



# Examining the Divergence in State and Civic Engagements: How Bilateral Tourism Can Help Facilitate Reconciliation between South Korea and Japan

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## EXECUTIVE SUMMARY

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South Korea-Japan relations demonstrate some of the most conflicting dynamics in East Asia, encompassing historical, political and diplomatic disagreements. Analyses tend to follow a top-down analytical framework and focus on state-to-state relations. However, more work should examine how civic engagement via tourism is vital to creating an environment that facilitates diplomatic reconciliation.

Bilateral tourism statistics between South Korea and Japan show a steady increase since 2015. For example, the number of Japanese visitors to South Korea increased from 4,002,095 in 2015 to 7,539,000 in 2018. Likewise, the number of South Korean visitors increased from 1,837,782 in 2015 to 2,948,527 in 2018. This trend has continued throughout 2018 as well as in the initial months of 2019, until relations soured due to a series of events including the October 2018 South Korean Supreme Court ruling.

The media was quick to note the sudden decline in tourism in July 2019, when South Korea-Japan trade disputes intensified. Despite the publicity surrounding this incident, it is important to note that other events, such as the March 2011 Fukushima nuclear incident and the Global Financial Crisis in 2008-2009, detrimentally impacted tourism between South Korea and Japan. Yet, gradually, bilateral tourism recovered, however.

This positive trend in bilateral tourism is due to characteristics inherent to South Korea-Japan tourism, including geographic proximity and cultural affinity. Geographic proximity provides both South Korean and Japanese tourists high accessibility, convenience and affordability. South Korean and Japanese citizens also tend to travel to the other nation due to innate cultural curiosity, which helps to heighten a positive perception of the host nation.

There are also challenges associated with bilateral tourism, including unforeseen disasters and currency exchange rates. Government management is an important countermeasure to such challenges. Unfortunately, governments require an incentive to pursue such measures, which can be difficult to muster at times of diplomatic tension. Three policy recommendations will use bilateral tourism to promote diplomatic reconciliation and domestic developments for both South Korean and Japanese governments.

*Recommendation 1) Promote joint research on South Korea-Japan tourism at both local and national levels*

South Korea is Japan's second ranking market for inbound tourism, as Japan is for South Korea. Yet both South Korea's Basic Tourism Promotion Plan (2017) and Japan's White Paper on Tourism (2017) mention the significance of inbound tourism to national growth strategies without specific recommendations for different countries. To construct a more detailed plan for tourism development, case studies and research on South Korea and Japan tourism should be conducted. Research coordination on bilateral tourism would not only be economically beneficial to both nations but would serve as a mode for diplomatic cooperation. As an initial step, South Korea and Japan could utilize existing cooperation networks between municipal governments such as Busan and Fukuoka.

*Recommendation 2) Establish a joint information-sharing mechanism in emergencies*

The lack of coordination following the Fukushima nuclear incident in March 2011 shows that South Korea and Japan need to enhance information-sharing capacities to build mutual trust. The two nations should establish a joint mechanism for sharing information on tourism safety. A mechanism to vet publication of state-approved information by both South Korea and Japan would prevent the dissemination of false information and fear.

*Recommendation 3) Mutual recognition of the economic significance of cultural tourism*

South Korea and Japan should also recognize the economic significance of culturally driven tourism. For example, South Korean visitors partake in traditional and popular cultural activities during visits to Japan including spa visits, historical site visits, shopping and culinary experiences. Japanese visitors opt for culinary experiences, shopping, and visits to historical and cultural sites as main tourist activities to pursue in South Korea.

These activities are based on mutual cultural affinity. However, both South Korean and Japanese governments tie tourism to consumerism and the national economy. As a result, discouraging bilateral visits through the weaponization of currency exchange rates or the implementation of policies will hurt domestic economies. Instead of aiming to hinder cultural engagement through tourism, South Korea and Japan should embrace increased mutual cultural affinity as a foundation for domestic and regional development.

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## INTRODUCTION

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Throughout 2018, South Korea and Japan engaged in a series of diplomatic rows, severely impacting bilateral relations. In January 2018, the Moon Jae-in administration reversed the December 2015 ‘comfort women’ agreement that had previously been understood as a “final and irreversible” settlement for the issue between South Korea and Japan. The South Korean Supreme Court ruling in October 2018 demanded that Japanese companies such as Mitsubishi Heavy Industries and Nippon Steel compensate South Korean laborers from World War II. The disagreements surrounding the legality of the court decision, especially in relation to the 1965 Korea-Japan Normalization Treaty, have severely damaged bilateral relations and their prospects toward diplomatic reconciliation.

Experts agree that these events, and especially the October ruling, have contributed to the South Korea-Japan trade dispute that began in July 2019.<sup>1</sup> Japan’s removal of South Korea from its export whitelist, and South Korea’s response, including a public boycott of Japanese goods, have impacted bilateral public engagement such as tourism. For example, from July 1-9, 2019, the average Japan-bound travel cancellation rate of South Koreans was 63%.<sup>2</sup> From June to July 2019, the number of South Korean visitors to Japan also fell from 282,476 to 274,830.<sup>3</sup> According to the Hyundai Research Institute, if these trends continue, South Korea’s outbound tourism to Japan is expected to fall by 81.2% by the year 2020.<sup>4</sup> According to media reports, Japan is also looking to review its visa-free entry policy for South Korean visitors.<sup>5</sup>

In line with these actions, more analyses on bilateral tourism are portraying the tourism sector as being *negatively shaped* by politics. Forgotten are the overall statistical trends that demonstrate a general increase in bilateral tourism despite fluctuations in South Korea-Japan relations. According to the Korea Tourism Organization (KTO) and the Japanese Tourism Agency (JTA), both South Korean visitors to Japan and Japanese visitors to South Korea have risen since 2015 (Figure 1).<sup>6</sup>

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<sup>1</sup> Victor Cha, “Finding a Way Out from the Japan-Korea Crisis,” *Center for Strategic and International Studies*, August 6, 2019, <https://www.csis.org/analysis/finding-way-out-japan-korea-crisis>.

<sup>2</sup> Seung-woo Kang, “Japanese travel boycott intensifies,” *The Korea Times*, July 14, 2019, [http://www.koreatimes.co.kr/www/culture/2019/07/141\\_272253.html](http://www.koreatimes.co.kr/www/culture/2019/07/141_272253.html).

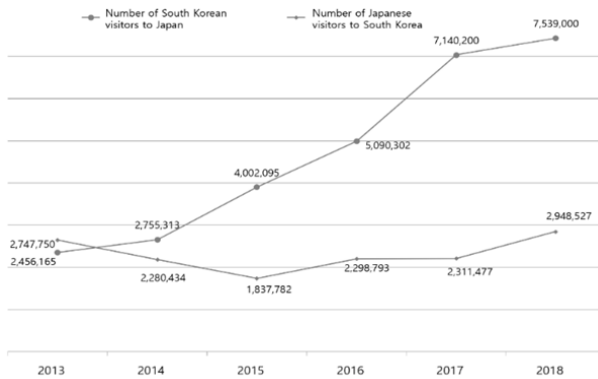
<sup>3</sup> “Statistics of Arrivals and Departures by Item,” *Korea Tourism Organization*, 2019, <http://kto.visitkorea.or.kr/eng/tourismStatics/keyFacts/KoreaMonthlyStatistics/eng/inout/inout.kto>.

<sup>4</sup> “The Economic Damage and Implications of the ‘Travel Cliff’ Between Korea and Japan (한·일 ‘여행절벽’의 경제적 피해와 시사점),” *Hyundai Research Institute (현대경제연구원)*, 2019, <http://hri.co.kr/board/reportView.asp?firstDepth=1&secondDepth=1&numIdx=30145&isA=1>

<sup>5</sup> Since March 2006, South Korean visitors to Japan have been waived from the visa requirement for up to 90 days. Shim Min-gwan (심민관), “Will Japanese Government Strengthen its Visa Policies for South Koreans... Travel Industry ‘On Heels’ (日정부, 한국인 비자 요건 강화할까...여행업계 ‘축각’),” *Chosun Ilbo (조선일보)*, July 7, 2019, [http://biz.chosun.com/site/data/html\\_dir/2019/07/07/2019070700060.html](http://biz.chosun.com/site/data/html_dir/2019/07/07/2019070700060.html).

