Copyrighted Material

First published 1999
by Routledge
11 New Fetter Lane, London EC4P 4EE

Simultaneously published in the USA and Canada
by Routledge
29 West 35th Street, New York, NY 10001

Routledge is an imprint of the Taylor & Francis Group

© 1999 Christopher W. Hughes

Typeset in Times by
Hodgson Williams Associates, Tunbridge Wells and Cambridge
Printed and bound in Great Britain by
Biddles Ltd, Guildford and King's Lynn

All rights reserved. No part of this book may be reprinted
or reproduced or utilised in any form or by any electronic,
mechanical, or other means, now known or hereafter invented,
including photocopying and recording, or in any information
storage or retrieval system, without permission in
writing from the publishers

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

Library of Congress Cataloging in Publication Data
Hughes, Christopher W
Japan's economic power and security : Japan and North Korea
Christopher W. Hughes
p. cm
Includes bibliographic references and index.
1. Japan–Relations–Korea (North) 2. Korea (North)–Relations–Japan 3. Security, International 4. Japan–Military policy 5. Korea (North)–Military policy. I. Title.
DS849 K7H85 1999 98-48298
303 48'25205193–dc21 CIP

ISBN 0-415-20183-7

Copyrighted Material

Copyrighted Material

Contents

List of tables viii
Acknowledgements ix
Map 1 xi
Map 2 xii
Glossary xiii
Introduction xvi

1 Global and Japanese conceptions of power and security policy in the post-Cold War era 1

2 Theory of economic power and security 31

3 Military and economic conceptions of the North Korean security problem 51

4 Japanese economic power and North Korea 117

5 The Japanese policy-making process and economic versus military security policy 161

Conclusion 207

References 213
Index 229

Copyrighted Material

Copyrighted Material

Tables

3.1 The military balance on the Korean Peninsula 1997–98 71
4.1 Official North Korean figures for industrial output during economic plans 120
4.2 Targets and results for the Second Seven-Year Plan (1978–84) 123
4.3 Targets for the Third Seven-Year Plan (1987–93) and estimates of attainment by North Korean and South Korean sources 124
4.4 Annual growth rates in North Korea by sector according to South Korean sources 125
4.5 The mutually complementary economic resources of Northeast Asian states and regions involved in TRADP 128
4.6 North Korea's external debt by creditor at the end of 1989 135
4.7 North Korea's main trading partners for selected years between 1986–96 140
4.8 Proportion of North Korean trade by region and country 1955–85 141
4.9 North Korea–Japan Trade 1961–96 142
4.10 Composition of Japan–North Korean trade for selected years between 1984–96 143
4.11 Actual and 'natural' North Korean trade shares 147
4.12 North Korean primary energy supplies and coal production 1988–94 151
4.13 North Korean oil imports from China and USSR/Russia 1988–95 152
5.1 Comparison between the organisation and primary equipment scales of 1976 and 1995 NDPOs 190
5.2 Functions and fields and examples of items of cooperation in areas surrounding Japan 196

Copyrighted Material

Copyrighted Material

1 Global and Japanese conceptions of power and security policy in the post-Cold War era

Conceptions of military security after the Cold War

The Gulf War and military power

The end of the Cold War has wrought great changes in the global security environment and reopened the policy-making debate concerned with the most effective means of ensuring the security of the international system, states, and their individual citizens. The initial reaction in some quarters following the end of the Cold War was that the collapse of the USSR and global communism represented a decisive victory for the superior military power of the US and its alliance partners. The decision of President Ronald Reagan's administration in the early 1980s to seek strategic parity (or even superiority) over the USSR by embarking on a quantitative and qualitative build-up of US military forces through such programmes as SDI (Strategic Defence Initiative) appeared to be vindicated. The Reagan administration's defence policy was thought to have convinced Soviet leaders of the futility of expansionism and forced them to try to match increased levels of US defence expenditure, which in turn crippled the USSR's economy and forced it out of Cold War competition.[1] Following on from the assumption that the outcome of the Cold War had been decided by the crushing weight of US military power, the expectation was that the post-Cold War peace and security environment would also be determined to a large extent by this factor. Although President George Bush's administration, which oversaw the end of the Cold War, was certainly conscious of the need for retrenchment in defence spending and overseas military commitments in order to reap the benefits of the 'peace dividend', the events of the Gulf War of 1990–91 confirmed for the Bush administration the central role of military power in post-Cold War security, and encouraged the President to lay out in his 1991 State of the Union address a vision of a 'New World Order' in which national and global security would be guaranteed by collective military intervention under US leadership.[2]

The lessons of the Gulf War and Bush's vision of military power as the future of global security policy did not go unnoticed in other parts of the world.

