Japanese policy and the North Korean ‘soft landing’

Christopher W. Hughes


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Abstract  The nature of security on the Korean Peninsula has undergone fundamental change in the post-Cold War period, characterized by the growing recognition on the part of the major regional powers that there is a need for economic as well as military approaches to security and conflict avoidance. The chief manifestation of this trend is the emergence of the US Department of State's 'soft landing' and other engagement policies as attempts to resolve North Korean security threats. Some commentators have seen the soft-landing policy as an opportunity for Japan to use its economic power to contribute to regional and international security. This article examines the evolution and rationale of the soft-landing policy, how Japanese policy-makers evaluate its potential as a solution to the North Korean security problem and the current extent of Japan's contribution to it. The article also points out the limitations of Japanese support for the soft landing due to international restrictions on the Japanese government's room for diplomatic manoeuvre, domestic political obstacles to engaging North Korea and the general lack of Japanese private business interest in the North. Finally the conclusion shows that, despite the recognition of the need to engage North Korea economically, Japanese policy-makers have devoted their energies principally to the redefinition of the US-Japan military alliance based on the legitimacy of the North Korean threat.

Keywords  Japan; North Korea; South Korea; US; security; soft landing.

Evolution and rationale of the soft-landing policy

The prevailing picture of Korean Peninsula security since the outbreak of the Korean War in 1950 has been one dominated by ideological and military confrontation between the two Koreas and their respective allies. Despite signs of rapprochement between North and South with the signing
of the Agreement on Reconciliation, Non-Aggression, Cooperation and Exchange in December 1991, the North Korean nuclear crisis which reached its height in mid-1994 only seemed to confirm that the scenario of military tension and security would be prolonged beyond the end of the Cold War. However, as the nuclear crisis and other subsequent events have unfolded, it has become clear for certain influential elements of the policy-making communities in the US, South Korea and Japan, that North Korea's role as a nuclear proliferator and other threatening military behaviour, including the development of long-range ballistic missiles and transgressions of the cease-fire arrangements of the DMZ (demilitarized zone), have in part been the result of economic desperation and the determination of the North's regime to ensure its survival by the use of military pressure to cajole the US into a process of diplomatic and economic engagement with it. Moreover, the recognition by policy-makers that shows of North Korean military aggression since the early 1990s – or the explosive aspects of the North Korean security problem – have been generated by economic insecurity, has been matched more recently by concerns that other security threats, such as mass refugee flows, could be generated by the total collapse – or implosion – of the North Korean economy and regime. Whether the North Korean economy and regime reared on the principles of juche could ever totally collapse remains a subject for debate, and Kim Jong II's assumption of the position of KWP (Korean Workers' Party) secretary-general in October 1997 has removed many doubts about the internal political stability of North Korea. But increasing knowledge of the failure of agriculture and severe food shortages in the North since 1995 means that policy-makers feel they cannot afford to rule out the possibility of the occurrence of new explosive and implosive political and military security crises precipitated by economic hardship.

Faced with a North Korean security problem manifested in military tensions, but generated by economic decline, the US and its allies have been obliged to consider comprehensive security and economic means to deal with North Korea, so marking a new phase in Korean Peninsula security relations. Thus, whilst maintaining military readiness to deal with any security contingency, the basic thrust of US strategy as devised by the Department of State since the conclusion of the ‘Agreed Framework’ in October 1994 has been engagement with North Korea, and an attempt to trade diplomatic and economic concessions in exchange for the North's moderation of its military and security behaviour (Mazaar 1995: 178–80).

The US Department of State's strategy of diplomatic and economic engagement to resolve the North Korean security problem can be said to have taken four inter-related policy forms. The first and most concrete policy so far has been the establishment under the ‘Agreed Framework’ in October 1994 of KEDO (Korean Peninsula Energy Development Organization). KEDO commits the US, along with South Korea, Japan and, since late 1996, the EU, to construct at an estimated cost of $5 billion two
LWRs (light-water reactors) in North Korea by 2003. In return, the North has agreed to freeze immediately its nuclear programme and then to dismantle its existing reactors once the construction of the LWRs is complete. The US, as KEDO officials state, is the ‘symbolic’ head of the project, and has contracted to pay the costs of supplying North Korea with $50 million of crude oil per annum in order to help meet its energy requirements in the interim period before the LWRs are operational. But although the US will continue to be the chief negotiator with North Korea and to coordinate the strategy of its allies towards the North, it is clear that the main financial costs of the reactors, the construction of which began in August 1997, will be borne by South Korea and Japan, often described respectively as having ‘central’ and ‘significant’ roles (Diamond 1997: 5).

The second and third policies of engagement have been talks between the US and North Korea concerned with halting the latter’s suspected export of ballistic missile technology to the Middle East, and proposals since April 1996 for four-way talks between the US, South Korea, China and North Korea in order to finally achieve a peace settlement and replace the armistice in existence since the end of the Korean War. The talks on missiles have been held intermittently since April 1996 and have had limited success due to North Korea’s insistence that missile exports are a key means of earning foreign exchange, and due to their disruption by other developments in US–North Korea and North–South relations, such as the defection of Hwang Jan Yop in February 1997. Likewise, preparatory four-way talks did finally get under way in August 1997 but progress has been arduous. The North has clearly been suspicious that the four-way talks are a ploy by the South to railroad it into direct dialogue, and has obstructed progress by its insistence that the conditions for the talks should first be promises of major food aid, the withdrawal of US troops from the South, and the conclusion of a peace treaty between the US and North Korea. As a result of North Korea’s intransigence preparatory talks broke up in September 1997. The US, though, managed to persuade North Korea to attend new preparatory talks on 21 November and secured its agreement to join plenary four-way talks which were held for the first time on 9 December 1997 and 23 March 1998. North Korea’s acceptance of the talks is a sign of success for the US State Department’s diplomatic strategy and represents progress in achieving a lasting peace on the Korean Peninsula. However, as all sides in the talks are aware, the talks themselves are likely to continue for a number of years and are likely to assume a ‘stop–go’ pattern of progress as North Korea attempts to secure more economic concessions from the US and to avoid constant and direct dialogue with South Korea.

The fourth and final policy of engagement that the US has followed towards North Korea, and which can be seen to encompass and link together those three other forms described so far, is that of the soft landing. Although as yet a poorly articulated and unsystematic policy, and one
contested by domestic opposition in the US and South Korea (Manning 1997: 600), its aim over the short term is to provide sufficient aid to prop up and prevent the collapse of the North Korean economy and regime, and so avoid the attendant explosive and implosive security risks. The aims of the policy over the longer term are less clear, but as expressed by US State Department officials, the soft landing is designed to create the conditions of diplomatic and economic engagement which will allow North Korea to stabilize and reform its economy, enhance its integration into the Northeast Asian community, and thereby lessen its presence as a security threat.

The success of the soft-landing policy promises great benefits for the security of the region, and it is arguable that the policy has already begun to bear some fruit. The start of the construction of the LWRs has fallen two years behind schedule and at times looked unachievable due to renewed friction over the incident of the beaching of a North Korean submarine on the South Korean coast in September 1996, but North Korea's nuclear programme remains frozen and the KEDO project is a significant step forward in North-South cooperation and reducing the North's international isolation. However, the ultimate success of KEDO and other aspects of the soft-landing policy can only be assured by the commitment to it of the parties involved. As with the KEDO project, it is only the US which has the diplomatic muscle to act as the leader of the policy. Since the emergence of the nuclear crisis there have been doubts in South Korea and elsewhere about the US's commitment to Korean Peninsula security, and these have been increased by opposition to KEDO from elements of the US Congress which see the project as rewarding North Korea's nuclear brinkmanship. But it is also apparent that, despite domestic opposition, deep scepticism in the CIA and Pentagon regarding the utility of engagement with North Korea (Shigemura 1997a: 52; Manning 1997: 601–2), disruptive occurrences such as the submarine incident, and the exasperation of US policy-makers with North Korea's delaying tactics in the four-way talks, the US State Department for the time being at least will not be deflected from the soft-landing policy and attempts to push North and South towards greater cooperation.

