



Summary: A strong relationship between Japan and South Korea is essential to the stability of East Asia and is a stated priority of the United States. To facilitate closer ties between its two allies, the United States should actively implement a multi-layered approach that involves not only high-level diplomacy but also defense and economic cooperation. This policy brief, while fully recognizing that pre-1945 history remains a point of contention between Japan and South Korea, nonetheless argues that the two countries can establish closer ties by elevating shared security challenges and economic opportunities above bilateral issues. More specifically, it proposes possible measures to be undertaken in the fields of diplomacy, defense, and economics. It also explains how the United States, an ally of both of Japan and South Korea, can commit to each measure.

Developing a Future Partnership between Japan and South Korea for Regional Stability in East Asia

by Masahiko Ando, Wei C. Chou, and Aoi Fujita

Introduction

In East Asia, where regional institutions remain weak, threats to peace and security have become increasingly acute. A strong relationship between Japan and South Korea is essential to the stability of East Asia and is a stated priority of the United States.¹ To facilitate closer ties between its two allies, the United States should actively implement a multi-layered approach that involves not only high-level diplomacy but also defense and economic cooperation. This policy brief, while fully recognizing that pre-1945 history remains a point of contention between Japan and South Korea, nonetheless argues that the two countries can establish closer ties by elevating shared security challenges and economic opportunities above bilateral issues. More specifically, it proposes possible measures to be undertaken in the fields of diplomacy, defense, and economics. It also explains how the United States, an ally of both of Japan and South Korea, can commit to each measure.

1 During President Obama's visit to South Korea in April 2014, he announced that Japanese-South Korean relations were of vital importance to the United States (U.S. White House "Press Conference with President Obama and President Park of the Republic of Korea," Apr. 25, 2014, <http://www.whitehouse.gov/the-press-office/2014/04/25/press-conference-president-obama-and-president-park-republic-korea>).

Diplomatic Cooperation

Since the advent of the Shinzo Abe administration in Japan and the Geun-hye Park administration in South Korea, bilateral diplomatic cooperation between Tokyo and Seoul has become even more difficult than usual due to the resurfacing of historical issues and rising nationalism in the region. Historically, regardless of which political party held power, Japan and South Korea would traditionally hold multiple high-level bilateral talks each year. However, since the end of 2012, the foreign ministers of both nations have only met twice. Bringing both heads of state to a face-to-face meeting required the intermediacy of the United States.²

This diplomatic discord has undermined each nation's strategic interests. Given the increased instability of East Asia, the continued fracturing of the Japan-South Korea relationship is not advantageous to either party. Japan and South Korea must forge a common position within a multilateral framework. Ideally, this would be initiated via the Six-Party Talks, which

2 Ministry of Foreign Affairs, Japan "Chronology of Japan-Korea relationship," May 22, 2014, <http://www.mofa.go.jp/mofaj/files/000005987.pdf>.

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started in 2003 with the intention of solving the North Korean nuclear issue.

Today, the Six-Party Talks remain suspended, yet these negotiations remain a possible instrument for denuclearizing North Korea. Japan and South Korea should develop a common understanding of the conditions that would need to be fulfilled to resume the talks. They must also work to convince the United States to accept their conditions for restarting nuclear negotiations with North Korea. So far, it has been difficult for these three democracies to share the same perceptions of the North Korean problem, but now the conditions are ripe for more solid cooperation, as exemplified by Japan's recent direct interaction with the North Korean government.

The recent Japan-North Korea consultation in Stockholm enabled Japan and South Korea to discuss their respective positions on the Six-Party Talks. Up until now, Japan has prioritized the abduction of its citizens by North Korea over Pyongyang's nuclear arsenal. Accordingly, Japan has refused to provide economic aid to North Korea along with other Six-Party Talks member countries, such as South Korea. However, during the meeting in Stockholm, North Korea agreed to reinvestigate all of the alleged Japanese abduction cases via a special investigation committee. Tokyo, in return, declared an intention to lift its independent sanctions on North Korea once the investigation begins. The Japanese government has labeled the bilateral talk as "an important step forward towards the resolution of wide-ranged issues of interest between Japan and North Korea."³ With the abduction issue now on the path of progress, Japan is apparently ready for a broader regional discussion on North Korean denuclearization and cooperation with South Korea.