Copyrighted Material

Copyrighted Material

The perception amongst the defence communities of many middle-ranking and rising regional powers was that military power, and especially the technologically advanced military power possessed by the US, was the key to national security in the post-Cold War world, so giving rise to a number of arms races in the Middle East and East Asia.[3] Even the thinking of the United Nations (UN) was affected by the belief in the primacy of military forms of security in the immediate post-Cold War and Gulf War periods. Spurred on by the success of military action in the Gulf War nominally under UN control and President Bush's apparent enthusiasm for a reformed and reinvigorated UN, one of the first acts of the then newly appointed UN Secretary General, Boutros Boutros Ghali, as laid out in his June 1992 *Agenda for Peace*, was to seek the creation of a UN standing force to allow for rapid intervention in the early stages of international conflicts and civil wars and to undertake peace building and enforcement missions.[4] Boutros Ghali's permanent UN force failed to materialise, but the UN in early post-Gulf War operations in Somalia between 1992 and 1994 did allow itself to be pushed towards a more aggressive use of its military mandate. What began ostensibly as a peace keeping operation (PKO) mission became in practice one of peace enforcement, with the UN involved in an ultimately unsuccessful effort backed by the Bush and then the Clinton administrations to impose a settlement on the Somali factions through the use of ever-escalating degrees of military force.[5]

However, the reverses suffered by the multinational forces and the US in Somalia soon cooled the enthusiasm of the UN, the Clinton administration, and the policy-makers of other states towards the type of 'muscular multilateral' intervention outlined above. These doubts were reinforced by the experience of UN and North Atlantic Treaty Organisation (NATO) operations in Bosnia. Even the success of later efforts by NATO to use force in Bosnia and the Dayton Peace Accord since late 1995, and the US's application of heavy military pressure on Iraq in early 1998 to ensure its compliance with UN weapons inspections, have not dispelled doubts within the Clinton administration and the US Congress about the risks of foreign military engagement and the problems of military power in resolving post-Cold War security problems, especially when channelled through the agency of UN PKO and peace enforcement operations.[6] The Clinton administration, therefore, has backed away from the interventionist, US-led collective security vision propounded by President Bush only a few years previously, and tended to resist international demands for it to intervene militarily in regional hotspots such as Liberia, Haiti, and Albania. This reversal or hesitancy in US policy thus gives grounds for civilian and military security strategists in the US and elsewhere to carry out a general reappraisal of security policy in the post-Cold War era and to question the value that can be attached to military power as the sole or primary means with which to ensure global stability.

Copyrighted Material

Copyrighted Material

The post-Cold War security agenda and limitations of military power

Recent events in Somalia and Bosnia have demonstrated that, after the Cold War, and despite the democratic and liberal peace in Europe, there remain security problems elsewhere in the world capable of threatening international, state, and individual security, and of spilling over into violent conflict.[7] But at the same time as Somalia and Bosnia have highlighted a number of key security dangers in the post-Cold War world and the necessity for states and international organisations to take concerted action to address them, it is also arguable that the UN, US, and NATO's experience of military intervention has revealed the limitations of military power in dealing both with these types of violent conflict and other post-Cold War security phenomena.

The first limitation is concerned with the nature of violent conflicts after the Cold War, and the declining effectiveness of military power to contain and resolve them due to problems of mismatched military strategies and escalating costs. During the Cold War period, the US, USSR, and their respective allies devoted much of their policy-making energy and defence budgets to preparing for the eventuality of inter-state nuclear and conventional war. Following the end of the Cold War, and despite the retention of considerable nuclear arsenals by the major powers and the desire of regional powers such as India and Pakistan to acquire these talismans of international status, the prospect of nuclear war has receded. The outbreak of the 1990–91 Gulf War showed that the possibility of inter-state conventional warfare in areas such as the Middle East between democratic and non-democratic powers (even if the protagonists' power capabilities are unequal) cannot be entirely ruled out.[8] However, this is not to say that Gulf War-style conventional conflicts fought out between highly specific adversaries and over clear-cut questions of territorial sovereignty are likely to be the predominant type of military conflict in the post-Cold War period. Instead the evidence from Chechnya, Bosnia, and Somalia suggests that post-Cold War conflicts, even if driven in part by well-articulated nationalist groups seeking to create an independent state of their own, are often more likely to involve non-state, quasi-state, or even tribal actors, and thus to assume the characteristics of guerrilla and low-intensity conflicts. The increasing importance of low-intensity conflict as part of the post-Cold War security agenda is also shown by concerns about the enhanced threat from sub-state terrorist groups seeking to obtain weapons of mass destruction, as in the case of Japan's Aum Shinrikyō; and the rising power of organised crime groups, many of which rival small states in their destructive capabilities.[9] Indeed, as Martin Van Creveld argues, by far the most significant, or 'real', form of warfare since 1945 in terms not only of casualty numbers but also in bringing about lasting political change has been low-intensity conflict and wars of 'national liberation' in Indochina, Africa, and Central Asia.[10] These conflicts generally have been fought out between, on the one side, the conventional armies of major 'colonial' powers or superpowers with access to highly destructive and sophisticated weaponry,

Copyrighted Material

and, on the other, the comparatively low-tech guerrilla and 'insurgency' armies of the developing world. In nearly all cases, and as demonstrated most vividly by the examples of the Vietnam War and Afghanistan, it has been the latter set of combatants which have emerged as the victors and confounded the view of those in the developed world who believed that a resolution to the conflict could be imposed, or peace 'made', through the application of ever-greater levels of military force. Hence, when viewed from this perspective, it appears that the Gulf War is in fact atypical of the nature of contemporary warfare, and that the conflicts in Somalia, Bosnia, and Chechnya described above are part of a longer-term trend towards the spread of low-intensity conflict.

