The power shift playing out in Asia between China and the US is occurring against the backdrop of a changing power relationship between South Korea and Japan, which are seeing their national interests and foreign policy agendas increasingly converge, especially as they relate to a rising China.

Yet mutual mistrust continues to stand in the way of what Yoshihide Soeya and Geun Lee see as a natural opportunity for middle-power co-operation between the two countries. Now is the time for them to seize that opportunity.

The Middle-Power Challenge in East Asia

An Opportunity for Co-operation Between South Korea and Japan

By Yoshihide Soeya & Geun Lee

CHINA'S PHENOMENAL RISE in recent decades has left the United States struggling constantly to find an optimal strategy for dealing with the shifting power balance between the two countries. Obviously, this transforming strategic relationship is the most fundamental common denominator for the national strategies of all East Asian countries.

Against this backdrop, the two countries in East Asia whose level of economic and political development, regional and global agendas and even national interests are most akin to each other are South Korea and Japan. Indeed, South Korea and Japan are in the same boat, and jointly have to steer a common course over bumpy waters for a better future.

Currently, however, both governments are moving in the opposite direction, due largely to their divergent views of history. The central argument of this essay — to advance the idea of middle power co-operation between South Korea and Japan — is a conceptual one, and does not deal with the so-called history problem that often prevails in the domestic politics of both countries, nor does it deal with the actual management of the bilateral relationship. While we are fully aware of the importance of the history problem, it is also our firm belief that managing the history problem, on the one hand, and discussing the importance of South Korea-Japan co-operation, on the other, should proceed side by side without one interfering with the other. We take this view, first, because we know the history problem is the biggest obstacle to better relations and should be dealt with seriously in its own right, and second, we strongly believe that the promotion of South Korea-Japan co-operation is of paramount importance for the national interests of both countries and the future of East Asia.

The meaning of this should be evident against the background of two sets of power shifts underway in East Asia: between the United States and China, on the one hand, and between South Korea and Japan, on the other. Regarding the former, it is widely recognized that the Sino-US strategic relationship simultaneously entails elements of geopolitical rivalry and opportunities for economic co-prosperity.

The ultimate geopolitical objectives of the US and China appear divergent. The US goal, which is shared by many of the world's liberal democracies, is to integrate China into the liberal international order. The ultimate objective of China, as amply implied by the “Chinese dream” of constructing a new type of great power relationship with the US, is to create a China-centered Asia largely devoid of US influence and accepted by the United States.

In both of these scenarios, economic interdependence is not to be tampered with, nor is it a pre-condition of either country's geopolitical objectives.

The second power shift in East Asia, which is different in nature but critical in its own right, is between South Korea and Japan. The South Korean discourse on a declining Japan is often contradictory, emphasizing that a big power gap still exists between the two while at the same time wanting to see Japan as in decline or neglect. The undeniable fact, however, is that the power gap is constantly narrowing, drawing the two countries closer to each other, not only in the context of power relations but also in their common diplomatic and domestic agendas, political and economic systems and values, and national interests.

Indeed, South Korea and Japan are in the same boat in a dynamic East Asia made up of a diverse group of countries ranging from China to East Timor. As of February 2014, Japan had recorded trade deficits for the previous 20 consecutive months, and in 2013, South Korea enjoyed the highest trade surplus in its history. While South Korea's surplus soared to $44.2
billion in 2013, it registered a trade deficit with Japan of $24.6 billion. This simply demonstrates the well-known fact that South Korean exports depend a lot on imports from Japan, and that South Korea is an important market for Japanese enterprises.

This mutual dependence is not surprising or new in the postwar evolution of the Japan-South Korea relationship. Indeed, Japan was the most important partner in the economic development and modernization of South Korea after diplomatic normalization in 1965. The level of economic interdependence has now reached the stage where, if seen purely in terms of economic logic, both countries would be better off if they formed a single market, which could indeed be a critical trigger for regional integration.

Similarly, in the domain of political and security co-operation, there are many more similarities and congruences of interests than differences and conflicts between South Korea and Japan. They are the most advanced democracies in East Asia, with vibrant civil societies enjoying and advancing post-modern values. With these values as an important foundation, South Korea and Japan can and should share basic diplomatic and international agendas at this historic time of transition, influenced most importantly by the rise of China and the readjustment of American regional and global strategies.

