

Exclusive Interview

# LEADERS IN JAPAN

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School of Political Science and Economics, Waseda University

Prof. Yukiko Fukagawa



## The Future of the South Korea-Japan Relationship, from the Perspective of an Expert Scholar

By Jillian Yorke

*Japan SPOTLIGHT* was honored to have a fruitful and informative online discussion with Prof. Yukiko Fukagawa of the School of Political Science and Economics, Waseda University, Tokyo, on the relationship between Japan and South Korea, and other issues of mutual concern. She is a distinguished expert on Korea and has been respected by both nations for many years, having worked as a bridge between them. Her knowledge could prove critical for Japanese foreign policy in the region in the light of today's increasing geopolitical risks.

(Interviewed on Jan. 28, 2025)

### Assessing the South Korean Political Crisis

**JS: How do you assess the current political crisis in South Korea, with President Yoon Suk Yeol declaring martial law on Dec. 3, 2024? Could you explain its background and the implications for South Korea? How do you see the situation unfolding?**

**Fukagawa:** Before President Yoon's outrageous step, there had been great tension between the presidential office and parliament dominated by the opposition party after the ruling party's poor result in the election last year. With little experience in politics, Yoon had been experiencing enormous tension and stress, and that is why he chose to announce martial law, a very extreme reaction against parliament. But although many people tend to forget this, from a longer-term perspective South Korea is still a relatively young democracy. It was announced only in 1987 that it would have a president through its own elections. However, the first elected president, Roh Tae Woo, was from the military, and it was only in 1993 that the second leader, President Kim Young Sam, came to power as a civilian. Since democratization, there has been a tremendous economic and social transformation, as well as changes in people's ideas about politics, so there seems to be a kind of regime fatigue in regard to South Korea's presidential system itself,

where the president has concentrated power.

**JS: How do you assess the impact of this crisis on South Korea-Japan relations?**

**Fukagawa:** Of course, the Japan side is very worried about what is happening in South Korea and it is very uncertain where the country is heading. The biggest concern is typically the wartime labor issue that was settled by Yoon's initiative. Japan sent a clear message that this is the bottom line based on international law. So from Japan's perspective, it was forced to take even some harassment action to stop South Korea from raising new issues against it in rapid succession, including tightening export controls for semiconductor-related materials, where Japan still has a dominant market share and South Korea relies heavily on the supply network.

**JS: Will this affect South Korea's other major foreign relations, such as with North Korea, China, or the United States? If so, in what ways?**

**Fukagawa:** Actually, South Korea's diplomatic options seem to be limited because things in North Korea have changed very rapidly. After North Korea sent troops to Ukraine, the North Korean leader has appeared more confident than before, having a virtual alliance

with Russia. So what South Korea can do to counter this, rationally, is to have a stronger alliance with the US and Japan. But there are very different ideas in South Korea, as a divided state, and some people naively hope for at least a peaceful coexistence with the North, gradually leading to unification. So, for their party, as very much reflected by the opposition party, Yoon's choice of a stronger South Korea-US-Japan alliance was out of balance in the geopolitics of the Korean Peninsula.

On the other hand, something that has changed over the last few years is the very rapid catching up of manufacturing capabilities in China in the global supply chain. In the process of rapidly spreading its global supply chain, South Korea has been doing much better than Japan, but has lost most advantages in manufacturing against China, as the trade deficit with China shows. So now China is seen more as an economic rival, not as a market or business opportunity for South Korea. There is not such a big incentive again to go more for China diplomatically.

#### **JS: How about the US?**

**Fukagawa:** Well, South Korea and the US have a big historical alliance. And this won't be changed because there is no other option for South Korea. However, while South Korea has exhausted its political capital because of the recent political turmoil, the administration of President Donald Trump is expected to pressure it for more military spending and with more tariffs very soon, and this deal should shape the new alliance.