Similarly, there have been doubts about South Korea's willingness to pursue a soft-landing policy towards its rival in the North. South Korea has to play the central role in KEDO and any soft landing for the North Korean regime because only it is in a position to provide over the long term the resources necessary for the fundamental restructuring of the North's economy. At the same time, though, its policy-makers have been concerned that they could be outmanoeuvred in the diplomatic game with North Korea, and are fearful that, despite US reassurances, US-North Korea or even Japan-North Korea relations could be normalized before North-South relations have improved. But it looks likely that South Korea eventually will be compelled to adhere to some form of engagement and soft-landing policy, not just because of US pressure, but more importantly
because, as its policy-makers have been aware since the early 1990s, the security and financial costs of attempting reunification with a North Korean economy in an advanced state of collapse are too great for it to bear. Thus, the new Kim Dae Jung administration since early 1998 has begun to seek greater engagement with the North, resulting in the first inter-Korean direct talks for nearly four years in April 1998, and the loosening of restrictions upon South Korean investments in the North.

China is not a member of the KEDO project, but as a participant in the four-way peace talks with major strategic interests in the stability of the Korean Peninsula, and as North Korea's last remaining, if not wholly loyal, Cold War ally, its support for the soft landing is vital. Hence, it can be seen that China, despite its irritation with North Korea's moves to strengthen ties with Taiwan through agreements to store low-level radioactive waste, has since late 1996 been quietly following its own soft-landing policy by restarting some of its economic aid to the North, encouraging overseas Chinese companies to invest in the Rajin–Sonbong zone, and giving relatively strong backing to the four-way peace talks.

Even North Korea can be seen to be committed to a soft-landing policy of sorts. The obvious intention of the Pyongyang regime is play the diplomatic game of engagement to its advantage and to secure from the US and its allies the necessary economic assistance to allow it to 'muddle through' the current economic crisis, without having to open the country significantly to those outside economic and political forces that could undermine its control (Noland 1997: 106). But whilst North Korea may be confident it can continue to extract by military threats and even threats of its own demise economic aid from the US and its allies, and that it can contain what it sees as the Trojan Horse of KEDO and foreign influence in its territory, the regime also knows that it has to embark on some limited economic reforms to rescue its agricultural sector and to attract foreign investment, and that the diplomatic course bequeathed to it by Kim Il Sung before his death in July 1994 was the establishment of improved relations with the US. Therefore, North Korea has continued with its efforts at limited reforms in the Rajin–Sonbong zone to be discussed later, and has stayed in dialogue with the US, even as it twists and turns looking for ways to escape entrapment in the engagement strategy. The determination of the regime to respond to US diplomatic initiatives has been shown by its willingness to cooperate in the recovery of the remains of US MIAs; to work with the US to find face-saving formulas in order to apologize for the 1996 submarine incident; and to return to missile and four-way peace negotiations after the high-profile defections of its officials and diplomats in 1996 and 1997 (Shigemura 1997b: 146–70).

The adjustment between these above actors will be crucial to the soft landing, all of which have differing strategic interests, but, if anything, are united in their support for the policy because they do not want to contemplate the consequences of a 'hard landing' and the collapse of North Korea.
A more detailed examination of the contribution and policy-making process of each, though, is beyond the scope of this article, and instead the concentration is upon the commitment of Japan – the third member of the KEDO project – to the soft-landing policy. Supposing that the US is to be its leader, and South Korea to provide the central support, then questions arise as to what is to be the exact content of Japan's 'significant' role. Both Japanese and foreign commentators have seen Japan's role as essential to the success of the policy, and as a possible opportunity for Japan to use its economic power to contribute to regional security (Valencia 1997: 73; Yamamoto et al. 1996). The remainder of this article will then be devoted to examining Japanese perceptions of the utility of the soft landing, and the extent of its contribution to it. But it will also elucidate the limitations that have been placed upon Japan's participation due to the factors of international restrictions on Japanese government diplomacy towards North Korea, domestic political problems and a lack of Japanese private business interest in helping to restructure the North Korean economy.

Japanese perceptions of the soft-landing policy

Japanese policy-makers throughout history have viewed the stability of the Korean Peninsula as crucial to Japan's own security, and consequently during the post-Cold War period as well have continued to be concerned with developments in Korean security. Like their counterparts in the US and South Korea, during the build-up to and during the height of the nuclear crisis Japanese policy-makers were preoccupied with the explosive military aspects of the North Korean security problem. These were represented for Japan by fears that North Korea's nuclear programme, if left unchecked, could encourage further nuclear proliferation amongst its neighbours, and that the North in the event of a conflict on the Peninsula might endeavour to drag Japan into it by launching attacks on cities and US bases in Japan within range of No-dong 1 missiles, by initiating guerrilla attacks on Japanese nuclear facilities on the Sea of Japan coast, or even by encouraging the North Korean community in Japan under the leadership of the Chōsensōren (General Association of Korean Residents in Japan) to undertake terrorist activities. Although the North's nuclear programme and other potential North Korean threats were never great enough for Japan to reconsider its non-nuclear armed stance as some commentators have speculated, these explosive aspects were seen as a major source of instability in the region and their threat to Japan multiplied by the political security threat that North Korea posed to the US alliance system in Northeast Asia as the ultimate guarantor of Japanese security (Hughes 1996: 82–8). Japanese policy-makers were aware that North Korea was using the nuclear issue in a determined, and at times successful, attempt to undermine the US–South Korea alliance, and that
this could also have a damaging 'knock-on' effect on Japan’s own alliance with the US. Doubts about the US commitment to South Korean security also raised doubts about its commitment to the security of Japan and the rest of the region, and these anxieties about the future of the US–Japan alliance were deepened further by the knowledge that at the height of the crisis, when the US involvement in a war on the Peninsula looked to be a genuine possibility, Japan was unable to establish clearly what type of military and logistical support its constitutional restrictions would allow for it to provide to its alliance partner (Funabashi 1997: 317–21). Therefore, the North Korean nuclear crisis exposed serious stresses and weaknesses in the US–Japan alliance, and has since obliged the policy-makers of both countries to consider ways to strengthen the alliance to deal with any other future military contingencies on the Korean Peninsula and elsewhere in the region, the impact of which will be considered later on (Hughes 1996: 88–93).

