



# **US-Japan-ROK: Muddling Through Troubled Waters**

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## **Introduction**

On March 7, 2019, the NCAFP held a US-Japan-Republic of Korea Track 1.5 conference with participants from all three sides to explore opportunities and challenges in trilateral security cooperation. Participants roundly agreed that the major obstacles to security cooperation were due to the political choices by all three sides and discussed recommendations to maintain a base level of collaboration while muddling through the current period. While most in the group predicted that the prospects for trilateral cooperation are bright in the medium to long-term, given the common threats faced by all three countries, some expressed concern that short-term pressures to pull away from each other could precipitate a crisis that would crack the foundation of future cooperation. What follows is a summary of the discussion and policy recommendations.

### ***Trends and Fault lines in Trilateral Relations***

Proponents for trilateral cooperation have not disappeared from any side, but their viewpoints and arguments for deeper ties have not been sufficient to surpass the political incentives for each state to focus only on bilateral relationships. In the ROK, a relatively risky strategy to spark transformation of North-South relations after decades of confrontation has the political environment domestically focused and looking for unifying narratives that cast Japan as a perennial bad actor. In Japan, Prime Minister Abe's push to redefine Japan as a key competitor in major power relations and a defender of the liberal international order has Japan concentrating more on relations with the US, EU and Russia than on resolving long-standing irritants in relations with the ROK. And policy guidance in the US on even the basic role, purpose and value of the alliance structure is inconsistent, with the President often breaking from the foreign policy and defense establishment on how to conduct these partnerships in an equitable and beneficial manner.

As with previous trilateral conferences organized by the NCAFP, participants roundly agreed that the weak leg of the trilateral structure remains ROK-Japan relations, which has always seen periods of ups and downs. What has changed over time is that the nadir is dropping, with several participants noting that ROK-Japan relations are at their lowest point since normalization of relations over half a century ago. Key proponents for stronger bilateral relations have been sidelined in each country's domestic political environment. There is a declining perception in each other's potential as a reliable partner. Political appointees are not empowered to improve relations or are missing entirely. Pressure to save face or maintain an upper hand on social justice

and history issues is freezing out other essential parts of the bilateral relationship. Both sides are embittered over the most recent developments in addressing history issues, such as the ROK Supreme Court decision to impose financial costs or even seize assets from Japanese companies over forced labor.

Adding to these troubles is President Trump's transactional approach to alliances and his aversion to multilateralism. One presenter characterized the challenges of trilateral cooperation in the Trump era as "five nos": no top-level guidance; no bureaucratic support; no political coverage from the parties governing each country; no structural support; and no chemistry at the leadership level. Together, these "five nos" reveal either a lack of understanding on the US side of the benefits of trilateral coordination to address Trump administration priorities—that such cooperation would multiply the strength of the US approach to the North Korean nuclear issue or to aggressive Chinese behavior against US allies—or are reflective of a political decision to coordinate all policies through Washington without providing the requisite delegation and support within the administration that make the hub successful. Participants wondered if President Trump's aversion to any success attributed to the Obama administration's policies and to multilateralism in general also plays a role in the current US approach toward allies.

But despite all of the immediate concerns, many participants agreed with one presenter that the future of the trilateral relationship is bright, if for no other reason that all three sides face common challenges. In the short-term, the major challenge is how to resolve the North Korean nuclear issue. In the medium to long-term, the major challenge will be how to balance the need for economic relations with China against China's use of those relations for coercive purposes. And beyond these two major challenges, there is also the issue of how to handle maritime disputes and interactions as oceans become more crowded and undersea resources more valuable.

### ***Maritime Issues***

A presenter noted that of all institutional cooperation, trilateral naval cooperation has historically been the best, but that military-to-military ties are always first to suffer from the demons of history. The presentation and discussion on maritime issues covered two major points: an overview and analysis of the Dokdo/Takeshima debate between the ROK and Japan; and the recent confrontation between an ROK destroyer and a Japanese P1 surveillance plane. The key point is that many of the recent confrontations over maritime issues—whether the issue of the Japanese Naval Self-Defense Forces flag, the Dokdo-Takeshima dispute, and the radar-painting incident—stem from the political positions of each government to litigate history issues in today's court of public opinion.

