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**THE GROWING RELATIONSHIP BETWEEN SOUTH
KOREA AND CHINA: CONSEQUENCES FOR NORTH
KOREA**

by

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March 2006

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**THE GROWING RELATIONSHIP BETWEEN SOUTH KOREA AND CHINA:
CONSEQUENCES FOR NORTH KOREA**

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ABSTRACT

After approximately forty years as enemies, South Korea and China normalized relations in 1992. This change has accelerated the growth of both of their already booming economies. Beyond that, it has helped propel Beijing into a pivotal role of influence since it now maintains friendly relations with both Koreas, currently the only country to do so. Nearly fifteen years after this normalization, South Korea and China still enjoy a strong relationship that generally continues to improve. Surprisingly, North Korea does not seem to oppose its staunch ally befriending its primary rival. This improving relationship and the effect it has on both states' approaches to North Korean crises hold vast implications for the changing power structure in the region and for the United States' role in Asia. This thesis assesses which traditional international relations paradigm, Realism or Liberalism, provides the best insights into why South Korea and China desire a strong relationship with each other, find stronger support for Liberalism in South Korea and for an adapted version of Realism in China. Furthermore, it examines North Korea's position toward this growing relationship and the implications of it for Pyongyang. Finally, this thesis analyzes the implications for Japan and the United States and offers recommendations for U.S. policy makers.

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I. INTRODUCTION

China and Korea have had a close relationship for over two thousand years. After the 1948 partition of Korea, many Chinese leaders viewed their relationship with North Korea as one as close as “lips and teeth.” Remarkably, fifty years after the brutal Korean War, Beijing has developed a strong relationship with South Korea, its bitter archenemy during both that war and subsequent Cold War. During much of that time, some argue Beijing’s rhetoric against the South was harsher than that against Taiwan.¹ Even more remarkable is that Beijing has maintained its close relationship with North Korea while it has become increasingly close to South Korea. Today, China stands as the only country able to maintain good relations with both Koreas. This substantial accomplishment leaves China in a coveted position to influence events on the peninsula in ways unavailable to other countries.

A. PURPOSE

The purpose of this thesis is to explore the implications for North Korea of the growing relationship between Seoul and Beijing, one that will play a major role in events such as the Six Party Talks and possible reunification on the peninsula. This relationship has already played an important role in enhancing inter-Korean relations, as can be seen through the materialization of the historic 2000 summit between the two Koreas. At the same time, as Sino-Korean relations evolve in the coming decades, so too will the power structure in Northeast Asia. Understanding this relationship will help analysts understand and prepare for this future.

B. IMPORTANCE

The topic is important for several reasons. The countries comprising Northeast Asia are engaged in a tenuous balance of power at present. China’s economic growth, Japan’s possible remilitarization, Taiwan’s ambiguous desire for independence, North Korea’s nuclear program, and South and North Korea’s reunification efforts are just some of the issues facing Asia currently. Beyond that, China’s increasing role in these affairs,

¹ Victor D. Cha, "Engaging China: Seoul-Beijing Détente and Korean Security," *Survival*, 1999, p. 75. Evidence for this thesis does not extend beyond October 2005.

while comforting to some, makes others uneasy. The geography itself enhances the importance of this topic because

With the Korean peninsula as its strategic pivot, [Northeast Asia] is the one and only international region or sub-region where the world's four major powers—China, Japan, Russia, and the United States—uneasily meet and interact and where their respective interests coalesce, compete, or clash in a situation-specific way.²

Thus, this thesis is important for a range of reasons.

While the Korean peninsula has served as a geopolitical crossroad throughout its two thousand years of recorded history—the peninsula has been invaded more than 900 times³—North Korea, today, receives far more attention than South Korea. With its aloof attitude toward other countries, its drastic and perplexing moves to acquire aid, and its defiant isolationism, Pyongyang garners much concern from the region and from the major powers of the world.

