

# COMPARATIVE

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## C O N N E C T I O N S

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### JAPAN-KOREA RELATIONS

## HITTING AN ALL-TIME LOW

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In the early months of 2019, Japan-South Korea relations have continued a downward spiral. In their dealings with the radar lock-on dispute and a South Korean court ruling on forced laborers, both Seoul and Tokyo responded to the other's action negatively, reaching the point of suspending all senior-level defense exchanges for the first half of the year. While recent developments may point to yet another period of all-time low in Seoul-Tokyo relations, it is possible that the year 2019 may signify the beginning of a new trend at a deeper level. That is, Seoul and Tokyo do not regard the other as a valued partner in their long-term national security strategy, even when addressing nuclear and missile threats from North Korea. On the Japan-North Korea front, once the biggest regional champion of the US "maximum pressure" campaign, Japan has continued to reckon with the region's sudden turn toward diplomacy with North Korea and made some policy adjustments for better alliance coordination with the United States.

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## Japan adjusts its North Korea policy

Kim Jong Un's April visit to Russia left Japan as the last major regional power without a serious engagement process with North Korea, highlighting Japan's isolation and dwindling options. Japan faces one of the most unenviable situations when it comes to North Korea policy in the region. It has struggled to juggle its prior tough stance toward North Korea, its need to maintain close alliance coordination with the United States, and its focus on key issues of little interest to the US and others – namely, North Korea's abductions of Japanese nationals in the 1970s and 1980s, as well as the threat posed by shorter-range North Korean missile launches.

As a result, Japan made a visible turn in the last three months toward proactively seeking diplomatic engagement with North Korea. In March, Japan chose not to sponsor a UN resolution on North Korean human rights abuses – an action it has taken annually since 2007. A new edition of Japan's Diplomatic Bluebook unveiled April 23 drops the goal of “maximiz[ing] pressure on North Korea by all available means” and instead declares it is “important for the international community to come together and support the U.S.-North Korea talks.” Japanese Prime Minister Abe Shinzo told the conservative *Sankei Shimbun* newspaper on May 2 that he wants to “meet Chairman Kim Jong Un unconditionally and talk with him frankly with an open mind.” “We can't break the shell of mutual distrust between Japan and North Korea unless I directly face Kim,” Abe said, “I hope he is a leader who can make a decision strategically and flexibly on what is best for his nation.”

This shift was quickly complicated by North Korea's launch of multiple projectiles (including a likely short-range ballistic missile) off the east coast of North Korea on May 3. The move drew a muted response from Japan, with the Defense Ministry emphasizing that the projectiles “weren't a security threat and didn't reach anywhere near the country's coast.” Japan has in the past highlighted the threat shorter-range North Korean missiles pose to the Japanese mainland. In Japanese Foreign Minister Kono Taro's phone call with South Korean Foreign Minister Kang Kyung-hwa, the two chief diplomats reportedly “agreed to keep coordinating while also ‘carefully responding’ to the launches.” The launches, coming just one day after Abe's declaration of willingness to

meet Kim Jong Un unconditionally, seemed to reflect little North Korean interest in signaling goodwill to Japan.

Over the last year, North Korea has not only seemed uninterested in engaging Japan, but apparently continued its openly hostile stance toward Japan in state media pronouncements regarding Japan. This year, the *Korea Central News Agency (KCNA)*, North Korea's official state news agency, called Japan an “immoral and impudent country.” On May 2, a KCNA commentary called Japan's purchase of missiles from the United States “a typical example corroborating Japan's sinister ambition for becoming a military giant” and claimed that Japan was “adamant on threatening the hard-won peaceful atmosphere on the peninsula and the region and seriously disrupting the strategic balance in the region.” An April 26 commentary argued that Japan “had resorted to all sorts of dirty and vicious plots for turning Korea into their colony” in the run-up to its occupation of the Korean Peninsula in the first half of the twentieth century.