#### **JS: How do you evaluate the current cooperative foreign policy and economic policy efforts among China, Japan and South Korea (such as the CJK dialogue organized by JEF) in achieving productive relations, and contributing to Asia-wide economic integration? And how do you assess the current foreign policy efforts of US-Japan-South Korea cooperation, such as the trilateral summit?**

**Fukagawa:** Well, Japan, South Korea, and China are natural trading partners as neighbors, and that is why, even though the security environment has changed a lot, their mutual economic dependency through the global value chain is clearly established by market forces, followed by institutionalizing efforts like the Regional Comprehensive Economic Partnership (RCEP). So having a dialogue is extremely important for all three parties, and we still have a lot of good topics for dialogue, such as the environment or demographic changes, that are major issues for all three parties. Also, of course

Japan and South Korea are allies of the US and in that context will never hide away from US policies against China. But we have another party that we may rely on as a platform, namely ASEAN, which is the major pillar in the RCEP.

#### **JS: How about US-Japan-South Korea cooperation? The trilateral summit now seems to be institutionalized. Do you think that will be affected by this political instability, or by President Trump?**

**Fukagawa:** Well, Trump's second term has just started and the expectation is that most probably the US-China relationship will be going more for decoupling rather than the de-risking that Europe has been referring to. So we are directly affected by this policy – not only by geopolitical policies, but also by market forces that pressure both Japan and South Korea to go more for the US market anyway, and for greater competition with China as well as because of the stagnated Chinese economy. Japan is a bit better due to the size of its domestic market, also in smaller dependence on manufacturing at home, but even so its position is not very different from South Korea's.

### **Trump & Abe**

#### **JS: Do you think that Trump's foreign policies will change this trilateral cooperation, given the de-risking in relation to China that has been occurring in recent years? How do you assess Trump's presidency so far?**

**Fukagawa:** Actually, I was very impressed by Trump's speech with the slogan that "the US is back!" That is exactly the same slogan that former Prime Minister Shinzo Abe used at the beginning of the so-called Abenomics, when he made a speech in London and said, "Japan is back!" There seems to be a similar emotional feeling that we should be back, we should make our country great again. That seems to be quite a common emotion in many mature economies, including Germany and France. So I thought that the US might be tempted, always under certain pressures, to prove its power for the Make America Great Again (MAGA) people, and I am worried about its unnecessarily provoking China, which might stimulate Chinese feelings against the US. That is a constant decoupling game that I am always worried about. But at the same time, some people in Japan have started to worry about US-China "direct dealing" that may happen if both parties start to think "Why don't we make a deal?" So then of course Japan and South Korea will be ignored in this bilateral

dealing, that should be the worst scenario for both.

**JS: It seems that Trump might put high tariffs on Chinese goods. If so, what would be the impact on South Korea's trade policy?**

**Fukagawa:** I think the main interest of big business in Japan is how they would defend the US market, so they are under pressure to invest in the US themselves, for example in automobiles including electric vehicles or semiconductors. So the major concern is that this is the only way to de-risk the negative impact coming out of a US-China economic security pact. It's the same thing with South Korea, and that can be the very reason for South Korea to cooperate with Japan in the US market more than China.

### **More Cosmopolitan Younger Generation**

**JS: Looking at the long-term prospects, do you think South Korea-Japan relations will continue to be strengthened through soft power, such as pop culture and animation? How do young Koreans in general feel about Japan? How can Japanese people gain a deeper understanding of South Korea?**

**Fukagawa:** I think South Korea's most successful power in relation to Japan is not hard power such as money or security, but rather soft power in culture, to win sympathy. Many Japanese are big fans of Korean pop, Korean beauty, Korean TV dramas, or whatever. So that has given great opportunities for our people to understand each other. In terms of the younger Koreans in their 20s and 30s, they have been living in an "advanced country" all their lives. So their way of looking at the world and how they see Japan is very different from the older generations in their 40s and 50s, who fought against the authoritarian regime in South Korea, backed up by Japan's economic cooperation. The younger generations are more cosmopolitan and far less political. They have what might be called naïve ideas, like "Why do we have to look at Japan as a whole different entity from the rest of the world? Japan is just one country, and our neighbor."

**JS: In that case, do you feel that, from a long-term perspective, South Korea-Japan relations will substantially improve?**

**Fukagawa:** I think I would say a cautious "Yes". The biggest contribution made by Yoon is that South Korea will give up politicizing its emotions against Japan, imprinted by stereotyped

history textbooks and media information. Both Japan and South Korea have domestic political issues, but Japan received Yoon's message as a commitment that South Korea would not utilize these emotions for domestic politics. However, as in every country, we are in the digital information era, and it is easy for anyone to incite and provoke for political purposes, including the use of fake news and stimulating stories.

