



**Japan-Korea Relations:**

**Mostly Sanctions, Some Commerce, and Elections**

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The beginning of a new year offers an opportunity to evaluate how circumstances change. While the first few months of 2015 conveyed (cautious) optimism amidst notable celebrations like the anniversary of the restoration of diplomatic relations between Japan and South Korea and the 70<sup>th</sup> anniversary of the end of World War II, there was no focal point in early 2016 to push the momentum toward greater cooperation for Seoul and Tokyo. The main difference to the start of this year was the dominance of the Japan-North Korea dyad. Perhaps the Jan. 6 nuclear test by Pyongyang was a foreshadowing of things to come, as relations with Tokyo remained rather tumultuous: several missile tests by Pyongyang combined with retributive actions on the part of Tokyo made progress on the abduction issue – arguably Japan’s top priority vis-à-vis the North (alongside denuclearization) – extremely unlikely.

**Projectiles, protests, and sanctions**

In January, Marzuki Darusman, the United Nations (UN) special rapporteur on the situation of human rights in North Korea, met Kato Katsunobu, Japan’s state minister in charge of the abduction issue, during a five-day trip to Japan. Despite determination on both sides to make progress on the abductee issue, there were lingering concerns about the impact of the North’s nuclear testing. Once Pyongyang went ahead and launched its satellite *Kwangmyongsong-4* on Feb. 7, it became clear that the abductees would take a backseat to dealing with North Korea’s provocations. For instance, Tokyo decided on Feb. 10 to tighten unilateral sanctions on North Korea, which included banning re-entry of certain Japan-based foreign engineers from North Korea involved in nuclear and missile technology, and the entry of ships that had made port calls to the North. (An exception was made later in February for the entry of the North Korean women’s football team, which was scheduled to play in Japan as part of the Olympic qualifying matches.) In a tit-for-tat, the *Korean Central News Agency* (KCNA) announced on Feb. 12 that the “Special Investigation Committee” charged with re-examining the abduction issue would be “totally stopped” and the committee “dissolved.” The statement also made it clear that it was the “Japanese reactionaries” that reneged on their commitments first by reinstating sanctions, thereby pushing the North toward such action. A day later, KCNA carried the news conference held in Tokyo by the Central Standing Committee of the General Association of Korean Residents in Japan (*Chongryon*), which also denounced Japan’s latest sanctions.

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In fact, *Chongryon* became a popular anchor for the North's criticism of Japan. From late-February to mid-March, there was a consistent stream of reports by *KCNA* about groups around the world that had released statements in protest of Japan's "suppression" of *Chongryon*. These groups included the Brazilian Committee for Solidarity with the DPRK, the Ah Hadi Islam Propaganda Organization of Iran, the Group for the Study of the Juche Idea of Kyrgyzstan, the All India Indo-Korean Friendship Association, the Switzerland-Korea Committee, the Swiss Group for the Study of the Juche Idea, and the Anti-Imperialist Forum of Germany.

For most of the period from January to April, however, Pyongyang was test-firing projectiles, creating an even greater chasm between itself and Japan. Starting on March 3, Pyongyang reportedly test-fired six short-range projectiles just hours after the UN had levied new sanctions against the North. On March 10, Japan lodged a protest with the North for test-firing two short-range ballistic missiles into waters off its east coast. On March 18, Japanese Foreign Minister Kishida Fumio announced that Japan had lodged a protest through the North Korean Embassy in Beijing after the North fired two medium-range ballistic missiles. On April 1, Pyongyang purportedly launched three surface-to-air missiles from the South Hamgyong Province area. On April 9, Prime Minister Abe Shinzo warned North Korea that it will "pay a severe price" for Pyongyang's claimed success in testing a new type of engine for an intercontinental ballistic missile (ICBM). As was the case with the abduction issue, North Korea could fall back on the justification that it was merely reacting to the threat posed by the joint US-ROK military exercises – *Key Resolve and Foal Eagle* – that kicked off March 7.

By mid-March, Tokyo had imposed further sanctions on the North in response to its continued provocations. For example, [the Mainichi](#) reported on March 20 that 22 people had been placed on the no re-entry list, including a rocket-engine expert with a doctorate from the University of Tokyo with suspected ties to a North Korean company implicated in development of missile engines; also on the list were five members from an association of Korean scientists and engineers, as well as officials from *Chongryon*. By the end of March, there were [reports](#) that the central government in Japan had told 28 prefectural governments that they should rethink their subsidies to Korean schools (total of 68) with affiliations to *Chongryon*. While the directive from the Education Ministry does not call for an outright termination of subsidies, the ministry was clear that it would be keeping track of how the prefectural governments responded to the directive. This move reflected calls by the ruling Liberal Democratic Party (LDP) that had urged the ministry to suspend subsidies to the Korean schools as part of sanctions levied against the North. On April 13, the head of the Korean School Principals Association demanded that the ministry retract its discriminatory directive, with a protest involving parents of students attending Korean schools also occurring outside the Diet to that effect.

