Historical Grievances and Current South Korea-Japan Trade Tensions

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

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

Yoshihide Soeya
Ideology has driven a wedge between the two countries, but more should unite these powerhouse economies than divide them.
Relations between South Korea and Japan are at a dangerously low point. While tensions between the two countries have erupted from time to time in the past, particularly over differences in their views of history, the current dispute risks seriously disrupting their bilateral relations and threatening security in Northeast Asia, writes Sheila Smith. Much is at stake for the United States, which is a key ally of both countries.

ONCE MORE, South Korea-Japan relations have taken a downward turn. As in previous episodes of tension, historical memory and the politics of the past are the backdrop. But in today’s Asia, acrimony between the governments of South Korean President Moon Jae-in and Japanese Prime Minister Shinzo Abe is far less easy to overcome, and its consequences are far more dangerous.

The political opportunity to set the Japan-South Korea relationship back on track has narrowed in both countries. Japanese of both liberal and conservative leanings are wary of Seoul’s intentions. South Koreans across generations, meanwhile, find their identity intimately connected with historical grievances against Tokyo. And the United States is less able to help. The administration of US President Donald Trump has been largely focused on dialogue with North Korea, and the president is unwilling (and perhaps unsuited) to the sensitive diplomacy needed to manage the difficult relations between these two key US allies.

The regional military balance is not forgiving either. If Seoul had any doubts as to the fragility of its position in the region today, Russia and China have given it ample reason to worry. As tensions between Japan and South Korea erupted, a joint Russia-China air patrol through the Sea of Japan (referred to as the East Sea by South Korea) and the East China Sea signaled the growing opportunity provided to South Korea’s neighbors due to its squabble with Japan. A Russian surveillance aircraft deliberately violated the airspace of the Takeshima/Dokdo islands, which are disputed by Japan and South Korea, twice in an obvious effort to add fuel to the fire of their differences.

A SPIRALING FEUD
So much of the relationship between Seoul and Tokyo has focused on war legacy issues that it would be easy to argue that the tensions between the two governments are all about the past. But in fact, the episodes of contention depend largely on present-day politics. While the issue at stake may be whether some South Koreans feel that the Japanese have not fully acknowledged the harm they caused by colonizing Korea and the further pain of mobilizing Koreans to participate in Japan’s war effort, the flaring of acrimony often reflects more short-term political calculations.

Some progressive leaders in South Korea have been more ready to critique conservatives for their collusion with Japanese, then and now. Notably, former President Roh Moo-hyun led a campaign against the chaebol — or family-owned conglomerates that control much of the country’s economy — and others who had benefited from their close association with Japan during the colonial era, and with their continued economic gains through commerce with Japan since. Roh’s anti-collaboration politics made close diplomatic ties with Japan difficult, and it also created a hesitancy among many in South Korea who might have more openly advocated for the Japan-Korea relationship. Moreover, Roh spent considerable effort in stirring up public sentiment around the small islets of Dokdo as a symbol of Korean nationalism.

Yet, not all progressives have been so antagonistic towards Japan. It should be remembered that former South Korea President Kim Dae-jung visited Japan in 1998 and spoke eloquently about the strength of shared values and emphasized the long history of ties between the two countries. Even President Moon Jae-in came into office arguing for a positive relationship with Abe, despite his party’s position on his predecessor, President Park Geun-hee, and her agreement with Abe on the issue of the so-called comfort women.

Conservative leaders, many with strong personal ties to Japan, have also directed their ire towards Japan. Former President Lee Myung-bak, a former CEO of Hyundai Engineering and Construction, who lived in Osaka for some time, ended his time in office by visiting Dokdo/Takeshima, resuscitating a largely dormant issue into a lightning rod for nationalist politics on both sides. As new focal points for war-legacy politics emerge, finding a diplomatic compromise on these sensitive issues seems to grow ever more difficult.

The South Korean courts are increasingly active in this debate over the past. Challenging their government’s position on the 1965 normalization treaty with Japan, a treaty that ended colonial rule and established diplomatic ties with an independent Republic of South Korea, the courts created new demands on both the South Korean government and on private Japanese firms. In 2011, the Constitutional Court ordered the executive branch to restart talks with Japan on the issue of women who were mobilized to work in military brothels. In 2018, the Supreme Court ordered two Japanese companies to pay compensation to Korean forced laborers used during the war.

The intensity of today’s dispute thus remains the legacy of colonization and war, but the interests that had served as ballast against the politics of the war legacy in both countries — the business sector and the military — are now increasingly becoming part of the dispute. The threat to nationalize Japanese corporate assets in South Korea now undermines the longstanding relationship of cooperation between Japanese and South Korean companies. It has also created fear that any business with South Korea could be affected. A South Korean boycott of Japanese products threatens many small businesses and companies who had no role in the pre-war era.
The issues that Seoul and Tokyo disagree about today are often not about their past. In the last year or more, tensions between the two governments have emerged on export restrictions, food safety and military information-sharing — and undoubtedly new feuds will emerge in the coming months.

