

Japan-Korea Relations: History Impedes the Future

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Despite a good working relationship during the last quarter of 2004, during the first three months of 2005, some tiny, uninhabited rocks in the middle of the sea between Japan and Korea became the source of a major diplomatic spat between both Koreas and Japan. “Who owned Tokdo/Takeshima first” is evidently more important to Japan and South Korea than is concluding a free-trade agreement, resolving the North Korean nuclear issue, or sorting out relations with China and the U.S. This might be fitting: although 2005 is “Japan-Korea Friendship Year,” which marks the 40th anniversary of normalized ties between the two countries, it is also the 100th anniversary of Japan’s annexation of Korea.

That said, not much progress was occurring in any of these other issues. Japan and North Korea remain sidetracked in a dispute over abductees, and Japan moved toward economic sanctions even as the Six-Party Talks stalled. South Korea and Japan made little progress toward a free-trade area, preferring to argue about history.

Japan-North Korea Relations

The nuclear issue remains convoluted, with the abductees issue overshadowing nuclear talks, and Japan moving much closer to imposing sanctions on North Korea. Indeed, March 1 marked the beginning of “pseudo-sanctions,” with Japan implementing an insurance law that could effectively ban much of North Korean shipping from its ports.

The issue of abductees remains as important as ever in Japanese domestic politics. With North Korea being accused of falsifying remains, the Japanese are insistent that the abductee issue be resolved before any moves toward normalization occur. Last year the Japanese government found the remains that North Korea returned were not from Japanese abductees. North Korea claimed that Japan had falsified DNA tests of returned abductee Yokota Megumi. On March 10, the *Choson Ilbo* reported that the team that analyzed the cremated remains of Yokota said the result is not final and it is possible that the test samples could have been tainted. Tokyo had previously claimed that the DPRK handed over remains belonging to another person. Teikyo University Professor Tomio Yoshii, whose team led the DNA test, made these remarks in an interview with the journal *Nature*. As a sign of how distorted the issue of abductees has become, Yokota’s case has caught the interest of the Japanese because she is survived by a 16 year-old daughter, still in North Korea, who is reportedly quite pretty. Some observers have

speculated that if North Korea allows the daughter to visit Japan, much of the Japanese public's attention to and frustration over the matter will dissipate.

In early January, *Kyodo News* reported that Prime Minister Koizumi Junichiro downplayed the idea of prioritizing the abduction issue over the nuclear standoff in dealing with the DPRK. Koizumi told reporters that Japan's policy toward the DPRK is to resolve these and other issues "comprehensively," and "none should be particularly delayed." *The Japan Times* reported Feb. 24 that North Korea returned the favor, saying that resumption of Six-Party Talks on the North's nuclear threat depends not only on the U.S. position but also Japan's stance on the abduction issue.

Koizumi has backpedaled on the issue of normalization of relations with North Korea. The *Chosun Ilbo* reported that the prime minister said Jan. 4 that Japan would not normalize relations with the DPRK unless the Pyongyang Declaration was faithfully fulfilled, and that he would not set a deadline for the restoration of diplomatic ties. This appears to be a retreat from his previous stance that he would normalize relations with the DPRK during his tenure.

North Korea's Feb. 10 declaration that it had nuclear weapons caused only a minor response in Japan. On Feb. 19, the U.S. secretary of state and the Japanese foreign minister made clear their deep concern over the "nuclear statement" which publicly declared that the DPRK would suspend its participation in the Six-Party Talks for an indefinite period and that it had manufactured nuclear weapons. The ministers, while reconfirming their fundamental policy toward the DPRK, reiterated their commitment to a peaceful diplomatic resolution of the nuclear issue through the Six-Party Talks.

The abductee issue has fueled popular sentiment in Japan for sanctions against North Korea. Japan has been considering sanctions for some time, and took its first steps down that path by implementing a law that is the functional equivalent of a minor sanction on North Korean shipping. After months of threatening to move to sanctions if the abductee question was not satisfactorily resolved, the Japanese government decided to impose sanctions in two stages.