The implication for South Korea was that trilateral consultations involving the US and Japan over North Korea became the basis for continued bilateral interaction with Japan. There was a trilateral video conference in early February after North Korea notified the International Maritime Organization that it would launch a satellite sometime in February, and a trilateral meeting toward the end of March in Washington DC on the sidelines of the Nuclear Security Summit (and a brief bilateral meeting between President Park and Prime Minister Abe). Nevertheless, even common enmity toward North Korea could not close the gap between Japan and South Korea over differences regarding a military intelligence sharing agreement. Amidst

continued coverage from the Japanese media about a certain ripeness to forging such a pact, Seoul remained for the most part, quite lukewarm, with Defense Minister Han Min-koo [stating](#) that gaining public support has to be a prerequisite to any deal.

Of course, from North Korea's perspective, closer trilateral coordination was additional ammunition for its claim that the US was somehow orchestrating something sinister behind the scenes. KCNA had issued an indictment on Jan. 31 about "plots hatched by the U.S." in reference to how the US had apparently masterminded the deal between Japan and South Korea regarding the comfort women/sex slaves back in December 2015. (For the full array of colorful language and name-calling, see "[KCNA Brands Japan-S. Korea 'Agreement' on Sexual Slavery as Politically Motivated Artifice.](#)")

### **Exports, imports, and the politics behind marketing/advertising**

The usual items that seem to hamper relations between Japan and South Korea again made their appearance in early 2016. In mid-March, the South Korean Ministry of Foreign Affairs (MOFA) summoned Suzuki Hideo, minister and deputy chief of mission at the Japanese Embassy in Seoul, to protest Japan's decision to authorize new high school textbooks that reinforced Japan's claims to the disputed territory of Dokdo/Takeshima. Nevertheless, most of the attention went to dealing with North Korea and there were relatively few issues (particularly new ones) that created tension between the two states. Military issues and high politics aside, there were some interesting developments between Japan and South Korea on the economic front. Specifically, there were three positive and three not-so-positive events of note.

Starting with the positives, [the Korea Herald](#) reported in mid-April a substantial hike (22.6 percent year-on-year) in sales – \$9 million in the first quarter – of ramen produced by the Japanese affiliate of South Korea's largest food manufacturer, Nongshim. This apparently marked the largest sales volume since its business started to decline in 2012. The company attributed the increase to its rigorous marketing strategy, which included designating April 10 as "Shin Ramyeon Day" in Japan (Shin Ramyeon is one of the best-selling brands for Nongshim) – a play-on-words given the phonetic similarity between the Japanese pronunciation of 'hot' in English with 'four' and 'ten' in Japanese. The company also collaborated with the Fukuoka Softbank Hawks, a baseball team from Kyushu, in carrying out multiple promotional campaigns. There is an interesting article that describes the "competitive spirit" of Nongshim and the way that it successfully used the practices in Japan as an entrepreneurial benchmark but then ultimately adapted its products to Korean culture. [Suck-Chul Yoon, "A Successful Strategy of Follow the Leader Combined with Cultural Adaptation: A Food Company Case, *International Studies of Management & Organization*, Vol. 28, No. 4, (Winter, 1998/1999): 49-56]. The author points out that there was not much market penetration by Japanese noodles/ramen in Korea during the '90s, and the same can be said about the 2000s. So perhaps the instant noodles industry in Korea has become too formidable and indigenously grown to be vulnerable to imports; yet (or because of this), there is room for exports abroad.

In reverse, Japanese beer has become popular in South Korea. Citing figures released by the Korea Agro-Fisheries and Food Trade Corporation, [Yonhap News](#) reported in March 2016 that imported beer hit a record high in 2015, for a total of 170,919 tons of beer (43 percent increase)

worth of \$141.9 million (27 percent increase). Japan was the number one origin of imports for a net volume of 46,244 tons, constituting over a quarter of all beer imports. A fast-rising competitor was China, which experienced a 70.6 percent increase in volume (at 19,604 tons). In fact, the most popular beer during the period of January to March 2016 was China's Tsingtao brand. It is tempting to read into this and make some reference to the degree of affinity between China and South Korea, but it is more accurate to attribute the phenomenon to marketing campaigns that tapped into a pop culture reference that coupled Tsingtao to the cuisine of lamb skewers. Of course, it is possible that since there is enough domestic taste for the beer (and the fact that it is from China) in South Korea, it is unlikely sales of Tsingtao will drop by much.

