



**Japan-Korea Relations:
Reality or Symbolism in the Relationship**

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South Korea and Japan are neighbors that are advanced, technologically sophisticated capitalist economies with capable and well-educated populations, and are fully consolidated liberal democracies. They share an alliance with the US, and generally view themselves as stalwart regional allies. As has been the case for many years, relations between them during the past four months were relatively stable, with increasingly deep economic relations, voluminous cultural flows, and general agreement on a strategy of isolation toward North Korea. They also share a tendency to provoke each other over their shared history and the ownership of several islets that sit between them. When this happens, the media goes into a frenzy, breathlessly reporting the latest incident. But which is reality? Do the historical disputes meaningfully affect their bilateral relations? On the one hand, yes: they could cooperate more closely on issues such as military coordination and a free-trade agreement. On the other hand, no: it's not at all clear that historical issues are holding up cooperation and relations are deeper across a range of issues.

Unfortunately, relations between Japan and the Republic of Korea (ROK) over the summer were portrayed by the media in both countries as punctuated by that familiar spirit of: "give me _____ (insert Dokdo or Takeshima) or give me death!" But, what else was occurring while the media with its steadfast attraction to sensational stories provided immense coverage of South Korea's denial of entry for the three Japanese lawmakers intent on visiting Ullengdo (near the contested island of Dokdo/Takeshima) at Gimpo airport in early August? Coverage of the political sparring occurred at the expense of shedding light on other issues that deserved as much attention, if not more. Although we have no clear answer as to whether the disputes are real or symbolic, we choose to focus on other events between Korea and Japan that received far less attention, but may be more meaningful in moving the relationship forward.

The League of Extraordinary Gentlemen?

The League of Extraordinary Gentlemen is a comic book series written by Alan Moore and illustrated by Kevin O'Neill, published beginning in 1999. Set in the late 1890s, the series follows a cast of characters who join together into a single team to save the world from impending ruin. While perhaps not quite as dramatic, Japan-Korea relations witnessed something similar on July 23, when the *League of Korea-Japan Female Lawmakers* met in Seoul for the second time since its inauguration in 2010. The 17 Korean lawmakers included Na Kyung-won from the ruling Grand National Party (and also the chairwoman of the 2013 Special Olympics Committee), Shin Nak-kyun of the main opposition Democratic Party, Lee Young-ae from the Liberty Forward Party, and Kim Eul-dong and Kim Hye-seong of Future Hope Alliance. From Japan, Ishige Eiko (House of Representatives, Tokyo PR Bloc), Nakabayashi Mieko (House of

Representatives, Kanagawa No. 1), Fujita Kazue (House of Representatives, Fukuoka No. 3) from the Democratic Party of Japan (DPJ) participated, alongside Furuya Noriko (House of Representatives, South Kanto) from the New Komeito Party (NKP), and Mitsuei Konde of the Liberal Democratic Party of Japan (LDP). According to lawmaker Kim Hye-seong's official website, session 1 focused on the status and future tasks of improving the presence of women in politics in both South Korea and Japan and session 2 focused on bilateral cooperation in conjunction with improving women's presence in politics. Despite the cross-cutting of domestic and inter-state political affiliations, the event did not inspire any other English-language articles or produce a single hit on LexisNexis. Could a female league be an avenue for overcoming the historical distrust between the two sides and create new momentum for cooperation?

In June, a month prior to the meeting, the Japanese Cabinet approved the White Paper on Gender Equality – an annual report published in accordance with the Basic Act for a Gender-Equal Society. The statistics outlined in the report left much to be desired: women make up 11.3 percent of Lower House members (ranking 121st out of 186 nations in terms of female presence in Parliament), and 1 percent of corporate leaders in Japan, or 515 out of 42,000 executives in roughly 3,600 listed companies. In Asia, Nepal ranked the highest in terms of the presence of female lawmakers at 33.2 percent, followed by South Korea at 14.7 percent. The *Nikkei Weekly* ran an editorial on Aug. 29 by Iwata Miyo, in part congratulating the Japanese women's national soccer team and its latest win in the 2011 World Cup and, in part, lamenting the fact that women are still marginalized in Japanese society.

