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# RSIS COMMENTARIES

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## **Japan-Korea Territorial Dispute: Setback for East Asian Cooperation?**

By Yang Razali Kassim

### **Synopsis**

*The latest territorial dispute between South Korea and Japan comes at a time when conflicting claims in the East and South China Seas are increasing in intensity. As Asia Pacific leaders gather this week in Vladivostok, the question to ask is whether East Asian integration will be stymied or will evolve in new ways.*

### **Commentary**

LONG-RUNNING disputes in the East China Sea between Japan and South Korea and between China and Japan threaten to upset recent attempts at Northeast Asian regional cooperation and economic integration. Particularly under threat is the ASEAN+3 grouping, an incipient Northeast Asian regional platform involving Japan, South Korea and China that ASEAN had initiated and facilitated since 1998. They have also stymied the nascent Trilateral Northeast Asia summit of China, Japan and South Korea begun in 2008.

It was just last May that the leaders of China, Japan and Korea announced the start of talks to create a Northeast Asia Free Trade Area among them. The negotiations were set to begin after the ASEAN+3 summit this November in Phnom Penh. The question now is will they?

While the ASEAN+3 (or APT), has been making slow progress since its inception over a decade ago, its three key players have developed a growing comfort level. But the mood appears to have now been soured by the latest emotional outbursts over their territorial disputes. Having paved the way for the emergence of the ASEAN+3, ASEAN naturally has a stake in the outcome of the disputes to ensure that they do not jeopardise the overarching goal of stability, security and cooperation in East Asia.

### **The issue in the latest spat**

The spark for the latest flare-up was a visit on 10 August 2012 by President Lee Myung-Bak to the Seoul-controlled island known as Dokdo which Japan also claims and calls Takeshima. While tourists from Korea and other places have been visiting Dokdo in recent years, Lee's trip agitated Tokyo and relations have since plummeted. Japan recalled its ambassador momentarily and has thrown into doubt a bilateral summit that is supposed to take place on the sideline of the APEC leaders meeting in Vladivostok this week on 7-8 September.

Seoul, in turn, had rejected Japan's proposal for the two countries to settle the territorial dispute in the

International Court of Justice. South Korean Foreign Minister Sung-Hwan dismissed the suggestion as “not worth consideration”. This was reportedly the third time that Seoul had rejected a Japanese proposal for international adjudication, having turned down the same in 1954 and 1962.

Observers of Japan-Korea relations say the two countries should move past the Dokdo/Takeshima dispute and focus on the big picture of peace and stability in Northeast Asia. They say for as long as the two countries remain unable to even discuss the issue, diplomatic relations between them will improve only very slowly, if at all.

Indeed, as long as Japan-Korea relations are in the doldrums, any move to grow the ASEAN+3 or the Trilateral Northeast Asia forum for cooperation and integration will be stymied. ASEAN's push to integrate itself with Northeast Asia as a dynamic region could be reduced to bilateral linkages with these countries. While such a stalemate could well work to ASEAN's advantage, it could also be dominated by China.

In a parallel development, activists from Hong Kong and Taiwan landed on the Japanese-held Senkaku Island, which China calls Daiyou, and which the Governor of Tokyo has sought to purchase. This dispute between China and Japan further complicates the attempt by the three countries to form a Northeast Asian FTA.

### **Trilateral cooperation before the latest spat**

Prior to the latest spat, Japan, South Korea and China have outgrown the ASEAN+3. In 2008, they formed their own trilateral forum to forge closer cooperation known as the China-Japan-South Korea Trilateral Summit and sometimes referred to as the Northeast Asian Trilateral Summit (NEATS). First proposed by South Korea in 2004 as a forum outside the ASEAN framework, it established in 2011 a Trilateral Cooperation Secretariat in Seoul, with a rotating secretary-general.

The formation of the trilateral forum was a breakthrough in the context of Northeast Asian geopolitics, given the historical baggages among the three countries, as reflected in the territorial disputes between Seoul and Tokyo and between Japan and China. Further south, China has its own territorial disputes with four ASEAN states over the Spratlys and Paracels in the South China Sea.

How Japan and South Korea handle their competing claims over Dokdo/Takeshima will be closely watched by China for its relevance to Beijing's own dispute with Tokyo over the Senkaku/Diayou islands. How China reacts to these disputes in the East China Sea will of course be closely observed by ASEAN for the obvious implications on the management and settlement of the South China Sea disputes. ASEAN itself has recently gone through some unprecedented internal tension following differences amongst its members over how best to handle the South China Sea issue.

### **Tense backdrop to APEC and ASEAN Summits**

All this is providing a tense backdrop to a series of regional summits coming up towards the end of the year, beginning with the APEC Summit of leaders in Vladivostok this week where almost all the major players on the international stage will be convening. It is an opportunity for the leaders of Japan and South Korea to close the gap between them. The other major platform for the Northeast Asian leaders to meet to resolve their disputes will be the next ASEAN summit for the year in Phnom Penh on 18-20 November.

At the Phnom Penh summit, the leaders of Japan, Korea and China are due to meet with their ASEAN counterparts within the ASEAN+3 framework. It remains to be seen whether the three Northeast Asian leaders will meet amongst themselves as usual on the sidelines. Significantly, the ASEAN meeting of leaders is due to mark the 15th anniversary of ASEAN+3 cooperation with a commemorative summit.

It will be unfortunate if the disputes in Northeast Asia torpedo efforts to forge closer integration in the larger East Asian region. How will the regional architecture evolve from now on?

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