The presenter reminded participants that it has also been impossible to separate territorial issues from history issues. Japan claimed sovereignty over the Liancourt Rocks (now known as Dokdo in Korea and Takeshima in Japan) under the principle of *terra nullis* or unclaimed, uninhabited land in the year 1905. For South Korea, 1905 is the beginning of Japanese expansionism that culminated in the annexation of the Korean Peninsula and the subjugation of its residents. After the conclusion of World War II, then-ROK President Rhee claimed and occupied the features in

the absence of a definitive American or UN declaration of a legitimate owner, and South Korea has since installed infrastructure supporting tourism and navigation, as well as allowed two permanent residents (now one as of February 2019).

For Japan, sovereignty only became a major political issue in the early 2000s when Japanese fishermen fed up with poor treatment by Korean fishermen in the areas surrounding Dokdo/Takeshima created a special holiday to draw attention to Japan's sovereignty claim. Since then, the issue has periodically risen in public profile, including when Japanese history textbooks are revised every few years. The presenter noted that the sovereignty issue was mostly "manufactured," and unlikely to be resolved by force. The sensible way forward would be to cut a political deal, guaranteeing fishing access and sea mining rights to Japan in exchange for renouncing sovereignty. Such a deal could even pave the way forward for a similar resolution to the Senkaku/Diaoyu Islands between Japan and China, in which Japan's status mirrors that of the ROK on Dokdo/Takeshima.

The radar issue involving the recent confrontation between the Japanese Maritime Self-Defense Force and the ROK Navy came up in general discussion. There was skepticism on the part of some participants on whether or not the issue was sparked by technical difficulties as has been officially suggested. A participant with a naval background felt that the movement of the surveillance plane based on footage released by the Japanese could have indeed been seen as irritating and provocative, even if done as part of normal operations. Still, both sides should have exercised better judgement, not only at the time of the incident but also in the subsequent media releases. The public relations positions of both sides over this incident did little to turn a crisis into an opportunity for better communication.

The presenter also noted that the seas between China, the Korean Peninsula and Japan are becoming crowded not only by increased commercial activity but also the build-up of submarine forces. Of particular concern is the DPRK's recent demonstration of a submarine-launched ballistic missile (SLBM) that may have the capacity to carry a nuclear payload. Much of the missile defense system that protects the trilateral allies from a DPRK attack is focused on land-based missiles. It will need to be updated to deal with changing DPRK capabilities.

Similarly, while the 2014 Code for Unplanned Encounters at Sea (CUES) was an important breakthrough in creating common signals of intent between ships of different flag states, it needs to be updated to include procedures for unidentified submerged submarines. This is not only important with regard to North Korea's likely ability to launch an SLBM but also due to the likely proliferation of submarines operating in East China Sea—between China, the Korean Peninsula and Japan—as each country brings more subs online.

## *North Korea*

Participants observed a drift between the assessments of the US, the ROK, and Japan on the threat posed by North Korea's nuclear weapons and missiles program. The Moon administration pushes for sanctions relief despite the likely continuance of the program, arguing that transformational change through economic development is the only path to denuclearization. President Trump had said publicly just before this conference took place that he was in no rush to reach a resolution in the absence of testing, seemingly downplaying advancements in the nuclear program that could be reached under a testing moratorium. Meanwhile, the Abe administration is concerned about a weakened deterrence strategy that has seen downgrading or stopping of military exercises in the absence of concrete steps toward denuclearization. Put simply, trilateral cooperation is a deterrence strategy in itself; a focus by two of the three trilateral partners on dialogue over deterrence negates the value of trilateral cooperation.

While some have criticized the Abe government for a narrow focus on the abductee issues as a precursor for Japan's involvement in the nuclear program negotiations, a participant pointed out that Japan also has a broad focus on maintaining the integrity of both the Non-Proliferation Treaty (NPT) and the UN Security Council resolutions, which are the basis of international law. In the event of a deal that successfully dismantles North Korea's nuclear facilities, Japan's role will be limited to financial technical assistance and humanitarian assistance. But humanitarian assistance might be linked to larger human rights issues, including the resolution of abductee cases. A speaker noted that while Japan was in the driver's seat for the pressure campaign, it has little incentive or momentum to drive the dialogue campaign.

