finished second out of nine candidates in the first round of voting, receiving 12.57% of the votes, compared with Bok Zi Kou, an economics professor of Korean descent at the Iuzhno-Sakhalinsk Pedagogical Institute, who received 17.65%. Although Fedorov was victorious in the run-off, he reportedly did not obtain an absolute majority and only finished nine points clear of his challenger Bok. It is worth noting that during the election campaign to the Russian Congress, the territorial problem was hardly raised. Fedorov mostly emphasized the economic reform program he had planned for Sakhalin, whilst Bok Zi Kou spoke of “sincerely hoping for the development of the homeland.”

Fedorov’s outspoken criticism of the government’s economic reform program, his interference in territorial negotiations with Japan and, perhaps most importantly, the failure of his own “experiment” with the Sakhalin economy led to calls from within and outside the region for his dismissal. Whether he was compelled to or not is unclear, but on 2 April 1993 Valentin Fedorov resigned. Yeltsin nominated Yevgenii Krasnoiarov, the general manager of the Russo-Japanese fisheries joint venture, Pilenga Gôdô, as Fedorov’s successor.

**The Second Governor: Yevgenii Krasnoiarov**

Krasnoiarov was initially known as someone who avoided political struggles and, generally speaking, his brief tenure as Governor of Sakhalin was not particularly significant – at least as far as trying to complicate Russo-Japanese territorial negotiations.

Unlike his predecessor, Valentin Fedorov, Krasnoiarov admitted the territorial dispute existed, but ruled out transferring the islands to Japan until the domestic economy stabilized and there was parity in Russo-Japanese living standards. Krasnoiarov made grandiose plans to establish a South Kurils Investment Bank which, not surprisingly, failed to get off the ground due to insufficient capital and, in December 1994, tried to strengthen Sakhalin’s control of the South Kurils by reorganizing the regional government’s administrative system so that all the Kurils were to come under a newly created Department of the Kurils. Krasnoiarov also demonstrated that, when necessary, he could play the role of defender of regional interests. Concern over an escalation in “illegal” Japanese fishing in the disputed islands’ EEZ led to the establishment of a five-kilometer security zone along the maritime border in January 1994. He also tightened foreign access to the area and expressed support for the continued deployment of Russian forces on Sakhalin and the South Kurils later the same month.

As far as the South Kurils are concerned, perhaps the most significant aspect of Krasnoiarov’s governorship, or at least the most documented, was a jurisdictional challenge launched by Primorskii krai Governor, Yevgenii Nazdratenko. In April 1994, Nazdratenko announced that he wanted control of the Kuril Islands to be transferred
incorporating the Kurils into Primorski krai. In addition, he promised increased investment in the islands’ fishing enterprises and claimed that Sakhalin was unable to support them. Nazdratenko’s proposal was roundly criticized by Sakhalin authorities who believed, quite understandably, that the Primorski krai Governor had no right to meddle in Sakhalin’s internal affairs. In response to the outcry from Sakhalin, Nazdratenko argued that incorporating the Kurils into Primorski krai was not a political move and not a territorial claim, but was motivated by the desire to recreate the single economic complex which existed earlier in the Far East. He also fired a broadside at Sakhalin authorities claiming that the residents of Iturup’s appeal to the Japanese government, and not the Sakhalin administration, for economic assistance was a national disgrace. Despite Nazdratenko’s claims to the contrary, the proposal was a politically calculated move designed to appeal to local fishers, who would benefit from integrating the Kurils into Primorski krai, ahead of the first gubernatorial elections to be held the following year. As his very public campaign to oppose the 1991 Sino-Russian border demarcation agreement demonstrates, Nazdratenko never hesitated to exploit nationalist sentiments for political gain. The Kremlin’s initial response to the proposal was not to reject it outright. Rather, it recommended that the government, Federation Council and Federal Counter-Intelligence Service examine the question. If all parties agreed, a referendum would be held. If two-thirds of the residents of Primorski krai and the Kurils, in addition to a two-thirds majority of the Federation Council agreed, a transfer could be carried out. It has been suggested that the proposal might not have been a complete surprise to the federal government. According to V. Venevtsev and D. Demkin, Moscow’s preoccupation with maintaining the state’s territorial integrity was believed to be behind Nazdratenko’s proposal as it would not only strengthen Russia’s political assets against Japan, but also allow Moscow to make cuts in previously promised subsidies to these territories.

