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## Japan-North Korea Relations: (Sad) State of Play and (Sad) Prospects

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*A few days after the paper below was completed, Pyongyang 'did it again.'*

*As threatened after its April missile launch, Pyongyang has on May 25 conducted an underground nuclear test. This was North Korea's second nuclear test after the first test in October 2006. What's more, almost immediately after the UN condemned the test and began working on a resolution, Pyongyang test-fired two short-range missiles off an east coast base in North Korea. Only a day later then, Pyongyang on May 26 launched another two short-range missiles into the Sea of Japan putting Japan's armed forces on high alert.*

*The UN Security Council reacted promptly to the nuclear and missile tests announcing that it would vote on a binding resolution to prepare and even tougher economic sanctions on North Korea and there is little room for doubt that also Tokyo will in the weeks and months ahead strengthen and expand the country's economic sanctions discussed below.*

*To be sure, North Korea's May 2009 nuclear and missile tests will almost guarantee that there will be no bilateral Japanese-North Korean exchanges in the months ahead and the state of bilateral Japanese-North Korean relations might even be worse than feared in this paper.*

## Introduction

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Today, Japan and the Democratic People's Republic of Korea (DPRK) are as far away as ever from establishing anything resembling 'normal' relations, let alone official diplomatic ties.<sup>1</sup> This is very unlikely to change in the months and almost certainly years ahead. Unsurprisingly, this is above all due to the launch of a North Korea long-range missile (capable of reaching Guam and Alaska, at least in theory) on April 5.<sup>2</sup>

While Pyongyang 'celebrated' a successful launch of a communications satellite into orbit, analysts widely agreed that the launch was actually a failure with parts of the missile (or satellite as Pyongyang claims) falling into the Sea of Japan shortly after its take-off. In fact, the April launch once again demonstrated the technical shortcomings of North Korea's missile programs and technologies.

Consequently and despite Pyongyang's ability<sup>3</sup> to hit Japanese territory with its Nodong missiles, North Korea will continue to be considered a 'real' military threat only until a certain extent in Japan, one of the main targets of North Korea's hostile propaganda. According to most analysts the state of North Korea's missile program is simply not good enough to pose a military threat to others, in particular to the US, South Korea and Japan which have the military capabilities to counter a North Korean missile attacking within minutes.

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<sup>1</sup> Japan and North Korea have not established official relations since the Korean peninsula was liberated from Japan in 1945 (Japan invaded and annexed the Korean peninsula to Japanese territory in 1910).

<sup>2</sup> 'Defiant North Korea Launches Rocket'; BBC News, 5 April 2009, available at: <http://news.bbc.co.uk/2/hi/asia-pacific/7982874.stm>;

'Satisfaction' From Kim Over N. Korea Launch'; CNN, 5 April 2009, available at: <http://edition.cnn.com/2009/WORLD/asiapcf/04/05/north.korea.rocket/index.html>; 'North Korea Fires Rocket over Tohoku,' *The Japan Times* Online, 5 April 2009, available at: <http://search.japantimes.co.jp/cgi-bin/nn20090405x1.html>

<sup>3</sup> North Korea has in recent years successfully tested its Nodong missiles and although there remain doubts among the missile's accuracy and reliability, the improved Nodong missiles pose a military threat to Japan.

## DPRK quitting the 6-Party Talks and resuming its nuclear program

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On April 5, 2009, Pyongyang announced to pull out of the so-called 6-Party Talks<sup>4</sup> following an UN unanimous vote condemning North Korea's April missile launch<sup>5</sup>: 'There is no need for the 6-Party Talks anymore. We will never again take part in such talks and will not be bound by any agreements reached at the talks', North Korea's foreign ministry announced on April 14.

Japan, as far the state-run Korean Central News Agency (KCNA, whose server is ironically based in Tokyo, being maintained by ethnic Koreans residing in Japan) is concerned, is 'entirely responsible' for the fact that Pyongyang had to pull out of the 6-party talks:<sup>6</sup>

'Whenever the talks opened, Japan raised issues completely irrelevant to the talks (Pyongyang hereby refers to the so-called 'abduction issue' - for details see below), deliberately throwing obstacles in their way and making desperate efforts to bring the talks to collapse', a KCNA article on April 28 read.

This of course was not the first time that Pyongyang accused Tokyo of 'sabotaging' the 6-Party Talks. Two days before the start of the last 6-Party Talks session scheduled for December 8, 2008, North Korea issued a statement saying that it would not accept Japan as a participant in protest against Tokyo's refusal to provide North Korea with energy aid as agreed in an agreement<sup>7</sup> reached in February 2007. Under this agreement North Korea was to receive one million tons of heavy fuel oil or the equivalent in energy aid from the other five participants in exchange for disabling its plutonium-producing facilities at Yongbyon and verifiably revealing the full extent

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<sup>4</sup> A multilateral forum established in 2003 and hosted by Beijing; the 6-Party Talks (China, Japan, North Korea, Russia, South Korea, and the U.S.) are aimed to negotiate and oversee North Korea's verifiable and sustainable denuclearization.

<sup>5</sup> See for example Mark Landler and Matthew Saltmarsh, 'N. Korea Threatens to Quit Talks and Restart Plant'; *The International Herald Tribune*, April 15, 2009.

<sup>6</sup> See 'Japan Entirely to Blame for Bringing Six-Party Talks to Collapse', KCNA, April 28, 2009, available at: <http://www.kcna.co.jp/index-e.htm>; and on the same website on April 29, Rodong Sinmun on North Korea's decision not to participate in Six-Party Talks.

