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Japan-North Korea Relations. Bad and Not Getting Better^(*)

The findings of an end of May international investigation that a North Korean torpedo fired from a submarine sank a South Korean warship on March 26 killing 46 South Korean sailors, confirmed to policymakers in Tokyo that North Korea is above all to be treated as a potential and credible military threat to Japan.

On May 20, the then Japanese Prime Minister Yukio Hatoyama announced that his government would support South Korea in its decision to request the UN Security Council to adopt a resolution against North Korea. On May 23, the South Korean government announced it would refer the sinking of the vessel to the UN Security Council, and request the latter to consider adopting a resolution to expand the existing sanctions imposed on North Korea. North Korea is already subject to UN economic sanctions imposed after Pyongyang's earlier missile and nuclear tests in 2006 and 2009.

On May 28, Tokyo announced a further tightening

of its already harsh economic sanctions against North Korea, when it decided to lower the amount of cash that individuals can send to North Korea without declaring it, from 10 million yen (roughly 88,000 euro) to 3 million yen (roughly 26,000 euro). This restriction aims to further limit the transfer of hard currency from Japan to North Korea by ethnic North Koreans living in Japan who are organized in the so-called *North Korean Residents Association of Japan* (*Chosen Soren* in Japanese).

Furthermore, on May 28 Japan's parliament also passed a bill authorizing Japanese coastguards to inspect vessels on the high seas suspected of carrying North Korean weapons or nuclear technology, in accordance with a 2009 UN Security Council resolution.

While Japanese-North Korea bilateral relations could currently hardly be worse¹,

¹ Japan and North Korea have not maintained diplomatic relations since the Korean Peninsula was

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Abstract

In 2010, Japan and the Democratic People's Republic of Korea (DPRK - hereafter North Korea) are as far away as ever from maintaining anything resembling "normal" relations, let alone official diplomatic ties.

Bilateral negotiations originally aimed at the establishment of Japanese-North Korean diplomatic relations have been interrupted since 2008 and are very unlikely to be resumed in the months and most probably the years ahead.

Bilateral Japanese-North Korean ties will continue to be characterized by antagonism and friction. The analysis below explains how and why.

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(*) The opinions expressed herein are strictly personal and do not necessarily reflect the position of ISPI.

in the years ahead Tokyo will continue – as Christopher W. Hughes wrote in the *Asian Survey* journal in 2009 – to “super-size” the perceived military threat from North Korea to justify the upgrading and modernization of Japan’s defense and military capabilities².

Kidnapped Japanese

Not only North Korea’s missile and nuclear programs but also (and at times above all) the so-called “abduction issue”, i.e. the abduction of Japanese citizens to North Korea by North Korea’s secret service in the 1970s and 1980s, have made sure that bilateral ties and exchanges are still reduced to the very minimum. In fact, the “abduction issue” has in recent years been as important (if at times not even more important) on Japan’s North Korea agenda as Pyongyang’s missile and nuclear ambitions.

Since the US, Japan, China, South Korea, Russia and North Korea started negotiating the terms and conditions of North Korea’s denuclearization in the framework of the so-called 6-Party Talks in 2003³, Tokyo’s willingness to provide Pyongyang with economic, humani-

tarian and financial assistance stood and fell with North Korea’s willingness to address the “abduction issue”, i.e. to explain to Tokyo what exactly happened to the Japanese abducted by North Korea’s secret service decades ago⁴.

Tokyo claims that up to 35 Japanese citizens were abducted to North Korea in the 1970s and 1980s and forced to “work” as Japanese language “instructors”, teaching the Japanese language to North Korean secret service agents.

Back in 2002 during the first Japan-DPRK Summit in Pyongyang, North Korea’s leader Kim Jong-Il admitted that North Korea’s secret service had indeed kidnapped Japanese citizens and officially apologized for it. While Pyongyang considered the issue to be settled through this official apology back then, Tokyo saw its fears confirmed and (under pressure from the Japanese public and the country’s media) requested Pyongyang to follow up its official apology with information on what exactly had happened to the kidnapped Japanese in North Korean captivity over the decades. Until today, however, Pyongyang has

essentially limited itself to maintaining that those abductees who were not allowed to return to Japan in 2003 (when 5 of them did return to Japan) have died a “natural” death.

