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Japan's "Strategy-less" North Korea Strategy: Shifting Policies of Dialogue and Deterrence and Implications for Japan-US-South Korea Security Cooperation

Christopher W. Hughes

Abstract

North Korea's missile launch in August 1998 represented a continued DPRK threat to regional stability, but progress was made in addressing security concerns through engagement. Arguably, the US and South Korea have derived key policy lessons: the need to employ balanced policies of engagement and containment and balanced use of economic and military power; the value of coordination of bilateral, trilateral and multilateral strategies towards the North; the importance of keeping Japan on board the engagement strategy as a major long-term source of economic assistance to the North. This paper argues that Tokyo abandoned a balanced approach in each of the key policy lessons and shifted erratically between dialogue and deterrence. The result was to create Japan-US and Japan-ROK friction and threaten to undermine the Perry process. Major lessons: Japan's concerns about North Korea have quickened the remilitarization of its security policy; its continued security concerns may lead it to abandon again the engagement strategy and undermine the Perry process and sunshine policy; Japan's "strategy-less strategy" between 1998 and 1999 and its loss of policy balance may serve as a warning to the Kim Dae-jung administration that perceived over-reliance on engagement, economic power, bilateral approaches, and an impatient grab for reunification could threaten Japan-US-South Korea trilateral cooperation.

Challenge and Progress in the North Korean Security Problem

North Korea's Security Challenge from Taepodong-1 to the inter-Korean Summit

The period between North Korea's launch over Japanese airspace of a Taepodong-1 missile on August 31, 1998, and the issuance of the report on October 12, 1999, by then US North Korea Policy Coordinator William Perry marked one of the most dramatic years of threat and opportunity in the development of the North Korean security problem since the nuclear crisis of 1994. On the one hand, the missile launch raised security tensions and precipitated limited Japanese government sanctions against North Korea, including restrictions on travel, food aid, and the suspension until late October of its signing of the final agreement on the financing of the Korean Peninsula Energy Development Organization (KEDO). It was also representative of a series of potential and actual North Korean military threats to the Korean peninsula, regional, and global security between 1998 and 1999.¹ Pyongyang's conventional military threat to security on the peninsula was witnessed with clashes between North and South Korean naval vessels in the Yellow Sea in mid-June 1999. The threat against a neighboring state of low-intensity guerrilla warfare was given dramatic illustration with the discovery of the intrusion of two North Korean vessels into Japanese territorial waters between March 23 and 24, 1999. The Japanese government regarded these North Korean ships to be engaged in espionage activities (they were termed *fushinsen* in Japan, or suspicious ships) and responded by authorizing the Japanese Self Defense Forces (JSDF) to intercept. This resulted in the JSDF's firing shots in anger for the first time in forty-three years. Finally, North Korea's threat to global security through its involvement in the proliferation of weapons of mass destruction (WMD) was demonstrated once again in 1998 and 1999, not only with the missile launch in 1998, but also with continuing concerns about North Korea's nuclear program and US demands in bilateral talks from November 1998

1 Full details of Japan's sanctions and reaction to the missile test are explained in, Christopher W. Hughes, *Japan's Economic Power and Security: Japan and North Korea* (London: Routledge, 1999), pp. 108–12.

onwards for the North to allow inspections of possible new underground nuclear facilities at Kumchang-ri. Moreover, for the policy-makers of the US, South Korea and Japan, all of this North Korean military activity has been set against the background of knowledge of the prolonged economic, energy, and food crises in the North.² These crises have compelled North Korea to use military brinkmanship in order to extract economic concessions from the surrounding states, and have indicated to regional policy-makers that North Korea's economic insecurity is capable of triggering a military crisis at any time.³ The concomitant result of this heightened consciousness of the military threats posed by North Korea has been for the involved powers of the US, South Korea and Japan to enhance their military preparedness and cooperation in order to deal with any military contingency on the Korean peninsula.

On the other hand, though, the events of 1998–99, and especially the first half of 2000, have demonstrated that the North Korean security problem is not entirely intractable, and that with sufficient application and dialogue US, South Korean, and Japanese policy-makers can make substantial progress in reducing tensions on the Korean peninsula. Hence the US, through bilateral negotiations with Pyongyang and the indirect provision of food aid, secured its agreements to allow inspections of the Kumchang-ri nuclear facilities on May 20, 1999. William Perry's visit to North Korea on May 26 of the same year and continued US–North Korea talks also culminated in the eventual agreement of the North in September—once again in return for the indirect economic concession, the lifting of certain US sanctions imposed since 1950 under the Trading with the Enemy Act—to suspend indefinitely any missile launch planned for the summer of 1999. Following the inter-Korean summit of June 2000, North Korea dispatched Vice-Marshall Jo Myong-rok to Washington to meet with President Bill Clinton at the beginning of October; then US Secretary of State Madeleine Albright visited Pyongyang for talks with Kim Jong-il at the end of the month. As of

- 2 Nicholas Eberstadt, *The End of North Korea* (Washington DC: American Enterprise Institute, 1999), pp. 61–67; Marcus Noland, *Avoiding the Apocalypse: The Future of the Two Koreas* (Washington DC: Institute for International Economics, 2000).
- 3 Michael J. Green, "North Korean Regime Crisis: US Perspectives and Responses," *Korean Journal of Defense Analysis*, Vol. 9, No. 2 (Winter 1997), pp. 7–25.

November 2000, there are still hopes that President Clinton might visit Pyongyang before January 2001.

Similarly, South Korea, although largely frustrated throughout 1998–99 in its efforts to achieve direct bilateral dialogue with North, continued to seek to engage North Korea on economic terms through President Kim Dae-jung's comprehensive engagement, or "sunshine," policy.⁴ The successes of this policy, in the face of considerable domestic political opposition, included the resumption of South Korean tourist cruises to the Kumgang Mountains in North Korea, with passenger numbers reaching 140,000 by the end of 1999, and increased economic cooperation between North Korea and the South Korean chaebol such as Hyundai. Meanwhile, the US and South Korea persevered with the Four-Party Talks throughout 1998 and 1999.

South Korea's persistence was eventually rewarded in spectacular fashion with the agreement of North Korea on April 10, 2000, that the first inter-Korean summit between President Kim Dae-jung and General Secretary Kim Jong-il should be held in Pyongyang from June 13 to 15 of the same year. In part, North Korea's positive response to South Korean overtures can be seen as an obvious tactic to use inter-Korean dialogue as a means to exert greater leverage in pushing forward US-DPRK talks and improved bilateral ties—the US remains the principal diplomatic prize for the North. However, since the June summit, inter-Korean exchange has increased, with the reunions of divided family members; economic exchange talks, plans for the opening of North-South rail and superhighway links, and related North-South military talks on September 25 and 26.

