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PRAGMATIC STABILITY, LATENT TENSIONS

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In the first months of 2020, Japan and South Korea maintained pragmatic stability despite a brief flare-up over travel restrictions. The need to prioritize recovery from COVID-19 pushed both countries to focus on domestic issues. With the landslide victory of the ruling Democratic Party in April parliamentary elections in South Korea, it is not likely that Seoul's approach to bilateral disputes with Tokyo will undergo fundamental change anytime soon. With the US presidential election six months away, stalemate in US-South Korea military cost-sharing talks and volatility surrounding North Korea form an important backdrop to uncertainties in the South Korea-Japan bilateral relationship. By September, we may know whether it is pragmatic stability or latent tension that is the defining force in South Korea-Japan relations in 2020.

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North Korea's Short-Range Projectiles and Kim Jong Un's Whereabouts

Even while the world was tackling COVID-19, two major developments concerning North Korea caught the attention of international media. North Korean leader Kim Jong Un began the year with a pledge to bolster the country's nuclear deterrent, claiming that the United States failed to meet a year-end deadline that Pyongyang had set for nuclear talks and US sanctions relief. At the Central Committee of the Workers' Party of Korea, Kim said that North Korea would unveil a "new strategic weapon," raising the question of whether Pyongyang was going to undo the suspension of nuclear and long-range missile tests that had been in place over the past two years.

While President Trump warned not to step up provocations with a long-range missile launch, North Korea went ahead with the firing of projectiles, which appeared to be short-range ballistic missiles, into the Sea of Japan/East Sea throughout March and April. Trump [remarked](#), "I see they're testing short-range missiles. And, you know, they've been doing it a long time." Furthermore, there has been no sign of any major change in Prime Minister Abe Shinzo's North Korea policy because of the recent launches. As North Korea is widely believed to be undergoing a health crisis with COVID-19, Japan's Defense Minister Kono Taro [commented](#) that North Korea's missile launches could be aimed at "bracing the regime together" in the face of the pandemic.

Another noteworthy development that focused Japanese minds on North Korea in the early months of 2020 was the disappearance from public view of Kim Jong Un, which raised speculation about the future of the country. Rumors about Kim's health highlighted the limits of intelligence on North Korea generally. They were also a reminder that in North Korea what happens to one leader could lead to a contingency affecting the entire state, with wider implications for regional and global security, including for Japan.

Consider three simple facts: 1) North Korea has weapons of mass destruction and delivery system capabilities, and in a contingency scenario it will be of critical importance and concern to safeguard these weapons; 2) the future of North Korea can shift the power balance in the entire region; 3) South Korea and

Japan are both treaty allies of the United States. All these considerations point to the importance of establishing effective channels of communication and coordination among all actors whose national interests will be affected by North Korea's future.

Japan-South Korea: First Steps Toward De-escalation

At the end of 2019, South Korea-Japan relations had just begun to recover from an all-time low, caused by a steady onslaught of escalating disputes. South Korean court rulings on forced labor were followed by Japanese restrictions on certain Korean exports—cast by the Japanese government as a national security action but widely perceived in South Korea as retaliation for the forced labor rulings—which resulted in South Korea announcing it would withdraw from its bilateral General Sharing of Military Information Agreement (GSOMIA) with Japan. The GSOMIA withdrawal prompted a strongly negative US response and heightened efforts by Washington to resolve the dispute. Perhaps due to these efforts, as well as growing incentives for both Japan and South Korea to preserve stability as they faced growing regional and alliance challenges, the two sides ultimately came to an agreement that aimed to de-escalate tensions and bring these disputes into diplomatic channels.



Figure 1 Demonstration in South Korea calling for the extension of GSOMIA ahead of its November 2019 renewal. Photo: Kyodo

By the early months of 2020, this de-escalation had led to a new Japan-South Korea status quo of pragmatic stability; though bilateral tensions were evident, they remained at manageable levels, stayed mostly in diplomatic channels, and were overshadowed by the COVID-19 pandemic. Although many of the incentives promoting stability in South Korea-Japan relations—such as the upcoming US election,

alliance cost-sharing discussions, and uncertainty about North Korea—will remain key factors in coming months, the substantive issues that brought South Korea and Japan to blows in 2019 remained far from resolution, making a return to tensions later in 2020 a possibility.