The amended Law on Liability for Oil Pollution Damage, which will ban foreign vessels without proper insurance from Japanese ports, took effect March 1. The amended law states that foreign ships weighing over 100 tons must have liability insurance as protection against oil spillages caused by running aground or similar accidents. This new law will function as a de facto economic sanction on the DPRK because most DPRK freighters are not covered by "Protection and Indemnity Insurance," and they will in effect be banned from Japanese ports. *Kyodo News* reported March 1 that inspectors from the Transport Ministry started checking foreign vessels at Yokohama port and Kyoto Prefecture's Maizuru port to see if they are covered by insurance against oil spills and other liabilities. The Transport Ministry said that 73 percent of foreign vessels that entered Japanese ports in 2003 were insured and met insurance requirements, but only 2.5 percent of the 982 DPRK vessels that visited Japanese ports in 2004 had such coverage.

The insurance premium is an expensive ¥400,000 per 100 tons, and since North Korea has many old ships that can't be insured, it is thought that most of them will not be able to enter the ports.

However, it is not clear whether the sanctions will be any more than a symbolic gesture. Trade between Japan and North Korea was the lowest in 25 years, making sanctions potentially more symbolic than effectual. *Kyodo News* reported that the total amount of commercial trade between Japan and the DPRK in 2004 was about ¥27.2 billion, the lowest since 1977, when the annual yen figure was first made public, according to Finance Ministry data. Furthermore, North Korea is rapidly expanding its trade with the PRC and ROK, rendering Japan's sanctions less effective than they might have been. Furthermore, many North Korean ships are below the 100-ton weight threshold for requiring insurance, allowing them to avoid the new rule, while many of those ships over 100 tons that are uninsured come from other countries, such as China and Southeast Asia. In another move to exert more pressure on the DPRK, on Feb. 3 the ruling Liberal Democratic Party drafted human rights legislation aimed specifically at refugees from North Korea. The proposed legislation is being touted as a "third plank" in efforts to get the DPRK to resolve the decades-old abduction issue.

Japan-South Korea Relations

In contrast to the lack of progress in North Korea-Japan relations, the beginning of 2005 looked quite promising for South Korea-Japan relations. With 2005 marking the 40th anniversary of the normalization of ties between the two countries, ROK-Japan Friendship Year 2005 officially kicked off Jan. 25 at the National Yoyogi Stadium in Tokyo. Over 2,500 people took part in the ceremonies, including Japanese Foreign Minister Machimura Nobutaka and ROK Ambassador to Japan Na Jong-il.

Another encouraging sign came Jan. 13, when South Korean President Roh Moo-hyun said that the ROK would welcome a visit by the Japanese emperor. Such a visit would be a further sign of warming ties between the two countries. There was even talk of creating a joint television channel among Korea's *KBS*, China's *CCTV*, and Japan's *NHK* so that each network can air eight hours per day on the channel. In early January, Japan's *Fuji TV* and Korea's *MBC (Munhwa Broadcasting Corporation)* conducted a poll that showed that 56.1 percent of Japanese respondents consider the ROK an ally, compared to 29.2 percent that said it was a rival. However, 62.9 percent of ROK citizens view Japan as a competitor, and only 29.2 percent see Japan as an ally. Furthermore, four of the top 10 foreign films in Japan for 2004 came from Korea, according to Japan's leading movie magazine *Kinema Junbo*.

Another sign of progress was South Korea's muted response to Japan's increasingly assertive foreign policy. In early January, the head of Japan's Defense Agency embarked on a six-day trip to several Asian nations to explain the country's beefed-up defense policy. The visit was seen as an attempt to reassure the region that Japan had no intention of returning to its militarist past. Defense Agency Director General Ohno Yoshinori visited Indonesia, Singapore, and South Korea. On the eve of his departure, he told

foreign correspondents he wants to see international peacekeeping become a primary, rather than subordinate, mission for Japan's military. While in South Korea, the talks focused on Japan's overhaul of its defense guidelines to play a more expanded global role and the DPRK nuclear standoff. In an annual meeting between defense ministers, ROK Defense Minister Yoon Kwang-ung asked Ohno to implement Japan's new defense policy in a "transparent and prudent" manner. In turn, Ohno asked the ROK to take an active role in resolving the 27-month standoff over the DPRK's nuclear weapons program.