<sup>6</sup> Korea Tourism Organization, “Statistics of Arrivals and Departures by Item,” *Korea, Monthly Statistics of Tourism*, 2019, <http://kto.visitkorea.or.kr/eng/tourismStatics/keyFacts/KoreaMonthlyStatistics/eng/inout/inout.kto>; Japan National Tourism Organization (JNTO), “Overseas Residents’ Visits to Japan,” *Japan-Bound Statistics*, 2019, <https://www.tourism.jp/en/tourism-database/stats/inbound/#annual>.

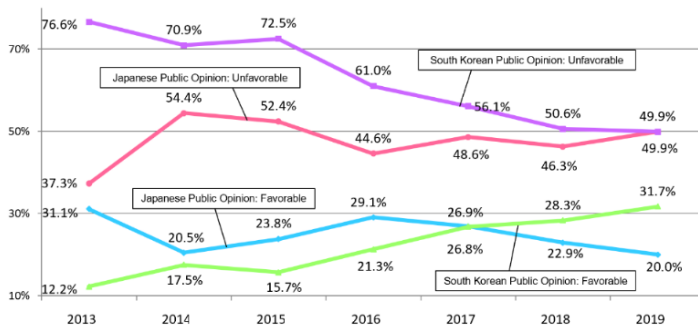
Figure 1: Number of South Korean and Japanese Visitors to Counterpart Nations (2013-18)



Source: Korea Tourism Organization and the Japanese Tourism Agency (2019)

Prior to the escalation of trade conflicts in July 2019, the East Asia Institute and The Genron NPO released their joint survey results that showed South Koreans' affinity toward Japan increased in 2019, and consecutively since 2015.<sup>7</sup> In their analysis of the survey results, Sohn, Kim and Lee suggest a “de-coupling” between South Korean state behavior and public sentiment toward Japan as track-one engagements tend to be less accommodating of the rising affinity that South Koreans have toward Japan.<sup>8</sup>

Figure 2: Affinity of South Koreans and Japanese Toward Their Counterpart Nation (2013-18)



Source: East Asia Institute and The Genron NPO (2019)

Due to its statistical and economic significance, current events related to South Korea-Japan tourism make media headlines, but in doing so, are entrapped within shorter analytical time frames and are subject to overstatements. In fact, many other statistical observations provide different perspectives on the decline in bilateral tourism since July 2019. According to the KTO,

<sup>7</sup> There are other surveys on South Korea-Japan relations such as that by *Yomiuri Shimbun* and *Hankook-Ilbo*. However, for consistency and deeper analysis, the author has chosen to refer to the annual survey conducted by the East Asia Institute and The Genron NPO. See: “The 7<sup>th</sup> Korea-Japan Joint Public Opinion Poll (2019): Summary of Main Findings,” *The Genron NPO and East Asia Institute*, June 2019, [http://www.eai.or.kr/main/program\\_view.asp?intSeq=10052&code=17&gubun=program](http://www.eai.or.kr/main/program_view.asp?intSeq=10052&code=17&gubun=program).

<sup>8</sup> Yul Sohn, Sea Young Kim, Younghyun Lee (손열, 김세영, 이영현), “Korea-Japan Relations at a Crisis, Politics Haa to Change: Discussions on the Results of the 7<sup>th</sup> Korea-Japan Joint Public Opinion Poll’ and the ‘7<sup>th</sup> Korea-Japan Future Dialogue’ (위기의 한일관계, 정치가 바뀌어야 한다 <제 7 회 한일 국민 상호인식조사 결과 및 제 7 회 한일미래대화 논의 분석>),” *East Asia Institute*, June 28, 2019, [http://www.eai.or.kr/main/program\\_view.asp?intSeq=10060&code=17&gubun=program](http://www.eai.or.kr/main/program_view.asp?intSeq=10060&code=17&gubun=program).

the number of South Koreans traveling to Japan may have decreased by 7% in July 2019 compared to the previous year, but the number of Japanese tourists jumped by 15.4%. Furthermore, 560,000 South Koreans visited Japan in July 2019, which is still more than twice the number of inbound Japanese tourists to South Korea (270,000).<sup>9</sup> Japanese visitors to South Korea also increased by 33% over the first three months of 2019.<sup>10</sup>

This paper provides a more in-depth analysis of the long-term positive trend in bilateral tourism, which has continued despite fluctuations in South Korea-Japan relations. To do so, it reviews how civil society—as a concept—is understood differently in South Korea and Japan and presents tourism as a mutually acknowledged mechanism for promoting civic engagements. It then discusses key characteristics underlying South Korea-Japan tourism such as geographic proximity and cultural affinity as well as challenges associated with bilateral tourism including natural disasters and fluctuations in currency exchange rates. The paper concludes with policy recommendations for maximizing the benefits of tourism as a facilitator of reconciliation between South Korea and Japan.

## II. The concept of ‘civil society’ in South Korea and Japan

It is difficult to apply the concept of civil society in describing civic engagements between South Korea and Japan due to their different understanding of the term. Although Larry Diamond’s widely accepted definition is that civil society is the “realm of organized social life that is voluntary, self-generating, self-supporting, autonomous of the state, and bound by a legal order or set of shared rules,”<sup>11</sup> South Korea and Japan have adopted the term to meet their own societal needs.<sup>12</sup>

In Japan, the concept of civil society—which is translated commonly as *shibiru sosaeti* or *shibiru shakai*—was introduced in the late 1990s to refer primarily to voluntary organizations or nonprofit movements.<sup>13</sup> Civil society proliferation in Japan occurred in large part as a follow-up to increased governmental emphasis on human settlement and sustainability. For example, in Chapter 27 of the December 1993 “National Action Plan for Agenda 21,” the Japanese government highlighted engagement with non-governmental organizations (NGOs) as a key aspect in promoting sustainable development.<sup>14</sup> Cooperation with the non-profit sector has

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<sup>9</sup> Jun Byung Yuk, “Japanese Visitors to South Korea Increase by 19 percent in July, but the South Korean Tourists Still More than Double Japanese(7 월 일본관광객 19% 늘었지만, 일본 가는 한국관광객이 2 배 넘어),” *The Kyunghyang Shinmun*(경향신문), August 22, 2019, [http://biz.khan.co.kr/khan\\_art\\_view.html?artid=201908221541011&code=920401](http://biz.khan.co.kr/khan_art_view.html?artid=201908221541011&code=920401).

<sup>10</sup> Park, Chorong (박초롱), “Japanese Tourism to Korea Rises 33% Despite Diplomatic Tension (한일 갈등에도 관광은 ‘이상無’...일본인 입국자 33% 증가),” *Yonhap News Agency* (연합뉴스), March 5, 2019, <https://www.yna.co.kr/view/AKR20190305081700004>.

<sup>11</sup> Larry Diamond, “Rethinking Civil Society: Toward Democratic Consolidation,” *Journal of Democracy* 5, no. 3 (1994): 5.

<sup>12</sup> This paper does not offer extensive details regarding the different developmental trajectories of the notion of civil society within Japan and South Korea. For more information, see: Lichao He, “Social Movement Tradition and the Role of Civil Society in Japan and South Korea,” *East Asia* 27, no. 3 (2010); or Jang Baek (장백).

<sup>13</sup> Keiko Hirata, *Civil Society in Japan: The Growing Role of NGOs in Tokyo’s Aid and Development Policy*, (New York: Palgrave Macmillan, 2002).

<sup>14</sup> Ministry of the Environment, Government of Japan, “The National Action Plan for Agenda 21,” December 24, 1993, <https://www.env.go.jp/en/earth/iec/agenda/index.html>.



been critical in the aftermath of various natural disasters including the Great Hanshin-Awaji Earthquake Disaster in January 1995.