Tokyo's readiness to lift its unilateral sanctions on North Korea and potentially resume the Six-Party Talks has generated a degree of concern in Seoul and Washington, so the Japanese government has taken action to reassure both capitals. For example, the Japanese Foreign Ministry has confirmed to the United States that it will only lift individual, unilateral sanctions against North Korea and not sanctions based on previous UN Security Council resolutions. In order to clarify this stance, Japan should make the same assurances to South Korea.

³ Prime Minister of Japan and His Cabinet "Press Conference by the Chief Cabinet Secretary on the Japan-North Korea Government-level Consultations," May 29, 2014, http://www.kantei.go.jp/jp/tyoukanpress/201405/29_p2.html.

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The next step needed for both Japan and South Korea is to formulate a common position toward China as well as toward the nuclear challenge presented by North Korea. Because the Park administration has taken great strides toward improving its relationship with China, South Korea should take the lead. Seoul can assure China that Japan, South Korea, and the United States remain committed to resolving the North Korean nuclear problem in cooperation with China.

Although Japan, South Korea, and the United States have hesitated in the past to hold a "talk in order to realize another talk,"⁴ from a pragmatic viewpoint, their participation in the Six-Party Talks remains a necessity. All members of the talks must pursue a resumption of negotiations in order to monitor the continued threat of North Korea and to better stabilize the region. Consequently, Japan and South Korea will have to continue "talks for talks," while further incorporating the United States and China into their framework.

Defense Cooperation

Despite the volatility of Japan-South Korea political ties, the military relationship has remained generally cordial. Since 1999, the Japanese Maritime Self Defense Force and South Korean Navy have conducted combined search and rescue exercises every two years. Additionally, the two nations' militaries conducted a total of 19 unit-to-unit exchanges

⁴ Japanese Ministry of Foreign Affairs, "Outline of Discussion between Director-General Jun'ichi Ihara and Ambassador Glyn Davies, Special Representative for North Korea Policy," Nov. 25, 2013, http://www.mofa.go.jp/mofaj/press/release/press4_000334.html; Yonhap News Agency, Feb. 13, 2014, <http://japanese.yonhapnews.co.kr/Politics2/2014/02/13/0900000000AJP20140213004500882.HTML>.

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and combined exercises from January 2010 to April 2013.⁵ Such exercises and exchanges not only fulfill the military goals of enhanced interoperability but also build mutual trust and function as a springboard to further cooperation. However, in recent years, military cooperation has stagnated or contracted due to political pressure. As such, the only way to enhance defense ties is through a multi-layered approach that actively engages the United States, which as a close alliance partner of both countries, is uniquely positioned to facilitate military cooperation.

Deepening the Defense Trilateral Talks (DTT), which bring together the United States, Japan, and South Korea for discussions on shared security concerns, is an essential component of this multi-layered approach. In April 2014, on the sidelines of the Nuclear Security Summit in The Hague, the United States facilitated a director-general level DTT, during which the three countries jointly “agreed to closely coordinate to deter North Korean provocations” and “shared the understanding of the importance of cooperating on non-traditional security issues, such as humanitarian assistance and disaster relief and counter-piracy, and discussed additional ways to cooperate in these areas.”⁶ This marked a significant breakthrough in the deep freeze between President Geun-hye Park and Prime Minister Shinzo Abe, who, at the time, had not conducted a face-to-face dialogue in about a year. After this DTT, a Japan-South Korea-U.S. defense ministers’ meeting was convened during the Shangri-la Dialogue in May 2014. At this meeting, the Japanese and South Korean Defense Ministers and the U.S. Secretary of Defense “agreed to closely coordinate to deter North Korean provocations” and “to further trilateral security cooperation,” and they “reaffirmed the importance of information sharing on North Korean nuclear and missile threats and shared an understanding that this issue needs to be reviewed further.”⁷ Each of these commitments, if enacted, would represent a watershed in Japan-South Korea relations. These results also verify two trends: first, that Japan and South Korea are capable of enhancing cooperation in the context of East Asian or international security, and second, that both countries are much more inclined

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to participate in talks that are facilitated or hosted by the United States.