North Korea has managed to stay afloat for more than fifteen years after the end of the Cold War despite being exceptionally reclusive and one of the last remaining militarized communist states. With dire famine conditions and negative economic growth throughout the 1990s, a nuclear weapons crisis in 1994, and another ongoing one that began in 2003, North Korea's post-Cold War future has looked more and more bleak. Yet the regional and international community has, for the most part, partaken in an engagement policy rather than a coercive one. Indeed, arguably, the major actors have not prepared responses to an implosion or explosion of the North Korean regime. The United States, in particular, has no specific plan for dealing with a united Korea and the changes in the region that will ensue. This opens the door for Pyongyang to manipulate perceptions of the potential opportunities and losses for all sides. In particular it may use the growing relationship between China and South Korea in the upcoming years as it fights for its own continued existence.

² Samuel S. Kim, "Northeast Asia in the Local—Regional—Global Nexus: Multiple Challenges and Contending Explanations," in *The International Relations of Northeast Asia* (Lanham: Rowman & Littlefield Publishers, Inc., 2004), p. 5.

³ Don Oberdorfer, *The Two Koreas: A Contemporary History*, (London: Warner Books, 1999), p. 3.

Meanwhile, the nature of the relationship between South Korea and China suggests Seoul is bandwagoning with Beijing as opposed to balancing against it. Seoul's acceptance of China's growing power in the region holds major implications for other players in the region, specifically the United States and Japan. Thus, not only will this relationship play a role in North Korea's future, but it will also play a role in the general behavior of regional states toward each other and how crises are resolved. All of these factors are of critical interest, not only for scholars, but for American (and regional) policymakers.

C. MAJOR QUESTIONS AND ARGUMENT

The major question this thesis answers is: What are the implications of the growing relationship between South Korea and China for North Korea? In doing so, the thesis proceeds through the following four subordinate questions:

1. What is the relationship between South Korea and China?
2. Why does South Korea want this relationship with China?
3. Why does China want this relationship with South Korea?
4. What are North Korea's views on this relationship?

Furthermore, implications for the region as a whole and for the two other major players in the region, Japan and the United States, will be considered so as to assess the broader consequences of this relationship.

The core argument in this thesis is that because of an already established relationship between North Korea and China, a strong relationship between South Korea and China will help to ensure a smooth and peaceful outcome for all situations on the Korean peninsula and subsequently will lead to a more peaceful, stable, and viable Asia. In determining why the Republic of Korea (ROK) and the People's Republic of China (PRC) desire a strong relationship with each other, each country's intentions and approaches regarding their foreign policies for the region are illuminated. At the same time, focusing on their reasons for desiring for a strong relationship sheds light on their respective intentions toward North Korea and begins to address the implications of the relationship for Pyongyang as well.

Furthermore, however, this growing relationship between South Korea and China creates opportunities for North Korea. The ROK and PRC are substantial donors of aid, the main advocates for diplomatic engagement instead of coercion during the current nuclear crisis, and the biggest investors in North Korea's economic reform. Beyond that, they also seem to offer a layer of protection for North Korea from the perceived threats of the United States, as they seem to empathize with Pyongyang's concerns. Having its two closest neighbors' support is likely to prove advantageous to North Korea. But it is not just their ability to deflect the coercive pressures of the United States that will prove beneficial. Additionally, the strong relationship the ROK and the PRC share creates a synergy the United States has so far been unable to penetrate. If Pyongyang can avoid driving away its neighbors, as it has tended to do in the past, this growing relationship between China and South Korea will provide an opportunity for Pyongyang to improve its economy, thereby strengthening its standing and legitimacy internationally.

D. METHODOLOGY

Looking at this situation from the perspective of two traditional international relations paradigms, Realism and Liberalism, this thesis determines why South Korea and China have each embarked on a quest for a stronger relationship with the other. This analytical format sheds light on their respective intentions for the region and, particularly, toward North Korea. By identifying which paradigm each country uses, analysts can better predict future outcomes regarding situations involving North Korea. These two paradigms are succinctly described here.