Due to this state-centric understanding of the concept, Japanese citizens are less inclined to participate in civil society activities and especially those that are in opposition to the larger governmental agenda.<sup>15</sup> Hence, in questioning the purpose of Japanese civil society, Frank Schwartz asks: “Are state actors sincerely interested in encouraging civic engagement and civil society organizations as positive ends in themselves or solely as inexpensive means for delegating governmental responsibilities and quieting their critics?”<sup>16</sup>

In South Korea, the idea of civil society was developed in tandem with its democratic transition in the 1980s, which means that civil society was introduced amidst a highly politicized situation with mass demonstrations calling for democratic reform. The Gwangju Uprising in 1980 exemplifies one of the largest people-led movements against government tyranny and a pivotal event in South Korea’s transition from a “people’s society (*minjung sabwae*)” into a “civil society (*shimin sabwae*).”

As a result, while the South Korean concept of civil society does not attempt to draw a strict dichotomy between the state and civil society,<sup>17</sup> “the majority of the people [in South Korea] recognize civil rights groups as problem instigators rather than promoters of social integration (translated by author from Korean).”<sup>18</sup> In other words, the spread of civic activism under the banner of civil society, or *shimin sabwae*, has provided the public rationale for protesting against established administrations.

These different perceptions of civil society lead to different implications regarding the role it should serve for the larger community. Although civic activism in Japan caught momentum to promote state-society cooperation toward sustainable management, civil society movements in South Korea were triggered to facilitate democracy promotion.

With these different social movement traditions, the concept of civil society has limitations in explaining civic engagements between Japan and Korea. Therefore, while tourism may seem extraneous to wider civil society discussions, it provides an alternative—one that’s civic-driven and a bottom-up—mechanism for facilitating an environment toward bilateral reconciliation for South Korea and Japan.

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<sup>15</sup> Ja-hyun Chun, “The Role of Japan’s Civil Society Organizations and the Deteriorating Relationship between Japan and South Korea,” *Canada’s Journal of Global Policy Analysis* 71, no. 1 (2016).

<sup>16</sup> Frank J. Schwartz and Susan J. Pharr (eds.), *The State of Civil Society in Japan*. (Cambridge: Cambridge University Press, 2003) 18.

<sup>17</sup> Ho-chul Son (손호철), “State-Civil Society Theory: New Alternative for South Korean Politics? (국가·시민사회론 한국정치의 새 대안인가),” in *Civil Society and Civic Activism (시민사회와 시민운동)*, (Seoul: Hanul (한울), 2001), [http://www.snpo.kr/bbs/board.php?bo\\_table=npo\\_aca&wr\\_id=989&sfl=wr\\_14&stx=%EA%B5%AD%EA%B0%80](http://www.snpo.kr/bbs/board.php?bo_table=npo_aca&wr_id=989&sfl=wr_14&stx=%EA%B5%AD%EA%B0%80).

<sup>18</sup> Chang-ho Lee (이창호) as cited in Civil Society Forum JoongAng Ilbo Civil Society Research Institute (시민사회포럼 중앙일보 시민사회 연구소) (ed.), *참여민주주의를 위한 시민사회와 시민운동*, (Seoul: Arche (아르케), 2002) 140.

### III. Tourism is important for enhancing ‘peaceful’ bilateral civic engagement

Tourism is often neglected in assessments that focus on NGOs and their ability to advance common values and ideas.<sup>19</sup> This is because tourism’s linkage to government initiatives and economic profits is perceived as incompatible with the widely understood concept of civil society: “Although there is no unanimity [in defining civil society] ..., we gravitate around a conception of civil society as that sphere intermediate between family and state in which social actors *pursue neither profit within the market nor power within the state.*”<sup>20</sup>

However, focusing solely on NGOs does not provide a full picture of civic engagements. For states that share different concepts of civil society, analysis of civic engagements has to be expanded to fit other instruments such as tourism. According to the United Nations World Tourism Organization (UNWTO), “21<sup>st</sup> century tourism is no longer a mere business activity seeking profits, but an activity involving actors from the public and private sectors, as well as civil society, that makes a major contribution to current strategic challenges.”<sup>21</sup> Hence, despite inevitable ties with domestic politics and the economy, tourism is a vital tool for fostering and observing civic engagement.

One way that tourism encourages public engagement is through its non-material purpose of promoting peace and reconciliation.<sup>22</sup> For instance, the World Travel & Tourism Council (WTTTC) observes that countries with more open tourism industries tend to be more peaceful. Tourism and transnational mobility lead to positive peace by allowing for increased mobility of human capital and information, better relations with neighbors, a more open business environment, and most importantly, heightened acceptance of other cultures.<sup>23</sup>

In that regard, tourism is a vital peace-building alternative for Japan and South Korea. Both Japan and South Korea are ethnically homogenous nations whose government policies toward inbound foreign travelers have been structured in recent decades. For Japan, the Department of Tourism and the Tourist Industry Council were launched following the end of World War II in 1945, and the “Basic Tourism Law” was established in 1963 along with its economic development.<sup>24</sup> Similarly, South Korea launched the Joseon Travel Agency in 1946 following its liberation from Japan in 1945. South Korea also established the Tourism Committee as an official advisory body for the central government in 1958 and enacted the Tourism Promotion Act in 1961.<sup>25</sup>

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<sup>19</sup> Supra note 13.

<sup>20</sup> Supra note 16 at 23.

<sup>21</sup> Eduardo Fayos-Solá, “Empowering All People through Tourism,” *United Nations World Tourism Organization*, 2011, [http://ethics.unwto.org/sites/all/files/docpdf/empoweringallpeoplethroughtourismfull\\_0.pdf](http://ethics.unwto.org/sites/all/files/docpdf/empoweringallpeoplethroughtourismfull_0.pdf).

<sup>22</sup> Julie Scott, “Tourism, Civil Society and Peace in Cyprus,” *Annals of Tourism Research* 39, no. 4, (2012).

<sup>23</sup> World Travel & Tourism Council, “Tourism as a Driver of Peace,” (2016), <https://zh.wttc.org/-/media/files/reports/special-and-periodic-reports/tourism-as-a-driver-of-peace--full-report-copyrighted.pdf>; Ming-Chang Tsai and Noriko Iwai, “Global Exposure and Openness: Comparative Analysis of Japan, South Korea and Taiwan,” *Comparative Sociology* 12, (2013).

<sup>24</sup> Akira Soshida, “Inbound Tourism Policies in Japan from 1859 to 2003,” *Annals of Tourism Research* 32, no. 4 (2005): 1100-1120.

<sup>25</sup> Woong-ki Min (민웅기), “An Explanatory Study on Tourism Policies and Characteristics of Tourism Industry Since Korea’s Liberation from Japan (해방 이후 한국 사회에서의 관광정책 및 산업 특성에 대한 역사적 고찰을 위한 탐색적 연구),” *The Journal of History and Practical Thought Studies* (역사와 실학), 58 (2015): 267-290.

Bilateral tourism between Japan and South Korea officially took off during the 1970s following diplomatic normalization of the two governments in 1965. While initial exchanges in capital and people mostly resembled a “one-way flow” due to South Korea’s status as a developing nation, the level of exchange has grown significantly until and throughout the 21<sup>st</sup> century and has become more reciprocal in its manner.<sup>26</sup> In 2006, South Korea and Japan removed visa restrictions under the visa-free entry policy, which further encouraged mobility between the two nations by removing costs and other extraneous processes involved in visa applications.<sup>27</sup>

Japanese and South Korean governments reemphasized tourism’s importance for national development and international recognition. According to the White Paper on Tourism in Japan, “tourism is regarded as the pillar of Japan’s economic growth strategy, and one of the main components of regional revitalization.”<sup>28</sup> With the implementation of Abenomics, the number of inbound tourists to Japan has grown annually by around 26.7%.<sup>29</sup>

South Korea, under the Moon Jae-in administration, also announced the Basic Tourism Promotion Plan in December 2017 labeled “Life with Respite, Tourism Centered on People.” The plan adheres to the administration’s emphasis on the three P’s—people, prosperity and peace—and called for a renewal of inbound tourism.<sup>30</sup> South Korea has also incorporated “social tourism” into its agenda by diversifying tourism products for inbound visitors and reinforcing tourism’s social values alongside its financial gains.

