



The New Policies of Abe's Cabinet Towards the Korean Peninsula: Background and South Korea's Position

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A South Korea-Japan “Trade War”?

The decline of relations between South Korea and Japan has been looming for a long while. While it is still too early to predict the future, there is a need for an interim assessment. First, let us examine South Korea's response. On July 1, 2019, the Japanese Ministry of Economy, Trade and Industry (METI) issued the “Regulatory Action on the Export of Three Semiconductor Materials to South Korea.” The South Korean government understood this as a form of retaliation targeting its future industries in response to the South Korean High Court ruling in favor of the victims of forced labor during Japan's colonial rule. The “trade war” triggered as a result of this regulatory action was interpreted as an effort by the Japanese government to escalate the conflict to the security level. Considering this interpretation, the South Korean government's decision to terminate the General Security of Military Information Agreement(GSOMIA) seems to make sense as a reciprocal action.

But did it? It is a clear fact that Japan's strengthened export restrictions were implemented in retaliation over the historical issues. However, the interpretation of historical issues expanding to encompass trade and security issues is shaky. METI, who was the instigator of this fight, stated in the first line of their announcement that they would exclude South Korea from their trade whitelist. This means that from the beginning, this issue was not one that stemmed from trade or economic issues. The act of delisting a country from the whitelist redefines it as one to which national security policy applies. Despite the long-standing controversy enshrouded by the historical agenda, the ROK-Japan relationship has always been held up by security cooperation. This reconsideration of

the interests surrounding national security is a fundamental resetting of this relationship. The Japanese government announced the start of this directly.

When the Japanese government removed South Korea from its whitelist, they suggested they did so on the basis of suspicion over the movement of strategic materials to North Korea. South Korea countered that this “suspicion” was nothing more than a trick to justify their “regulation” passed on trade with the ROK. They also understood the essence of this retaliatory move as being “economic aggression,” or aggression based on trade relations. However, ROK-Japan trade relations are reciprocal. Although Japan has a positive trade balance with South Korea, it is not strong to the extent that they can use it as a weapon to sanction the ROK. The Japanese government is aware of this, and so the likelihood that they will strengthen the embargo while trying to minimize damage to their own corporations and industry is low. The true goal of the Japanese government was not “regulation,” but rather the “suspicion” itself. Further, this can be interpreted as partially aimed towards fostering a “Korea risk.” As this is an action that can damage Korea only, it is not reciprocal.

This play of each country taking threatening actions to deteriorate the credibility of the other on the basis of their own domestic laws is reminiscent of the Banco Delta Asia incident relating to North Korea that occurred in 2005. If we look at how North Korea responded to the doubts raised by the US about North Korea’s security on the basis of the Patriot Act at that time, the process itself gave rise to controversy and as it spread, the risk also increased disproportionately to the actual facts. This is because the nature of doubts about the security of a nation is such that they cannot be completely put to rest. In the BDA incident, the doubts manifested themselves as a total freeze on North Korea’s foreign currency holdings. Of course, there is no need to go overboard and say that the impact on South Korea will be anything near what North Korea suffered. “Korea risk” is not a term that the Japanese government invented. However, among Japan’s conservative opinion leaders, “Korea risk” is not a new expression. They have also raised the possibility that the economic damage dealt to the Korean government, if the situation is prolonged, could go so far as to spark a foreign reserve and financial crisis. The logic is to draw the attention of global investors not to the authenticity of the doubts, but rather to the place from which the risk emerges.

The Resetting of ROK-Japan Relations

While the economic impact of Korea’s removal from Japan’s trade whitelist is still undetermined, it is clear that it will cause changes to the security environment. The unprecedented encroachment of the Chinese and Russian militaries on South Korean territory is not unrelated.

However, such changes in the security environment are not matters that Abe's Cabinet can implement on their own. While from the outside the issue appears to be a trade war, this is because the role of the US as a deciding factor has not yet been established in these early stages. Numerous past instances of US intervention in or mediation of ROK-Japan relations have all stemmed from the need for traditional security cooperation between the ROK and Japan. From a traditional security standpoint, the US should have already intervened or mediated between the two before the initial announcement of Korea's removal from Japan's trade whitelist. While South Korean media was splashing their speculations on whether or not the US would become involved across newspaper headlines, it was already too late. On the other hand, Japanese media predicted that the US would not intervene from the outset. In reality, the US did nothing meaningful in response to this unprecedented standoff between the ROK and Japan.

