

MARCH 2017

JAPAN, CHINA AND SOUTH KOREA

TRILATERAL COOPERATION IN THE TRUMP ERA

REPORT



TRILATERAL COOPERATION: NORTHEAST ASIA'S LITTLE-TOLD SUCCESS STORY

Cooperation between Japan, China and South Korea is becoming increasingly important to solve challenges from North Korea and to deal with uncertainty over the Trump administration's policies.

That was the message of experts speaking at a Friends of Europe Policy Insight on 22 February, which focussed on the Seoul-based Trilateral Cooperation Secretariat (TCS). This was set up in 2011 to promote peace and prosperity between the three countries, which share close economic ties but often have tense relations over territorial and other issues. In particular, they have long struggled to resolve problems related to their conflicts in the first half of the 20th century. China's traditional support for North Korea has also caused friction.

Behind these headline-grabbing problems however, the three countries have been quietly building the foundations of a constructive relationship. They have much to gain: They all depend heavily on trade for growth, and they face economic challenges – either immediate or upcoming – as their societies age quickly. Moreover, following the Obama administration's pivot to Asia, it is not clear how the Trump presidency will affect the regional power balance – and how it might react to a further escalation in aggressive actions by North Korea.

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Deputy Secretary-General of the TCS

BREAKFAST IN MANILA

The Trilateral Cooperation Secretariat is characterised by future-oriented cooperation,” said **Jong-heon Lee**, Deputy Secretary-General of the TCS. “I believe that the establishment of the TCS opened a new chapter in the history of Northeast Asia. There are lots of multilateral consulting mechanisms, but the region has never had a permanent consultative mechanism.”

TCS work focuses on three areas. The Political Affairs section works on confidence-building measures and non-traditional security issues, including infectious diseases, nuclear safety and cyber security. The section for Economic Affairs tries to boost economic cooperation and integration. And the Socio-Cultural Affairs section promotes exchange programmes for groups such as journalists and young people. “We attach great importance to this area,” said Lee. “The most serious obstacle to trilateral cooperation is the perception gap.”

Unlike the European Union, the TCS has not so far played a major role in trade or market liberalisation or generated political structures. “This is often seen as a sign of weakness, but that is actually just the Asian way,” said **Julian Wilson**, Head of Division in the European External Action Service (EEAS) for Japan, Korea, Australia, New Zealand and the Pacific. “It doesn’t affect the fact that the countries and business people are deeply intertwined. These are all opportunities.”

While the three might take some lessons from the EU, they will find their unique framework for cooperation, said Wilson. “It’s all about finding their own way forward,” he said. “I believe the prospects are considerable.”

The TCS was proposed in 1999 by Japan’s then-Prime Minister, Keizo Obuchi. He met his Chinese and South Korean counterparts for an informal breakfast meeting in Manila on the side lines of the ASEAN Plus Three Summit – a forum that coordinates cooperation between the Association of Southeast Asian Nations (ASEAN) and China, Japan and South Korea. Leaders of the three countries signed the Agreement on the Establishment of the Trilateral Cooperation Secretariat in 2010, and the Secretariat was established in Seoul in 2011.

AN UNCERTAIN WORLD

Relations between the three countries are especially important amid the growing uncertainty in the international order. “The global landscape makes it clear to all of us that it is a complex volatile world,” said moderator **Shada Islam**, Director for Europe & Geopolitics at Friends of Europe. “Where there isn’t war, there is talk of conflict, and the US administration is sending out mixed signals on its future policy.”

The most pressing regional problem is North Korea, which has been escalating its nuclear weapons programme. It is also suspected of directing the recent assassination in Malaysia of Kim Jong-nam, the half-brother of the North’s leader, Kim Jong-un. Since an armistice ended the Korean War in 1953, North and South Korea have continued a military standoff with periodic clashes. Pyongyang regularly unleashes threats and aggressive rhetoric towards Japan. “Our neighbour the DPRK (Democratic People’s Republic of Korea) presents an imminent threat,” said **Kazuo Kodama**, Japan’s Ambassador to the European Union. “How to address that challenge remains one of the priorities.”