But even as Japanese policy-makers have continued to monitor and take steps to counter the explosive military aspects of the North Korean security problem, it is apparent that following the end of the nuclear crisis, and moving in line with the US and South Korea, their essential perception of the problem has begun to shift towards greater focus on its implosive aspects, and the certainty that both the explosive and implosive threats are generated by economic insecurity. Japanese policy-makers have long been conscious of North Korea’s economic predicament and that the imposition of economic sanctions, such as the proposal during the nuclear crisis for Japan to cut the flow of remittances from North Koreans resident in Japan to their homeland, could inflict economic damage on the North. But as the true state of North Korea’s economy has become known after the nuclear crisis, Japanese policy-makers have become concerned that the actual collapse of the North Korean regime is a genuine possibility and that the fall-out from it could affect Japanese security. Hence, in August 1996 the then Chief Cabinet Secretary Kajiyama Seiroku commented that if a military crisis occurred on the Korean Peninsula induced by the economic and political collapse of the North Korean regime, then Japan could be faced with an influx of armed refugees from North Korea (Asahi Shimbun, 10 August 1996: 5). The plausibility of Kajiyama’s predictions are questionable, but they did spark a debate on the readiness of Japan to deal also with the implosive aspects of the North Korean security problem and showed that Japanese policy-makers recognize the connection between North Korea’s economic insecurity, tension on the Korean Peninsula and Japan’s own security.\(^3\)

Moreover, it is clear that the recognition that the North Korean security problem is generated by economic insecurity has led to Japanese acceptance of the basic logic of the US’s soft-landing policy, or nanchakurikuron. Official government policy formulated by the Japanese MOFA (Ministry of Foreign Affairs) and cabinet has been to support South Korea in the
diplomatic struggle with North Korea, but at the same time it has followed the US in advocating greater engagement with the North. For instance, in November 1994 the then Japanese foreign minister, Kono Yohei, noted that the Agreed Framework and KEDO were important steps, 'to bring North Korea into international society. The deepening of North Korea's interdependence with international society will serve our security interests better than the North's current isolation', and in February 1996, his successor as foreign minister, Ikeda Yukihiro, confirmed that, 'the task not just for Japan but also for other countries with an interest is to create for North Korea a more open system and to bring it into international society by means of a soft landing' (Gaimuiinkaigiroku [House of Representatives Committee on Foreign Affairs Proceedings], Dai131 Kokkai Dai1rui Dai4gō, 28 November 1994, no. 3: 26; Dai136 Kokkai Dai1rui Dai4gō, 11 February 1996, no. 3: 7 [author's translation]).

In addition, although there has been criticism by some members of the NFP (New Frontier Party), Liberal Party, and other conservative opposition parties of Japan's financial contribution to KEDO and the provision of food aid to North Korea which they see as rewarding the North's military aggression, there is widespread support for the soft-landing policy among the main Japanese political parties, including most importantly the governing LDP (Liberal Democratic Party) and its coalition partners from June 1994 until the election of October 1996, and then until June 1998 partners in government outside the cabinet, the SDPJ (Social Democratic Party of Japan) and Sakigake. The LDP Policy Affairs Research Council produced a draft report in December 1996 which was favourable towards the improvement of economic relations with North Korea (Japan Times, 29 November 1996: 1), and it is clear that support for the soft-landing policy amongst sections of the LDP and the SDPJ really only marks a continuity with the policy of the engagement of North Korea that both parties have pursued intermittently since the 1970s. The SDPJ has long been opposed to what it sees as the Japanese government's and MOFA's one-sided support for South Korea embodied in the Basic Treaty of 1965 which normalized relations between the two countries and recognized the South's as the only lawful government on the Korean Peninsula, and has thus acted as a pipeline of communication with North Korea through a process of opposition diplomacy, or yatō gaikō (Kawakami 1994: 36-74). Official LDP policy has matched that of the MOFA and diverged from that of the SDPJ because of its consistent backing for the US's ally South Korea. But there are also influential elements in the LDP which, while placing priority on relations with South Korea and careful not to assist North Korean attempts to erode the South's international position, are in broad agreement with the SDPJ in seeing the situation of Japan having no diplomatic relations with North Korea as unacceptable, and that efforts to engage the North and ultimately normalize relations would provide the opportunity to clear up the legacy of colonialism, as Japan has attempted
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to do with the South, and contribute to the security of Japan, North and South Korea, and the process of Korean reunification. Finally, added to these diplomatic considerations, LDP and SDPJ politicians have also been attracted to attempts to engage North Korea by potential economic benefits – with many of the most pro-North Korea Diet members drawn from constituencies on the relatively underdeveloped Sea of Japan coast looking for economic exchange and agreements on fishing rights with North Korea, and the suspicion that politicians from both parties have been encouraged by the receipt of financial contributions from the North Korean community in Japan in the guise of the Chōsensōren and the pachinko industry (Lind 1997: 401–2). Hence, based on what is seen as this not incompatible mix of diplomatic and economic incentives, LDP and SDPJ politicians have undertaken initiatives to engage North Korea through organizations such as the cross-party Dietmen’s League for the Promotion of Japan–North Korea friendship, founded in 1971 and which succeeded in concluding a $500 million trade agreement with North Korea in 1972 and an interim fishing agreement in 1977. As a result, even though the MOFA and governing LDP share essentially the same goals in seeking to engage North Korea without harming relations with the South, sections of the LDP have been more adventurous than the MOFA in exploiting any room for diplomatic manoeuvre in order to improve relations with North Korea through party-to-party diplomacy. By contrast, the MOFA has recognized the utility of LDP–SDPJ non-official diplomacy as a means of opening dialogue with North Korea, but has also been concerned that it should not create a pattern of ‘dual diplomacy’ whereby the North could exploit to its advantage different concessions offered by the Japanese governing parties and the Japanese government itself.

The general conviction in the validity of the concept of the soft landing in the Japanese government and among the main political parties has subsequently fed through into concrete action to support the policy. As already mentioned, Japan is one of the founding members of KEDO and since 1994 has given $5.8 million to the project for the LWR site preparation and running costs of the KEDO office in New York, and in February 1996 due to US budget difficulties provided $19 million to cover the cost of crude-oil supplies to North Korea. An official figure for Japan’s total contribution to the project has not yet been announced, but MOFA officials have indicated that it may be up to $1 billion. Furthermore, the Japanese government has provided 300,000 tons of rice aid directly to North Korea twice, in June and October 1995, and $6 million of food aid to the North in mid-1996 via international agencies.

But even though KEDO and food aid are significant contributions to the soft-landing policy, the impression still remains that there are limitations to Japan’s engagement and extension of economic power to alleviate the economic crisis in the North. Despite the publicity given in Japan to
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the North Korean famine due to the activities of non-governmental organizations and regular television broadcasts of starving North Korean citizens, the Japanese government has not resumed direct food aid to North Korea and has been slow to resume food aid via international agencies. Even more importantly, talks on Japan–North Korea normalization, suspended since 1992, have still not yet restarted as of late June 1998. The normalization process began during the period of rapprochement between North and South Korea with the visit of former deputy prime minister and LDP kingmaker Kanemaru Shin to North Korea in September 1990 to seek the general improvement in Japan–North Korea relations and the release of two crew members of the Japanese Fujisanmaru 18 fishing vessel, incarcerated in the North on charges of spying since November 1983. Kanemaru’s visit secured the release of the two crewmen and the unexpected result of a North Korean diplomatic U-turn and request for normalization talks with Japan – a policy which the North had previously opposed as confirming the division of the Korean Peninsula. An LDP–SDPJ–KWP Three-Party Joint Declaration was also concluded which called for the Japanese and North Korean governments to start normalization talks, to deepen economic and cultural exchange, and which, most controversially, stated that Japan should not only apologize and provide appropriate compensation for the period of colonial rule, but also provide compensation for the forty-five-year gap in relations following the end of the Second World War. This last clause, if ever realized, would have meant Japan giving preferential treatment to North Korea over South Korea by departing from the principles of the Basic Treaty of 1965 under which Japan only settled properly claims for the period of colonial rule and in the form of ‘economic cooperation’. The Japanese MOFA has always maintained that the Joint Declaration is a party-to-party agreement and not binding on the Japanese government, and Kanemaru was criticized on his return to Japan by elements of his own party for his freewheeling diplomacy and the promises of compensation which he made on his own authority after personal meetings with Kim Il Sung (Ishii 1991: 91–170; Okonogi 1991: 93–140). But the Joint Declaration did provide the necessary opening for the start of normalization talks which stretched to eight rounds between January 1991 and November 1992. The talks inevitably experienced difficulties on the issue of compensation, with the North Korean side demanding that Japan adhere to all the promises of compensation in the Joint Declaration which it is believed to have calculated at the massive figure of $10 billion, whereas the Japanese side was only prepared to negotiate on the precedent of the Basic Treaty and to discuss a figure of around $5 billion.² Progress in the talks was also hindered by the issues of North Korean debt repayments to Japanese companies; the legal status of the North Korean community in Japan; the safety of Li Un Hye, believed to be a Japanese citizen abducted by North Korea and used to teach the Japanese language to a North Korean agent responsible for
the bombing of a South Korean airliner in 1987; and permission for Japanese-born spouses of the North Koreans resident in the North, or Nihonjinzuma, to visit relatives in Japan. The ultimate cause of the failure of the talks, though, was the growing nuclear crisis and the North's refusal to discuss Japanese demands for it to comply with IAEA (International Atomic Energy Agency) inspections of its nuclear facilities.