Perhaps there is hope for ROK-Japan cooperation between the female lawmakers to work as a mechanism in not only improving the status of women in general, but mitigating the political fighting that so often hijacks the inter-state relationship. Given the weak leadership in Japan, an improved standing for female lawmakers may also serve as a breath of fresh air. It would be a mistake to think that the league could become an “epistemic community” that transcends the concept of national interest, but unburdening the bilateral relationship by forging a new solidarity based on different links such as gender while keeping within the confines of high politics is certainly a road not often taken.

The transition from *inter-connectedness* to *inter-dependence*

As we noted above, the economic aspect of bilateral relations has often represented an odd disembodiment from the rest of the relationship; economic interests have run almost on their own momentum as if shielded from the more ugly side of politics. The summer of 2011 evidenced this very wisdom. *Asahi Shimbun* reported there were plans for a joint venture company – LG-Hitachi Water Solutions Co., Ltd. – to be launched in October 2011, with LGE providing 51 percent of the capital while Hitachi Plant Technologies would contribute 49 percent. The company would focus on manufacturing and sales of water treatment equipment, including research and development of water treatment technology. Additionally, the joint venture plans to branch out to water-related businesses in other countries, thereby signaling its intent to be greater (more globalized) than simply the sum of its parts (of Korea and Japan).

Similarly, in July, *Asahi Shimbun* reported that Toshiba Corp., with the world's second-largest market share in flash-memory chips, and Hynix Semiconductor Inc., the world's second-largest

maker of dynamic random access memory (DRAM) chips, have joined hands to jointly develop next-generation memory devices (MRAM). Shortly thereafter, *DongA Ilbo* ran an article announcing that the state-run Japanese Science and Technology Agency decided to sell Samsung Electronics its patented technology of a new semiconductor that had been produced with the aid of government subsidies. The significance of this move is this: it seemed atypical for Tokyo to sell a core next-generation technology to a Korean company ahead of other Japanese rivals in the sector.

Nevertheless, the media has for the most part glossed over the fact that it has been over a decade since first talk of a ROK-Japan Free Trade Agreement (FTA) emerged. It was back in 1998, when President Kim Dae-jung paid a visit to Japan, which culminated in “The Joint Declaration of the New ROK-Japan Partnership for the 21st Century,” and sowed the seed for talks on prospects of a bilateral FTA. Subsequently, an ROK-Japan Joint Study Group was established in July 2002 to appraise the possibility of a Japan-Korea Free Trade Agreement (JKFTA). Official negotiations began in December 2003, but stalled due to differences over manufacturing and agriculture, only to be revived in 2008 in the form of working-level meetings. In May 2011, head of the ROK Trade Ministry’s FTA Negotiations Bureau Lee Yun-young met Director General of the Japanese Ministry of Foreign Affairs’ Economic Affairs Bureau Yagi Takeshi in Seoul to continue the FTA talks.

What will come out of the May talks is uncertain, but the attention garnered by the ROK-Japan FTA pales in comparison to that claimed by the Republic of Korea-United States Free Trade Agreement (KORUS FTA). Yet findings regarding the potential economic effects of a JKFTA are impressive. For instance, the 2003 JKFTA Joint Study Group Report (available for download from the Ministry of Foreign Affairs of Japan website), based on findings by the Korea Institute for International Economic Policy (KIEP) and Japan’s Institute of Developing Economics (IDE), reported static effects (direct economic effects resulting from the elimination of tariffs and quotas on all bilateral trade) in Gross Domestic Product (GDP) increase for South Korea as high as 0.06 percent, and 0.04 percent for Japan. The dynamic effects (indirect long-term economic effects on other parts of the economy) were posited to increase the GDP for South Korea by 8.67 percent and 10.44 percent for Japan. If the report is correct in stating that the integration of the two economies through an FTA would account for virtually 17 percent of total global GDP with a combined population of 170 million, the JKFTA would represent a vital part of transitioning the two countries from mere inter-connectedness to inter-dependence. Unfortunately, bilateral FTA talks in May within the framework of the larger topic lacked the sensationalism needed to catch the attention of the media.

