

## **The 10<sup>th</sup> Japan-Korea Dialogue (The Outcome Summary)**

This year's "Japan-Korea Dialogue" was held online in the afternoon of November 20, 2021 and hosted by Security Study Unit, Institute of Future Initiative, The University of Tokyo. Security experts from the two countries gathered to share their analyses and to exchange their views on East Asian Security. At the opening session, Professor Kiichi FUJIWARA and Dr. Jae Ho CHUNG exchanged welcoming remarks on behalf of each of the two country panels. They welcomed that such a meaningful annual dialogue has been established and expected the participants to promote productive discussions. The following two panel discussions were conducted under the broad theme of the strategic situation in Japan, South Korea, and the Indo-Pacific region in the context of the U.S.-China strategic competition.

### **Session I. "the U.S.-China Strategic Competition and the Indo-Pacific"**

The first session was moderated by Professor Jae Ho CHUNG of Seoul National University with two keynote presentations by Dr. Tomohiko SATAKE of the National Institute for Defense Studies and Dr. Hun Joon KIM of Korea University.

Dr. SATAKE delivered the first presentation titled "Minilateralism in Indo-Pacific: Roles of Middle Powers." He defined "minilateralism" as "cooperative relations that involve three to nine countries, and are relatively exclusive, flexible and functional in nature" following the definition provided by previous literature. He also explained that in the context of U.S.-China strategic competition, the major rationale of "minilateralism" in the region has been to protect the vision of "Free Open Indo-Pacific (FOIP)" and to defend against China unilaterally changing the status quo, as well as more generally supporting the rules-based system. Through comparing with examples of the minilateral security cooperation observed so far in the Indo-Pacific region, Dr. SATAKE described the U.S.-Japan-ROK trilateral as the most institutionalized and traditional arrangement, promoting interoperability through military exercises and information sharing, and making ROK Japan's biggest defense exchange partner bar the U.S. At the same time, he also noted that minilateral security cooperation frameworks that do not include U.S. participation tend to be less developed and less institutionalized. In this context, Australia's motivation to pursue AUKUS can be seen to address both Australia's "submarine gap" and its difficult relations with China.

Dr. SATAKE explained the following three merits of "minilateralism" in the Indo-Pacific region. First, "minilateralism" helps to maintain a regional power balance by providing the U.S. with incentives to remain engaged in cooperative initiatives with its regional partners. Second, regional minilateral security cooperation has strengthened regional resiliency through promoting functional cooperation. While most countries in the region have begun to recognize the importance in the context of maritime security, there is also a growing interest in economic integration as well as in non-traditional security issues, such as technology and cybersecurity. Third, regional "minilateralism" is helpful for countries in the region to prepare for future strategic shocks, including the decline of U.S. leadership role. Especially, such regional security cooperation frameworks offer "middle powers" opportunities to find out a middle way between U.S. and China as they intensify their competition. Dr. SATAKE concluded his presentation by arguing that the "minilateralism" in the Indo-Pacific is promising but only if "middle powers" including Japan and South Korea are willing to increase their defense efforts and coordinate on their strategic priorities.

Dr. Hun Joon KIM started his presentation by describing the current status of the U.S.-China strategic competition in the Indo-Pacific. According to his analysis, both U.S. and China have been laying the

groundwork for extreme competition. However, he explained that current U.S.-China strategic competition cannot be called a “new Cold War” immediately. He pointed out that there are two important differences with the U.S.- Soviet Union rivalry during the Cold War. One is the extent of economic interdependence between the U.S. and China. In this sense, decoupling would be very expensive for both countries, with China seeing its economic strength as a core interest and U.S. currently emphasizing economic growth for the middle class. The other one is lessons learned from the Soviet collapse. China also does not want to repeat the mistakes of the Soviet Union. However, it is a conundrum for China, since domestic control is necessary for its governance, but its repressive measures have hurt its image overseas and even facilitated anti-China coalitions.

What issues will be more pronounced in the years to come in the U.S.-China strategic competition? Dr. H.J. KIM explained that there are “two plus one” issues: alliance system and global supply chain both derived from competition in values. The U.S. has done more to activate its alliance system, such as the recent formations of Quad and AUKUS. In addition, the U.S. has tried to signal that its alliances work in concert even without a formal U.S.-Korea-Japan link. At the same time, U.S. has also supported the formation of economic coalitions against China (such as the Blue Dot Network, U.S.-EU TTC, and the Summit on Global Supply Chain Resilience), in spite of pressures built up in the region over issues like semiconductors and EV batteries. He added that all of the above are linked to a competition in values, with concerns over the ways in which cyberattacks can damage democracies and over corruption, both of which target China.

Dr. H.J. KIM concluded his presentation by analyzing whether South Korea’s “cautious and ambivalent” foreign policy will be changed by the presidential election scheduled in March 2022. According to his explanation, “broadened Korean diplomacy” might be possible in some sense, but it comes with some reservations: supply chain politics and the Korean peninsula question. South Korea faces a dilemma between two great powers and cannot find the way out easily. Thus, Dr. H.J. KIM explained that the upcoming election will not fundamentally shift South Korea’s foreign policy. In this regard, foreign policy will not be one of the major issues in the upcoming presidential campaigns. However, he also noted that the South Korean people’s perception about China has seriously worsened in recent years.

Based on the above two presentations, the general discussion addressed the following issues: how much the perception of “middle power” has been accepted in the Indo-Pacific region; what incentives do the regional states have to engage with unilateral security cooperation arrangements, including the possibility of ROK’s participation in Quad; what factors are decisive for the policies of regional states in the U.S.-China strategic competition in coming years.