However, even with the passing of the nuclear crisis, the prospects for the restart and substantial progress of the talks are unclear. A joint LDP-SDPJ-Sakigake delegation dispatched to North Korea in March 1995 soon after the conclusion of the Agreed Framework, and led by former foreign minister and LDP faction boss Watanabe Michio, did produce another all-party agreement to resume talks, but this was not followed up by initiatives from either government. More recently there have been signs of improved relations between Japan and North Korea, with the maintenance of low-level dialogue between MOFA and North Korean diplomats in Beijing since early 1996, and formal government talks on the Nihonjinzuma problem since August 1997. As a result of these talks, the North Korean government allowed the visit of Nihonjinzuma groups to Japan in November 1997 and January 1998, and, although it continued to deny any responsibility, showed flexibility in agreeing for the first time to consider cooperation with the Japanese authorities to investigate the alleged abductions of a number of Japanese citizens to North Korea since the 1970s, known as racchi jiken. The Japanese government reciprocated by agreeing to the resumption of normalization talks to be arranged at a later date, and by new Foreign Minister Obuchi Keizō's announcement in October of the same year of $27 million in food aid via international agencies. In addition, some LDP members went as far as to propose that Japan, in line with the US, should seek to establish a liaison office in North Korea (Asahi Shimbun, 16 October 1997: 2), and LDP, SDPJ and Sakigake members dispatched a new mission to North Korea in early November 1997. This mission confirmed the desire of the KWP and governing parties in Japan to move to a quick resumption of government-level normalization talks, that the visits of Nihonjinzuma should continue, and that North Korea would cooperate in investigations into the racchi jiken. But while these developments did represent an improvement in bilateral relations, they also turned out to be further false starts. In June 1988, North Korea delivered its final report on the racchi jiken, which to the dismay of the Japanese government again denied the North's knowledge of the whereabouts of any of the alleged victims of the incidents. The Japanese government responded by declaring that North Korea's attitude made the prospect of the restart of normalization talks slim. In turn, North Korea, obviously frustrated that Japan was not more forthcoming on normalization and food aid, cancelled the third round of Nihonjinzuma visits.

Furthermore, for reasons to be explained in the next section, the MOFA continues to show more caution than certain sections of the government
parties in pushing forward with talks, and will resist any attempts to
normalize relations until there is corresponding progress in US–North
Korea and North–South relations, and regards recent improvements in
bilateral issues more as a process of restoring Japan–North relations from
a ‘state of minus to zero’ rather than a significant step forward (Asahi
Shimbun, 21 August 1997: 1). Thus the restart and ultimate success of
the Japan–North Korea normalization talks is far from certain, and this
means that North Korea is still denied access to a possible $5 billion in
compensation dependent on normalization, which in turn could be crucial
to the survival of the regime and could form Japan's main contribution
to the soft landing.

The limitations in Japanese government efforts to rescue the North
Korean economy are also matched by the hesitation of private Japanese
companies to invest in North Korea and the general stagnation in
Japan–North Korea trade relations. In order for the soft-landing strategy
to succeed, private foreign investment is essential not just from South
Korea and the US, but also from those Japanese trading companies and
other enterprises that in the past have assisted in the economic develop-
ment of the Korean Peninsula, South Korea itself since normalization, and
the whole of the Northeast Asia region. Japanese and foreign commen-
tators envisage that after the Cold War there are again opportunities for
Japanese companies to contribute to Korean Peninsula and regional devel-
opment by establishing the necessary investment links to mesh together
a Sea of Japan Economic Zone and to promote the UN-backed TRADP
(Tumen River Area Development Project) – projects which include North
Korea and if successful would help to integrate it economically into the
region (Shimakura 1995: 299; Marton et al. 1995: 31; Postel-Vinay 1996:
489–504). Indeed, North Korea has been enthusiastic towards attracting
Japanese private investment, as shown by the visit to Japan of the chairman
of the North's Committee for the Promotion of External Economic
Cooperation, Kim Jong-U, in an attempt to persuade Japanese investors
to attend the North's investment forum in the Rajin–Sonbong zone in
September 1996. Nevertheless, although some contracts for investment in
the zone were signed by Chūsensōren-affiliated companies, most large
Japanese companies were conspicuous by their absence from the forum
and have refrained from investing in North Korea. Moreover, Japan–North
Korea trade remains limited in composition and low in value at
around $600 million per annum, and heavily reliant on small companies
managed by North Korean residents in Japan (Miyatsuka 1995: 110–34;

Therefore, it is possible to see a mixed picture of Japanese support for
the soft landing, comprised of an acceptance of the necessity of the policy
as the best way to deal with the North Korean security problem and strong
support for the KEDO project, but at the same time restricted efforts by
Japanese policy-makers to engage North Korea on the issues of food aid
and normalization, and a reluctance by Japanese private companies to assist in North Korean economic reconstruction. The limitations of Japan's contribution to the soft landing could have important consequences for the ultimate success of the US's policy and regional security, and can be explained by the three related factors examined next: the international restrictions on Japan's diplomacy towards North Korea; the connection between North Korea and internal domestic Japanese political problems; and a lack of confidence by Japanese companies in the opportunities for doing business in the North.

**International restrictions on Japanese diplomacy towards North Korea**

Although Japanese policy-makers in the MOFA and government parties accept in principle the need for the improvement of diplomatic and economic relations with North Korea, at the same time they are aware that the chief international restriction on Japanese engagement of North Korea is the maintenance of good Japan–South Korea relations, the security of South Korea, and conformity with US–South Korea policy towards the North. During the Cold War, by its provision under the 1952 Security Treaty of US military bases to be used in support of the US presence in South Korea, and by its sole recognition and supply of economic aid to South Korea under the Basic Treaty, Japan made an indirect contribution to the US and South Korean containment of communism and North Korea, and – as the 1969 Satō–Nixon communiqué later confirmed – drew a connection between its own security and that of the South.