In contrast, the launch of the Korea, China, Japan Economic and Trade Forum in June was much more successful in getting the media’s eye. The forum was established by the Korea International Trade Association (KITA), the China Center for International Economic Exchanges, and the Japan-China Organization for Business, Academia & Government Partnership, to build a private foundation for the early conclusion of FTAs among the three countries and to conduct cooperative projects aimed at economic integration in the region. An article in the *Journal of Korea Trade* (Vol. 13, No. 1 February 2009: 45-64) titled, “A CGE Analysis of Free Trade Agreements among China, Japan, and Korea” makes an interesting assessment of the GDP and social welfare impacts of each different pairing of FTAs. According to the authors, the ranking of

FTAs in order of GDP effects accorded to South Korea from highest to lowest is Korea-China (2.8), China-Japan-Korea (2.53), Korea-Japan (0.32), and China-Japan (-0.59). For China, the China-Japan-Korea (0.6) FTA ranks highest, followed by Korea-China and China-Japan (0.34), and Korea-Japan (-0.07); for Japan, the order is China-Japan-Korea (0.99), China-Japan (0.87), Korea-Japan (0.22), and Korea-China (-0.1). The impact on social welfare reveals that the ranking for each country does not change, with the China-Japan-Korea trilateral FTA estimated to produce the greatest results for each country. In the end, the empirical results combined with the significance of the geopolitical implications of such economic integration have muted the importance of the ROK-Japan FTA.

Then came the quibbling...

In turning our initial question around and asking what had been said many times before that could be said again during the summer months, leads to the diplomatic spat between Seoul and Tokyo over territory. The first source that ignited the argument was a May 25, 2011 *Asahi Shimbun* report that Japanese Ambassador to South Korea Muto Masatoshi had lodged a protest with Park Suk-hwa, first vice minister of South Korea's Ministry of Foreign Affairs and Trade, over the visit by three South Korean lawmakers to the disputed Kuril Islands, which occurred with the permission of the Russian government. The debate soon moved to the territorial space of Dokdo/Takeshima when the Japanese government instructed its officials to boycott *Korean Air* for a month starting July 18 in response to the carrier's July 16 inauguration of its newly-purchased A380 jumbo jet with a flight over Dokdo/Takeshima. This marked the first such boycott of a specific carrier by the Japanese government. Moreover, a group of Japanese lawmakers also announced plans to travel to Ulleungdo to reinforce Japan's claims to the contested territory. In response, the South Korean government announced plans to use Dokdo to hold a general meeting of the National Assembly's Special Committee on Measures for the Safeguarding of Territory. (This was later cancelled due to inclement weather.)

The climax came at the end of July when a right-wing professor of Takushoku University was denied entry by South Korean immigration officials at Incheon International Airport, due to the local justice ministry's disapproval of his visit. On Aug. 1, the three lawmakers from Japan's conservative Liberal Democratic Party (LDP) planning to visit Ullengdo were denied entry by South Korean immigration officials at Gimpo International Airport. The release of Japan's 2011 *Defense White Paper* claiming Dokdo/Takeshima as its territory solidified the peevish mood in both Seoul and Tokyo. Conservative newspapers of both states joined in the sparring. The Aug. 4 *Yomiuri Shimbun* ran an editorial titled, "South Korea Goes Overboard in Denying Lawmakers Entry," describing a reverse situation wherein Seoul would not have tolerated such a denial of entry by the Japanese. The *Chosun Ilbo* released an editorial on the same day headlined, "Japanese Lawmakers' Dokdo Mission Inspires Copycats," highlighting that after the airport fiasco, LDP lawmakers Hirasawa Katsuei and Shimomura Hakubun had pledged to visit Ulleungdo in September.

In a rare moment of agreement, North Korea conveniently sided with the South in denouncing the Japanese actions. On July 30, *KCTV*, broadcast by the DPRK's Committee for the Peaceful Reunification of the Fatherland, castigated Tokyo's punitive measures against *Korean Air* and the Japanese lawmakers' plans to visit Ulleungdo. An Aug. 5 editorial in *Korean Central News*

Agency (KCNA) lambasted Japan for its efforts to claim Dokdo as part of its own territory, while the North's official website, *Uriminzokkiri*, branded the Japanese lawmakers "a shameless bunch" and called for a "unified force" against Japan's claims to the disputed islands. Pyongyang did, however, also unleash its fury at South Korea, with the DPRK's Committee for the Peaceful Reunification of the Fatherland emphasizing the "incompetence" of Seoul in dealing with Tokyo's "treacherous behavior." Nevertheless, Pyongyang's scathing commentary of Tokyo's conduct regarding the territory of Dokdo/Takeshima stood out in an overall low-key period for the two countries. The only other notable interaction occurred in July on the sidelines of the Association of Southeast Asian Nations (ASEAN) Regional Forum in Bali, when Japan refuted claims by the DPRK that the issue of abduction of Japanese nationals was already settled.