1. Realism

Most realists evaluate the international state of affairs by comparing relative levels of power. Hans Morgenthau, considered the father of modern realism, "characterized international politics as a struggle for power...[and was] not content to see power as an instrument for the attainment of other ends in a competitive world, but [regarded] it also as an end in itself, due to the nature of human beings."⁴ Kenneth Waltz refined the theory of realism by arguing states seek power as a defense mechanism through which a balance of power inevitably emerges. Waltz contends states, "at a

⁴ Robert O. Keohane, "Realism, Neorealism and the Study of World Politics," in *Neorealism and its Critics* (New York: Columbia University Press, 1986), pp. 10-11.

minimum, seek their own preservation and, at a maximum, drive for universal domination.”⁵ Most recently, John Mearsheimer would claim in his offensive realism theory that states only feel secure and self-preserved if they have power and therefore, aggressively aim to acquire it. “Simply put,” as he says, “great powers are primed for offense.”⁶

For this thesis, three relevant strategies used in realism theory as put forth by Mearsheimer are considered: balancing, bandwagoning and regional hegemony. Mearsheimer defines balancing as “preventing an aggressor from upsetting the balance of power” through three tactics. The first, a country attempting to balance against an aggressor can,

...send clear signals to the aggressor through diplomatic channels...that they are firmly committed to maintaining the balance of power, even if it means going to war....Second, threatened states can work to create a defensive alliance to help them contain their dangerous opponent....Third, threatened states can balance against an aggressor by mobilizing additional resources of their own.⁷

Bandwagoning basically sits at the opposite end of the spectrum from balancing. Mearsheimer states a country is bandwagoning when it “abandons hope of preventing the aggressor from gaining power at its expense and instead joins forces with its dangerous foe to get at least some small portion of the spoils of war.”⁸ Finally, Mearsheimer defines a regional hegemon as a country that “dominates the system... [in] distinct geographical areas.”⁹ He argues that all great powers will strive to be such a hegemon, although few reach that status. For this thesis, Northeast Asia comprises that geographical area.

⁵ Robert O. Keohane, "Realism, Neorealism and the Study of World Politics," p. 15. Keohane quotes Waltz when explaining the impact of Waltz' theory on the field.

⁶ John J. Mearsheimer, *The Tragedy of Great Power Politics*, (New York: Norton, 2001), p. 3.

⁷ *Ibid.*, pp. 156-57.

⁸ *Ibid.*, p. 139.

⁹ *Ibid.*, p. 40.

2. Liberalism

Realism centers around the idea that gaining or losing power is a zero-sum game. On the other hand, liberalism believes international affairs are non-zero-sum. This family of theories argues every country can gain and improve its position without other countries sacrificing their own positions.

A common facet throughout the liberal paradigm includes that of economic interdependence. Many scholars who subscribe to liberalism argue economic interdependence and openness are a crucial link to decreasing military clashes between states. Bruce Russett and John Oneal argue this is one leg in their Kantian triangle in their book, *Triangulating Peace*.¹⁰ They argue democracy, economic interdependence and international organizations all work hand-in-hand to increase peace throughout regions characterized by them. Russett and Oneal write “there is strong, consistent evidence that economic interdependence...significantly reduces the risk that two states will become involved in a militarized dispute.” Ultimately, they claim: “countries that are interdependent bilaterally or economically open to the global economy, whether democratic or not, have an important basis for pacific relations and conflict resolution.”¹¹

3. Comparing the Paradigms

Each international relations theory paradigm sheds light on this growing relationship between South Korea and China. Realism offers contributions because some analysts believe China exhibits hegemonic intentions. On the other hand, the intense economic ties between the two countries serve as the foundation of this overall relationship and, so far, have helped the two countries to overcome diplomatic disputes as liberalism would predict. Analyzing each country’s actions through these two theoretical paradigms helps explain why each country has pursued its unlikely relationship.

E. CHAPTER-BY-CHAPTER SUMMARY

Chapter II offers an overview of the current relationship between South Korea and China. It portrays the economic, diplomatic, military, cultural and social relationships and provides a summary of the growing pains the countries have experienced since

¹⁰ Bruce M. Russett and John R. Oneal, *Triangulating Peace: Democracy, Interdependence, and International Organizations*, (New York: Norton, 2001).

