

The rhetoric and reality of the Trilateral and Bilateral Summits: cautious optimism

The recent trilateral and bilateral meetings provides an insight into the region's future trade, security and political relations, Stephen Nagy finds

The recent trilateral and bilateral meetings in Seoul between PM Li Keqiang, President Park Geun-kyu and PM Shinzō Abe was the first time in three years that the top political leaders of East Asia's most important countries gathered to discuss shared interests within the region. The focus of their discussions tells us much about each country's priorities, public diplomacy and the challenges ahead in terms of forging a constructive and mutually beneficial relationship. Understanding these three areas provides insight into the region's future trade, security and political relations.

In the process of engaging in an analysis on each country's priorities, their interests in public diplomacy and the challenges at both the trilateral level and bilateral level, I will explore the following questions: what a common agenda suggestions about regional political relations? How do bilateral and trilateral relations differ between each grouping? Are bilateral relational challenges the same in the case of Japan-China and Japan-Korea? Is there political space for more amicable relations? How will an improvement, worsening or status quo effect trade in the region?

I argue that the functionalist approach to cooperation explicitly voiced at the recent trilateral and bilateral summits strongly suggests that China, South Korea and Japan remain far apart on core issues that continue to divide them. Moreover, shifts in dynamics between Japan-South Korea, South Korea-China and China-South Korea indicate that an incremental rapprochement between Japan and South Korea is taking place while China-Japan rapprochement continues to struggle to find traction.

Trilateral Summit: economic, environmental and natural disaster cooperation

November 1st meeting between PM Li, President Park and PM Abe were important optics in the global public diplomacy contest that has been occurring between these three countries. Striving to appear as a responsible and forward-looking country globally, China has been waging a public diplomacy war with Japan in which on the one hand it aims to portray China as a responsible global player that engages in dialogue and diplomacy. On the other

hand, it aims to paint Japan as an unrepentant, revisionist nation bent on remilitarization and overturning the status quo.

Similarly, Japan's public diplomacy since at least 2010, but in particular under PM Abe, has highlighted its commitment to international laws, norms and the international community in many diplomatic pronouncements linking trade, security and international norms advocacy in Southeast Asia. Public diplomacy initiatives have shifted from been reactive to Chinese successes to proactive in attempting to portray positive Japanese imagines at the regional and global level.

For example, the '[The Bounty of the Open Seas: Five New Principles for Japanese Diplomacy](#)' stresses Japan's support and interest in deepening relations with countries with shared values such as democracy, freedom of press, respect for human rights.¹ Without overtly saying so, this 'values diplomacy' juxtaposes Japan with China in an effort to elevate and consolidate Japan's position as a status quo power that abides by international law.

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South Korea under President Park has not been a passive player in this public diplomacy competition. She has openly chided Japan and the Japanese PM for its revisionist in tendencies and stance on comfort women. Public diplomacy has extended the historical argument between Japan and South Korea to North America with individual states erecting comfort [women monuments](#) to put pressure on the Japanese government.²

With this public diplomacy contest on full view, each leader wanted to convey the optics that they are statesman and stateswomen that want to create forward oriented messages. As domestic audiences weigh heavily in each leader's mind, they took a functional approach to cooperation by agreement to continue to work towards a trilateral free trade agreement and to agree to deepen environmental and disaster cooperation.