### **Depopulation & Demographics**

**JS: Thank you. It is good to hear this. I'd like to ask you about a couple of long-term concerns in both economies. One is depopulation. Will this have a negative impact on national security? How can we avoid this?**

**Fukagawa:** Both Japan and South Korea have faced up to demographic changes, but Japan has become affected by depopulation pessimism somewhat much earlier. South Korea, despite the unprecedented speed of aging, seems to be more optimistic. The history of local autonomy is also far shorter in South Korea, so that the impact on local politics where the speed of aging is much faster remains limited, even though local economies are dying out much faster than in Japan. The security strategies may be very different in defending constantly depopulated areas, since Japan consists of many small islands scattered around, while the major part of South Korea consists of the peninsula. However, both are under the same pressure arising from the fact that depopulation seriously affects defense capabilities, especially in human resources.

**JS: Aging or depopulation might have an impact on not only security but also productivity. Productivity decline due to aging is our concern, as well as a possible decline in social well-being as a result of aging. Can we avoid such economic impact and maintain social well-being through economic policy cooperation between our two countries?**

**Fukagawa:** Among the many Asian countries, Japan and South Korea are the closest in terms of social norms and lifestyles, including gender issues, but nevertheless sometimes differ greatly from each other. For example, Japan has been suffering from very slow digitalization, whereas South Korea is one of the leading countries in terms of digitalization. South Korea has enjoyed much more efficient government services in general than in Japan. But on the other hand, South Korea hasn't have enough time to establish

peaceful relations between management and labor. That is why it has been constantly suffering from higher wages compared to productivity gains, which are now higher than in Japan and are seriously pressuring society with complicated conflicts. We are the opposite. Japan's slow digitalization is seriously affecting its productivity gains, but South Korea is facing far stronger pressure for jobs resulting from labor-saving technologies. Therefore, both parties may have huge room to learn from their counterpart's experiences to push up productivity.

**JS: The South Korean fertility rate is very low, even lower than Japan's. In that regard, we have a very strong concern about South Korean depopulation. How do you think South Korea can avoid a possibly disastrous outcome from depopulation? Perhaps by migration or some other means?**

**Fukagawa:** Yes, one easy option for South Korea is taking in more immigrants. Many people strongly emphasize this idea. There is some background because South Korea used to be a great source of immigrants, as well as immigrant labor to the US and many other developed countries in the past. The senior generation still remembers these experiences, which encourages optimism on taking in immigrants. However, immigrants are different from migrating labor, and such optimism often disregards the various social costs, as can now be seen in the suffering of European countries. As I mentioned, the South Korean labor market lacks both flexibility and stability, and except for unskilled labor, which is already in short supply, such as jobs for simply taking care of elderly people, attracting skilled labor for productivity does not look easy.

Another option is to spend more on social security. Still, South Korea has a far better budgetary position than Japan, which has used up so much government funding for welfare and social policies. Koreans have room to extend welfare services for the people. But the biggest problem is that there is no consensus on how much they should spend on welfare and how to finance it. In Japan, whenever we try to push up the consumption tax, from 3% to 5%, or from 5% to 8%, or from 8% to 10%, the government has an election and asks the people what kind of society we wish to achieve with taxpayers' money. Unfortunately, South Korea has never gone through any policy discussions like this even until this stage.

**JS: South Korea seems to have very good relations with Southeast Asian countries such as Vietnam and the Philippines. Do you think immigrants from such countries will increase?**

**Fukagawa:** Oh, yes. They are already in South Korea in large numbers, and are supporting the economy substantially. And already the questions is arising, should they accept these second-generation boys, the sons of immigrants, into compulsory military service? They are making quite serious efforts to take immigrants into their society, but there are many issues to be resolved. As a divided state, conservative people are also worried about the possibility of spreading North Korean influence through immigrants.

