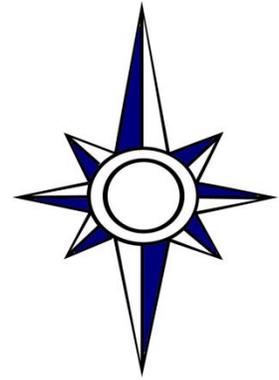


# Comparative Connections

A Quarterly E-Journal on East Asian Bilateral Relations



## Japan-Korea Relations: The New Cold War in Asia?

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The year ended with heightened tensions resulting from Pyongyang's shelling of South Korea's Yeonpyeong Island on Nov. 23 and the subsequent show of force by South Korea, the US, and Japan. Yet, despite dueling artillery barrages and the sinking of a warship, pledges of "enormous retaliation," in-your-face joint military exercises and urgent calls for talks, the risk of all-out war on the Korean Peninsula is less than it has been at anytime in the past four decades. North Korea didn't blink because it had no intention of actually starting a major war. Rather than signifying a new round of escalating tension between North and South Korea, the events of the past year point to something else – a potential new cold war. The most notable response to the attack on Yeonpyeong was that a Seoul-Washington-Tokyo coalition came to the fore, standing united to condemn North Korea's military provocations, while Beijing called for restraint and shrugged away calls to put pressure on North Korea. Within this loose but clear division, Japan-North Korea relations moved backward with Prime Minister Kan Naoto blaming the North for an "impermissible, atrocious act." On the other hand, Japan-South Korea relations have grown closer through security cooperation in their reaction to North Korea. Tokyo's new defense strategy places a great emphasis on defense cooperation and perhaps even a military alliance with South Korea and Australia in addition to the US to deal with China's rising military power and the threat from Pyongyang.

### Yeonpyeong and Japan's North Korea Policy

According to the *Yomiuri Shimbun's* yearend survey, North Korea managed to be the primary source of Japan's 10 most important overseas news items of the past year, generating 3 out of 10 attention-getting international events: 1) the shelling of South Korea's Yeonpyeong Island, 2) Kim Jong Un's appointment to a top leadership position in the North Korean military, and 3) the sinking of South Korean Navy vessel *Cheonan*. Japan's North Korea policy in 2010 under the Democratic Party of Japan (DPJ)-led administrations of Hatoyama and Kan in fact changed little from previous Liberal Democratic Party (LDP)-led administrations known for their hawkish, hardline stance against Pyongyang. Both Hatoyama and Kan continued to pursue resolution of the abduction issue as well as solutions to the North's nuclear and missile developments, and kept various sanction measures in place against Pyongyang.

In the wake of the Yeonpyeong crisis, Tokyo maintained its long-held position that Pyongyang should first make substantial efforts toward denuclearization and said 'no' along with South Korea and the US to Beijing's request to resume the Six-Party Talks because dialogue "should not be held just for the sake of talking." Inside Japan, North Korea's internal political situation and the issue of leadership succession was widely seen as causing the attack on Yeonpyeong

Island. The Dec. 18 *Asahi Shimbun* reported that North Korea's "new military," led by hardline Army Gen. Ri Yong Ho, "appears to be the true architect of the Nov. 23 artillery attack." Ri was appointed vice marshal, the second highest rank in North Korean military, on Sept. 27, at the same time that Kim Jong Un was promoted in the North Korean hierarchy. Just a few days before New Year's Day, Foreign Minister Maehara Seiji spoke of the need to enhance Japan's bilateral dialogue with North Korea in 2011, but Tokyo's efforts are likely to focus on keeping pace with Washington and Seoul rather than taking any independent initiative towards making a diplomatic breakthrough in Tokyo-Pyongyang relations.

### **Yeonpyeong and Japan-South Korea relations**

Although Japan's response to the Yeonpyeong crisis vis-à-vis North Korea may have been nothing new, the crisis may turn out to be a watershed moment for Japan's defense and security policy and of Japan-South Korea relations. More so than during the Cold War, Japan is increasingly looking to South Korea in its search for a security partnership to assert or at least maintain its position in a region where China is rapidly expanding its military and political clout along with its economic influence. In this context, there are three important developments that the timing of the Yeonpyeong crisis helped to facilitate: 1) the transformation of Japan's Self-Defense Forces, 2) the salience of a Seoul-Washington-Tokyo trilateral security framework vis-à-vis Beijing-Pyongyang ties, and 3) an upgrade in bilateral ties between Tokyo and Seoul.