A Pivot to Pragmatism

Starting in January, both Abe and South Korean President Moon Jae-in made rhetorical gestures signaling a continuing commitment to de-escalating South Korea-Japan tensions. In a January [interview](#) with *TV Asahi*, Abe called Moon “a gentleman with gentle manners” and expressed hope that Japan and South Korea could “resolve pending issues so that there could be a situation where the two countries’ leaders could meet more frequently and discuss various, more positive issues.” On the opening day of Japan’s National Diet, Abe [described](#) South Korea as Japan’s “most important neighbor, sharing the same basic values and strategic interests”—a formulation he had not included in the annual speech in six years. For his part, Moon, in a regular [speech](#) delivered by South Korean presidents on March 1—a national holiday celebrating Korea’s independence movement against Japan—said that Japan was “always our closest neighbor.”

If the tone at the leader level had improved, there were clear indications that neither country intended to budge on the substance of their disputes. Abe’s *TV Asahi* interview included a statement that “promises between countries have to be kept,” and his National Diet opening speech expressed that he “looks forward to keeping our promises from one country to another”—both references to Japan’s longstanding official position that forced labor compensation issues should be considered resolved by the provisions of a 1965 treaty normalizing relations between South Korea and Japan. In turn, Moon emphasized in his March 1 speech that “we will not forget the past, nor remain in it. I hope that Japan will also take the same attitude.”

The stability in the relationship was reflected in diplomatic interactions between Japan and South Korea at lower levels. On January 14, South Korean Foreign Minister Kang Kyung-hwa and Japanese Foreign Minister Motegi Toshimitsu met bilaterally, as well as trilaterally with US Secretary of State Mike Pompeo. The

day before, Japanese Foreign Ministry Director General for Asian and Oceanian Affairs Takizaki Shigeki and South Korean Director General for Asian and Pacific Affairs Kim Jung-han met for the first in what would be a series of regular consultations at their level aimed at resolving issues between the two sides. Trade talks on Japan’s export restrictions were also held at the director general-level between the two countries’ trade ministries. Another bilateral and trilateral meeting between foreign ministers occurred February 15 on the margins of the Munich Security Conference. Each of these interactions was constructive in tone but produced no public change in either the Japanese or Korean positions on forced labor, export restrictions, or GSOMIA.

Other practical diplomatic interactions, both routine and related to the COVID-19 crisis, continued in the first months of 2020. Consultations on North Korea, cultural diplomacy, Middle East policy, and climate change all occurred. Both countries played an active role in US-led and regional mechanisms for cooperation on COVID-19, including in a weekly seven-country video conference organized by the United States at the vice ministerial level, an ASEAN+3 video summit, and a trilateral Japan-South Korea-China foreign ministers’ call, as well as consultations at lower levels. Historical and territorial issues were handled in a muted and routine manner, with South Korea issuing statements of protest against Japan’s annual Takeshima Day event (referring to the territorial dispute over small islets South Korea calls “Dokdo” and Japan calls “Takeshima”), references to Japan’s claim to the islets in middle school textbooks, and Abe’s ritual offering at the Yasukuni Shrine during its annual spring festival.



Figure 2 Police officers on duty near the venue of the annual Takeshima Day ceremony in Matsue, Shimane prefecture. Photo: Kyodo

Tensions Over COVID Response

Despite the practical focus in the Japan-South Korea relationship in early 2020, the two sides faced a period of significant tension in March due to disagreements over Japanese travel restrictions on South Koreans due to the virus. On March 5, the Japanese government indicated it would suspend a visa-waiver program for South Koreans and announced new requirements for Korean visitors (along with Chinese visitors) to be quarantined for two weeks upon arrival in Japan and avoid public transportation. South Korea quickly suspended its own visa-waiver program for Japanese nationals. Vice Foreign Minister Cho Sei-young, [conveying](#) South Korea's "extreme regrets" over the measures, complained that the "unreasonable, unscientific, and unfriendly" restrictions were "unilaterally announced without prior consultations or notification." The next day, South Korean Foreign Minister Kang Kyung-wha officially summoned Japanese ambassador Tomita Koji to deliver the same message.