In addition, and after much hesitation the Japanese government agreed to lift remaining transport and food sanctions that were imposed upon North Korea since September 1998 in reaction to the missile launch, and to investigate the resumption of bilateral normalization negotiations suspended since 1991. Preliminary normalization talks were held in February 2000, although the date for full talks was set back to April. Japan then agreed on March 7, 2000, to provide 100,000 tons of rice aid to North Korea via UN agencies. Japan-DPRK normalization talks finally

4 Chung-In Moon and David I. Steinberg, eds., *Kim Dae-jung Government and Sunshine Policy: Promises and Challenges* (Seoul: Yonsei University Press, 1999).

got under way in Pyongyang from April 4 to 7, but a range of bilateral issues, discussed in later sections, held up substantial progress. Japan-DPRK negotiators agreed to another round of talks in Tokyo from May 22, and Red Cross talks produced an agreement for the resumption of visits to Japan of Japanese wives married to North Korea citizens (known as *nihonjinsuma*) in June. However, in mid-May, the Japanese government decided for various reasons, explained later, to postpone both the talks and visits until after the Okinawa G-8 Summit. Japan-DPRK normalization talks, spurred on by the inter-Korean summit and the first bilateral meeting of their foreign ministers on July 26 at the ARF, finally resumed from August 21 to 24 in Tokyo, but produced only an agreement to resume normalization talks in October. Japan decided in early October to provide 500,000 tons of rice at an estimated cost of US\$1 billion to North Korea, and another round of normalization talks was held in Beijing on October 30 and 31, although again with no substantial progress.

Added to these attempts by the immediate regional powers to seek to reduce tensions with North Korea, the European Union has also become involved in direct dialogue with the North. EU ambassadors conducted talks with the North in November 1999. North Korea and Italy agreed to normalize diplomatic relations in January 2000, and the UK government dispatched a delegation to North Korea on May 16. Australia followed the US, South Korean, Japanese and EU lead, sending a delegation to North Korea on February 22, 2000, followed by the announcement of the resumption of diplomatic relations on May 8, and then the visit of its foreign minister to Pyongyang in November. This outbreak of diplomatic activity involving North Korea has produced potential improvements also in its relations with the Philippines and Myanmar, thus enabling the North to apply in April for membership in the ASEAN Regional Forum (ARF).

Japan's Key Response to the North Korean Security Challenge

Thus, the overall picture of the security situation surrounding the Korean peninsula between 1998 and 99, and into early 2000, is one which began with the extreme tensions of the missile launch, and thereafter saw the sporadic return of potential military crises, but which has also

marked a move towards renewed and possibly greater stability due to the efforts of regional states and their policy-makers. The other dominant impression gained from reviewing the events of this period is that Japan and its policy-makers not only were closely affected by the course of developments in security on the Korean peninsula, but they also occupied a key role in determining them. For, as noted above, Pyongyang's threat to Japanese security, manifested by the launch of the Taepodong-1 missile in August 1998 and the incursion of its ships in March 1999, was responsible for the escalation of tensions across the region. However, as will be demonstrated below, Japan's indication since late 1999 of its renewed preparedness to utilize its diplomatic and economic power, in cooperation with the US and South Korea, in order to engage North Korea was also seen as essential to attempts to construct an effective policy to assuage security concerns surrounding the Korean peninsula. In many ways, therefore, Japan-DPRK relations can be said to have formed the underlying key to both the aggravation and alleviation of the North Korean security problem from late 1998 until mid-2000.

Given the significance of Japan-DPRK relations, the objective of this article is to examine the nature of Japanese policy and strategy towards North Korean security threats in this period, and the extent of its successes and failures in contributing to the reduction of tensions surrounding the Korean peninsula. In particular, the article seeks to evaluate the effectiveness of Japanese policy within the context of US and South Korean strategy, and to argue that in this period Japan presented opportunities but also very great hazards to attempts to mount a coordinated international response to the North Korean security challenge. To this end, the article begins by examining in more detail the evolution and characteristics of US and South Korean deterrent and engagement strategies towards North Korea, and the policy lessons and strategies learned, in the period prior to and following the Perry report and up until the inter-Korean summit in June 2000. The article then moves on to assess the degree of Japanese alignment with and divergence away from these strategies between 1998 and mid-2000. In particular, the article demonstrates that in this period Japan shifted away from a policy of balanced containment and engagement strategies, as advocated by the US and South Korea, and instead towards one consisting primarily of deterrence, with a noticeably militarized edge. The conclu-

sion thus reached is that the outcome of Japanese policy was to create bilateral friction among Japan, the US and South Korea, and to mean that Japan's role in this period functioned more as a factor that raised rather than lowered security tensions surrounding the Korean peninsula. In this sense, then, Japanese policy can be said to have been counter-productive and to have lacked a coherent strategy. Moreover, as further outlined in the conclusion, the debacle over Japan's North Korea policy in this period and the shift towards policies of containment can be seen to have two other important long-term implications. The first is that it has had a significant impact upon and hinted at the possible future trajectory of Japanese regional security policy as a whole by accelerating the incremental pace of its remilitarization.⁵ The second implication of Japan's "strategy-less" North Korean strategy is that it has demonstrated problems for the long-term viability of both the Perry process and South Korea's sunshine policy, and the trilateral policy coordination necessarily implicit in them.

Policy Lessons and Approaches towards North Korea

US and South Korean policy-makers have derived a number of common policy lessons from the roller-coaster year of 1998–99 and the surge of diplomatic activity in 2000 with regard to North Korea. Specifically, these involve the need to create a comprehensive and integrated approach towards North Korea which consists of a balance between containment and engagement; the utilization of military and economic power; the employment of a multilevel approaches, mediated through bilateral, trilateral, multilateral and institutional contacts; and the adoption of a staged and long-term approach.

5 Remilitarization is used in this context to describe the erosion of anti-militaristic principles and constraints upon Japanese security policy, not just in terms of the procurement of military hardware, but also, and perhaps even more importantly, the gradual change in the normative and strategic culture surrounding conceptions of the relationship between military power and security. For the background to this definition of remilitarization, see Glenn D. Hook, *Militarization and Demilitarization in Contemporary Japan* (London: Routledge, 1996), pp. 13–25.

Balance of Containment and Engagement

Clearly, for policy-makers in the US and South Korea, containment, both military and economic, has remained a central component of any strategy with which to handle a military contingency or miscalculation resulting from North Korea's conventional, nuclear and missile brinkmanship. The containment element of policy on the part of the US has taken the form of enhanced efforts, in conjunction with its South Korean and Japanese allies as the other "spokes" in the bilateral alliance system centered on the "hub" of the United States, to prepare for various military contingency scenarios on the Korean peninsula. Hence, the US urged the Japanese government to ensure the final passage through the Japanese Diet in April and May 1999 of the revised Japan-US Guidelines for Defense Cooperation, intended to fill in those gaps in the military operability of the US-Japan alliance for dealing with regional contingencies as first exposed during the North Korean nuclear crisis of mid-1994.⁶ In addition, to US efforts to coordinate its own defense efforts with those of its individual bilateral alliance partners, it has also presided over and encouraged increased trilateral diplomatic and, most recently, as discussed later in the article, what has become effectively trilateral military cooperation and exchange among Washington, Tokyo and Seoul in response to the perceived North Korea military threat. The three concerned powers have adjusted their policy via a Trilateral Coordination and Oversight Group (TCOG) established in March 1999 and composed of foreign ministry officials. Meanwhile, Japan and South Korea have increased their own bilateral military exchanges and cooperation, as described later on in this article. This has thus led to the almost de facto conjoining of the bilateral spokes of the US-Japan and US-South Korea alliances to establish a fragile but nevertheless "quasi" or "virtual" alliance system in Northeast Asia.⁷

However, at the same time, the policy-makers of the US and South

6 Christopher W. Hughes, "The North Korean Nuclear Crisis and Japanese Security," *Survival*, Vol. 38, No. 2 (Summer 1996), pp. 79-103.