### **Japan's new defense posture**

A major aspect of Japan's reaction to the Yeonpyeong crisis was an attempt to counter the rise of Chinese power by joining with Seoul and Washington's in their tough stances toward North Korea. To Japan, the Yeonpyeong crisis was as much about Tokyo's uneasiness over China's military rise as it was about the threats that North Korea poses to Japan's national security. Given that Tokyo, Seoul, and Washington all felt frustrated by Beijing's refusal to put pressure on Pyongyang and by the deepening of Beijing-Pyongyang ties, it came as no surprise that Japan's efforts to deal with North Korea cannot be separated from its relationship with China. For Japan in particular, the Yeonpyeong crisis came immediately after a diplomatic rift with Beijing over the Senkaku/Diaoyu islands, which ended up further highlighting the perception that Japanese national power lagged behind that of China.

According to a poll released by Dentsu Inc. and reported in the Nov. 30 *Japan Times*, an average of 42.2 percent of people surveyed in nine Asian countries think Japan's influence has waned in their respective countries. Within Japan as well, there is a sense that Japan is declining, and that its diplomacy is losing ground while China is gaining strength. High-level public discontent toward the Kan administration's governance capacity was palpable throughout the quarter. According to a poll by *Nikkei* and *TV Tokyo Corp.* taken between Oct. 29 and 31, support for the Kan Cabinet was at 40 percent, 31 points lower than it had been in September. By early December, the approval rating had dropped to 25 percent, while the disapproval rating soared to 65 percent, according to the Dec. 7 *Yomiuri Shimbun*. Ongoing challenges facing the Kan administration are manifold, including internal rift within the DPJ, a strong *yen*, Ozawa Ichiro's Diet hearing over a funding scandal, and a divided Parliament.

It is against this backdrop that Tokyo's new defense posture in the fiscal year 2011 to 2015 seeks to transform the Self-Defense Forces into more mobile and flexible forces as Japan identifies China's growing naval strength and North Korea's ballistic missiles as its main national security concerns. Termed a "dynamic defense capability," Japan's new strategy focuses on bolstering naval power while concentrating on defending its southwestern island chains from Kyushu Island to Taiwan and its Pacific flank. Under this new strategy, the SDF can be dispatched beyond Japanese waters to where ever there is a threat against Japan.

### **A Seoul-Washington-Tokyo coalition?**

The second impact of the Yeonpyeong crisis has been to reinforce the old Cold War structure of alliances in Northeast Asia: a Japan-US-ROK triangle on the one hand and a China-DPRK alliance on the other. This return to the Cold War alignment is even more stark when compared to dynamics among Six-Party Talks participants a few years ago when the negotiations produced some agreements on denuclearizing North Korea.

In a show of a trilateral unity against Pyongyang's shelling of Yeonpyeong, US Secretary of State Hillary Clinton, South Korean Foreign Minister Kim Sung-hwan, and Japanese Foreign Minister Maehara met for two and a half hours on Dec. 6 in Washington. They denounced Pyongyang's shelling of the island and urged China to play a more active role in shaping Pyongyang's behavior. In addition to the agreement on enhanced trilateral coordination, the meeting also rejected to Beijing's proposal to resume the Six- Party Talks, unless the North takes "concrete steps to demonstrate a genuine commitment to complete, verifiable, and irreversible denuclearization." Chinese Foreign Ministry spokeswoman Jiang Yu responded by saying, "All Northeast Asian nations have responsibility for maintaining peace in this region."

The aftermath of the Yeonpyeong crisis, as such, resulted in the politicization of the Six-Party Talks, since Tokyo, Seoul, and Washington viewed China's proposal for resuming multilateral negotiations as support for the Kim regime. These countries have observed deepening Beijing-Pyongyang relations and North Korea's high level of political and economic dependence on China as the Kim regime goes through its leadership succession.