With Seoul and Tokyo both recognizing the weight of tourism’s economic and diplomatic impact, tourism presents a potential area for cooperation. While official dialogues between Japan and South Korea remain largely relegated to mainstream politics, the tourism sector offers both nations an alternative peace-building mechanism and an area for potential collaboration. Tourism development may still depend on top-down enforcement, but the rising level of civic engagement in tourism makes it an important instrument for reconciliation between South Korea and Japan.

#### IV. The basis for South Korean-Japan bilateral tourism

Why do both South Korean and Japanese citizens desire to visit each other’s nation despite the underlying historical and political tensions? A closer look at Japanese and South Korean bilateral tourism highlights geographical and cultural underpinnings—aspects that cannot be

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<sup>26</sup> Susumu Kohari, “‘Mutual Perception’ between Japan and Korea during the Last Fifty Years,” *Journal of Contemporary Korean Studies* 2, no. 2 (2015): 55.

<sup>27</sup> Choog-Ki Lee, Hak-Jun Song and Lawrence J. Bendle, “The Impact of Visa-free Entry on Outbound Tourism: A Case Study of South Korean Travelers Visiting Japan,” *Tourism Geographies* 12, no. 2 (2010): 319.

<sup>28</sup> Ministry of Land, Infrastructure, Transport and Tourism, Government of Japan, “White Paper on Tourism in Japan: The Tourism Situation in FY2016,” 2017, <https://www.mlit.go.jp/common/001255530.pdf>.

<sup>29</sup> Jewoo Kim, Choong-Ki Lee and James W. Mjelde, “Impact of Economic Policy on International Tourism Demand: The Case of Abenomics,” *Current Issues in Tourism* 21, no. 16 (2018): 1913.

<sup>30</sup> Ministry of Culture, Sports and Tourism, Government of the Republic of Korea (문화체육관광부), “Basic Tourism Promotion Plan: Life with Respite, Tourism Centered on People (관광진흥기본계획: 쉼표가 있는 삶, 사람이 있는 관광),” December 17, 2017, [https://www.mcst.go.kr/kor/s\\_policy/dept/deptView.jsp?pSeq=1203&pDataCD=0417000000&pType=](https://www.mcst.go.kr/kor/s_policy/dept/deptView.jsp?pSeq=1203&pDataCD=0417000000&pType=)

easily and artificially altered by the surrounding political environment—as important elements that aid mutual affinity.<sup>31</sup>

While there are various factors underlying the tourism decision-making process of both South Korean and Japanese citizens, this paper highlight two elements—one external and one internal—that contribute to bilateral civic engagement. Geographic proximity, as an *external* element, offers visitor accessibility and affordability. Cultural affinity, as an *internal* element driven by human emotions and intuition, serves as the basis for the acceptance and internalization of the host nation’s culture. It is the combination of these two factors that makes tourism an effective mechanism for nurturing reconciliation between South Korea and Japan.

#### 4.1 External factor: geographic proximity, accessibility & affordability

Geographic proximity is a primary reason why both Japanese and South Koreans select their counterpart nation as a tourist destination. It is also an unchangeable characteristic that motivates visitors to travel to their neighboring states over other more attractive destinations that are further away.

What makes Japan and South Korea interesting case studies is how their citizens identify their counterpart’s nation as a *final destination* rather than simply as a transit location. For instance, South Koreans identify Japan as the number one desirable tourist destination among other foreign locations.<sup>32</sup> Apart from China whose population size affects overall inbound tourism statistics, the number of bilateral visitors between South Korea and Japan is notably high, ranking second annually (see Figure 3). The number of South Korean visitors to Japan (24.2%) stands on par with that of Chinese visitors (26.9%).<sup>33</sup>

Figure 3: Top Inbound Nationalities to Japan and South Korea (2016-2018)

Year	Rank	Visitors to Japan	%	Visitors to South Korea	%
2018	1	China (8,380,034)	26.9%	China (4,789,512)	31.2%
	2	South Korea (7,538,952)	24.2%	Japan (2,948,527)	19.2%
	3	Taiwan (4,757,258)	15.3%	Taiwan (1,115,333)	7.3%
	4	Hong Kong (2,207,804)	7.1%	United States (967,992)	6.3%
		Total	31,191,856		15,346,879
2017	1	China (7,355,818)	25.6%	China (4,169,353)	31.3%
	2	South Korea	24.9%	Japan	17.3%

<sup>31</sup> Some scholars argue that the political environment does affect bilateral tourism statistics for Japan and South Korea to a large extent. For example, Kohari Susumu (2015) states that following former South Korean president Lee Myung-bak’s visit to Dokdo in August 2012, Japanese tourism to South Korea significantly fell. See: Susumu Kohari, “‘Mutual Perception’ between Japan and Korea during the Last Fifty Years,” *Journal of Contemporary Korean Studies* 2, no. 2 (2015): 55.

<sup>32</sup> Korean Cultural and Tourism Institute (한국문화관광연구원). “2016 Korean National Tourism Survey (2016 국민여행

실태조사),” Ministry of Culture, Sports and Tourism, Government of the Republic of Korea (문화체육관광부), 2017, accessed at <https://kto.visitkorea.or.kr/kor/notice/data/status/tstatus/natstatus/board/view.kto?id=428594&rnum=2>.

<sup>33</sup> Ibid.

		(7,140,165)		(2,311,477)	
	3	Taiwan (4,564,053)	15.9%	Taiwan (925,616)	6.9%
	4	Hong Kong (2,231,568)	7.8%	United States (868,881)	6.5%
		Total	28,691,073		13,335,758
2016	1	China (6,372,938)	26.5%	China (8,067,722)	46.8%
	2	South Korea (5,090,302)	21.2%	Japan (2,297,893)	13.3%
	3	Taiwan (4,167,504)	17.3%	United States (866,186)	5.0%
	4	Hong Kong (1,839,189)	7.7%	Taiwan (833,465)	4.8%
		Total	24,039,700		17,241,823

Sources: Japan National Tourism Organization & Korea Tourism Organization (2019)<sup>34</sup>

A contributing factor to the maintenance of bilateral tourism between South Korea and Japan is the abundance of budget tour packages that are available. According to Kim and Lee, prices of tourism products are “the most important factor in the choice of destination by [South Korean] tourists [to Japan].”<sup>35</sup> For example, the South Korean tourist industry remains “highly dependent” on developing modest tourist packages to Japan.<sup>36</sup> Budget deals catering toward Japan travel include those that offer flights for a lower cost than certain high-speed domestic train rides as well as those that provide a set number of flights to Japan for a year with a one-time transaction.

Likewise, Japanese tourists also travel at a lower cost compared to other foreign visitors to South Korea. According to a 2019 survey by the KTO, Japanese tourists had the lowest average spending of \$772.60 throughout their stay in South Korea compared with the other top inbound nations including China (\$1,734.80), the United States (\$1,103.20), Hong Kong (\$1,049.20) and Taiwan (\$1,312). Japanese tourists also reside in South Korea for a shorter time frame (3.7 days) compared with the overall average of 6.9 days among the top visiting nationalities to South Korea.<sup>37</sup> The data thus demonstrates how Japanese visitors to South Korea identify the nation as a convenient, affordable, and desirable tourist destination.<sup>38</sup>

<sup>34</sup> Korea Tourism Organization, “Statistics of Arrivals and Departures by Item,” *Korea, Monthly Statistics of Tourism*, 2019, <http://kto.visitkorea.or.kr/eng/tourismStatics/keyFacts/KoreaMonthlyStatistics/eng/inout/inout.kto>; Japan National Tourism Organization, “Overseas Residents’ Visits to Japan,” *Japan-Bound Statistics*, 2019, <https://www.tourism.jp/en/tourism-database/stats/inbound/#annual>.

<sup>35</sup> Jewoo Kim and Choong-Ki Lee, “Role of Tourism Price in Attracting International Tourists: The Case of Japanese Inbound Tourism from South Korea,” *Journal of Destination Marketing and Management* 6, (2017): 83.

