13:17 30 October 2016 FOCUS: Security, economy needs to move Japan-Russia isles talks forward By Junko Horiuchi TOKYO, Oct. 30, Kyodo

A meeting just over a month away between Japan's and Russia's leaders could finally bring progress in a dispute over a group of Russian-held, Japanese-claimed islands that has prevented the two countries from signing a post-World War II peace treaty.

Japan's need for stronger ties with Russia amid China's rise and the growing threat to regional stability from North Korea's development of nuclear and missile technology, matched with Moscow's hopes for Japanese support to spur its economy, is shaping a path toward settlement of the territorial issue, political analysts say.

Stable public support for Prime Minister Shinzo Abe and Russian President Vladimir Putin is also helping create favorable political conditions and providing a rare opportunity for them to move the sensitive issue forward at their Dec. 15 summit in Yamaguchi Prefecture, they say.

The summit is scheduled to be held in Nagato, Abe's constituency.

"There is no doubt that Russia's strategic importance is becoming very much greater at a time when international relations in the Asia-Pacific and elsewhere are undergoing a dramatic change," Vice Foreign Minister Shinsuke Sugiyama told reporters after a recent security dialogue with Russia.

Takushoku University professor Takashi Kawakami says December's meeting will be Abe's "biggest" chance to strike a deal with little U.S. involvement as Japan's ally prepares to change leaders.

"With the China's rise, and the United States becoming inward-looking, Mr. Abe actually has no choice but to go ahead with his own diplomacy and forge closer ties with Russia," said Kawakami.

"Japan needs to think about hedging against China in its own way, as the outlook for U.S. commitment to Asia remains uncertain, despite its pivot to Asia," Kawakami said.

Washington, which has differences with Moscow regarding Ukraine and Syria, has in the past expressed caution about what it sees as Abe's soft stance toward Russia. But the United States is not necessarily against Abe's Russia policy because a more stable and secure Asia is obviously in its interest, Kawakami said.

Abe told a recent Diet session that Tokyo's dealings with Russia have been "firmly accepted" by the United States but that negotiations on a Japan-Russia peace treaty are "something that Japan decides on its own." Abe took advantage of his September visit to the U.S. to attend U.N. meetings to get Washington's backing, holding talks with U.S. Vice President Joe Biden and Democratic presidential nominee Hillary Clinton.

In the meetings, Abe said he would seek to advance territorial talks with Putin but would not loosen annexation sanctions on Moscow that were imposed with other members of the Group of Seven nations, according to officials who were at the talks.

Although Abe has not met Republican nominee Donald Trump, Japan's policy toward Russia should gain his support, given his pro-Russia stance, Takushoku University's Kawakami said.

In the hope of drawing Moscow's attention, Japan has pledged extensive economic cooperation, which negotiation sources say amount to more than ¥1 trillion, ranging from cooperation in medicine and energy development to the promotion of industry in the Russian Far East, a region Putin prioritizes for foreign investment.

The offer has apparently prompted Putin to accept the meeting with Abe at a time when his economy is ailing from declining commodity prices and sanctions imposed by the United States and the European Union in response to Russia's annexation of Crimea in 2014.

Political analysts say the problem of the depopulated Russian Far East is not only an economic issue for Russia, but also a security issue because Moscow, while enjoying friendly ties with Beijing, is cautious about being too close, both politically and economically, as China raises its presence in the region.

The Russian-held islands of Kunashiri, Etorofu and Shikotan and the Habomai islet group off Hokkaido are economically and strategically important to Russia. The island chain is a key part of a sea lane leading from the resource-rich Arctic Ocean to the Asia-Pacific.

In larger Kunashiri and Etorofu, which account for about 93 percent of the land mass of the disputed territory, Russia has been strengthening control and building infrastructure including military bases.

Deployment of an advanced coastal missile system on the Kuril Islands and the setting up of a permanent naval base for its Pacific Fleet in the chain are also reportedly being considered.

Despite the rift between Russia and the West over Ukraine and Syria, Abe has visited Russia twice this year and is expected to do so again on the sidelines of the Asia-Pacific Economic Cooperation gathering in Peru in November.

Such unusual courting by a G-7 member reflects the Japanese leader's strong, personal drive to move the territorial issue forward, analysts say.

From his first, short stint as prime minister in 2006, Abe has said he wants to end the country's "postwar regime," expressing eagerness to overhaul a framework he says was forced on Japan

after its defeat in World War II.

Resolving the territorial row with Russia and signing a peace treaty appears to be part of that, along with the revision of the U.S.-drafted pacifist Constitution.

The Japan-Soviet Joint Declaration, signed 60 years ago to end a state of war between the two countries and restore diplomatic ties, is likely to become the basis for the Abe-Putin summit in December.

The legally binding treaty, which Putin has repeatedly confirmed, says Russia will hand over the smaller Shikotan and the Habomai islets 7 percent of the disputed area - after signing a peace treaty.

At the same time, Putin stresses the declaration says nothing about the sovereignty of the isles or under what conditions the two islands will be handed over.

While Japan's negotiation strategy was to resolve the issue of ownership for all four islands and conclude a peace treaty, Abe's government is considering signing a peace treaty without insisting that Moscow recognize Japanese ownership of all four, government sources said.

Japan says they are its inherent territory but Russia says it legitimately took the islands as the result of World War II.