The most interesting economic development involved the sale of Sharp, the Japanese electronics company, to Hon Hai Precision Industry Co., Ltd (trading as Foxconn Technology Group), which is headquartered in Taiwan. Initially, there was some interest by the Korean media when Korea's Samsung Electronics became one of the top 10 major shareholders in Sharp in 2012 (investing about ¥10.4 billion or \$111.3 million, for a roughly 3 percent stake in the company). Looking at the [top 10 list](#) at the time of the investment in 2012, one sees that with the exception of one other foreign company – San Diego-based Qualcomm (with a 2.56 percent share) – Samsung Electronics was the only other major foreign shareholder. This was not lost on the *Dong-A Ilbo*, which ran an [article](#) on Feb. 26 of the impending sellout of Sharp to the Taiwanese company, noting that it would take over major panel production lines in Japan including the Sakai plant. The Sakai plant is important as it was rumored that Samsung had put together a due diligence team to conduct an inspection of it in a bid to buy out the facility to produce display panels for its smartphones. Then there was [speculation](#) that Lee Jae-yong, the vice chairman of Samsung Electronics, had made a trip to Japan on March 18 to discuss the delayed acquisition of Sharp by Hon Hai. To put things in context, Samsung Electronics Japan had [announced](#) in October 2015 that it would cut its payroll by 25 percent in the upcoming year and lay off roughly 100 personnel to sustain profitability; it had also sold its headquarters in Tokyo's Roppongi district and moved to Iidabashi. Considering the downsizing and the efforts to maintain profits, obtaining Sharp may have been an important opportunity for Samsung Electronics.

There were also three not-so-positive events concerning Japan and South Korea. The first involved a fracas involving the global company, Nike, after it received complaints about the design of its latest line of sneakers – the Air Jordan 12 retro The Master – and its incorporation of the image of the Japan's rising sun flag. Given the strong association of the flag with Japanese imperialism and its potentially offensive nature, Nike Korea removed the sneakers from its stores in March. This was not the first time that Nike had to address concerns about the ramifications of using the image of Japan's rising sun flag on its designs. A similar event occurred in 2009 when it released the Nike Air Jordan Rising Sun sneakers, and again in 2013, with the Air Jordan Gamma. On both occasions, there were calls in South Korea to boycott the sneakers.

Commercial interests met politics again with news in mid-April that Korean actress Song Hye-kyo rejected an offer from Japan's Mitsubishi to be featured in its commercial on the grounds that the company had not yet reconciled its past record of forced labor of Koreans. At around the same time, there were calls in Japan to boycott the fast food chain, McDonalds, over a particular commercial that depicted a Japanese employee bowing in a manner that was deemed to be Korean (*konsu* style, with hands clasped in front of the stomach) as opposed to Japanese (*ojigi*

style, with arms to the side of the body). (See the advertisement [here](#).) These may all seem at first glance to be peripheral events, but they do clearly highlight the intersection of the market with identity issues, particularly when an over-investment in an historical past comes into stark conflict with the need for a present-day reconciliation.

### **Ripple effects of elections**

April was a busy time domestically for South Korea, with parliamentary elections on April 13. With the ruling Saenuri Party losing its majority, both the *Yomiuri Shimbun* and *Asahi Shimbun* ran commentaries arguing that the loss by President Park Geun-hye and her party would have implications for Japan (mostly negative) on three fronts: implementing the comfort women deal, inking the bilateral military information-sharing agreement, and dealing with North Korea.

Regarding the December 2015 comfort women deal, Japan's concern was mostly centered on President Park's ability to follow through with the accord. *Yomiuri Shimbun* pointed out that although the comfort women issue did not really figure in the elections, the Minjoo Party of Korea (which clinched one more seat than Saenuri at 122 vs. 123) has been consistently vocal about its displeasure with the deal, deeming it an embarrassment and demanding an apology from Park. Accordingly, any actions such as removing the bronze statue of the girl located in front of the Japanese Embassy in Seoul, will meet stiff resistance. There is already public resistance to the deal. Even as the government was trying to "stay the course" and push through with its implementation (e.g., South Korea's Gender Equality and Family Minister, Kang Eun-hee, made [remarks](#) that time is not on Korea's side as most of the victims are of old age), litigation was pursued by various groups within Korea concerning the deal. In February, the Lawyers for a Democratic Society filed a suit with the Seoul Administrative Court demanding that MOFA disclose the documents exchanged by Seoul and Tokyo at the time of the accord. In March, a group of former comfort women/sex slaves (including family members of the deceased) filed a petition with the Constitutional Court, accusing the Korean government of neglecting its constitutional duty by preventing the victims from further recourse to compensation from Japan due to the bilateral accord. The claim also argued that there was a violation of the victims' procedural rights of participation and right to know during the actual negotiations. Thus, the defeat of the party that concluded the bilateral accord could mean a greater likelihood of stalemate and gridlock in its implementation.

