

Japan-Korea Relations:

## Mr. Koizumi Goes to Pyongyang

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The big news for the quarter was Prime Minister Koizumi Junichiro's meeting with DPRK leader Kim Jong-Il on Sept. 17. The two-and-a-half hours of discussions between the two leaders were described by officials as "frank talks" on difficult issues of concern to both sides. Tokyo went into the summit with a fairly stern attitude. In pre-summit negotiations at the end of August, the Japanese established up front that they wanted a satisfactory and definitive accounting by the North Koreans on the unresolved claim of past abducted Japanese nationals. In a break from Japan-DPRK agendas, Tokyo also wanted the North to address security issues in the Dear Leader's meeting with Koizumi (including missiles, the 1994 Agreed Framework, the Nuclear Non-Proliferation Treaty, and the North-South Basic Agreement), and moreover maintained that there would be no explicit in-kind compensation of any sort by Japan for this meeting.

### **The Summit and the Joint Declaration**

The joint declaration emerging from the meeting addressed a range of issues. The most tangible accomplishment was a commitment by both leaders to resume long-suspended normalization dialogue between the two sides immediately (i.e., October 2002). There was an exchange of apologies: Japan made a statement of regret regarding the colonial past, while the DPRK offered a similar statement on the abductions issue. Tokyo acknowledged that economic assistance in the form of grants, long-term low-interest loans, and humanitarian assistance disbursements through international organizations would be offered to Pyongyang after a normalization settlement is reached (and upon this settlement, all pre-1945 historical claims would be waived by the North). In a nod to Japanese concerns that nonproliferation issues be addressed in the summit, the joint declaration contained a general statement regarding mutual agreement with regard to fulfilling "all related international agreements" pertaining to nuclear issues on the Peninsula, as well as an explicit North Korean commitment to extend the moratorium on missile launches beyond 2003.

### **Success or Failure?**

The aftermath of the meeting has seen wide-ranging judgements on the success (or

failure) of Koizumi's efforts. Some have criticized the Japanese premier's diplomatic initiative as a naked attempt to boost popularity and divert attention from domestic economic problems. Others have said exactly the opposite: Koizumi hopes to use the short-term popularity from the North Korea trip to press forward with difficult economic reforms at home. In a larger regional context, some have argued that Koizumi's visit to North Korea policy represents a reaffirmation, if not resuscitation, of the U.S.-Japan alliance as Japan was seen for the first time to take an active leadership role in the region, resonant with the vision of a strategic partnership laid out in the 2000 National Defense University study chaired by Richard Armitage and Joseph Nye. Yet others have argued the opposite: Koizumi's diplomacy marks a shift away from the alliance. Tokyo perceived Bush's ill-advised policies as not only entrapping Japan into confrontation with the North, but also undermining regional stability. Between these polar set of assessments, I believe, emerge four basic points about how to think about this summit.

First, the summit marks a watershed in Japan-DPRK relations. There have been other high-level attempts at dialogue in the past, most notably, planned Liberal Democratic Party (LDP) contacts with Pyongyang during the Tanaka Kakuei administration in 1972-1974; meetings between emissaries of Nakasone Yasuhiro and then-DPRK Foreign Minister Ho Dam in the mid-1980s; and LDP strongman Kanemaru Shin's meetings with Kim Il-sung in 1990-1991. These contacts, however, pale in comparison to the face-to-face high-level meeting in September. Another important contextual factor that sets the Koizumi-Kim meeting apart is that it takes place against a backdrop of protracted and serious normalization dialogue over the past two to three years whereas the previous diplomatic forays were stand alone events. Though normalization talks between Tokyo and Pyongyang date back to 1991, the 11 rounds of talks reached a critical stage at the end of 2000 when the general outlines of a package appeared to be in the making (See "Ending 2000 with a Whimper, Not a Bang?" *Comparative Connections*, Vol. 2, No. 4, January 2001). These efforts failed miserably in part because the North Koreans were focused on a possible visit by then U.S. President Bill Clinton at the time, but largely because the Japanese side inquired about the fate of the abductees. The North Korean delegation reportedly responded by abruptly walking out of the negotiating room and never returning. The abductions issue consequently remained a major political obstacle to forward movement on normalization talks that could only be dealt with by a high-level political push like the summit. Hence on Sept. 17, 2002, there is no denying that Japan-DPRK relations charted new ground.