Nazdratenko’s proposal had the additional effect of signaling to the Japanese that authorities in Sakhalin were not alone in their opposition to returning the disputed islands. This gave more credence to claims by the Russian government that strong domestic factors, notably public opinion, were standing in the way of Russian territorial concessions. If the Russian government thought that transferring the islands to Primorski krai’s jurisdiction would alleviate the burden of its expected financial assistance, it was mistaken. The economic situation in Primorski krai was just as severe, if not worse, than Sakhalin oblast. As a result, Kuril authorities and the embattled islanders could expect little in the way of financial assistance from Primorski krai. Nazdratenko’s proposal was not implemented and was quietly shelved.

The issue surrounding control over the South Kurils has not only led to jurisdictional quarrels at the regional level, but has also created tensions in Sakhalin’s relations with local authorities on the disputed islands themselves. The four islands over which Japan lays claim are divided into two administrative districts or raiony: the Kuril District, which comprises Etorofu, and the South Kuril District, which encompasses the islands of Kunashiri, Shikotan and the unpopulated (except for a border guard detachment) Habomai islets. Both raiony are under the jurisdiction of Sakhalin oblast. The islands’ residents, quite justifiably, feel they have been neglected by regional authorities in Sakhalin who, as a result of chronic shortages in the federal budget, receive fewer funds from Moscow and in turn pass down even less to the locales. This has left local administrations on the disputed islands with insufficient financial resources to carry out their ever-increasing social-welfare responsibilities. The islands’ geographic isolation – only accessible by air and sea links, which are frequently disrupted by harsh and unstable weather conditions – has further compounded the economic crisis. The shortfall in funding has compelled local authorities in the South Kuril District, in particular, to launch a series of appeals and proposals independently of Sakhalin in an attempt attract economic assistance. These include turning the South Kurils into a free economic zone, leasing the islands and allowing Japanese fishers to operate in the disputed islands’ EEZ in return for fishing fees. The most blatant challenge to Sakhalin’s jurisdiction over the South Kuril District was former mayor Vladimir Zema’s threat to secede in 1997 if economic assistance was not forthcoming. The District’s charter, adopted in October 1996, contains a number of clauses that appear to have provided a further boost to the secessionists’ cause. These acts have not
only drawn attention to the economic plight of the South Kurils, but have also cast doubts on the ability of regional authorities to administer the islands and, in the process, resulted in acrimony between the oblast and raion.

Despite weathering Nazdratenko’s challenge, Yevgenii Krasnoiarov’s tenure as Governor of Sakhalin was to be relatively short-lived. He was forced to resign on 24 April 1995 due to a combination of health problems, a desire to take up alternative employment, as well as criticism of his lack of leadership in formulating a reconstruction package for the South Kurils after the devastating earthquake that struck the islands in October 1994.40

SAKHALIN’S THIRD GOVERNOR: IGOR FARKHUTDINOV

Yeltsin chose as Krasnoiarov’s successor Igor Pavlovich Farkhutdinov,41 the mayor and chairman of the Iuzhno-Sakhalinsk Ispolkom. Soon after taking over the gubernatorial reins, Farkhutdinov, in an interview with the Hokkaidô Shimbun, signaled he would follow Krasnoiarov’s basic approach of seeking to delay a resolution to the South Kurils dispute until the economic gap between Japan and Russia was eliminated, after which he was prepared to examine the issue.42 He was, however, more explicit than his predecessor in his expectations that Japan might contribute to reducing this gap through joint development, arguing “the most important thing is Japanese cooperation for the economic development of the islands. We welcome the advance of Japanese companies.”43 Although far from an expression of support for returning the islands, Farkhutdinov’s announcement offered a glimmer of hope as it identified the necessary preconditions for Russia to reconsider its position regarding the disputed islands. For Japan, some solace could be gained from the fact that Farkhutdinov, at least for the time being, did not regress to Fedorov’s hardline position of refusing to recognize the territorial problem’s existence and to take part in any discussions to decide the issue of the islands’ ownership. The idea of jointly developing the islands was, in fact, not a new one, having been first proposed in negotiations during Gorbachev’s visit to Japan in April 1991.