Some participants questioned the assumption that lifting sanctions is the necessary condition for transformative change on the Korean Peninsula. Comparisons of North Korea's economic and political system to those of China and Vietnam before their respective reform and opening movements are shaky. North Korea, one participant noted, is a parasite economy with a political system in which social mobility depends on loyalty to the rulers. Opening the economy without substantive domestic reform is not likely to change this structure, but substantive domestic reform could challenge the Kim regime's hold on power. So while the US-led international pressure campaign attempted to force a choice for Kim Jong Un between the nuclear program and regime survival, so too does real transformative economic change seem likely to erode regime legitimacy. This has created skepticism among many North Korea policy specialists that lifting the sanctions will change North Korea's behavior as opposed to giving the regime more tools with which to coerce the international community into further concessions. The key question, one presenter noted, is what kind of prosperity does Kim Jong Un want?

On the other hand, continued sanctions were seen as weakening the Kim regime's control of the economy by divesting the state from the market. The challenge in pursuing a pressure-based strategy for transformational change in North Korea is the risk of instability. A full-scale and likely sudden collapse of the regime—a contingency scenario—would raise immediate thorny questions about the role of various regional stakeholders in first securing the nuclear material and then in resolving the political instability so that a North Korean collapse does not become the epicenter for greater regional conflict based on miscalculations and misperceptions.

Coming only days after the Hanoi summit, one participant outlined the positive aspects of emerging from the summit with no deal: first, the outcome of the summit exposed the gaps between the US and the DPRK on how to resolve this issue, whereas a small deal might have continued to conceal those gaps; second, the outcome exposed the fallacy of a completely top-down approach and made clear that a working-level process is necessary; third, the outcome mobilized partners to maintain the momentum of diplomacy; and fourth, the summit itself put Kim Jong Un on the record as supporting the idea of liaison offices and reiterating that he would not have come to Hanoi without the intent to denuclearize. The relative restraint of the DPRK in maintaining its testing moratorium in the interim suggests that a no-deal summit did not derail the dialogue process.

### ***The Changing Regional Balance of Power***

One of the key opportunities for and challenges to trilateral cooperation is the changing balance of power in the region as China rises. On the one hand, China's rise is an opportunity for the trilateral partners to strengthen deterrence against coercive economic and security actions, including unofficial sanctions or boycotts such as those against the Lotte conglomerate after it gave up real estate holdings on which the Terminal High-Altitude Area Defense (THAAD) system was based or the ban of rare earth metals sales to Japan following the government purchase of the disputed Senkakus/Diaoyu islands from a private Japanese citizen. On the other hand, both Japan and the ROK want to participate in China's economic rise both through access to its markets and through joint development projects in third countries.

A participant noted that when it comes to trilateral cooperation, anything done that would displease Beijing makes Seoul very, very nervous. It is simply too dependent on the Chinese economy to risk angering Beijing, and had promised not to participate in trilateral missile defense in order to close the chapter on the THAAD/Lotte issue. This may change, over time, as natural market development in China pushes manufacturing and assembly into Southeast Asia and other places with comparatively lower cost of labor. This participant noted that Japan and China have recently come to agreement on development cooperation in third countries and hoped that Japan and the ROK could do some similar projects. Japan has put forth a strategy of the Free and Open Indo-Pacific (FOIP) and could do further explain how it sees Korea playing a role in this framework.

Another participant wondered why there was little multilateral coordination on China's coercive economic diplomacy in general, citing many cases in which China turned off imports or exports of vital sectors or industries based on political disagreements with other countries. A presenter agreed that a balance of power system should see countries banding together to deal with China's trade practices, but there is no agreement of where such a focus lives—is it WTO reform? Is there a diplomatic solution? What about when these unofficial sanctions endanger or are related to national security questions? In other words, the hybrid nature of the problem has stymied a coordinated response.

## ***Prospects for Trilateral Cooperation and Policy Recommendations***

Many participants agreed with one presenter that the prospects for strengthening trilateral cooperation in the current political environment were low. The most likely best-case scenario would be to muddle through this period in which the priorities of the three administrations were often contradictory. For Korea-Japan bilateral relations, one participant noted that muddling through may be the only option on three issues: comfort women, the ROK supreme court decision to penalize Japanese companies for using Korean labor during Japan's occupation of the peninsula, and the destroyer incident. Of the three, the Supreme Court decision was seen as the most potentially damaging. Also mentioned as a major irritant was the ROK's decision to reject a reconciliation fund from Japan.

