

The Yoon Suk Yeol Administration's Policy toward Japan and ROK-Japan Relations: Assessment and Outlook

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The new South Korean administration under President Yoon Suk Yeol, who assumed office on May 11, 2022, has set improving Korea-Japan relations as Korean diplomacy's critical task. On March 10, 2022, the next day of his election, President Yoon said that "it is critical to find out what is in the best interests of Korea and Japan by restoring our ties in a future-oriented way instead of lingering in the past." He also stressed the need to forge future-oriented cooperation and resolve conflicts such as historical disputes.

Currently, Seoul and Tokyo are facing a "compound crisis" in which historical disputes spill over into the economic and security domains. And the Yoon Suk Yeol administration's policy toward Japan is confronted with a negative legacy of former administrations. Against this backdrop, this article aims to examine the relationship between Korea and Japan after a change of leadership in Seoul by comparing the two governments' policy directions regarding the ties between the two countries. The article also aims to analyze the current status of bilateral relations by looking into recent developments regarding a South Korean court's ruling on the liquidation of Japanese corporate assets to compensate the victims of wartime forced labor and the "Comfort Women" issue. Moreover, the article seeks to contemplate the Yoon Suk Yeol administration's policy toward Japan and ROK-Japan relations in

light of the dynamics among the U.S., Korea, and Japan, considering a larger picture of the Biden administration's Indo-Pacific Strategy. Based on this discussion, the article attempts to draw implications on ROK's policy toward Japan.

The Yoon Suk Yeol administration is taking comprehensive approaches to address a wide range of current issues complicating Korea-Japan relations - historical disputes, economic relations, and security. In other words, by reducing the frictions over historical issues including the possible liquidation of Japanese corporate assets in the broader context of improving ROK-Japan relations, the Yoon administration seeks to gain traction for the diplomatic settlement of historical disputes and explore comprehensive approaches to cope with a compound crisis caused by historical, economic, and security issues. The Yoon administration seems to be aware that it is imperative to facilitate summit-level interactions and discussions to that end, actively reaching out to Tokyo for the summit.

On the other hand, the Kishida Cabinet urges the Korean government to provide solutions to the liquidation of Japanese corporate assets first to repair the strained bilateral relations. It should also be noted that Kishida inherited the Abe/Suga Cabinets' position that the Korean government should redress the liquidation ruling for it violates international law. And as his predecessors,

Prime Minister Kishida argues that the wartime forced labor issue was completely resolved under the “Agreement on the Settlement of Problem concerning Property and Claims and the Economic Cooperation between the Republic of Korea and Japan.” The Kishida Cabinet demanded the resolution of the liquidation issue as a precondition for the ROK-Japan summit. For the strong stance of Japanese government, Seoul and Tokyo did not end up holding a bilateral talks on the sideline of the NATO summit.

The Kishida Cabinet appears to be aware of the need to improve Korea-Japan relations in the face of the rapidly changing global security landscape with recent crises such as the Russo-Ukrainian War. However, such awareness has not led Tokyo to take a lenient stance on the liquidation issue. This can be attributed to Japan’s current domestic politics marked by Prime Minister Kishida’s struggle to cement his grip on power. As his own faction within the LDP is relatively small, it is necessary to galvanize support from the party’s conservatives. If Kishida takes a dovish stance toward Seoul regarding the liquidation order issue, he might face vehement opposition from the LDP’s conservative faction.

Looking at the ongoing legal row over the court’s 2018 ruling forcing Japanese firms to liquidate their assets in Korea for forced labor compensation, the South Korean Supreme Court has dismissed all of the appeals filed by the defendant companies. And the Court’s decision is widely considered as a critical juncture of the liquidation process. It is forecast that workers used as forced labor by Mitsubishi Heavy Industries will be the first to be entitled to compensation from liquidated assets. And Japanese steelmakers will also be forced to liquidate their assets to provide compensation to the workers.

Meanwhile, the Ministry of Foreign Affairs(MOFA) of the Republic of Korea established a public-private council in July this year to develop suggestions for the resolution of the forced labor issue. For now, one of the gravest concerns of MOFA is that the two victims of wartime forced labor, Yang Geum-deok and

Kim Seong-ju, who will be the first complainants to be compensated, have not participated in the council. Therefore, even if the council comes up with feasible solutions, the defendants could claim that they are unjustifiable and unacceptable. Moreover, legal representatives for the victims have claimed that the apologies of the two Japanese companies are the minimum condition for them to move on.

In addressing the comfort women issue, the Yoon administration is seeking to find diplomatic resolutions based on the 2015 “Comfort Women” Agreement. However, the victims and civic support groups are vilifying the Yoon administration’s intention to acknowledge the 2015 Agreement with Japan as a formal one between the two governments. It is reported that they are preparing to file a civil suit against Japan and seeking other measures the international legal system might provide. The Moon Jae-in administration’s attempt to find common ground on what to do with the balance of the “comfort women” fund with the Japanese government failed. It is assumed that the Japanese government insisted that only the victims of forced labor are entitled to compensation from the fund although the details of the negotiations have never been disclosed.

