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*JAPAN-SOUTH KOREA RELATIONS: CONVERGING
INTERESTS AND IMPLICATIONS FOR THE UNITED
STATES*

Mark E. Manyin, Foreign Affairs, Defense, and Trade Division

Updated December 3, 1999

Abstract. Over the past year, South Korea and Japan have taken dramatic steps to improve their historically strained relations. This report explains and analyzes the sources of past tensions between Seoul and Tokyo, the reasons for the recent warming of bilateral relations, and the implications for U.S. regional security and economic interests. These matters are of concern to Members and Committees with responsibilities or interests in U.S. policy toward North Korea, South Korea, Japan, and China, as well as the U.S. negotiating position in the World Trade Organization.

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Japan-South Korea Relations: Converging Interests and Implications for the United States

December 3, 1999

Mark E. Manyin
Analyst in Asian Affairs
Foreign Affairs, Defense, and Trade Division

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ABSTRACT

Over the past year, South Korea and Japan have taken dramatic steps to improve their historically strained relations. This report explains and analyzes the sources of past tensions between Seoul and Tokyo, the reasons for the recent warming of bilateral relations, and the implications for U.S. regional security and economic interests. These matters are of concern to Members and Committees with responsibilities or interests in U.S. policy toward North Korea, South Korea, Japan, and China, as well as the U.S. negotiating position in the World Trade Organization (WTO). This report will not be updated unless major developments occur that bear on its accuracy or relevance.

Japan-South Korea Relations: Converging Interests and Implications for the United States

Summary

Since South Korean President Kim Dae-Jung's historic October 1998 visit to Japan, relations between Seoul and Tokyo have improved dramatically, to a point where arguably the two countries are at their closest ever. The improvement in bilateral ties has been accompanied by an unprecedented degree of trilateral coordination among the United States, Japan, and South Korea on policy toward North Korea. In the short term, the impetus for better relations has come from two regional crises: North Korea's August 1998 launch of the Taepodong medium-range missile over Japan and the near-collapse of the South Korean economy in late 1997. Additionally, over the longer term, warmer ties have been made possible by the gradual improvement in traditionally divisive issues, including Japan's chronic bilateral trade surpluses, South Korea's anti-Japanese trade barriers, Seoul's wariness of Tokyo's policy toward North Korea, and competing interpretations of Japan's occupation of Korea and behavior in World War II. The more cooperative relationship between South Korea and Japan enhances regional stability, a major U.S. objective, and augments U.S. efforts to improve trilateral coordination on policy toward the Korean peninsula. In the economic sphere, increased cooperation between the Japanese and South Korean governments will present the U.S. with opportunities and challenges.

Shifts in Japan-South Korea relations affect activities and policies of concern to, among others, Members and Committees with responsibilities or interests related to North Korean nuclear and missile proliferation issues, inter-Korean relations, U.S.-Japan security relations, China's emergence as a regional military and economic power, and the U.S. negotiating position in the World Trade Organization (WTO). Normally, the Japan-South Korea relationship *per se* generates little legislative impact, but Congress periodically holds hearings and expresses its views on issues that are affected directly by changes in Tokyo-Seoul relations.

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Japan-South Korea Relations: Converging Interests and Implications for the United States

Introduction: Closing the U.S.-Japan-South Korea Triangle

Although the U.S. has longstanding bilateral alliances with both Japan and South Korea, mistrust between Tokyo and Seoul, and Japanese constitutional barriers to “collective security” often have prevented trilateral relations from assuming the shape of a true triangle.¹ In the 34 years since the 1965 Normalization Treaty was signed, relations between Japan and South Korea often have been antagonistic rather than cooperative, despite U.S. attempts to encourage better relations and despite sharing many common security and economic interests. Bilateral tensions prevented routine consultation between the Japanese and South Korean governments, particularly in the military services and in the lower levels of the two countries’ bureaucracies. Although pressing economic and political issues often compelled “pragmatic cooperation” between Tokyo and Seoul, until recent months such consultation was carried out only between top leaders, and was done primarily on an *ad hoc* basis.²

Recent Improvements in Japan-South Korean Relations

Over the past year, for several mutually reinforcing reasons, relations between South Korea and Japan have improved dramatically, to a point where arguably the two countries are at their closest ever. Motivated principally by the desire to unify policy toward North Korea and the wish to capitalize on common economic interests, South Korean President Kim Dae Jung and Japanese Prime Minister Keizo Obuchi in October 1998 declared that they had forged a “new partnership.” This achievement was made possible by President Kim’s conspicuous avoidance of verbal attacks against Japan’s imperial past, a critical ice-breaker for improved relations. Since the fall of 1998, the two countries have held regular meetings between Cabinet-level officials; Japan has submitted its first-ever written apology for its 35-year occupation of the Korean Peninsula; South Korea has dropped many of its barriers to Japanese imports; the two militaries have established communication “hot lines;” ministers of the two countries have finalized an elusive fisheries agreement; and officials in both capitals have begun discussing the negotiation of a bilateral investment treaty and the formation of a free trade area. The most dramatic display of the new-found

¹Gordon F. Flake, “The Perry Process: North Korea as an Impetus for a Stronger Trilateral Relationship”, paper presented at The 1999 CSIS-KINU Exchange: Prospects for Durable Peace on the Korean Peninsula, (Washington, DC, November 11 1999), p.7.