A critical step toward more meaningful defense cooperation between Tokyo and Seoul will be the conclusion of a General Security of Military Information Agreement (GSOMIA). In June 2012, a GSOMIA bill was almost approved at the highest levels of the South Korean government. A GSOMIA agreement between the two democracies could potentially provide the foundation for a cooperative diplomatic framework based on common threats, especially in regards to North Korea. Beyond enhancing military effectiveness, such as in the case of formulating a trilateral response to North Korean provocation, the GSOMIA would also build confidence between Tokyo and Seoul as they will be able to more openly share classified information. But it met with sudden public outcry, showing that defense and security policymakers in Seoul had failed to prepare the public to accept greater communication with Japan. U.S. diplomatic support for a reexamination of the GSOMIA could enhance the possibility of such an accord passing in Seoul.

Another key step for Japan and South Korea is to expand their military-to-military engagement, especially by broadening the scope of humanitarian assistance and disaster relief (HADR) cooperation. Japan and South Korea already conduct annual HADR exercises on a very small scale. Both of their militaries have increasingly become more active in HADR operations globally. HADR is a generally valued mission for the Japanese defense forces and South Korean military and, more importantly, a non-contentious capability for both nations. U.S. forces also bring HADR capability to the Asia-Pacific region, making facilitation of trilateral or multilateral exercises a feasible foundation for enhanced future cooperation.

5 Ministry of Defense “Defense of Japan 2013” p. 378, Sep. 30, 2013, <http://www.mod.go.jp/j/publication/wp/wp2013/pc/2013/datindex.html>.

6 U.S. Department of Defense, “United States, Japan, Republic of Korea Defense Trilateral Talks Joint Statement,” Apr. 18, 2014, <http://www.defense.gov/Releases/Release.aspx?ReleaseID=16654>.

7 U.S. Department of Defense, “Joint Statement from U.S.-ROK-Japan Defense Ministers Meeting,” Jun. 1, 2014, <http://www.defense.gov/Releases/Release.aspx?ReleaseID=16738>.

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Beyond HADR, the next obvious area for defense cooperation between Tokyo and Seoul is preparation for a conflict on the Korean Peninsula. The Japan Self-Defense Forces (JSDF) could potentially play a supporting role in South Korean military operational training. This would not only build upon the basic goals of improving interoperability and providing realistic military training but also address South Korean popular concerns relating to Japan's remilitarization, as the United States or South Korea would assume overall command authority of the exercise and thus assume a degree of operational command of the JSDF involved in the exercise. The segment of the South Korean population that may disapprove of such an exercise could have the opportunity to observe first-hand the nature of JSDF support for South Korean security.

If actual operational plan combined exercises involving Japan, South Korea, and the United States prove politically infeasible, simply sending a small, deployable unit to the other country for the sake of training, such as U.S. participation in exercises like Khan Quest in Mongolia or Cobra Gold in Thailand, would still advance interoperability, training, and grassroots exposure while providing a stepping stone to broader combined exercises. Any type of ground exchanges would still be highly symbolic of the acceptance and trust between the two nations in allowing foreign boots on home soil.

As the United States continues to rebalance toward Asia, significant opportunities exist for Washington to align the strategic goals of its two Northeast Asian allies. This is especially true in the realm of security and assuming a more active role in building and maintaining the South Korea-U.S.-Japan trilateral relationship. By expanding defense cooperation through multiparty talks and increased military-to-military engagements, the United States can turn South Korean and Japanese perspectives toward future cooperation on common security issues and combined regional crisis response thus drawing its allies away from being mired in past historical issues or an uncertain political atmosphere.