<sup>7</sup> See 'Nuclear Talks Break Down', the Economist Intelligence Unit, Briefing, December 12, 2008, available at: [http://www.economist.com/agenda/displaystory.cfm?story\\_id=12791910](http://www.economist.com/agenda/displaystory.cfm?story_id=12791910)

of its weapons program. While until December 2008 roughly half of the promised energy aid has been delivered, the Japanese government has been withholding the Japanese share of energy arguing that Pyongyang had not lived up to its July 2008 promise to provide Tokyo with further information on the fate of the kidnapped Japanese.

It is yet impossible to assess (June 2009) whether Pyongyang's announcement to pull out of the multilateral talks is to be taken at face value or whether it is to be understood as a tactical move to eventually ask for new and additional concessions in forms of humanitarian, food and energy assistance before agreeing to discuss its denuclearization in the framework of the 6-Party Talks.<sup>8</sup>

On April 14 then, Pyongyang announced to suspend cooperation with the International Atomic Energy Agency (IAEA) and ordered all IAEA inspectors to leave the country. Ten days later (on April 25) Pyongyang claimed to have resumed reprocessing spent nuclear fuel rods to extract weapons-grade highly enriched plutonium, breaking the February 2007 agreement the production of such material.<sup>9</sup> Then again this Pyongyang's recent claim cannot be verified as it has expelled all international inspectors.<sup>10</sup>

What's (potentially) worse, as reaction to UN Security Council sanctions requiring UN Member states to freeze assets of three North Korean companies (The Korea Mining Development Trading Corporation (Komid), The Korea Ryonbong General Corporation, and Tanchon Commercial Bank, which are believed to be active in procuring equipment and funds for North Korea's ballistic missile and weapons programs), Pyongyang has threatened on April 29 to resume nuclear testing.<sup>11</sup>

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<sup>8</sup> As it was reported out of North Korea at the beginning of May, pre-condition for Pyongyang to resume the talks is a UN apology for having imposed sanctions after the April missile launch.

<sup>9</sup> North Korea agreed for the first time in 2005 to abandon all nuclear weapons and existing nuclear programs, and return to the Treaty on Non-Proliferation of Nuclear Weapons and to UN safeguards. It again confirmed these commitments in February 2007 within the framework of the 6-Party Talks, and last year it seemed that Pyongyang was willing to begin living up to that commitment when it began partially dismantling the nuclear facilities in Yongbyon. It is estimated that Pyongyang has in the past extracted enough plutonium for up to eight nuclear bombs.

<sup>10</sup> 'N. Korea Resumes Plutonium Production', *The Financial Times*, April 26, 2009.

<sup>11</sup> 'N. Korea Threatens Nuclear Tests', BBC News, April 29, 2009.

## The predominance of the abduction issue in Japan's approach toward North Korea

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Where do the recent developments and events leave Japan-North Korea relations? In essence where there have been over the last years: Japanese-North Korean bilateral relations could hardly have been more problematic and confrontational in recent years even without the April missile launch and threats to resume nuclear testing.

Indeed, from a Japanese perspective, North Korea's nuclear and missile programs are only part of the reason why Tokyo and Pyongyang have made essentially no progress towards normalizing bilateral relations and establishing official diplomatic relations since 2002 until today.

This is above all due to what is being referred to as the 'abduction issue.' Up to 35 Japanese citizens, Tokyo claimed since the late 1990s, were abducted to North Korea in the 1970s and 1980s to be 'employed' as Japanese language 'instructors' teaching Japanese language to North Korean secret service agents

Back in 2002 during the first Japan-DPRK Summit in Pyongyang (for details see below), North Korea's admitted that its secret service has indeed kidnapped Japanese citizens and officially apologized. While Pyongyang considered the issue to be settled through this official apology back then, Tokyo saw its worst fears confirmed and (under pressure from the Japanese public and the country's conservative media which for months reported in detail on the issue) requested Pyongyang to follow up its official apology with information on what exactly happened to the kidnapped Japanese in North Korean captivity over the decades.

Initially (and until today) Pyongyang limited itself to declaring that those abductees who were not allowed to return to Japan in 2003 have all died a 'natural' death.

## No information, no normalization

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Tokyo's requests for more information became even more frequent and assertive when Pyongyang back in 2003 allowed five surviving abductees to return to Japan for a 'holiday'. In October 2002 the five surviving abductees traveled to Japan for a one-to-two week visit, but were not permitted to bring their children or spouses with them.

The public outcry in Japan that these relatives were being held as "hostages" led the Koizumi government to refuse to send the five abductees back to North Korea and demand that family members too must be allowed to come to Japan.

'Tokyo kidnapped the kidnapped Japanese', Pyongyang complained when it became clear that the Japanese would not return to North Korea. Since then the repatriated Japanese citizens have appeared numerous times on Japanese television, have contributed to public seminars and conferences providing the Japanese public with emotional first-hand accounts of their captivity in North Korea.

Together with the country's North Korea hardliners (nationalists, ultra-nationalists within the ruling Liberal-Democratic Party, LDP) they are until the present day exerting significant and vocal pressure on Japan's government to make sure that the 'abduction issue' (as opposed to Pyongyang's missile and nuclear programs) remains on top of Tokyo's North Korea policy agenda.

In view of the strong public opinion on the abduction issue - in fact one of the few issues in Japanese politics the electorate feels very passionate about<sup>12</sup> - no Japanese government could afford to make progress towards the normalization of relations with North Korea without a resolution to the abduction issue on Japan's terms.