Meanwhile, Washington and Tokyo strongly supported President Lee Myung-bak's pledge to respond firmly to any further provocations by the North and saw South Korea's post-Yeonpyeong military drills as necessary. Further, while Tokyo and Seoul separately took steps to enhance defense cooperation with Washington, the two countries – with the encouragement of the US – began to explore new possibilities for defense cooperation. On Dec. 9, Chairman of the Joint Chiefs of Staff (JCS) Adm. Mike Mullen talked about the importance of the three countries taking part in joint military drills during his Tokyo meeting with Defense Minister Kitazawa Toshimi. Seoul sent observers to the Japan-US *Keen Sword* exercises for the first time this year. In July, Japan's Self-Defense Forces officers observed joint US-South Korean military drills for the first time.

Keeping pace with the US *Quadrennial Diplomacy and Development Review* that outlines a plan to "create a more systematic trilateral process with Asian allies, including the US-Japan-Australia and the US-Japan-South Korea trilateral," one of the key elements of Japan's new

defense posture is to strengthen military cooperation not only with the US but also with South Korea and Australia. Japan's Vice Defense Minister Azumi Jun said, "Given our history, there might have been reluctance on the South Korean side [for security cooperation with Japan]. But due to the North Korean situation, the environment for such talks is developing."

### **Tokyo-Seoul: closer friends during hard times?**

Overall, Japan-South Korea relations in the year 2010 were positive. Marking the 100<sup>th</sup> anniversary of Japan's annexation of Korea, Prime Minister Kan conveyed an apology to South Korea and followed through on his promise to return Korean royal scripts that had been removed during Japanese colonial rule of the Korean Peninsula (1910-1945). The signing of the treaty that confirmed the return of 1,205 royal books was the highlight of the Nov. 14 summit between President Lee and Kan held on the sidelines of APEC meeting in Japan. Kan called this year a turning point in Japan's relations with South Korea, while Lee said that the return of the books confirmed the Japanese government's willingness to improve South Korea-Japan relations. Some Korean scholars pointed out that several books of historical value that they had expected to be returned were absent from the list. Nonetheless, from a bilateral relations perspective, it was a step forward as a sign of Tokyo's interest in historical reconciliation.

On Dec. 20, Seoul and Tokyo signed a civilian nuclear pact as "good partners in promoting peaceful use of nuclear power through efforts to ensure nuclear nonproliferation and security." The agreement sets legal terms for transfer of nuclear technologies between the two countries. The quarter also witnessed Japan and South Korea agreeing to jointly develop mines for rare earth elements in third countries, key ingredients of the two countries' high-tech exports. South Korea's suggestion for joint development of rare earth elements came after China cut its quota following a territorial dispute with Japan.

Yet all was not as rosy as it might appear. This is perhaps best exemplified by Prime Minister Kan's remarks on Dec. 10. During a meeting between Kan and the families of Japanese abducted by North Korea, he said that the Japanese government must consider the dispatch of the Self-Defense Forces (SDF) to rescue Japanese nationals in the event of a contingency on the Korean Peninsula. Japan's Chief Cabinet Secretary Sengoku Yoshito quickly back-pedaled from Kan's remarks, clarifying that the Japanese government is *not* considering the possibility of dispatching the SDF to the Korean Peninsula. The Dec. 13 *Kyodo News* reported that Sengoku said Kan's remarks probably meant that Japan would have to conduct "mental exercises" about how to cope with such emergency situations.

South Korean reactions to Japan's new defense posture and Kan's remarks on the potential dispatch of SDF to Korea are indicative of where the two countries stand. Despite Seoul's frustration over China's reluctance to condemn North Korea, there still is a sense of uneasiness over the idea that Japan's SDF might be sent anywhere there is a threat to Japan. Thus, the Dec. 15 *JoongAng Ilbo* editorialized that Kan's comments were "disrespectful of Korea, which is still bitter over Japan's invasion." The article also added that the "emergence of a new ideological axis" of Seoul-Washington-Tokyo on one side and Beijing-Pyongyang on the other side is "worrisome" and disadvantageous to South Korea's national interest.