7 Victor D. Cha, *Alignment Despite Antagonism: The United States-Korea-Japan Security Triangle* (Stanford, California: Stanford University Press, 1999), pp. 48-50; Ralph A. Cossa, "Preface," in Ralph A. Cossa, ed., *US-Korea-Japan Relations: Building Toward a 'Virtual Alliance'* (Washington DC: CSIS Press, 1999), p. xvii.

Korea concluded that the other key component of any comprehensive strategy—despite considerable domestic opposition—must be to leave open the option of engagement in order to alleviate North Korea's military and economic insecurity concerns and bring it into the international community. The US and South Korea worked hard in the immediate aftermath of the Taepodong-1 launch to maintain the 1994 Agreed Framework and KEDO project, and the engagement strategy was subsequently strengthened with the release of the Perry Report in September 1999. The report argued for the acceleration of engagement policy through the offering of a "road-map" to North Korea of diplomatic and economic concessions to be provided to it in stages by the US and its allies in return for the moderation of its security behavior. Therefore, the report stressed that it is essential for the US, South Korea, and Japan to preserve the KEDO framework and trilateral policy coordination, while at the same time closely linking these policy initiatives to their own individual bilateral moves to improve relations with North Korea. The hoped-for result was to present North Korea with a planned sequence of bilateral normalization negotiations which would provide it with sufficient incentives of diplomatic recognition and economic security to ensure that it is drawn out of isolation and into relationships of interdependency with the surrounding region. The pace of improvement in each of the individual bilateral normalization negotiations was to be adjusted with reference to the progress in North Korea's relations with all of the other involved powers, thus reducing Pyongyang's ability to trade off one power off against another in order to extract additional concessions.⁸ Kim Dae-jung's administration also matched, and to some degree pre-empted, US policy in this period, with an attempt to engage North Korea through the separation of politics and economics and the promotion of private chaebol investment in the North.

Balance of Military and Economic Power

The second related lesson that US and South Korean policy-makers

8 William J. Perry, *Review of United States Policy Toward North Korea: Findings and Recommendations* (Washington DC: October 12, 1999), available at http://www.state.gov/regions/cap/991012_north_korea_rpt.html, pp. 6–8.

took on board and which is essential for a comprehensive security strategy—as shown by the paramount importance of the KEDO project, and the bargaining over economic concessions such as food aid and the lifting of sanctions—is the need to utilize both military and economic power for the purposes of containment and engagement.

Mutually Reinforcing Levels of Containment and Engagement

The third lesson apparent from the approach of US and South Korean policy-makers to North Korea in this period was that there was a need for the comprehensive security strategy to work on a range of mutually reinforcing levels. The importance of the bilateral level can be seen with the progress made in US-DPRK talks and the emphasis placed by the US and South Korea upon similar improvements in Japan-DPRK relations. The necessity of multilateral-level approaches was demonstrated by the urging of policymakers for trilateral coordination among the US, South Korea and Japan of each state's individual bilateral approach towards the North, for closer trilateral cooperation in the KEDO project and in the TCOG, and the continuation of the Four Party Talks. The importance of the interregional level is shown by the EU's financial contribution to KEDO, and the support that Kim Dae-jung attempted to garner for his declared "flexible and comprehensive" sunshine policy at the Asia-Europe Meeting (ASEM) in London from April 3 to 5, 1998, and the announcement on March 9, 2000, in Germany of the Berlin Declaration intended to kick-start inter-Korean dialogue.

Long Term Perspectives and Consistency

The fourth lesson was the need to follow these policies of comprehensive and flexible containment and engagement, the use of military and economic power, and maintenance of multilevel approaches to North Korea, with a long-term perspective.⁹ The obvious lesson of the

9 Further conclusions regarding the most efficacious approach to negotiating with North Korea are presented in Scott Snyder, *Negotiating on the Edge: North Korean Negotiating Behavior* (Washington DC: United States Institute of Peace Press, 1999).

dealings of the US and South Korea with the North has been that any strategy of engagement—just as did that of containment over the last fifty years—requires considerable perseverance, and that North Korea cannot be drawn into a relationship of interdependence with the outside world unless each of the regional powers consistently pursues a policy of implacability, tempered with the willingness to make concessions if it is deemed likely that North Korea will reciprocate. Hence, the US and South Korea, in adhering to the Perry process and sunshine policy, have needed to demonstrate an awareness of North Korea's military brinkmanship tactics, and a subsequent determination not to allow themselves or their alliance and dialogue partners to be goaded into actions that could allow the North to exploit differences of policy between them in order to increase its room for diplomatic maneuver. Furthermore, both US and South Korean policy-makers and their respective domestic constituencies have needed to display a sense of magnanimity which allows them to submit in part to North Korea demands for concessions over the short term, relatively safe in the knowledge that over the longer term the North is mortgaging its nuclear and missile strategic assets and is becoming enmeshed in their engagement strategy.¹⁰

US and South Korean Expectations of Japan's Role

The fifth and final lesson reinforced for the US and South Korea by the events of 1998 onwards was that the cooperation of Japan is integral and indispensable to the effective functioning of all of the policy approaches and strategies outlined above. As noted, Japan is the third regional actor and partner of the US and South Korea, and occupies a major role in both the Perry report and the sunshine policy. Perry visited Japan for consultations with Japanese Ministry of Foreign Affairs (MOFA) officials on December 10, 1998, and March 10 and May 23, 1999, immediately prior to his visit to North Korea. As a result, the Perry report explicitly acknowledged Japanese security concerns about the missile test and other bilateral Japan-DPRK issues, such as the believed abductions of Japanese citizens by North Korea, known in Japanese as

10 Victor D. Cha, "The Rationale for 'Enhanced' Engagement of North Korea: After the Perry Process," *Asian Survey*, Vol. 39, No. 6 (June 1999), pp. 862–63.

rachi jiken, and the fact that these concerns risk undermining support in the Japanese Diet for providing KEDO funding.¹¹ Nevertheless, the report also indicates that Japan's provision of US\$1 billion in financial support for the KEDO project and other attempts to offer economic concessions to North Korea are vital, and that, "no US policy toward the DPRK will succeed if the ROK and Japan do not actively support it."¹² The expectation of US policy-makers was thus that Japan would be the linchpin of not just military containment policies vis-a-vis North Korea, but also ultimately for all efforts at economic engagement. Based upon this knowledge of the importance attached to Japan as the central plank of both US and South Korean policy, the following sections now move on to examine actual state of Japanese policy towards North Korea, how far it conforms to the expectations of the other regional powers, and the hazards implied by Japanese deviation from this united front.