Also, ever 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 6-Party Talks in 2003, Tokyo's willingness to provide Pyongyang with economic, humanitarian and financial assistance stood and fell with North

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<sup>12</sup> Numerous interviews with officials of the Ministry of Foreign Affairs in Japan confirmed this.

Korea's willingness to address the 'abduction issue' and the kidnapping of Japanese citizens by North Korea's secret service in the 1970s and 1980s.<sup>13</sup>

In retrospect, it must be concluded that Pyongyang was never seriously considering to investigate (and in 2008, re-investigate) the case and Tokyo was probably well aware of this given Pyongyang's early on tactics to provide Tokyo with obvious bogus information on the fate of the abductees. This was the case with Megumi Yokota kidnapped from Japan in 1977 at the age of 13. In November 2004, Pyongyang sent Tokyo some human remains, DNA tests, however, showed they were not those of Yokota, confirming Tokyo's suspicions that Pyongyang is essentially mocking Japanese requests for accountable and verifiable information on the kidnapped Japanese.

It remains very unlikely that North Korea's political leadership will be willing to provide Tokyo with information beyond previous implausible explanations in the months ahead.<sup>14</sup>

However, given North Korea's recent missile and nuclear tests, it remains yet to be seen whether Tokyo will be able (and willing) to continue putting the 'abduction issue' (as opposed to North Korea's nuclear and missile programs) on the very top of its North Korea agenda. In fact, even if there are no indications for that to happen, it is not to be excluded that after years of essentially unsuccessful Japanese-North Korean negotiations, the 'abduction issue' might in terms of Japan's North Korea priorities be replaced with Pyongyang's nuclear and missile programs.

To be sure, a resolution on the 'abduction issue' on Japanese terms will continue to be a precondition for the official normalization of bilateral Japanese-North Korean ties.

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<sup>13</sup> For a very critical Japanese perspective on Japan's 6-Party Talks policies and approach see e.g. Maaïke Okano-Heijmans, 'Japan as spoiler in the Six-Party Talks: single-issue politics and economic diplomacy Towards North Korea'; *Japan Focus*, October 21, 2008, available at: [http://japanfocus.org/-Maaïke\\_Okano\\_Heijmans/2929](http://japanfocus.org/-Maaïke_Okano_Heijmans/2929)

<sup>14</sup> There were almost no limits to what Pyongyang would invent as non-credible explanations as to what happened to the abductees in North Korea.

## Back to the past: the 2002 Japan-North Korea Summit and the 'Pyongyang Declaration'

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North Korea's December 2008 request to exclude Japan from the 6-Party Talks' session was a low-point (or rather the lowest point) in Japanese-North Korea relations since 2002.

Indeed, a number of reasons led Tokyo to conduct an engagement policy toward Pyongyang around 2000.

Despite this attempt to engage North Korea economically and politically was met with resistance and harsh criticism amongst Japan's North Korea hardliners inside and outside the ruling LDP, this policy was deemed necessary at the time, because of the launching a long-range Taepodong Missile over Japanese territory in August 1998, the new revelations about the abductions of Japanese citizens, frequent incursions of North Korean spy ships into Japanese territorial waters and suspected smuggling of North Korean drugs and counterfeit currency into Japan.

The result of this Japanese reactivated engagement course was the Japan-North Korea Summit in September 2002. On September 17, 2002, Japan's former Prime Minister Koizumi and North Korean leader Kim Jong-il held a one-day summit in Pyongyang that temporarily restarted Japanese-North Korean normalization talks (which had been suspended since 2000).

At the end of the one-day summit Koizumi and Kim signed the so-called 'Pyongyang Declaration'<sup>15</sup>. In the declaration North Korea pledged to unilaterally extend the country's moratorium on missile testing beyond 2003 (when it expired), admitted that North Korean secret service agents had abducted 13 (of which 8 had died, as Pyongyang claims until the present day) Japanese citizens in the 1970s and 1980s, and issued a very vague promise to start complying with international agreements related to nuclear issues.

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<sup>15</sup> See Japan-DPRK Pyongyang Declaration; Ministry of Foreign Affairs, Japan (MOFA), available at: [http://www.mofa.go.jp/region/asia-paci/n\\_korea/pmv0209/pyongyang.html](http://www.mofa.go.jp/region/asia-paci/n_korea/pmv0209/pyongyang.html)

In return, Prime Minister Koizumi in return apologized for Japan's colonization of the Korean Peninsula from 1910-1945 and offered to provide North Korea with a large-scale economic aid package.

The Japan-North Korea normalization and security talks, however, broke down very quickly after the summit when in October 2002 US reconnaissance satellites allegedly detected a clandestine North Korean nuclear program in October 2002. Furthermore, North Korea admission that its secret service agents had indeed kidnapped a number of Japanese citizens in the 1970s and 1980s led to a popular outrage in Japan putting additional pressure on the Prime Minister and his policymakers to suspend normalization talks with North Korea.

At the end of October 2002 Japan and the DPRK nonetheless held normalization talks in Kuala Lumpur where Tokyo requested Pyongyang to allow the children of the five Japanese abductees who returned to Japan in October 2002 to return to Japan as well, halt its nuclear weapons program and dismantle North Korea's medium-range Nodong missiles. Pyongyang agreed to none of that and instead accused Tokyo of breaking the Pyongyang Declaration.