## Economic relations and culture

North Korea's belligerent acts toward a South Korea this quarter had ramifications for children at North Korean schools in Japan as the Japanese government eliminated a high school tuition waiver program for pro-Pyongyang schools. Japan's Education, Culture, Sports, Science and Technology Ministry decided to stop accepting applications from pro-Pyongyang schools in light of North Korea's attack on Yeongpyeong. On Nov. 5, the Ministry had decided to include those schools in the tuition waiver program as long as they maintained accounting transparency. Under this program, students at public high schools are waived tuition while students at private schools receive between 118,800 – 237,600 *yen* annually, based on household income. Since its inception, the program's inclusion of pro-Pyongyang schools has been politically controversial, as some politicians opposed the tuition waiver to students in those schools out of concerns about their pro-North Korea orientation.

On the monetary front, Japan and South Korea engaged in a skirmish over currency this quarter when the Japanese government complained that the South Korea government "regularly" intervened in the currency market to keep the *won* low. In October, Japanese Finance Minister Noda Yoshihiko said in a parliamentary budget committee meeting that the Korean government's intervention could lead Japan to question South Korea's role as chair of the G20. On the same day, Prime Minister Kan also named China and South Korea as countries going against "the spirit of cooperation" among the G20. According to an Oct. 16 *Joongang Ilbo* editorial, the South Korean government lodged a strong protest about the statements and Japan responded by saying that it would not happen again.

According to the Dec. 31 *Asahi Shimbun*, Japanese carmakers are increasingly interested in buying components from South Korean companies to reduce costs for their low-price vehicle production. The improved quality of South Korean companies' components and relatively cheap shipping costs due to their proximity played a big role in this trend. While this is good for South Korean companies, Japanese parts makers are expected to attempt to shift production overseas themselves in response.

Noteworthy as well this quarter was the conclusion of a team of 13 South Korean and 13 Japanese scholars who had conducted a study known as the "Joint study project for the new Korea-Japan era," commissioned by the two governments. They concluded that the annexation of Korea by Japan was forced. The statement reads that "Japan embarked on annexing Korea with power in the face of opposition from Koreans in the early 20<sup>th</sup> century." The conclusion is also in line with Prime Minister Kan's Aug. 10 statement that acknowledged the forceful nature of the annexation. The team also made policy proposals for improving bilateral relations, which include a "Campus Asia" that encourages student exchange programs to foster leaders in the era of an incorporated East Asia. Another suggestion was to create an "East Asian Knowledge Bank," a database of historical records, political, and diplomatic documents as well as translated classic books from East Asian countries.

On Dec. 22, South Korea and Japan reached an agreement for "open skies" that would deregulate civil aviation between Narita and Incheon airports. The agreement, set to take effect in the

summer of 2013, will allow airlines of the two countries to freely open flight routes and to decide the number of passenger and cargo flights.

2010 was also marked by the huge success of K-pop girl idols in Japan. South Korean girl groups “Girls’ Generation” and “Kara” became hugely popular in Japan, competing for the top position in Japan’s music charts. According to Masayuki Furuya, a radio DJ and an expert on Korean pop culture, K-pop girls groups’ success in Japan has to do with the existing fan base for popular South Korean boy bands and the availability of information through the Internet, especially through *YouTube*. *Mainichi Shimbun* reported on Dec. 25 that the Korea Creative Content Agency Japan Office reported that global exports of South Korean broadcasting content in 2009 were \$183.59 million, up 1.9 percent from 2008, with Japan accounting for more than 60 percent of the total.

### **The coming quarter**

Next year will see more coordination between Seoul and Tokyo over North Korea policy, with the US as a prime player, of course. Most interesting will be whether any negotiations occur and if they do they are called “Six-Party Talks.” It will also be interesting to see whether South Korea and Japan move forward with any alacrity to begin building an actual military alliance, and if so, how that may affect their own relations and their relations with Pyongyang. As for economic matters, although the world is officially out of the great recession, both Japan and South Korea have been sparring over their currency evaluations, and even as economic relations continue to grow closer, coordination between the two central banks is not especially strong. How this plays out in 2011 could influence relations going forward. All in all, 2010 – the 100<sup>th</sup> anniversary of Japan’s annexation of Korea – passed with relative calm and with a minimum of fuss on both sides. This in itself is an achievement, and perhaps marks a genuine step toward closer relations between the two countries.

## **Chronology of Japan-Korea Relations October – December 2010**

**Oct. 4, 2010:** Japanese Prime Minister Kan Naoto and South Korean President Lee Myung-bak meet on the sidelines of the Asia-Europe Meeting (ASEAM) and discuss bilateral relations.