¹¹ *Ibid.*, p. 154-55.

normalization of relations in 1992. China has become South Korea's primary trading partner while South Korea ranks in the top five of China's partners. Diplomatically, the relations have flourished since normalization and today the two are major players in the Six-Party Talks aimed at resolving the North Korean nuclear crisis. South Korean tourism and student exchanges to China have increased steadily, while the Chinese consumption of South Korean pop culture has soared. In short, this chapter characterizes the relationship since 1992. Subsequent chapters explore what drove the ROK and the PRC to pursue this relationship and assess the importance of the relationship to each country and to the neighbor saddled between them, North Korea.

Chapter III focuses on South Korea and why it has pursued a relationship with China. Explicitly taking a liberal paradigm approach, leaders in South Korea sought to engage China through economic interdependence as a way to reduce the threat on the peninsula and in the region. Engaging China through then-President Kim Dae Jung's Sunshine Policy opened the door into North Korea that led to the historic summit in 2000 in which both Koreas took steps toward reconciliation. Even prior to that, President Roh Tae Woo hoped to induce North Korea to open up by pursuing friendly relations with it and other communist bloc countries during the late 1980s and early 1990s.

China's reasons for pursuing a relationship with South Korea comprise Chapter IV. Some argue Beijing is actively balancing against the United States as it rises to great power status in the world. In particular, a number of realist scholars believe Beijing is using its relationship with South Korea to gain power in the region more broadly. On the other hand, liberal theorists argue Beijing uses South Korea's approach to economic development as a model draw on in implementing its own reforms. This thesis contends, on the contrary, that several countries in Asia have pursued this economic model; therefore, South Korea's development model should not be over-emphasized in terms of its importance to China. Similarly, with so many countries of the region investing heavily in China, South Korea's investments in the PRC fail to be the main driver for Beijing's pursuit of a durable relationship. Generally, Beijing's actions regarding Korea indicate it is a stabilizing power seeking good neighborly relations with other countries in the region as the avenue to the peace and stability that are key to its own long-term development. This thesis argues the Chinese have developed their own paradigm that

will be called here, *Realpolitik with Chinese characteristics*. This chapter explains this new paradigm and how it accounts for China's desire for a strong relationship with South Korea.

Chapter V assesses North Korea's views of these issues. It first examines Pyongyang's relationships with China and South Korea since the 1948 partition. Then it evaluates Pyongyang's views on the growing relationship between its two neighbors. Kim Jong Il does not appear as adamantly opposed to this relationship as one might expect. Instead, he has mostly concealed his opinions. Yet scholars believe Kim Jong Il knows he cannot stop this relationship from growing and has even taken small steps to capitalize on this situation. Kim faces a dilemma because he wants to implement the socio-economic reforms Beijing and Seoul encourage, but doing so could cause diminish his stature amongst the North Korean people. Finally, the chapter examines implications of this relationship for North Korea, most of which seem to point toward advantages for Kim Jong Il if he handles the situation deftly.

In the concluding chapter, the possible implications of this relationship for the changing power structure in the region are assessed. Specifically, the implications for Japan and the United States are considered. Based on the historical animosities the Chinese and Koreans feel toward Japan, Tokyo risks being isolated from the region. The dynamic relationship between South Korea and China could potentially serve as a balancing factor against Japan's economic power in the region. Similarly, as the United States faces rising anti-American sentiment in South Korea because of its policies toward the ROK-PRC ties, North Korean brinkmanship, and Japan's willingness to assist the United States in dealing with Sino-Korean affairs, it stands to lose its influence in the region. As more and more South Koreans look to China for friendship, as China stands to be the biggest source of influence if North Korea opens up, and as an alliance with Japan stands to alienate the United States even more, policymakers in the United States need to take notice of this growing relationship. After highlighting these implications, policy recommendations for the United States government are offered.