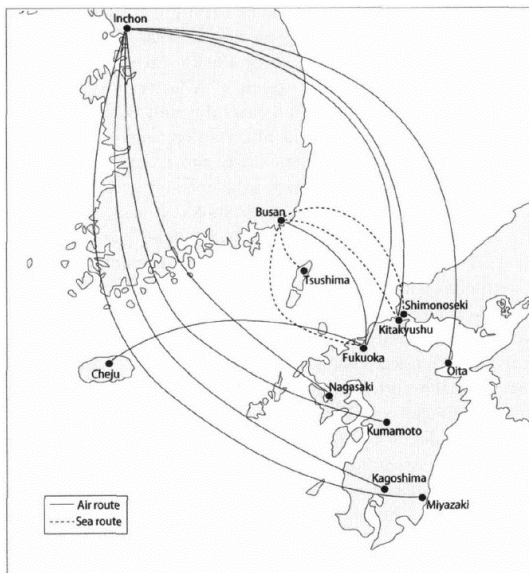
<sup>36</sup> Since the South Korean boycott against Japan in July 2019, one expert noted that the boycotts may provide the domestic tourism industry with an opportunity to expand its products rather than over-rely on those catered towards Japan travel (Yoon, 2019). On the other hand, other South Korean travel companies began to offer low-cost flight tickets and packages to Japan despite the boycott, attracting a group of consumers who prefer budget travel over nationalistic trends.

<sup>37</sup> Korea Tourism Organization (KTO), “2019 년 외래관광객 실태조사 1 분기 주요 결과: ‘19 년 1 분기, 1 월 -3 월,” accessed at <http://kto.visitkorea.or.kr/kor/notice/data/statis/tstatus/forstatus/board/view.kto?id=431419&isNotice=false&instanceId=295&rnum=1>

<sup>38</sup> Kim Hyun-bin, 12 June 2019, “Japanese Tourists Come to Korea for Food, Chinese for Shopping,” *The Korea Times*, accessed at [http://www.koreatimes.co.kr/www/nation/2019/06/281\\_270503.html](http://www.koreatimes.co.kr/www/nation/2019/06/281_270503.html)

Another reason why bilateral tourism is maintained between South Korea and Japan is the presence of alternative modes of travel, such as boats and ferries. The Busan Port in South Korea connects domestic passengers to various port cities throughout Japan including Fukuoka, Osaka, Shimonoseki, and Tsushima (Figure 4). The standard ferry between Japan's Fukuoka (Hakata Port) and South Korea's Busan takes an average of three to six hours. After high-speed boats came into operation 2002, the number of sea passengers from both countries has also grown exponentially. For example, from 1991 to 2007, passengers travelling across the strait between the two countries more than doubled from 470,000 to 1,200,000 (Figure 5). From those, Japanese passengers traveling via high-speed boat to South Korea increased twenty-fold from 17,000 in 1998 to 358,000 in 2007.<sup>39</sup> According to the Busan Port Authority, the number of South Korean sea passengers traveling to Japan also increased by 17.2% from 1,204,700 in 2016 to 1,410,700 in 2018.<sup>40</sup>

Figure 4: Sea and Air Routes Across the South Korea-Japan Strait Zone



Source: Takaki and Lim (2011)<sup>41</sup>

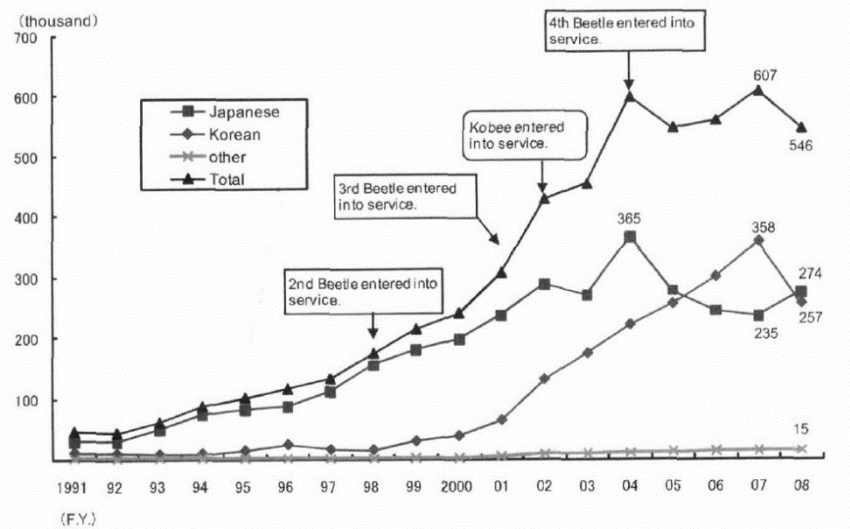
Figure 5: Number of Passengers on High-Speed Boats Connecting Busan and Fukuoka

<sup>39</sup> Naoto Takaki and Jung Duk Lim, "Building an Integrated Trans-border Economic Region between Busan and Fukuoka," *Seoul Journal of Economics* 24, no. 2 (2011): 206.

<sup>40</sup> Young-hee Lee (이영희), "South Koreans Travelling to Japan by Ferry Increase... Japanese Decreasing Annually (배타고 일본여행 한국인 급증세... 일본인 입국은 매년 감소)," *Yonhap News Agency* (연합뉴스), <https://www.yna.co.kr/view/AKR20180102103600051>.

<sup>41</sup> Supra note 39 at 200.





Source: JR Kyushu, as cited by Takaki and Lim (2011)<sup>42</sup>

Increased contact among citizens in port cities has encouraged municipal governments to implement policies toward engagement. For example, Busan and Fukuoka have cooperated for more than 20 years and established formal agreements including the 1990 exchange agreement and the agreement for sisterhood relations in February 2007. Busan and Fukuoka's history of engagement also closely follows the rising trend of South Koreans and Japanese sea passengers throughout the past two decades (Figure 7).

To accommodate increased public contact, the two governments implemented the “Busan-Fukuoka Asia Gateway 2011” project.<sup>43</sup> The “Year of Busan-Fukuoka Friendship” was also declared on October 31, 2008, followed by visits by the mayor of Busan and the vice mayor of Fukuoka, as well as the establishment of the Busan-Fukuoka Economic Cooperation Council.<sup>44</sup> Busan and Fukuoka continue to lead regional tourism development efforts as members of the Tourism Promotion Organization (TPO) for Asia Pacific Cities.<sup>45</sup>

As demonstrated by the case of Busan and Fukuoka, increased bilateral civic engagement often moves governments to pursue peaceful engagement. While different years may see fluctuations in the number of inbound and outbound visitors, the overall prospects of bilateral tourism remain optimistic in the long-run when considering geographic proximity as a key determinant.

#### 4.2 Internal factor: mutual affinity toward culture

<sup>42</sup> Ibid., p. 202.

<sup>43</sup> Yirang Im and Tomoyuki Furutani, “Analysis of the Policy Network for Tourism Cooperation between Busan, Korea and Fukuoka, Japan,” *Urban and Regional Planning Review* 2, (2015): 2-6.

<sup>44</sup> Busan Metropolitan City Government (부산광역시청), “Introduction of a Sister City – Fukuoka (자매도시 소개 – 후쿠오카),” <https://www.busan.go.kr/fukuoka>.

<sup>45</sup> While this paper was written in July-August 2019, there was a notable decline in the number of South Korean and Japanese sea passengers traveling across the strait. Furthermore, the annual visit held by the Busan and Fukuoka municipal governments in August was temporarily suspended.

Rising cultural affinity also helps to maintain bilateral tourism between South Korea and Japan. Culture is an overarching and intangible concept that incorporates various facets of communities and lifestyles including art, crafts, language, history, and food. Culture is also timeless in that it encompasses both traditional and contemporary elements of a society. Most importantly, cultural curiosity is largely a self-driven sentiment that helps to form positive perceptions of other nations.

Regarding tourism, the willingness of visitors to engage in cultural exploration within the host nation is most often determined by the types of activities they pursue including visits to historical sites, museums, and experiencing authentic cuisines.<sup>46</sup> Cultural tourism contributes to tourism sustainability by allowing for increased positive interactions that include “mutual learning, cultural revival and multiculturalism.”<sup>47</sup> Increased contact between different cultures helps to nurture mutual sentiments of fondness and understanding, especially between societies that have conflictual relations such as South Korea and Japan.