Second, the domestic-political backlash over the supposed resolution of the abduction issue is significant. In many ways, Prime Minister Koizumi got more than he bargained for – the Japanese wanted a definitive statement from Kim Jong-il at the meeting rather than the vague past promises to "investigate" the cases. Kim subsequently not only admitted North Korean responsibility for these abductions, but also revealed that a substantial number of these were dead (and not due to old age). Thus, the strategic calculus at the government-elite level was that a major hurdle had been cleared in normalization dialogue. The math on the street, however, was quite different. The domestic-political reaction was one of anger and despair at the deaths – rather than express satisfaction at Kim's confession, the public expressed disbelief that a country

could admit to kidnapping and possibly killing Japanese nationals and then be potentially showered with billions of dollars in economic assistance (pursuant to normalization).

In fairness to the Japanese government, news about the actual fate of the abductees reportedly was not released by the North Koreans until the immediate run-up to the summit meetings, but the net assessment is that the domestic anger is significant. The numbers don't lie. *Gaimusho* (Ministry of Foreign Affairs) reported polling found that nearly 74 percent of Japanese remain dissatisfied with Kim Jong-il's "apology," and only 7 percent believe that the summit reflects a genuine change in the character and intentions of the DPRK regime. Japanese officials may contemplate a delay in the reopening of normalization talks (scheduled to start in October). The domestic backlash will also test the mettle of Koizumi's political leadership in persuading public opinion to focus on the big picture of attaining that which is in the Japanese national interest *vis-à-vis* North Korea rather than fixating on this tragedy.

Third, in spite of the joint declaration's inclusion of Japanese atonement for the colonial period and North Korean regrets for the abductions, apologies and for that matter, history, is far from resolved as an issue in the normalization of this relationship. Anyone even vaguely familiar with Japan-Korea relations would acknowledge this point. The primary empirical referent in this regard is South Korea. The Seoul-Tokyo relationship was filled with similar (and many more) apologies (the formula used for the Japanese statement of regret was similar to that used by previous Japanese premiers *vis-à-vis* South Korea), yet history remained far from settled after the 1965 settlement.

The counter-argument might be that history could pose less of a problem in Japan-North Korea relations in large part because the authoritarian nature of the regime enables Kim Jong-il to simply declare one day that Japan is no longer the hated historical enemy (one is reminded here of former Premier Kishi Nobusuke's statements in the 1960s about the "convenience" of doing business with a one-man show in military ruler Park Chung-hee in South Korea). If Kim were to do this, however, who would the North Koreans hate? North Korean ideology, propaganda, and arguably components of its national identity are organized around an enemy-image that validates and legitimizes the self by delegitimizing the other. This is what Samuel Kim once referred to in the inter-Korean context as "competitive delegitimation." During the Cold War, these enemies were plentiful, including the United States, South Korea, and Japan. In the aftermath of the June 2000 summit, DPRK propaganda regarding Seoul and Washington mellowed quite a bit, reflecting not merely rhetorical changes but also an internal revision of the political discourse on these two countries. As this mellowing occurred *vis-à-vis* the ROK and U.S., propaganda increased and focused with laser-beam intensity on Japan as the enemy. The point here is not that Kim Jong-il cannot gerrymander the discourse again to adjust to the new situation, but that this is an exercise that goes deeper than merely changing the rhetoric that blasts across the speakers at the DMZ. This reworking will take time, and in the interim, historical animosity will still be salient.

Finally, Koizumi's actions were critical to the U.S. decision to reinstate the visit by Assistant Secretary of State for East Asian and Pacific Affairs James Kelly to North

