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Panel: Reordering East Asia

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Is Japan back? Its twenty years of recession sank Japan to the position of declining influence—one that makes no big decisions. With Prime Minister Abe Shinzo in power, Japan is not regaining regional influence by measure of its prior economic dynamism. But Abe’s political agenda and proactive diplomacy are shaking the East Asian regional order in ways that are increasingly dividing the region and creating structural holes.

The Abe government has focused its regional policy agenda almost exclusively on the deteriorating security environment. It has strengthened its bilateral alliance with the United States, most notably by reinterpreting its longstanding policy to allow for “collective self-defense.” Abe has also taken a hard line on security challenges the country faces from China as well as North Korea. For years, China-Japan relations have deteriorated as the two have been competing vigorously for regional influence. Abe has been keen to stress the emergence of a “strong Japan” in its disputes with China, pushing forward the security divide between the United States/Japan and China, thereby overshadowing the new type of major country relationship. Together with strategic competition, the rightist rhetoric of Abe and others in his cabinet has further aggravated China-Japan relations.

Abe’s overarching historical revisionism is the primary source of soured relations between Korea and Japan, both of which have yet to hold a one-on-one summit meeting since Abe and Park Geun-hye took office. Park has demanded a more explicit apology from Japan on history issues such as “comfort women”; but Abe reluctantly reaffirms the Kono Statement and the Murayama Statement, and a view that there has been enough apologizing is gaining strength in Japan. By now, there are huge fissions in public attitudes developing toward each other.

Japan’s decision to enter the TPP negotiations on March 2013 has been a game changer in the Asia-Pacific FTA race. As Japan is helping to enhance the credibility and viability of TPP as a multilateral trade agreement, China is searching for an alternative to counterbalance it. China views TPP as an effort by the U.S.-Japan economic alliance to contain its economic influence on the region. The upshot is that a multilateral, mega-FTA competition between U.S./Japan clusters vs. China’s clusters is overshadowing the existing FTA race that sought hub-and-spokes networks predicated on bilateral FTAs.

Now that Japan’s security, ideological and trade policy stances have helped to increasingly divide East Asia, several structural holes have emerged in China-Japan, South

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Korea-Japan, North Korea-Japan and U.S.-China relations. Due to such structural holes, middle powers seem to be facing “either-or” situations. At the same time, they are better positioned to craft policy that bridges the holes, adds values across clusters, and thereby enhance their prestige and influence.

In order to establish a new regional architecture, South Korea should be able to play a middle power role because it is positioned at the crossroad between China and Japan, United States and China, and U.S.- and China-clusters. While an entrepreneurial opportunity to bridge the structural holes is provided, the first step for the country is improving relations with Japan. Under soured bilateral relations, the country’s range of strategic space has been substantially limited. For example, Japan blames a South Korea that is leaning toward China by forming an “anti-Japanese history alliance,” and China uses history cards to pull South Korea to its side and drive a wedge between the United States/Japan and Korea. Korea is sandwiched. Improved relations with Japan would enable Korea to pull out of this situation and provide an opportunity to play a bridging role between Japan and China and between the United States and China.

The United States is advised to take a delicate and careful approach to bridging these two allies. It can play a role in advising Korea to move beyond anti-Japanese nationalism and take a two-track, pragmatic approach to Japan, while warning that historical revisionism is a losing hand for Abe to play when Japan wants to increase its regional influence.

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