## Japanese aid

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Almost all of Japan's aid has in the past been channeled through the UN World Food Program. Tokyo has linked food shipments to progress in Japan-North Korea relations meaning that Japanese humanitarian and food aid for North Korea was very sporadic (and in the end non-existent) in recent years. In fact, given the small amounts of Japanese humanitarian and food aid, there was realistically very little (if any) reason to be concerned that Pyongyang could use Japanese funds and aids to use them for its missile or nuclear programs. Japan (and the US) have more than once in the recent past provided North Korea with humanitarian and food aid without preconditions or progress on the nuclear issue.<sup>16</sup>

In 2002 Tokyo offered Pyongyang a large-scale economic aid package in return for progress on the denuclearization and abduction issues.

After an establishment of diplomatic relations with North Korea, Tokyo was reportedly considering an economic aid package in the range of \$5-\$10 billion which in proportion would have corresponded to what Japan offered South Korea after diplomatic relations in 1965. Japan's comprehensive assistance package would have consisted of grants, low-interest long-term loans, humanitarian assistance, and financing credit for private firms. The amount of funds considered would have been a very significant amount of money given that the entire North Korean economy was estimated to be

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<sup>16</sup> When dealing with North Korea (and other countries 'of concern'), the EU separates between humanitarian on the one hand, and political and security issues on the other hand. That meant in the past that the EU (unlike Japan and the US) continued to provide North Korea with humanitarian and food aid despite the unresolved nuclear weapons program issue. For the EU's current policies towards North Korea, see e.g. Axel Berkofsky, 'EU: On the Bench in Pyongyang'; *ISN Security Watch*, February 17, 2009, available at: <http://www.isn.ethz.ch/isn/Current-Affairs/Security-Watch/Detail/?ots591=4888CAA0-B3DB-1461-98B9-E20E7B9C13D4&lng=en&id=96587>

worth \$20 billion in 2003.<sup>17</sup> Washington back then was concerned that the Japanese financial assistance could directly or indirectly finance the modernization of North Korea's armed forces.<sup>18</sup>

Pyongyang on paper accepting this generous Japanese economic assistance was remarkable in the sense that Pyongyang had previously insisted that any Japanese economic assistance must be labeled 'reparations' or 'compensation.' To be sure, 'would have been remarkable' as the aid package never materialized.

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<sup>17</sup> For details see e.g. Mark Manyin, 'Japan-North Korea relations-Selected Issues'; *CRS Report for Congress*, November 26, 2003, available at <http://fpc.state.gov/documents/organization/27531.pdf>

<sup>18</sup> For details and background see e.g. Markus Noland and Stephen Haggard, 'North Korea's External Economic Relations'; Working Paper, *Peterson Institute for International Economics*, August 2007; <http://www.petersoninstitute.org/publications/wp/wp07-7.pdf>

## Resuming negotiations in 2006

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In 2006, Japan and North Korea agreed to resume bilateral negotiations for the first time employing a three-track format with separate panels and working groups discussing diplomatic normalization, North Korea's past abductions of Japanese nationals and Pyongyang's nuclear and missile programs.<sup>19</sup> However, this format plus numerous 'secret', i.e. non-public Japanese-North Korean negotiations in Pyongyang, did not produce any results on the abduction issue whatsoever as Japan's former North Korea chief negotiator Ambassador Hitoshi Tanaka told this author.<sup>20</sup>

Between 2006 and 2007 Japanese delegations led by Tanaka spend a number of week-ends (roughly 20 as Tanaka told this author) in Pyongyang negotiating with their North Korean counterparts without virtually any results and progress on the three mentioned issues mentioned above.

In fact, the attempt to address the abduction issue, the normalization of diplomatic relations and the missile/nuclear issue separately failed because Tokyo was eventually unwilling (and admittedly unable in view of the public opinion in Japan) to separate the issues from one another with Pyongyang continuing to refuse to provide Tokyo with the requested information on the abductees.

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<sup>19</sup> See Axel Berkofsky, 'Japan, North Korea: all talk, no action'; *The Asia Times*, February 8, 2008, available at: <http://www.atimes.com/atimes/Japan/HB08Dh03.html>

<sup>20</sup> Author's interviews with Ambassador Hitoshi Tanaka in 2006.

## Japanese money to Pyongyang

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Due to its chronic lack of hard currency, North Korea has in the past counted on the North Korean community residing in Japan to send yen and other 'hard' currencies to North Korea. In the past, the pro-Pyongyang North Korean Residents Association of Japan (*Chosen Soren*) regularly sent gifts and funds to DPRK although these contributions were necessarily sent on a voluntary basis. Over 90,000 Koreans emigrated from Japan to North Korea in the 1960s and 1970s and were in the past 'used' and abused as sources of revenue for the political leadership in Pyongyang.

The Japanese government was for decades concerned that the money sent home by North Koreans in Japan will find its way into North Korea's military and later missile and nuclear programs. After North Korea's first nuclear test in October 2006, the US urged Japan to cut off this flow of funds as part of international sanctions against North Korea. Initially, Tokyo was slow to act, but eventually Japanese sanctions were able to obstruct the credit cooperative system run by the North Korean Residents Association. However, it remains difficult to assess with certainty how well and efficiently the Japanese government was able to disrupt the flow of yen to North Korea in recent years.