## Gender Differences

**JS: The second concern about the long-term future of the two countries is related to gender. Both countries are notorious for their male-dominated traditions. Will this gender gap bring negative consequences for our economies? In what ways are Japan and South Korea similar or different in this regard?**

**Fukagawa:** This has something to do with what I've already mentioned. Japan has been super-slow in changing traditional society, including gender issues. But South Korea is always trying to change instantly, at a quicker speed. Then many Korean efforts are challenged by a radical backlash. So, in the end, progress often converges. In South Korea there is extreme conflict between men and women, which is not observed in Japan. Labor participation by women is one of the biggest stresses for women, and that is one of the major reasons why young women in their 20s and 30s never supported Yoon leading the conservative party. They tend to believe that the conservatives are under the *ancien regime*, disgustingly male-centered, and that is why they couldn't have decent jobs, even though they are generally better educated than men. That kind of criticism has rather faded away in Japan, because the serious labor shortage has started to pressure the market, followed by managerial efforts combined with government subsidies.

**JS: In that sense, in addition to lack of full utilization of human resources, perhaps the conflict between men and women would have a more serious effect on the economy in South Korea?**

**Fukagawa:** Yes. Now it is a kind of fashion in Japan's business society to include talented businesswomen on executive boards, and evidence has been seen that those boards with better participation by women have better records, so that's why the market is pushing for this. On the other hand, Koreans are trying to see improvement just out of politics.

## Ongoing Conflict in a Divided State

**JS: Going back to the question of North Korea, unlike previous US presidents, Trump has clearly described North Korea as a nuclear power. What was the reaction of South Korea to this? Was it shocking to hear such a statement?**

**Fukagawa:** Yes, that was a huge shock on the South Korean side, challenging the traditional ally relations. It feels a big trauma in relation to Trump having a direct bilateral dialogue with Kim Jong Un. So it greatly fears any serious game change on the Korean Peninsula. Actually, the Japan-US security alliance has a broader perspective, incorporating many different countries. In contrast, the South Korea-US alliance has been more local, basically against North Korea. So the impact of a possible bilateral “deal” is huge, directly posing a security threat to the South. This is why large numbers of Koreans agree with the idea of nuclear weapon development of their own, according to opinion polls.

**JS: Trump does seem to have a unique approach to North Korea. Is that a concern for South Korea?**

**Fukagawa:** Sure, of course. As a divided state, there has always been a historical conflict between the conservative and liberal parties, with the conservatives always emphasizing and streamlining the South Korea-US alliance, while the liberals have been emphasizing the priority of future integration based on nationalism. If Trump initiates a very dramatic reaction against the North, as before, probably that would encourage domestic conflict inside the South. Maybe conservatives would say, “That happened because we are lacking in a good alliance with the US”, while the liberals would say “It’s the fault of the conservatives, only sticking to the US alliance. We have China and Russia as interested parties in the Korean Peninsula. So why don’t we balance the power?”

**JS: Do you see any likelihood of a reunification between North Korea and South Korea being affected by the current international or political situation? How do South Koreans feel about the possibility of a future reunification?**

**Fukagawa:** The announcement of martial law by Yoon caused a huge shock to South Korean society. The notion was that the country is fully democratized and an appropriate potential member of the G7, or maybe G9. But the situation has revealed the highly fragile structure

of South Korean society. At one time it was very confident, but it tends to swing between extremes. So what we can do is say that it should settle down somewhere in-between, and that would be the beginning of healthier Japan-South Korea dialogues. At least there is a consensus for gradual reunification in the South, but as long as the North prioritizes regime security, the expectation for even positive dialogue is limited.

**JS: We understand that former US President Joe Biden, Yoon, and former Japanese Prime Minister Fumio Kishida had a relatively good relationship.**

**Fukagawa:** I think the Biden-Yoon-Kishida cooperation confirmed at Camp David was kind of iconic for the US-South Korea-Japan alliance. Unless Trump is interested in completely breaking this, to offer different “deals”, the basic structure will remain. One piece of good news is that Trump took a rather positive stance on some pacts such as the “Free and Open Indo-Pacific” and “Quadrilateral Security Dialogue” in his first meeting with Prime Minister Shigeru Ishiba.

**JS: How do things stand now, with a new president of South Korea possibly being elected within the year, who could be the opposition leader Lee Jae-Myung? Many ordinary Japanese are concerned about this possibility, as he doesn’t seem to be so friendly towards Japan. What do you think?**

**Fukagawa:** I think we have to accept the realities of the presidential system. In that sense, South Korea is very much like the US in that a new president might try to deny everything that their predecessor had done. It’s a political response. Maybe what Japan can do, again, is to show a consistent bottom line, saying to South Korea that this is the bottom line and you cannot change it. But, that said, we can be flexible, and if we are successful, we may share a common broader perspectives and common interests in historical changes. After all, we are a democracy so we ought to respect those that the people have chosen. There should be interactive responses.