Abe's Cabinet is certain that it has the agreement or at least support of the Trump administration. This is because they believe that their interests and counterstrategy in response to the new international order are perfectly aligned with those of the US. Japan has begun to use the expression "Second Cold War," and believe that the likelihood is strong that we are already in it rather than merely approaching it. Since the Trump administration, US response to China's rise and Belt-and-Road Initiative (BRI) has taken the form of a containment policy which has been further structuralized by its Indo-Pacific strategy. The South Korean government made its intentions not to participate clear when this strategy was still in the planning stages in November 2017. This is because it fears provoking China. On the other hand, Japan has been making diplomatic efforts to play a key role in the new line of defense that links India and Australia, positioning itself as the 'cornerstone' of the Indo-Pacific strategy. Accordingly, in line with its anticipated expansion of its military status, Japan's diplomacy seems to indicate that it feels the "uniqueness" which arises from the traditional method of security cooperation between the US, ROK, and Japan is no longer necessary.

The majority of Japanese citizens are throwing their support behind Abe's unfamiliar approach to ROK-Japan relations. Japan's social conservatism cannot fully account for this support. Abe's Cabinet complains that "South Korea is an untrustworthy country," raising suspicions about the movement of strategic materials to North Korea and doubts over its policy towards the North as the foundation for this assertion. Japanese administrations have borrowed the official terms of the South Korean government such as the Sunshine Policy, engagement policy, and peace and reconciliation policy. After the Six-Party Talks were initiated during the Roh Moo-hyun administration, Japan began to use the expression "*yuhwa seisaku*(宥和政策)", which can be

translated as “appeasement policy.” Japan continuously dismisses South Korea’s efforts to endorse its North Korea policy as a policy of engagement. Further, currently all of Japan’s media, without exception, refers to the South Korean policy towards North Korea as a “*yuhwa seisaku*(融和政策).” With the preconditions for a misunderstanding of South Korean policy towards North Korea already in place, the evolution of “*yuhwa seisaku*(宥和政策)” to “*yuhwa seisaku*(融和政策)” feels natural. However, “*yuhwa*(融和)” is not a diplomatic term but rather one that is commonly used in daily life as its pronunciation is identical in Japanese to the word “appeasement(宥和)”

However, the dictionary further defines “*yuhwa*(融和)” as having the meaning of “melting and integration.” Thus, Japanese society currently misunderstands South Korea’s policy towards North Korea as one of consolidation or in other words “reunification”. The flip side of Japanese society’s “natural misunderstanding” of South Korean policy towards the North as having the goal of “unification” is that it automatically places South Korea within the political frame of being “anti-Japan.” As a result, the understanding of South Korean-led North-South reconciliation as expanding “Korean Peninsular nationalism” rather than building peace on the Korean Peninsula through denuclearization is becoming more widespread. This understanding also includes the absurd logic that North Korea’s nuclear weapons would immediately become South Korea’s to promote the independence of a unified Korea in the event that reunification were to take place. This rapid change in Japanese public opinion on Korean unification also correlates with the surrounding revisionist trends in international politics. At certain times, these trends include the potential for sudden crises or changes in the status quo to occur on the Korean Peninsula. The likelihood for such event to occur is also closely tied to “China’s rise” which supports Abe’s rationale for demanding constitutional reform.

DPRK-Japan Relations and the South Korean Dilemma

The misunderstanding of South Korea’s policy towards North Korea that is now prevalent in Japanese society is a result of Abe’s Cabinet’s “international misperception.” It also runs parallel to their own approach to North Korea. When the Panmunjom Declaration was made at the Inter-Korean Summit in March of 2018, the Abe administration decided to appeal for a unified response from the Trump administration rather than join a South Korea-led denuclearization process. Meanwhile, the Abe administration simultaneously arranged back-to-back summits with President Putin and General Secretary Xi Jinping. At the time, Japan’s Minister of Foreign Affairs referred to this approach to North Korea as “big power diplomacy.” This announcement was made right before the third Inter-Korean summit because of the Liberal Democratic Party leadership elections that

were to be held immediately after. This full-blown change in policy towards North Korea was visibly linked to Abe's plan for long-term one-man rule.