However, North Korea may well shift suddenly, concluding that offering to engage Japan may put pressure on the United States at a critical moment. Back in August 2018, Japanese Cabinet Intelligence and Research Office chief Kitamura Shigeru reportedly met secretly in Vietnam with Kim Song-hye, head of the United Front Tactical Office in the North Korean United Front Department. Publicly, North Korea seems intent on continuing to portray Japan as a militarist aggressor that stands in the way of the Korean Peninsula peace process. But as we have seen in Pyongyang-Tokyo dynamics during the Six-Party Talks negotiations, Japan may well be North Korea's last major card to play in terms of big regional moves it can make, and Tokyo would remain interested in keeping the option of normalizing diplomatic relations with Pyongyang open.

This reflects a longstanding dynamic in Japan's role in North Korea policy from a broader regional security perspective: Japan is a short-term marginal power as well as a long-term latent power when it comes to North Korea. In other words, Tokyo has the potential to exercise significant clout, because it has the economic capabilities and resources and expertise in disaster situations to contribute useful incentives to any deal with North Korea. Its proximity to the Korean Peninsula and hosting

of vital US military bases also make Japan an actor with keen interests in shifting power balances on the Korean Peninsula. But whether and how much Japan can use that clout depends on other specific factors that are not in play and beyond Japan's control. Currently Japan has little leverage on North Korea policy and remains heavily dependent on the actions of the US, South Korea, and other regional actors, a situation that Prime Minister Abe would be interested in changing. However, accomplishing that goal is complicated by the difficulty with predicting the Trump administration's ultimate goal and its handling of Pyongyang and by poor relations with South Korea.

### **Radar Lock-on Incident and Japan-South Korea Security Partnership**

In the early months of 2019, Seoul and Tokyo continued to vigorously debate Japan's claim that a South Korean Navy warship aimed its fire control radar on Japan's patrol aircraft in December 2018. Then in early January, South Korea demanded that Japan should apologize for a "menacingly" low-altitude flight by Japan's patrol aircraft near its warship. Basically, South Korea denies that its warship used a fire-control radar, while Japan denies that its patrol aircraft was flying at a threateningly low altitude. The two sides' claims, denials, and counterarguments led several media outlets to characterize their relations as *tit-for-tat*, with a [dictionary meaning](#) of "an equivalent given in return (as for an injury): retaliation in kind."

In response to Japan's release of [a video](#) in late December that conveyed its message about the alleged incident, on Jan. 4, South Korea's military posted [a video of its own](#) to refute Japan's claim. On Jan. 14, the two sides held working-level talks in Singapore but failed to narrow down their differing assessments of the situation. By Jan. 21, Japan issued two audio recordings, which it said were new evidence in support of its claim. But South Korea's military countered the claim by saying the files were doctored, with no information on the timing of the recordings. Then, on Jan. 23, [South Korea's military](#) claimed that Japan's surveillance plane made "provocative" and "threatening" passes over its naval vessel, saying that it would respond strongly should such activity recur. The [meeting of foreign ministers](#) of Japan and South Korea, Kono and Kang, on the sidelines of the World Economic Forum in Davos held on the same day did not yield any practical measure

toward resolution. South Korea released [photographic evidence](#) to back up its claim the next day. Tokyo immediately challenged it.



Figure 1 SDF patrol aircraft conducting a "threatening flight." Photo: South Korean National Defense Ministry

With no clear resolution in sight on the radar lock-on dispute, there was some backpedaling on the earlier efforts geared toward expanding bilateral military exchanges. The planned visit by South Korea's commander of the Korean Navy First Fleet to Japan's Maritime Self-Defense Force's headquarters scheduled in February did not happen. Japan canceled the plans to deploy its *Izumo*-class helicopter destroyer to a combined maritime exercise held in South Korea. The two-part exercise aimed at countering maritime crime – involving 18 countries including the 10 members of the Association of Southeast Asian Nations (ASEAN) – took place in South Korea's port city Pusan from April 29-May 2 and then in Singapore from May 9-13. According to *Sankei Shimbun*, Japan's Ministry of Defense has sent invitations to Australia, Singapore, India, and the United States to attend a naval review to be held in October this year, but withheld an invitation to South Korea, citing the radar dispute. In 2015, a South Korean Navy destroyer participated in the Japanese naval review, along with the ships from the United States, Australia, India and France.