On the military information-sharing accord, the *Asahi Shimbun* noted that Japan was hoping to sign a General Security of Military Information Agreement (GSOMIA) by the end of 2016. As noted in previous editions of *Comparative Connections*, South Korea was noncommittal about such a deal even before the election. The shift in the political landscape in South Korea will probably not have any substantial impact on GSOMIA.

Finally on North Korea, the predominant concern from Japan seems to be that the Park administration and her more forceful policy toward the North (i.e., shutting down the Kaesong Industrial Complex) would become susceptible to greater calls for engagement or dialogue with Pyongyang. This would not only fracture the coordinated policies of Japan, the US, and South Korea, but also give Pyongyang an opportunity to take advantage of the domestic gridlock and test Seoul's mettle (possibly through provocations). We will have to wait to make a more



informed judgment about a correlation between political reshuffling and actions by the North, but it would be wise to remember that only a short time has passed since sanctions have been levied against North Korea. Given the relatively “active” few months by Pyongyang in the beginning of 2016, we may not see this level of provocations – at least not in the immediate months ahead.

[News](#) releases in April reported that South Korean Ambassador to Tokyo Yoo Heung-soo had tendered his resignation to President Park Geun-hye, which was delayed so that he could deal with the aftermath of North Korea’s nuclear test in January. There has yet to be an official announcement regarding Yoo’s successor, which reflects the general state of affairs as of April between Japan and South Korea – a period of rearrangement, particularly as impacted by the results of internal elections. Japan will be holding its 24<sup>th</sup> regular election of members of the House of Councillors in the summer, which means it too will need to devote at least some time to reassess its domestic situation before pushing ahead with any major foreign policy agendas. The unfortunate tragedy of the twin earthquakes in the Kyushu region will also necessitate some inward orientation at disaster management and recovery.

### **The summer months ahead**

With the general theme of rearrangement, the summer months appear will likely be a time of unsettled relations between Japan and Korea. With the Japanese economy struggling to perform, the Korean political scene changing, and North Korea holding its first Workers’ Party Congress since 1980, attention will be on domestic politics. Significant events could change this, of course, but there is nothing on the horizon that appears likely to alter the current trajectory of relations among these countries.

## **Chronology of Japan-Korea Relations January – April 2015**

**Jan. 6, 2016:** North Korea conducts its fourth nuclear detonation.

**Jan. 18, 2016:** UN Special Rapporteur on the Situation of Human Rights in North Korea Marzuki Darusman meets families of Japanese abductees during a visit to Tokyo.

**Jan. 20, 2016:** [Yonhap News](#) reports that Korea International Trade Association (KITA) trade figures place Japan as the fifth largest export market for South Korea in 2015, one place lower than the year before.

**Jan. 31, 2016:** North Korea lambasts the US for orchestrating the comfort women/sex slaves deal between Japan and South Korea.

**Feb. 5, 2016:** Officials from the US, Japan, and South Korea hold a video conference to discuss the announcement of a satellite launch by North Korea.

**Feb. 7, 2016:** North Korea launches its satellite, *Kwangmyongsong-4*.

**Feb. 10, 2016:** Japan decides to levy additional unilateral sanctions on North Korea in response to its nuclear test in January and the latest satellite launch.

**Feb. 12, 2016:** North Korea announces that it will halt its investigation into the abduction of Japanese citizens.

**Feb. 23, 2016:** Japanese government grants entry to Japan by the North Korean women's football team for their qualifying match for the Olympics despite the new sanctions.

**Feb. 29, 2016:** Lawyers for a Democratic Society (based in South Korea) files a suit with the Seoul Administrative Court against the South Korean Ministry of Foreign Affairs seeking disclosure of the documents that were exchanged during the negotiations in December between Japan and Korea over the comfort women/sex slaves.

**March 2, 2016:** UN Security Council unanimously adopts [UNSC Resolution 2270](#), the toughest sanctions ever imposed on North Korea, in response to its fourth nuclear test and rocket launch.

**March 3, 2016:** Pyongyang launches six short-range projectiles off its east coast.

**March 10, 2016:** Japan lodges protest against North Korea for firing short-range ballistic missiles off its east coast in violation of UN Security Council resolutions.