If Farkhutdinov was initially seen as having moderate views on the territorial dispute in Japan, he soon moved to dispel this notion. In the lead up to the first-ever gubernatorial elections scheduled to be held on 20 October 1996, Farkhutdinov found it necessary to pander to the nationalist vote when he asserted in an article in Sovetskii Sakhalin that “all the Kuril Islands have been and will remain Russian territory.”44 A further hardening of Farkhutdinov’s position was reflected in an article in Rossiiskaia gazeta: “The Kuril problem does not exist. The Kurils, by rights of the first settlers and the results of the Second World War, is Russian territory from a long time ago.”45 This comment clearly contradicted an earlier statement by Boris Yeltsin, contained in an official letter brought to Japan in September 1991 by Ruslan Khasbulatov, that relations between Russia and Japan would no longer be perceived in terms of victor and vanquished.

Farkhutdinov went on to win the election, but did not obtain an absolute majority, receiving only 39.47% of the vote – a little more than 10 points clear of his closest rival, the chairman of the Sakhalin Center for Standardization and Meteorology, Anatolii Chernyi.46 To what extent Farkhutdinov’s hardline stance on the territorial issue contributed to his election victory is unclear. In the harsh economic climate that made the struggle for survival a priority for local residents it would be an exaggeration to say Farkhutdinov’s position regarding the territorial dispute was a contributing factor. In fact, just before the gubernatorial elections, he traveled to Moscow to meet with Prime Minister Viktor Chernomyrdin and Anatolii Chubais, then head of the presidential administration, and extracted a promise of 60 billion rubles in central funding for Sakhalin’s development – a move which is thought to have boosted his election chances.47 However, fishers, whose livelihood would be threatened as a result of transferring the islands to Japan, and other social groups who have a vested interest in Russia’s continued control of the South Kurils would have taken careful note of the governor’s comments. Despite obtaining a popular mandate, which theoretically increased his powers within the region and vis-à-vis Moscow and made him no longer indebted to the President for his position, Farkhutdinov backtracked somewhat from his pre-election rhetoric and showed a preparedness to follow the Kremlin’s line by at least recognizing the existence of the territorial dispute.48
Despite his somewhat reluctant and belated recognition of the Northern Territories problem’s existence, Farkhutdinov showed the Sakhalin administration was unwilling to stand by idly and watch Moscow negotiate with Tokyo over the islands’ fate. Although certainly not as pugnacious and critical of the Russian government as Valentin Fedorov, Farkhutdinov also demonstrated an ability to complicate matters involving the South Kuril Islands. For instance, Farkhutdinov actively sought to introduce foreign capital for the reconstruction and development of the disputed islands; authorized and financed the joint construction of a cross with the Orthodox Church on Ostrov Tanfileva in the Mala Kuril’skaia griada (which the Japanese call Suishô Island – part of the Habomai islets) immediately after the November 1997 Yeltsin-Hashimoto summit to commemorate the deeds of Russian settlers who first discovered the islands 300 years ago; and in a move ostensibly to preserve the islands’ unique and precious natural environment but essentially designed to force international recognition of Russian sovereignty over the disputed islands, he sent a proposal to the Russian Ministry of Foreign Affairs to put Kunashiri, Shikotan and the Habomai islets on the World Heritage List.

There appear to be two fundamental reasons that can explain why Farkhutdinov sought to block any moves by the Russian government to hand the disputed islands to Japan. According to Steven Solnick, “First, he seems to be using the populist issue of Russian sovereignty over the territories to solidify his domestic political base within the oblast.” As discussed previously, although Farkhutdinov won Sakhalin’s first gubernatorial elections in October 1996, his total percentage of the vote was just under 40% – sufficient to defeat his closest challenger, but certainly not enough to warrant any complacency. Farkhutdinov was re-elected in October 2000, receiving approximately 57% of the vote. Moreover, given that public opinion polls have consistently shown that an overwhelming majority of oblast residents are opposed to transferring the South Kuril Islands to Japan, Farkhutdinov’s high profile stand against a return of the islands resonated with nationalist sentiments in Sakhalin, which, like most of Russia, have been triggered by, inter alia, poor socio-economic conditions and an identity crisis following the traumatic loss of empire.