Against the background of these power shifts, the concept of middle power co-operation can provide an important theoretical perspective to the logic of South Korea-Japan co-operation as equal partners.

MIDDLE POWER CO-OPERATION
We believe the idea of a “middle power” is not about the size of a nation. It is a strategic concept, implying a particular style of diplomacy or characteristic of a national strategy backed by a commitment to liberal values. First and foremost, a middle power strategy is characterized by the absence of unilateralism, which is a defining trait in the thinking and behavior of a great power. As such, a middle power strategy does not directly and unilaterally engage in the balance-of-power game among great powers; its strengths are exerted most effectively in the middle ground between great powers, primarily in the domain of soft security through mutual cooperation among middle powers.

In the realm of traditional power politics, theoretically speaking, middle powers have two strategic options: building a close security relationship with one of the great powers, or remaining neutral, either by disengaging from power politics or by playing a balancing role between the great powers. Due to the importance of vested interests in the post-World War II liberal international order, as well as the magnitude of uncertainty associated with the rise of China, the choice for regional middle powers has been and is likely to remain in the foreseeable future a security relationship with the US.

Middle powers, however, share an interest in not antagonizing China for two fundamental reasons. First, the strategic clash between the US and China will deprive freedom of decision and action for middle powers. Second, there are many issues and areas where co-operation with China is important for the national interests of middle powers as well as for regional stability. Accordingly, the management of security relationships with the US will remain a complex task for middle powers, which cannot be done effectively unless they opt for mutual consultation and co-operation in dealing with the US.

While dealing with the great powers as secondary players, middle powers can and should promote joint efforts in the middle ground of non-traditional security and functional co-operation. In essence, this domain of multilateral co-operation is the most important area for a middle power strategy, where its entrepreneurial role in creating institutional arrangements of stability and prosperity is critical. Multilateral mechanisms for co-operation initiated by middle powers can form some of the infrastructure of a regional order and are important sources of positive-sum interests for regional countries, eventually providing resilience against possible disruptions by great power politics.

The importance of this type of a middle power strategy should be obvious for South Korea. The management of security issues relating to North Korea requires not only the alliance with the US, but also an effective relationship with China. At the same time, however, security conflicts with China have been emerging for South Korea in recent years, including China’s unilateral announcement of an Air Defense Identification Zone (ADIZ) in the East China Sea in November 2013. There is no easy solution to this dilemma, which arises from differing interests vis-à-vis North Korea, the United States and China. South Korea will have to manage these evolving issues from the perspective of a middle power strategy, which cannot be effective unless co-operative security relationships with other middle powers, including Japan, are carefully crafted.

After all, there is no such thing as “one-country middle-powerism.”

For its part, Japan has had an image problem, particularly in Northeast Asia, but also elsewhere in the region, which has prevented many observers from focusing on and appreciating the real strengths of its national strategy—a strategy that resembles that of a middle power more than anything else. The points made above about the South Korea-US security relationship also apply to the Japan-US alliance, and vice versa. Like South Korea, Japan is not a primary actor in great power politics in the region, and its security policy is not complete or effective unless it is tightly institutionalized in the alliance setup with the US. In addition, a major function of the US military presence in Japan has been and will con-
continue to be for peace and security on the Korean Peninsula. It is no exaggeration to say there is a de facto security link between South Korea and Japan in this trilateral relationship.

In fact, Japan has been using its financial and diplomatic resources in many of the typical areas of middle power strategy. These include various activities of the United Nations and other global institutions in nuclear and conventional weapons non-proliferation, economic governance, social welfare and education, poverty reduction and more recently human security. In East Asia, Japanese strategy has given high priority to regional non-proliferation, economic governance, social stability. Co-operation among middle powers is an absolute necessity here, and there is no more natural partner among the five countries surrounding South Korea than Japan.

REALITY CHECK
Since the normalization of diplomatic relations between South Korea and China in 1992, South Korean views toward China have shifted to reflect evolving Chinese policies as well as dynamic changes in South Korean domestic politics. Under the presidencies of Roh Tae-woo and Kim Young-sam, China remained a passive friend of South Korea, essentially keeping its hands off Korean affairs. In the following 10 years (1998-2007), under the progressive presidents Kim Dae-jung and Roh Moo-hyun, Chinese regional diplomacy turned quite proactive, including involvement in the North Korean nuclear issue through the initiation of the Six-Party Talks in 2003. With the advent of a conservative government under President Lee Myung-bak, however, South Korean relations with North Korea worsened, culminating in the sinking of a South Korean naval ship, the Cheonan, and the shelling of Yeongpyeong island by North Korea in 2011; China essentially took the side of North Korea in the aftermath of these provocations.

