

## KOREA CHAIR PLATFORM

*In advance of the August 15 anniversary of the end of the Pacific War, issues of history and historical memory have become high politics in Asia. This timely analysis by CSIS Korea Chair Adjunct Fellow and former NSC Director for Asian Affairs Katrin Katz offers a deeper conceptual and historical perspective on historical antagonism in the Japan-Korea relationship that moves past the media headlines.*

## Korea-Japan Relations, 50 Years In: Demystifying the Paradox of Cyclical Tensions and Rapprochement

By Katrin Katz  
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*“Asia suffers from what I call ‘Asia’s paradox,’ the disconnect between growing economic interdependence on the one hand, and backward political, security cooperation on the other. How we manage this paradox – this will determine the shape of a new order in Asia.”*

- South Korean President Park Geun-hye in her speech to a Joint Session of the U.S. Congress, May 8, 2013

East Asia is renowned for its combination of “cold politics and hot economics,” where “rivalries and confrontation coincide with increased economic cooperation and community building.”<sup>1</sup> Fifty years since the normalization of Republic of Korea (ROK)-Japan ties, cyclical patterns related to this dynamic have become commonplace. Tensions between South Korea and Japan periodically rise,

<sup>1</sup> Green, Michael J. and Nicholas Szechenyi (2014), “Power and Order in Asia: A Survey of Regional Expectations,” *Center for Strategic and International Studies (CSIS), Report of the CSIS Asia Program*, p. 1.



most often concerning issues related to unresolved legacies of Japan's colonization of Korea and World War II, and, with time, fall, as leaders in Tokyo and Seoul decide to shelve the thorny historical issues to cooperate on economic and security matters. South Korean President Park Geun-hye in her speech to a Joint Session of the U.S. Congress dubbed this pattern "Asia's paradox," noting "how we manage this paradox – this will determine the shape of a new order in Asia."<sup>2</sup>

Managing the paradox requires a clear understanding of the forces driving it, starting with an examination of existing arguments in the academic and policy spheres. The paradox concerns the frequent escalation of political tensions despite increasing levels of economic interdependence since normalization. (One year following the signing of the normalization treaty in 1965, Japan surpassed the U.S. as South Korea's top trading partner, and South Korea became increasingly important to Japan as its market expanded to import larger quantities of Japanese goods.<sup>3</sup> As of March 2014, South Korea was Japan's fourth largest trading partner, and Japan was South Korea's second largest trading partner.<sup>4</sup>) This situation defies the expectations of the "commercial peace" argument, supported by a growing body of literature, which claims that economic interdependence pacifies relations between states. The commercial peace explains why disputes in East Asia have not escalated to war in recent decades: the economic costs would be too high. But it does not explain why disputes have repeatedly flared to lower levels of intensity between Japan and South Korea. What explains regular dispute flare-ups in the context of steady interdependence?

One explanation concerns the use of nationalism tied to unresolved historical grievances as a tool in domestic politics.<sup>5</sup> For example, one leader takes a hardline stance on the depiction of World War II in school textbooks as a relatively quick and easy means to rally political support at home. The other feels obligated to respond firmly in front of his or her own domestic audience, and a phase of contention gets underway. Phases of Japan-South Korea contention in the mid-1990s, mid-2000s, and in recent years have all coincided with periods of high leadership vulnerability. The repeated use of the tactic is also not surprising in light of its apparent success: recall former President Lee Myung-bak's surprise visit in 2012 to Dokdo (known in Japan as Takeshima), which resulted in approval ratings exceeding 80 percent among South Koreans polled – and this was during his "lame duck" years.<sup>6</sup> However, this explanation is not complete. It explains the motive for escalation but not the how leaders deal with the costs of this strategy in the form of ruptured bilateral ties. Politicians must also be concerned with the implications of such disruption for their economies and for general regional stability.

I argue that, paradoxically, it is the very existence of high levels of interdependence that allows leaders to escalate up to a certain point without escalating further. Leaders repeatedly choose to escalate because interdependence concerns repeatedly tamp down conflict before it causes severe repercussions for economic prosperity and regional stability. We can distinguish several phases in the process of escalation and subsequent de-escalation. The early phases of Japan-ROK historical flare-ups tend to involve heated exchanges over symbolic issues with little of material value at stake. These exchanges can have physical manifestations – the recall of ambassadors or increased patrols

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<sup>2</sup> <http://english.yonhapnews.co.kr/national/2013/05/08/4/0301000000AEN20130508010800315F.HTML>

<sup>3</sup> Koo, Min Gyo. (2010). *Island Disputes and Maritime Regime Building in East Asia: Between a Rock and a Hard Place*. Springer, p. 78.