Even when the *Yomiuri Shimbun* reported in early February that Prime Minister Koizumi said that he supports revising the Constitution to include a "clear reference to Japan's commitment to pacifism and dedication to international cooperation as well as the possession of a military for self-defense," South Korea and the rest of the region responded in subdued tones.

And then came Tokdo/Takeshima (in order to avoid offending either country, hereafter the rocks will be referred to as "Liancourt"). On Feb. 24, a distant relative of Chief Cabinet Secretary Hosoda Hiroyuki, who is on the local council in Japan's rural Shimane Prefecture, presented a bill to name Feb. 22 as "Takeshima Day," to mark the 100th anniversary of what many in Japan claim was its legal annexation of the islands now administered by Korea. Shimane Gov. Sumita Nobuyoshi said, "We hope the central government will take more active measures to establish territorial rights over Takeshima." The ROK Foreign Ministry initially expressed strong regret over the Japanese provincial government's move. The Japanese central government did not interfere in Shimane's decision, claiming it had no authority.

Then Japanese ambassador to the ROK Takano Toshiyuki got involved, saying during a press conference Feb. 23, that, "The Takeshima Islands [the Japanese name for the Tokdo islets] are Japanese territory historically and in terms of international law." This set off a firestorm of outrage in South Korea.

Then President Roh got involved. On the back of a domestic call to find and punish collaborators with the Japanese during 1910-1945 imperial rule, marking the 86th anniversary of the March 1, 1919 Independence Movement, President Roh demanded that the Japanese government offer apologies and further compensation to its Korean victims. No ROK president has made such a demand since Japan paid compensation when the two countries restored diplomatic relations in 1965. "Korea and Japan have a common destiny to open the future of Northeast Asia," Roh said at the Yu Gwan-sun Memorial Hall in Seoul. "What is needed are the sincere efforts of the Japanese government and people. They will have to find out the truth of the past and make apologies and compensation, if necessary."

The next day Foreign Minister Ban Ki-moon backpedaled from the president's comments, saying that, "The South Korean-Japanese treaty has served as the basic framework for bilateral ties in various aspects over the past 40 years...It is not realistic to negotiate the treaty again." In light of the increasing public outrage on both sides, things were clearly spiraling out of control.

A week later, on March 8, things got even worse when a Japanese newspaper attempted to fly a light civilian plane over Tokdo, prompting a response by South Korean fighter jets. The plane from Japan attempted to enter the ROK's airspace without permission, but turned back after four ROK Air Force *F-5* jet fighters were scrambled to intercept it. The ROK Foreign Ministry lodged a complaint with Japan's Embassy in Seoul over the incident, demanding measures to prevent a recurrence of similar incidents.

As rhetoric heated up on both sides, Foreign Minister Ban canceled a visit to Japan and said that the ROK is ready to risk its ties with Japan to defend its sovereignty over Liancourt. On March 9, Foreign Minister Ban said that the island issue was more important than ROK-Japan relations, since it was a matter of sovereignty over the country's territory. He added that the government would stand firm on the question, saying that, "The Tokdo issue, which is directly linked to our territorial sovereignty, is the foremost issue in the Seoul-Tokyo relationship."

The North Koreans were unanimous in siding with the South Koreans on the issue. North Korea's UN Ambassador Park Kil-yon wrote to UN Secretary General Kofi Annan March 7 condemning Japanese claims to the South Korean-administered Tokdo islets and asked for the letter to be circulated as an official U.N. Security Council document.

Then emotions really escalated. To protest Japan's claims over the islands, two South Korean citizens cut off their fingers and a third set himself on fire, while Japanese fishermen from Shimane prefecture demanded a guarantee for safe fishing in the waters around Liancourt, prompting Foreign Minister Ban to say that the ROK should take action in response to any "provocative act" from Japan concerning a dispute over the islands. "We should take tangible steps to solidify our sovereignty if Japan does a provocative act," Ban told a Cabinet meeting.