Although it is too early to assess China’s policy toward the government of President Park Geun-hye, Park’s pro-China stance stands out so far, despite the Chinese announcement of an ADIZ and other offensive behavior in the East and South China Seas. In one sense, this is understandable, because China is a critical player in the management of North Korean affairs, and economic and social relations between South Korea and China are expanding year by year. The danger lies in the possibility that South Korea would approach China single-handedly, i.e., without any attempt to co-operate with other middle powers in the region, which would surely tempt Beijing to take advantage of South Korean diplomacy for its own strategic objectives.

In a nutshell, the China factor has become an important source of complexity in South Korea’s foreign policy making process. China is both an opportunity and a challenge. China as an economic opportunity is indisputable. Likewise, South Korea is in a good position to empower the Chinese private sector and civil society through a deepening web of economic and social interdependence. South Korea is also well situated to promote substantial dialogue with China concerning the North Korean problem and the future of the Korean Peninsula. Regarding these cooperative aspects of China policy, there should be no major disagreements within South Korea.

However, striking a consensus on the challenges posed by China may be harder. These include South Korea’s positioning between the United States and China as strategic rivals, including the management of the alliance with the US; China’s supportive role toward North Korea; increasing anti-South Korean nationalism in China; Chinese preoccupation with traditional values such as territorial integrity and national sovereignty; and how and with whom to build co-operation in dealing with these challenges.

In coping with these challenges, South Korea alone, or for that matter any middle power alone, cannot play a meaningful role in forging regional stability. Co-operation among middle powers is an absolute necessity here, and it is the central argument, although a conceptual one, of this essay that, objectively and logically, there is no more natural partner among the five countries surrounding South Korea (the US, China, Russia, Japan and North Korea) than Japan.

Confusion in Japanese politics and diplomacy, however, is not helpful for building awareness in South Korea of the potential for such co-operation. In retrospect, Japanese diplomacy, inspired by liberal internationalism, made a positive new start in the 1990s, soon after the end of the Cold War. Widespread international criticism of Japan’s failure to contribute meaningfully to the 1991 Gulf War gave rise to a sense of trauma in Tokyo, which provided the central impetus for Japanese participation in United Nations peace-keeping operations in the mid-1990s for the first time in the post-World War II era. In the course of these traumatic experiences, open debate about revising the post-war constitution gradually emerged in Japanese society.

Just as internationalism provided the motive for Japanese participation in peace-keeping operations and the constitutional debate, the “re-affirmation” of the US-Japan alliance in the second half of the 1990s was also motivated by concerns about regional and global stability in the post-Cold War era. In the context of Japan’s search for a proactive regional and global role, debate over the right of collective self-defense under the Japan-US alliance also became open in Japan and was tinged with the same internationalist nature as Japan’s other efforts to become a more involved member of the international community.

Significantly, as internationalism inspired the new Japanese debate on security policies in the
1990s, the Japanese government simultaneously engaged in serious attempts to mitigate the burden of history with its neighbors. They included: the statement by the Chief Cabinet Secretary Yohei Kono on the issue of “comfort women” (Aug. 4, 1993); the statement by Prime Minister Tomiichi Murayama on the 50th anniversary of the end of World War II (Aug. 15, 1995); and the historic reconciliation between President Kim Dae-jung and Prime Minister Keizo Obuchi in the ROK-Japan Joint Declaration (Oct. 8, 1998). It was obvious that history was a critical issue for Japan to resolve in order to transform itself from one-country pacifism into active internationalism after the Cold War.

From the end of the 1990s, however, conservative elements in Japanese society and politics, motivated by nationalism, have virtually hijacked the healthy internationalist trend. Particularly during the first administration of Prime Minister Shinzo Abe (September 2006 to September 2007), nationalist voices became central in the debate about constitutional revision. Likewise, the strengthening of the US-Japan alliance, including the right to collective self-defense, became part of the nationalist agenda on security policy. Closely associated with this phenomenon was the challenge by nationalists of the internationalists’ interpretation and handling of the history issue as being too “self-degrading.”