However, China is bound by a treaty to defend the North if the United States attacks it. “I think that China would like to change the current situation,” said **Xinning Song**, Jean Monnet Chair ad personam and Research Director of the Centre for European Studies at Renmin University of China. “So, we need to pay more attention to the trilateral cooperation. North Korea is probably the biggest headache.”

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TWO TRIANGLES

The role of the United States in regional security means that as well as the TCS triangle, the US forms a security triangle with Japan and South Korea, whose role is to hedge against China and North Korea, said Song. However, this need not be a problem: “China’s Foreign Minister Wang Yi said in Munich that the current order plays a positive role,” he said. “That means China has no intention of changing it.”

Despite the often-confusing messages from Washington, Song does not anticipate big changes in US policy towards Northeast Asia. “That has already been confirmed,” Song said. “China has already realised that Japan and South Korea are military allies of the United States. The American factor is major but not the biggest. The major factor is the three countries and how they work together.”

The Trump administration need not pose difficulties for East Asia, said **Hosuk Lee-Makiyama**, Director of the European Centre for International Political Economy. Its countries have grown accustomed to a transactional relationship with the US when it is under Republican leadership, and it is easier to strike specific deals than to find broad agreement over fundamental values. “Trump is more a problem for the US and Europe than for the three countries we are talking about,” he said. “Transactional trade and diplomacy is something that Europe does very poorly.”

The existence of other alliances in the region need not be a problem for trilateral cooperation, said Lee. “The two triangles don’t necessarily have to collide or compete with each other,” he said. “While I have been working for the TCS for the last three years, I have realised that our relations are sensitive, subtle and delicate. When we talk about historical or territorial issues, Korea and China become like-minded. But after the North Korean actions, the atmosphere changed: Korea and Japan working closely along with the US”

One immediate impact from President Trump was the US withdrawal from the Trans-Pacific Partnership (TPP), a trade agreement with Japan and other Asia-Pacific countries, but excluding China and South Korea. Though Trump’s decision cast uncertainty over the TPP’s future, the work done up till now could prove valuable in promoting free trade in the region, said Wilson.

“I would be very surprised if the countries that have advanced the TPP so much just dropped it,” Wilson said. “I think there are many advantages to continue something that is already cooked three quarters in the oven. Even if somebody’s just taken out one of the tomatoes, maybe the dish is still worth eating. The other point is that with FTAs, it’s important to think about ambition, and I think it’s quite meaningless to have FTAs without ambition. Everyone wants free trade. It’s a bit like motherhood and apple pie. It’s the easiest thing for every one of us in this room to agree to. But the hardest thing is to agree that you have to give up your standard for how a tyre should look or how yoghurt safety should be guaranteed to consumers, and to agree to a common standard.”

Though the TCS cannot replace the TPP as such, the Secretariat can boost economic links between its three members, said Lee. Four areas for this are: raising the ratio of intraregional trade, which is currently very low; promoting foreign direct investment; raising the competitiveness of the service sector; and paving the way for domestic restructuring. “During the last summit, the three leaders agreed that they will make full use of these high complementarities and great potential to bring our cooperation to a higher level,” he said.

AN ASIAN MODEL FOR COOPERATION

International groupings inevitably invite comparisons with their counterparts elsewhere – such as ASEAN and the EU. One similarity with the EU is the project’s long-term perspective. The EU’s origins were in the 1950s, but during a period in the 1960s and 1970s, it made little progress. Then, after a great period of expansion with new members and the single market, it appears to have entered another phase of consolidation. “It is natural that after period of growth, there follows a period of calm – and then winter, when you let it rest,” said Wilson.

So far, the TCS is not well known among the Chinese public, but it has a higher profile among specialists, Song said. “There are also not many reports or news on these issues,” he said. “But if you look at Chinese academics, especially those working on East Asia or comparative regional integration, trilateral cooperation is always a very important topic.”

CONCLUSION

Small and relatively unknown, the TCS could play an important role to ease the frequently tense relations between the three member countries. While their economic success hints at a bright future, it also generates friction – as do territorial disputes and disagreements over past conflicts. Closer cooperation is especially desirable as doubts rise over the Trump administration’s commitment to the region.

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