Other indicators also cast a cloud over the future of security cooperation between Japan and South Korea. In its 2019 Diplomatic Bluebook, the Japanese government describes its ties with Seoul as "facing a very difficult situation amid a series of negative activities on the part of South Korea." The document lists South Korea's court ruling on forced laborers, the South Korean government's announcement of the dissolution of the foundation established to compensate "comfort women" survivors, issues concerning the Rising Sun Flag, and questions surrounding

Japanese aircraft patrol as “negative activities” by South Korea. South Korea’s Foreign Ministry responded by formally lodging a complaint. Compared to the previous year’s document, notable is the deletion of the expression, “although there are difficult issues between South Korea and Japan, it is important to appropriately manage these issues while advancing the bilateral relationship in a future oriented way.” South Korea, on its part, removed the statement that reads, “South Korea and Japan share fundamental values of liberal democracy and market economy,” from its biennial defense white paper released on Jan. 15, an omission from the earlier ones in 2014 and 2016.

How did things get this bad between Japan and South Korea? One possible answer is North Korea. In the past, even in the midst of rough bilateral relations, one factor that has consistently functioned as glue for Seoul-Tokyo cooperation has been their shared desire to maintain strong deterrence and policy coordination vis-à-vis North Korea, especially in the Japan-South Korea-US trilateral framework. This year, toward that end, Japanese Foreign Minister Kono and Korean Foreign Minister Kang Kyung-hwa met in January in Davos and again in February at the Munich Security Conference. Kanasugi Kenji, director general of the Japanese Ministry of Foreign Affairs Asian and Oceanian Affairs Bureau, met South Korean Special Representative for Korean Peninsula Peace and Security Affairs Lee Do-hoon on Feb. 9 in Seoul and April 1 in Tokyo and spoke on the phone on Jan. 11 and April 24. The two chief negotiators for North Korea policy have also met trilaterally with US counterpart Special Representative Stephen Biegun.

However, if the North Korea factor used to put the brakes on deteriorating bilateral relations, especially in the aftermath of Pyongyang’s provocations, now with President Trump seeking diplomacy with North Korean leader Kim Jong Un, there are more moving parts in their respective dealings with North Korea. Not surprisingly, President Moon’s strong desire for inter-Korean reconciliation and Prime Minister Abe’s tough policy preferences toward Pyongyang did not naturally align. Until Tokyo made a North Korea policy adjustment at the end of April, Japan “underscore[ed] the importance of making tangible progress toward denuclearization,” while South Korea emphasized “work[ing] together to achieve

complete denuclearization and to establish a peace regime.” Further, compared to the Obama administration, the Trump administration is less interested in playing a mediator role when South Korea and Japan do not get along.

### South Korean court ruling on forced labor

2019 began with Prime Minister Abe and other high-ranking Japanese officials expressing deep regrets over South Korean plaintiffs seeking to seize Japanese companies’ assets. In his New Year’s press conference on Jan. 10, President Moon said the South Korean government “cannot involve itself in judicial decisions,” and “must respect court rulings.” He also said, “the issue is not something created by the South Korean government. I think the Japanese government should adopt a position of humility.” These remarks were not well received in Japan. Chief Cabinet Secretary Suga Yoshihide, for example, argued that “President Moon’s remarks appear to be an attempt to shift South Korea’s own responsibilities onto Japan and are extremely dismaying.” South Korea’s Foreign Ministry responded by expressing disappointment with Suga’s comments. As Japan pondered ways to address the issue, some high-ranking Japanese policymaker such as Finance Minister Aso Taro advocated that Japan should consider retaliatory economic measures such as tariffs on Korean products.



Figure 2 Mitsubishi Heavy Industries to compensate Korean victims of forced labor during World War II. Photo: Korea JoongAng Daily

The South Korean Supreme Court’s decision that ordered Japanese companies to compensate forced laborers brought into the open several difficult questions that the two societies are not able to answer easily. First, from a legal point of view, the Japanese government and South Korean Supreme Court adopt different interpretations of the 1965 basic treaty that established diplomatic relations between Japan and South Korea. Based on the treaty, it is the view of the Japanese government that all

compensation claims had been “settled completely and finally” by the 1965 agreement. However, South Korea’s Supreme Court ruled that the 1965 agreement did not eliminate individuals’ right to seek compensation.