The reciprocal travel restrictions took effect March 9. When Japan decided to extend its restrictions for another month, Seoul expressed regret and maintained its own measures. South Korean diplomacy and public messaging shifted from protesting the restrictions to seeking exemptions for essential business travel. In an April 9 [interview](#) with South Korea's *Yonhap News Agency*, Tomita appeared to rebuff the notion of exemptions, at least for businessmen, warning that "an easing of entry restrictions in any form would lead to various confusions" while acknowledging that Moon's March 1 speech "called for the two countries to work together to overcome the crisis." "Sharing his thought, Japan will strive to promote cooperation," Tomita said.

Dual Blows to the Economic Relationship

In the September 2019 issue of *Comparative Connections*, we [assessed](#) that the South Korea-Japan relationship had crossed an "unwritten red line" that largely kept political tensions between the two countries from hampering pragmatic cooperation at the economic level. 2020 saw a return to pragmatism. Signs of practical cooperation across critical industries in South Korea and Japan as well as the strength of cultural products like K-pop were bright spots in a relatively gloomy economic picture. But

although the de-escalation of Japan-South Korea tensions at the end of 2019 relieved much of the political pressure on the economic relationship, the dual blows of dispute aftereffects and the impact of the COVID-19 pandemic still had a significant negative impact on the South Korea-Japan economic partnership.

The most visible sector affected by the dual blows of geopolitical tension and COVID-19 was tourism. Japanese tourism to South Korea, according to official Korea Tourism Organization statistics, had taken a hit from the events of the fall. September 2019 was the last month there was growth year on year in Japanese visitors to Korea; October, November, and December all saw significant decreases in Japanese tourism as bilateral tensions rose. January and February 2020 saw smaller declines of 1.2% and 0.9%, perhaps aided by the new year and the de-escalation of tensions. By March, though, the impact of COVID-19 and travel restrictions had become clear; South Korea recorded 8,347 Japanese visitors compared to 375,119 in the same period the previous year, a decline of 97.8%.

Visits from South Korea to Japan had been even more affected by tensions in the late summer and fall of 2019. Japan National Tourism Organization data shows that Korean tourism to Japan declined by a relatively small 7.6% in July 2019, but then saw a 48% decline in August, 58% in September, 65.5% in October, and 63.6% in November. COVID-19, though, drastically compounded the fall in visits as Korean tourism to Japan fell 79.9% year-on-year as of April.

The most direct casualty of the fall in travel, naturally, was the airline industry in both countries. In late February, six Korean budget carriers [issued](#) a joint statement asking for Korean government support in the face of "a desperately dangerous situation as the new coronavirus impact is dealing a further blow to their business already hit by local anti-Japan campaigns (following Japan's restrictions on exports to Korea)." By early March, the Korean budget carriers had curtailed most of their routes, Korean Air (South Korea's largest carrier) had suspended all but one route to Japan, and Asiana (the second largest) had suspended all flights to Korea's eastern neighbor. On the Japanese side, Japan Airlines had reduced flights to South Korea in February,

and in late March it announced it would further cut its international flights by 64%.

By the end of January, clear evidence had emerged that the Japanese export restrictions, as well as the resulting anti-Japanese sentiments they sparked in South Korea, had taken a toll. The combined operating income of major units of South Korea's top 10 business groups fell 60% in 2019 due to both Japanese export restrictions and US-China trade tensions, and Samsung Electronics—whose chip business was affected by the Japanese restrictions—in particular saw profits fall 68%. Japanese business also suffered; according to statistics from the Korea Automobile Importers and Distributors Association, sales of foreign cars in South Korea increased overall, but Japanese auto sales in South Korea fell by 64%.

In normal circumstances, these negative economic effects might have been ameliorated by time and the relief of political tensions, but the COVID-19 pandemic instead worsened the situation. The Korean chip industry, which had started in early 2020 to recover from the Japanese export restrictions due to increased demand and prices, faltered again as the pandemic hit and shut down China, a key export market. The postponement of the Tokyo Olympics was an economic and marketing loss for Japanese and Korean businesses alike; Samsung Electronics, for instance, had been the exclusive worldwide Olympics partner in wireless communications and computing equipment. South Korea's Minister of Culture [called](#) the postponement “very sad news,” noting in a *Yonhap News* interview that “the Tokyo Olympics’ economic influence on South Korea is not small.”