**MILITARY AND TRADE TIES PULLED INTO THE VORTEX**

The South Korean and Japanese militaries are also now wary of each other. For decades, through their respective alliances with the United States, military leaders in both countries understood the importance of each other in case of a contingency on the Korean Peninsula. US forces stationed in the region needed the bases in Japan for support for the front-line bases in South Korea, and US Forces Korea and US Forces Japan became ever more important to each other after the Cold War ended. As North Korea developed a nuclear and missile arsenal, security cooperation between these two allies also drew closer. Developing effective early warning and missile-defense capabilities relied on closer intelligence sharing, and Japan and South Korea needed each other for air defense. An information sharing agreement, the General Security of Military Intelligence Agreement (GSOMIA), which allowed real time data from Seoul to be shared with Tokyo was concluded in 2016. By 2017, when Kim Jong Un directed a volley of missiles in the direction of Japan, the two alliances were synchronized in an unprecedented way to demonstrate to the North Korean leader that if he initiated a conflict, all three militaries, the US, South Korea and Japan, would respond. US bombers were flown into the region escorted by South Korean and Japanese fighter jets to make the point.

But with the North Korean tensions easing and talks between Kim Jong Un and Trump ongoing, Korean and Japanese tensions re-emerged to include the two allied militaries. On Dec. 20, 2018, an incident involving Japan’s Maritime Self Defense Force surveillance aircraft and a South Korean Navy frigate suggested the fragility of their ties. While both Seoul and Tokyo dispute the details, what seems to have occurred is a South Korean ship targeted Japanese aircraft with its fire control radar, a signal of intent to fire. No one fired, but the incident sparked an intense series of diplomatic meetings where each side disputed what happened and who was to blame. Rather than agreeing to put measures in place to avoid such risky interactions in the future, the foreign ministers fought over who started it.

Thus, as domestic politics grow increasingly antagonistic, the two communities most likely to advocate for a steady and stable Japan-South Korean relationship have become embroiled in the tensions. With few domestic advocates for the benefits of closer ties, the diplomats are hard pressed to find a way out. Political leadership — and undoubtedly new feuds will emerge in the coming months.

The use of Korean labor during its military expansion in the 1930s and the war in the 1940s provides fodder for today’s grievances. Legal debate over citizen claims on the state and on Japanese companies has been part and parcel of South Korea’s democratization. The authoritarian government that negotiated the 1965 treaty with Japan is no longer seen as representative of the Korean people who suffered under Japanese colonization. The Japanese government, not surprisingly, argues that the 1965 treaty included an agreement on compensation for forced labor, and under international law, this agreement should be respected.

And yet, the issues that Seoul and Tokyo disagree about today are often not about this past. In the last year or more, tensions between the two governments have emerged on export restrictions, food safety and military information-sharing — and undoubtedly new feuds will emerge in the coming months.

A host of policies are now ammunition in the feud. In July, the Japanese government announced it would remove South Korea from a list of preferential countries because of concerns over exports of sensitive technologies that could contribute to North Korea’s military activities. Seoul reacted harshly, claiming this was done in retaliation for the Supreme Court cases. On Aug. 22, Seoul retaliated by deciding not to renew the GSOMIA information sharing agreement. Later that month, South Korea’s Ministry of Health also announced it would subject food imports from Japan to further inspection for radiation. All of these issues involve practical measures for policy oversight, and have long been part of the Japan-South Korean agenda for cooperation. Procedural consultations and policy adaptation have been the norm in the past when problems have arisen. None of the complaints in and of themselves are difficult to resolve, but their use as fodder in the current bilateral dispute adds to the growing damage.
THE CONSEQUENCES
While this is not the first episode of political tension in the relationship, the consequences of the growing discord between Seoul and Tokyo today are far more dangerous. Nationalist advocates in both countries find traction in anti-Japanese and anti-Korean sentiment, pitting the citizens of both countries against each other.

The economic costs are not inconsequential; in addition to the roughly US$6 billion worth of trade in goods and technology affected by the shift in Tokyo’s export controls, the boycott of Japanese goods by South Koreans, as well as the restrictions that may come from Seoul on food imports from Japan, offer a setback for trade. The longer term consequences, should the Japanese and Korean economies decouple, would be far more serious.

The security of both countries has been affected. With no real progress on the horizon in denuclearization talks with Kim Jong Un, the Trump administration has been hard pressed to show its allies that the threat from Pyongyang has been reduced. On the contrary, Kim Jong Un’s continued missile testing, and demonstration of a new multiple rocket launcher, suggests that the size and lethality of his arsenal might overwhelm regional defenses. Moreover, this discord can no longer be seen through the lens of bilateral relations. As US Assistant Secretary for East Asia Randy Schriver publicly noted on Aug. 28, Seoul’s decision to end information sharing with South Korea enmity can be discussed with others and through channels that could offer a less charged atmosphere for resolution.

At the end of the day, however, Seoul and Tokyo may allow their relationship to erode, not because of the legacies of the past, but because their visions of the future are increasingly divergent. The shifting regional balance of power brings with it complex ripples of change. The Japan-South Korean relationship has always required careful tending; the historical reasons for that have been clear for generations. But it is the far less predictable strategic shifts in Asia that offer a more compelling context for understanding how Seoul and Tokyo could make decisions such as they have in the past year. Increasingly, decision makers in both capitals may find each other less important to their future.

Sheila A. Smith is Senior Fellow for Japan Studies, Council on Foreign Relations.

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