## Future Cooperation & Medical Tourism

**JS: South Korea is a very important partner for Japan. We need to deepen relations as much as possible, including through harmonization of domestic policies such as those for an aging society and low fertility. What issues will you be working on in bilateral relations in the future, and how will you contribute to**



## sustaining this relationship?

**Fukagawa:** It seems there is a difference in priorities between Japan and South Korea. In South Korea they seem to be still sticking to the traditional patterns of economic development, like export-driven hardware manufacturing development, and that is the reason why they are always calling for industrial cooperation such as in the semiconductor value chain or hydrogen-related technologies and so on, or maybe recently in AI. But for Japan, that's just a part of it. Most probably Japanese policymakers do not expect that Japan-South Korea cooperation will help Japan to compete with superpowers like the US or China. Rather, we are more interested in people-to-people exchanges as social business opportunities, especially for startups. For instance, South Korean inbound tourists have been greatly contributing to Japan, and Japan is the second-largest market for Korean drama, cosmetics, and so on. So people-to-people exchanges have actually been creating great business opportunities and sustaining many people's jobs in South Korea, such as in restaurants or inbound-related tourism. In the same context, we expect the exchange of startups led by young entrepreneurs will provide better challenges for the younger generation. These neighborly relationships based on similar endogenous conditions are quite healthy and probably more sustainable than ambitious industrial cooperation, for actually Japan is not confident about a long-lasting partnership independent from politics.

**JS: As you said, tourism is very important in deepening relations. In particular, medical tourism is a critical area which has good potential for growth, because in Japan there is very little medical tourism, while in South Korea there is much more. Perhaps this is one of the areas in which we can cooperate with each other to our mutual benefit.**

**Fukagawa:** But before South Korea can reach its full power as a medical tour-hosting market, I think it has a long way to go. Why? One of Yoon's last reforms was in medical care, but the related conflicts only cornered him into declaring martial law. Medical doctor over-concentration in Seoul is one of the serious challenges for local regions to sustain reasonable services, so the president tried to increase the number of students in medical schools. But these efforts failed after long battles not only with vested-interest groups but for many other reasons. Then the question remains, "Should South Korea pursue profit-oriented medical care services, despite the huge market demand at home?" For instance, it suffers

from a low birthrate, but actually obstetrics and pediatrics are the most rapidly disappearing fields, further worsening conditions.

**JS: Do you think Japan can make some contribution to enhance medical services in South Korea?**

**Fukagawa:** It would be difficult but there may be opportunities and potential. Japan has very rich evidence of an aging society, including dementia and the behavior of the elderly. So if we can have healthy cooperation based on evidence, and try to share evidence-based medical services, we have huge potential to make their society richer. But unfortunately, South Korea generally doesn't see that as a priority.

**JS: Finally, how about saunas, hot baths, aka-suri (traditional Korean-style body scrubs), and so on, as medical tourist attractions?**

**Fukagawa:** Oh, Koreans are developing every service for business purposes, including these. There is also a sophisticated style of Chinese-type medicine, with well-established medical services based on this that are far more developed than in China, their origin. In their aging society, sometimes people are not really seriously ill but are trying to maintain their strength and perhaps beauty too, using a very delicate approach based on Chinese medicine. They have very sophisticated knowledge and well-trained medical doctors. They have even applied this approach to so-called Korean beauty programs. However, again, South Korean business society dominated by huge companies seems to be more interested in cooperation in fine chemicals and bio-technology rather than Japanese partnerships. Maybe they are still thinking at the level of national pride, while our ideas are too post-modern, based more on individuality.

**JS: Thank you very much for your time and for answering all our questions. It was a fascinating discussion.**

**JS**

Written with the cooperation of Jillian Yorke, an interpreter and translator, who worked for more than a decade for the Public Relations Office at the Minister's Secretariat of the Ministry of Economy, Trade and Industry in Tokyo. The co-author of several books, she now lives in New Zealand, where she is curator of the Japan Library: Pukapuka, as well as a freelance writer, translator, and interpreter, and often visits Japan.