Tokyo’s requests for more information on the fate of the abductees became even more frequent and assertive in 2002, when Pyongyang allowed five surviving abductees to return to Japan for what Pyongyang requested should be a “holiday”.

In October 2002 the five surviving abductees traveled to Japan for what was supposed to be a two-week visit there, without being permitted to bring their children or spouses with them. The public outcry in Japan that these relatives were being held as “hostages” in North Korea led Japan’s government (headed by Prime Minister Junichiro Koizumi at that time) to refuse to send the five abductees back to North Korea, and to demands from Tokyo to allow their family members to move to Japan.

In June 2008, during a brief period of Japanese-North Korean rapprochement, Tokyo hinted at the possibility of providing Pyongyang with economic and financial aid while Pyongyang committed itself to re-investigate the “abduction issue”, and in addition promised to hand over Japanese terrorists who had hijacked a Japan Airlines flight in 1970. Furthermore, Tokyo committed itself to consider lifting the economic sanctions

² See e.g. C.W. HUGHES, *Super-sizing the DPRK Threat. Japan’s Evolving Military Posture and North Korea*, in «Asian Survey», XLIX, 2, March/April 2009.

³ A multilateral forum established in Beijing in 2003 aimed at achieving North Korea’s denuclearization through negotiations; its members are the US, China, Russia, Japan, South and North Korea.

⁴ For a very critical view of Japan’s 6-Party Talks policies and approach, see e.g. M. OKANO-HEIJMANS, *Japan as Spoiler in the Six-Party Talks: Single-issue Politics and Economic Diplomacy Towards North Korea*; in «Japan Focus», October 21, 2008, http://japanfocus.org/-Maaike_Okano_Heijmans/2929.

it had imposed on North Korea in 2006.

Neither side, however, stuck to its promise: The abduction issue was not reinvestigated, the terrorists were not handed over and Japan's economic sanctions remained in place.

“Super-Sizing” the Threat

The abduction of Japanese citizens by North Korea's secret service earned the country the label of a “terrorist” or “evil” state in Japanese domestic political discourse. This anti-North Korea sentiment, as Japan scholar Christopher Hughes argues, resulted (with the help of some Japanese media and conservative politicians) in at times irrational and unrealistic assessments of the level of danger North Korea and its military posed to Japanese internal and national security. Japanese allegations that North Korea is actively involved in the smuggling of narcotics into Japan (threatening Japan's internal security) confirm the Japanese perception of North Korea as an “evil country”⁵.

Japan's defense establishment – with the active support of previous LDP governments (led by former Prime Ministers Shinzo Abe and more recently Taro Aso) – has in recent years sought to justify the acquisition of

additional and state-of-the-art military equipment with the perceived threat posed by North Korea's missile and nuclear programs.

This has led to the upgrading and modernization of Japan's Coast Guard (JCG) equipment and capabilities, equipping it to deal more rapidly and effectively with North Korean intrusions into Japanese territorial waters (which have occurred on a regular basis over recent years). The JCG budget was increased several times over the last five years to acquire amongst others 21 new JCG boats and seven jets equipped with state-of-the-art weapons and defense systems.

Furthermore, Japan (in cooperation with the US) continues to invest funds and other resources for the development of a regional missile defense system in order to protect the Japanese territory from North Korean rogue missiles.

In the past, the “super-sizing”⁶ of the North Korean threat has also led to proposals by Japan's defense establishment to acquire offensive US-made Tomahawk missiles to preemptively attack North Korean missile and nuclear facilities, if deemed necessary. To be sure, the acquisition of offensive Tomahawk missiles would have violated Japan's principle of so-called “de-

fense-oriented defense policies”, which does not permit Japan with the acquisition and stationing of offensive military capabilities.

Japan's internal debate on the acquisition of Tomahawk missiles back then was very short-lived, however, and the acquisition of offensive military equipment remains taboo in Japan today.

North Korea: Really a Threat?