Still, while the situation was worse economically, a pragmatic mindset about Japan-South Korea economic cooperation remained evident. On March 27, South Korean Prime Minister Chung Sye-kyun called for a new South Korea-Japan currency swap agreement; in 2015, amid tensions, South Korea had declined to continue a 14-year currency swap with Japan, and discussions over a new arrangement in the years since had faltered over political tensions. Strategic partnerships at a business-to-business level quietly continued or expanded. A multinational shipping alliance including Japan's Ocean Network Express and South Korea's Hyundai Merchant Marine began offering new Asia-to-Middle East routes in

February. The South Korean telecommunications company LG Uplus Corp signed a partnership in February with key companies in the augmented reality sector, including Japan's KDDI Corp. as a project partner. In March, nine telecommunications companies including KDDI Corp. and South Korea's SK Telecom formed a global alliance to develop 5G technologies.

Cultural ties between South Korea and Japan, which tend to be insulated from political tensions, remained a relative bright spot. The Korean film *Parasite* became the best-selling Korean film of all time in Japan, securing \$38.9 million in ticket sales by early March. On March 6, Shim Eun-kyung became the first Korean actor or actress to win best actress at the Japan Academy Film Prize awards. K-pop groups remained widely popular and continued to do well on Japanese charts. BTS, for instance, secured its fifth number 1 on Japan's Oricon album chart in March and announced that it would be recording an original soundtrack for a Japanese TV series (the second time it has done so). Still, the pandemic and the resulting restrictions on travel temporarily stymied K-pop bands in the Japanese market as they were forced to cancel appearances in Japan.



Figure 3 Officials from Japan's KDDI Corp. and South Korean LG Uplus Corp. test 5G roaming service in Japan. Photo: LG Uplus Corp. via Yonhap

Storm Clouds on the Horizon?

As of early May, the Japanese government has extended its travel restrictions on South Korea again through the end of the month. The initial furor, however, had died down by April—and both countries have maintained a largely constructive tone and kept their focus on more pragmatic considerations. Asked in the National Diet about Japan-South Korea ties and COVID-

19, Abe [relayed](#) that “exchanging information and experience [with South Korea] would be of much help to Japan’s responses” and called South Korea an “important country” for Japan. The South Korean foreign ministry, in turn, expressed awareness of Abe’s remarks and indicated that “the government hopes to cooperate with Japan in necessary areas, including responses to COVID-19.” In a practical example of health-related cooperation, the Japanese and South Korean embassies in India worked to get a 5-year-old Korean girl suffering from acute leukemia home, with Japan flying the family from New Delhi to Tokyo on Japan Airlines before the family flew on to Seoul on Korean Air.

However, latent tensions in the relationship were also evident in early 2020—leaving diplomatic conflict and public escalation distinct possibilities in the future. Forced labor in particular remained the geopolitical Gordian knot at the center of the Japan-South Korea relationship, with both sides firmly wedded to their positions and domestic politics. So far, little prospect of resolving the linked issues of export restrictions and GSOMIA exists without progress on the forced labor issue.

Moreover, a renewed dispute over the forced labor issue may come sooner than expected due to circumstances outside the purview of the Korean and Japanese governments. The South Korean court decisions on forced labor resulted in the seizure of assets from Japanese companies, and a next likely step is for the court to sell off those assets. Liquidation could provoke a strong negative reaction from the Japanese government, escalating the forced labor dispute once again, inflaming public opinion, and limiting the options for resolution. In early January, groups representing Koreans affected by the forced labor rulings [proposed](#) that South Korea and Japan form a joint consultative body that would include “legal representatives of the victims and members of the supporting groups, as well as attorneys, scholars, businesspeople, and politicians from both countries,” according to South Korea’s left-leaning *Hankyoreh* newspaper. The urgency of getting ahead of potential liquidation of the assets was a key rationale behind the proposal. “Liquidating the assets would create a difficult situation for both the South Korean and Japanese governments and their respective publics,” one Korean lawyer indicated, “We can’t just sit back and let that happen.”

We expect that the direction of Japan-South Korea relations for the rest of the year will become clearer as countries start to emerge from the pandemic, governments are able to focus on other policy priorities, and multilateral opportunities for high-level engagement like the UN General Assembly and APEC—whether virtual or in-person—come closer.