**March 15, 2016:** South Korea's Gender Equality and Family Minister Kang Eun-hee says the Japan-Korea agreement on comfort women/sex slaves should be respected.

**March 18, 2016:** South Korean government protests Japan's authorization of new high school textbooks with references to Japan's claims to the disputed territory of Dokdo/Takeshima.

**March 17, 2016:** North Korea fires two medium-range ballistic missiles, prompting Japan to lodge a protest through the North Korean embassy in Beijing.

**March 18, 2016:** UN Security Council issues a unanimous statement saying that North Korea's March 17 missile launches "constituted a clear violation of UN Security Council resolutions."

**March 20, 2016:** [The Mainichi](#) reports that Japan has banned 22 people from re-entering Japan after visiting North Korea, as part of sanctions levied against Pyongyang.

**March 22, 2016:** Seoul and Tokyo hold working-level talks in Tokyo led by Director General of the Japanese Foreign Ministry's Asian and Oceanian Affairs Bureau Ishikane Kimihiro and Director General of the South Korean Foreign Ministry's Northeast Asian Affairs Bureau Chung Byung-won to discuss implementation of the agreement on comfort women/sex slaves.

**March 28, 2016:** Commander of the Japan Maritime Self-Defense Force Adm. Takei Tomohisa and South Korean Chief of Naval Operations Adm. Jung Ho-sub, meet in South Korea to discuss collaboration between the two navies.

**March 28, 2016:** Lawyers for a Democratic Society file a petition with the South Korean Constitutional Court claiming that the December agreement on comfort women/sex slaves violates the rights of the former victims of sexual slavery.

**March 29, 2016:** *The Asahi Shimbun* reports that Japan's central government sent guidelines to prefectural governments about re-evaluating subsidies to Korean schools affiliated with the General Association of Korean Residents in Japan, or *Chongryon*.

**March 30, 2016:** The Korea Agro-Fisheries and Food Trade Corporation announces that beer imports to Korea hit a record high in 2015, with Japan taking the number one spot.

**March 31, 2016:** Japanese Prime Minister Abe Shinzo and South Korea's President Park Geun-hye meet for a brief meeting on the sidelines of the Nuclear Security Summit in Washington DC.

**April 1, 2016:** North Korea launches three surface-to-air missiles from its South Hamgyong province in the country's northeastern area.

**April 3, 2016:** South Korean Ministry of the Interior announces its plans to set up a gene bank to help verify victims of forced labor during Japan's colonial rule.

**April 5-8, 2016:** China, Japan, and South Korea hold working-level talks on the trilateral Free Trade Agreement in Seoul.

**April 6, 2016:** South Korean Ambassador to Japan Yoo Heung-soo tells *Yonhap News* that he has offered his resignation.

**April 7, 2016:** Nike Korea removes one of its Air Jordan sneaker lines after complaints that the design incorporates images of Japan's rising sun flag.

**April 9, 2016:** *KCNA* reports that Kim Jong Un has overseen a successful test of a "heavy-lift" engine of a "new-type" of intercontinental ballistic rocket at the Sohae Space Center.

**April 9, 2016:** According to *The Mainichi*, Japan's Prime Minister Abe has warned North Korea that it will "pay a severe price" for claiming that it has successfully tested a new type of engine for its intercontinental ballistic missile (ICBM).

**April 12, 2016:** South Korean actress Song Hye-kyo is reported to have turned down an offer from Japan's Mitsubishi Motors to star in an advertisement based on Mitsubishi Group's involvement in the forced labor of Koreans during Japan's colonial rule.

**April 12, 2016:** McDonalds triggers protest and calls for a boycott from Japan after one of its television commercials depicts an employee doing a Korean-style bow.

**April 12, 2016:** South Korean food manufacturer Nongshim reports that its Japanese affiliate saw a 22.6 percent year-on-year increase in sales during the first quarter of 2016.



**April 13, 2016:** Korean School Principals Association demands that the Japanese government retract its guidelines about re-evaluating subsidies to schools with affiliations to *Chongryon*.

**April 13, 2016:** South Korea holds parliamentary elections, prompting major newspapers in Japan to voice concerns about future bilateral relations, particularly as President Park's ruling Saenuri Party loses parliamentary majority.

**April 19, 2016:** [US-ROK-Japan trilateral consultations](#) are held in Seoul.

**April 20, 2016:** Japan and South Korea hold talks in Seoul regarding the implementation of the December comfort women deal.

**April 23, 2016:** North Korea tests a submarine-launched ballistic missile (SLBM).

**April 24, 2016:** UN Security Council condemns North Korean test launch of an SLBM.