As regards the perceived conventional military threat from North Korea, Japan's concerns center around the threat posed by North Korea's guerilla incursions, incursions into Japanese territorial waters as well as attacks on Japanese nuclear power facilities along the coast of the Sea of Japan. Large parts of Japan's territory are exposed to North Korea's stock of 150-200 Nodong-1 1,000-1,300 km medium-range ballistic missiles.

While Japanese policymakers and the defense establishment point to the immediate threat posed by North Korean missiles, independent analysts on the other hand increasingly point to the decreasing threat posed by North Korea's conventional military capabilities, resulting from Pyongyang's ageing equipment and technology as well as the lack of funds to train its military appropriately.

Independent analysts widely agree that North Korea's conventional military forces and capabilities are realisti-

⁵ See also S. CHESTNUT, *Illicit Activity and Proliferation: North Korean Smuggling Networks*, in «International Security», 32, 1, Summer 2007, pp. 80-111.

⁶ A term introduced by C.W. HUGHES in the above-mentioned «Asian Survey» article.

cally not a credible, let alone an imminent threat to Japanese security.

Furthermore, there is near-consensus among analysts that North Korea is not (at least not yet) capable of mastering nuclear weapons technology to miniaturize nuclear devices to mount weapons onto e.g. ballistic missiles. There is also agreement that North Korea's offensive capabilities are no match for Japan's defensive capabilities, let alone a match for the conventional military capabilities with which the 47,000 US military forces stationed in Japan are equipped.

Nonetheless, Japan's defense establishment fears and warns that North Korea might, in the longer run, plan to equip its Nodong and Taepodong missiles (with a range of up to 6,000 kilometers⁷) with conventional high-explosive warheads, or mount biological and chemical weapons onto them. If not intercepted, North Korea's short-range Nodong missiles are able to reach and hit Tokyo in less than ten minutes.

Japan, North Korea and the 6-Party Talks

When the 6-Party Talks were started in Beijing in 2003, Japan emphasized from the very beginning that the missile and nuclear issues must be solved to-

gether with the above-mentioned "abduction issue" before it could envision progress of Japan-North Korean relations and provide Pyongyang with economic and financial aid⁸.

Over the years it has been confirmed and emphasized over and over again that the "abduction issue" and its resolution is, for Tokyo at least, just as important as the dismantlement of North Korea's missile and nuclear programs.

Pyongyang on the other hand has argued and still argues that Tokyo should not be "allowed" to participate in the multilateral talks as long as it insists on putting the "abduction issue" on the agenda for the talks. This has been Pyongyang's official position ever since, and before the 6-Party Talks broke down indefinitely after North Korean missile tests in April 2009, other members of the 6-Party Talks (the US and South Korea in particular) became increasingly concerned about the danger that Tokyo's insistence and attempts to make the "abduction issue" a central item on the agenda of the 6-Party Talks could jeopardize the successful outcome of the

talks i.e. North Korea's sustainable and verifiable denuclearization.

Japan scholar Maaïke Okano-Heijmans calls Japan the "spoiler" of the 6-Party Talks, arguing that in the past Tokyo was deliberately obstructing and indeed "sabotaging" the 6-Party Talks with its insistence on making progress on the "abduction issue" within the framework of the 6-Party Talks. She argues that Japan, has never honored its commitment to provide North Korea with energy and humanitarian aid, as was agreed in the framework of the so-called February 2007 "Nuclear Agreement".

Back then and through the "Nuclear Agreement", it was agreed that the US, China, Russia, South Korea and also Japan would provide North Korea with substantive energy and economic aid in return for a verifiable list and evidence that Pyongyang was disabling and dismantling its nuclear program and facilities.

While the US, China, Russia and South Korea back honored this part of the agreement, Japan was reluctant to do so i.e. *de facto* did not participate in the multilateral efforts to provide North Korea with the promised energy and economic aid.

For sure, North Korea's first "nuclear list" – submitted to the 6-Party Talks on May 29, 2008 (after Pyongyang failed to meet the first official deadline set for December 31, 2007) – was discarded by Washington as too insuffi-

⁷ With a range of up to 6,000 kilometers (the Taepodong missile was last tested by North Korea in July 2006).