This trend, then, explains the declining utility of military strategies and power for dealing with many contemporary forms of violent conflict. The history of low-intensity conflicts indicates that they do not readily lend themselves to containment, resolution, or peacemaking by military force. Therefore, it is understandable that UN, US, and NATO efforts to deploy in the low-intensity conflict environments of Somalia and Bosnia the same types of sophisticated weaponry which crushed Iraqi resistance during the Gulf War, and which were developed for conventional warfare, should have proved to be relatively unsuccessful. The functional mismatch between the existing military power and strategies of the major developed nations and the types of regional low-intensity conflicts with which they have to deal was well illustrated by the UN/US debacle in Somalia. The use of helicopter gunships and massive firepower by the UN and US proved impotent when employed against Somali factions which held no fixed positions or territory, and were able to withdraw in the face of overwhelming odds, only to regroup later. The near indistinguishability of one faction from another and from the civilian population, meant that concentrations of firepower produced the type of indiscriminate 'collateral' damage that turned the population against the UN/US force and further complicated its tasks. Operations in Bosnia confirmed many of the lessons of Somalia and the difficulties associated with using military power to contain low-intensity conflicts. The 'stand-off' weapons and 'smart bombs' seen to have been used with such effect in the Gulf War, and developed by the US after the Vietnam War to avoid the need to commit US troops to another costly ground war, when used in Bosnia gave NATO a clear psychological edge and did damage key Bosnian–Serb military installations. But as NATO operations continued it became clear that massive rather than surgical airstrikes would have to be used to bring the Bosnian-Serbs to heel. Moreover, in the end it was only by NATO's acceptance of the need to deploy large numbers of troops and the risks of involvement in a low-intensity ground war – the very strategy which the US had hoped its high-tech weapons could help it avoid all along – that the Bosnian conflict could be contained and the Dayton Peace Accord implemented. To some extent the limitations of military power in dealing with these conflicts can be accounted for by political, diplomatic, and humanitarian restraints upon the freedom of commanders to exercise to the full the capabilities of the forces at their disposal. But even the relatively unfettered use of military

Copyrighted Material

Copyrighted Material

power and the devotion to a conflict of overwhelming amounts of troops, *materiel*, and firepower are no guarantee of a successful outcome. This was demonstrated by Russia's ignominious defeat at the hands of Chechen rebels between 1995 and 1997, which occurred despite its deployment of over 40,000 troops, 1,000 tanks and armoured vehicles, and the expenditure in the conflict of billions of dollars.[11] Consequently, the problems of Somalia, Bosnia, and Chechnya all point to the same essential truth that in the post-Cold War period, as during the Cold War period and the history of US intervention in Vietnam, the conventional force strategies and weapons of the major powers remain limited in effectiveness when faced with low-intensity conflicts.

This limitation upon the effectiveness of military power in dealing with violent conflicts is compounded by the knowledge that after the Cold War the human, political, and economic costs of intervention in both conventional and low-intensity conflicts have greatly escalated. The operations in Somalia and Bosnia have illustrated the continued high cost of intervention in terms of military and civilian casualties. As seen above, the belief at the end of the Cold War that wars in the future could be fought and contained largely by relying upon air power and high-technology weapons with a minimal commitment of ground troops and limited casualties – as with others in the past that have stressed the potential of air power to win wars – has been disproved by the failure of this strategy in Somalia and Bosnia.[12] The inescapable reality of PKO in these two conflicts was that high numbers of military and civilian casualties are inevitable if a military solution is being sought.

These human costs also highlight the growing domestic and international political costs of military intervention. Domestic political opinion in the US and other developed nations – having suddenly become accustomed to the deceptively low casualty rates of the Gulf War – is not prepared to endanger the lives of its military forces in anything other than a conflict which is perceived to threaten vital national interests.[13] International political opinion also remains an important factor which affects the success of military intervention. For although the demise of the Soviet Union and the loosening of gridlock in the UN Security Council (UNSC) have given the US and other developed nations potentially greater freedom to exercise military power on a unilateral or multilateral basis, international opinion has shown itself to be highly wary of the risks of intervention, whether they are human, commercial, political, or involve questions of sovereignty. Hence, even the US, which once acted with a confident international mandate in using military power against Iraq during the Gulf War, in recent years and as illustrated by the showdown over UN weapons inspections in 1998, has had to pay an increasingly higher domestic and international political price, and risk international diplomatic isolation in its sporadic attempts to use military power to pressure the Iraqi regime.