Cultural curiosity is one of the key drivers of bilateral tourism between South Korea and Japan. Kim and Lee contend that South Korean visitors see Japan as an attractive tourist destination not only because it is “close and convenient,” but also due to the wide range of Japanese cultural elements ranging from its hot springs to delicious foods.<sup>48</sup> Ryu, Han, and Lee also suggest “spa,” “food,” “[visits to] historical tourist sites,” and “shopping” are the most preferred tourist activities for South Koreans who visit to Japan.<sup>49</sup>

South Korea’s cultural fondness toward Japan can be seen in its domestic adoption of Japanese culture. For example, according to Statistics Korea (KOSTAT), the number of Japanese restaurants in South Korea increased from 7,466 to 11,714 from 2013 to 2017.<sup>50</sup> The public, and especially the younger generations, actively seek opportunities to learn the Japanese language<sup>51</sup> and consume Japanese novels, animation, and variety shows. Even during the period of intensified tensions in June and July 2019, the sale of Japanese novels at South Korea’s Kyobo Book Centre—one of the largest bookstore chains in South Korea—increased from 12,943 to 13,028.<sup>52</sup>

Japan also shows high cultural affinity toward South Korea through tourism. According to The Genron NPO and the East Asia Institute, the highest number of Japanese respondents selected “South Korea’s appealing culinary and shopping cultures” (52.5%) and “interest in South Korean culture” (49.5%) as the primary reasons for their favorable perception of South Korea

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<sup>46</sup> Andres Artal-Tur, “Culture and Cultures in Tourism,” *Anatolia* 29, no. 2 (2018): 179.

<sup>47</sup> Brendan Canavan, “Tourism Culture: Nexus, Characteristics, Context and Sustainability,” *Tourism Management* 53, (2016): 230.

<sup>48</sup> Jewoo Kim and Choong-Ki Lee, “Role of Tourism Price in Attracting International Tourists: The Case of Japanese Inbound Tourism from South Korea,” *Journal of Destination Marketing and Management* 6, (2017).

<sup>49</sup> Kisang Ryu, Ji-Sook Han and Timothy J. Lee, “Selection Attributes of Travel Products: A Case of Korean Tourists to Japan,” *Journal of Tourism & Tourism Marketing*, 33, no. 5 (2016): 674.

<sup>50</sup> Min Jung Kim, “In Seoul, Authentic Japanese Food Inspires Everyday Happiness,” *The Japan Times*, June 8, 2019, <https://www.japantimes.co.jp/life/2019/06/08/food/seoul-authentic-japanese-food-inspires-everyday-happiness/>.

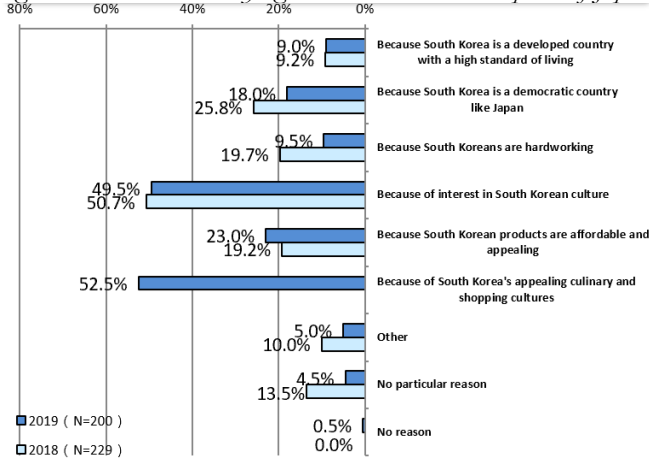
<sup>51</sup> Kenichi Yamada, “Young South Koreans Fall for Japanese Novels and Travel,” *Nikkei Asian Review*, October 17, 2018, <https://asia.nikkei.com/Life-Arts/Life/Young-South-Koreans-fall-for-Japanese-novels-and-travel>.

<sup>52</sup> Juyeob Um (엄주엽), “‘Has the Consumption of Japanese Books also been Reduced’: How Shameful Interest has Changed to Relief (‘일본책 판매도 줄었을까’ 민망한 관심이 안도로...)” *Munhwa Ilbo* (문화일보), July 12, 2019, <http://www.munhwa.com/news/view.html?no=2019071201032639173001>.



(Figure 6). A survey by the KTO also shows that Japanese tourists prefer to partake in activities such as “culinary experiences (84.3%),” “shopping (68.9%),” and “visiting historical and cultural sites (51.5%)” during their stay in South Korea.<sup>53</sup>

Figure 6. Reasons Underlying Favorable Public Perception of Japanese toward South Korea



Source: The East Asia Institute and The Genron NPO (2019)<sup>54</sup>

What also makes Japan an important cultural companion to South Korea is its active response to South Korea’s *Hallyu* (“the Korean Wave”), which has impacted Japanese tourism to South Korea. As in the case of South Korea, several domestic bookstores in Japan have adopted exclusive sections for South Korean films and books following the South Korean cultural boom. Furthermore, Korean-language schools have been established nationwide to accommodate the rising number of students interested in learning the language.<sup>55</sup> Younger Japanese also exhibit a strong interest in K-pop (Korean pop culture), with some leaving Japan to seek opportunities in South Korean entertainment industries.<sup>56</sup>

A highly referenced case of *Hallyu* in Japan is the success of the South Korean drama, *Winter Sonata*, that was produced in 2002 and aired in Japan in 2003. The popularity of the drama among the Japanese public—and especially among middle-aged women—led to a 35.5% surge in the number of Japanese tourists to South Korea in 2004 compared to the previous year.<sup>57</sup> Japanese interest in the drama influenced their affinity toward South Korea by “impact[ing] the

<sup>53</sup> Korea Tourism Organization (한국관광공사) “Report on Survey Findings of Japanese Traveling to South Korea (일본인의 한국여행에 관한 실태조사 보고서),” 2016,

<https://kto.visitkorea.or.kr/kor/notice/data/report/org/board/view.kto?id=427798&rnum=1>.

<sup>54</sup> There are other surveys on Korea-Japan relations such as that by Yomiuri Shimbun and Hankook-Ilbo. However, for consistency and deeper analysis, the author has chosen to refer to the annual survey conducted by The Genron NPO and the East Asia Institute. See: The Genron NPO and East Asia Institute, “The 7<sup>th</sup> South Korea-Japan Joint Public Opinion Poll (2019): Summary of Main Findings,” June 2019,

[http://www.eai.or.kr/main/program\\_view.asp?intSeq=10052&code=17&gubun=program](http://www.eai.or.kr/main/program_view.asp?intSeq=10052&code=17&gubun=program).

<sup>55</sup> Toru Hanaki, Arvind Singhal, Min Wha Han, Do Kyun Kim and Ketan Chitnis, “Hanryu Sweeps East Asia: How Winter Sonata is Gripping Japan,” *The International Communication Gazette* (2019): 81.

<sup>56</sup> Ju-min Park, “K-Pop Stardom Lures Japanese Youth to Korea Despite Diplomatic Chill,” *Reuters*, May 1, 2019, <https://www.reuters.com/article/us-southkorea-japan-kpop-feature/k-pop-stardom-lures-japanese-youth-to-korea-despite-diplomatic-chill-idUSKCN1S62TY>.

<sup>57</sup> Eun-song Bae, Meehyang Chang, Eung-Suk Park and Dae-cheol Kim, “The Effect of Hallyu on Tourism in Korea,” *Journal of Open Innovation: Technology, Market and Complexity* 3, no. 22 (2017): 4.

people-to-people relations between [South Korea and Japan], beneath the continuing difficult international relations of the two nations.”<sup>58</sup>

Cultural propensity—whether it is that toward popular, contemporary, or traditional cultures—drives more South Koreans and Japanese to travel to their counterpart nation. In return, increased tourism provides the public more opportunities to interact with the host nation’s culture and nurture heightened understanding and positive perceptions.