²Victor D. Cha, “Rooting the Pragmatic in Japan-ROK Security Relations,” *Comparative Connections*, (2nd Quarter 1999), [<http://www.csis.org/pacfor/cc>].

cooperation occurred in August 1999, when the Japanese and South Korean militaries conducted their first-ever joint exercise, a naval search-and-rescue operation. Most of these developments have been stimulated by South Korean initiatives.

Implications for U.S. Foreign Policy and Regional Security Interests

The harmonization and institutionalization of Japanese-South Korean relations has significant implications for U.S. foreign policy, particularly U.S. policy toward North Korea. Improved bilateral relations have been accompanied by an unprecedented degree of trilateral coordination among the U.S., Japan, and South Korea with respect to North Korea. As part of the process undertaken by William Perry, President Clinton's U.S. North Korea Policy Coordinator, the three countries in March 1999 established a trilateral coordination mechanism called the Trilateral Cooperation and Oversight Group (TCOG), under which senior officials are to meet regularly to focus on North Korea policy. Seven such gatherings occurred between March and November 1999, including a three-way summit between President Clinton, Japanese Prime Minister Obuchi and South Korean President Kim in September. Many observers have argued that the trilateral unity forged under TCOG — consultations that are often referred to as the “Perry process” — played a role in convincing North Korea to declare a moratorium on further tests of its Taepodong long-range missile.³

In the near future, maintaining a cooperative relationship between South Korea and Japan may become even more significant. The Perry report, portions of which were released last October, calls on the U.S. to gradually and conditionally normalize relations with Pyongyang in the hopes of inducing North Korea to freeze its missile and nuclear weapons programs.⁴ This position is in broad agreement with President Kim's “sunshine policy” of engaging, rather than confronting, North Korea.⁵ Many argue that increased Japanese involvement, primarily in the form of economic assistance and food aid, will be critical to convincing the North Korean leadership to alter its military policy. Indeed, some observers believe that North Korea agreed in the summer of 1999 to a moratorium on tests of its long-range missiles because it expected that Japan would resume shipments of food aid, which had been halted following Pyongyang's August 1998 launch of a Taepodong-2 over Japan. Also in response to the missile test, Japan halted charter flights to North Korea, froze diplomatic normalization talks, and briefly suspended its financial participation in the Korean Peninsula Energy Development Organization (KEDO). In November 1999, Japan resumed charter flights to North Korea. On December 1, former Prime Minister Tomoiichi Murayama led a 16-member multi-party delegation to North Korea to discuss the resumption of normalization talks between Tokyo and Pyongyang.

³See, for example, Flake, p.4

⁴See William J. Perry, “Review of United States Policy Toward North Korea: Findings and Recommendations,” Unclassified Report, October 12, 1999, available in electronic format at [[http://H/North Korea/Perry report.htm](http://H/North%20Korea/Perry%20report.htm)].

⁵For a detailed discussion of Kim Dae-Jung's sunshine policy, see Rinn-Sup Shinn, *South Korea: “Sunshine Policy” and its Political Context*, CRS Report RL30188, May 27, 1999.

Economic Challenges and Opportunities for the U.S.

Over the longer term, closer cooperation between Seoul and Tokyo helps enhance stability in Northeast Asia, a major U.S. objective. For instance, the two countries have begun planning coordinated responses to potential crises, such as an attack by North Korea or a sudden influx of North Korean refugees. Additionally, greater bilateral harmony should make it easier for the U.S., South Korea, and Japan to plan coordinated responses to a sudden or gradual reunification of the Korean peninsula.

In the economic sphere, increased cooperation between the Japanese and South Korean governments will present the U.S. with opportunities as well as challenges. On the one hand, to the extent that the lowering of trade barriers between the two countries boosts their economies, U.S. exports are likely to increase, because firms and individuals in both nations will have more funds to purchase U.S. products. On the other hand, a united front between Japan and South Korea could pose a challenge to U.S. positions in international trade negotiations. In the run-up to the Seattle ministerial meeting of the World Trade Organization (WTO) in November 1999, for instance, Japan and South Korea have joined the European Union in resisting liberalization of agriculture markets and have demanded the revision of the WTO's anti-dumping rules, positions that are opposed to U.S. policy.