Economic Cooperation

A critical area of cooperation between Japan and South Korea would be the conclusion of a free trade agreement (FTA). Negotiations between the two democracies began in December 2003, but have been suspended since the

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sixth negotiation in November 2004.⁸ In December 2011, Prime Minister Yoshihiko Noda proposed a resumption of negotiations, but President Lee Myung-Bak declared that “promoting economic integration is important. Prior to that, we should talk about the comfort women issue, which is a remaining question.”⁹ This linkage of historical and economic issues prevented a resumption of bilateral FTA negotiations.

Since then, the government of South Korea has made clear that an FTA with China takes precedence over an FTA with Japan. Seoul and Beijing opened FTA negotiations in May 2012, and in September 2013, they agreed upon a basic policy of a trade liberalization rate of 90 percent. This consensus took only 16 months to achieve. If the two nations conclude an FTA by the end of 2014 — as many expect — trade negotiations between South Korea and

⁸ Ministry of Foreign Affairs, Japan “The outline of sixth negotiation of Japan-Korea Economic Partnership Agreement,” Nov. 3, 2004, http://www.mofa.go.jp/mofaj/gaiko/fta/j_korea/gaiyo_06.html, citation for suspension of talks.

⁹ *JoongAng Daily*, Dec. 19, 2011, <http://japanese.joins.com/article/583/146583>.

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China would constitute among the shortest of any undertaken by Seoul.¹⁰

Although Japan and South Korea have yet to conclude a bilateral FTA, they share a common desire for a trilateral FTA that includes China. The three launched FTA negotiations in November 2012 at the Trade Minister's Conference during the 21st Association of Southeast Asian Nations (ASEAN) Summit.¹¹

The conclusion of a general FTA among Japan, South Korea, and China would significantly contribute to the greater goal of prosperity in East Asia. Once such an agreement is established, a subsequent agreement between Japan and South Korea would be much easier to facilitate. However, the primary advantages that Japan and South Korea will accrue by pursuing a trilateral FTA relate to broader economic and diplomatic objectives.

First, a trilateral FTA would enable Japan and South Korea to draw China into internationally approved trade and investment rules, while at the same time allowing the two to capitalize on China's economic growth. Over the course of China's rapid economic expansion, Japan and South Korea have often worried about how to peacefully shape China's commercial practices, which sometimes deviate from international rules. An FTA encompassing China could provide a means for managing such issues.

Secondly, a trilateral FTA could facilitate Japan's catching up for delays in economic integration in the region. As South Korea and China have already conducted 11 formal negotiations on their bilateral FTA as of June 2014, and foresee a final agreement within the year, Japan should naturally be concerned about losing its share in the markets of its two closest geographic neighbors.¹² However, a trilateral FTA can give signatory members an equal commercial playing

¹⁰ An FTA with China is going to be second fastest one to conclude since beginning of the negotiation for Korea, taking only two years. The fastest is with United States, which took only 10 months, from June 2006 to April 2007, (http://web.archive.org/web/20080527150515/http://www.ustr.gov/Document_Library/Press_Releases/2007/June/United_States_the_Republic_of_Korea_Sign_Lmark_Free_Trade_Agreement.html), but it took another five years to come into force since the Korean opposition party had rejected it.

¹¹ Ministry of Foreign Affairs, Japan "Press Release on the Launch of the FTA Negotiations among China, Japan, and Korea," Nov. 20, 2012, http://www.mofa.go.jp/mofaj/press/release/24/11/pdfs/20121120_02_01.pdf.

¹² Takeshi Ando, "Impact of 'isolation of Japan' by China-Korea FTA," *Nikkei Business*, May 2012.

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field while forcing members to comply with agreed-upon rules.