<sup>4</sup> <http://thediplomat.com/2014/03/china-japan-south-korea-hold-fta-talks-despite-political-tension/>

<sup>5</sup> This is a version of Lebow's theory of "diversionary war." Lebow, Richard Ned (1981). *Between peace and war*. Baltimore, MD: Johns Hopkins University Press.

<sup>6</sup> Kim, Kee-seok, "Lee Myung bak's stunt over disputed islands," *East Asia Forum*, August 19, 2012, <http://www.eastasiaforum.org/2012/08/19/lee-myung-baks-stunt-over-disputed-islands/>

around Dokdo/Takeshima, for instance – but generally, these are not matters of life, death, or survival. With time, however, this situation changes. Two forces come into play that create momentum behind de-escalation.

The first concerns the fact that Korea and Japan, despite historical issues of contention, share fundamental security objectives in addition to their mutual interest in economic prosperity: both share common external concerns regarding North Korea and rising China and both are U.S. allies. With the passage of time, “things happen” in the region that threaten these common interests – via a North Korean nuclear test, for instance, or through changes in regional alignments among Japan, China, and the United States. These contextual shifts alter the stakes of further drawn-out tensions as potential material costs enter the picture. Continuing to fight about Dokdo/Takeshima following a North Korean nuclear test, for example, suddenly means foregoing security cooperation and risking the further deterioration of regional stability in order to settle a decades-old argument that is important mostly because of the unresolved historical issues it symbolizes. This, in turn, increases the chances of militarized conflict erupting in the region, which would hinder trade and other forms of economic exchange. To be sure, both issues – maintaining regional stability as well as “getting history right” – are important. But one is clearly more urgent and involves stakes that are more tangible and ominous than the other.

Second, interdependence-focused constituencies who have a vested interest in keeping the system open (e.g., business elites, trade-focused political factions, and/or relationship managers within government bureaucracies), sometimes joined by political opponents aiming to make the incumbent administration look bad, make the case to leaders and the public that a turn toward conciliatory ROK-Japan relationship management is in the country’s best interest in the context of these regional shifts. The general public, which tends to enjoy the cathartic release of pent-up emotions in the early stages of a historical dispute, becomes more sympathetic to a turn toward pragmatism when the possible material costs of further drawn-out contention become clear. And so the same leaders who once escalated tensions to receive a political boost are faced with a situation in which not de-escalating might hurt them politically.

This appears to be the process that is currently underway within South Korea. Seoul-Tokyo ties hit a rough patch in recent years, with South Korean President Park Geun-hye and Prime Minister Shinzo Abe feuding over history issues since Park’s first days in office in 2013. Starting around May this year, however, a wave of news reports emphasized the degree to which shifting regional alignments have led to increasing calls in South Korea for a “more flexible stance” toward Japan on historical issues.<sup>7</sup> For instance, an article from early May in the *Korea Times* noted:

“There is growing concern (in Seoul) that the nation is becoming increasingly isolated within Northeast Asia amid the strengthening US-Japan alliance coupled with China’s move to thaw relations with those two nations. With speculation circulating over apparent risks in Seoul’s current diplomatic approach, experts have highlighted the need for the government to take a pragmatic approach in its relations with Tokyo instead of insisting on pursuing historical grievances... The Ministry of Foreign Affairs appears geared toward addressing concerns that Seoul-Tokyo ties have reached their lowest level in many years.”<sup>8</sup>

“Expert” voices cited in this article included a group of opposition and ruling party lawmakers in the National Assembly who reportedly criticized Foreign Minister Yun Byung-se during a recent visit for

<sup>7</sup> “Kerry urges Japan, South Korea to reconcile over history, *The Asahi Shimbun*, May 19, 2015, [http://ajw.asahi.com/article/behind\\_news/politics/AJ201505190073](http://ajw.asahi.com/article/behind_news/politics/AJ201505190073).

<sup>8</sup> Yi Whan-woo, “Seoul needs pragmatic diplomatic approach,” *Korea Times*, May 11, 2015.



“failing to correctly understand rapid changes in the regional geopolitical landscape.”<sup>9</sup> Meanwhile, a joint survey published in late June by Japan’s *Asahi Shimbun* and South Korea’s *Dong-a Ilbo* indicated that 64 percent of Japanese and 87 percent of South Koreans polled wanted to see an improvement in bilateral relations,<sup>10</sup> suggesting that the publics of both countries are amenable to a pragmatic turn. The recent visit of South Korean Foreign Minister Yun to Tokyo to meet with his counterpart and attend the normalization anniversary ceremonies, together with rumors that a Park-Abe bilateral summit meeting might be in the works for sometime in the fall,<sup>11</sup> suggest that leaders on both sides are tuning in to these messages.