II. THE RELATIONSHIP BETWEEN CHINA AND SOUTH KOREA TODAY

To better appreciate the importance and potential impact of China's and South Korea's relationship today, one should be familiar with their historical past. Sino-Korean relations date back to the time Korea began emerging as a unified state in the sixth century A.D. Some argue Korea had considered China greatly important since the fourth century B.C.¹² Nonetheless, until the Chinese Qing dynasty, Korea held its closest relations with China. Not only did Korea draw many cultural influences, such as language, Confucianism and Buddhism, but it also paid tribute to the Chinese court.¹³ While some refer to this relationship as a suzerainty, "the Sino-Korean tributary system was one of inconsequential hierarchy and real independence, if not equality."¹⁴ Koreans were interested in China "in the same way that Renaissance Europe was attracted to Greece as the citadel of civilization and culture in what was then the known world."¹⁵ However, the Chinese viewed Korea as a little brother, and were "so absolutely convinced of [their] own superiority" that they thought Korea would naturally follow China.

This relationship worked well—a pleasant blend of cultural and military cooperation and independence—until the Manchus installed the Qing dynasty during the early seventeenth century. Not only did the Koreans view the Manchus as barbaric, but the weakness the Qing dynasty, coupled with the rising strength of Japan, led to China's relinquishing of Korea to Japan as a result of its defeat in the Sino-Japanese War in 1894.¹⁶ From that point on, Korea practically lost all connection with China as Japan colonized it and other western powers began to compete for influence on the peninsula. This competition became violent with the onset of the Korean War in 1950. Afterwards,

¹² Don Oberdorfer, *The Two Koreas: A Contemporary History*, (London: Warner Books, 1999), p. 3, 230.

¹³ Ibid., p. 230.

¹⁴ Selig S. Harrison, *Korean Endgame: A Strategy for Reunification and U.S. Disengagement*, (Princeton, N.J.: Princeton University Press, 2002), p. 309.

¹⁵ Ibid.

¹⁶ Ibid.

three brutal years later, China maintained a largely influential relationship with North Korea but lost virtually all contact with the South.

Nearly thirty years after fighting that gruesome and bloody war as adversaries, China and South Korea began developing a relationship that would astonish the rest of the world by the turn of the century. Although Korean and Chinese leaders often refer to their nearly-2,000-year history when encouraging this current relationship to grow, it began purely as an economic opportunity while Beijing was implementing market reforms. From the late 1970s until normalization in 1992, their economic relationship grew steadily—and quietly, in an effort to avoid upsetting North Korea—with transactions through Hong Kong. Even today, the popular perceptions of each other stem from an economic viewpoint: “the underlying force in the relationship remains a widespread perception of China as an irresistible business opportunity and of South Korea as an economic model and significant investor in economic growth.”¹⁷ After normalization of diplomatic relations and, especially, after China’s entry into the World Trade Organization, the relationship skyrocketed to new heights since Beijing had more room to maneuver without offending Pyongyang. In fact, by 2002, China clearly possessed a stronger economic relationship with South Korea than with its counterpart to the North: “the \$38 billion China-South Korea relationship in 2002 outpaced the \$728 million worth of China-North Korea trade by a factor of 50.”¹⁸

With this solid economic foundation, China and South Korea slowly began developing sound relations in other areas such as the diplomatic, military and cultural arenas. While rocky at times, the importance of this rounded relationship has surfaced as China and South Korea increasingly work together to address regional affairs, particularly crises involving North Korea. This chapter provides an overview assessing the current history of this relationship by looking at it economically, diplomatically and culturally.

¹⁷ Scott Snyder, "Clash, Crash, and Cash: Core Realities in the Sino-Korean Relationship," *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 4, no. 2 (2002).

¹⁸ Scott Snyder, "Regime Change and another Nuclear Crisis," *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 4, no. 4 (2003).

A. ECONOMIC RELATIONSHIP

The economic relationship between the two countries serves as the foundation upon which the ROK and PRC have based the rest of their relationship. No matter how troubled situations get, their trade continues at an unequivocal pace. In 2002, Sino-ROK trade had increased seven times since 1992.¹⁹ From the beginning of their economic relationship, trade between the two had increased 1,647 times from 1979 to 2001; “it took 30-some years for Korean-U.S. trade to accomplish a comparable level of expansion.”²⁰ Similarly, South Korean investment in China surpassed that of Japan’s in 2004 to make it China’s third largest investor.²¹ The figures below portray a statistical overview of the Sino-ROK economic relationship. To fully understand how strong this economic relationship has become, after presenting Tables 1-8, this section will lay out the evolution of it, looking at relations before normalization, the Asian Financial Crisis, three lucrative trade sectors, a timeline of events in the new millennium, the effect of the World Trade Organization, the effect of foreign direct investment and, finally, the downsides of the economic relationship.

