

## **SUNGKYUN CHINA INSIGHT**

# **China-Japan-South Korea Trilateral Cooperation: What can it Do under the Shadow of Escalating Cold War Climate**



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### Paralyzed Cooperation and Unfavored Geopolitical Climate

President Biden's recent trip to South Korea and Japan has been interpreted as a signal of escalating strategic rivalries between China and the United States. It appears that the United States and its Far East allies are becoming increasingly cohesive and determined to detach their supply chains from overdependence on China. Trilateral talks between China, Japan and South Korea were held in Tokyo in May after a three-year hiatus in the wake of bilateral frictions. The timing was auspicious, whether by design or by chance. North Korea's peace and reconciliation overtures to the international community helped warm otherwise icy relations between the Northeast Asian powers. What is the status of the trilateral summit process? Which agendas might it address? Can it contribute to the long-term peace and prosperity of East Asia?

Beyond Economics APT, or the ASEAN Plus Three process, was credited with establishing the trilateral summit in 1999. A breakfast meeting was held between leaders of the three countries to strengthen their coordination on financial policies. As an independent, regularized mechanism apart from APT, the Trilateral Summit was established in 2008. In 2011, institution building took another step forward with the establishment of an intergovernmental Trilateral Cooperation Secretariat (TCS) based in Seoul to provide administrative services and think tank-style advice to the three governments. Under the trilateral summit's umbrella, 22 ministerial meetings and more than 100 specific intergovernmental projects have been launched.

Many observers have compared the China-Japan-South Korea (CJK) summit process with the US-Japan-South Korea relationship, and argued that the former has rarely addressed security matters and has instead prioritized deepening economic ties between its often-quarrelsome members. This argument is overly simplistic. The CJK summit has proven fruitful in areas of pragmatic co-operation and non-traditional security co-operation such as environmental protection, disaster relief and the management of water resources, but has been less productive in the trade and financial fields. Co-operative trilateralism in non-sensitive, pragmatic areas has steadily taken shape, demonstrating a level of sustainability and stability that may help overcome the negative impact of bilateral disputes and nationalist sentiments that have so often tripped up relations in the past.

## Security Challenges

In recent years, the trilateral summits have faced two major challenges. First of all, these summits have been based on cooperative relations; that is to say, resolutions or even dialogue on disputed issues, such as territorial or historical disputes, or the North Korean nuclear issue are not strictly on the agenda. Consequently, the key focus is still limited to certain functional areas and has not produced significant results in the area of regional security.

Second, the trilateral summits remain unstable as an institution and have been overly susceptible to fluctuations in bilateral relations. Japan's Prime Minister Junichiro Koizumi visited Yasukuni Shrine in 2005 despite diplomatic protests from China and South Korea. China became infuriated and publicly announced that it would postpone the summit and rejected any high-level meetings with Japanese officials. The South Korean government sided with China in refusing to meet with Koizumi as well. A new round of disputes over the Diaoyu/Senkaku Islands began in 2012 when Tokyo Governor Ishihara Shintaro, known for his nationalist statements, announced his intention to purchase the islands by establishing a Senkaku fund. In response, the Japanese central government purchased the islands for national control. It was seen by the Chinese government as an aggressive attempt to change the status quo unilaterally.

As a result, tensions between China and Japan created a vacuum of high-level diplomacy. Shinzo Abe returned to office as prime minister in 2012, and China and South Korea appear to have reached a tacit understanding to avoid both bilateral and trilateral summit diplomacy with Japanese leaders in 2013 and 2014. As well, the dispute between China and South Korea over Seoul's deployment of the US Terminal High Altitude Area Defense (THAAD) anti-missile system also cast a long shadow on the convening of a trilateral summit in 2016.

The most recent trilateral summit in 2018 was no exception. It is clear that the three parties are moving towards a rapprochement, but it is less clear what tangible solutions the trilateral partnership can provide. Some have surmised that the summit could be a mechanism to facilitate negotiations toward denuclearization of the Korean Peninsula. Such a view is overly optimistic: China was reluctant to list the North Korean issue as a key agenda item and the summit adopted an ambiguous statement that did not include anything on the concept of complete, irreversible, verifiable denuclearization (CVID). The Joint Statement was therefore an exercise in cautious compromise and ultimately not what Japan had hoped for.

### **Bilateral Conflicts Get in the Way**

Despite the fact that the trilateral summits and ministerial dialogues were postponed in 2005 and 2012, the mechanism has provided opportunities to coordinate relations among the three countries in recent years. The summit has the potential to ease bilateral conflicts by providing a crisis-management or buffering mechanism in a region rife with historical anxieties and territorial disputes.

Recent tensions between the two countries have heightened the importance of this mechanism. Japan's containment policy toward China and China's hardline policy toward Japan have caused diplomatic dilemmas for both. Pressured by domestic politics and public sentiment, leaders in both countries have been unwilling to offer gestures of diplomatic compromise, despite bilateral trade and investment reaching all-time highs. Even if Beijing and Tokyo share a willingness to normalize bilateral relations, frequent direct visits and bilateral meetings between political leaders appears a distant proposition.