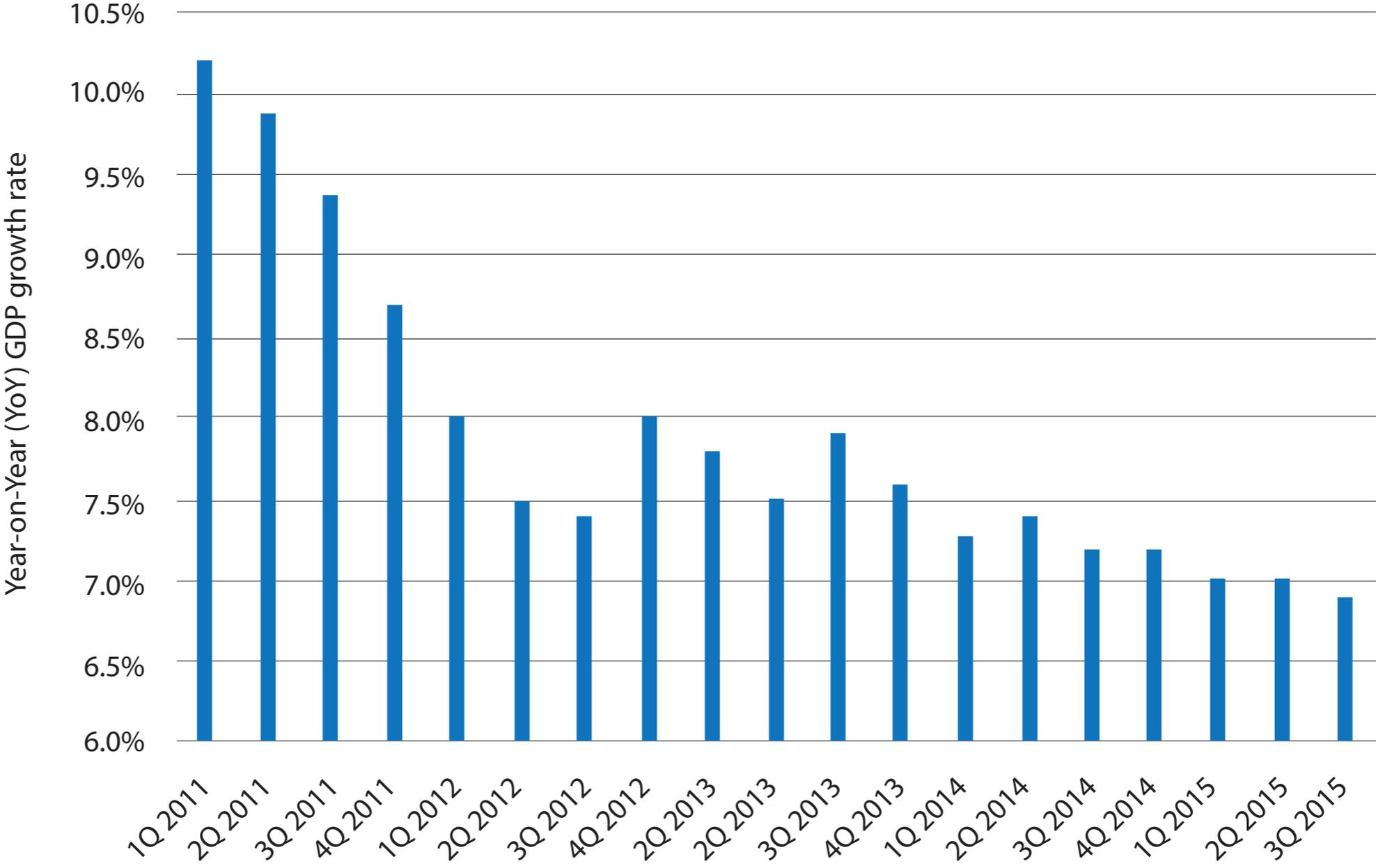
Although important, especially considering the enormity of the environmental challenges in China as well as the region's numerous natural disasters, this functionalist approach indicates at the trilateral level, these countries are still finding it difficult to deal with traditional security issues such as territorial disputes but also issues of history, Japan's imperial legacy and leadership, joint or otherwise within the region.

The focus on a trilateral free trade agreement should also be seen for what it is. Owing to a slowing Chinese economy, Japan and in particular South Korea must find creative ways to maintain sustainable economic growth.