Second, the multi-faceted issue involves multiple actors and domestic constituencies with diverse perspectives and opinions – including those in civil society within and across Japan and South Korea who tend to approach the ruling through the lens of human rights and social justice. According to South Korean daily [JoongAng Ilbo](#), South Koreans themselves are divided on the Supreme Court rulings, with many in the diplomatic community feeling that “like it or not, the basic treaty was a promise between two states and must be respected.” The same daily reported that in November last year, 90 lawyers in Japan advocated South Korean Supreme Court rulings in October and the number reached 200 over the next 20 days. The rulings also shed light on a group of Japanese and Korean lawyers who represented the victims of forced labor since 1994. As for public opinion within Japan, according to *Yomiuri Shimbun*’s poll on Dec. 14–16, 86% of Japanese respondents thought that all forced labor claims were settled under the 1965.

Against the backdrop, tensions ran high when South Korean National Assembly Speaker Moon Hee-sang referred to the Japanese emperor as “the son of the main culprit of war crimes” in his interview with *Bloomberg*. Moon’s remarks reportedly meant to emphasize the symbolism of the apology made by the emperor, drawing criticisms from Prime Minister Abe and other high-ranking policymakers. In response, Former Prime Minister Hatoyama Yukio stated his desire that the new emperor would “have an opportunity to visit Korea amid much welcome from the people of Korea.” Hatoyama, of the Democratic Party of Japan, was visiting Seoul and delivering his speech at an event in Seoul commemorating Korea’s March 1<sup>st</sup> Independence Movement against Japanese colonial rule.

Overall, after the South Korean government’s decision to dissolve an organization set up to compensate the so-called “comfort women” issue, Japanese policymakers seemed to have decided not to invest in mending relations with Seoul, raising concerns about “Korea passing” in Japan. On Jan. 28, Prime Minister Abe’s annual policy address did not mention South

Korea except with reference to North Korea. When asked by Tamaki Yuichiro, leader of the Democratic Party for the People, why he did not mention South Korea, Abe responded, “it is regrettable that there have been moves that appear to deny even the premise of the bilateral relations between Korea and Japan, including the issue of labors from the former Korean peninsula [the Japanese government expression for forced laborers].”

In South Korea, President Moon is increasingly facing criticism for the deterioration in diplomatic relations with Tokyo. By early March, President Moon and high-ranking South Korean policymakers began to highlight the importance of bilateral relations with Tokyo. Last year, President Moon’s speech commemorating the March 1<sup>st</sup> Independence Movement stated, “as the perpetrator, the Japanese government shouldn’t say ‘it’s over,” “Wartime crimes against humanity can’t be swept under the rug by saying ‘it’s over.’” This year, however, his tone softened. In his 2019 March 1 speech commemorating the centennial of the March 1<sup>st</sup> Independence Movement, Moon avoided criticizing Japan directly and emphasized the need for cooperation with Japan for peace on the Korean Peninsula.

### **Economic relations**

South Korea-Japan economic and trade relations have remained, as has typically been the case, largely unrelated to political developments and driven by practical considerations. Tourism between the two countries provided one clear example. The Korea Tourism Organization showed continuing increases in Japanese tourism to South Korea every month in 2019. Korean tourism to Japan declined 3% in January but gained 1.1% in February year-on-year; statistics for March and April were not yet available. It remained too early to gauge whether the major uptick in Japan-South Korea political tensions we have seen this year will ultimately affect tourism. But the release of final year-on-year tourism statistics for 2018 appeared promising. Japanese tourism to South Korea saw a 27.6% increase and Korean visits to Japan reached an “all-time record.” A representative of the Korea Tourism Organization in an interview with *Chosun Ilbo* attributed the bump in Japanese tourism to “warming relations with North Korea, which eased the fears of more timid Japanese tourists.”

The bilateral trade relationship was complicated not by geopolitical tensions, but by economic difficulties for both Japan and South Korea. Korean government data showed an 8.2% drop in Korean exports to Japan, attributed by *Yonhap* to “falling demand for steel and petrochemical products.” Japanese Ministry of Finance statistics show drops in both imports from and exports to South Korea every month this year so far. These drops came in the context of a tough climate for both economies more generally. South Korean gross domestic product shrank 0.3% in the first quarter, and April marked five straight months of declining Korean exports overall. In Japan, trade tensions are taking a toll on exports, with Japanese Ministry of Finance statistics showing declines in exports year-on-year from January through March (the most recent month where data is available). The Bank of Japan has announced there are “high uncertainties” for Japan’s future growth.