The hugely escalating economic costs of military intervention were first made clear by the Vietnam War, estimated to have cost at least US$150–175 billion (and over three times that amount in today's dollar prices) over a nine-year period.[14] But it is the colossal costs of the Gulf War which seem finally to

Copyrighted Material

Copyrighted Material

have borne out Norman Angell*esque* predictions that in the twentieth century the economic price of inter-state warfare has risen to the point of becoming almost prohibitive.[15] Even excluding indirect costs upon the economies of the developed world and the Middle East, the seven-month Gulf War campaign amounted to approximately US$80–100 billion in direct financial military costs to the coalition allies.[16] That the war had to be paid for through the contributions of the US's allies in Asia, the Middle East, and Western Europe (Japan alone contributing US$13 billion) demonstrated that the economic costs of military intervention now restrict even the freedom of a superpower to exercise military force.[17] Moreover, as the case study of the Korean Peninsula in the 1990s in Chapters 3 to 5 will show, in many instances policy-makers are aware that high degrees of military interdependence have made the human, political, and economic costs of warfare too great to countenance, and that they are left essentially 'muscle bound' in any attempt to use military power to deal with contemporary forms of conflict.

The declining effectiveness of military power to contain or resolve many contemporary forms of violent conflict can, therefore, be explained by the high costs of intervention, and, as the US's National Defence Panel noted in 1997, the essential asymmetry between the strategies and weapons of developed states and the type of threats faced.[18] The argument here is not that military power is redundant in dealing with the problems of the post-Cold War security agenda; for the developed states may yet produce new non-lethal weapons suited to the nature of low-intensity conflict, and it is clear that more than ever in an uncertain post-Cold War world there is a need for states to commit their military forces to regional policing and PKO actions. But rather the indications are that there is a need to acknowledge the shortcomings of the use of military power after the Cold War and that there are likely to be few clear-cut Gulf War-style victories, and even fewer opportunities to use military power as a tool for peacemaking.[19] Instead, the prevalence of low-intensity conflict will mean that states will be compelled to commit their ground forces to protracted PKOs, and that, as in the case of Bosnia, unable to seek a quick resolution or create peace, the best they can do is to attempt to 'smother' the conflict until a political solution can be achieved. Thus the realisation of policy-makers after the Cold War is – and in many ways as they have known since the Vietnam War, if not before – that military power offers few quick resolutions to contemporary forms of violent conflict and is declining in its ability even to contain and keep a lid on them.

The second obvious limitation of military power concerns its inability to address the root causes of post-Cold War security problems – whether they take the form of violent conflict or belong to what can be termed a 'wider' security agenda.[20] As can been seen from the above descriptions of the conflicts in Somalia, Bosnia, and Chechnya, even though these and many other conflicts are highly militarised, and, as a consequence, may require the measured application of military force in order to pacify them initially, their underlying causes are to be found in problems such as ethnic, nationalist, and religious

Copyrighted Material

Copyrighted Material

Index

academic community, Japan 183–4
Acheson, Dean 53
Acquisition and Cross-Servicing Agreement (ACSA) 179, 193; and military policy 20
adjustment in economic power 38
Agreed Framework on nuclear crisis 64, 65–7, 76–7, 99; and soft-landing policy 103–8, 176, 187
Aichi Kazuo 173–4
aid, in economic power 46–8
aid, North Korea 154–7; and Japanese power 155–7; vulnerability 154–5
air force (Japan), changes in 190
airports, North Korea 148
Akiyama Masahiro 192
Allende, Salvador 47
Angell, Norman 6
arms sales, North Korea 144
army (Japan), changes in 190
ASEAN-PMC 19
ASEAN Regional Forum 14, 19
Asia Pacific Economic Cooperation (APEC) 9, 43, 147
Asian Development Bank (ADB) 23, 46, 156
Aum Shinrikyō 90
availability in economic power 38
axe-killing incident 55

balance of power: military and economic 11–12; shifts in 68–70, 208, 210
ballistic missiles: export of 144; manufacture of 74; security issues and aid 156; tests of 63, 74, 90, 167, 169; threat of 74, 89–91, 163, 166
Bosnia 2, 3, 4, 5, 6, 7, 11
Bosworth, Stephen 153
Boutros Ghali, Boutros 2
Bush, George 1, 2, 9, 77
business interests, Japan 180–5
Buzan, Barry 33