### **Ethnic Koreans in Japan**

Under Japanese colonial rule on the Korean Peninsula from 1910-1945, Koreans were made Japanese citizens by default. While they never enjoyed equal rights and were always the subject of discrimination, Koreans living in Japan were nevertheless allowed to vote in Japanese elections. However, as soon as World War II ended, Koreans lost their Japanese citizenship. Most Koreans back then returned to their homeland during the first five post-war years, but the outbreak of the Korean War halted this, leaving almost a million Koreans in Japan concentrated mainly in the major metropolitan areas. With the signing of the San Francisco Peace Treaty in 1951, Japan regained its independence and Koreans in Japan were forced to register as foreigners ('aliens' in 'Japanese English'). When in 1965 Japan and South Korea signed the so-called South Korea-Japan Basic Treaty all those Koreans in Japan who did not apply for South Korean citizenship became North Korean citizens by default. This was part of the reason that the original ratio of North Koreans to South Koreans in Japan was about 2 to 1, in spite of the fact that the vast majority of Koreans who came to Japan were from the south of the country. Over the ensuing years, more and more North Koreans have switched to South Korean citizenship, and the ratio has reversed.

With the signing of the 1965 treaty, Tokyo recognized Seoul as the only lawful government in Korea excluding North Korea from reparations and initially also economic assistance. Japan has consistently refused Pyongyang's demands for war reparations and instead offered Pyongyang a few years ago the same economic cooperation and assistance it offered Seoul after establishing diplomatic relations with South Korea in 1965.

## And back to the present: defending Japan against North Korea?

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Even if the missile launch has dealt yet another setback to the possibility of anything resembling Japanese-North Korean rapprochement, it has realistically not made North Korea more 'threatening' to Japan. Not even North Korea's first alleged nuclear test in October 2006 caused 'enough' alarm amongst Japan's defense establishment to revise the current thinking of what in terms of funding and military equipment is needed to defend Japanese territory in the case of a regional contingency.

The state of North Korea's armed forces (including its missile program and the actual missiles) has proved to be 'insufficiently' threatening to justify an upgrade of Japan's military capabilities beyond the development of a defensive missile defense system.

To be sure, part of Japan's defense establishment will continue to use the potential military threat from North Korea as justification (or pretence as the critics claim) to request an upgrade of Japan's military capabilities and North Korea's recent missile launch will 'help' to keep these debates alive and relevant within Japan's policymaking circles.<sup>21</sup>

North Korea's (at least) potential military threat will all the same continue to partly shape the security strategies. Realistically, however, the perceived potential threat from North Korea will continue not to change the fundamental character of Japan's defense and security policies and has so far not led to an upgrade of the country's defense capabilities and equipment. To be sure, Japan has spent \$48 billion on defense in 2008 and its armed forces (and its coast guard for that matter) and its military is equipped with state-of-the-art military equipment.

Nonetheless, North Korea's recent threat to resume its nuclear program and the April missile launch has the potential to revive the inner-Japan discussions and debates to boost up the country's defense capabilities to deal with a (potential) North Korean military threat. However, so far there are no indications that Tokyo is seeking

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<sup>21</sup> The author's interviews with officers of Japan's Ministry of Defense confirm this.

to revisit the fundamentals of its defense and security policies, including the possibility of revisiting Japan's long-established refusal to import, develop or station nuclear weapons codified in the country's so-called 1976 'Non-Nuclear Principles'.<sup>22</sup>

Indeed, constitutional restrictions limiting what Japanese military can 'do' or participate in abroad will remain in place in the years ahead: unlike parts of the international press is suggesting (and Japan's conservative and ultra-conservative press is hoping), Japan is not about to revise its constitution and abolish the so-called 'pacifist' article 9 of its constitution.<sup>23</sup>

Furthermore, Japan's long-established constraints such as the self-imposed limit not to spend more than one percent of the country's GDP on defense<sup>24</sup> will remain in place in the years ahead and given the current fiscal constraints and the upcoming economic recession in Japan, increased spending for defense will not come anywhere near to the top of Tokyo's policy agenda.<sup>25</sup>

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<sup>22</sup> For the 'Non-Nuclear Principles,' see the text 'On the Three Non-Nuclear Principles'; Japan's Ministry of Foreign Affairs, available at: <http://www.mofa.go.jp/policy/un/disarmament/nnp/index.html> However, Japan would without a doubt have the technological know-how and experience to go nuclear within a year or so. Furthermore, in 2003, it was revealed (through the declassification of US documents) that Japan has in the 1960s allowed the US to introduce nuclear weapons into Japan. To be sure, the Japanese government denies that this ever happened, see Axel Berkofsky, 'The Myth of a Nuclear-free Japan'; *The Asia Times* January 22, 2003, available at: <http://www.atimes.com/atimes/Japan/EA22Dh01.html>

<sup>23</sup> Article 9 of the constitution does allow not Japan to maintain armed forces in the first place-the main reason why Japan's armed forces are called 'Self-Defense Forces.' In order to change the Japanese constitution, a two-third majority in both chambers of the Japanese parliament is necessary-under the current political constellations this is a near-impossibility. Furthermore, a revision requires a positive popular referendum and even if the Japanese public is increasingly in favor of a more prominent and visible role in regional and global security, it is still very unlikely that the majority of the Japanese electorate would be in favor of abolishing the constitution's 'pacifist' article 9.

<sup>24</sup> Formulated and implemented in 1954, the year the Japanese Self-Defense Forces were established.

<sup>25</sup> Only Yasuhiro Nakasone, Japanese Prime Minister in the 1980s, decided to temporarily spend more than 1% of the country's GDP on defense. However, the increase was minimal and very temporary (one fiscal year).