Korea. This is not because the substance of the summit convinced anyone in the Bush administration of North Korea's benign intentions. On the contrary, neither Kim Jong-il's extension of the missile testing moratorium nor the vague statement on complying with nuclear agreements offered any real value-added for security-types in terms of transparency on the regime. The summit, however, was important in the Bush administration's decision to send Kelly in several respects. In some ways, Japan offers a more credible voice on the Korean Peninsula than South Korea these days. ROK President Kim Dae-jung has so much invested in the Sunshine Policy that entreaties to the U.S. to reengage with the North fall on deaf ears in Washington. But when the Japanese (who have been arguably more skeptical of DPRK intentions than the U.S. after the Taepo-dong test in August 1998) take such a dramatic step and personally communicate to the U.S. that engagement is worthwhile, then this registers. In addition, Koizumi's trip to Pyongyang capped off a series of rather radical actions by the North to steer its regional relations back on track in the aftermath of the June 29 West Sea clash. Even skeptics would have been hardpressed in June 2002 to predict that the North would have dialogued with Russian President Vladimir Putin, reinstated North-South contacts and family reunions, reached agreements on the inter-Korean railroad and demining, created a new special economic zone in Sinuiju, and invited the Japanese prime minister for talks (and then admit guilt and apologize for the abductions).

In this sense, Koizumi's trip added to a regional momentum toward engagement that was very difficult for even hawks in the Bush administration to oppose for the time being. Contrary to some press accounts, Koizumi did not convince the Bush administration to shift its policy on North Korea. Bush officials reengage with the North in the first week of October with the same degree of skepticism and suspicion of Kim Jong-il's intentions. The Japanese premier's efforts, however, arguably have done enough for even the Bush skeptic to see whether, this time, there is really any substance behind the warm wind blowing from Pyongyang.

### **Thinking Out of the Box**

Whether Japan likes it or not, by virtue of the Koizumi-Kim meeting, it has established itself as a player on the North Korea issue (e.g., for the first time, Japan was the center of attention at the last Trilateral Coordination and Oversight Group meeting). Actions Tokyo takes on normalization dialogue with Pyongyang have consequence for U.S. concerns on security issues and vice versa. This new equation only heightens the importance of trilateral coordination.

One issue down the road of policy coordination will be the nature of a Japanese normalization package with North Korea. Admittedly, we are still far from a successful conclusion (let alone, restarting) of these talks. But there is one issue worth flagging as a topic of future discussion – the financial aspect of a potential normalization settlement. The template for such a settlement, as stated by Japanese officials, has been that a Japan-DPRK pact would follow the same formula as the 1965 Japan-ROK pact. This would entail a combination of grants and low-interest loans that would total somewhere around \$10 billion in today's currency. Virtually everyone has accepted this as the working

formula for the settlement, the primary argument being that this represents Japanese equitable treatment of the two Koreas.

One could legitimately question whether 1965 is the right template for Japan to be using in normalization discussions with the North. Though equitable in a bureaucratic sense, the situation surrounding Japan-ROK normalization and Japan-DPRK normalization is anything but similar. Normalization between Seoul and Tokyo took place under very unique and uncomparable terms. The pact was considered at the time a critical link between two allies of the United States (who subtly but strongly supported normalization) in Northeast Asia at the height of the Cold War. Japan provided inordinately large sums of economic assistance as part of a comprehensive security strategy to shore up a rickety and relatively weak ROK economy as a bulwark against communism on the peninsula. The specific formula of grants and loans that accompanied the treaty was only possible because of secret negotiations and close personal relationships between then Prime Minister Ohira Masayoshi and Kim Jong-pil. Though historical animosity existed and there were occasional confrontations at sea (over the unilaterally declared Rhee line against Japanese fisherman), South Korea neither kidnapped Japanese nationals, nor posed a direct military threat to Japan.

The Japan-DPRK pact takes place under wholly different circumstances. The DPRK poses a direct military threat to Japan with its Nodong missile deployments. Any logical extrapolation of DPRK strategic doctrine suggests these missiles are aimed at Japan as a deterrent to U.S. flowing reinforcements onto the peninsula. North Korea has test-fired at least two of these missiles at Japan (the Nodong in 1993 and Taepodong in 1998). They have kidnapped Japanese citizens and allowed them to die while in captivity. North Korea remains in default on loans from Japan (the first defaults were in the late-1970s) to a tune of \$11 billion.

In short, the funds that accompanied the Japan-ROK 1965 treaty settlement were critically tied to a larger geostrategic Cold War context in Asia between two key American allies. A pact today with North Korea would be one consummated with not an ally, but a country that directly threatens Japan's homeland, violates its sovereignty, and already owes it billions of dollars. How are these two situations comparable enough to warrant a similar template?