However, a constant South Korean suspicion has been that, despite professions of support for the South, Japanese diplomatic approaches to North Korea have been part of a ‘two Koreas’ policy designed to perpetuate the division between North and South and balance them against each other to achieve Japan’s strategic aim of maintaining stability on the Korean Peninsula (Ahn 1993: 263). This suspicion grew stronger during the period of Japan–North Korea normalization talks, as Japan was seen to have less compulsion to give South Korea its exclusive support after the Cold War and collapse of communism, and that by improving relations with the North and offering preferential treatment on colonial compensation under the Joint Declaration it was attempting to negate the South's diplomatic successes in normalizing relations with the USSR in 1990 and China in 1992. The existence of certain policy-makers in Japan who see some advantage in manipulating the balance of power on the Korean Peninsula to Japan’s advantage cannot be denied, but this interpretation of Japanese policy towards North and South Korea during the period of the normalization talks arguably is inaccurate and unrepresentative. For it is clear that Japan by engaging North Korea was moving in line with then South Korean President Roh Tae Woo's 7 July Declaration
of 1988 that the South would cooperate with the North in its efforts to improve relations with Japan and the US, in parallel with the South's own efforts to improve relations with the USSR and China; that Japanese approaches to the North took place during the period of rapprochement between North and South; that the first suggestion for full-scale normalization came not from Japan but from North Korea; that the preferential promises of compensation to North Korea were made by Kanemaru on his own initiative; and that the MOFA for its part saw Kanemaru's pledges of compensation as an unfortunate consequence of 'dual diplomacy' and showed no intention of departing from the precedent of the Basic Treaty in government-to-government negotiations with North Korea. Moreover, Japanese policy-makers were aware that the North's aim in seeking normalization with Japan was to break out of its international isolation and undermine the South's diplomatic position, and were therefore cautious not to let the normalization process damage Japan–South Korea relations or South Korean security. Prior to, during and after the normalization talks, the MOFA in particular, but also other Japanese policymaking actors, have complied with South Korean requests that Japan should only improve Japan–North Korea relations in consultation and in step with the South's own efforts to improve relations with the North, and only extend economic cooperation and significant amounts of aid after the normalization process is completed. Although MOFA officials maintain that adherence to this policy of renkei, or cooperation with the South, does not place any formal restrictions on Japan's diplomatic freedom, in practice it does mark the effective linkage between improvements in Japan–North Korea and North–South relations, and has been further strengthened since 1996 with Japan's support for the four-way peace talks. The Japanese government and MOFA have stressed that the upgrading of ties with North Korea should be carried out in a way that promotes stability on the Korean Peninsula, which is dependent upon the progress of North–South dialogue and the four-way talks as a forum for that dialogue. The outcome of the renkei policy is that, even with the passing of the nuclear crisis as the original and main obstacle to restarting the normalization talks, the Japanese government will find it difficult to embark upon any decisive initiatives to achieve normalization with North Korea or to provide increased economic aid unless it can gain the understanding of the South, and synchronize its efforts with some perceptible improvement in North–South and US–North Korea relations. The timing of the initiatives since August 1997 on Nihonjinjuma, food aid and the agreement to restart normalization talks some time in the future can be explained by the commencement in the same month of the preliminary four-way talks. If the four-way talks and North–South dialogue somehow continue to succeed, then Japan will probably soon be able to follow the US and South Korea in normalizing relations and beginning to resolve other bilateral issues with the North. But until this happens, and despite
the renewed enthusiasm of the North Korean government and certain Japanese politicians for normalization since late 1997, the MOFA will continue to apply a prudent brake on Japanese normalization efforts, to restrict as far as it can any new attempts at ‘dual diplomacy’, and Japanese diplomacy towards North Korea will probably follow the stop–go rhythm of the four-way peace talks. Consequently, Japanese policy-makers will be obliged to bide their time with measures to improve the general climate of Japan–North Korea relations, such as the visits of Nihonjinzuma, and to continue with their policy of limited engagement.

**Domestic political restrictions**

As outlined above, LDP and SDPJ politicians have been responsible in the past for breakthroughs in Japan–North Korea relations, and if new initiatives are to arise for normalization and enhanced support for the soft landing which are capable of overcoming the cautious resistance of the MOFA, then they are likely to come from this direction. However, internal political change since the failure of the 1990–92 normalization talks and the collapse of one-party LDP rule in 1993 has blunted the influence of the pro-North Korea lobby among Japanese politicians. The criticism that Kanemaru received for the negotiation of the promises of compensation in the Three-Party Joint Declaration marked the start of his political downfall that was eventually completed with his implication for bribe-taking in the Sagakyubin scandal in 1993 – the impact of which also contributed to the break-up of the LDP in the same year. The political incapacitation of Kanemaru and then his death in 1996 removed one powerful pro-North Korea figure (Suzuki 1994: 57), and the death in 1995 of Watanabe Michio, the leader of the LDP–SDPJ–Sakigake mission to North Korea earlier in the same year, meant the loss of another LDP faction leader capable of creating momentum for engagement and undertaking the type of personal diplomacy the North is accustomed to. The accession to the premiership in June 1994 of SDPJ leader Murayama Tomiichi, known to be friendly towards the North, promised some improvement in relations with North Korea and formed the background to the Watanabe mission. But as the junior coalition partner to the LDP, the SDPJ’s freedom to engage North Korea was limited. Furthermore, although the SDPJ continued since the elections of October 1996 to exert some influence on the LDP by working with it outside the cabinet on the issues of administrative reform and US–Japan security arrangements, its and the Sakigake’s disastrous loss in those elections of Diet seats in the Lower House of Representatives diminished their ability to implement policy towards the North.

Added to these changes in the political structure and personnel, in recent years there have also been reduced incentives for the main political parties to become involved in dealings with North Korea. As has already been described, since the 1970s Japanese politicians have been attracted
to attempts to engage North Korea due to potential diplomatic and economic benefits. Kanemaru himself undertook diplomacy towards North Korea because of his desire to be seen as peacemaker, the personal relationship that he struck up with Kim Il Sung, and the need to clear up such issues as the Fujisan-maru crew. The other major motivation for Kanemaru seems to have been financial, with rumours of his receipt of money from the North Korean government and the Chōsensōren, and from his allies in the Japanese construction industry eager to gain access to cheap supplies of building gravels in the North. Most crucially, Kanemaru's willingness to give promises of compensation to North Korea is believed to be explained by his ambition to secure a share of these as a valuable source of political funds for his Takeshita faction which would allow it to continue its domination of Japanese domestic politics. For even if Japan provided only $5 billion of economic cooperation to the North after normalization, this would be equivalent to nearly half of Japan's annual ODA budget, and as the agent responsible for the initiation of this economic aid the Takeshita faction could expect a kick-back from both a grateful North Korean government and those Japanese companies awarded development aid contracts. But at the same time as Kanemaru's activities revealed the financial attractions for Japanese politicians of improving Japan–North Korea ties, his subsequent downfall sparked by criticism of his visit to North Korea and the suspicion that he was in the pay of the North also revealed the potential political risks and scandal of association with North Korea.

Following the end of the nuclear crisis the attraction of this mix of diplomatic and economic benefits clearly remain for Japanese politicians. A large number of LDP and SDPJ politicians still hope that improved Japan–North Korea relations can clear up the legacy of colonialism and contribute to peace in the region, and are concerned with the humanitarian problems of Nihonjinzuma and famine in the North. Politicians from constituencies on the Sea of Japan coast and with large concentrations of North Korean residents also still seek deeper economic links with the North and perceive the opportunities that the soft-landing policy may provide for this. Finally, access to the possible financial bonanza of a share in Japanese compensation to North Korea continues to encourage Japanese politicians to take an interest in relations with the North. Hence, the efforts made by Kōtō Köichi, the LDP secretary-general, to arrange direct Japanese government food aid to the North in 1995 have been interpreted by some as an attempt to establish the personal contacts with the North Korean regime that would allow him to wrest from the Takeshita faction and give to his own Miyazawa faction control of the normalization negotiations and shares in any compensation that would accompany them.