11 William J. Perry, p. 4. The *rachi jiken* refer to seven separate cases of the alleged abduction by North Korea of up to ten Japanese citizens from the Sea of Japan (East Sea) and Yellow Sea coastlines of Japan between 1977 and 1980. The Japanese government itself admits that the evidence connecting North Korea to these believed abductions is purely circumstantial, and the North Korean government has predictably refused to discuss its possible involvement in kidnapping and terrorism in bilateral talks with Japan (Interview with Councillor-level MOFA official, Tokyo, January 8, 1998). In 1997, however, accusations concerning North Korea's involvement in the abduction of a thirteen-year-old schoolgirl from Niigata Prefecture resurfaced, and were given prominence by the Modern Korea Research Institute and sections of the mass media openly hostile to North Korea. The result of pressure from these quarters has been to further the blacken the reputation of North Korea among the Japanese public, already damaged prior to the missile test of 1998 by accusations over its involvement in narcotics smuggling into Japan. It also created momentum for the formation of an all-party Japanese Diet members' group concerned with bringing about a resolution to the *rachi jiken*, and forced the MOFA to make North Korean reciprocity on the *rachi jiken* a major bilateral issue and the starting point for the reinitiation of normalization talks.

12 William J. Perry, p. 5 (author's italics).

Japanese Dialogue and Deterrence Policy

Japan–North Korea Dialogue and Engagement Prior to 1998

The declared policy of Japan since 1998—as enunciated by the then Minister of Foreign Affairs, Masahiko Komura, and also by the current minister, Yohei Kono—has been one of “dialogue and deterrence” (*taiwa to yokushi*) towards North Korea, thus matching in appearance the balanced and comprehensive approach of its US and South Korean partners in the TCOG. Indeed, there can be no doubt that, fitting with the traditional characteristics of Japanese security policy and its predilection for non-military approaches, Japanese policy-makers, comprising chiefly the MOFA, the Liberal Democratic Party (LDP), opposition parties, and business corporations, have long accepted the need to experiment with dialogue with North Korea. Japanese policy-makers have pursued these initiatives for a range of not necessarily mutually exclusive motivations. These have included the desire to counter the global threat of the proliferation of WMD; to contribute to the general reduction of tensions in the Northeast Asia region as a whole and the process of Korean reunification; to clear up the legacy of Japanese colonial history; and to improve bilateral economic contacts and to secure financial benefits for individual politicians.¹³

Japanese policy-makers have sought to engage North Korea in line with the fluctuations in Cold War and North-South tensions since the period of detente in the early 1970s, but opportunities for full engagement really only opened up with the winding-down of Cold War pressures in the late 1980s. The first phase of Japan-DPRK post-Cold War dialogue came with the visit to Pyongyang of an LDP–Social Democratic Party of Japan (SDPJ) delegation led by former deputy Prime Minister Shin Kanemaru of the LDP. Kanemaru’s visit produced a Three-Party Joint Declaration between the LDP, SDPJ, and Korean Workers’ Party (KWP) which proposed that the Japanese and North Korean governments should begin normalization talks, and, most controversially, included the statement that Japan should provide an apology and compensation for colonial rule, wartime damage, and the period of the non-

13 Hughes, *Japan’s Economic Power and Security*, pp. 56–61, 80–88, 162–84.

normalized relations following World War II. Government-level normalization talks stretched to eight rounds between 1990 and 1991 and foundered relatively quickly on a range of bilateral issues. Pyongyang demanded that Japan should negotiate on the basis of the Joint Declaration and should thus provide up to US\$10 billion in compensation. The MOFA countered that the Joint Declaration was a party-level agreement, non-binding on the Japanese government; that Japan could not provide any form of compensation to North Korea for the colonial, wartime or post-war periods, as Korea was a legally recognized colony in the pre-war period, and consequently a non-combatant in World War II; and because it was North Korea's own diplomatic policy, not the Japanese government, that was responsible for the state of non-normalized states of relations between Japan and North Korea over the last fifty years. However, the MOFA did express the Japanese government's willingness to negotiate claims that North Korea might have that are related to private property as mandated in the 1951 San Francisco peace treaty. The MOFA indicated that it would do this in accordance with the precedent of Japan-ROK normalization under the Basic Treaty of 1965, that it would settle all claims in the form of economic cooperation," and provide up to \$5 billion to North Korea. Meanwhile, Japan's position in normalization talks centered upon demands for the repayment of debts owed by North Korea to Japanese corporations; that Pyongyang should grant permission for up to 18,000 *nihonjinsuma* (Japanese wives in North Korea) to visit Japan; that North Korea should provide assurances about the safety of a Japanese citizen believed to have been abducted to North Korea and employed to teach Japanese language to the North's agent involved in a 1987 South Korean airliner bombing, and thus the first of the *rachi jiken* to become a major bilateral issue; and that North Korea should accede to IAEA demands to open its nuclear facilities to inspections.¹⁴

The disputes over economic compensation and North Korea's refusal to consider the last two of the Japanese demands scuppered effectively any bilateral momentum for normalization leading to the suspension of talks in 1991. Moreover, the South Korean administration

14 Kyo Odagawa, "Nitcho Kosho no Ayumi o Tadoru," in Hajime Izumi, ed., *Kitachosen: Sono Jissho to Kiseki* (Tokyo: Kobunsha, 1998), pp. 247–71.

of President Roh Tae-woo applied a further brake to the process by communicating its concerns to the Japanese government that early Japan-DPRK normalization would allow the North to gain access to vital diplomatic and economic assistance, and thereby enable it to avoid engaging in North-South dialogue. In response, the Japanese government offered assurances in the early stages of the 1990–91 normalization negotiations, which it has consistently followed ever since, that it would only pursue normalization negotiations with North Korea in reference to signs of parallel progress in North-South relations. This policy of linkage, or *renkei*, between Japanese moves to engage North Korea and South Korea efforts to do the same, although non-binding in any official sense, began in essence to lock the Japanese MOFA into a Japan–South Korea concert in dealing with North Korea and to form one side of the trilateral framework of US-Japan-ROK coordination as mentioned earlier. The other sides of the trilateral framework itself were given nascent shape in this period by increased bilateral US-Japan, US–South Korea, Japan–South Korea summit meetings and consultations on the North Korean nuclear issue. Then, following the passing of the height of nuclear tensions and the negotiation of the Agreed Framework in 1994, the bilateral sides of the framework were linked to a greater and more formal degree by the initiation of US-Japan-ROK joint governmental cooperation in the KEDO framework in 1995.