Japanese officials might justify the need to use the 1965 treaty as the empirical referent for North Korea because Tokyo feels obligated to offer atonement for the colonial period to both Koreas in equal fashion. If that is the rationale though, then the correct dollar amount to give North Korea should not be today's equivalent of \$500 million (i.e., \$10 billion or the 1965 package of \$200 million in ODA and \$300 million in commercial loans). Instead, it should be *today's equivalent of \$45 million*. In a little-known component of the 1965 treaty, this is the amount that Tokyo agreed to provide South Korea in colonial property claims over a 10-year disbursement period in addition to the basic package of loans and grants (there was an additional \$300 million as a grant in aid consisting of Japanese products and labor for ROK economic development).

The circumstances surrounding Japan-ROK and Japan-DPRK are *sui generis*. They should be treated as such by Japan. To do otherwise, while bureaucratically convenient, does a disservice to the Japanese national interest and obligates Tokyo to pay the North a lot more money than they need to. A little out-of-the-box thinking by the bureaucrats and Prime Minister Koizumi might be in order.

## **Chronology of Japan-Korea Relations July-September 2002<sup>1</sup>**

**July 1, 2002:** Japanese Prime Minister Koizumi Junichiro meets with ROK President Kim Dae-jung in Tokyo; reaffirms the importance of cooperation.

**July 4, 2002:** Japanese Foreign Minister Kawaguchi Yoriko removes Okazaki Kiyoshi as consul general in Shenyang for failing to deal appropriately with North Korean asylum-seekers at the consulate in May.

**July 7, 2002:** Japanese investigation team finds Korean writing on a suspected DPRK ship salvaged by Japanese authorities in the East China Sea.

**July 9-10, 2002:** The first meeting of the Korea-Japan Free Trade Agreement (FTA) Joint Study Group in Seoul.

**July 10, 2002:** Four aging Japanese Red Army members, who hijacked an airliner 32 years ago, complete official preparations in DPRK to return to Japan.

**July 13, 2002:** FM Kawaguchi holds talk with ROK counterpart Choi Sung-Hong in Seoul and discusses joint policy on the naval clash between DPRK and ROK patrol boats.

**July 16, 2002:** ROK and Japan hold fourth high-level economic council meeting in Tokyo.

**July 18, 2002:** DPRK decides to rescind its decades-long rice rationing system.

**July 25, 2002:** DPRK expresses regret over the June 29 naval clash.

**July 30, 2002:** South Korea's national tour operator says next month it will begin offering the first package tours from Japan to the DPRK's Geumgangsan.

**July 30, 2002:** Foreign ministers from the ROK, Japan and PRC agreed to expand economic and human exchanges, promising to hold three-way talks on a regular basis.

**July 31, 2002:** FM Kawaguchi and DPRK counterpart Paek Nam-sun meet in Brunei and agree to make a serious effort to realize the normalization of relations.

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1. Chronology compiled with research assistance from Hyunsun Seo.

**Aug. 1, 2002:** DPRK devalues won to 1/70th of its former value as part of an economic reform drive, according to a Chinese media report.

**Aug. 2, 2002:** Korea, China, and Japan agree to cooperate closely on key financial market issues, including the stabilization of the region's foreign exchange markets in order to maintain financial stability.

**Aug. 7, 2002:** Concrete pouring ceremony is held at Korean Peninsula Energy Development Organization light water reaction construction site in the DPRK.

**Aug. 12, 2002:** ROK FM Choi meets Japanese counterpart Kawaguchi in Tokyo.

**Aug. 14, 2002:** UN International Hydrographic Organization agrees to consider ROK and DPRK proposal to rename the "Sea of Japan" the "East Sea/Sea of Japan."

**Aug. 15, 2002:** Ehime prefecture School board in Japan endorses nationalist textbook defending Japan's wartime aggression for use in three junior high schools.

**Aug. 16, 2002:** Japanese Red Cross society confirmed the survival in Japan of several Koreans missing since wartime.

**Aug. 17, 2002:** Japan proceeds with spy satellite plan; the areas to be subject to surveillance are China, Taiwan, the Korean Peninsula, Russia, and Japan.