The two countries also shared an economic challenge in the toughening US policy toward Iran. Both Japan and South Korea, highly dependent on outside sources of energy to power their economies, have in the past imported Iranian crude oil thanks to US sanctions waivers for five major economies. But media reporting on April 21 cited US administration officials as indicating Washington would end the waiver program. The implications of the decision are not yet clear, but it is likely this will exacerbate economic challenges for South Korea and Japan and highlight their shared vulnerability to major geopolitical disruptions. Both countries are working to secure favorable trade agreements and deepen key export relationships, as seen in President Moon’s visit to Southeast Asia in March and Prime Minister Abe’s visit to Europe in April. A massive trade agreement between Japan and the European Union took effect in February, and both Japan and South Korea are working to offset the impact of Brexit. South Korea and Japan are also negotiating multilaterally through participation in the Regional Comprehensive Economic Partnership (RCEP) talks.

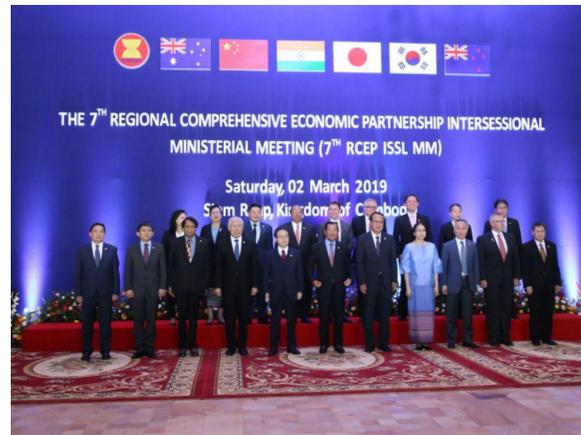


Figure 3 The 7th Regional Comprehensive Economic Partnership Intersessional Ministerial Meeting. Photo: ASEAN

There was one notable area where a bilateral economic issue became a source of political and diplomatic tension between Japan and South Korea: South Korea’s continuing import ban on seafood from the Fukushima region of Japan. The ban had been the subject of a legal dispute at the World Trade Organization following a complaint lodged by Japan in August 2015. In October 2018, a WTO dispute settlement panel ruled in favor of Japan. But South Korea appealed the ruling to the WTO’s appellate body, which ruled on April 11 in favor of Seoul’s import ban.

The WTO appellate body decision is final and exhausts Japan’s options in the WTO, but it has not settled the issue in the bilateral relationship. Japan’s WTO representative quickly called the decision “extremely regrettable,” and warned that it “could have a negative impact on perceptions of the safety of Japanese foods and on those seeking to export their products to countries such as Korea.” In late April, Director General for Asian and Oceanian Affairs Kanasugi told Korean counterparts that Japanese seafood is safe and asked Seoul to lift the restrictions. On May 7, South Korean Minister of Oceans and Fisheries Moon Seong-hyeok reaffirmed the import ban in remarks to reporters and stated “there should never be anything that could compromise public health.” It remains to be seen how Tokyo will pursue this issue after the WTO ruling and how high profile it will remain in the bilateral relationship.

All of these developments took place with the backdrop of deteriorating South Korea–Japan political relations. Across categories, from tourism to trade, economic ties mostly appeared

to continue the longstanding pattern of general independence from politics at the beginning of 2019. But it remains to be seen if Japan would indeed take retaliatory measures against the court ruling on forced laborers, South Korean economy will no doubt adversely affected.

### **Looking ahead to summer 2019**

In the next four months, in the absence of any major North Korean provocation, Japan will likely continue to make an adjustment in North Korea policy toward diplomacy, while trying to make progress on the abduction issue. This adjustment will not be a reflection of the fundamental shift in its perception of Pyongyang, but will be an effort to avoid diplomatic isolation in the region in ways that tighten coordination with the United States. Looking ahead, the South Korean court ruling on forced labor and the radar lock-on dispute will likely continue to pose a challenge to Seoul-Tokyo bilateral ties. The Moon administration will likely make gestures to address the current diplomatic impasse with Tokyo, but a lack of domestic incentives to improve relations with Japan can leave bilateral ties in a stalemate. For Japan, the biggest factor that could influence the relationship is the House of Councillors election in July. Abe is likely to insist that the South Korean government address the courting ruling on forced laborers in ways that consider Japanese domestic constituencies.