⁸ For the official position of the Japanese government back in 2003, on what the 6-Party Talks must achieve from a Japanese perspective, see: GOVERNMENT OF JAPAN, Ministry of Foreign Affairs (MOFA), *Six-Party Talks on North Korean Issues (Overview and Evaluation)*, September 2003, http://www.mofa.go.jp/region/asia-paci/n_korea/6party0308.html.

cient and incomplete to initiate the agreed provision of energy and economic aid to North Korea.

However, when Pyongyang delivered a second account (roughly 19,000 pages long) of its nuclear facilities and activities 6 weeks later, Japan still refused to join multilateral energy aid policies for North Korea. This was despite the fact that Washington (and the other members of the 6-Party Talks minus Japan) considered the list to be detailed and verifiable enough to initiate the provision of aid and energy to North Korea (and which much to Japan's chagrin led to the US taking North Korea off the US State Department's so-called list of "State Sponsors of Terrorism" in October 2008)⁹.

Better Times in the Early 2000s

In the framework of the so-called 2002 "Pyongyang Declaration", the result of a bilateral Japan-North Korea Summit in Pyongyang in 2002, Tokyo offered Pyongyang a large-scale economic aid package in return for progress on North Korea's de-nuclearization and "abduction" issues. Through this Japanese aid package, Pyongyang *de facto* agreed to renounce its claims for

reparations for Japan's occupation of the Korean Peninsula from 1910-1945. Pyongyang accepted Tokyo's request to refer to the aid package as "economic cooperation".

Back then, Japan and North Korea seriously considered the establishment of diplomatic relations. Tokyo was considering an economic aid package for North Korea in the range of \$5-\$10 billion, which would have been proportionate with what Japan offered South Korea in economic and financial aid after the establishment of Japanese-South Korean diplomatic relations in 1965. Japan's 2002 aid package would have consisted of grants, low-interest long-term loans, humanitarian assistance, and the financing of credits for private firms, provided by the Japan Bank for International Cooperation¹⁰ amongst others.

The amount of Japanese funds would have been very significant, given that the entire North Korean economy was estimated to be worth \$20 billion in 2003¹¹. Pyongyang initially accepted Japan's offer, which was remarkable in that Pyongyang had previously insisted

that any Japanese economic assistance must be labeled "reparations" or "compensation".

Eventually – or "predictably" given North Korea's foreign and security policy behavior in recent years – Pyongyang's missile and nuclear tests (certainly together with Tokyo's insistence on making progress on the above-mentioned "abduction issue") resulted in the indefinite suspension of potentially very substantive and beneficial Japanese aid and economic engagement policies for the North Korean economy.

Japanese Sanctions

Today, Japanese-North Korean economic exchanges and relations are above all characterized by the economic sanctions Tokyo has imposed on North Korea in recent years. First imposed in 2003 after the detection of a North Korean clandestine nuclear program (by US reconnaissance satellites), Japanese sanctions were further expanded in 2006 when North Korea conducted a long-range missile test in July of that year.

The 2006 sanctions included the banning of all North Korean imports and stopping its ships entering Japanese territorial waters. They had an impact on North Korea's exports of products such as clams and mushrooms, which earned Pyongyang Japanese yen on the Japanese market.

Tokyo's 2006 sanctions banned port calls by a ferry

⁹ Which *de facto* meant the end of joint US-Japanese hard-line policies towards North Korea and in Tokyo the perception of being abandoned by Washington on the "abduction issue"; for details of the US State Department list see www.state.gov/s/ct/rls/crt/.

¹⁰ See GOVERNMENT OF JAPAN, Ministry of Foreign Affairs, *Japan-DPRK Pyongyang Declaration*, www.mofa.go.jp/region/asia-paci/n_korea/pmv0209/pyongyang.html.

¹¹ For details see e.g. M. MANYIN, *Japan-North Korea Relations-Selected Issues*, CRS Report for Congress, November 26, 2003, <http://fpc.state.gov/documents/organization/27531.pdf>.

which ethnic Koreans in Japan used to send hard currency to North Korea. Over decades these shipments had been an important source of hard currency revenues for North Korea. It is estimated that up to \$250 million dollars – mostly gained from the lucrative pachinko business run by ethnic Koreans in Japan – were shipped to North Korea on an annual basis in the past¹². How much money is currently being transferred i.e. how effective Japan's economic sanctions are in hindering money transfers from Japan to North Korea, remains difficult to assess with certainty.