A participant wondered if there was room for greater cooperation in the GSOMIA intelligence sharing agreement that was reached by the ROK and Japan in 2016. Other participants were skeptical of such developments, noting that GSOMIA doesn't require intelligence sharing but only makes it possible; it puts the 'hardware' in place, but the 'software' is still subject to the pressures of the political situation.

Another participant noted that polling shows the South Korea general public as having a more positive outlook on Japan than in years past: a Genron NPO poll in the summer of 2018 noted that the unfavorable impression of Japan by South Koreans has gone from approximately 76 percent in 2013 to only approximately 50 percent in 2018. However, the participant noted, the reverse is true in Japan, where perception of the ROK has gotten worse over time.

The US role has been to bandage some of the wounds in bilateral ROK-Japan relations by refocusing the conversation on the present and future, instead of the past, while not becoming too wrapped up itself in adjudicating the history issues. However, it was suggested by one participant that the US has previously and could continue playing the role of a 'line judge,' keeping both sides from drifting too far afield. The US response to Prime Minister Abe's visit to Yasukuni shrine in 2013 was cited as an example that placed some constraint on Abe to refrain from future visits.

The US under the Trump administration has fewer cards to play, this presenter continued. In leaving the Trans-Pacific Partnership (TPP), it no longer has a vision of regional economic standards. In leaving the Paris Agreement on climate change, it no longer can focus on environmental protection as a bigger picture area for regional cooperation. And without key nominees in their post, including the vacancy for Assistant Secretary of State for East Asia and the Pacific, there remain questions about how to promote working level cooperation in the region.

Historically, another presenter stated, trilateral cooperation reached a high water mark when the threat from the DPRK was most acute. However, it is clear now that the partners cannot count on North Korea to drive cooperation; shared values and goals should form the basis of the trilateral partnership. The US role, for this presenter, should not be as a mediator but as a convener which creates space for all sides to communicate their priorities and interests in a positive manner.

A few participants highlighted positive momentum in trilateral cooperation that is often overlooked or downplayed in public narratives. First, one participant pointed out that the Moon administration's National Security Strategy and Defense White Paper mentioned trilateral cooperation as a part of a global Korea strategy. This was interpreted by the presenter as a huge step forward for a progressive ROK government, despite a rhetorical downgrade of Japan's defense in the same documents. Second, there have been three trilateral leader-level summits in the past two years that seem underreported or underappreciated. And third, there are upcoming opportunities to show public support for trilateral relations, not just on the North Korean issue but on global issues that are priorities for all three sides, such as telecom global standards, women's empowerment, development and capacity building in South and Southeast Asia, and peacekeeping operations in the Middle East and Africa. Japan's hosting of the G7 summit and the 2020 Summer Olympics are opportunities for good public diplomacy.

If military cooperation regarding the threat from North Korea was on hold to during the ongoing negotiation process, there are other security challenges to address. Anti-piracy operations as well as humanitarian aid and disaster relief exercises—while not completely making up for exercises related to North Korea—could sustain some military-to-military cooperation and communication in the interim.

On North Korea, the suggestion was raised for the ROK government to make clear how Japan could play a complementary role to the diplomatic process, though there was little optimism that the ROK government would raise the Japanese abductee issue given the amount of unresolved South Korean cases to work through as well. Similarly, Japan should also elucidate a vision of where the ROK fits in its major power strategy, including a Korean role in FOIP. And with regard to China, the US should urge partners and especially allies to strengthen their own internal screening procedures for Chinese investment and trade, akin to the Committee on Foreign Investment in the United States (CFIUS).

Three key questions remain. First, how will domestic politics in the ROK and Japan will reconcile the past with the future? Second, how will the North Korean nuclear issue be resolved (bilaterally or with multilateral engagement and buy-in)? And third, how will the US grand strategy of major power competition use alliances and multilateralism to achieve its goals? In the answers to these questions lies the future of trilateral cooperation.

THE NATIONAL COMMITTEE ON AMERICAN FOREIGN POLICY'S (NCAFP)  
FORUM ON ASIA-PACIFIC SECURITY (FAPS)  
PRESENTS

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A US-JAPAN-REPUBLIC OF KOREA ROUNDTABLE

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THURSDAY, MARCH 7, 2019

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(in alphabetical order)

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