## **Session II. “ROK-China Relations, Japan-China Relations and the Indo-Pacific”**

The second session, moderated by Dr. Akio TAKAHARA of The University of Tokyo, discussed Japan’s and South Korea’s relations with China in the context of the Indo-Pacific. The panel discussion started with the two keynote presentations by Dr. Hankwon KIM of the Korea National Diplomatic Academy and Dr. Chisako T. MASUO of Kyusyu University.

Dr. H. KIM made the first presentation titled “ROK-China Relations and the Indo-Pacific. He began by explaining how tension between the U.S. and China has impacted the PRC-ROK relations, using the example of the crisis over the deployment of the THAAD missile defense system in South Korea. He elaborated that the more Koreans uphold values of human rights and democracy, similar to US and Europe, the more these issues challenge what China perceives to be its core issues. Although the Moon administration has wanted to avoid upsetting its relations with China, U.S. sees South Korea as an important strategic partner and hopes to enhance cooperation. China consequentially perceives the U.S.

strategy to be a threat and pressures South Korea to adhere to the “3 No’s” policies (no missile defense cooperation, no deepening trilateral relations with the U.S and Japan, and no THAAD deployment). Meanwhile, the South Korean people have become uncomfortable with China’s enhanced nationalism and emphasis on ideology with no concessions, which for example was expressed in the disputes over the origins of *hanbok* and *kimchi*. Such disputes have made the Korean people realize that they have different priorities and values from what the Chinese possess.

However, due to South Korea’s economic exposure to China, the Moon administration has practiced a degree of “strategic ambiguity.” This involves shifting towards a more value-driven diplomacy, while maintaining a middle path between US and China, and avoiding dependence on either and continuing cooperation with both. Dr. H. KIM assumed that such policy trends would be observed more clearly in the next Korean government following the presidential election. He also noted that the Moon administration largely shares China’s perspective of historical trends in the sense that “China is rising and U.S. is declining.” Regarding South Korea’s relations with Japan, Dr. H. KIM explained that, while issues like the Comfort Women and the legacy of forced labor remain sensitive, both states have recognized the need for cooperation in order to cope with the challenges from China. He suggested the formation of a framework of two-track diplomacy as a way to prevent history issues from interfering with strategic cooperation. He also stressed the importance of encouraging China to pursue multi-track diplomacy with South Korea. He mentioned that while the U.S.-China competition is over the formation of new norms and orders, other countries are exploiting the situation to advance their own national interests rather than just being mobilized to “blocs” as was seen during the Cold War.

Dr. Chisako T. MASUO made a presentation titled “Returning to Antagonism: Drifting Sino-Japanese Relations amid the Emerging ‘Cold War.’” She recalled that former Prime Minister Abe had almost succeeded in rebuilding Japan’s relations with China. Although the relationship had started poorly in his second tenure as prime minister, the two countries were able to reach a “4-point bilateral agreement” in November 2014, along with a gradual but steady expansion of top-level exchanges. Abe also showed his willingness to work with China on the Belt & Road Initiative (BRI) while Xi Jinping accepted Abe’s conditions for China’s implementation of the BRI in 2018. The personal relationship between Abe and Xi started slowly but began to expand and the two leaders eventually spoke directly 13 times, with discussions becoming longer and more frequent since 2016. According to Dr. MASUO’s analysis, it would have been possible for Abe to free-ride on Donald Trump’s confrontation with China but Japan instead chose to improve relations with China for the sake of maintaining healthy regional order. She described that states can achieve more when they are powerful – Japan, however, preferred to maintain order rather than exploit what could have been done when it was in a position of strength. At the same time, she said that China wants to appeal its values to the outside world in addition to being respected.

However, the COVID-19 pandemic has materialized Japan’s long-term concerns about China. Following the outbreak, domestic opposition grew against President Xi’s prospective visit to Japan in April 2020. There were also growing concerns about China’s new coast guard law, the potential for another crisis over Taiwan, and vulnerable supply chains. More general concern has spread about Xi’s economic policy, given his extension of control over the private sector. Such concerns have led to new uncertainty for Japanese industries considering doing business in China. In spite of that, Dr. MASUO added that the Japanese business world has been relatively tolerant to China, compared to ongoing debates in South Korea and the U.S., as it has accumulated related experiences since 2010.

As a result, many Japanese firms are shifting investment to other countries to hedge risks. These concerns are also reflected in the Defense Ministry's request for additional funds in the next defense budget. Under the new leadership of Prime Minister Kishida, the Japanese government has recognized the necessity of increasing its defense budget to prepare for the worst case. Because of its limited budget and aging population, international cooperation is still essential for the Japanese government to cope with the increase in the military might of China. While there have been no major events or crises to prompt a change, there is a widely shared sense that Japan needs to prepare for the worst situation, given China's greater assertiveness. The experience of the former DPJ government had taught the Japanese people that their security options were more limited than they had assumed.

The general discussion followed the above two presentations. During the session, the following issues were raised: is it appropriate to describe the U.S.-China strategic competition as "a new Cold War"; is the perception of "China is rising and U.S. is declining" accurate; how is Prime Minister Kishida's China policy different from that of former administrations; what are the policies of the Japanese government to deter a potential military conflict over Taiwan; what is the implication of the ROK government's "ambivalent" foreign policy especially toward U.S; what impact on foreign policy can be expected by the upcoming presidential election in South Korea.

Following the above two panel sessions of panel, the tenth Japan-Korea dialogue was successfully concluded with wrap-up remarks delivered by Dr. CHUNG and Dr. TAKAHARA. They celebrated the fruitful outcome of the discussions and stressed the need for further understanding the correct situation on the other side when the strategic competition between the two great powers in the Indo-Pacific region intensifies.

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