Historical Grievances and Current South Korea-Japan Trade Tensions

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With relations at low point, the dispute risks seriously disrupting bilateral relations and threatening security in Northeast Asia.

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This diplomatic rift threatens to impact both countries’ economies and undermine security co-operation. It cannot continue.

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Ideology has driven a wedge between the two countries, but more should unite these powerhouse economies than divide them.
How Ideological Differences Drove a Downward Spiral
By Yoshihide Soeya

RELATIONS BETWEEN Tokyo and Seoul are now said to be the worst since diplomatic normalization in 1965. In recent weeks, the rift has spilled over into the economic and security domains, aggravating emotional hostility between the two nations. Amid this vicious cycle, however, internal political chasms in both societies appear to be getting deeper, and a sizeable number of the Japanese and South Korean people are increasingly perplexed by the downward spiral of government relations.

In this essay, I aim to place the state of Japan-South Korea relations into some perspective. First, I will look back on the recent past, which has seen a dramatic shift from what appears now to have been the heyday of the relationship (1998 to 2004) to a downward spiral since 2005. Then, I will try to examine the current vicious cycle from a comparative perspective. After all, a vicious cycle does not become a continuum unless the two ends of the cycle are both responsible.

GOOD OLD DAYS
On Oct. 8, 1998, Japanese Prime Minister Keizo Obuchi and South Korean President Kim Dae-jung signed a historic joint declaration, declaring that “Japan and the Republic of Korea, which have maintained exchanges and co-operation throughout a long history, have developed close, friendly and co-operative relations in various areas since the normalization of their relations in 1965, and that such co-operative relations have contributed to the development of both countries.”

The basis of this shared recognition was none other than the two leaders’ courage and wisdom to face the long-standing history problem and put an end to this unfortunate aspect of the relationship. Obuchi and Kim exchanged their separate determinations in the joint declaration as follows:

- Obuchi regarded in a spirit of humility the fact of history that Japan caused, during a certain period in the past, tremendous damage and suffering to the people of the Republic of Korea through its colonial rule, and expressed his deep remorse and heartfelt apology for this fact.
- President Kim accepted with sincerity Obuchi’s statement recognizing history and expressed his appreciation for it.

Upon succeeding Kim in February 2003, President Roh Moo-hyun announced that he would follow the footsteps of his predecessor. Despite Prime Minister Junichiro Koizumi’s annual visits to the Yasukuni Shrine from 2001 to 2006, Koizumi and Roh continued to have regular and friendly meetings: in February 2003 in Seoul, in July 2003 in Tokyo, in July 2004 in Jeju and in December 2004 in Ibusuki (Kagoshima).

These years between 1998 to 2004 were obviously the high point in post-war Japan-South Korea relations. Kim Dae-jung’s forward-looking decision to remove the ban on Japanese culture such as movies and TV programs opened a new chapter in the bilateral relationship, causing the steady rise of Han-ryu (Korean wave) and Il-ryu (Japan wave) in both societies. Amid these improvements in civil society relations, the co-hosting of the football World Cup in 2002 proved to be a great success, consolidating the bond between citizens of Japan and South Korea.

The obvious lesson from these years is that political leadership does matter.

BEGINNING THE DOWNWARD SPIRAL
Quite ironically, however, in this process of reconciliation, Japanese conservative nationalists and South Korean liberal nationalists began to move away from the centrist spirit of reconciliation. Shinzo Abe and other conservative nationalists were voicing negative views in public about a series of conciliatory policies by the Japanese government, including the 1993 “Kono Statement” on the comfort women issue by Cabinet Secretary Yohei Kono of the Kiichi Miyazawa administration; the 1995 “Murayama Statement” by Prime Minister Tomiichi Murayama on the occasion of the 50th anniversary of the end of the Second World War; and even the 1998 reconciliation between Prime Minister Obuchi and President Kim Dae-jung.

In South Korea, in turn, these conciliatory approaches of the Japanese government were met by skepticism about the “sincerity” of Japanese words and actions, primarily by the liberal camp. In retrospect, therefore, one could see that the seeds of today’s rift between Prime Minister Abe and President Moon Jae-in had already been sown in the 1990s.