In particular, the position of the Sakhalin oblast Duma vis-à-vis the territorial dispute necessitated a hardline response from the Governor. It has consistently taken an uncompromising stand over the South Kuril Islands. The regional Duma has protested against foreign companies using maps that show the disputed islands to be Japanese territory and has also lobbied Moscow and the Far East and Lake Baikal Interregional Association for Economic Cooperation to take steps against any further “cartographic expansion into Russian territory.” Moreover, in September 2001, the regional Duma organized a public parliamentary hearing to discuss the territorial dispute. The recommendation of the two-day hearing, made to the Russian government, State Duma and President Putin, held no surprises: do not return the Kuril Islands to Japan. It should also be noted that it was also the regional legislature that adopted the oblast charter (ustav), which preconditioned any transfer of the islands upon a referendum, debated in May 2001 whether to propose a revision of the federal Constitution that would make relinquishing the disputed islands legally impossible and has periodically issued declarations and resolutions in support of continued Russian control of the islands.

Nationalist sentiments are not the only factor behind the attachment to the South Kuril Islands. As discussed previously, the islands’ EEZ is blessed with abundant marine resources and is said to be one of the world’s three great fisheries, containing the spawning grounds for several commercially viable fish species. Powerful regional interest groups in the form of the military and the fishing industry are viscerally opposed to Russia transferring the South Kuril Islands to Japan. The fishing industry, which is the mainstay of the regional economy, stands to lose hundreds of millions of dollars if the disputed islands are transferred to Japan. The industry’s contribution to regional coffers and representation in the oblast Duma makes it a voice to be heard on matters concerning any possible negotiated settlement to the territorial dispute. Similarly, Russia’s law enforcement agencies and armed forces, which have been adversely affected by economic reforms, receive various material benefits from participating in the legal and illicit trade in fish and marine products that has flourished under Russian control of the South Kuril Islands. They also act as an impediment to the regional polit-
metrical elite adopting a more conciliatory position on the territorial dispute.54

In addition, Farkhutdinov’s outspoken opposition to Russian territorial concessions has also served as an important means of extracting greater economic resources from Moscow.55 The Soviet command economy’s collapse and the failure to develop a consensus-based integrated financial framework in Russia have led to a large number of regions concluding special arrangements with Moscow regarding tax allowances and subsidies. Moreover, Russia’s development as a treaty rather than a Constitutional federation, which has institutionalized the principle of asymmetrical federalism, has provided an environment conducive to inter-federal bargaining in post-Soviet Russia. The arrangements differ from region to region and depend on the strategic importance of the provinces for the center, value of their natural resources and political assertiveness of regional politicians.56 Sakhalin oblast, as a whole, has benefited in the past with the announcement of a number of multi-million dollar federal programs for the Kuril Islands’ socio-economic development, although Moscow’s failure to make good on most of its financial pledges raises doubts about the financial gains to be made from pursuing such a strategy. Exploiting the territorial dispute has also proved beneficial in other ways. Farkhutdinov signed a power sharing agreement with former Prime Minister Viktor Chernomyrdin in May 1996 between Sakhalin oblast and the Russian Federation which covered, amongst others, areas such as land use, education and international economic ties.57

According to Arai Nobuo, a Japanese expert on the political economy of the Russian Far East, Farkhutdinov, who had over 20 years experience in local politics and was an astute politician, adopted a “third position” (dai-san no tachiba) on the territorial dispute in order to maximize Sakhalin’s influence. This “third position” was fluid and regulated by many variables including the Russian federal government’s Japan policy, the Japanese government’s Russia policy, the will of the islanders expressed through various elections and Sakhalin public opinion.”58 Contrary to Japanese media reports, Arai doubts that Farkhutdinov was a “simple hardliner” (tanjun kyokôha), for if he was, he would have refuse Japanese aid and opposed the visa-less exchange program. It should be noted that Farkhutdinov did in fact threaten to cancel the visa-less exchanges.59 However, this was in response to what he correctly perceived as Japanese efforts to link cross-cultural exchange with the movement to demand the Northern Territories’ return. Farkhutdinov was not opposed to the program per se. On the contrary, he would have preferred to see it expanded to include Sakhalin residents. Such a “hardline” approach—if one were to hypothesize that for the Russian government, improving relations with Japan is a sufficiently high priority—would lead the Kremlin to ignore Sakhalin and press ahead in negotiations with Japan, thereby reducing Sakhalin’s influence. On the other hand, if Sakhalin were to hand the Russian government “blank power of attorney” (hakushi inin) in matters pertaining to the territorial dispute, Arai believes Moscow would not take into account Sakhalin’s position.60 Here it is necessary to re-emphasize that the political and economic benefits regional elites derived from exploiting the territorial dispute virtually assured that Sakhalin would not be prepared to hand the federal government any of its perceived rights over the islands.