Both countries are ageing quickly, have a smaller and smaller young population entering the workforce and as a result, a dwindling number of domestic consumers. A FTA with China would open up a vast market for South Korean and Japanese products. For South Korea, it would cement China's status as South Korea's number one trading partner wedding South Korea's economic future to the success, failure or stagnation of the Chinese economy.

Figure 1. China's GDP is slowing

www.worldcommercereview.com



Source: National Bureau of Statistics, China

On the Chinese side, a FTA would be another way to stimulate a slowing economy but also to further bring Japan and South Korea into the Chinese economic orbit. Closer and deeper economic relations with East Asia's largest economy would be a boon to Chinese foreign policy it would make it more difficult for both Japan and South Korea to shift too far away from Beijing's political agenda for fear of economic pressure. With a past track record of applying punitive economic and other sanctions when political relations sour or are counter to Beijing³, the trilateral FTA may be another pipe dream for countries within the region as it risks creating an economic client state relationship with China.

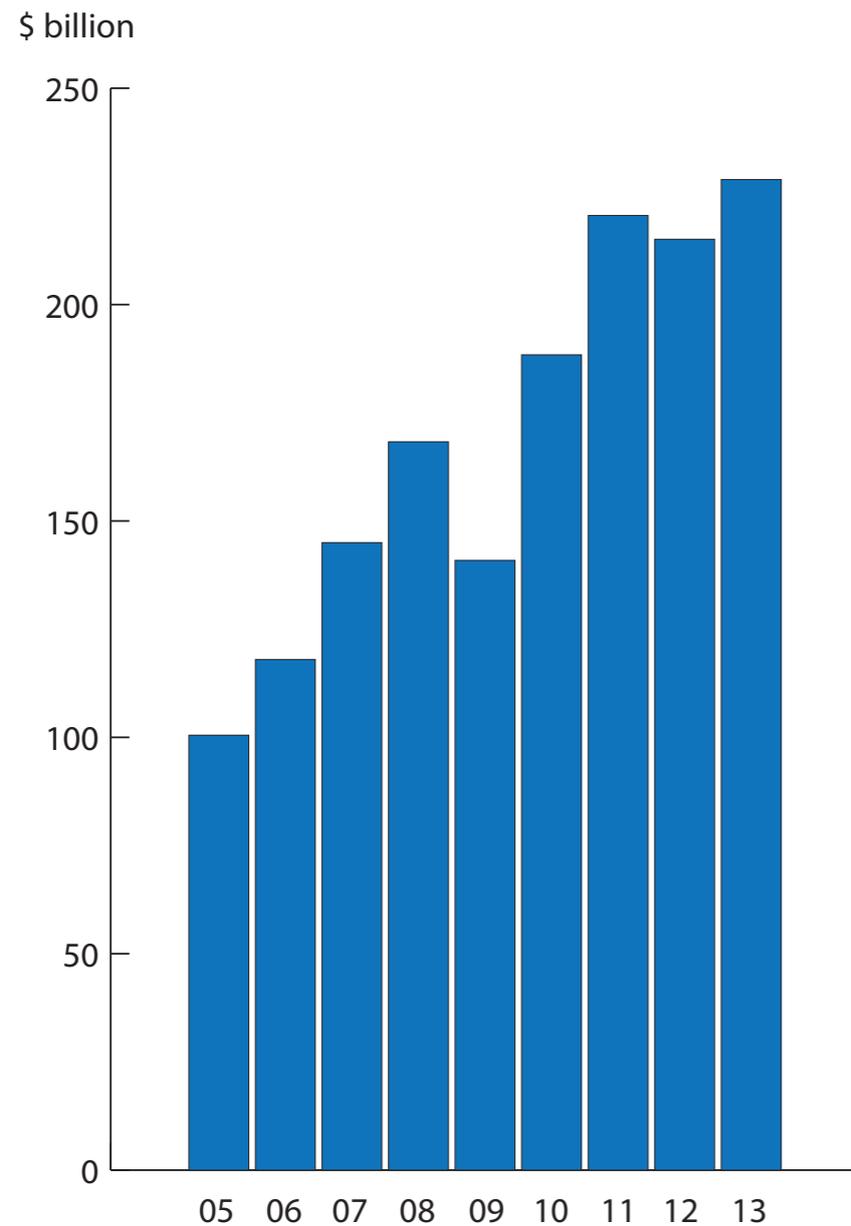
Notwithstanding the challenges, economic, environmental and disaster cooperation between China, South Korea and Japan do represent win-win scenarios and messaging that they can take back to their domestic audiences to demonstrate that they are making progress with their counterparts without sacrificing their core issues. This is especially true with their track record of cooperation at the state-to-state; local government and grassroots level.⁴