## V. Challenges associated with South Korea-Japan tourism

Although the long-term trend in South Korea-Japan tourism portrays a generally increasing trend (Figure 1), there have been events in the past where external shocks or diplomatic disagreements led to periods of decline in tourism and engagement. The next sections of the paper discuss force majeure and currency exchange rates as two main challenges to the maintenance of bilateral tourism. While this paper supports the idea that mutual cultural affinity and benefits from geographic proximity serve as the basis for continued South Korea-Japan tourism, an understanding of how certain challenges impact bilateral tourism will be conducive to cooperative efforts between South Korea and Japan.

### 5.1 *Force majeure: natural disasters*

Tourism safety is an especially significant determining factor for tourists at times of unpredictable events that include epidemics and natural disasters.<sup>59</sup> Such events are considered *force majeure*, or events that stand outside of human and state control.

Both South Korea and Japan are susceptible to force majeure. Japan, as an island nation located in the Pacific earthquake belt, is especially prone to natural disasters including earthquakes and typhoons. Its coastline cities, such as the port cities where many South Koreans visit, are also vulnerable to tsunamis. According to the 2018 World Risk Report, Japan ranked fifth worldwide in terms of exposure, or for being “highly endangered by natural events,” and twenty ninth for being “high risk.”<sup>60</sup>

Yet the nation is well equipped with both state and civil society-led efforts to mitigate the risks of natural disasters through contingency planning.<sup>61</sup> For instance, Japan’s Ministry of Foreign Affairs highlights “disaster prevention” as one of its foreign policies and pursues countermeasures to natural disasters through research and recovery operations with federal budget support.<sup>62</sup> Japan’s Statistics Bureau of the Ministry of Internal Affairs and

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<sup>58</sup> Beng Hat Chua and Koichi Iwabuchi (eds.), *East Asian Pop Culture: Analysing the Korean Wave*, Hong Kong: Hong Kong University Press, 2008, p. 9.

<sup>59</sup> Jie Wang, Bingjie Liu-Lastres, Yong Shi & Tingting Li. (2019). “Thirty Years of Research on Tourism Safety and Security: A Comparative Automated Content Analysis Approach,” *Journal of China Tourism Research*, Vol. 15, No. 3, pp. 341-342.

<sup>60</sup> Hans-Joachim Heintze, et al., “World Risk Report 2018: Focus: Child Protection and Children’s Rights,” *Bündnis Entwicklung Hilft* (2018): 40, <https://reliefweb.int/sites/reliefweb.int/files/resources/WorldRiskReport-2018.pdf>.

<sup>61</sup> As discussed earlier, Japan’s concept of civil society is contingent upon its natural disaster prevention efforts as one of the key motivations for the Japanese government’s cooperation with NGOs to improve human settlement and sustainability. See Section II: “How is the Concept of ‘Civil Society’ Understood Differently in Japan and South Korea?”

<sup>62</sup> Ministry of Foreign Affairs, Government of Japan, “Disaster Prevention,” *Foreign Policy*, <https://www.mofa.go.jp/policy/disaster/21st/2.html>.

Communications also publishes a statistical yearbook annually to report natural disasters and social security statistics.<sup>63</sup> Such efforts, and the inclusion of disaster management in its foreign policy, portray the gravity by which Japan views *force majeure* as an impediment to inbound tourism.

Since tourism safety carries significant weight in a prospective visitor's decision-making process, at times it serves as a decisive factor for South Koreans when eyeing Japan as a tourist destination. News of natural disasters in Japan are quickly publicized nationwide in South Korea, discouraging the public from traveling to Japan. One instance of *force majeure* is the Fukushima Daiichi nuclear disaster in March 2011. Although the Japanese government invested nearly \$250 billion in recovery efforts,<sup>64</sup> fears of radiation leakage led to a temporary decline in the number of South Korean visitors to Japan, which decreased by 32% from 2,439,816 visitors in 2010 to 1,658,073 visitors in 2011.<sup>65</sup>

However, the trend quickly reversed beginning in 2012 as the number of South Korean visitors climbed to 2,044,249, and subsequently to 2,456,165 in 2013. In fact, South Korean visits to Japan for 2013 exceeded that of 2010 (2,439,816), the year prior to the Fukushima nuclear disaster. Kim and Park suggest that the negative effects of the Fukushima incident on bilateral tourism quickly subsided because the largest number of South Koreans belongs to the "non-constraint group" of tourists, who "[have] the intention to visit Japan anytime, regardless of radiation leakage."<sup>66</sup> Other variables that may have contributed to the quick recovery of South Korea's tourism to Japan include the gradual attenuation of Japan's negative image with time, disaster restoration and diplomatic efforts by the Japanese state, and the depreciation of the yen.<sup>67</sup>

Regardless, *force majeure* and Japan's relatively high susceptibility to natural disasters pose a challenge to the maintenance of South Korea-Japan tourism. The negative consequences of the 2011 Fukushima incident were able to be quickly reversed, but they did inflict both short-term and long-term effects on bilateral tourism. In the short run, inbound tourism of South Koreans to Japan following the disaster dropped by nearly a third. Although various contributing factors helped to raise the number of South Korean visitors throughout the subsequent months, there is no definite assurance of recovery following natural disasters.

In the long run, the Fukushima incident added an additional category to the list of ongoing bilateral disputes between South Korea and Japan. Since nuclear disasters have long-term effects on the surrounding environment, problems involving Japan's radiation leakage continue to be utilized against Japan in subsequent negotiations with South Korea. For instance, following the rise in diplomatic tensions in July 2019, South Korea's Ministry of Food and Drug

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<sup>63</sup> Statistics Bureau, Ministry of Internal Affairs and Communications, Government of Japan, "Chapter 29: Disasters and Accidents," *Japan Statistical Yearbook 2019*, 2019, <https://www.stat.go.jp/english/data/nenkan/68nenkan/1431-29.html>.

<sup>64</sup> Kisang Ryu, Ji-Sook Han, Timothy J. Lee, "Selection Attributes of Travel Products: A Case of Korean Tourists to Japan," *Journal of Travel & Tourism Marketing* 33, no. 5 (2016): 672.

<sup>65</sup> Ibid.

<sup>66</sup> Jinok Susanna Kim and Sang-Hyeon Park, "A Study of the Negotiation Factors for Korean Tourists Visiting Japan Since the Fukushima Nuclear Accident Using Q-Methodology," *Journal of Travel & Tourism Marketing* 33, (2016): 779.

<sup>67</sup> Foreign currency exchange rates are an important variable for tourism. See Section 5.2: "Currency Exchange Rates: The Value of the Yen vs. the Won."

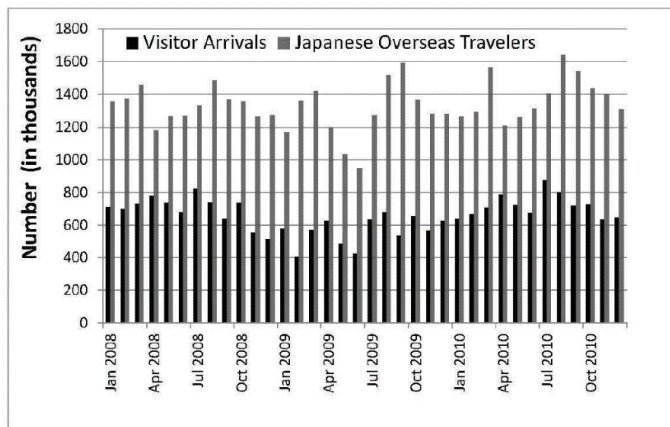
Safety (MFDS) announced in that it would increase radiation testing of Japanese food.<sup>68</sup> Overall, safety-related concerns over domestic tourists have the potential to exacerbate diplomatic relations between the host and the visiting nations. Therefore, cooperation between South Korean and Japanese governments is imperative to meet public demands for tourism, and to do so with safety guarantees.

## 5.2 Foreign currency exchange rates: the value of the yen vs. the won

Currency exchange rates are overarching to most other factors that motivate or discourage tourism. For instance, in addition to factors such as Japan's restoration efforts, the depreciation of the yen was especially successful in re-attracting South Korean tourists to Japan following the 2011 Fukushima disaster. According to Kim, Lee and Mjelde, Japan's Abenomics—and notably its first arrow of unconventional monetary easing (UME)—decreased the value of the yen by 47% since the fourth quarter of 2012,<sup>69</sup> attracting prospective tourists from South Korea seeking to tour Japan on a relatively lower budget.