How could two uninhabited islands derail major diplomatic initiatives? There is some speculation that the issue is really over fishing rights and potential oil and natural gas reserves. Indeed, fishing is one reason that North and South Korea have had occasional clashes in the waters – the fishing is good. But fishing does not explain the explosive quality of these tiny islands. In part the issue took on a life of its own because of domestic politics: both sides played to their domestic constituents, and getting worked up over a meaningless set of rocks is easier to focus upon than divisive and difficult issues such as North Korean nuclear proliferation, free trade agreements, and how to deal with the United States and China. Partly, it is a lack of leadership on both sides: while Koizumi and Roh should be taking the lead in dealing with this type of issue and moving the Japan-Korea relationship forward, they both are content to ride the wave that is

focused on history. Finally, it is a convenient excuse for other frustrations the two sides have with each other: South Korea is concerned about Japan's moves to change its military stance, while Japan is frustrated that South Korea continues to engage rather than contain North Korea. These all combined to make an explosive mix of sentiment and anger.

Resolving territorial issues is a notoriously difficult task. Japan currently has unresolved claims with three of its closest neighbors: Korea, Russia, and China, and has recently been making more claims about all of them. China has resolved many of its disputes with its neighbors, but most notably has still not resolved the sovereignty issues of Taiwan nor the border dispute with India. Both Koreas and China are currently debating whether the ancient Koguryo Kingdom (400-600 C.E.) was "Korean" or "Chinese." These issues are important precisely because they are not over such mundane issues as minerals, economics, or even oil. They are important because they touch on the issue of national sovereignty and national identity.

However, it is also clear that resolution of these issues such as Liancourt and, more broadly, the entire issue of "history," will take sustained attention and energy from the top leadership of both countries. South Korea controls the rocks and hence has de facto ownership. Instead of riding popular sentiment, it will take two leaders who decide that genuine progress toward changing the ways that both countries view each other and their history is a major task, and are willing to devote political capital to such an end. Until that happens, and as long as both sides pander to instead of confront popular sentiment, these issues will sporadically become major events.

Economics

Both South Korea and Japan have said that they will not let diplomatic difficulties interfere with economic relations between them. However, the first three months of 2005 saw South Korea and Japan make little progress toward integrating their two economies through a free-trade agreement. The difficulties in the free trade talks were to be expected, given the complex nature of such a major agreement. In the private sector, individual companies from the two countries continued to interact more closely than before.

South Korea and Japan held a sixth round of negotiations on the free trade agreement in Tokyo in November 2004, with no date set for the next meeting. Agriculture, as expected, remains the major sticking point between the two countries. The main agricultural issue between Seoul and Tokyo is seaweed. Dried seaweed is eaten daily by the populations of both countries. The controversy began when Japan announced that it would start allowing Chinese seaweed into the country without raising the overall quota it has for the foodstuff, effectively lowering South Korea's share. This was only the most prominent of the issues regarding agriculture. The larger issue is over how much Japan's agricultural market should open when the agreement is finally signed. Seoul is demanding that Japan open more of its agricultural market because Korea's trade deficit with Japan could grow under a free-trade pact, due to likely increases in imports of Japanese manufactured

goods such as vehicles and components. Currently, South Korea's trade deficit with Japan is about \$20 billion. Tokyo said it wants to open its agricultural market step by step, citing market "sensitivities." The Japanese government said it opened only 21 to 40 percent of its agricultural market in "free-trade" deals with Singapore and Mexico. Japan has offered to open 50 percent of its total agricultural market, while Korea is demanding 70 to 80 percent. Agriculture is a common issue in trade agreements throughout the world. However, agriculture is a minor part of either country's economies. Agriculture comprises just 3.6 percent of South Korea's GDP, and 1.3 percent of Japan's GDP. But for domestic political reasons, sheltering agriculture is enormously important.