Sakhalin’s position regarding the South Kuril Islands not only complicates Russian territorial negotiations with Japan, but is also believed to have the potential to cause difficulties for the federal government concerning the massive offshore oil and gas development projects around Sakhalin. Steven Solnick suggests Sakhalin might be tempted to use its potential veto over any deal to resolve the territorial dispute as a bargaining chip to readjust the federal-regional revenue split from the projects or reinterpret Product Sharing Agreements (PSA).61

Regional authorities have been critical of Moscow, in particular the former communist-dominated State Duma, for blocking the necessary legislation designed to protect foreign investment in the region.62 The lack of such legal provisions is one of the main factors that have limited foreign investment in Sakhalin during the first decade of post-Soviet reforms. The expected wealth generated from the oil and gas development projects will benefit Sakhalin enormously. These projects represent an important opportunity for Sakhalin to emerge from its long-standing economic slump. There must be some doubts as to whether regional authorities would deliberately destabilize the economic environ-
ment by seeking to readjust the federal-regional revenue split from the projects or alter the PSA in order to thwart any resolution of the territorial dispute. That said, one must also not underestimate the irrationalism that emotional attachments to territory can induce in people.

Given the federal government’s inability to make good on its promises of financial assistance to the region, one might argue that it would be better for regional authorities in Sakhalin to come out in support of Russia transferring the islands to Japan, or in the very least stifle their own opposition to this. Such a move would unleash a wave of much needed Japanese financial support for Sakhalin. The political value regional elites have seen in exploiting the territorial dispute is one reason such a strategic shift has not been seriously considered. Moreover, there are probably reduced expectations in Russia that a decision to return the islands to Japan would result in a substantial bonus in terms of Japanese economic assistance for its embattled economy. Economic assistance of this magnitude would be dependent upon improved Japanese sentiments towards Russia and Japan’s own ability to fund such a package. One cannot discount the possibility that Japanese gratitude for a possible Russian return over the Northern Territories may be short-lived, in a manner akin to Japanese appreciation for America’s return of Okinawa in 1972 and the “China euphoria” following the signing of the Sino-Japanese Peace Treaty in 1978.63

For many Japanese, the Russian occupation of the “Northern Territories” is both unjust and illegitimate. They would therefore probably see any Russian decision to return the islands as being a matter of course. Any “Russia euphoria” that might follow a decision to return the islands would be relatively small in scale and short-lived. Moreover, the poor state of the Japanese economy and Russia’s unstable investment environment further reduce the likelihood of a subsequent economic assistance package for Russia. Political leaders in Russia are more than likely to be cognizant of the limits of Japanese largesse.

**Conclusion**

This article focused on Sakhalin’s governors and outlined their positions on the dispute over the South Kuril Islands. It addressed the question as to why Sakhalin’s governors adopted an unyielding stance in opposition to Russian territorial concessions. It argued that Valentin Fedorov and Igor Farkhutdinov, in particular, sought to exploit the Northern Territories dispute for political and economic gain by adopting very public, and sometimes innovative, campaigns to prevent the federal government from transferring the disputed islands to Japan. The territorial dispute proved to be a useful tool for both governors, who have played the nationalist card, in order to strengthen their sometimes-unstable domestic political bases. As the case of former Primorskii krai Governor, Yevgenii Nazdratenko, demonstrates, Fedorov and Farkhutdinov have not been the only embattled Russian regional leaders to wrap themselves in the nationalist cloak in order to divert attention and criticism away from economic mismanagement and corruption. Local opposition to Russian territorial concessions has also enabled Sakhalin to extract economic concessions and benefits from both the Russian federal government and Japan where the “Sakhalin factor” is seen as an important element in Russian domestic affairs pertaining to the South Kuril Islands. However, the former’s inability to make good on most of its promises of support casts some doubts on the economic value of such a strategy. It is for these reasons that the political elites in Sakhalin, genuine nationalistic sentiments notwithstanding, have been unwilling to take a conciliatory stand on the territorial dispute. This is an important reason why the strategy proposed in some circles in Japan to promote cooperative relations with Sakhalin as a means of alleviating opposition to Russian territorial concessions has been largely unsuccessful.