CHRONOLOGY OF JAPAN-KOREA RELATIONS

JANUARY – MAY 2020

Jan. 7, 2020: Groups representing forced labor victims propose that Seoul and Tokyo set up a joint consultative body to resolve the issue.

Jan. 13, 2020: South Korean Foreign Ministry Director-General for Asian and Pacific Affairs Kim Jung-han meets Japanese Foreign Ministry Director-General for Asian and Oceanian Affairs Takizaki Shigeki to discuss forced labor and other bilateral issues in advance of a Japan-South Korea foreign ministers' meeting in San Francisco.

Jan. 14, 2020: Japanese Foreign Minister Motegi Toshimitsu and South Korean Foreign Minister Kang Kyung-wha meet bilaterally as well as trilaterally with US Secretary of State Mike Pompeo. They reiterate existing positions and their desire to maintain momentum from the December summit between South Korean President Moon Jae-in and Japanese Prime Abe Shinzo.

Jan. 20, 2020: Abe's speech before National Diet calls South Korea Japan's "most important neighbor, sharing basic values and strategic interests," but he adds that he "looks forward to keeping our promises from one country to another."

Feb. 2, 2020: A second dialogue takes place between Japanese Foreign Ministry Director-General Takizaki and South Korean Foreign Ministry Director-General Kim. Discussion includes pending bilateral issues as well as COVID-19.

Feb. 15, 2020: Second bilateral meeting between Kang and Motegi, as well as a trilateral meeting with Pompeo, happen on the margins of the Munich Security Conference.

March 1, 2020: Moon, in annual address on Korean Independence Movement Day, says "Japan is always our closest neighbor" while emphasizing the need to "squarely face the past."

March 2, 2020: North Korea launches two projectiles that appear to be short-range ballistic missiles into the Sea of Japan/East Sea. Japanese Chief Cabinet Secretary Yoshihide Suga says that the Japanese government has been coordinating with the United States and South Korea.

March 5, 2020: Japan announces it will tighten entry restrictions on arrivals from South Korea and China starting March 9 due to COVID-19 and suspend visa waiver programs for Koreans. South Korea responds by suspending its visa waiver program for Japan and the South Korean Foreign Ministry expresses "extreme regrets" over restrictions it described as "unreasonable, unscientific, and unfriendly."

March 6, 2020: Kang summons Ambassador Tomita Koji and expresses deep regret over the Japanese government's restrictions and calls for the prompt withdrawal of the measures.

March 9, 2020: Japan and South Korea begin enforcing their reciprocal travel restrictions.

March 10, 2020: South Korean and Japanese trade officials hold first meeting via videoconference regarding Japan's export restrictions on South Korea. No breakthroughs are announced.

March 17, 2020: Korean, Japanese, and Chinese foreign ministries hold a director-general-level phone consultation among ROK, Japanese, and Chinese foreign ministries on COVID-19.

March 20, 2020: Motegi, Kang, and Chinese Foreign Minister Wang Yi hold a trilateral call on COVID-19. Simultaneously, Korean First Vice Foreign Minister Cho Sei-young and Japanese Vice Foreign Minister Akiba Takeo join weekly call regarding COVID-19 coordination with counterparts from the United States, Australia, New Zealand, India, and Vietnam.

March 25, 2020: South Korea protests Japan's authorization of middle school textbooks with claims to the disputed Dokdo/Takeshima islets.

March 27, 2020: Japan decides to extend Korea entry restrictions another month. South Korea expresses regret and retains its measures as well.

March 28, 2020: North Korea launches two projectiles suspected to be short-range missiles into the East Sea/Sea of Japan.

April 1, 2020: Video consultation between Japanese and South Korean foreign ministry director-generals, focused on COVID-19 and forced labor.

April 8, 2020: Phone consultation takes place between Japanese Director-General for Asian and Oceanian Affairs Takizaki and South Korean Special Representative for Korean Peninsula Peace and Security Affairs Lee Do-hoon on North Korea.

April 15, 2020: Moon and Abe join ASEAN+3 video summit on COVID-19.

April 14, 2020: North Korea launches several projectiles suspected to be cruise missiles.

April 21, 2020: Abe's ritual tree offering to Yasukuni Shrine draws South Korean government protest expressing "deep disappointment and regret."

April 28, 2020: Abe said in a session of Parliament that he was aware of the reports on North Korean leader Kim Jong Un's health conditions.