The effect of Japan's increasing de facto submission of its bilateral approaches to North Korea in this period to parallel concerns with South Korean reactions and North-South dialogue, as well as active trilateral coordination among the US, South Korea and Japan, has been both to constrict and open channels for engagement with North Korea. In one sense, Japan has limited its diplomatic room for maneuver by handing a near veto to South Korea over Japan-DPRK normalization efforts based on the principle of progress on North-South relations, which, in turn, has also been largely contingent in practice upon progress in US-DPRK relations, given the North's past reluctance until April 2000 to talk with the South unless provided with concessions by the US. Japan has then imposed a near "double lock" upon its North Korea policy, with Japan-DPRK relations coming at the bottom of the pile. In another sense, though, Japan has gained an enhanced and more direct role as a player in Korean peninsula security affairs via its vital financial backing for the

KEDO framework and enhanced status in trilateral consultations.

The practical implications of the Japanese government's adherence to this policy for its bilateral links with North Korea prior to 1998 can be seen with the fact that it has only felt able to seek to restart normalization negotiations in synchronicity with improvements in US–North Korea and North–South relations. Hence, the Japanese government was able to explore the possibilities of resuming normalization links shortly after the conclusion of the Agreed Framework in October 1994 by dispatching a new political-party delegation to North Korea in March 1995. The delegation produced a new joint declaration calling for the resumption of normalization talks, but failed to produce sufficient new momentum for the restart of government-level negotiations. The only major progress in bilateral relations came with the negotiation of two rounds of rice aid totaling 300,000 tons from Japan to North Korea in mid-1995. The Japanese aid ceased, however, in the same year following reports of claims by a North Korean official that this represented colonial compensation from Japan.

The introduction of the Four-Way Talks proposal in April 1996 then added another lock upon Japan's diplomacy, as obliged to demonstrate its support for this peace initiative the Japanese government stressed that not only would Japan–DPRK normalization be contingent upon improvements in North–South dialogue, but also that the Four-Party Talks would be regarded as the main forum for that dialogue. Progress in Japan–DPRK relations now became dependent upon simultaneous signs of progress in the Four-Party Talks, US–DPRK relations, and North–South relations, with the result that the next initiative for the resumption of Japan–DPRK normalization talks did not come until after the start of the first round of Four-Party Talks in the autumn of 1997. The Japanese government agreed to provide food aid in return for North Korea's agreement to allow visits of *nihonjinzuma* to Japan, and to investigate the whereabouts of suspected victims of *rachii jiken* under the compromise formula of referring to the alleged abductions as "missing persons" (*yukue fumei*). The Japanese government also agreed to investigate the resumption of normalization negotiations and to allow the dispatch of a new governing political party mission to Pyongyang.

Japan's "Strategy-Less" North Korea Strategy

Up until 1998 it can be seen, then, that the pace of progress in Japan-DPRK relations had been governed by a mix of bilateral and trilateral concerns, with the trilateral aspects' of policy coordination among the US, Japan and South Korea becoming increasingly prominent. Japan's policy has been criticized from both within and outside Japan as overly circumscribed and reactive in terms of the reluctance of the Japanese government to deploy its potential economic power in order to alleviate North Korea's economic crisis.¹⁵ But even so, it can at least be said to have displayed the characteristics and benefits of a consistent strategy in that it contains elements of comprehensiveness through Japan's participation in the KEDO project, and to have presented a relatively "united front" along with the US and South Korea which the North found hard to exploit to its advantage. Hence, Japanese strategy in this period possessed many of the necessary components and policy lessons of the US and South Korean strategy towards North Korea as pointed out earlier, namely: a balance between engagement and containment; the use of military and economic power; the use of multiple levels from the bilateral to the trilateral and to the multilateral (especially given the late Prime Minister Keizo Obuchi's proposal in 1998 for six-party dialogue on the Korean peninsula, including Japan, Russia, the US, South Korea, China, and North Korea); and a sense of long-term commitment and relative implacability in the face of North Korean provocation.

However, in the period from mid-1998 until late 1999, as will be made clear below, the momentum for Japan-DPRK engagement was once again undermined, and, even more worryingly, this resulted in the Japanese government's not only straying from its limited but, all the same consistent, strategy, but also in its failing to outline an alternative strategy to replace the one that it was railing against. In turn, this new inconsistency in Japanese strategy threatened to undermine the relatively united strategy of the US, Japan and South Korea. During this period, then, Japan's strategy can be said to have become strategy-less, and something of a "loose cannon" threatening to careen out of control and

15 For examples of such criticisms, see Hughes, *Japan's Economic Power and Security*, pp. 208–209.

sweep away the supports of the comprehensive strategy outlined above.

Japan's attempts to engage North Korea in 1998 came to a grinding halt and then were slammed into reverse as a result not of trilateral pressures in this period, but instead as the outcome of combined internal domestic pressures and new and re-emergent bilateral tensions between Japan and North Korea. In fact, in this period the trilateral framework had provided Japan with greater room than ever before to seek to engage North Korea—the US attempting to persuade the Japanese government to resume food aid to the North, and the Kim Dae-jung administration, as seen above, declining to exercise its *de facto* veto on Japan-DPRK normalization and instead actively encouraging rapprochement between the two as part of its sunshine policy.

The initial and real cause of the further decline in Japan-North relations was mounting domestic and mass media pressure over the *rachi jiken* following North Korea's report to the Japanese government on June 5, 1998, that it could discover no trace of any "missing persons." The Japanese MOFA was forced to react by delaying any attempts to resume normalization talks, and then relations were sent into a total tailspin by North Korea's launch of its Taepodong-1 missile in August of the same year. Although the North Korean missile program and threat has been a constant concern to Japanese policy-makers since the late 1980s, and the North Korean test probably had no particularly aggressive intent towards Japan other than an indirect demonstration to the US of its ability to threaten its regional allies, proliferate WMD, and cajole it into negotiations, there can be no doubt that the launch delivered a Taepodong-shock to Japan. As will be seen below, certain influential segments of the policy-making community in Japan, even though they were clearly aware of the imminence of the missile test, as seen by the dispatch of Japanese Maritime SDF Aegis ships to the East Sea (Sea of Japan) for monitoring exercise prior to the launch and the fact that MOFA communicated to North Korean diplomats in Beijing beforehand Japan's concerns about any test, may not have been above exploiting the missile launch and heightening the sense of shock within Japan in order to legitimize ongoing changes in defense planning. However, the new range of capabilities demonstrated by North Korea's (admittedly highly inaccurate) Taepodong-1 missile certainly brought home to policy-makers and the general public the total vulnerability of Japan to ballistic missile

attack and demanded some form of response. Moreover, the effect of the Taepodong-1 launch was to bring into sharp relief a growing divergence in threat perceptions among Japan, the US and South Korea with regard to North Korea. Policy-makers in the governing administrations and bureaucracies of the US and South Korea have remained highly concerned about the long-term implications of the growing sophistication and proliferation of the North's missile technology, and have been under considerable pressure from domestic constituencies to make a robust response to perceived North Korean aggression. But the policy-makers of these states have also to a certain degree become inured to the ballistic missile threat as one among many others over the short term, and can afford to push ahead with engagement policies in the hope of heading off the North's missile program over the longer term. For Japan, however, the Taepodong-1 missile threat in 1998–99 had now become immediate and demanded a stronger response. These differing levels of tolerance for the North Korean threat were to push forward, but also greatly complicate, trilateral coordination among Japan, the US and South Korea over the course of the year.¹⁶