## North Korean missiles

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Today, hundreds of North Korean missiles are reportedly aimed at Japan (and South Korea) and it is estimated that Pyongyang's Nodong missiles are able to reach downtown Tokyo in less than 10 minutes. Although Japan's current missile interceptor systems-either land-based or deployed on AEGIS destroyers- have been significantly improved (through regular tests, including joint test with the US) over recent years, analysts (and the Japanese government) agree that Japan's existing systems would not necessarily be able to intercept and destroy an incoming North Korean missile. This is not least due to Japan's relatively limited radar capabilities to accurately monitor DPRK missile launches. Although Japan will continue to invest significantly into improving its own radar capabilities, Tokyo will for the time being continue to rely on the US for radar data related to North Korean missile launches.

Then again, despite its erratic and often irrational behavior the North Korean leadership is well aware that any military aggression towards Japan and Japan-based US military bases would inevitably lead to a US-Japanese counterattack and the likely devastation of North Korean territory in a matter of weeks.

Since North Korea launched a rogue missile over northern Japan in August 1998, Japan and the US are jointly working on developing a regional missile defense system.<sup>26</sup> The August 1998 launch was a 'wake-up call' for Japanese policymakers and made the development of a BMD a priority on Japan's defense policy agenda ever since.<sup>27</sup>

The US has urged for years Japan to increase its contributions to the research but also the costly development of the missile defense system. Tokyo committed itself only in 2007 to financially contribute to the development phase of the system. To be sure, given the funds

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<sup>26</sup> For details, see Christopher W. Hughes and Richard K.C. Beardsley, *Japan's Security Policy and Missile Defence*; Routledge/Curzon, 2008.

<sup>27</sup> For a recent and brilliant analysis of how Japan's defense and security policies have changed over the last 10 years, see Richard Samuels, *Securing Japan-Tokyo's Grand Strategy and the Future of East Asia*; London, Cornell University Press, 2007. Also Michael Green, *Japan's Reluctant Realism*; Palgrave, 2001; Mike Mochizuki, *Japan's Changing International Role*, in: Thomas U Berger, Mike Mochizuki and Jitsuo Tsuchiyama (eds.), *Japan in International Politics-The Foreign Policies of an Adaptive State*; Lynne Rienner Publishers, 2007, pp. 1-22.

invested into the system over the last decade, Tokyo's refusal to officially announce its interest in the development and eventually deployment phase of the system has always lacked credibility.

In December 2007, a Japanese warship stationed off Hawaii launched a US-developed Standard-3 interceptor missile and successfully destroyed a mock target fired from onshore marking. This was a (long-awaited) progress of the development of the system. Land-based so-called Patriot Advanced Capability 3 (PAC-3) missile defense systems have already been installed at two bases in Japan in recent years and further installations are planned in the years ahead. Furthermore, Tokyo ultimately plans to install the state-of-the-art missile interceptor systems on four of its destroyers equipped with Aegis tracking system.

However, despite the recent successful testing (many tests in the past turned to be failures at least those where the media was present), it remains yet to be seen whether the envisioned missile defense system will be functioning effectively, i.e. whether it will be able to intercept and shoot down a larger number (as opposed to only or two) incoming missiles.

According to Japan's Ministry of Defense, during the fiscal year 2007 Japan spent \$1.7 billion on the development phase of the system. The budget allocated for 2008 was even slightly higher and amounted to \$1.8 billion. It is expected that Japan's financial contributions (which are not part of Japan's official defense budget) are bound to become bigger in the years ahead if the development and eventually deployment is to make rapid progress.<sup>28</sup>

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<sup>28</sup> For details see Fukuda Under, 'Japan Accelerates Ballistic Missile Defense Cooperation With the United States'; *WMD Insights*, February 2008, available at: [http://www.wmdinsights.com/I22/I22\\_EA5\\_JapanAcceleratesBMD.htm](http://www.wmdinsights.com/I22/I22_EA5_JapanAcceleratesBMD.htm); also 'Japan Looking to Expand Missile Defense and Military Spending'; *Defense Industry Daily*, September 5, 2006, available at: [www.defenseindustrydaily.com/japan-looking-to-expand-missile-defense-military-spending-02576/](http://www.defenseindustrydaily.com/japan-looking-to-expand-missile-defense-military-spending-02576/)

## Attacking North Korea preemptively?

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Back in 2003 suggestions to equip Japan with US-made offensive Tomahawk missiles to enable Japan to attack North Korea 'preemptively' in case Pyongyang resumed launching or testing rogue missiles over Japanese territory made it (albeit very briefly) onto Japan's defense agenda. This controversial suggestion was voiced by then Japanese Defense Agency (since 2007 Ministry of Defense) Director-General Shigeru Ishiba but was very quickly dismissed as Ishiba's 'personal opinion' was opposed the day after by official government policy.<sup>29</sup> Although Ishiba's suggestion never appeared on the official security policy agenda, some analysts back then suspected that Ishiba was 'instructed' by former Prime Minister Koizumi to 'test the waters' and see how the Japanese public would react to controversial proposals revisiting fundamental principles of Japan's exclusively self-defense oriented security policies. North Korea, it was suspected amongst some analysts and observers back then, was to sought to be exploited to boost up Japan's defense profile and potentially equip the country with military equipment going beyond the means necessary for the defense of Japanese territory.

After the April 2009 missile launch the possibility of equipping Japan with (non-nuclear) conventional offensive weapons for a preemptive military strike was once again rose by some politicians. Such inner-Japan debate could intensify should North Korea continue conducting missile and nuclear tests in the months ahead.