Factors Propelling Japan and South Korea's Convergence

Regional Security and Economic Crises

Regional crises have provided the immediate impetus for the improvement in South Korean and Japanese relations. On the security side, the heightened concern about North Korea's missile program has been the most important development driving the two nations together. After the August 1998 Taepodong test and North Korean naval incursions into Japanese waters in March 1999, Japanese officials began to perceive a need to increase military coordination with South Korea. Additionally, when the Japanese government unilaterally suspended its participation in the Korean Peninsula Energy Development Organization (KEDO) and adopted a harder line toward Pyongyang in the aftermath of the missile test, U.S. and South Korean foreign policymakers made a concerted effort to improve trilateral consultation in order to convince Japan to resume its economic assistance package.⁶

In the economic sphere, the near-collapse of the South Korean economy in 1997 led South Korea to make significant overtures to Japan in order to obtain Japan's financial assistance. As part of the \$58 billion 1997 International Monetary Fund rescue package, Seoul agreed to phase out its "import diversification system," which

⁶For more on how the North Korea threat has caused many Japanese policymakers to rethink Japan's defense posture, see Richard Cronin, "Japan's Changing Security Outlook: Implications for U.S.-Japan Defense Cooperation," *CRS Report RL30256*, July 9, 1999.

bans imports of selected Japanese products. Japan reportedly had demanded this move as a precondition for backing the IMF support program, and for extending \$10 billion in bilateral loan commitments to South Korea, more than twice the amount pledged by the U.S. Also, in 1999, South Korea lifted its ban on 48 Japanese goods, and partially liberalized inflows of Japanese cultural products.

The Erosion of Traditional Obstacles to Better Relations

While regional crises have provided the immediate impetus for better relations, long-term forces over the past decade also have been working to erode obstacles to fuller cooperation between Japanese and South Korean officials.

The End of the Cold War. During the Cold War, Japan and South Korea's individual alliances with the U.S. created a perception in both Seoul and Tokyo that ties with each other were merely ancillary to relations with the U.S. This was particularly the case among Japanese policymakers, who until recently tended to regard relations with South Korea as comparatively insignificant. The end of the Cold War and the prospect of U.S. withdrawal from the region have led officials in Tokyo and Seoul to regard each other as significant partners in their own right, and not merely as secondary elements of their respective relations with the U.S.

In addition to the dominating U.S. presence, the structure of the U.S. alliances during the Cold War inhibited better relations between South Korea and Japan. Whereas the U.S. alliance with Seoul was primarily aimed at containing North Korea, the U.S.-Japan alliance was aimed mostly at the Soviet Union. Thus, differing goals in their respective U.S. alliances discouraged Japan and South Korea from cooperating on military matters.

By the time of Kim Dae-jung's trip to Japan in 1998, this situation had changed markedly. With the collapse of the Soviet Union severely reducing the military threat in Asia, Japan has come to regard North Korea as its major immediate security challenge. The question of whether the U.S. will scale down, if not withdraw, its forward presence in East Asia also has led Seoul and Tokyo to treat relations with each other as important in their own right.

A Deemphasis on Historical Issues. "So near, yet so far," is a phrase often used in both Japan and South Korea to describe the emotional and historical chasm that divides the two countries despite their geographic proximity. The most prominent obstacle to better relations has been the inability to overcome the mistrust spawned by South Korea and Japan's shared history. Mutual suspicions traditionally have filtered into virtually all areas of the bilateral relationship, even those ostensibly unrelated to historical issues. Japan annexed the Korean peninsula in 1910 and for the next 35 years attempted to submerge Korean culture. Since Imperial Japan's defeat in World War II, post-War Japanese leaders repeatedly have failed to convince South Koreans that they truly acknowledge and have apologized for the wrongs committed during the occupation. Simmering South Korean resentment has been stoked from time to time by Korean politicians seeking to distract public attention from domestic problems. Korean bitterness has also been inflamed by events in Japan, including remarks by Japanese politicians denying or downplaying pre-War Japan's imperialist actions, allegations that Japan's Ministry of Education had censored

history textbooks' portrayal of World War II, and revelations that the Japanese military forcibly recruited Korean "comfort women" to provide sexual services to Japanese soldiers during World War II. When Japanese officials have talked of playing a bigger role in Asia, South Korean leaders often have reacted with suspicion, or even outright hostility.