But even though these benefits exist and are again exerting an influence, as witnessed by the efforts to launch a new LDP–SDPJ–Sakigake mission in November 1997, they are still insufficient to persuade the LDP
Japanese policy and the North Korean 'soft landing'

and SDPJ to push for the normalization of Japan–North Korea relations with the same degree of confidence as in the early 1990s. The diplomatic incentives to engage the North are outweighed by the LDP’s prioritization of relations with the South, the North’s exhaustion of much of its goodwill among Japanese politicians due to the nuclear crisis and other aggressive military behaviour, and the knowledge that there is only limited public support at present for assistance to North Korea. Opinion polls demonstrate that since the end of the Cold War North Korea has come to be perceived by the Japanese public as the main military threat to Japan, and sections of the mass media – some openly hostile to North Korea and seemingly intent on sabotaging the improvement of relations by further blackening its reputation and drawing attention to issues such as the North’s suspected smuggling of drugs to Japan – have demanded that Japan should not aid the North until it gives concessions on the issues of Nihonjinzuma and racchi jiken. In response to this public pressure, sections of the LDP have made progress on the racchi jiken a virtual precondition of restarting normalization talks, and have become more hard-line on the issue since North Korea again denied its connection with the incidents in June 1998. Moreover, even those LDP members predisposed to improving relations with the North were angered by its seemingly uncooperative report on the racchi jiken. Thus, Mori Yoshihiko, LDP Executive Council Chairman and leader of the three-party mission to North Korea in November 1997, was forced to conclude that the North was obviously, 'not serious about normalization efforts' (Asahi Shimbun, 10 June 1998, p. 2) [author’s translation].

With regard to the economic benefits, as will be seen in the next section, the negative attitude of Japanese business towards investment in the North means there is a lack of pressure from this quarter to engage North Korea, and the collapse of the ‘bubble’ economy in Japan in the early 1990s has reduced the ability of the Chōsensōren to channel money to politicians (Eberstadt 1996: 538–9). There is also an actual disincentive for politicians to deal with North Korea due to fears of implication in the same type of political and financial scandals which accounted for the fall of Kanemaru. Katō’s negotiation of food aid in 1995 really only served to confirm the political risks of dealing with North Korea. Although the rumours about Katō’s possible financial connections with North Korea cannot be substantiated, they have been sufficient to threaten that the image of financial scandal would stick to him also, and his reputation was later damaged by the claims of one North Korean official that the aid was colonial compensation, causing severe embarrassment for the Japanese government and forcing it to issue a denial. Added to this, the Takeshita faction can perhaps be seen to have acted to reassert control over compensation to North Korea and exclude other LDP factions from a share, with the decision by its new leader, Foreign Minister Obuchi, to initiate new indirect food aid to the North in October 1997. Thus, both Kanemaru’s
and Katō's being hit by the North Korean 'jinx', coupled with faction-fighting and a lack of immediate diplomatic and financial incentives, provides a further explanation for why Japanese politicians have remained ultra-cautious in their efforts to engage North Korea after the nuclear crisis.

**Limited Japanese business interest in North Korea**

Previous sections have indicated the importance of Japanese private investment for the success of the soft-landing policy, and in the past Japanese companies have been the pioneers in Japanese efforts to open up and integrate economically socialist states such as China. Japanese business leaders and organizations such as the Keidanren (Japan Federation of Economic Organizations) are also certainly not unaware of the importance of the soft-landing policy for the security of Northeast Asia, or of North Korea's desire to attract Japanese investment, and have continued to study the progress of the Rajin–Sonbong zone and to receive North Korean trade delegations. But up until this point Japanese companies have not made significant investments in North Korea due to the problems of doing business with the North and scepticism about the overall commercial potential of the North Korean market.

Past experience has taught Japanese companies the difficulties of doing business in North Korea. Japan has long been a target of North Korean attempts to reform its economy, beginning with the North’s Six-Year Plan of 1971–76 to import from Japan and other non-communist countries the necessary technology to rectify the structural weaknesses already evident in its economy at that time (Komaki 1986: 120). Although this plan did lead to an expansion of bilateral trade, Japan–North Korea economic relations later deteriorated over North Korea's inability to repay up to $900 million in accumulated debts to Japanese companies (Tanaka K. 1997: 130). This debt problem has remained unresolved, has given North Korea the image of an unreliable economic partner, and has meant that Japanese companies did not respond to the North’s second attempt to attract Japanese investment with the announcement of a Law on Joint Ventures in 1984, and that they have been discouraged from investing in the North’s third attempt of the Rajin–Sonbong zone. The reluctance of Japanese companies to invest in North Korea has also been compounded by the general problems of doing business in the North, such as unstable energy supplies, the procurement of raw materials and parts, and ignorance of international business practices; and by the political problems of fears about the stability of the regime, its potential for involvement in conflict or becoming the object of international sanctions, and the lack of diplomatic relations between Japan and North Korea, which means that there are no formal mechanisms for resolving the debt problem. Moreover, the Japanese bureaucracy has not been keen to promote Japan–North Korea
economic relations: the Ministry of Finance refusing to issue trade credits due to the debt problem, and the Ministry for International Trade and Industry always ready to interrupt bilateral trade in its vigilance to ensure that no products which could constitute war potential are exported to the North.\textsuperscript{16}

All the above problems of doing business with North Korea could perhaps be overcome, though, if it was the case that Japanese companies were convinced of the long-term commercial incentives to invest in the North. But unlike Japanese business dealings with China from the 1950s until the achievement of normalization in the 1970s, where the lure of the size of the market was great enough to encourage Japanese companies to run the risks of trading with the closed Chinese socialist state, Japanese companies can see fewer attractions in North Korea in the 1990s. Compared to neighbouring China with an abundance of cheap labour, advanced economic reforms, and hundreds of millions of consumers, the North Korean market of only 20 million people presents a poor business prospect. Even the concepts of the TRDAP and Japan Sea zone which incorporate North Korea and offer larger regional markets arouse scepticism amongst Japanese businessmen, who note that while the constituent subregions of the Sea of Japan coast, southern China, the Russian Far East and North Korea are rich in resources and have growth potential, at present they are some of the poorest in Northeast Asia and still far from providing a unified and viable market.\textsuperscript{17} A lack of commercial incentives then explains the hesitation of Japanese companies to invest in North Korea, and it is unlikely that much support for the soft landing will be forthcoming from this quarter until some of the political problems between Japan and North Korea are cleared away, the debt problem resolved, and North Korea enacts fundamental economic reforms (such as its announcement in October 1997 of plans to open also its Nampo port to foreign investment; \textit{Asahi Shimbun}, 16 October 1997: 9), all of which is dependent again on improvements in North–South and US–North Korea relations.

\textbf{Conclusion: reverse policy outcomes and the redefinition of the US–Japan alliance}

This article has demonstrated that Japanese policy-makers recognize the soft-landing policy as a valuable approach to addressing the North Korean security problem and that the Japanese government in partnership with the US and South Korea has made a contribution to the policy by financial support for KEDO and the provision of indirect food aid. But it has also shown that the Japanese government's engagement of North Korea after the nuclear crisis has remained hesitant, and that in fact the diplomatic partnership with the US and South Korea, whilst providing mechanisms like KEDO for Japan to assist in the soft landing, has also created restrictions which can dictate the pace and halt other Japanese efforts to engage
North Korea, such as moves to restart the normalization process. In addition to and linked to these external restrictions, the cautious nature of Japanese engagement can also be explained by internal political restrictions, including: party and personnel realignments; diplomatic and economic disincentives; and fear of involvement in financial scandals and North Korean intrigue. Finally, the limitations of the Japanese engagement of North Korea have been compounded due to a lack of investment in the North by private Japanese companies, which quite simply see better business opportunities elsewhere.