**Notes**


2 Sakhalin’s influence on domestic policy making in the period immediately preceding the Soviet Union’s collapse was first brought to the attention of Japanese and Western scholars through the writings of Iakov Zinberg. He coined the term the “Sakhalin syndrome” to describe a situation in which “the Soviet leadership cannot decide a position on the ‘Northern Territories’ problem whilst ignoring the position of Sakha-
Fedorov was at best ambivalent toward the Sovetskii Sakhalin. It is worth noting that Fedorov’s economic development to be oriented toward domes-

ducible consequences. He instead called for the social market economy and more gradual reforms. Fedorov come to power claimed they had been

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21 Fedorov is quoted as saying “I think it is better to return part of the four islands to Japan. Further decades will be wasted between Japan and the Soviet Union if the territorial dispute between the two nations remains unresolved.” Japan Times, 5 February 1991, p. 1; Anthony Rowley, “Japan Doubts over Gorbachev’s Rapprochement: Islands of Uncertainty,” Far Eastern Economic Review 151:8 (1991), p. 11.

22 This is evidenced by the continual stream of official Japanese delegations to Sakhalin to discuss the Northern Territories dispute and gauge local public opinion, which is testimony to Japanese recognition of the salience of the “Sakhalin factor.”


27 It must be pointed out that according to Russian electoral laws, candidates need to obtain more than 50% of the vote to be elected to the Russian Congress of People’s Deputies. Zinberg gives Fedorov’s total vote in the run-off as being only 47.78%, which is just short of an absolute majority. If Zinberg’s figures are correct, Fedorov’s election to the Congress represents an exception to Russian electoral laws. Sovetskii Sakhalin, 22 March 1990, p. 1, cited in Zinberg, “Fyôdorofu no Kokusai Seiji (2),” p. 10. Fedorov’s seat in the Congress can be confirmed by examining an official list of RSFSR People’s Deputies. See Spisok narodnykh deputatov, p. 97.


30 William Nimmo, Japan and Russia: A Reevaluation in the Post-Soviet Era (Westport, 1994), p. 171. Fedorov returned to Moscow and served a brief stint as a Deputy Minister of Economics until 1994. He then became Vice President of the Russian Union of Industrialists and Employers and then returned to Sakha, becoming Prime Minister where he continued to be a headache for central officials, calling for a picket of government buildings in Moscow to protest an economic blockade against the Republic in 1997.

31 TASS, 12 April 1993.


35 Nazdratenko stated that such a move would also serve to strengthen Russia’s position in the Asia-Pacific region. Sovetskii Sakhalin, 12 August 1994, p. 1.


41 Igor Farkhutdinov and a number of officials from the regional administration were tragically killed when the helicopter in which they were riding crashed while flying to the Kuril Islands from the Kamchatka Peninsula in August 2003. In the second round of gubernatorial elections held on 21 December to determine Farkhutdinov’s successor, former Sakhalin vice-governor Ivan Malakhov received just over 53% of the vote to defeat Iuzhno-Sakhalsk mayor Fedor Sidenko who was preferred by about 34% of voters. Andrei Borodianskii, “Vtoroi tur
42 Hokkaidô Shim bun, 8 May 1995, p. 4.
43 Ibid. Farkhutdinov preferred joint development of the islands to Japanese government assistance in the wake of the October 1994 earthquake.
44 Hokkaidô Shim bun, 19 October 1996, p. 5.
45 Ibid.
49 Steven Solnick, “Russian Regional Politics and the ‘Northern Territories,’” paper presented for an international symposium, Miyazaki-Tokyo, November 1999, p. 3.
50 Nezavisimai gazeta, 24 October 2000, p. 2. 
55 Solnick, “Russian Regional Politics,” p. 4. Similarly, regional authorities in Primorskii krai, in particular, have campaigned against demarcation of the eastern Russo-Chinese border in order to attract subsidies from Moscow. It should also be noted that some Japanese observers believe Sakhalin has also sought to use the territorial dispute to extract economic aid and cooperation from Japan. See Hokkaidô Shim bun, 8 November 1998, p. 1.
57 Orttung et al., The Republics and Regions, p. 481; Kyodo, 23 July 1996.