When in June 2008 Pyongyang committed itself to re-investigate the fate of the Japanese citizens abducted by North Korea's secret service, Tokyo decided to partially lift some of the economic sanctions imposed on Pyongyang in 2006, allowing certain North Korean ships to make port calls in Japan¹³. Tokyo was also ready to lift restrictions on individual travel and charter flights between the two countries.

After North Korea's missile and nuclear tests in April 2009, however, Japan again extended its existing economic sanctions by one

year, including the ban on imports imposed in 2006. Tokyo also tightened the supervision of money transfers from Japan to North Korea and strengthened a ban on selling luxury goods to North Korea, including pricey beef, caviar, alcohol and cars. The Japanese cabinet also approved measures to tighten monetary transmission rules to North Korea. Under the new sanctions, any monetary transmission to North Korea of over 10 million yen (\$100,000) and cash delivery of over 300,000 yen (\$3,000) had to be reported to the government.

For sure, given the very limited Japanese-North Korean bilateral trade volume (and in view of rapidly expanding North Korean trade and investment relations with China – in 2008 trade with China accounted for more than 70% of North Korea's overall external trade, and over 90% of foreign investment in North Korea originates from China), the actual and concrete impact of Japanese economic and trade sanctions on the North Korean economy will continue to be fairly limited.

In 2006, Japanese-North Korean bilateral trade amounted to a very modest \$120 million (down from roughly \$370 million in 2002)¹⁴. Trade with North

Korea has never amounted to more than 0.1% of Japan's overall trade.

Conclusions

In view of pressure from the media and the Japanese public, no Japanese government – including the current one led by Japan's new Prime Minister Naoto Kan – could politically afford to take the above-mentioned “abduction issue” off the top of Tokyo's North Korean policy agenda, in favor of attempts to resume Japanese political and economic engagement policies similar to those of the early 2000s.

The resumption of Japanese food and humanitarian aid policies for North Korea will also continue to depend on Pyongyang's willingness to provide Tokyo with additional information on the fate of the abducted Japanese citizens.

To be sure, unless there is a fundamental policy shift in Pyongyang, the North Korean regime will continue to ignore Japanese requests for additional information on the abductees.

As sad and appalling as the abduction of Japanese citizens to North Korea in the 1970s and 1980s was, from the Japanese national and regional security perspective this issue should not have limited and – as it eventually did – removed Japan's influence on North Korea's denuclearization process within the framework of the 6-Party Talks.

¹² Pachinko is a very popular pin-ball game in Japan, generating enormous amounts of revenue.

¹³ D.C. KANG - J-Y. LEE, *Tentative Improvement through Pragmatism*, in «Comparative Connections», CSIS, July 2008; http://www.csis.org/media/csis/pubs/0802qjapan_korea.pdf.

¹⁴ North Korea's main export items to Japan are clams, textiles, mushrooms and coal. Japan's primary exports to North Korea are cars, electrical components, woollen fabrics and general machinery.

The longer Tokyo's policy-makers have insisted on solving the "abduction issue" over recent years, the less North Korea has considered Tokyo to be a relevant actor and contributor to the 6-Party Talks. Often the very opposite has been the case, with Pyongyang regarding Tokyo as an irrelevant party at the 6-Party Talks.

Should the 6-Party Talks resume this year (there are currently no indications whatsoever that they will), this is very unlikely to change. As far as Pyongyang is concerned, Japan will remain at best a marginal and at worst an irrelevant participant at the 6-Party Talks¹⁵.

In the meantime, as explained above, Japan's defense establishment will continue to exploit the perceived real or "imaginary" threat from North Korea, in order to "sell" the upgrading and modernization of Japan's defense and military capabilities to the Japanese public as being "justified" and "necessary".

¹⁵ See also L. HAGSTRÖM, *Normalizing Japan-Supporter, Nuisance or Wielder of Power on the North Korean Nuclear Talks?*, in «Asian Survey», 49, 5, 2009.

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