Bilateral tangos part I: incremental progress in South Korean-Japan relations

Whereas the trilateral meetings used past functional cooperation as a model for reengaging with each other, the bilateral meetings came away with very different take homes messages. The Japan-Korea bilateral meeting led to incremental progress due to back door pressure from the US as well as recognition in the domestic South Korean context that [Park's hostile stance](#) towards Japan has been unproductive⁵, sacrificing overall relations for a focus on the comfort women issue.

This incremental progress between Japan and South Korea has taken place in the backdrop of efforts by PM Abe to move towards the South Korean position on comfort women. The first overt gesture was a [PM Abe speech](#) in the US in which he made reference to the human trafficking of women in East Asia⁶. Although not a direct reference to comfort women, the term human trafficking is a much stronger wording compared to previous PM statements.

Figure 2. South Korea-China trade



Source: Korea International Trade Association

The second overt gesture was the tasking of a committee to examine [Japan's imperial part to present](#)⁷. The lengthy report highlighted that many women were violated during Japan's imperial past and that Japan has made progress.

The third over gesture came at PM Abe's August 14th speech on the 70th anniversary of WW2 in which he spoke of the [indignity of women](#) behind the battlefields⁸.

Collectively, these movements towards President Park's position have contributed to an incremental improvement in relations and a shift of South Korea-Japan relations towards a non-comfort women based core. This repositioning of Japan-South Korean relations on a comprehensive, win-win rather than zero-sum axis means that Japan and South Korea will incrementally increase their bilateral cooperation in areas of mutual interest.

The first area of cooperation will likely be support by Japan for South Korea's inclusion as a member of the TPP. South Korea's participation would further increase the number of middle class consumers from developed countries that would be export destinations for products made by Vietnam and other member states in South East Asia. At the same time, joining the

agreement would allow South Korea businesses to enjoy the IPR and service sector protection that is the hallmark of the TPP and access to Southeast Asia's burgeoning manufacturing network where South Korean products can be made and exported to TPP member states.

South Korea's inclusion would no doubt add to the momentum to also include both Thailand the Philippines, deepening and broadening the scope and breadth of the TPP. Their inclusion, which has already received verbal support from the [Japanese government](#)⁹, would expand Southeast Asia's role as an alternative production hub to China's existing expansive hub.

Bilateral tangos part II: status quo and the ASEAN rupture

Whereas the Japan-South Korean dynamics could be characterized by incremental and steady progress, [China-Japan dynamics](#) are better characterized by maintaining the status quo or a 'new normal' in which relations remain tense, calcified in mutual distrust but functional in non-core related issues¹⁰.

Leaders committed to dialogue and to future meetings while at the same time not addressing any of the core differences that exist between the two. This was intentional as both leaders were playing to domestic audiences which are [highly distrustful of governments](#) in either country.¹¹

Japan under PM Abe is understood in China as in the process of a new grand strategy of national revival akin to Japan's Meiji restoration in which she transformed from an isolated, closed country to a regional powerhouse that colonized the Korean Peninsula and then engaged in a destructive war of expansionism in China and Southeast Asia.