1. Trade and Investment over Time

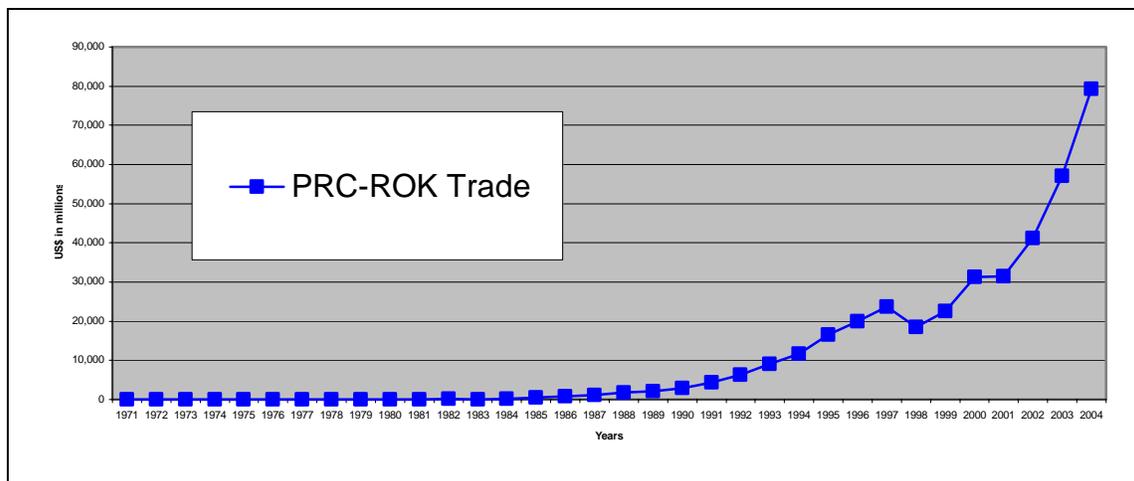


Figure 1. ROK-PRC Trade, 1979—2004²²

¹⁹ *Divided Attention: International Relations, North and South Korea*, [cited 2005]. Available from <http://abcasiapacific.com/koreas/international/china.htm>. Accessed Oct 2005.

²⁰ Jae Ho Chung, "South Korea between Eagle and Dragon: Perceptual Ambivalence and Strategic Dilemma," *Asian Survey*, 2001, p. 781.

²¹ "Trade with S. Korea on Fast Track," *Xinhua English*, 4 March 2005.

²² "Manufacturer, Exporter, Importer, Market Survey - all about Korea Trade," in KITA [database online]. South Korea August [cited 2005]. Available from <http://global.kita.net>. Accessed Oct 2005.