The response that the Japanese government chose was the imposition of a series of limited sanctions, including, most crucially, the decision to delay the signing of the final agreement on financing the KEDO project. Japan's withdrawal of up to \$1 billion of finance for KEDO would have threatened the collapse of the entire project. The US and South Korea, while sympathetic towards Japan's predicament and concerned at North Korea's renewed military provocation, also viewed Japanese sanctions as likely to undermine their entire engagement strategy and pressured the Japanese government to agree to signing the final funding accord in late 1998. The hard-line response of the Japanese government to the missile test was understandable given the domestic pressures upon it from the Diet and the mass media to demonstrate Japan's dissatisfaction with the North. Moreover, it could be argued that Japan still acted with remarkable restraint given the nature of the provocation that might have drawn a stronger response from any other state in a similar situation. Nevertheless, the Japanese government's response also

16 Hideya Kurata, "Kitachosen no Dando Missairu Kyoji to Nichibeikan Kankei: Aratana Chiiki Anpo no Bunmyaku," *Kokusai Mondai*, No. 468, 1999, pp. 62–66.

carried considerable risks of sabotaging the previously agreed engagement strategy of the US, Japan and South Korea, and contradicted its own explicit statement in the Japan-ROK Joint Declaration between Prime Minister Obuchi and President Kim Dae-jung of October 8, 1998, that the maintenance of the Agreed Framework and KEDO were the "most realistic and effective mechanisms for preventing North Korea from advancing its nuclear program."¹⁷

Deterrence Policy towards North Korea

Following the incursion of the two *fushinsen* into Japanese waters in March 1999, Japanese policy continued on its increasingly hard-line trend, and then swung fully from one of sporadic engagement to near outright deterrence, as fears were renewed in mid-1999 of North Korea's possible conduct of another missile test. This was despite the fact that both Washington and Seoul were indicating—with the Perry review well under way, with Kim Dae-jung's request to Obuchi in June 1999 for support for the sunshine policy, and with the conduct of the sixth round of Four-Party Talks scheduled for August—that they would push ahead with engagement policies. As noted above, the Japanese government was certainly not oblivious to these developments, expressed support for the Perry review, and was instrumental in its formulation by stressing the need for the inclusion of its concerns over the *rachi jiken*. Indeed, it indicated repeatedly in public statements as well as through the non-official channels that it might be prepared to offer economic incentives to North Korea if the latter were to suspend any missile launch planned for the summer of the same year.

However, the principal response of sections of opinion in the LDP and other political parties to the ship incursions and missile threat in 1999 was to call for the suspension of financial remittances from the North Korean community in Japan in order to pile economic pressure upon the North. The Japanese government itself began an investigation of measures to halt the flow of remittances in July 1999, and Foreign

17 Ministry of Foreign Affairs, *Japan–Republic of Korea Joint Declaration: A New Japan–Republic of Korea Partnership Toward the Twenty-First Century*, October 8, 1998.

Minister Komura repeated the government's preparedness to impose this new sanction in the event of another missile launch in August of the same year.¹⁸ Additionally, Japanese government diplomacy shifted into a phase of remarkable pro-activity (in contrast to its relative reactivity prior to 1998 in pursuing normalization with North Korea) in order to apply international pressure upon North Korea to moderate its security behavior. Hence, the Japanese government expended considerable diplomatic energy on ensuring that concerns about North Korea's missile program were incorporated into the Cologne G-8 Communique in June 1999, pushed for the same concerns to be expressed also in the ASEAN Regional Forum (ARF) statement in the same month, and used the occasion of the visit of the Director General of the JDA to Russia the following August to try to pressure from this quarter for Pyongyang to desist from a missile launch.¹⁹

At the same time, Japan also shifted its North Korea policy towards an emphasis upon military as well as diplomatic and economic containment. Sections of the Japanese government, perhaps in a sense welcoming both the missile launch and the incursion of the fushinsen as useful threat perceptions to be used to persuade the Japanese public of the need for the upgrading of Japan's bilateral security relationships and defense capabilities (best illustrated by the 1999 JDA Defense of Japan white paper which took the unprecedented step of devoting two special sections to the North Korean missile and ship incidents), plowed considerable policy-making energy into ensuring the final passage of the renewed Guidelines for US-Japan Defense Cooperation through both houses of the Japanese Diet in April and May 1999, and agreed on August 16, 1999, to enter into joint research with the US to investigate the technical feasibility and cost of the development of a theater missile defense (TMD) system to guard against future ballistic missile threats. Japanese defense cooperation with South Korea was also stepped up with the conduct of the first joint search and rescue exercises between the JMSDF and ROK Navy in the East China Sea on August 5, 1999.²⁰

18 *Daily Yomiuri*, August 9, 1999, p. 1.

19 G8 Communique Köln 1999, available at <http://www.mofa.go.jp/policy/economy/summit/1999/communique.html>, p. 5; *Chairman's Statement: The Sixth ASEAN Regional Forum, Singapore*, July 26, 1999.

20 Boeicho [JDA], *Boei Hakusho 2000* (Tokyo, Okurasho Insatsukyoku, 2000), p. 193.

The JDA and certain elements of the LDP also stressed the need for Japan to upgrade its individual military capabilities and activities. The JDA successfully argued the case for the purchase of two MSDF missile-equipped high-speed patrol boats to be based in the East Sea (Sea of Japan) to counter maritime incursions; and made its intention clear from August 1999 onwards to seek funds for the establishment of an anti-guerrilla unit to counter possible North Korean incursions. Meanwhile, the LDP, supported by the largest opposition party, the Democratic Party of Japan (DPJ), has pushed ahead with research into emergency legislation (*yuji hosei*) to ensure that the JSDF and other security authorities could respond effectively to any low-intensity guerrilla attack on Japan, the threat of which was indicated by the incursion of the North Korean *fushinsen*.²¹ In order to cope with the threat of North Korean missiles and WMD, the Japanese government pledged itself from 1998 onwards to acquire a combination of four multi-purpose satellites for monitoring North Korean military activities, and was reported to have conducted secret research in March 1999 into Japan's readiness to deal with a chemical missile attack.²² Finally, the Japanese government hinted at its willingness to consider defensive action against missile tests by responding militarily against North Korea itself. The JDA Director General Norota Hosei, in response to a question in the House of Representatives Standing Committee on Security on March 3, 1999, argued that Japan could launch defensive air strikes against North Korean missile sites without contravening constitutional prohibitions. Norota's comments were then taken by sections of both the Japanese and foreign media as representing a new government stance permitting pre-emptive strikes and an obvious warning to North Korea against another missile test, although the JDA stated afterwards that Norota was simply reiterating the government's position regarding defensive actions against bases overseas originally formulated in 1954.²³ Japan at present lacks the capability to undertake such military action, but the JDA's

21 Jiyuminshuto Kiki Kanri Purojekuto Chimu, *Chukan Hokoku*, June 3, 1999.

22 *Mainichi Shimbun*, August 1, 1999, p. 1.