In the wake of these developments, Sino-Japanese relations have continued on a downward spiral. The crisis in the Taiwan Strait in 1995 encouraged Japan’s conservative politicians to talk about the importance of democracy in an attempt to legitimize the US-Japan alliance in the post-Cold War context, as well as to highlight the difference between Taiwan and China. This gave rise to the so-called value-based diplomacy articulated in the first Abe administration and intended to put implicit pressure on China.

At about the same time, anti-Japanese sentiments in China continued to be aggravated, as seen in a series of massive anti-Japan demonstrations in many cities across the country. This vicious cycle produced an atmosphere in which much of the Japanese public has become sympathetic with the conservative argument, stressing that Japan’s efforts to help China modernize and its conciliatory approaches toward history issues have not paid off. Stimulated in this cycle is the somewhat anachronistic emphasis on traditional security issues, most notably territorial disputes, by policy-makers in both countries. Chinese preoccupation with these traditional security values stands out, but equally self-centered arguments on territorial disputes are also on the rise in Japan.

As a result of these factors, the chances for South Korea and Japan to engage in the kind of middle power co-operation discussed above might be viewed as quite slim, hampered by, among other things, their different approaches toward China. But there are elements of hope. Japan’s China policy until the 1990s was largely benign and co-operative, exhibiting much self-restraint on conventional security matters, including territorial disputes. As mentioned above, the new agenda on security policies in the early 1990s was internationalist in nature, and was coupled with conciliatory approaches toward the history problem. While the security policy agenda of the second Abe administration, inaugurated in December 2012, is also essentially internationalist, its discourse is terribly anti-Chinese and nationalistic.

The important task for Japan, therefore, is to bring liberal internationalism back to center stage by re-framing and articulating the same agenda. The concept of middle power co-operation with South Korea would provide an incentive for this new development. Likewise, in order for South Korea to get out of the mold of “one-country middle-powerism,” a partnership with Japan would open up a new horizon of truly strategic thinking and debate.

WHERE TO FROM HERE?
In the complex task of dealing with the rise of China, there are three aspects of middle power security co-operation. One has to do with the hedging strategy in the domain of traditional security, most notably China’s maritime strategy as well as its somewhat anachronistic preoccupation with territorial claims. In this area, going it alone is far from sufficient as a hedging strategy for any of the middle powers, including Japan, and the security presence of the US is an absolute necessity. It is high time for middle powers in the region to discuss and consider seriously how best to co-operate in sustaining and managing the US security presence. Although it is not within the scope of this essay, co-ordination of policies and strategies between South Korea and Japan toward North Korea and the eventual unification of the Korean Peninsula is also of critical importance in the context of trilateral security co-operation involving the United States.

Second, regional middle powers must continue to build networks of functional co-operation that should include a rising China as a critical engine of growth as well as a central actor in the complex transformation of a regional order. Here, too, whether and how regional middle powers could co-operate in setting the agenda and providing an ideational drive for regional integration remains critically important in working with China and shaping the region in the years ahead.

Third, in the domain of regional security, non-traditional security co-operation among middle powers is a natural first step. The Japan-Australia Joint Declaration on Security Co-operation, signed in March 2007, embodies such non-traditional security co-operation. South Korea and Australia signed a similar, but much more comprehensive, agreement in 2009, titled the Joint Statement on Enhanced Global and Security Co-operation between Australia and the Republic of Korea. There was a similar move between Tokyo and Seoul toward the end of the Lee Myung-bak government with the bilateral Acquisition and Cross-Servicing Agreement (ACSA), but it was never completed. Trilateralizing non-traditional security co-operation among the three middle powers would be an important step toward multilateral security co-operation in the region that would not exclude China, but rather would provide an effective platform for China to associate itself with regional middle powers in a constructive way.

In sum, the strategic clash between the United States and China will deprive both South Korea and Japan of freedom of decision and action. Our two countries are faced with the complex task of managing our respective national security relations with the United States in the midst of a power shift whose future is precarious at best. Under these circumstances, the common denominator for the national strategies and interests of South Korea and Japan is to maintain and strengthen a liberal international order through middle power co-operation. This, in the short to medium term, is our survival strategy amid the shifting power balance between the United States and China, and, in the long run, should strengthen the common ground upon which we can coexist with a strong China.

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