On the Japanese side, opinion polls regularly show that the majority of the population believe that South Korea is an untrustworthy neighbor, a sentiment that has occasionally been exploited by opportunistic politicians. Unresolved territorial disputes, clashes over fishing rights, and Koreans' reputation in Japan for unreliable business dealings have fed this grass-roots leeriness of South Korea, which occasionally has undermined Tokyo's official efforts to forge closer relations. On another level, Japanese officials' occasional concerns about offending South Korean sensitivities often has made them reluctant to pursue closer ties with Korea and to publicly talk about upgrading Japan's role in Korean peninsular issues.⁷

The legacy of the past has also broken through in bilateral discussions over the legal rights of the 700,000 or so ethnic Koreans living in Japan, many of whom are descended from families forcibly relocated during the Occupation. For years, ethnic Koreans have experienced numerous humiliations, including fingerprinting requirements, bans on holding teaching and civil servant posts, and the absence of voting rights, despite the fact that most were born and educated in Japan. Seoul often has made the legal status of this ethnic minority an issue in government to government deliberations.⁸

During the past year, leaders in Tokyo and Seoul have taken positive steps to address some of these historical disagreements, or at least to divert attention away from them. During his official visit to Japan in October 1998, President Kim avoided harsh verbal attacks against Japan's imperial past, a move that was greeted as a magnanimous gesture by most Japanese. In return, Prime Minister Obuchi presented him with a written apology to the South Korean people for Japan's wartime aggression.⁹ The apology, the first ever issued by Japan in writing, paved the way for the South Korean government in September 1999 to take the unprecedented step of inviting Japanese Emperor Akihito to South Korea. Another sign that South Korea is deemphasizing historical issues was Seoul's official silence regarding the Japanese Diet's August 1999 decision to legalize the rising sun emblem and imperial hymn as the nation's official flag and national anthem, respectively.

Seoul's Acceptance of Improved Japan-North Korean Relations. For much of the past 50 years, South Koreans have harbored suspicions of Japanese policy toward North Korea. Many officials in Seoul have criticized Japan's occasional

⁷"Worst of Friends," *The Economist*, October 3, 1998.

⁸Byung-joon Ahn, "Japanese Policy Toward Korea," in *Japan's Foreign Policy after the Cold War. Coping with Change*, ed. Gerald L. Curtis (Armonk, NY: M.E. Sharpe, 1993), p.266.

⁹In contrast, during his November 1998 trip to Japan, Chinese President Jiang Zemin repeatedly issued public condemnations of Japan's wartime behavior, and China failed to receive a written apology.

diplomatic approaches toward Pyongyang as attempts to play the two Koreas against one another in order to extract maximum benefits for Tokyo. Moreover, many South Koreans believe that most Japanese officials want to keep Korea divided because of Tokyo's fears that a unified Korea — particularly one potentially armed with nuclear weapons and able to access low-cost North Korean labor — would pose a military and economic threat to Japan. Thus, until the Kim government assumed power in 1998, South Korea usually insisted that Japan consult with Seoul before improving relations with North Korea.

Some analysts have argued that domestic politics worsened the gap between Japan and South Korea over the appropriate North Korea policy. Throughout the Cold War, Japan's Socialist Party often advocated improving relations with Pyongyang. In part to appease the Socialists, the ruling Liberal Democratic Party (LDP) made many overtures toward North Korea. As a consequence, Japan frequently flirted with a two-Korea policy partially for domestic political reasons.

In recent months, domestic political changes in Tokyo and Seoul have helped to narrow the gap over North Korea policy. In Japan, a series of electoral defeats have reduced the Socialist Party to a fraction of its former size, thereby reducing the need for the LDP to reach out to Pyongyang simply to placate the Socialists. More importantly, on the South Korean side, President Kim has reversed Seoul's long-standing opposition to stronger relations between Pyongyang and Tokyo.

Because Japanese aid to North Korea is crucial to the success of Kim's sunshine policy, President Kim has encouraged Japan (and other nations) to normalize relations with North Korea. South Korea, joined by the U.S., also has urged Tokyo to resume shipments of food aid to Pyongyang, a move Japan has resisted thus far. Indeed, in a marked reversal of the two countries' traditional positions, it is now Japan that is taking a hard line against North Korea, while South Korea is advocating a conciliatory policy of economic and political engagement. In late 1999, Japan has backed away somewhat from its refusal to deal with North Korea in the aftermath of the Taepodong-2 missile launch, resuming charter flights to North Korea and on December 1 dispatching a multiparty delegation led by former Socialist Party Prime Minister Tomoiichi Murayama to Pyongyang to help jumpstart normalization talks that have been stalled since 1992.