23 For more detail on the debate surrounding definitions of pre-emptive strikes, see Asagumo Shimbunsha, *Boei Handobukku 2000* (Tokyo: Asagumo Shimbunsha, 2000), p. 551; *Boeicho [JDA]*, *Boei Hakusho 1999* (Tokyo: Okurasho Insatsukyoku, 1999), pp. 91–92.

intent was revealed with a determined request once again for the inclusion in the defense budget of the necessary funds for the acquisition of in-flight refuelling for the JASDF.

From the above, it is clear that Japanese policy in the 1998–1999 period moved from one of dialogue to one largely focussed upon deterrence, and, judging from the media treatment of the possibility of another North Korean missile test in mid-1999, managed to whip up a degree of near public hysteria.²⁴ This shift in Japanese policy was not to begin to be corrected until the trilateral meeting of the foreign ministers of the US, Japan and South Korea at the APEC meeting in September 1999, at which Foreign Minister Komura confirmed Japan's support for the soon to be unveiled Perry report and willingness to seek to resume normalization efforts with North Korea by consenting to the visit of Murayama to Pyongyang in late 1999. Thus, Japan during this period had to a large degree threatened to break ranks with the general policy of the US and South Korea and was playing its own game of brinkmanship with North Korea. The implications of this for the US-ROK-Japan trilateral approach to the North Korean security problem and for Japan's own security policy will be considered in the conclusion.

Conclusion: Implications for Japan-US-ROK Security Cooperation

The Ineffectiveness of Japanese Policy

The Japanese MOFA has argued publicly that the hard-line policy in the period from 1998 to early 2000 not only was successful in conveying Japan's dissatisfaction to North Korea, but also as serving as warning of future consequences for North Korea if it were to repeat the missile test. It thus contributed along with US and South Korean engagement poli-

24 Most national newspapers in mid-1999, and especially in August as fears of another missile test heightened, ran extensive stories concerned with reports based on information from US sources that North Korea was re-deploying or refuelling its Taepodong-1 missiles. Indeed, the mood of growing paranoia over the Northern threat can be judged from the fact that a best-selling novel of 1998–99, written by Iku Aso and entitled *Sensen Fukoku* (Declaration of War), dealt with a North Korean guerrilla attack on Japanese nuclear power stations.

cies to the North's decision not to conduct a test in 1999.²⁵ One temptation might be to accept a Japanese version of a good cop–bad cop explanation of its 1998–99 policy, with Japan's role being to keep pressure on North Korea and make it aware of the consequences of any further military provocation, while the US and South Korea seek to engage the North and hold out the promise of economic concessions.²⁶ It also certainly cannot be proved that Japan's switch to deterrence in this period had no effect in restraining North Korea's military brinkmanship. A more searching evaluation of Japan's policy, however, suggests that it was largely uncoordinated and ineffective in this period, out of step with that of the US and South Korea—indeed, counterproductive—and it risked exacerbating the North Korean security problem. The ineffectiveness of Japanese policy is suggested by the fact that Pyongyang could afford largely to ignore Japanese sanctions. This is simply because prior to the missile test Japan had not actually been offering any substantial concessions that when withdrawn could damage North Korea. After all, normalization negotiations and the tantalizing prospect of access to up to \$5 billion of economic cooperation were frozen, and North Korea had little to lose by intimidating Japan, and more to gain by trying to goad Japan into some form of action that would drive a wedge between Tokyo, Washington and Seoul, increase its own diplomatic leverage, and jolt the US and South Korea towards offering concessions that would then force Japan to follow along behind. Moreover, the North was secure in the knowledge that by continuing to persevere with US–DPRK talks it could ensure that the US would not allow Japan to wreck its engagement strategy and impose more severe economic sanctions, thus rendering Japan's sanctions as something of a paper tiger. In essence, then, by reacting so strongly to North Korean provocation, the Japanese government was playing the North's own diplomatic game for it, and allowing it to exploit the differences in threat perceptions among Japan, the US and South Korea. The counterproductive and hazardous nature of Japanese

25 Interview with Deputy Minister for Foreign Affairs and member of the TCOG, MOFA, Tokyo, December 7, 1999.

26 For one disparaging view of such Japanese arguments, see Michael J. Green, "US–Japan Relations: Still in the Eye of a Hurricane," in Ralph E. Cossa and Rebecca Goodgame Ebinger, eds., *Comparative Connections: A Quarterly E-Journal on East Asian Bilateral Relations*, Vol. 1, No. 2 (October 1999), p. 14.

policy was demonstrated by the fact that it generated considerable, although publicly unexpressed, bilateral tensions along each side of the trilateral framework.

Instead, it would seem fair to argue that the Japanese government's policy in this period should more accurately be described as lacking direction and largely "strategy-less"—based more upon an emotional reaction to the missile test than a rational calculation of the diplomatic strategies open to it. The Japanese government—although it is faced with the difficulty, which obviously does not affect North Korea, of being subject to democratic pressures and having to build wider domestic constituencies into its security policy thus producing the occasional inconsistency in strategy—has shown its diplomacy to have been held hostage to the issues of ballistic missiles and the *rachi jiken*, and increasingly unable to wrest control of the diplomatic agenda back from pressure groups in the Diet and mass media. North Korea's action in conducting the missile launch in August 1998 was a clear violation of certain international regimes and brought home the nature of the missile threat to Japanese policy-makers and the public. At the same time, though, as Japanese policy-makers themselves admit, North Korea's missiles represent an irritant rather than a fundamental threat to Japanese security.²⁷ Hence, apart from deterrence, the Japanese government, through the mechanism of trilateral cooperation with the US and South Korea, had other possible dialogue and engagement options available to it to seek to address the missile issue over the longer term. Likewise, the issue of the *rachi jiken* is clearly of great concern and needs to be addressed bilaterally, but has grown to a status whereby it has impeded progress, or even become the de facto condition of the initiation of dialogue on other arguably more pressing bilateral issues which affect the security of the wider Japanese population.

Furthermore, the obvious and worrying indication of Japanese policy in this period was that it began to discard the features of an effective North Korean policy as outlined in the introductory section. Japanese policy during 1998 and 1999 ceased to be comprehensive as the balance shifted from minor attempts at engagement to a near-total emphasis upon containment. Japan also sought to employ economic power only as

27 Interview with a Director General-level JDA official, Tokyo, December 9, 1999.

a negative sanction, and withdrew its key economic support for engagement through the provision of food aid and the financing to KEDO—somewhat ironic given Japan's traditions of economic and comprehensive security policy and recent enunciation of concepts of "human security." Japanese policy can certainly said to have been multilevel perhaps in terms of the extraordinary degree of energy devoted to mounting international protests against North Korea's missile test in the G-8 and other international institutions, and its efforts to maintain trilateral coordination. But Japan largely cut its most important bilateral levels of dialogue and engagement with North Korea in this period. Finally, Japan showed a distinct lack of long-termism in allowing itself to be manipulated by North Korean brinkmanship and to be split potentially from its regional policy partners following the missile launch, as well as to allow the *rachi jiken* to dominate the bilateral policy agenda.