# CHRONOLOGY OF JAPAN-KOREA RELATIONS

## JANUARY – APRIL 2019

**Jan. 4, 2019:** South Korea posts a [video](#) to refute Japan's claim that South Korea's warship locked its fire-control radar on Japan's patrol aircraft.

**Jan. 6, 2019:** Prime Minister Abe Shinzo appears on NHK's "Sunday Debate" and expresses his deep regrets over South Korean plaintiffs seeking to seize Japanese companies' assets.

**Jan. 9, 2019:** Japan's Foreign Ministry lodges a protest with South Korean Ambassador to Tokyo Lee Su-hoon over the court ruling on forced laborers.

**Jan. 10, 2019:** Japan officially requests talks with the South Korean government to address the court ruling on forced laborers.

**Jan. 10, 2019:** President Moon Jae-in addresses the question of South Korean court ruling on forced labor in his New Year's press conference, stating that the government "cannot involve itself in judicial decisions," and urges Japan to "adopt a position of humility."

**Jan. 11, 2019:** Chief Cabinet Secretary Suga Yoshihide expresses his regrets that President Moon's remarks tries to shift South Korea's responsibility to Japan. South Korea's Foreign Ministry expresses a disappointment at Suga's remark.

**Jan. 14, 2019:** South Korean and Japanese military authorities hold working-level talks in Singapore to address their conflicting claims about Japan's patrol aircraft's low-altitude flyby and South Korea's use of radar against it.

**Jan. 18, 2019:** South Korea's Supreme Court upholds a compensation order against Nachi-Fujukoshi Corp. over forced labor.

**Jan. 23, 2019:** South Korea's Ministry of National Defense lodges a complaint with Japan that a Japanese patrol aircraft flew at a low altitude near a South Korean warship.

**Jan. 23, 2019:** Japanese SDF patrol plane [flies](#) within close proximity of a South Korean naval vessel in the East China Sea. Japanese FM Kono and South Korean Foreign Minister Kang Kyung-wha meet on the sidelines of the World Economic Forum to address the incident.

**Jan. 24, 2019:** South Korea's Ministry of National Defense releases [photographic evidence](#) to prove its claim. Tokyo challenges the claim.

**Jan. 28, 2019:** Prime Minister Abe delivers his annual policy address during the regular session of Japan's Diet. He does not mention Japan's ties with South Korea.

**Feb. 1, 2019:** [Asahi Shimbun](#) reports that Japan and South Korea agreed to suspend all senior-level defense exchange programs for the first half of 2019.

**Feb. 1, 2019:** Funeral procession for Kim Bok-dong, leader of the "comfort women" protest movement, [marches](#) through Seoul and stops in front of the Japanese Embassy.

**Feb. 8, 2018:** Korean residents in Japan commemorate the centennial of the Feb. 8 Independence Declaration in Tokyo. Historians say that the Declaration paved the way for the March 1 Independence Movement and the establishment of Korea's provisional government in Shanghai. President Moon sent a social media message.

**March 1, 2019:** President Moon delivers [a speech](#) commemorating the 100<sup>th</sup> anniversary of the March 1<sup>st</sup> Independence Movement, avoiding direct criticism of the Japanese government.

**March 13, 2019:** Japan [rescinds](#) its annual motion to the UN condemning North Korea's human rights record, "given U.S. efforts to end North Korea's weapons program and other factors."

**March 14, 2019:** Japan and South Korea hold the working-level consultations in Seoul to discuss the court ruling on forced labor with no tangible outcome.

**March 26, 2019:** Lawyers representing Korean plaintiffs against Japanese company Nachi-Fujikoshi say they seized the company's assets in South Korea based on the court ruling.

**April 23, 2019:** Japan's Diplomatic Bluebook drops the goal of maximizing pressure on North Korea, while describing its relations with Seoul as "very difficult" due to South Korea's negative activities.

**April 25, 2019:** North Korean Chairman Kim Jong Un and Russian President Vladimir Putin hold a summit meeting.