Unfortunately, the territorial spat underscored the issue-linkage that plagues ROK-Japan relations. Instead of functioning as a mechanism to enhance the probability of joint settlement, issue-linkage – especially when adopted in the context of contested territory or history – has become a habitual deal-breaker. When parts of the South Korean citizenry started framing the attempted Japanese lawmakers' visit to Ulleungdo as subverting the prior assistance given by South Korea to Japan during its time of need a couple months back, the spirit in which the initial humanitarian aid was given became tarnished by the politics of unfortunate issue-linkage. Regardless of whether compartmentalization of different agendas is the optimal course for ROK-Japan relations, President Lee Myung-bak stated in a policy address that "South Korea should ... try to foster a future-oriented relationship [with Japan] with a pragmatic attitude. Historical truth must not be ignored, but we can no longer afford to give up our future relations due to disputes over the past." (quoted from a cable from the US Embassy in Seoul to the Department of State, dated Jan. 12, 2009). Hope is so often accompanied by disappointment.

Loose lips sink ships?

Speaking of hope, Noda Yoshihiko has been elected as the new prime minister and head of the ruling Democratic Party of Japan (DPJ). Instead of making predictions about what this means for ROK-Japan bilateral relations, what has not yet been said about the new development is what had already been said about Noda *prior to* his new-found position at the helm of the DPJ.

South Korean media latched onto what they saw as Noda's inappropriate and somewhat brash remarks about Korea's policies. Towards the end of 2010 in October and November, there was a cluster of articles pointing to Noda's criticism of South Korea for allegations of currency manipulation and his intent to question Seoul's leadership as the host of the G20 Summit. *Yonhap News* also ran stories about Noda's blaming China for its policies and their contribution to the appreciation of the Yen.

Many articles were simply reporting the facts as they related to Noda's role as the finance minister, but there were also articles in the Japanese media cautioning Noda for his "slip of the tongue." For instance, the Aug. 18 *Asahi Shimbun* carried an editorial titled "Noda Should Watch His Mouth," referencing his recent re-affirmation at a news conference that the Class-A war criminals interred at the Yasukuni Shrine were no longer war criminals. The editorial admonished Noda and stated that "Noda is off the mark. What he says does nothing but unnecessarily hurt the feelings of many people, both Japanese and foreign, whose relatives were killed in the war ... If

he becomes prime minister, he will have to speak about Japan's past as the representative of our nation. He needs to exercise discretion in both action and words." Hopefully, the past will not be a gauge for what is to come.

There is almost nothing to write about Japan-North Korea relations in these past four months, because there has been virtually no movement in their relationship. Japanese politicians continue to state that resolution of the abduction question must precede any change in Japan's current policy of isolation and sanctions, while the North Koreans continue to claim that they have concluded the issue.

The end of 2011 could prove to be interesting, as the new Japanese government attempts to formulate domestic and foreign policies in the face of enormous challenges. As South Koreans begin to look to the 2012 presidential election, new voices will emerge, and there may be a different look to the ruling GNP as it prepares for what appears to be a difficult campaign season. North Korea, of course, remains a problem with little change in policy in sight. With the world perhaps facing another financial crisis, Korea-Japan relations in the final months of 2011 promise to be interesting.

Chronology of Japan-Korea Relations

May – August 2011

May 4, 2011: *Yonhap* confirms that North Korea will take legal action against two Japanese citizens detained since March 14 on charges of drug trafficking and counterfeit activities. The men were initially arrested after entering Rason City in the North's special economic zone.

May 9, 2011: South Korea and Japan hold director general-level talks on a free trade agreement in Seoul, the second of the kind since the first round of talks in Tokyo on Sept. 16, 2010.