In contrast, China under the leadership of the Chinese Communist Party (CCP) is understood in Japan as inherently anti-Japanese, corrupt and engaged in assertive military expansionism in both the East and South a China Seas. Concerns over Chinese regional hegemony loom heavily in Japan both at the level of citizens and policy makers.

This divide has led to both countries competing with each other in the region and globally through public diplomacy, overseas development aid (ODA), foreign direct investment (FDI) and competing trade agreements such as the TPP, RCEP and the Trilateral FTA touched upon at the Trilateral Summit. Mistrust has also lead to strategic missteps such as Japan not joining the AIIB and not being more proactively and cooperatively engaged in the One Belt One Road Chinese initiative. Both Chinese initiatives provided Japan an opportunity to not compete but cooperate with China, exercises that would have been useful in deescalating the mutual mistrust that exists.

Japan's successful conclusion of the China-excluding TPP along with 11 other countries sends the strong signal that the traditional approach to China by Japan of separating politics and economics has been abandoned or at least deprioritized for a geo-economic strategy that preferences trade and economic relations with like-minded states.

This shift has important implications for East Asian regional integration. First, the model of an ASEAN-centred integration based on ASEAN plus 6 or plus 10 is unlikely to come to realization. In the short term, both models may be ASEAN-centred but in the mid to long term, China's economic growth would cause regional economies to gravitate towards the enormous pull of China's economy. Second, agreements such as the TPP will have the effect of splintering ASEAN into those states with strong client state relations with China (Laos and Cambodia) and those states with mutual economic interests connected by the TPP cohesive (Vietnam, Singapore, Malaysia, Brunei and most likely the Philippines and perhaps Thailand). The ASEAN-way of consensus-based decision making will continue to fracture owing to economic forces and political influence from outside ASEAN.

Going forward

The November 2015 trilateral and bilateral meetings in Seoul were heralded as a turning point towards rapprochement between China, Japan and South Korea. A closer analysis provides us with different conclusions that are rooted in the different dynamics and sources of conflict between participating states.

Japan-South Korea frictions are firmly rooted in Japan's continued reticence to forthrightly acknowledge the comfort women issue and its colonial legacy on the Korean peninsula. Incremental steps forward over the past six months have created a positive momentum for an improvement in relations that will have downstream economic benefits associated with South Korea's likely inclusion into the TPP.

Whereas prudent-optimism characterizes improvements in South Korean-Japan relations following the Trilateral and Bilateral Summits, cautious pessimism is an analysis of both the rhetoric and implemented policies by both China and Japan is the take home message from the Summits. Instead of history being the core dividing factor between China and Japan, mutual distrust, security concerns and history (both contemporary and long-standing differences) will continue to contribute to frosty but functional relations.

Competition rather than cooperation will continue to be the hallmark of Japan-China relations which will shift regional integration away from an ASEAN-centred RCEP, ASEAN plus 6 or 10 model to transpacific integration attenuating China's economic hegemony in the region. ■

ABOUT THE AUTHOR

Dr Stephen R Nagy has been an Associate Professor in the Department of Politics and International Studies at the International Christian University since September 2014. Previously he was an Assistant Professor at the Department of Japanese Studies from December 2009 to January 2014. He obtained his PhD from Waseda University, Japan in International Relations in December 2008. His research interests include international relations of Northeast Asia, Sino-Japanese relations,

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With extensive experience in China, Japan and Northeast Asia, Dr Nagy provides macro-level geopolitical analysis on trends in the region to businesses, governments and the media. He has published widely in peer-reviewed international journals such as China Perspectives, East Asia, the Journal of Asian Politics and History and the International Studies Review on topics related to trade, nationalism and China-Japan relations. He has also published in think tank and commercial outlets such as the China Economic Quarterly on trade and political risk. In addition to writing in media and policy forms outlets in Japanese and English such as Diamond OnLine, South China Morning Post, the East Asian Forum and Policyforum-net on issues facing the region. Nagy is a frequent political/economic and security commentator on Japan-China-Korea.

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