Calder, Kent 162
Carter, Jimmy 58, 65, 109
cash flows to North Korea 65, 111, 136–7
central bureaucracy, Japan 175–80; Japanese Defence Agency (JDA) 179–80; Ministry of Foreign Affairs (MOFA) 175–9; Ministry of International Trade and Industry (MITI) 180; Self Defence Force (SDF) 179–80
charcoal supplies, North Korea 151
Chechnya 3, 5
China: and Japanese military policy 14–15; and Korean Peninsula 68–70; and Korean War 54; and North Korean nuclear crisis 96; policy towards North Korea 69–70, 71–2; security policy on North Korea 52; trade with North Korea 139–41, 147
Chōsensōren 61; cash flows to North Korea 137–8; decline in support 183–4; investment in North Korea 132–3; and LDP 165; *pachinko* money scandal 81, 86; and policy-making in Japan 183–4; and SDPJ 169–70; threat to Japan 91–3; tourism by 149; and trade with Japan 145
Christopher, Warren 9–10, 104
Chung Yu Jung 130
civilian power: future of 25–7; global 31–2; qualities of 33; security 32–3
Clinton, William 2, 9, 10, 11, 19, 42–3, 63, 77, 106, 189, 194
coal supplies, North Korea 150–1
Cold War: end of 12–14; Japanese economic security policy 21–4; Japanese security and Korean Peninsula 56–61; Japanese security

Copyrighted Material

Copyrighted Material

policy after 12–21; and Korean War 53–6; military security after 1–8, 61–8; security agenda after 3–8
communications, North Korea 147–50; and Japanese power 149–50; satellite 150; vulnerability 147–8
communications in economic power 44–5
Communist Party of Japan 16, 172
Comprehensive National Security Policy (Japan) 22–5
Consultative Group and Coordinating Committee for Multilateral Export Controls (COCOM) 133, 145
Cotton, James 75
credit 40–1
Cumings, Bruce 54, 112

Dayton Peace Accord 2, 4
debt, North Korea 134–6
defection, North Korean official 67, 70, 108
Democratic Party of Japan (DPJ) 171–2; and Japanese military policy 17–18
Den Hideo 170
Deng Xiaoping 69
Dietmen's League for the Promotion of Japan-North Korea Friendship 60, 168
Doi Takako 18, 81, 83, 169
drug smuggling 143, 166, 172

economic aid in economic power 46–8
economic growth rates, North Korea 125
economic plans, North Korea 119–25
economic power: balance of 11–12; components of 38–48; direct 36, 42–3, 44, 45–6, 47; indirect 35–6, 43, 44; and security 8–12; and security policy 36–7; vulnerability 37–8
economic security policy: capacity 36–48; concepts 33–5; Japanese, in Cold War 21–4; policy-making will 48; and welfare 34
economic security policy, Japan 21–4; future of 25–7; post-Cold war 24–5
electricity supplies, North Korea 150–1, 151
energy, North Korea 150–4; and KEDO 152–4; vulnerability 150–2
energy in economic power 45–6
Etō Shinkichi 26
European Bank for Reconstruction and Development (EBRD) 41, 46
European Union 37, 104, 154
Exchange of Technology Agreements (US-Japan) 12
Exchange Rate Mechanism (ERM) 41

finance in economic power 40–2
finances, North Korea 134–8; debt 134–6; and Japanese power 137–8; structure and vulnerability 134–7
foreign direct investment: and economic power 39–40; Japanese in North Korea 131–4
Foreign Exchange and Foreign Trade Control Law (FEFTCL) 145–6
forgery 137
four-way talks on nuclear crisis 79–80
free economic trade zones (FETZ, North Korea) 129–31; and Japanese business interests 181; and port facilities 148
Fujisanmaru 18 incident 61, 81–2, 83, 86, 164
Fukada Hajime 82, 169
Fukuda Takeo 22
Funabashi Yōichi 32, 35, 38

General Agreement on Tariffs and Trade (GATT) 43
Gilpin, Robert 39
Gorbachev, Mikhail 68
Guam Doctrine (1969) 8
Guidelines for Japan–US Defence Cooperation 93–94, 194–203
Gulf War 12–14; and military power 1–2

Hashimoto Ryūtarō 109, 194, 201
Hata Tsutomu 16, 88–9, 89, 91
Hatakeyama Shigeru 89
Hatoyama Yukio 171
Helms-Burton Act (USA, 1996) 11
Hosokawa Morihiro 16, 88, 96, 188
Hwang Jan Yop 67, 70, 108
hydroelectric supplies, North Korea 151

Ikeda Hayato 22
Ikeda Yukihiko 109, 177
industrial output, North Korea 120
information flows and economic power 35
Inoki Masamichi 23
International Atomic Energy Agency (IAEA) 46; and North Korea 63, 64, 65, 83
International Monetary Fund (IMF) 134, 138
investment in North Korea 132–3; Rajin-Sonbong FETZ 129–31; TRADP 127–9. *see also* foreign direct investment
Iraq 2, 5, 8
Ishihara Nobuo 91
Ishihara Shintaro 16
Ishii Hajime 82, 173