The ROK-Japan frictions over the wartime forced labor and comfort women issues have been significantly affected by the U.S.-Korea-Japan relationship. The Biden administration highly values the trilateral relations in advancing its Indo-Pacific Strategy. The 2022 Indo-Pacific Strategy Report, released in February 2022, outlines the Biden administration’s action plan in pursuing its strategic vision by strengthening coordination with the ROK and Japan, identifying key areas of cooperation such as North Korea, regional infrastructure, critical and emerging technologies, and supply chains. President Biden set forging and advancing cooperation between the U.S., ROK, and Japan as the major agenda of bilateral alliance cooperation at the ROK-U.S. and the U.S.-Japan summits held in May this year. And the U.S., ROK, and Japan’s commitment to advancing cooperation on the North Korea issue was reaffirmed at the

ROK-U.S.-Japan summit held during the NATO summit on June 29. To strengthen trilateral cooperation between the U.S., ROK, and Japan, the Biden administration is showing great interest in improving ROK-Japan relations. However, despite the Biden administration's emphasis on the ROK-Japan cooperation, the Japanese government has not changed its position.


Taken together, it is forecast that the Kishida Cabinet will call on the Korean government to resolve the liquidation of Japanese corporate assets if the two sides are to move on to salvage their currently strained relations. Consequentially, it can be said that the Kishida Cabinet willingly chose to leave the compound crisis in ROK-Japan relations unresolved regardless of the leadership transition in Seoul. It appears that the Kishida Cabinet regards the liquidation issue as a barometer that helps figure out whether the Korean government under President Yoon is a reliable partner abides by the state-to-state agreement. In addition, with that unresolved, it is unlikely that the Kishida administration will risk its domestic political base to break the current impasse in ROK-Japan relations.

Therefore, relations between the ROK and Japan during Yoon Suk Yeol's presidency will likely culminate in the impasse created by the two sides' seemingly incompatible stances - Seoul's comprehensive approaches and resolutions which stand in contrast to Tokyo's bid for taking advantage of the frictions over complicated issues. Despite progress made in the U.S.-ROK-Japan cooperation under the Biden administration's Indo-Pacific Strategy, such difference has affected the region's security dynamics characterized by the coexistence of the U.S.-ROK-Japan trilateral cooperation and the frictions between the ROK and Japan. And if left unresolved, the frictions between Seoul and Tokyo over the issue of liquidation will likely hinder efforts to deepen the U.S.-ROK-Japan cooperation. It is also anticipated that the U.S.-ROK-Japan cooperation will face serious challenges if liquidation comes into force so that the assets of the Japanese companies are realized and distributed to the victims of wartime forced

labor. What is complicating the current picture even more is that the legal proceedings related to the realization of the companies' assets are moving forward faster than efforts to form a domestic consensus on the issue in Korea. This means that the Korean government will be left with little room for diplomatic maneuver in formulating and implementing its policies toward Japan in the days ahead.

At the current stage, it is advised that the Korean government should focus on forming a domestic consensus on how to mitigate historical grievances between Korea and Japan. If it is possible to bring together various opinions and develop reasonable solutions to the liquidation issue, the Korean government's comprehensive approaches will likely be much more refined and well-calibrated. It is also recommended that the Yoon administration should build on the common ground with Tokyo, even if it is narrow at the moment, regarding the early resolution of the liquidation issue, and urge the Japanese government to push the date of the ROK-Japan summit ahead. Furthermore, Seoul needs to steer the diplomatic negotiations with Tokyo toward a more comprehensive one to address various economic and security issues. Meanwhile, the Yoon administration also needs to brace itself for the worst-case scenario in its diplomacy with Japan. As the Japanese government has reiterated that it will retaliate if the liquidation orders are enforced, it is imperative to formulate responses to Japan's possible retaliation in advance.

Alongside such efforts, it is advised that the Yoon administration takes initiatives to foster the U.S.-ROK-Japan cooperation as a well-functioning international framework for shared responses to the North Korean problems and numerous critical regional issues. It deserves attention that Washington, Seoul, and Japan, have fleshed out efforts to deepen their trilateral cooperation to effectively thwart Pyongyang's nuclear ambitions and provocations, which can inspire concrete efforts to address other regional issues. It is also important to induce the Biden administration to engage in ROK's diplomacy toward Japan to gain strategic and diplomatic leverage. Last but not

least, it is vital to create multiple scenarios and tailored responses by factoring Washington's possible moves in interacting with Seoul and Tokyo into those scenarios. 

Translated by KIM Leia

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