Japan's Remilitarization Accelerated?

As noted at the beginning of this article, Japan's shifting strategies of engagement and deterrence in this period carry two major implications for policy-makers. The first of these is for Japan's role within regional security as a whole. Since the nuclear crisis of 1994, North Korea has become the public justification for most changes made in Japanese defense and security policy, even though behind the revision of the Japan-US Guidelines for Defense Cooperation lie equal or even greater concerns about the looming threat from China's perceived military expansion and the Taiwan issue. As seen above, the effect of the North Korean "missile crisis" and the political fall-out between late 1998 and early 2000 has been to accelerate the incremental pace of the remilitarization of Japan's individual and bilateral defense roles in the region. This is not to suggest, as certain sections of the Western media have eagerly sought to do, that Japan's attachment to its existing constitutional prohibitions and norms of anti-militarism will be easily swept away.²⁸

28 For one Western alarmist media view of Japan's military policy in 1998, see "Smoke Alarms," *Newsweek*, March 29, 1999, pp. 54–59; Discussions of anti-militaristic norms in Japan are contained in: Thomas U. Berger, "From Sword to Chrysanthemum: Japan's Culture of Anti-Militarism," *International Security*, Vol. 17, No. 4 (Spring 1993).

In fact, the constraints upon Japan's acquisition of power projection capabilities remain in place, as shown by the decision to defer on the acquisition of in-flight refueling capabilities despite the perceived threat from North Korean missiles. Nevertheless, the Taepodong-shock and *fushinsen* incidents did heighten the Japanese public's security consciousness and has nudged key policy-makers towards the acceptance of a more pro-active stance on defense. The essential question is whether another crisis along the same lines involving North Korea could lurch Japanese security policy further towards all-out deterrence at the cost of considering other available non-military and engagement strategies, detach Japan from its bilateral alliance framework with the US, and destabilize East Asian security.

Continued Dangers for Japan-US-South Korea Cooperation

Related to the problem of Japan's attachment to the bilateral security cooperation with the US, a second major implication arising from Japan's shifting policy between late 1998 and early 2000 is the way in which it revealed the inherent difficulties also of maintaining trilateral security cooperation vis-a-vis North Korea, and the likelihood that Japan could once again decline active cooperation with its TCOG partners, so placing in jeopardy the continuation of both the Perry process and sunshine policy.

As described in the introduction to this article, Japan since late 1999 has, with a certain degree of reluctance, got back on board the trilateral engagement policy towards North Korea, and begun to restore its bilateral channels of dialogue with the North. But the above investigation of Japan's security behavior may not augur well for maintaining, over the short term, the newly established measure of consensus in support for the Perry process, and over the longer term for Tokyo-Washington-Seoul trilateral cooperation. The entire Perry process described earlier on is premised upon relatively tight trilateral coordination among the US, Japan and South Korea, and is particularly reliant upon the role of Japan as the provider of economic incentives over the short and long terms. For while the US can provide North Korea with international legitimacy and lift a certain range of sanctions, its trade relationship with the North is virtually zero, and the real prospects for the stabilization of the North

Korean economy have to come with the provision of Japanese "economic cooperation" to the North and an increase in Japan–North Korea investment and trade, as well as with improvements in North–South economic interaction. The apparent problem, then, for the Perry process and US policy is that if Japan refuses to engage North Korea it will be deprived of substantial economic incentives over the short and longer terms to coax North Korea out of its international isolation, leading to the collapse of the entire engagement strategy. Consequently, the degree of policy-making will on the part of Japan to address the issue of relations with North Korea in the bilateral and trilateral contexts could turn out to be the crucial factor that determines whether or not the Perry report turns out to be an empty strategy.

The evidence from late 1999 to early 2000, and now following the inter-Korean summit, is that Japan is willing to engage the North in terms of the provision of food aid and the resumption of normalization talks. However, there is no guarantee that the internal pressures within Japan, combined with further North Korean military provocation, could not send Japanese policy once more into reverse. The *rachi jiken* remain a constant bone of bilateral contention and block upon the progress of normalization talks. The Japanese government's decision to postpone the normalization talks scheduled for May 2000 was partly in deference to the need to synchronize progress in Japan–DPRK bilateral relations with the hopes for an improvement in North–South relations held out by the June inter-Korean summit, as well as reflecting a crowded Japanese diplomatic calendar in the run-up to the G-8 summit in Okinawa in July. But it was also a recognition of the fact that Tokyo–Pyongyang talks may have already reached the point of deadlock in the preceding round of negotiations in April. The lack of common ground for negotiation in these talks was revealed by North Korea's continued demands for colonial compensation from Japan, and Japan's near futile insistence that North Korea discuss before all else the issues of ballistic missiles, the incursion of North Korean operatives into Japan, the North's alleged export of narcotics to Japan, and the *rachi jiken*. The breakthrough of the inter-Korean summit and the Albright visit, and Japan's subsequent desire not to miss the diplomatic train entirely in order to regain a voice in Korean affairs, prodded policy-makers back to the normalization negotiation table in August and October 2000. Nevertheless, these talks

once more turned into an occasion for Japan and North Korea to rehearse the same negotiating demands, and achieved no substantial progress. Moreover, the confusion in Japanese diplomacy was revealed by an incident in which Prime Minister Yoshiro Mori remarked in talks with UK Prime Minister Tony Blair in mid-October 2000 that the LDP mission he had led to Pyongyang in 1998 had mooted the idea of resolving the *rachi jiken* issue through the *yukue fumei* formula. Mori was accused of committing yet another diplomatic gaffe by intimating a possible willingness on Japan's part to compromise over the *rachi jiken* issue in the run-up to Japan-DPRK normalization talks later in the same month. Mori in his own defense in the Diet was probably correct to point out that his remarks were not a "state secret," as Japan's MOFA had also attempted to use this face-saving formula in 1998. Nevertheless, protests erupted in the mass media and his own party, and the mishandling of the *rachi jiken* issue helped trigger the resignation of Chief Cabinet Secretary Hidenao Nakagawa.

Hence, even though it may have been the case that Japanese policy-makers were angry and frustrated over the North Korean provocation of 1998–99, and leading them to overreact, but then eventually go along with US and South Korean policy because it represented in the final calculation the best strategic option available, the events of this period serve as a forewarning to all the involved states, including North Korea. Japanese support for US and South Korean policy cannot be taken for granted. For the build-up of domestic pressures in Japan over demands for North Korean reciprocation on a range of bilateral issues may reach the level whereby external pressure from the US and South Korea can no longer manhandle Japan back into following the general policy line. If Japan again goes "absent without leave" from the trilateral engagement strategy as it did between 1998 and 1999 and fails to learn the policy lessons of this year, and normalization talks once again fail, then the prospects for the resolution of the North Korean security problem in line with US and South Korean policy and stability in Northeast Asia will once again become bleak.