A Deemphasis on Economic Competition and Trade Imbalances. The economic relationship between South Korea and Japan has been characterized as one of complementarity and competition.¹⁰ On the one hand, firms in both countries have benefitted from extensive bilateral trade flows. In 1996, the last full year before the South Korean economy was sent reeling by corporate and financial crises, Japan was South Korea's second-largest export market and second-largest source of imports, with total trade surpassing ¥3.2 trillion (\$26.6 billion at ¥120 = \$1.00). Shipments to Japan accounted for over 7% of South Korea's exports. Similarly, South Korea

¹⁰Douglas Ostrom, "Complementarity and Competition: Japan-South Korean Trade," (Washington, DC: Japan Economic Institute, 1998).

ranked second to the U.S. as Japan's most important export market and source of imports.¹¹

On the other hand, South Korean and Japanese firms compete head-to-head in a variety of sectors, most notably automobiles, semiconductors, shipbuilding, and steel. Additionally, Seoul's trade deficit with Tokyo since the 1950s often has been a source of bilateral tension. In particular, South Korea's exceptional reliance on imports of Japanese intermediate goods, including electronic parts and machinery, has worried Seoul that it has become economically dependent upon its former colonizer. Periodically, the Korean side also has charged that Japanese companies are engaging in mercantile practices by refusing to transfer technology to Korean firms.¹² In the past, South Korean governments used the trade deficit as a justification for requesting bilateral economic assistance from Japan, and for demanding that Japan open its markets to Korean products.

In recent years, trade issues have not created the same tension as in the 1980s and early 1990s, despite the fact that South Korea's bilateral trade deficit continued to hit record-breaking highs in the middle of the decade, peaking at ¥1.46 billion in 1996.¹³ Part of the reason for the disappearance of trade disputes from the bilateral agenda may be that Japan has accounted for diminishing shares of South Korean exports and imports since 1990, primarily due to the explosion in South Korea's trade with the rest of East Asia. In 1990, for example, South Korea shipped 2.6 times as many goods to Japan as to Taiwan, Singapore, Malaysia, and Indonesia combined. By 1996, however, combined exports to these four countries had surpassed shipments to Japan.¹⁴ Moreover, as mentioned above, the South Korean economic crisis led Seoul to remove many barriers to Japanese imports.

Perhaps most significantly, President Kim and Prime Minister Obuchi have institutionalized bilateral economic consultations. Under the two leaders' March 1999 proclamation of an "Agenda for Korea-Japan Economic Cooperation," economic planners from the two sides have met to discuss establishing a Bilateral Investment Treaty and a Free Trade Area. Furthermore, for the first time Seoul and Tokyo have set up working level meetings to consult on policy in the proposed WTO Round of trade talks. In the run-up to the negotiation, which opened in Seattle on November 30, 1999, both countries have adopted similar positions on a number of issues. What is remarkable about the recent bilateral cooperation in the WTO is that during the previous multilateral round of trade talks — called the Uruguay Round (1986-1993) — the two sides failed to coordinate, despite possessing nearly identical bargaining positions.

¹¹Marc Castellano, "Postcrisis Japan-South Korea Economic Relations: The Ups and Downs of Trade and Foreign Direct Investment," (Washington, DC: Japan Economic Institute, 1999), 2.

¹²"Seoul, Tokyo Agree on Scheme for Technology Transfer," *Far Eastern Economic Review*, July 23, 1992, 53.

¹³Japanese Ministry of Finance, reprinted in Ostrom, "Complementarity and Competition," 3.

¹⁴Ostrom, "Complementarity and Competition," 2-3.

Future Relations between Japan and South Korea

Although recent developments have encouraged convergence between the two countries, there are also still many points of contention. Lingering historical passions remain, and could erupt into a major bilateral dispute over issues such as wartime comfort women, territorial disputes, fishing rights, and continued Japanese trade surpluses. Ethnic Koreans in Japan still face discrimination, and Seoul's patience may wear thin if the Japanese government fails to follow through on recent promises to grant voting rights to this ethnic minority. At the popular level, although there are signs that an increasing number of South Koreans accept a larger regional and global role for Japan, public opinion polls in both countries reveal that mutual distrust remains strong.¹⁵ South Koreans remain wary of steps that enlarge Japan's defense capabilities, including Tokyo's recent decisions to develop indigenous military satellite technology and to join with the U.S. in developing a theater missile defense system. Many observers hope that the soccer 2002 World Cup, to be jointly hosted by Japan and South Korea, will help to bridge the cultural gap, notably by making it easier for Koreans and Japanese to travel between the two countries.

Although recent North Korea policy coordination between South Korea, the U.S., and Japan has been remarkably successful, differences over how to deal with Pyongyang are likely to surface. Since the Taepodong missile launch, Japan has advocated a hard line against Pyongyang, a stance that occasionally has created conflicts with Kim Dae Jung's sunshine policy. Although Japanese officials have resumed some of the economic assistance that they halted in the aftermath of the Taepodong crisis, they may feel compelled to resume their harsh position if they perceive that North Korea is failing to abide by promises to freeze the Taepodong missile program. Additionally, since 1997, bilateral human rights issues between Japan and North Korea have triggered fierce anti-North Korean sentiments in the Japanese Diet. Most prominent are alleged abductions of Japanese citizens by North Korean agents and the international travel restrictions on the Japanese wives of North Korean men. Responding to the public mood in Japan, Tokyo has made additional humanitarian aid to Pyongyang contingent on progress on outstanding human rights issues. South Korea and the U.S., however, have been pressuring Japan to shelve its human rights concerns.¹⁶

Additionally, concerns about antagonizing China may lead Seoul and Tokyo to scale back their overtures toward one another. South Korea in particular is acutely sensitive to shifts in triangular politics among the three countries. For example, when Seoul broached the idea of a joint naval exercise with Japan this year, it was also careful to make a similar offer to Beijing, which Chinese officials turned down. Some experts warn that if China continues to remain cool toward improved ties with Seoul, South Korean officials may feel less enthusiastic about strengthening ties with Tokyo.