Despite the slow progress on talks between the governments, early 2005 saw a number of joint ventures and possible takeovers occur, most of them focused on the high technology sector. One of the most noteworthy moves was Korea's MagnaChip Semiconductor's purchase of Japanese firm International System and Electronics Corp. (ISRON). This is the first time a Korean integrated circuit maker has taken over a Japanese display driver company. In addition, the LG-Philips LCD flat display manufacturing joint-venture announced that they will set up a further joint venture with Nippon Electric Glass (NEG), the world's third largest LCD glass supplier, in the Paju Display cluster situated north of Seoul. Finally, with Korean distiller Jinro Ltd. for sale, Lotte Group partnered with Asahi Brewery of Japan in making a bid, while CJ Corp of Korea held talks with but ultimately did not partner with Kirin Brewery of Japan. The deadline for proposals was March 30, and a further round of bidding is expected.

On Jan. 10, Toyota Korea said that the Japanese carmaker will establish a humanitarian foundation in Korea beginning in late March. A spokesman for the company said that "Korea is not only Japan's economic partner but a very important neighbor, politically, socially, and culturally. Therefore, more efforts to increase the understanding between the two countries are needed." Furthermore, the Tokyo Stock Exchange (TSE) announced that it was encouraging South Korean firms to list on the exchange. Finally, high-technology titans Samsung and Sony continued to cooperate, with Samsung Electronics supplying the memory chips used in Sony's new PlayStation Portable game players.

Culture

Overshadowed by the island dispute were other issues, such as the continuing controversy over the new Japanese junior high history textbooks, the Japan-North Korea World Cup qualifying soccer match, and Yon-sama's continued popularity in Japan.

The Feb. 9 World Cup qualifying match between Japan and North Korea at Saitama Stadium came off without incident, Japan winning 2-1. The return match will be played in Pyongyang June 8. Substitute Oguro Masashi scored the winning goal in overtime after North Korea's keeper Sim Sung-chol mishandled the ball in front of his own net. Despite concerns about potential fan violence, the match was played without incident. *Mainichi Shimbun* reported that the Japanese government is considering setting up a "provisional consulate" in Pyongyang in order to deal with the large number of Japanese who may

travel to North Korea for the return match. It is estimated that perhaps 5,000 Japanese fans, and more than 100 reporters and 50 cameramen may travel to Pyongyang for the game.

A private fund used to compensate Asian women forced into World War II brothels run by the Japanese Army will be dissolved in March 2007. Murayama Tomiichi, the president of the Asian Women's Fund and former prime minister, explained that, "By March 2007, all our compensation projects will be completed and we will dissolve the fund as of March 31 in that year."

The textbook controversy continues unabated. This is the time of year when the Japanese Education Ministry considers textbooks for use in schools. Chinese and Korean government officials plan to monitor the textbooks closely and protest loudly if anything is "whitewashed," while some Japanese call for an end to the "masochism" of the textbooks. However, one small positive step is being considered. On Jan. 29, *Chosun Ilbo* reported that scholars from South Korea, Japan, and China are working to bridge the gap over differences in each nation's interpretation of history to seek common ground for constructive cooperation in the future. In line with such intentions, a middle school history textbook written by pundits from the three nations will be published in May. The book, which is tentatively being referred to as "Modern History of East Asia," is a record of the events during the 18th to 20th centuries, including the rise of Japanese imperialism and World War II.

Finally, despite all the other tensions in Japan-Korean relations, Yon-sama remains highly popular in Japan. His latest step has been to capitalize on his popularity by producing a diet and exercise book. The book, scheduled for release in Japan April 8, will show how Bae Yong-joon (Yon-Sama) achieves and maintains his fitness. The new book evidently includes a 100-day intensive training program. This latest book follows a hugely successful photo album titled, "The Image, Vol. One," which was published in Japan last November.

Chronology of Japan-Korea Relations January-March 2005

Jan. 4, 2005: *Chosun Ilbo* reports poll taken by Japan's *Fuji TV* and South Korea's *Munhwa Broadcasting Station* shows that 56.1 percent of Japanese see Koreans as allies, while only 29.2 percent of South Koreans view Japanese as allies.

Jan. 4, 2005: PM Koizumi says no deadline will be set for normalizing relations with North Korea. Furthering the relations between the two nations will be contingent upon North Korean fulfilling the Pyongyang Declaration.

Jan. 9, 2005: *Joongang Ilbo* reports free-trade talks between Japan and South Korea are bogged down over agriculture quotas on seaweed and concerns of a South Korean trade deficit with Japan.