Copyrighted Material

Copyrighted Material

Itō Shigeru 170
Izumi Hajime 183

Japan: business interests 180–3; central bureaucracy 175–80; diplomatic policy on North Korea 60, 80–97; FDI in North Korea 131–4, 137–8; and Korean war 56–7; military policy on North Korea 58, 80–97, 187–203; military security threat of North Korea 88–93; normalization talks with North Korea 83–5; and nuclear crisis *see* nuclear crisis, Korean Peninsula; policy-making 161–2; political parties 162–75; political security threat of North Korea 93–6; political system 17–20; politicians' visits to North Korea 81–3; regional security 14–21; security and South Korea 58; strategic view of Korean Peninsula 52–3; trade with North Korea 131–5, 140–3, 145–7; and United States *see* US-Japanese alliance
Japan Defence Agency (JDA) 179–80; changes in organization and equipment 190; and military policy 14, 19; and North Korean military threat 89–90, 90
Japan-North Korea Trade Association 136, 140
Japan–South Korea relations 56–60
Japan Socialist Party 12
Japanese military policy on North Korea 187–203; Acquisition and Cross-Servicing Agreement (ACSA) 193; after Cold War 12–14; NDPOs 188–93; theatre missile defence 202–3; and USA, Joint Declaration 194–203; Yūji hōsei 201
Japanese power over North Korea: in aid 155–7; in communications 149–50; in finances 137–8; in trade 145–7
Japanese security policy: after Cold War 12–21; future of 25–7; and Korean Peninsula during Cold War 56–61
Jin Park 85
Joint Declaration for Defence Cooperation, US-Japan 194–203; functions and fields 196–7; Guidelines for 94
Joint Declaration on denuclearization 62, 65
Joint Nuclear Control Committee (JNCC) 62
juche (self-reliance) ideology 54, 119, 154; and finances 134; and production system 117, 119, 123, 126

Kadota Hiroshi 181
Kaifu Toshiki 13, 73, 84
Kajiyama Seiroku 93, 200
Kamo Takehiko 36
Kan Naoto 171
Kanemaru Shin 16, 81, 82–4, 86, 164, 167, 176
Katō Kōichi 25, 165, 167, 183, 201
Katō Ryōzō 176
Kenya 19
Keohane, Robert 35
Kim Dae Jung 61, 107, 131, 155, 184
Kim Il Sung 54, 55, 60, 62, 65, 67, 81, 83–4, 101, 120, 132, 153
Kim Jong Il 67
Kim Jong-U 181
Kim Young Sam 63, 76, 105, 184
Kishi Nobusuke 57, 199
Kissinger, Henry 55
Knorr, Klaus 35, 36, 42
Komaki Teruo 122
Kōmura Masahiko 209
Kondō Shōichi 177
Kōno Yōhei 109
Korean Peninsula: historical overview of 51–3; Japan's strategic view 52–3; and Korean War 55; military balance 71; as military security problem 51–61; nuclear crisis on 61–8; shifts in balance of power 68–70
Korean Peninsula Energy Development Organization (KEDO) 65–6, 100; and Japan 153–4; MOFA on 175; and soft-landing policy 104, 105–7; and vulnerability of North Korea 152–3
Korean War 53–6
Kōsaka Masataka 23, 32
Kubo Wataru 82, 171
Kuno Chūji 60

latent economic power 35
Li Un-Hye 84
Liberal Democratic Party (LDP, Japan) 17, 163–9; and Agreed Framework 109; and Japanese military policy 12, 13–14, 16; and Japanese security in Cold War 59; and North Korean military threat 88, 163; policy-making 162; and *racchi jiken* 173
Liberal Party, Japan 16, 173–5

Masaya Miyoshi 181
mass media, Japan 183–4
Matsuzawa Shigefumi 173
Maull, Hans 31–2

Copyrighted Material

Copyrighted Material

Mazaar, Michael 104
Miki Takeo 58
military balance, Korean Peninsula 71
military hardware: changes in 190; trade in 144
military power and security: after Cold War 1–8, 61–8; after Gulf War 1–2; balance of 11–12; effectiveness of 5–7; intervention, human costs of 5–6; Japanese 12–14; limitations of 3–8
Ministry of Foreign Affairs (MOFA, Japan) 175–9; and military policy 14, 19; normalization talks with North Korea 87–8
Ministry of International Trade and Industry (MITI, Japan) 180; and North Korea economic development 130, 135–6
Missile Technology Control Regime (MTCR) 74
Miyazawa Kiichi 88
Mori Yoshirō 164, 166, 212
Morikawa Toshio 138
Mozambique 19
Murayama Tomiichi 25, 81, 169