¹⁵Norman D. Levin, *The Shape of Korea's Future: South Korean Attitudes toward Unification and Long-Term Security Issues* (Santa Monica, CA: RAND, 1999). See also JPOLL, a database maintained by the Roper Center [<http://roperweb.ropercenter.uconn.edu>].

¹⁶For more on Japan's human rights issues with North Korea, see B.C. Koh, "Japan and Korea," in *The Korean Peninsula and the Major Powers*, ed. Bae Ho Hahn and Chae-Jin Lee (Sungnam, Korea: The Sejong Institute, 1998), p. 55-64..

The true test of improved bilateral relations will be whether the new-found cooperation transcends the temporary convergence of security interests regarding North Korea and whether such cooperation survives a change in leadership in Seoul. President Kim has been the driving force behind Seoul's warmer relations with all its neighbors, including Japan. If, as many experts predict, Kim's ruling coalition suffers a defeat in the April 2000 parliamentary elections, Seoul could modify its sunshine policy toward Pyongyang.

The U.S. Role in Japan-South Korean Relations

Many observers speculate that over the coming decade, leaders in the U.S. and Northeast Asia will confront a number of challenging regional issues, such as the possible reunification of the two Koreas, the sustainability of the 100,000 U.S. troops in Asia, possible changes in the size and posture of the Japanese military, and policies toward China. A greater degree of trust between Japan and South Korea would help stabilize the region as they brace for these potential changes.

The United States will play an important role in shaping the future of Japan-South Korea relations. Former U.S. Defense Secretary has been widely praised for institutionalizing trilateral coordination on North Korea policy in his capacity as U.S. North Korea Policy Coordinator, and many observers argue that U.S. leadership will be vital for the "Perry process" to continue. Furthermore, as the major ally of both Japan and South Korea, the U.S. is in a position to encourage and facilitate bilateral and trilateral confidence-building measures. These steps will be critical to persuading Japanese leaders that a potentially unified Korea is not a danger, and to convincing South Koreans that a diplomatically more assertive and militarily capable Japan is not a threat to their security.

APPENDIX: Chronology of Japan-South Korean Relations

- 1910 — Japan annexes the Korean Peninsula.
- 1945 — Korea is liberated from Japanese rule. The U.S. and Soviet Union agree that U.S. forces will administer Korean territory south of the 38th parallel, while Soviet forces will administer Korean territory north of the 38th parallel.
- 1948-60 — The rule of South Korean President Syngman Rhee, who advocated a staunch anti-Japanese posture.
- 1961-79 — The period of Park Chun Hee's presidency of South Korea. Park encourages Japanese economic assistance and consciously adopts — with some adaptations — Japan's model of development.
- 1965 — Japan and South Korea normalize relations. In lieu of reparations, Japan pays \$500 million in bilateral economic assistance as a "gesture of good will."
- 1973 — The first Kim Dae Jung incident: While visiting Japan, South Korean dissident Kim Dae Jung is kidnapped by South Korean agents and brought aboard a South Korean ship. U.S. intervention saves Kim's life, but the incident causes relations between Seoul and Tokyo to deteriorate.
- 1974 — President Park survives an assassination attempt, though his wife does not. Relations are chilled because the assassin is a Korean resident in Japan who had used a forged Japanese passport and a pistol stolen from a Japanese policeman. Japanese Prime Minister Tanaka Kakuei attends Mrs. Park's funeral.
- 1979-1988 — The Presidency of Chun Doo Hwan in South Korea, during which Tokyo and Seoul begin holding regular summits to resolve bilateral differences.
- 1980 — The second Kim Dae Jung incident: After seizing power in a military coup, South Korean President Chun Doo Hwan orders the arrest of Kim Dae Jung. A court finds him guilty of anti-government activities and sentences him to death. Japan protests, threatening to cut off aid and to consider improving ties to North Korea if Kim is executed. Under heavy U.S. pressure, Chun releases Kim.
- 1982 — The textbook controversy: The Japanese Ministry of Education orders that Japanese history textbooks be revised so as to downplay key events in pre-War Japan's invasion and occupation of Korea and other East Asian countries. South Korea protests. A compromise is eventually reached.
- 1983 — Summit diplomacy begins: Japanese Prime Minister Yasuhiro Nakasone visits South Korea as President Chun's guest, the first official meeting between the leaders of the two countries. From 1983-1998, the two countries hold annual summits.
- 1990 — The "comfort women" issue erupts: Press reports reveal that hundreds of thousands of women — primarily Koreans — were forced to provide sexual services to Imperial Japanese soldiers during World War II. The Japanese government argues that civilians recruited and administered the comfort women.