This somewhat concealed structure of the 1990s began to manifest itself clearly with President Roh’s about face on Japan policy in March 2005 and the ascendance of Shinzo Abe to the top of the power structure in September 2006. The trigger for Roh’s sudden change was the issue of the Takeshima (Dokdo in Korea) islands. On March 16, 2005, the Shimane Prefectural Assembly adopted the “Ordinance to Establish Takeshima Day,” and designated Feb. 22 as “Takeshima Day,” commemorating the 100th year of the incorporation of Takeshima into Shimane Prefecture by the Meiji government. The following day, Roh said that the Japanese move was nothing other than an act to deny the history of aggression and declared a diplomatic war against Japan. At the time, current President Moon was a key aide to Roh in the Blue House.

Soon, the revival of the comfort women controversy began to send Japan-South Korea relations into a downward spiral.
into a tailspin. Alarmed by the Cabinet Decision of the Abe administration in March 2007 to the effect that no documents to prove forced recruitment of comfort women had been found, the US Congress passed a resolution in July calling for the Japanese government to “formally acknowledge, apologize, and accept historical responsibility for comfort women.” Some reconciliatory moves during the period of rule by the Democratic Party of Japan (DPJ) from September 2009 to December 2012 did not have much impact on the worsening trend. Most notably, Prime Minister Naoto Kan issued a statement on Aug. 10, 2010 on the occasion of the 100th anniversary of the annexation of Korea by Japan in 1910, explicitly expressing apology, referring to the March First Movement and the Korean loss of not only the country but its culture. Despite these efforts, the first memorial to comfort women was installed in Palisades Park, New Jersey in October 2010, and in December 2011 the comfort women statue was set up on the street across from the Japanese embassy in Seoul. A few months earlier, in August 2011, the South Korean Constitutional Court ruled that the South Korean government’s inaction on the comfort women issue was unconstitutional, and the summit between DPJ Prime Minister Yoshihiko Noda and conservative President Lee Myung-bak held in Kyoto in December virtually broke down. Then a frustrated Lee Myung-bak landed on Dokdo Island in August 2012, the first ever visit by a South Korean president.

In December 2012, Abe returned to power for a second time. MISSED OPPORTUNITY Two months after Abe’s return to the premiership, South Koreans chose another conservative, Park Geun-hye, as president. There was an expectation that the two conservative leaders might bring the troubled relationship back on track. As we now know, however, this hope was shattered at the very beginning of Park’s presidency. At a meeting to congratulate Park on Feb. 25, 2013, Japanese Vice-Prime Minister Taro Aso, volunteered to talk about the history problem and said it is all too natural that different sovereign states have different interpretations of history, and that even in the United States there are still divergent views between the North and the South regarding the Civil War of 1861. Park fought back in her March First address, and since then, Japan-South Korea relations remained close to the abyss over history problems.

We also now know that Park did not believe that the relationship could afford to fall prey to history controversies. Abe’s stance on the history problem has been consistent; Japan should not keep apologizing and the issue should be put to rest. Thus, the agreement on comfort women announced in December 2015 by the foreign ministers of Japan and South Korea could be regarded as a fragile political compromise between the two leaders. Park’s gains were symbolized by Abe’s expression of “most sincere apologies and remorse,” and the Japanese government’s contribution from its budget to “projects for recovering the honor and dignity and healing the psychological wounds of all former comfort women.” Points scored by Abe, in turn, were the mutual recognition that “the issue [of comfort women] is resolved finally and irreversibly,” and the South Korean pledge that it “will strive to solve this issue [the statue built in front of the Embassy of Japan in Seoul] in an appropriate manner.”

But soon, public sentiment began to turn against Park due to the scandals that embroiled her administration, most notably her too-close ties with a personal friend who exerted actual political influence. Park was impeached by the Constitutional Court in March 2017, and removed from office. In the lead-up to liberal leader Moon’s ascendance to the presidency, the comfort women “agreement” was virtually deligitimized by the growing argument that the victims themselves were not consulted. In May 2017, Moon won the election and became president of South Korea, and the implementation of the comfort women agreement was suspended and is now up in the air.

This alone has made the attitude of the Abe administration and much of Japanese society toward Moon most rigid. To make things worse, in October 2018, the South Korean Supreme Court finally made a ruling ordering Japan’s Nippon Steel & Sumitomo Metal Corporation to pay hundreds of millions of dollars to compensate South Korean workers for forced labor and unpaid wages during the war. A similar ruling a little later was applied to Mitsubishi Heavy Industries.