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<sup>29</sup> See Axel Berkofsky, 'Key Panel Would Shoot Down Japan's Pacifism', *The Asia Times Online*, October 14, 2004, available at: <http://www.atimes.com/atimes/Japan/FJ14Dh01.html>

## Long faces in Japan: North Korea off the US terrorism list

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Pyongyang's harboring of Japanese Red Army terrorists - who face charges in Japan of hijacking a plane in 1970 - was the reason why the US included North Korea in its State Department list of countries sponsoring terrorism. Upon repeated Japanese requests in previous years, North Korea was also put on that list for having abducted Japanese citizens in the 1970s and 1980s. The list is significant as it prohibits by law North Korea from receiving many forms of U.S. economic assistance and some trading rights. In 2007 and 2008 North Korea has made the removal from that list a precondition for progress on the nuclear issue, i.e. Pyongyang agreeing to stop its clandestine nuclear program.

On October 11, 2008, Washington took North Korea off its list<sup>30</sup> of terrorism-sponsoring states in return for Pyongyang's promise to resume disabling its nuclear facilities and allowing international monitors access to its nuclear sites.

Half an hour before the official announcement of the de-listing, Japanese Prime Minister Taro Aso received a phone call from US President George W Bush. The 10-minute telephone conversation between Bush and Aso was reportedly set up at very short notice by the US ambassador Thomas Schieffer, who unlike the US president in Washington thought it was appropriate to inform Tokyo on a fundamental change on the US North Korea policy agenda in advance.

Prime Minister Aso back then tried to sound unconcerned when speaking to press when confronted with the news that North Korea would be taken off the 'terror list'. 'Taking North Korea off the US terror list', he said, 'does not prevent Japan from seeking to solve the so-called abduction issue. We will be able to hold sufficient discussions on the abductions in the process of negotiations to come. The de-listing does not mean a loss of leverage' Aso was quoted as saying to the press the day after the de-listing.

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<sup>30</sup> North Korea has been taken off the US State Department's list of 'State Sponsors of Terrorism' on October 2008, leaving Cuba, Iran, Sudan, and Syria on that list; for further details see the US State Department's website at: <http://www.state.gov/s/ct/rls/crt/>

However, analysts widely agreed that the de-listing represented the de-facto end of joint US-Japanese policies towards Pyongyang. 'Taro Aso has put a brave face on the latest US-North Korea deal and will have to acquiesce to a large degree, but clearly he does not like the sense that Japan has been abandoned on the "abduction issue" and even potentially worse on the nuclear issue', Christopher W Hughes, professor of International Politics and Japanese Studies at the University of Warwick, argues.<sup>31</sup>

Naturally, taking North Korea off that list took by (an unpleasant) surprise Tokyo which until then believed that keeping Pyongyang on that list was a US-Japan joint hard-line policy approach towards North Korea.<sup>32</sup>

Would the 6-Party Talks have continued, there is very little doubt that North Korea would have pointed to its removal from the terrorism-sponsoring countries as justification to no longer accept Japan addressing the abduction issue in the framework of the 6-Party Talks.

In retrospect, Washington taking North Korea off its terrorism list must be interpreted as US 'fatigue' to address and support Tokyo's insistence to deal with an issue of the past at the expense of making progress on North Korea's denuclearization. Washington meeting Pyongyang's request to be taken off the US 'terror list' had to be understood as Washington's determination not to give Pyongyang any additional 'excuse' to further delay its denuclearization and the dismantlement of its nuclear facilities. That this undermined a joint US-Japanese approach towards North Korea was seemingly secondary to the outgoing US administration in October 2008.<sup>33</sup>

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<sup>31</sup> Author's interview with Christopher Hughes in September 2008.

<sup>32</sup> This was not the first time that the US undertook an important North Korea policy initiative without consulting with Japan. When Washington entered into the so-called Agreed Framework (AF) agreement with North Korea in 1994, Japan was consulted very late and in a limited fashion. The AF was in return for North Korea freezing its nuclear program to provide North Korea with two proliferation-proof light-water nuclear reactors. The reactors were never built, but Japan contributed roughly \$1 billion to the project (through the Korean Energy Development Organization, KEDO) from 1995 to the definite suspension of the project in 2006.

<sup>33</sup> Former US vice-president Dick Cheney addressed the issue several times on his visits to Japan during former US president Bush's first and second term assuring the Japanese government and public of Washington's support for Japan's position on the 'abduction issue.'

## Japanese sanctions

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The current Japanese economic sanctions imposed on North Korea were imposed first in 2006, when North Korea conducted a long-range missile test in July of that year.<sup>34</sup> The sanctions included banning all North Korean imports and stopping its ships entering Japanese territorial waters.<sup>35</sup> They had an impact on North Korea's export of produce like clams and mushrooms, which earned foreign currency in Japanese markets.

Tokyo's 2006 sanctions were banning port calls by a ferry that ethnic Koreans in Japan used to send hard currency back to their homeland. Over decades these shipments have been an important source of hard currency revenues in North Korea. It is estimated that up to \$250 million dollars per year - mostly gained from the lucrative pachinko business run by ethnic Koreans in Japan - were shipped to North Korea on an annual basis.<sup>36</sup>

In June 2008-after an interruption of almost one year -Tokyo and Pyongyang resumed bilateral talks after Pyongyang North Korea promised a 'reinvestigation' of the fate of Japanese citizens abducted by Pyongyang in the 1970s and 1980s.<sup>37</sup>

Furthermore, Pyongyang for the first time voiced its willingness to hand over to Japan the four remaining members of the nine hijackers of a Japan Airlines jet in 1970.