Although Japanese support for the soft landing is still limited, it has been a ‘significant’ contribution, and certainly does not imply the failure of the policy. For as MOFA officials note, Japan has to take a secondary role to South Korea, which is really the only country capable of rescuing the North Korean economy. But it is also clear that South Korea cannot undertake the task alone, and, as the economic crisis in the South since late 1997 has shown, over the long term Japan may need to assist economically both the South and North. However, increased Japanese support for the soft landing, commensurate with the scale of its economic power and Japanese official and private contributions to regional development in the past, will only come if there is some more substantial progress in US-North Korea and North-South dialogue, or if Japanese policy-makers abandon their prioritization of relations with South Korea. The probability of the former has increased following the South Korean presidential elections of December 1997, and the advent of the Kim Dae Jung administration with which North Korea is more willing to talk. As for the latter proposition of a more independent Japanese diplomatic line towards North Korea, this is unlikely unless Japanese policy-makers are willing to brave South Korean protests and to endanger Japan’s indirect security relationship with the South, and in turn, one of the foundations of Japan’s direct security relationship with the US. Japanese policy-makers are clearly not prepared to make either of these choices, and, despite the signs of improved Japan-North Korea relations in late 1997, the Japanese policy of cautious engagement will continue, and hopes disappointed for Japan’s more active use of its economic power for security ends in Northeast Asia.

Indeed, it is the case that Japan’s dealings with North Korea in the 1990s have actually led to the reverse policy outcome, and that Japan’s military contribution to Northeast Asian security and the US-Japan alliance appears to have been strengthened based on the legitimacy of the North Korean threat. It has already been pointed out earlier on how the main security threat that Japanese policy-makers have perceived from North Korea during and since the nuclear crisis is not a military one per se, but a political one which has revealed the inability of the alliance to respond to future military crises in other parts of the region. The experience of the nuclear crisis, coinciding with growing domestic Japanese opposition to the presence of US bases in Okinawa and mainland Japan, has
meant that both governments have been compelled to seek a 'redefinition' of the alliance in order to demonstrate its continued relevance and necessity for the security of Japan and the rest of the region after the Cold War and end of the Soviet threat (George Mulgan 1997: 144–7). This 'reconfirmation' or 'redefinition' has involved an attempt to show that the alliance performs the essential function of being able to suppress any potential regional conflicts, and Japanese attempts to clarify, as it was unable to do at the time of the nuclear crisis, the scope of logistical and military operations it could conduct in support of the projection from bases in Japan of US military power. Japanese moves to re-cement the alliance with the US have been signified by Japan's production in November 1995 of a new NDPO (National Defence Programme Outline) stressing that Japan would now seek from the outset assistance from the US in meeting external aggression rather than seeking to first counter the threat primarily with its own defence capabilities; by the signing in April 1996 and subsequent planned revision of the Acquisition and Cross-Servicing Agreement with the US which increases the range of logistical support that Japan can provide for US forces in Japan in military contingencies, and by the signing of a US–Japan Joint Declaration on Security which reaffirmed the commitment of both countries to the alliance, and under which Japan agreed to review the 1978 Guidelines for Japan–US Defence Cooperation. This review was completed in September 1997 and has endeavoured to define Japan's support for the US under the Security Treaty in the event of security 'situations' in 'areas surrounding Japan', including Japanese SDF (Self-Defence Forces) operations for minesweeping, search and rescue, rear-area support and the inspection of ships on the high seas to enforce sanctions; and the provision of SDF and civilian facilities as additional bases for the US in Japan (Japan Times, 25 September 1997: 4).

The Japanese and US governments seem to have left the geographical scope of the Guidelines deliberately vague and stress that they are purely situational in nature and not designed to counter a threat from any specific country. But the two most obvious potential sources of conflict that are likely to be the object of the Guidelines and future US–Japan security cooperation are North Korea, and, perhaps even more importantly, concerns about the growing military assertiveness of China and its involvement in conflicts over Taiwan, territorial disputes, energy resources and control of the sea lines of communication in the South China Sea (George Mulgan 1997: 152–7). But even though the Japanese government protests that the Guidelines do not have a geographical focus, it appears that policymakers in Japan and the US have not been able to resist the temptation to intimate at specific threats in order to make the need for the revised Guidelines more intelligible to the Japanese public, and that they have designated not China but North Korea as that threat. Hence, despite awareness of the decreasing capabilities and willingness of North Korea
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to fight a war since the end of the nuclear crisis, the new NDPO still identifies the Korean Peninsula – poorly coded language for North Korea – as the sole geographical area of security concern, and the US–Japan Joint Declaration on Security also draws attention to the Korean Peninsula as a source of tension in the region (Bōeichō 1997: 324, 329). The US–Japan Joint Declaration had been originally conceived as far back as the autumn of 1995, but it did show surprising myopia in neglecting to mention that only a month before its announcement concerns about China and its intimidation of Taiwan with large-scale military exercises had been great enough for the US to dispatch the aircraft-carrier Independence based in Japan to the Taiwan Straits. Moreover, Katō Kōichi in a move to reassure China that it is not the object of the Guidelines review was reported as telling Chinese leaders on a visit in July 1997 that the real concern of the Guidelines is the Korean Peninsula. The Japanese government clearly seems to be trying to argue the case for the Guidelines both ways – keeping up the inconsistent pretence that they are not designed to counter any specific threat, whilst simultaneously hinting that China is not a threat, but that North Korea is. However, China has clearly not been convinced and remains critical of the Guidelines, and Katō’s comments were shown to be double-talk by Kajiyama’s assertion a month later that the scope of the Guidelines did include Taiwan and hence by implication were designed to counter contingencies involving China as well as North Korea.\(^\text{21}\)

Kajiyama’s remarks were motivated by the ultimately unsuccessful ambition of forcing Katō from office for reasons of LDP factionalism and domestic political disputes, but they did reveal the split policy that Japan and the US have been following towards North Korea. As has been seen, policy-makers acknowledge the declining military threat from North Korea and the need for engagement, but it still seems they are content to identify North Korea as a convenient threat which can be used to redefine the US–Japan alliance but also obscure the fact that increasingly the strongest premise for the redefinition is the potential threat from China. Hence, the final and somewhat ironic conclusion that can be drawn from Japanese security policy towards North Korea after the Cold War is that it has been used as the chief legitimacy for the strengthening the US–Japan alliance, and that it is these changes, rather than the soft landing, which have absorbed most of the policy-making energies of the Japanese government and LDP.

Notes

1 Analyses of the connection between the economic problems of North Korea and explosive-implosive-type security risks are provided in Bracken 1993: 145–7; Roy 1996–7: 22–36; and Manning 1997: 600–4.

2 For recent views arguing against premature predictions of North Korea’s collapse, see Cumings 1997 and Levin 1997–98.
Kajiyama’s prediction of a major refugee crisis for Japan is perhaps questionable because it assumes firstly that refugees from the Peninsula would seek to flee to Japan, and secondly that they would have the means to do so. Certainly in the event of a major conflict on the Korean Peninsula refugee flows would occur, and some refugees might be tempted to seek safety with relatives in Japan. However, the problems of crossing the Sea of Japan in anything other than a large ocean-going vessel are very great, and therefore it is more likely that refugees would seek sanctuary with their fellow countrymen in China or South Korea. The absence of refugee flows from the Korean Peninsula to Japan during the Korean War also indicates that Japan is not necessarily the prime destination for refugees in the event of a crisis. For a critical analysis of Kajiyama’s remarks, see Tsuru 1996: 90–1.

Interview with NFP House of Councillors member, Tōkyō, 7 November 1996.

Interview with leading Japanese scholar on North Korea, Tōkyō, 12 June 1997.

Interview with senior MOFA officials, Tōkyō, 6 November 1997, 8 January 1998.

Trade with North Korea accounts for only 0.1 per cent of Japan’s total trade. But conversely, trade with Japan is very important for North Korea, as Japan is its third largest trading partner after China and Russia, and the main source of its imports of technology. North Koreans resident in Japan manage around half of Japan–North Korea trade and three-quarters of the joint-venture companies in North Korea (Kawai 1988: 155).