Third, a concluded Japan-South Korea-China FTA could demonstrate new-found unity among the three countries internationally. It would create a positive effect toward trade with other nations because a concluded trilateral FTA would signify that despite their bilateral challenges, Japan, South Korea, and China have opted to prioritize economic interdependence over political conflict. This could, in turn, help to reinforce regional stability.

Japan and South Korea should seize the opportunity to bring negotiations on a trilateral FTA to a final conclusion. The two have numerous reasons to share a common stance during the negotiations. They both have similar economic structures, scarce natural resources, an economic base of manufacturing-oriented exports, competitive automotive and electrical equipment industries, and vulnerable agricultural sectors. Sharing such similarities, many Japanese and South Korean policymakers seek to complement their respective economies with that of China, which has abundant resources and a large agricultural sector. On the other hand, given that Japan and South Korea have transparent trade and investment systems, such as relating to matters of intellectual property, product descriptions, and smooth customs clearance, the two countries can collaborate to persuade or pressure China to adopt the same set of standards.

Although some critics in the United States argue that such an FTA would be a threat to U.S. interests, it is critical that Washington welcome a Japan-South Korea-China FTA. U.S. support could potentially ease the passage of the agreement, and an FTA among the three nations could potentially make significant progress towards stated U.S. goals. This

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is especially true since if China becomes part of a formal institution that includes two U.S. allies, the United States could gain a modicum of confidence in anticipating further stability in East Asia through increased economic interdependence. By carrying out trilateral FTA negotiations with China, Japan and South Korea will have an additional incentive to conclude negotiations pertaining to the Trans-Pacific Partnership (TPP). From a long-term perspective, a Japan-South Korea-China FTA could be integrated with TPP, which would encourage China and the United States to strengthen their bilateral economic relationship under a common set of rules. Japan and South Korea should collaborate, or at least achieve a common understanding, in order to persuade the United States that a prospective trilateral FTA with China is in the United States' interests, with the potential of significantly stabilizing East Asia.

Conclusion

The shadow of history continues to hang over the relationship between Japan and South Korea. Even so, the two countries have no reasonable choice but to look beyond their disputes and to come together to uphold peace and security in a region experiencing mounting instability. Working to restart the Six-Party Talks, engaging in closer defense cooperation, and finalizing a trilateral FTA with China will, together, help Tokyo and Seoul to build a stronger partnership.

About the Authors

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About the Young Strategists Forum

The Young Strategists Forum aims to develop a new generation of strategic thinkers in the United States, Europe, and Asia through a combination of seminars, simulations, and study tours. The project is led by Senior Advisor Daniel M. Kliman and Program Officer Sharon Stirling-Woolsey, with Non-Resident Senior Fellow Aaron Friedberg serving as faculty. The Young Strategists Forum is convened annually in Japan with the support of the Sasakawa Peace Foundation. This initiative is part of GMF's Asia Program, which addresses the implications of Asia's rise for the West through a combination of convening, writing, strategic grants, study tours, fellowships, and partnerships with other institutions.

About GMF

The German Marshall Fund of the United States (GMF) strengthens transatlantic cooperation on regional, national, and global challenges and opportunities in the spirit of the Marshall Plan. GMF does this by supporting individuals and institutions working in the transatlantic sphere, by convening leaders and members of the policy and business communities, by contributing research and analysis on transatlantic topics, and by providing exchange opportunities to foster renewed commitment to the transatlantic relationship. In addition, GMF supports a number of initiatives to strengthen democracies. Founded in 1972 as a non-partisan, non-profit organization through a gift from Germany as a permanent memorial to Marshall Plan assistance, GMF maintains a strong presence on both sides of the Atlantic. In addition to its headquarters in Washington, DC, GMF has offices in Berlin, Paris, Brussels, Belgrade, Ankara, Bucharest, and Warsaw. GMF also has smaller representations in Bratislava, Turin, and Stockholm.

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