Nakanishi Hiroshi 26
Nakasone Yasuhiro 12, 165
National Defence Programme Outlines (NDPOs, Japan) 188–93; changes in 190; and military policy 20
navy (Japan), changes in 190
Nester, William 22
New Frontier Party (NFP, Japan) 17, 173–5; and Japanese military policy 16, 17, 200
Nihonjinzuma: academics on 184; and aid 156; in Cold War 59; LDP on 164, 165, 166, 169; and MOFA 177; visiting Japan 84, 110–11
Nixon, Richard 8, 55, 58
Nobukuni Makoto 133–4
Nodong-1 missile 67, 74
Noland, Marcus 146
Non-Proliferation Treaty (NPT): and North Korea 56, 63–4; South Korea in 56
Nonaka Hiromu 164, 166, 167, 212
normalization talks (Japan-North Korea) 83–5
North American Free Trade Agreement (NAFTA) 9
North Atlantic Treaty Organisation (NATO) 2, 3, 4
North Korea: aid 154–7, cash flows to 137–8; Chinese policy towards 69–70; communications 147–50; debt 134–6; drug exporting 143; as economic and security problem to Japan 97–111; economic contacts with South Korea 131; economic growth rates 125; economic insecurity 98–100; economic plans 119–25; energy 150–4; finance 134–8; free economic trade zones 129–31; industrial output 120; Japanese diplomatic policy on 60, 80–97; and Japanese FDI 131–4, 137–8; Japanese military policy on 58, 80–97, 187–203; and KEDO 152–4; and Korean War 54; military aggression 98–100; military expenditure and forces 71; military power, limitations 100–2; military security threat to Japan 88–93; and MOFA 175–9; normalization of policy on 80–8; normalization talks with Japan 83–5; political security threat to Japan 93–6; positive economic sanctions on 103; primary energy supplies 151; production system *see* production system; and Rajin-Sonbong FETZ 129–30; Second Seven Year Plan 123; soft landing policy 102–8; strategy during nuclear crisis 72–7; Third Seven Year Plan 124; trade *see* trade, North Korea; TRADP 127–9; visits by Japanese politicians 81–3; vulnerability of *see* vulnerability; withdrawal from NPT 88
Northeast Asia Regional Development Area (NEARDA) 127
Nozaka Kōken 167
nuclear crisis, Korean Peninsula 61–8; Japanese response 96–7; LDP on 165, 168; North Korean strategy 99; South Korean policy 70–2; US and South Korean response 77–80
nuclear programme (North Korea) 56, 62–3, 74–6; and energy supply 153
Nye, Joseph S. Jr 35, 78

Obuchi Keizō 110, 164–7, 176, 209, 212
Official Development Assistance (Japan) 23, 25, 87, 156–7
Ōhira Masayoshi 22, 23
oil imports, North Korea 152
oil supplies, North Korea 151
Okinawa 15–16, 19–20; and US-Japan alliance 55, 193, 198
Okonogi Masao 71, 183
Omnibus Trade Acts (USA, 1988) 9
Organization for Economic Cooperation

Copyrighted Material

Copyrighted Material

and Development (OECD) 39
Organization of Petroleum Exporting Countries (OPEC) 46
Ōta Masahide 15, 20
Ozawa Ichirō 13, 16–18, 24, 26, 83, 89, 95, 174–5

pachinko money scandal 81, 86, 170
Park Chung Hee 55, 61
peace keeping operations 2, 4, 5, 6; and Japan 13–14, 16, 19
Perry, William 89
petroleum supplies, North Korea 151
policy-making in Japan 161–2; business interests 180–3; central bureaucracy 175–80; immobilism of 187; political parties 162–75; US and South Korean pressure 184–6
political parties, Japan 162–75; Communist Party 172; Democratic Party of Japan (DPJ) 171–2; Liberal Democratic Party (LDP) 163–9; Liberal Party 173–5; New Frontier Party (NFP) 173–5; Sakigake 169–71; Social Democratic Party (SDPJ) 169–71
Polomka, Peter 56
ports, North Korea 148
production in economic power 39–40
production system, North Korea 117–34; characteristics 117–19; economic plans 119–25; industrial output 120; and Japanese FDI 132–3; and North-South economic contacts 126–31; vulnerability of 125–6

Qian Qichen 56

racchi jiken 61, 84, 111; academics on 183–4; and aid 156; in Cold War 61; and Democratic Party of Japan 172; LDP on 164, 165, 166, 168, 169; and Liberal Party 173; and MOFA 177; and New Frontier Party 173, 174–5; SDPJ on 170
rail system, North Korea 147
Rajin-Sonbong FETZ 129–31, 133; Japanese interest in 181
Rangoon terrorist attack (1983) 61
Reagan, Ronald 1, 9
Recruit bribery scandal 81
Reich, Robert 9
relational economic power 36
renkei policy 87; and MOFA 178
resilience in economic power 38
revealed economic power 36
RIMPAC exercises 19
Riscassi, Robert 77
road system, North Korea 148
Roh Tae Woo 62, 73, 81, 84–5, 87, 104, 184
Russia: and Korean Peninsula 68–70; security policy on North Korea 52; trade with North Korea 147