SHOCK THERAPY The Japanese government’s position on the compensation issue has been unwavering since 1965. According to the “Agreement on the Settlement of Problems Concerning Property and Claims,” claims between the two governments and their nationals are “settled completely and finally.” Tokyo, therefore, maintains the position that the South Korean Supreme Court’s ruling violates this agreement between the two governments, and that the Moon administration is responsible for correcting the inconsistency. While the executive branch cannot interfere with the court ruling under the principle of separation of powers, the Japanese argument goes, the same principle should oblige the executive branch to take independent measures on the basis of agreements between the two governments.

Facing virtual neglect from Moon, in January 2019, the Ministry of Foreign Affairs of Japan...
sent a formal request to Seoul to move into the settlement process through diplomatic channels, and then in May, to relegate the dispute to an arbitration board, both as stipulated in Article III of the “Agreement on the Settlement of Problems Concerning Property and Claims.” But these formal moves were also virtually neglected by the South Korean government. Irritated by the lack of response from the South Korean side, Abe chose not to hold a bilateral meeting with Moon on the occasion of the G-20 summit held in Osaka in late June 2019. And on July 1, the Ministry of Economy, Trade and Industry (METI) of Japan issued its “Update of METI’s licensing policies and procedures on exports of controlled items to the Republic of Korea,” and announced that 1) it would begin the process of removing South Korea from the list of “white countries” under the Export Trade Control Order, and 2) starting from July 4, bulk licenses for export of fluorinated polyimide, resin and hydrogen fluoride would be changed to individual export licenses. On Aug. 2, the Japanese government removed South Korea from its export “white list;” the Korean government reciprocated on Aug. 12 by announcing that it will also remove Japan from South Korea’s white list.

Reportedly, Abe asked relevant ministries to propose concrete measures to take against South Korea in early 2019. Obviously, Abe’s intention was to alarm Moon, and the proposal by METI was judged as the most effective way to “wake up” Moon. Therefore, the choice of semiconductor-related export items was not meant to inflict actual damage on this most critical industry in South Korea. The process of export licensing would become more complex and time consuming in the short term, but in a few months, the supply would recover as usual. While the original motive may have been taken out of frustration with Moon, the rationale of the chosen card had to be something specific to the measures, that is, security concerns.

**ENDLESS VICIOUS CYCLE**

This “shock therapy” by Abe, however, has two fundamental problems. First, giving the shock has become a goal in itself, and there appears to have been no diplomatic considerations as to what to get from the Korean side (except the very unlikely outcome of Moon’s concession), and when and how to withdraw the measures. Secondly, this has triggered a process where the bilateral rift has spilled over into the domain of economics, a critical basis of ties between Japan and South Korea.

Contrary to the initial Japanese optimism (on the basis of the judgment that the METI measures were meant to give a strong warning without damaging the South Korean economy), reactions by Moon quickly escalated the problem into an all-out confrontation. Moon took METI’s measures as an outright challenge to the competitiveness of the South Korean economy, and even an ill-intentioned attempt to smash the country’s semiconductor industry. Such statements by Moon as “the Japanese government has a clear intention to attack and hurt our economy” and “we will never again lose to Japan” created a national mood that generated memories of the colonial past and the need to stand up against the Japanese assault, heating up the vicious cycle.

In both Japan and South Korea, the ideological nature of the leadership appears essentially rooted in domestic politics. Abe’s important agenda is still related to reforms of the “postwar regime,” among others the revision of the postwar constitution, which was the creation of the American occupation. Moon defines his presidency as a “revolutionary government” and has been engaging in a fierce battle against “pro-Japan” elements in Korean society and politics in order to regain a “pure” Korea free of the legacies of colonial history or even of history itself. Japan-Korea relations are now held captive by the ideological rift between the leaders in Tokyo and Seoul.

**HOPE OF PLURALISM**

Now is the time, as 67 elder statesmen and South Korean intellectuals asserted in a public statement on Aug. 12, to get back to the 1998 Obuchi-Kim joint declaration. As seen above, the structure that would breed the ideological rift between Japanese conservative nationalists and South Korean liberal nationalists had emerged in the 1990s and has now become embedded in Japan-South Korea relations. From 1998 to 2004, the leaders of both countries managed this structure with courage, wisdom and vision. Today, the leaders in Tokyo and Seoul are virtually swallowed up by this structure, heating up the vicious cycle.

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