Another event in which currency exchange rates impacted bilateral tourism is the 2008-2009 Global Financial Crisis when the Japanese yen appreciated against the Korean won. Throughout this period, the number of South Korean visitors to Japan declined by 33.4% from 2008 to 2009.<sup>70</sup> The yen's appreciation affected not only South Korean tourists but also those of other nationalities. The number of foreign visitor arrivals to Japan saw periods of decline throughout the years of the economic crisis, until the numbers began to gradually recover into and after 2010 (Figure 7).

Figure 7: Visitor Arrivals and Japanese Overseas Travelers (2008-2010)



Source: Japan National Tourism Organization (2010), as cited by Ishikawa (2011)<sup>71</sup>

<sup>68</sup> Joyce Lee, "South Korea to Increase Radiation Testing of Japanese Food," *Reuters*, August 21, 2019, <https://www.reuters.com/article/us-southkorea-japan-food-radiation/south-korea-to-increase-radiation-testing-of-japanese-food-idUSKCN1VB094>.

<sup>69</sup> Jewoo Kim, Choong-Ki Lee and James W. Mjelde, "Impact of Economic Policy on International Tourism Demand: The Case of Abenomics," *Current Issues in Tourism* 21, no. 16, (2018): 1924.

<sup>70</sup> Yoshitaka Ishikawa, "Impact of the Economic Crisis on Human Mobility in Japan: A Preliminary Note," *Belgeo* 3-4, (2011): 10.

<sup>71</sup> Ibid.

As a potential measure for addressing tourism's sensitivity to currency exchange rates, Kim and Park propose that the South Korean government shift its focus to accommodate the smaller group of people who are "willing to go on a tour to Japan on a continual basis if their safety is guaranteed, *regardless of the value of the yen*." This is because their desire to visit Japan is more genuinely guided and less persuaded by price guarantees.<sup>72</sup> Yet, provided that a larger group of South Koreans are more readily influenced by the currency exchange rate in deciding their tourist location, the government would require further incentives to pursue this shift in tourism policy.

That said, exchange rates provide South Korea-Japan tourism with a significant challenge because it is closely tied to politics, economy, and diplomacy. On the one hand, currency exchange rates are susceptible to economic events and shocks that lie outside of immediate state control. On the other hand, as in the case of Japan's Abenomics, governments often implement domestic policies to regulate the value of their currency for a state-driven purpose. As a result, when South Korea-Japan relations are vulnerable to diplomatic disagreements, governments have the capacity to influence inbound and outbound tourism through the maneuvering and weaponization of currency exchange rates. Global economic crises may be difficult to manage but the latter, ill-driven, state efforts to utilize currency exchange rates as weapons against the counterpart nation could be limited through bilateral cooperation.

## **VI. Conclusion and policy recommendations**

South Korea-Japan relations are conflictual due to historical grievances and political disagreements. Existing analyses mostly follow a top-down lens and center on state-to-state relations. More attention should be given to how bilateral civic engagement and people-to-people relations can create an environment that promotes diplomatic reconciliation between South Korea and Japan.

Although South Korea and Japan harbor varied concepts of "civil society," they share mutual recognition of the importance of tourism. While tourism is often excluded from the analysis of civil society engagements due to its association with state politics and the economy, it provides South Korea and Japan an important mechanism for engagement. In fact, bilateral tourism statistics show a consecutively increasing trend since 2015. This trend has continued throughout 2018 and in the initial months of 2019, even though diplomatic relations soured.

The media was quick to note the sudden decline in tourism statistics, which began in July 2019, when South Korea-Japan trade disputes intensified. Some of the reported statistics include the 63% rise in the average travel cancellation rate of South Koreans to Japan from July 1-9 and the fall in the number of South Korean visitors to Japan from June (282,476) to July (274,830) 2019. Despite such publicity, there have been other events in the past, such as the March 2011 Fukushima nuclear incident and the Global Financial Crisis in 2008-2009, when tourism levels declined, but gradually recovered with time.

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<sup>72</sup> Jinok Susanna Kim and Sang-Hyeon Park. (2016). "A Study of the Negotiation Factors for Korean Tourists Visiting Japan Since the Fukushima Nuclear Accident Using Q-Methodology," *Journal of Travel & Tourism Marketing*, Vol. 33, p. 780.

The positive trend in bilateral tourism is possible due to characteristics that are inherent to South Korea-Japan tourism such as geographic proximity and cultural affinity. Geographic proximity is a fixed trait that provides both South Korean and Japanese tourists high accessibility, convenience and affordability. Cultural affinity takes form in a reciprocal relationship with tourism.

Yet, there are also challenges associated with bilateral tourism since tourism itself that cannot be completely divorced from politics and the economy. For instance, government management is an important countermeasure to challenges such as *force majeure*—or unforeseen events—and fluctuations in exchange rates. Unfortunately, governments often require an incentive to pursue such measures, which are difficult to provide at times of high diplomatic tensions. This paper offers three policy recommendations for South Korean and Japanese governments that show how bilateral tourism is conducive not only to diplomatic reconciliation efforts, but also to domestic developments.

*1) Promote joint research on South Korea-Japan tourism at both local and national levels*

While South Korea and Japan have formally acknowledged the importance of tourism to their national development, they have yet to distinguish and highlight South Korea-Japan tourism as a crucial area of developmental interest. South Korea is Japan's second ranking market for inbound tourism, and so is Japan for South Korea. Yet, both South Korea's Basic Tourism Promotion Plan (2017) and Japan's White Paper on Tourism (2017) mention the general significance of inbound tourism to national growth strategies without providing specific recommendations for the different inbound nationalities. Constructing a more detailed plan toward tourism development that includes case studies and research on high ranking inbound nationalities to South Korea and Japan should be undertaken. As the two countries follow similar trajectories in tourism development, sharing of information and research coordination on bilateral tourism would be economically beneficial and would serve as an additional diplomatic vehicle for cooperation.

As an initial step, South Korea and Japan could utilize existing cooperation networks between municipal governments. For example, South Korea's Busan and Japan's Fukuoka have experience in coordinating joint economic projects such as the "Busan-Fukuoka Asia Gateway 2011" project as municipal governments based on "sisterhood." Dialogues could be arranged at both local and state levels for the discussion of tourism cooperation. These efforts can expand to incorporate business perspectives and promote private-public partnership (PPP), as in the case of the "Busan-Fukuoka Asia Gateway 2011" project.

*2) Establish a joint information-sharing mechanism in cases of force majeure*

Host nations are prone to diverse cases of *force majeure*, including natural disasters. As such, tourism safety is a shared concern for both South Korea and Japan. Japan, in particular, is fifth ranking in terms of its exposure to natural disasters. Yet, following the Fukushima nuclear incident in March 2011, it was clear that South Korea and Japan needed to enhance information-sharing capacities for building mutual trust. It would be beneficial for the two nations to establish a joint mechanism for sharing information regarding tourism safety. If state-approved information is publicized by the media in both South Korea and Japan, it would reduce the possibility of speculation being received as factual information. Furthermore, joint

cooperation would increase the speed and efficacy by which high- and low-risk regions could be identified for visitors following natural disasters.

*3) Mutual recognition of the economic significance of cultural tourism activities*

South Korea and Japan should also recognize the economic significance of culturally driven tourism activities. For example, South Korean visitors partake in various traditional and popular cultural activities throughout their visit to Japan including spa visits, historical tourist site visits, shopping and culinary experiences. Likewise, Japanese visitors also opt for culinary experiences, shopping, and visits to historical and cultural sites as main tourist activities to pursue in South Korea.

These activities are based on mutual cultural affinity, but from the government's perspective, they are tied to consumerism and the state economy. As a result, discouraging bilateral visits by weaponizing foreign currency exchange rates could hinder the domestic economy. Instead of aiming to limit cultural engagements via tourism, South Korea and Japan should look beyond historical grievances and embrace mutual cultural affinity as a valuable foundation for domestic and regional development.

## ABOUT THE AUTHOR

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