One noteworthy reappointment in the cabinet reshuffle which followed the Liberal Democratic Party elections was that of Suga Yoshihide. Suga was declared "minister in charge of North Korean abductions." Giving a Chief Cabinet Secretary a special designation like this is an unprecedented move. This is a vague indication that the Prime Minister's Office (Kantei) intends to go over the Cabinet and take charge of North Korea policy directly. This move by the Kantei to lead North Korea policy was anticipated previously. On July 1, 2018, following the US-DPRK Summit, the Asia Pacific Northeast Division was reorganized and expanded into two divisions, the first and the second. The second division was established for the purpose of taking charge of North Korea. This move was not a response by the Ministry of Foreign Affairs itself, but rather a top-down order from the Kantei. At the center of this was Imai Takaya, Executive Secretary to the Prime Minister. He was surrounded by former Prime Minister Koizumi's Executive Secretary, Ijima Isao and Shigeru Kitamura, who led the Ministry of Internal Affairs and Communications and participated directly in talks between the DPRK and Japan.

Further, in August of 2019, Kitamura was promoted to the head of the National Security Commission (NSC). His predecessor, Shotaro Yachi, was responsible for the previous ROK-Japan comfort women agreement. In contrast, Kitamura, who is an expert on North Korea, does not have any close ties to the ROK. We can say that this appointment is symbolic of the direction of Abe's Cabinet's security policy and policy towards the Korean Peninsula. Toshimitsu Motegi, who took over immediately after in September as head of the Ministry of Foreign Affairs, has thus far taken a tough stance on South Korea, and has declared his intention to hold future talks with North Korea, including summits, numerous times. In tandem with these changes, Japanese economic organizations and politicians have recently been visiting North Korea in rapid succession. The resetting of ROK-Japan relations is unfolding simultaneously with a form of outreach in search of a DPRK-Japan relationship. This outreach is not being done via South Korea, and rather means that Japan intends to face the threat of North Korea directly. These moves by Abe's Cabinet targeting the whole of the Korean Peninsula cannot but reflect Japan's new approach and changes to the general theory of security policy. Whether or not it succeeds, South Korea's government must pay attention to these changes.

Throughout its pursuit of denuclearization talks with North Korea, South Korea was noted for playing down the Japan factor, leading the Korean media to reiterate the phrase, "Japan passing." It seems this judgement was made on the basis of past experiences. The assumption has always

been that if inter-Korean relations improve, then DPRK-Japan relations will automatically accompany this change. However, DPRK-Japan relations must improve as a necessary part of the North Korean denuclearization process, and may even be a driving factor. Further, after the Pyongyang Declaration in 2002, DPRK-Japan relations unfolded independently of inter-Korean relations. Symbolic of this was the bilateral agenda of the abduction issue. North Korea and Japan took the opportunity presented by the abduction issue to hold a variety of talks on topics well beyond the scope of the abductions. As seen through these dialogues, progress in DPRK-Japan diplomatic relations is no longer contingent upon that of inter-Korean relations.

Abe's Cabinet will continue to actively approach North Korea, and if the current trend continues, this will be accompanied by conflicts in the ROK-Japan relationship. Of course, the sudden nullification of security cooperation between the ROK and Japan or the abrupt normalization of DPRK-Japan relations will not occur. This is because the US would not tolerate it. As always, it is difficult to predict what North Korea will do. However, the possibility has opened up that DPRK-Japan relations will rapidly grow closer through summits or otherwise. While South Korea will have to express support if such a change occurs, the damage to its role as a leader in North Korea's denuclearization will be significant. This is a dilemma. If a rift occurs between South and North Korea under such circumstances, the dilemma will grow more severe. Will South Korea be able to respond adequately? President Moon Jae-in has proposed building a peace economy between the two Koreas as a solution to Japan's "economic aggression," and referenced his vision for Korean unification in his Liberation Day speech on August 15. Japan did not react in the slightest to this, while North Korea responded by launching a series of missiles. If necessary, we must talk about "anti-Japan" and "reunification." But This discussion must be saturated with a strategy for new ROK-Japan relations and a North-South Korean peace regime.

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