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<sup>34</sup> See: 'Japan Extends Sanctions Against North Korea', CNN, April 10, 2009.

<sup>35</sup> See: 'Japan Announces N. Korea Sanctions', BBC News, October 11, 2006.

<sup>36</sup> Roughly half of Japan's *pachinko* parlors (*pachinko* is a pinball form of gambling that generates huge amounts of revenue) are owned by ethnic Koreans in Japan. Other sources on the other hand claim that North Korean remittances are much lower than that, having declined to as little as \$30 million since the early 1990s, following the bursting of Japan's economic 'bubble' and the decade-long economic crisis throughout the 1990s. Fact is that many of *Chosen Soren's* credit unions went into bankruptcy in the 1990s and several of these credit unions have been when revelations surfaced that some credit unions had transferred money to the regime in Pyongyang.

<sup>37</sup> See Kwan Weng Kin, 'Japan Lifting Some Curbs on North Korea'; *The Straits Times*, August 14, 2008, available at: <http://www.asianewsnet.net/news.php?id=812&sec=1>

In return, Tokyo agreed to partially lift sanctions against Pyongyang, allowing certain North Korean ships to make port calls in Japan.<sup>38</sup> Tokyo was also ready to lift restrictions on individual travel and charter flights between the countries.<sup>39</sup>

After North Korea's rocket launch in April 2009 Japan then announced to extend economic sanctions by one year, including the ban on imports imposed in 2006.

Tokyo also announced to tighten oversight of fund transfers from Japan to North Korea and decided to strengthen a ban on selling luxury goods to North Korea, including pricey beef, caviar, alcohol and cars.<sup>40</sup> The Japanese cabinet also approved measures to tighten monetary transmission rules to North Korea. Under the new sanctions, any monetary transmission to North Korea over 10 million yen (\$100,000) and cash delivery over 300,000 yen (\$3,000) has to be reported to the government.

However, given the very limited bilateral trade volume (and the increasing trade with China), the impact of Japanese economic and trade sanctions will continue to be relatively limited. In 2006 (the latest figures available to this author) Japanese-North Korean bilateral trade amounted to a very modest \$ 120 million (down from roughly \$ 370 million in 2002)<sup>41</sup>.

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<sup>38</sup> See David Kang and Lee-Ji-Young, 'Japan-Korea Relations: Tentative Improvement Through Pragmatism'; *Comparative Connections*, Pacific Forum CSIS, Hawaii, July 2008; [http://www.csis.org/media/isis/pubs/0802q\\_japan\\_korea.pdf](http://www.csis.org/media/isis/pubs/0802q_japan_korea.pdf)

<sup>39</sup> 'N. Korea, Japan Agree to Investigation Terms'; *China Post*, August 13, 2008.

<sup>40</sup> See 'Japan Strengthens North Korea Sanctions', *Wall Street Journal*, April 9, 2009.

<sup>41</sup> North Korea's main export items to Japan are clams, men's suits, mushrooms, and coal. Japan's primary exports to North Korea are cars, electrical components, woolen fabrics, and general machinery. Many of the electronics components and clothing materials that are sent to North Korea are assembled into finished products and re-exported to big Japanese discount stores such as the so-called '100 Yen shops.'

## Conclusion

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Despite the recent destabilizing events on the Korean Peninsula, a North Korean missile (or nuclear) attack on Japan remains as unlikely as ever and realistically North Korea is not a real military threat to Japan. DPRK is without a doubt aware that a military strike against Japan, South Korea or US forces stationed in Japan and South Korea would almost certainly lead to its destruction.

To be sure, North Korea's April 2009 launch and Pyongyang's decision to resume its nuclear program has dealt yet another blow to the prospect of Japanese-DPRK rapprochement and the establishment of anything resembling normal bilateral relations.

To be sure, bilateral relations have not shown any signs of improvements in recent months and years, not least due to the above mentioned 'abduction issue.'

The realities, facts and above all limits of Japanese security and defense policies, for sure, will continue to be ignored at best and distorted at worst by North Korean propaganda. Tokyo remains a military threat to North Korea as far as North Korean propaganda is concerned and even if this assessment is nonsensical not corresponding with the realities of Japan's regional foreign and defense policy postures, it will remain part of Pyongyang's political rhetoric used to justify the existence of North Korea's missile and nuclear program.

North Korea will remain a 'rogue state' prepared to let its population suffer from chronic food shortage, lack of medical supplies and instead focus on the development of its missile and possibly nuclear program. The near-abandonment or worse the recent reversal North Korea's economic reforms begun in 2002 will most probably make sure that investments of and trade with other countries (except China which accounts in 2008 for more than 70% of North Korea's external trade) will continue to decrease.<sup>42</sup>

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<sup>42</sup> On North Korea's 2002 economic reforms and how they could have transformed North Korea's ailing economy, see Bradley Babson, *Economic Perspectives on Future Directions for Engagement with the DPRK in a Post-Test World*; Stanley Foundation, December 2006. See also Axel Berkofsky, 'North Korean economy: reform, collapse'; *ISN Security Watch* May 8, 2007, available at: <http://www.isn.ethz.ch/isn/Current-Affairs/Security-Watch/Detail/?ots591=4888CAA0-B3DB-1461-98B9-E20E7B9C13D4&lng=en&id=53205>

Japan's attempts of the early 2000s to engage North Korea have politically and economically failed and Pyongyang is largely-if not exclusively-to blame for this.

## Centre Asie Ifri

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