May 11, 2011: Seoul's Six-Party Talks envoy Wi Sung-lac and Japanese counterpart Sugiyama Shinsuke meet and agree to a "three-step process" in resuming the Six-Party Talks, recognizing the need for preliminary talks between Seoul and Pyongyang.

May 18, 2011: *The Daily NK* reports the announcement by the Japanese consulate in Shenyang that it will no longer protect North Korean defectors following a demand by China to stop.

May 20, 2011: Japan's Ministry of Finance announces that Seoul and Tokyo have reached an agreement to mutually recognize the Authorized Economic Operator (AEO) system. This means that the AEO status of economic operators will be taken into account during the security risk assessment procedure by Japanese and South Korean customs authorities. For Japan, South Korea marks the fifth such partner, following New Zealand, US, European Union, and Canada.

May 21-22, 2011: The fourth Trilateral Japan-China-South Korea Summit is held in Tokyo. Issues addressed in the declaration include multilateral cooperation on disaster management and nuclear safety, economic growth, and environmentally sustainable development.

May 25, 2011: *Asahi Shimbun* announces that the Japanese Ambassador to South Korea Muto

Masatoshi lodged a protest with Park Suk-hwa, first vice minister of South Korean Foreign Affairs and Trade, over the visit by three South Korean lawmakers to the disputed Kuril Islands, which occurred with the permission of the Russian government.

May 25, 2011: *Asahi Shimbun* reports that Japanese Foreign Minister Matsumoto Takeaki lodged a formal protest against the May 25 visit of South Korea's Minister of Gender Equality and Family Paik Hee-young to the disputed islands of Dokdo/Takeshima.

May 27, 2011: According to *DongA Ilbo*, the Upper House in the Japanese Diet has ratified an agreement on the return of ancient Korean texts to Seoul with a vote of 145-86. This comes a month after the Lower House passed the bill.

May 29, 2011: *Yonhap News* cites a May 19 article by *The Nikkei* concerning an agreement to establish a joint South Korea-Japan investment fund for financing Asian television programming (to be launched in June) dubbed the "Asia Content Fund."

June 3, 2011: *JoongAng Daily* reports on the first Korea-China-Japan Economic and Trade Forum, held in Seoul. The forum included Oh Young-ho, vice chairman of the Korea International Trade Association (KITA), Bi Jiyao, director of the Foreign Economic Institute (Academy of Macroeconomics) from China, and Shinji Fukukawa, president of the Japan China Organization for Business, Academia & Government Partnership from Japan.

June 10, 2011: *Yonhap News* reports that the ROK-Japan bilateral agreement for the return of ancient Korean texts from Japan has come into force, roughly seven months after the initial signing of the accord.

June 28, 2011: Son Hak-gyu, leader of the South Korean Democratic Party, meets Japanese Prime Minister Kan Naoto at his official residence in Tokyo.

June 28, 2011: *Korean Central News Agency (KCNA)* lambastes Japan for participating in the Korean War by helping the US with supplies and forces to keep the war going, demanding an apology for the "sin" committed.

July 7, 2011: According to the *Mainichi Shimbun*, Japan is willing to allow Chang Ung, a North Korean member of the International Olympic Committee (IOC), entry into Tokyo for an Olympic Council of Asia meeting. This marks an exception to Tokyo's ban on entry by North Korean nationals since October 2006, in protest of Pyongyang's nuclear test.

July 11, 2011: *Asahi Shimbun* reports that South Korea's LG Electronics Inc., and Japan's Hitachi Plant Technologies Ltd., have agreed to establish a joint venture in the water business.

July 13, 2011: *Kyodo News* cites a new agreement forged between Japan's Toshiba Corporation and South Korea's Hynix Semiconductor Inc. to jointly develop a new type of memory chip known as MRAM.

July 14, 2011: According to *Asahi Shimbun*, the Japanese government has instructed its officials to boycott Korean Air for a month in response to the carrier's inauguration of its newly purchased A380 jumbo jet with a flight over Dokdo/Takeshima.

July 19, 2011: Several South Korean groups protest in front of the Japanese embassy in Seoul, demanding the immediate cancellation of the intended visit to Ulleungdo by Japanese lawmakers and vowing to continue daily demonstrations until Aug. 2. Meanwhile, the South Korean government announces its plans to use Dokdo to hold a general meeting of the National Assembly's Special Committee on Measures for the Safeguarding of Territory.