In the meantime, Washington remains frustrated by the strained diplomatic relations between seemingly natural allies Japan and South Korea. The bilateral relationship has been plagued by heated disagreements over Japan's imperial past, fueled by nationalistic sentiment in both countries. The trilateral summit offers a platform to transcend the roiling bilateral hostilities by moving diplomatic relations into a collective framework for negotiation and the defining of common interests. Such a pragmatic approach is urgently needed. On issues of mutual interest to all three parties, what is untenable bilaterally becomes feasible multilaterally.

## Offering a Way Forward

If the leaders could find new ways to tackle regional and global problems, their summits could help promote peace and prosperity in Asia. In this regard, the trilateral summits offer a diplomatic option that avoids diplomatic sensitivities and circumvents many of the nationalistic domestic pressures thwarting more robust political relations. The trilateral summit has two platforms: a trilateral meeting first and bilateral meetings following. The former is mostly used to produce joint statements (like the Joint Statement on the 2018 Inter-Korean Summit) and to build consensus on umbrella initiatives, such as regional free-trade negotiations. These latter are used as a tool to address the aforementioned many and varied bilateral challenges that threaten harmony in bilateral relations.

For example, in the lead-up to the May 2018 summit, Chinese Premier Li Keqiang visited Japan for the first time in seven years in what was designated as an official state visit. Ultimately, a stepwise arrangement to coordinate restoration of normal diplomatic relations between the countries was reached, as was an agreement to restart the maritime and aerial communication mechanism for avoiding conflict along their national borders. The two countries have since been coordinating on a three-step process—first, Li’s visit to Japan in May, then Abe’s visit to China in October 2018 and finally Xi’s planned visit to Japan sometime in 2019. All of this was made possible by the trilateral summit.

Likewise, the summit has provided a platform for rapprochement between South Korea and China as they slowly emerge from the diplomatic fiasco over THAAD. Likewise, Japan and South Korea have agreed to resume “shuttle diplomacy,” with South Korean President Moon Jae-in inviting Abe to South Korea next year. Amid this progress, the three countries vowed to accelerate trilateral negotiations on both their free trade agreement and on the Regional Comprehensive Economic Partnership (RCEP) trade accord. And in an unprecedented move, Beijing has proposed another summit meeting to be held in late 2018 — the first time for it to be convened twice in the same year.

## New Potential for “Third-party Market” Cooperation

The trilateral summit embodies two different categories of cooperative behavior: intra-regional cooperation among the three powers and extra-regional coordination. Even if the former has not yielded robust results in recent years, shifted the optics of the CJK process toward “the third market” of extra-regional affairs, we find more reasons for optimism. China, Japan and South Korea have traditionally viewed each other more as rivals than allies — a legacy that has stymied the

development of ties for decades. Yet the possibility of reaching a win-win situation, or at least a minimum level of policy coordination, with third parties or outside issues should not be ruled out. Trilateral diplomacy in the extra-regional realm appears to trigger much less political sensitivity and domestic backlash. This partially explains why all three countries have been investing more resources in RCEP negotiations than in CJK FTA negotiations.

The leaders of the three countries have each proposed ambitious plans – China's Belt and Road Initiative, Japan's Indo-Pacific Strategy, and South Korea's New Southern Policy, focusing on ASEAN countries as strategic targets. China and Japan have recently launched several pilot projects on infrastructure in third countries, including a recent agreement on the construction of railway systems in Bangkok, and the first meeting of a joint public-private committee on economic co-operation was held this October. Nissin Corp., the largest Japanese logistics firm, and Sinotrans, China's largest integrated logistics provider, have also partnered this summer to conduct a sea and rail shipping trial from the Far East to Western Europe. The new co-operative efforts appear to have created a potential new agenda for the upcoming trilateral summit. It is likely that the next summit, which China will chair, will produce high-level mechanisms to foster extra-regional cooperation, especially given China's position as host of the summit.

## Visions for the Future

So, what should we expect from future trilateral summits? Expectations must remain realistic and pronouncements of breakthroughs must be weighed against the evidence. The summits will be less likely to coordinate closely on denuclearizing the Korean Peninsula, nor will they engage intimately in high-security affairs more broadly. However, the trilateral summits retain their strategic value. By serving as a buffering mechanism against thorny bilateral relations, they constitute the region's best chance for building the diplomatic bridges necessary for peace and stability in Asia. In the meantime, the three economic giants have ample room to unite in a joint effort to invest and explore external issues beyond Northeast Asia. It may be time to shift the focus of trilateral summit diplomacy to a broader East Asian or even global focus.

Flanked by Li and Moon at the Royal Palace State Guest House in Tokyo at the summit in May this year, Abe noted at the close of proceedings how the summit provided a “very strong foundation” for jointly responding to regional and global issues of mutual concern. While these sanguine words might not truly reflect the challenges facing the three countries, the summit can serve as a mechanism for peace and prosperity in East Asia. And that is a win for all parties involved.



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