- 1993 — In its second inquiry into the comfort women issue, the Japanese government admits that military authorities had administered the comfort women stations. However, Tokyo argued that because Japan had already paid reparations in its normalization agreements with various Asian nations, the government did not owe any compensation to the surviving comfort women.
- 3/93 — North Korea announces its intention to withdraw from the Nuclear Nonproliferation Treaty, ushering in an unprecedented period of U.S.-South Korea-Japan consultations.
- 5/93 — North Korea test-fires a medium range *Nodong-1* missile into the Sea of Japan that is believed to be capable of hitting targets in the western half of Japan.
- 1994 — Japan & South Korea begin military-to-military discussions in Hawaii.
- 10/94 — The U.S. and North Korea finalize the “Agreed Framework” in Geneva, under which North Korea will halt the operations and development of its nuclear weapons program in exchange for a package of nuclear energy, economic and diplomatic benefits.
- 1/95 — South Korean and Japanese military officials meet in Washington, DC.
- 3/95 — The U.S., South Korea and Japan establish the Korean Peninsula Energy Development Organization (KEDO) to coordinate the provision of light water nuclear reactors to North Korea.
- 7/95 — The Japanese government established a private fund, the Asian Women’s Fund, to compensate some comfort women.
- 1996 — Hotline established between Japanese and South Korean air forces.
- 2/96 — A United Nations Human Rights Committee report calls for the Japanese government, rather than private organizations, to compensate comfort women, a call echoed by the South Korean government.
- 3/96 — Japan and South Korea begin negotiating a new fisheries agreement to replace the one signed in 1965. Negotiations last for three years, during which time the Japanese boats seize a number of Korean fishing vessels for allegedly violating Japanese territorial waters.
- 3/97 — U.S., Japan and South Korea meet to discuss the U.S.-Japan Defense Cooperation Guidelines that are under negotiation.
- 9/97 — U.S. and Japan agree to new Defense Cooperation Guidelines.
- 12/97 — With its foreign exchange reserves dwindling to almost nothing, South Korea requests a support from the International Monetary Fund and other foreign aid donors. Of the \$58 billion rescue package, Japan promises \$10 billion in bilateral assistance loans, far larger than any other country. As a precondition for its aid, Japanese officials reportedly insist that South Korea agree to dismantle anti-Japanese trade barriers.
- 12/97 — Kim Dae Jung elected President of South Korea.
- 1/98 — South Korean Prime Minister Kim Jong-pil visits Tokyo to lay the groundwork for a South Korea-Japan summit later in the year.
- 8/98 — North Korea launches a Taepodong-2 missile over Japan, igniting a wave of protest in Japan. Tokyo suspends its participation in KEDO and suspends economic and official contacts with North Korea.
- 10/98 — South Korean Kim Dae Jung travels to Tokyo for a summit with Japanese Prime Minister Keizo Obuchi. The two leaders proclaim a “new partnership.” Obuchi delivers a written apology — a first — for Japan’s wartime aggression against Korea; a fisheries pact is signed on eve of the summit; President Kim pledges to drop barriers to many Japanese imports.