Sagawa Kyūbin corruption scandal 16, 86, 164, 167
Sakamoto Yoshikazu 209
Sakigake 169–71; and Agreed Framework 110; and Japanese military policy 17
satellite communications 150
Satō Eisaku 58
Scud missiles 74, 90
Sea Lanes of Communication (SLOC) 12
security: and civilian power 32–3; regional, Japan 12–21
security policy: balance of military and economic power 11–12; Japanese, after Cold War 12–21; and Korean Peninsula during Cold War 56–61; military-oriented 9
seikei bunri policy 181, 182
seikyūken 83, 84, 87; and Japan–Korea Basic Treaty 57
Self Defence Force (SDF, Japan) 179–80; and Japanese military policy 12–13, 21; peace keeping operations 13–14, 18
self-sufficiency in economic power 38
Shevernadze, Andrei 75
shūhen 191, 195, 200; and Cold War 57
Sino–Japanese War (1894) 52
smuggling 143, 166
Social Democratic Party of Japan (SDPJ) 169–71; and Agreed Framework 109; and *Fujisanmaru* incident 81–2; and Japanese military policy 12–13, 16–17, 17, 21; and Japanese security in Cold War 59; and North Korean military threat 88, 89; in political system 17–18
soft economic power 35
soft landing policy, North Korea 102–8; and aid 155; and Democratic Party of Japan 171; JDA on 179; MITI on 180; MOFA on 175, 178; SDF on 179; SDPJ on 170–1; USA on 185
sōgōshōsha 132–3
Somalia 2, 3, 5
South Korea: defence treaty with USA 55; economic contacts with North Korea 65–6, 131; military expenditure and forces 71; and North Korean submarine incursion 67; policy during nuclear

Copyrighted Material

Copyrighted Material

crisis 70–2; and policy-making in Japan 184–6; and Rajin-Sonbong FETZ 129–30; response to nuclear crisis, Korean Peninsula 77–80; trade with North Korea 147
South Korean airliner bombing 81, 84, 137
Soviet Union: and Korean Peninsula 68–70; and Korean War 54; policy on Korean Peninsula 71–2; security policy on North Korea 52
Special Action Committee on Facilities and Areas in Okinawa (SACO) 19
Special Economic Zones 40
state, role of 32–3
Stockwin, J.A.A. 162, 187
Strange, Susan 35–6, 36, 44
Strategic Defence Initiative (SDI) 1
structural economic power 35–6
Structural Impediments Initiative (USA, 1989) 9
submarine incursions, North Korean 67, 92, 107
substitution in economic power 38
Suzuki Zenkō 12, 23

Taepodong-1 missile 74, 90
Takemura Masayoshi 25, 82, 87, 171
Takeshita Noboru 81, 164
Tamura Hideaki 175
Tanabe Makoto 81
Tanaka Akihiko 26
Tanaka Hitoshi 95
Tanaka Kakuei 60, 164
Team Spirit military exercises 63–5, 67, 99
telecommunications, North Korea 148
theatre missile defence 175, 202–3
Three-Party Joint Declaration on Japan-North Korea Relations 83–4, 86–7; and LDP 167; and MOFA 176
tourism 149–50
trade, North Korea 139–47; with Japan 131–5, 142–3, 147; and Japanese power 145–7; main partners 140, 147; main trading partners 140, 147; in military hardware 144; regional patterns 141; structure and characteristics 139–42; value of 139; vulnerability 142–4
trade and economic power 42–4
transnational corporations 39–40; in North Korea 132–3
Tumen River Area Development Plan (TRADP, North Korea) 127–9, 134, 181; and communications 148; economic resources 128

United Nations 2, 3, 4; and TRADP 127–8
United Nations Development Programme (UNDP) 127, 155
United Nations Peace Cooperation bill (Japan, 1990) 13–14
United States: defence treaty with South Korea 55; economic power, use of 10–11; and Korean War 53–4; and nuclear crisis, North Korea 65; peace keeping operations 2–4; and policy-making in Japan 184–6; relations with North Korea 75–6; response to nuclear crisis, Korean Peninsula 77–80; and soft landing policy 102–8; and South Korea 77; trade policy towards Japan 9; trade with North Korea 147
Uno Sōsuke 81
US–Japan Joint Declaration on Security194–203
US–Japanese alliance 14–21; Exchange of Technology Agreements 12; JDA on 179, 194–201; Guidelines for Japan–US Defence Cooperation 93–94, 194–203; US–Japan Joint Declaration on Security194–203; and North Korean nuclear crisis 93, 95–6; and Okinawa 15–16, 19–20; redefinition of 187; SDF on 179
USS Pueblo incident 55
Utsunomiya Tokuma 136

Van Creveld, Martin 3
vulnerability of North Korea: aid 154–5; communications 147–8; economic power 38; energy 150–2; finances 134–7; and KEDO 152–3; production system 125–6; trade 145–6

Watanabe Michio 109, 164–5
weapons of mass destruction 7, 74, 90
World Bank 47, 134, 138
World Trade Organisation (WTO) 43

Yamaguchi Jirō 14
Yamamoto Shinobu 26
Yamasaki Taku 25, 165
yatō gaikō (opposition diplomacy) 59
Yoshida Shigeru 21
Yūji hōsei: and Japanese military policy on North Korea 201; JDA on 179; and North Korean threat 91, 94; research into 188; SDF on 179

Zaire 19

Copyrighted Material