**Aug. 18-19, 2002:** Japanese and DPRK Red Cross officials meet in Pyongyang. The DPRK pledges to make a serious effort to address the abduction issue.

**Aug. 20, 2002:** Japan launches diplomatic effort to foil the ROK's attempt to rename the body of water separating the two countries from "Sea of Japan" to "East Sea."

**Aug. 24, 2002:** North Korean vice minister of trade Kim Yong-sul makes 11-day unofficial visit to Tokyo to explain Pyongyang's new market-based reforms to Koreans living in Japan.

**Aug. 25-26, 2002:** Japan and the DPRK hold high-level talks in Pyongyang to pave the way for negotiations on establishing diplomatic ties. PM Koizumi sends a message to DPRK leader Kim Jong-il through the Japanese delegation and proposes a six-party forum.

**Aug. 27, 2002:** ROK welcomes Japan's proposal to establish a six-party security forum on Northeast Asia, which would also include DPRK, U.S., PRC and Russia.

**Aug. 30, 2002:** Japan announces PM Koizumi will visit North Korea on Sept. 17 for talks with Kim Jong-il. Koizumi holds phone talks with ROK President Kim and expresses full support for Sunshine Policy.

**Sept. 1, 2002:** Korea and Japan announce plans to resume joint exploration for oil and natural gas in the joint development zone on the Korea-Japan continental shelf after a 16-year halt.

**Sept. 2, 2002:** Japan decides to provide ROK with flood relief supplies worth 16.7 million yen (\$140,600).

**Sept. 3, 2002:** ROK FM Choi meets Japanese FM Kawaguchi in Johannesburg.

**Sept. 5, 2002:** Ten-day UN conference on geographical names concludes without addressing demands by two Koreas that the name for the body of water now called the Sea of Japan be changed.

**Sept. 6, 2002:** Japanese government decides to extend economic aid to the DPRK under the strict condition that resources not be used for military purposes.

**Sept. 6-7, 2002:** At the Trilateral Coordination and Oversight Group meeting in Seoul, the U.S. and ROK express “strong support” for PM Koizumi’s visit to Pyongyang.

**Sept. 10, 2002:** Six relatives of Red Army members who hijacked a Japan Air Line plane in 1970 arrives in Japan. Five are children of the hijackers who were born in the DPRK.

**Sept. 10, 2002:** Russian President Vladimir Putin asks PM Koizumi for Japanese participation in the Trans-Siberian and Trans-Koreas railroad projects.

**Sept. 11, 2002:** Japan Coast Guard raises suspected DPRK spy ship that sank in December.

**Sept. 14, 2002:** DPRK leader Kim Jong-il expresses willingness to normalize diplomatic relations with Japan in a written interview with Kyodo News.

**Sept. 14, 2002:** Suspected DPRK spy ship salvaged by the Japan Coast Guard arrives in Kagoshima Bay.

**Sept. 15, 2002:** ROK FM Choi and Japanese FM Kawaguchi hold talks in New York.

**Sept. 17, 2002:** Japanese PM Koizumi meets DPRK leader Kim Jong-il in Pyongyang. The two leaders make progress toward the normalization of relations. Kim acknowledges alleged abduction cases.

**Sept. 18, 2002:** PM Koizumi holds phone talks with ROK President Kim.

**Sept. 19, 2002:** U.S. government “welcomes” and “supports” the outcome of the summit meeting between PM Koizumi and DPRK leader Kim.



**Sept. 20, 2002:** PM Koizumi indicates that Japan may resume rice aid to North Korea before normalization of bilateral relations. He also says that the DPRK agreed to international inspections of its nuclear program at the landmark summit.

**Sept. 21-22, 2002:** Japan and North Korea held unofficial consultations in Beijing, with Tokyo demanding a thorough investigation into the abductions of its nationals.

**Sept. 22, 2002:** Japan and the ROK urge the U.S. to resume contacts with the DPRK.

**Sept. 23, 2002:** The DPRK designates Sinuiju as a special administrative region to stimulate foreign investment and names Yang Bin, a Chinese-born entrepreneur, as chief executive.

**Sept. 25, 2002:** Japan decides to send a team of investigators to the DPRK to gather information on the abduction of Japanese nationals.