- 10/98 — Japan pulls out of a meeting to finalize the cost sharing arrangement for the KEDO-led construction of two light water nuclear plants in North Korea.
- 11/98 — Under heavy U.S. pressure, Japan rejoins KEDO discussions on financing nuclear reactors.
- 3/19/99 — President Kim and Prime Minister Obuchi meet in Seoul. In a reversal, Obuchi announces his support of Kim's "sunshine policy" of engaging North Korea. Kim and Obuchi also explore a plan, dubbed "Agenda 21," for increased bilateral economic cooperation.
- 3/24/99 — Japanese navy and coast guard ships fire warning shots against two North Korean spy boats that had entered Japanese waters. The Japanese vessels give up pursuit after the North Koreans enter international waters. The incident marks the first active deployment of Japanese destroyers since World War II and triggers renewed calls within Japan for beefing up the country's security.
- 4/25/99 — In Hawaii, the U.S., South Korea, and Japan establish the Trilateral Cooperation and Oversight Group (TCOG) to improve trilateral coordination on North Korea policy.
- 4/29/99 — Japanese and South Korean naval officials establish a liaison office to exchange information on suspicious ships.
- 5/4/99 — Japanese and South Korean militaries establish communications hotlines for use in emergencies.
- 5/7-11/99 — Japanese and South Korean air force chiefs meet in Seoul.
- 5/15/99 — Japan and South Korea agree to hold annual meeting of fisheries ministers.
- 5/24/99 — TCOG meeting in Tokyo. U.S. North Korea Policy Coordinator William Perry discusses forthcoming 4-day trip to Pyongyang.
- 5/25/99 — U.S. North Korea Policy Coordinator William Perry begins 4-day trip to Pyongyang.
- 5/28/99 — Two-day TCOG meeting begins in Seoul: U.S. North Korea Policy Coordinator William Perry briefs U.S., South Korean, and Japanese officials on his trip to Pyongyang.
- 6/10-13/99 — Japanese Vice Foreign Minister visits Seoul to discuss ways to deepen bilateral relations, including coordinating North Korea policy.
- 6/11/99 — In Tokyo, the first meeting of the South Korea-Japan Consultative Meeting on the New Round of the WTO.
- 6/17/99 — Japan and South Korea establish a civilian-led consultation body to discuss promotion of bilateral cultural exchanges.
- 6/23/99 — Amid reports that North Korea will again test its Taepodong-2 missile, Japan cancels a planned Diet mission to Pyongyang.
- 6/25/99 — TCOG meeting in Washington, DC.
- 6/30/99 — South Korea lifts its 20-year old restrictions on imports of selected Japanese products.
- 7/1/99 — Japan approves \$1 billion in funding for KEDO.
- 7/13/99 — Japanese officials state that Tokyo will withhold its \$1 billion financial contribution to the KEDO-led construction of two nuclear plants in North Korea if Pyongyang launches a new test of the Taepodong missile.
- 7/15/99 — South Korean President Kim Dae-jung and Japanese Prime Minister Keizo Obuchi meet and agree that China's accession to the WTO is desirable.

- 8/4/99 — South Korea and Japan hold their first-ever joint military exercise, a seaborne search-and-rescue operation. Following the exercise, two South Korean destroyers make a goodwill call in the Japanese port of Sasebo.
- 8/6/99 — Japanese Foreign Minister Masahiko Komura states that if North Korea conducts another missile test, Japan may suspend cash remittances to North Korea from pro-Pyongyang Koreans living in Japan.
- 8/9/99 — The Japanese Diet recognizes its rising sun flag and imperial song as the national flag and anthem, respectively, without drawing any official protest from South Korea.
- 8/10/99 — North Korea issues an extensive list of preconditions for normalization with Japan.
- 8/23/99 — In Tokyo, Japanese and South Korean Foreign Ministers agree to begin negotiating a bilateral investment treaty, and to establish a hotline between the two foreign ministries.
- 9/1/99 — In Tokyo for a 5-day visit, South Korean Prime Minister Kim Jong-pil delivers a formal invitation for Japanese Emperor Akihito to visit South Korea.
- 9/2/99 — In Japan, South Korean Prime Minister Kim Jong-pil proposes the creation of an East Asian economic community involving Korea, Japan, China, and Russia. He also calls for the creation of an Asian Monetary Fund, originally a 1997 Japanese proposal to deal with regional economic crises.
- 9/12/99 — In Berlin, U.S. and North Korean negotiators reach an agreement in which North Korea defers further missile tests in return for Clinton Administration steps to lift major U.S. economic sanctions.
- 9/12/99 — Trilateral summit between President Clinton, Japanese Prime Minister Obuchi, and ROK President Kim in Auckland, New Zealand.
- 9/17/99 — With the approval of South Korea and Japan, the U.S. eases sanctions against North Korea.
- 9/23/99 — Japanese Ambassador to South Korea proposes the creation of Japan-South Korean free trade zone, an undersea tunnel, the joint launch of weather satellites, and a Eurasian gas pipeline.
- 10/7/99 — Japanese and South Korean Foreign Ministers consult over Japan's lifting of sanctions against North Korea.
- 10/12/99 — U.S. North Korea Policy Coordinator, William Perry, issues his report recommending that the U.S. normalize diplomatic relations, relax economic sanctions, and "take other positive steps" to induce North Korea to freeze its missile and nuclear weapons programs.
- 10/23/99 — Three-day Japan-South Korean ministerial talks begin on Cheju Island, South Korea. The two sides discuss North Korea policy and the future creation of a multilateral Northeast Asia security forum.
- 11/2/99 — Japan resumes charter flights to North Korea, which had been suspended following the August 1998 Taepodong-2 missile launch over Japan.
- 11/8/99 — Two-day TCOG meeting begins in Washington, DC one week before the U.S. and North Korea resume bilateral talks in Berlin.
- 11/29/99 — Japan, South Korea, China summit.
- 12/1-3/99 — Former Japanese Prime Minister Tomoiichi Murayama leads 16-member multiparty delegation to North Korea to request the reopening of normalization talks between the two countries.