In sum, recent trends demonstrate that two forces – geopolitical shifts that affect common security and economic interests and the activation of interdependence-focused constituencies – open political space for leaders make what would otherwise be a controversial 180-degree shift after taking hardline bilateral positions: sidestepping historical grievances to focus on renewed cooperation. Political disputes have frequently been used as political tools, not only because they reap short-term political benefits, but also because they can be pursued at relatively low risk of escalatory spirals that could incite war and the accompanying rupture of economic ties. Thanks to the pacifying effects of interdependence, disputes can generate political benefits at relatively low cost.

## *Takeaways*

This analysis involves some positive implications. It demonstrates that forces of nationalism, while strong, have not dictated the course of Korea-Japan relations over the past several decades. Interdependence has not entirely wiped out conflict in the region, but it has empowered groups that have repeatedly prevailed in keeping nationalist-charged disputes under control. In this sense, interdependence, at least so far, has proven to be a powerful enough force to fend off the double-edged, hand-tying effects of nationalism; the genie is out of the bottle but on a tight leash. Fifty years after Korea and Japan formally renewed ties and embarked on a journey of increasing interdependence, we, at least, have that cause to celebrate.

But this bright side assessment must be tempered with two caveats. First, the gravitational pattern of recent decades, with predictable forces pulling tensions back down once they arise, may be upset by deeper tectonic shifts in the region due to China’s increasing military and economic power. Japan and South Korea’s overarching strategic aims of continued economic prosperity and regional stability may remain the same, but they may pursue divergent, rather than convergent, paths to these goals depending on how they see broader power transitions playing out in the region. As the game board, itself, changes, the regularized moves among the pieces may also fluctuate.

Second, these patterns put a band-aid on deep-seated historical grievances; they do not promote long-term healing. Reaching mutually satisfying resolutions to the broad range of historical issues is a worthy goal. My argument suggests that these tensions can be managed, and have been managed. But even limited escalation brings the risk of accidents and miscalculations with the potential to

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<sup>9</sup> *Ibid.*

<sup>10</sup> Fifield, Anna, “Japan and South Korea play nice as they mark 50 years of normalized relations,” *The Washington Post*, June 22, 2015, [https://www.washingtonpost.com/world/japan-and-south-korea-play-nice-as-they-mark-50-years-of-normalized-relations/2015/06/22/9b36f8fc-18de-11e5-bed8-1093ee58dad0\\_story.html](https://www.washingtonpost.com/world/japan-and-south-korea-play-nice-as-they-mark-50-years-of-normalized-relations/2015/06/22/9b36f8fc-18de-11e5-bed8-1093ee58dad0_story.html)

<sup>11</sup> Kirk, Donald, “Korea’s President Park, Japan’s Prime Minister Abe Marching to Summit Despite Legacy of Hatred,” *Forbes*, June 23, 2015, <http://www.forbes.com/sites/donaldkirk/2015/06/23/koreas-president-park-japans-pm-abe-marching-to-a-summit-despite-legacy-of-bitterness/>

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precipitate more serious crises and even war. Historical tensions have also imposed near-term costs on the relationship in the form of limiting the depth and breadth of cooperation in the security sphere (establishing effective and enduring multilateral security frameworks in the region remains a major challenge) as well as creating roadblocks to the implementation of more limited initiatives like the General Security of Military Information Agreement (GSOMIA), eventually signed but postponed in the midst of flare-ups in the summer of 2012.<sup>12</sup> Resolving historical grievances would also help increase the probability that present-day tectonic shifts in relative material capabilities will result in the continued alignment, rather than divergence, of strategic aims among the powers of the region.

The current state of relations between Japan and South Korea seems a long way from achieving the aim of historical reconciliation. This Friday, one day before the 70th anniversary of the end of World War II and of Japan's colonial occupation of the Korean Peninsula, audiences in Seoul and Beijing will closely scrutinize Prime Minister Abe's remarks to see whether he upholds the apologies of previous administrations for Japan's wartime conduct.<sup>13</sup> We are clearly still far from deep and enduring rapprochement. That said, one thing is certain: we are much more likely to achieve true healing between Tokyo and Seoul when the forces of nationalism are at bay and leaders are actually talking with one another.

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<sup>12</sup> <http://www.cfr.org/south-korea/japan-south-korea-relations-time-open-both-eyes/p28736>

<sup>13</sup> <http://www.reuters.com/article/2015/08/10/us-ww2-anniversary-japan-apology-idUSKCN0QF08V20150810>