Interview with senior MOFA official, Tōkyō, 3 December 1996 and 6 November 1997.

After Kanemaru’s arrest in 1993 for involvement in the Sagawakyūbin scandal, there had been speculation that the unmarked gold ingots discovered in his office safe had been channelled to him from North Korea (The Economist Intelligence Unit, Country Report: North Korea, 3rd Quarter 1993: 44). The supply of good quality alluvial building gravels has nearly been exhausted in Japan, and the nearest and best source of gravels for the mammoth Japanese construction industry is North Korea, which due to the mismanagement of its agricultural programme and consequent soil erosion has a surplus of this vital building material. Interview at National Institute for Defense Studies, Tōkyō, 21 May 1996.

Interview with leading Japanese national newspaper journalists, Tōkyō, 6 February 1997, 15 November 1996.

For further analysis of the contacts between North Korea, Kanemaru and other LDP faction leaders, see Suzuki 1994: 51–8.

Interviews with LDP House of Representatives member, Tōkyō, 30 October 1996, and SDPJ House of Councillors member, Tōkyō, 20 November 1996.

Interview with leading Japanese national newspaper journalist, Tōkyō, 6 February 1997.

According to one poll, 29 per cent of the Japanese public feel a military threat from North Korea, compared to 19 per cent from the US, 18 per cent from China, 7 per cent from Russia and 2 per cent from South Korea (Asahi Shimbun, 22 September 1997: 2). In April 1997, Japanese police seized an estimated $100 million of amphetamines from a North Korean cargo ship docked in Hososhima port. North Korean diplomats in the past have been caught handling drugs and there has been speculation in Japan that the April 1997 incident may have had some official government involvement. In the August 1997 agreement to reopen normalization talks, the North Korean government denied any official connection to the incident, but expressed its concerns and said that it would take steps to make sure that the incident would not be repeated.
Opposition to increased aid from Japan to North Korea has been voiced by conservative newspapers and certain research institutes, which appear to time their coverage of North Korea to coincide with and hinder any prospects of improvements in bilateral relations. Hence, although the abductions of Japanese citizens, or racchi jiken, have been a cause of concern since the 1970s, the Japanese press only seems to have revitalized it as a bilateral issue with the visit of Hwang Jan Yop to Japan in February 1997 and his unsuccessful attempt to secure more food aid from the Japanese government. The mission's failure does not appear to have been the cause of Hwang's defection in China later in the same month, and can be explained by poor timing rather than media pressure. The Japanese government was really obliged to turn down requests for food aid because the visit came too soon after North Korea's apology in December 1996 for the submarine incident and with no sign of an improvement in North–South relations. But the media attention devoted to the racchi jiken certainly did not help to create an atmosphere for improved relations during Hwang's visit.

15 For a fairly hostile attack in a major national journal on Katō's reputation and links to North Korea, see Satō and Nishioka 1995.

16 Interview with MITI official, Tōkyō, 22 October 1996.

17 Interview with Keidanren official, Tōkyō, 15 October 1996.

18 Interview with senior MOFA official, Tōkyō, 4 December 1996.


20 Academic and media commentators in Japan have expressed a good deal of puzzlement and some dissatisfaction with the Japanese government's argument that the term 'areas surrounding' Japan, or shūhen, is more a situational than a geographical concept. Some have seen it as the deliberate use by the government of obfuscating language in order to move away from previous geographically-based definitions of shūhen and the range of the US–Japan security treaty, and so strengthen the alliance's freedom of action in a contingency. The term shūhen was originally employed in the context of Japan's obligation under Article 6 of the revised 1960 Security Treaty to supply the US with bases for the security of Japan and the Far East. In the same year, Prime Minister Kishi Nobusuke gave the government's official definition of the Far East which stated that, although the Far East was not necessarily a precisely delimited geographical region, and that the range of the US–Japan Security Treaty would not necessarily be restricted to it, it did broadly include the areas north of the Philippines and surrounding Japan, and the areas under the control of South Korea and the Republic of China (Taiwan). Hence, even though the original conception of shūhen is not geographically rigid, it is clearly geographical in nature, and is intended to define roughly the limits of action under the Security Treaty. The government has never officially revised this definition, and politicians and bureaucrats maintain that shūhen still contains a geographical element in the sense that the area of action for the new Guidelines is likely to be close to Japan. But it is significant that they now seem to stress more Kishi's additional statements that definitions of shūhen are not necessarily geographically fixed or always restrictive of the Security Treaty's range of action, and posit that it is not possible to draw a firm geographical line to demarcate the boundaries of Japan's security interests. Thus, the government's shift of emphasis has enabled it to skirt round any awkward redefinition of the Far East as a means to expand the range of the treaty, whilst at the same time leaving open the possibility for action in areas both inside and outside the existing definition of
the Far East based on the introduction of the concept of situational need. The ability to keep intact the existing definition of the Far East is particularly advantageous in that it means that the government can leave vague Taiwan’s position as an object of the new Guidelines. As part of the definition of the Far East, Taiwan clearly came within the scope of the Security Treaty in 1960 and was thus a potential problem for the normalization of Sino-Japanese relations in the 1970s. Following normalization and the acceptance of Peking’s legitimacy it was and still is possible for both sides to argue that Taiwan could now be included as part of China and consequently outside the scope of the Far East, the Security Treaty and the Guidelines. But because Japan and China decided to shelve this problem at the time of normalization, and because, as stated earlier, the definition of the Far East has still not been officially revised, Taiwan’s position and connection to Japan’s Security Treaty obligations remains uncertain. As shown by the events of March 1996, the US is still willing to demonstrate a security commitment to Taiwan, and in the event of a contingency in the Taiwan Straits it would certainly look to use its bases in Japan for support. However, by stressing the situational nature of shūhen, Japan has been able to avoid making a clear-cut commitment to Taiwanese security and antagonizing China, and yet retain the option to support the US in the event of a ‘situation’ in the Taiwan Straits. For arguments and counter-arguments concerned with the definition of shūhen and its deliberate strategic ambiguity, see Yamamoto 1997: 83–7 and Gaikō Fōramu 1997: 20–1.

21 According to press reports, Katō stated that, ‘The Guidelines review has the Korean Peninsula in mind, it does not have China in mind at all’ [author’s translations] (Asahi Shimbun, 3 September 1997: 4). Kajiyama stated that the Guidelines, ‘mainly have the Korean Peninsula in mind’, but that their scope ‘covers the [Straits of Taiwan], of course’ (Japan Times, 19 August 1997: 1). Prime Minister Hashimoto Ryūtarō on a visit to China in September and before the announcement of the new Guidelines was forced to repeat that they had no geographical focus and to deny Chinese claims that it was the object of the review (Asahi Shimbun, 9 September 1997: 2). However, the whole issue of the Guidelines scope was again thrown into confusion with the remarks of Takano Toshiyuki, the Director General of MOFA’s North American Affairs Bureau, when he stated on 22 May 1998 in the House of Representatives Committee on Foreign Affairs that shūhen does not exceed the scope of the Far East as defined at the time of the 1960 Security Treaty revision, so drawing attention back to the geographical nature of shūhen and the possible inclusion of Taiwan within the coverage of the Guidelines. Takano’s remarks were immediately denied as inaccurate by Kyūma Fumio, Director General of the Defence Agency, who again stressed the situational nature of shūhen, but this could not prevent renewed Chinese criticism of what it saw as Japanese willingness to interfere in the Taiwan problem (Asahi Shimbun, 28 May 1998, p. 2).

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