**Oct. 22, 2010:** A group of Japanese and South Korean scholars release a study commissioned by the two governments in which they conclude that Japan’s annexation of Korea was coerced in the face of opposition from Koreans.

**Oct. 29, 2010:** Prime Minister Kan, President Lee, and Chinese Premier Wen Jiabao meet on the sidelines of the Association of Southeast Asian Nations in Vietnam.

**Nov. 11-12, 2010:** South Korea hosts G20 Summit.

**Nov. 13-14, 2010:** Japan hosts APEC Leaders Meeting.

**Nov. 14, 2010:** President Lee and Prime Minister Kan meet on the sidelines of APEC. South Korea and Japan sign a treaty that confirms the return of 1,205 Korean cultural treasures including royal scripts taken during Japan's colonial rule of the Korean Peninsula.

**Nov. 23, 2010:** North Korea fires some 170 artillery shells on a South Korea's Yeonpyeong Island killing two South Korean marines and two civilians.

**Nov. 24, 2010:** President Lee and Prime Minister Kan agree to work closely to confront provocations by North Korea.

**Nov. 24, 2010:** Pro-Seoul Korean Residents Union in Japan (*Mindan*) expresses anger over the North's shelling of Yeonpyeong Island.

**Nov. 28- Dec. 1, 2010:** South Korea and the US hold joint military exercises that include a US nuclear-powered aircraft in the Yellow Sea.

**Nov. 29, 2010:** A poll released by Dentsu Inc. shows that an average of 42.2 percent of people polled in nine countries in Asia think that Japan's influence in their countries has decreased.

**Nov. 30, 2010:** Japan tells China that now is not an appropriate time to resume the Six-Party Talks on the North's denuclearization program.

**Dec. 3-9, 2010:** Japan and US conduct joint military exercise *Keen Sword* in waters near Japan. The South Korean military sends observers for the first time.

**Dec. 6, 2010:** Foreign Ministers of South Korea, the US, and Japan hold a trilateral meeting in Washington and denounce North Korea's shelling of Yeonpyeong and urge China to put pressure on the North.

**Dec. 7, 2010:** The approval rating of the Cabinet of Prime Minister Kan drops to 25 percent while disapproval rating rose to 65 percent.

**Dec. 8, 2010:** South Korean and Japanese lawmakers meet in Seoul and exchanges views on reparations for South Korean forced laborers.

**Dec. 8, 2010:** Japan expresses reservation over a top US military officer's suggestion of joining joint military drills of the US and South Korean militaries.

**Dec. 9, 2010:** US Chairman of the Joint Chief of Staff Adm. Mike Mullen and Japanese Defense Minister Toshimi Kitazawa meet in Tokyo and agree to enhance trilateral cooperation between Washington, Tokyo, and Seoul.

**Dec. 10, 2010:** Prime Minister Kan during his meeting with the families of Japanese abductees by North Korea says that the government must consider a plan to dispatch the Self-Defense Forces to rescue the abductees in the event of a contingency on the Korean peninsula.

**Dec. 11, 2010:** Japan's Six-Party Talks Envoy Saiki Akitaka and Chinese counterpart Wu Dawei meet in Beijing and agree to make joint efforts to ease tensions on the Korean Peninsula.

**Dec. 13, 2010:** Japan's Chief Cabinet Secretary Sengoku Yoshito clarifies Prime Minister Kan's remarks saying that the Japanese government is not considering the possibility of dispatching the Self-Defense Forces to the Korean Peninsula.

**Dec. 20, 2010:** South Korea and Japan sign a civilian nuclear pact that allows them to use and transfer nuclear-power technologies between the two countries.

**Dec. 22, 2010:** Japan and South Korea reach an open skies agreement for civil aviation between Narita and Incheon airports to be effective summer 2013.

**Dec. 23, 2010:** South Korean military conducts its largest air and ground firing drills of the year.

**Dec. 27, 2010:** The Sunrise Party of Japan decides not to join the ruling coalition.

**Dec. 28, 2010:** Japanese Foreign Minister Maehara Seiji says that Japan should enhance bilateral discussions with North Korea on issues of Pyongyang's nuclear and missile programs and the abduction issue.