July 20, 2011: *Donga Ilbo* reports that the state-run Japanese Science and Technology Agency has agreed to sell Samsung Electronics its patented technology of a new semiconductor, paving the way for Samsung to create large displays with resolutions up to 10 times greater than existing products.

July 21, 2011: *Kyodo News* reports that the Tokyo District Court has rejected a suit filed by South Korean plaintiffs in which they called for the removal of the names of their deceased relatives from the list of those enshrined at the Yasukuni Shrine.

July 22, 2011: Hyundai Steel, South Korea's second-biggest steelmaker, announces that it expects to secure orders from three to four Japanese shipbuilders in the second half of 2011.

July 22, 2011: Jin Air, a low-cost Korean airline, celebrates the inauguration of its first route into Japan, connecting Incheon and Sapporo.

July 23, 2011: The League of Korea-Japan Female Lawmakers meets in Seoul, Korea. The league is chaired by Na Kyung-won, a former Grand National Party (GNP) spokeswoman. This marks the second such gathering since its inaugural meeting in 2010.

July 23, 2011: *Kyodo News* reports that Japan, at the 18th ASEAN Regional Forum (ARF) in Indonesia, refutes North Korea's claim that the Japanese abduction issue has been settled.

July 24, 2011: *Yonhap News* announces ROK Foreign Minister Kim-Sung-hwan met Japanese counterpart Matsumoto Takeaki on the sidelines of ASEAN-related meetings in Indonesia and expressed "strong" regret over Japan's punitive actions taken against Korean Air in mid-July.

July 31, 2011: A right-wing professor of Takushoku University is denied entry by South Korean immigration officials at Incheon International Airport, due to the local justice ministry's disapproval of his visit.

Aug. 1, 2011: Three lawmakers from Japan's Liberal Democratic Party (LDP) are denied entry by South Korean immigration officials at Gimpo International Airport. Japanese Foreign Minister Matsumoto Takeaki summons South Korean Ambassador to Japan Shin Kak-Soo to lodge a protest.

Aug. 2, 2011: The *Mainichi Shimbun* reports that the South Korean Foreign Ministry has summoned Kanehara Nobukatsu, a diplomatic minister at the Japanese embassy, to protest Japan's claim to Dokdo/Takeshima in its newly-released *2011 Defense White Paper*.

Aug. 3, 2011: According to the *Chosun Ilbo*, Japanese LDP members, Hirasawa Katsuei and Shimomura Hakubun, pledged to visit Ulleungdo in September after the closing of the regular session of the Diet.

Aug. 5, 2011: An editorial in *Korean Central News Agency (KCNA)* lambastes Japan for its efforts to claim Dokdo/Takeshima as part of its own territory.

Aug. 7, 2011: *Chosun Ilbo* reports that roughly 500 demonstrators gathered around *Fuji TV* headquarters in Tokyo, to protest broadcasts of Korean TV dramas.

Aug. 8, 2011: South Korea protests the decision by the US maritime boundary agency to notify the International Hydrographic Organization (IHO) to only back usage of "Sea of Japan," which South Korea calls the "East Sea."

Aug. 12, 2011: The meeting of the National Assembly's Special Committee on Measures for the Safeguarding of Territory scheduled to be held on Dokdo is postponed due to inclement weather.

Aug. 14, 2011: *Yonhap News* reports that South Korea has conducted two military drills aimed at protecting the islets of Dokdo/Takeshima in 2011.

Aug. 21, 2011: A second anti-Hallyu ('Korean Wave') demonstration is held in front of *Fuji TV* headquarters in Tokyo. The *Hankyoreh* reports participation by roughly 6,000 people.

August 31, 2011: The Japanese Parliament elects Noda Yoshihiko new head of the Democratic Party of Japan (DPJ), as prime minister, sparking concern from South Korea over his views regarding Japanese Class A war criminals.

Aug. 31- Sept. 2, 2011: The sixth joint study meeting on a Free Trade Agreement (FTA) among South Korea, Japan and China is held in the northeastern Chinese city of Changchung.