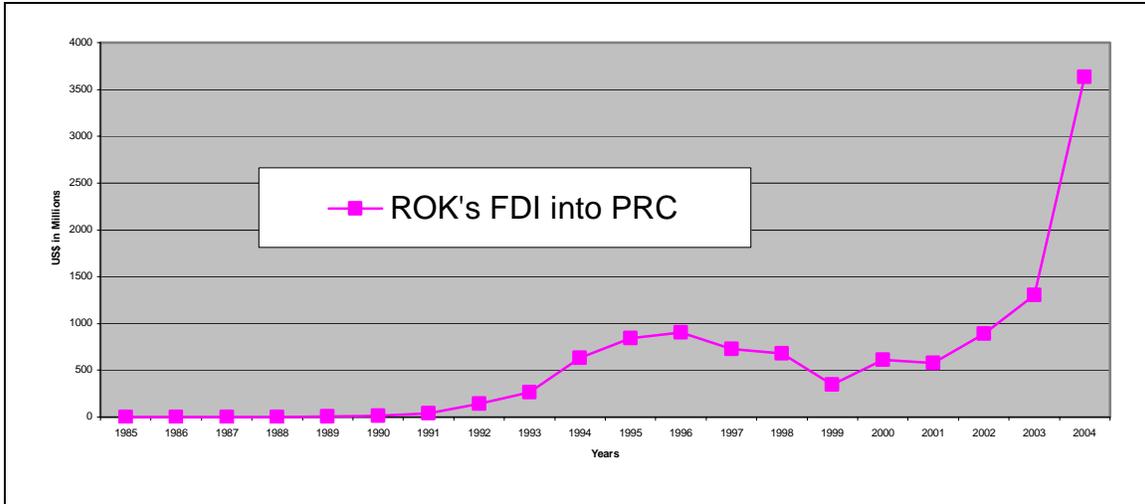


Figure 2. ROK's FDI into PRC, 1985-2004²³

2. Trade and Investment in a Comparative Perspective

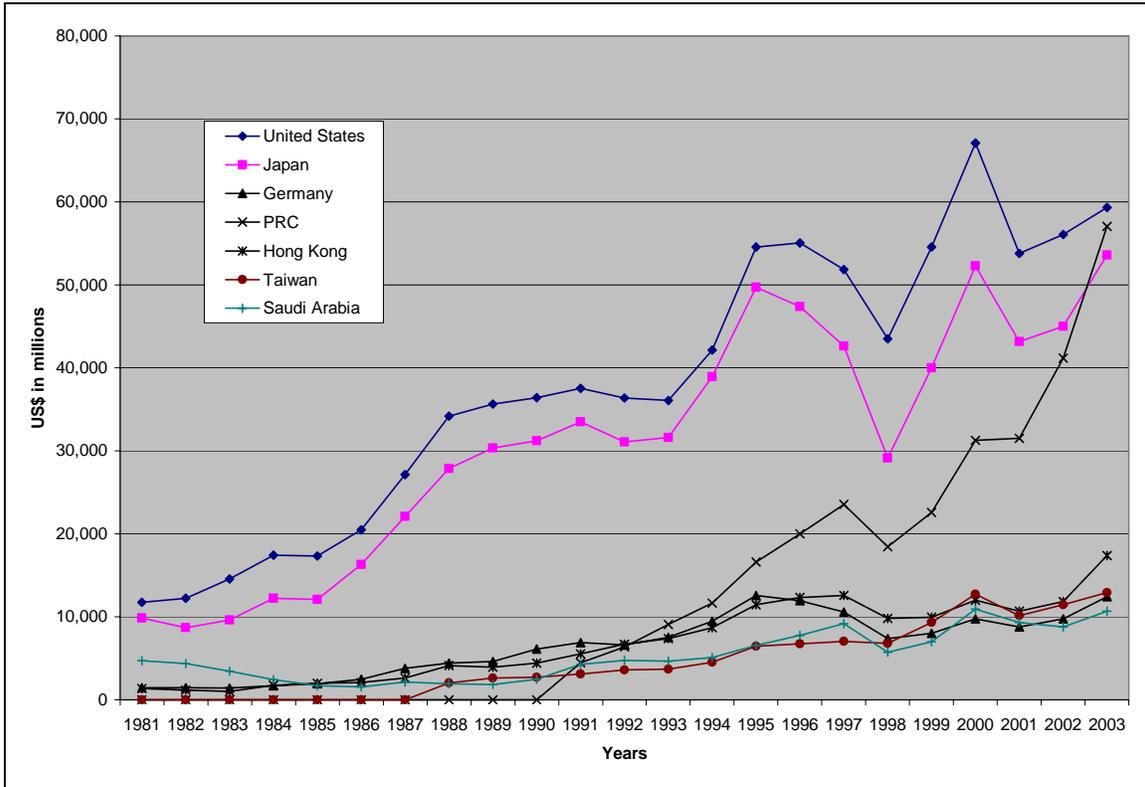


Figure 3. ROK's Amount of Trade with Each Major Partner (Including PRC) Since 1981²⁴

²³ Chang-kyu Lee, "Economic Relations between Korea and China," Korea Economic Institute's *Korea's Economy*, 2004, p. 71.

²⁴ *IMF Direction of Trade Statistics. Yearbook*. I took the major trading partners of both China and South Korea and also included major partners they do not share with each other.

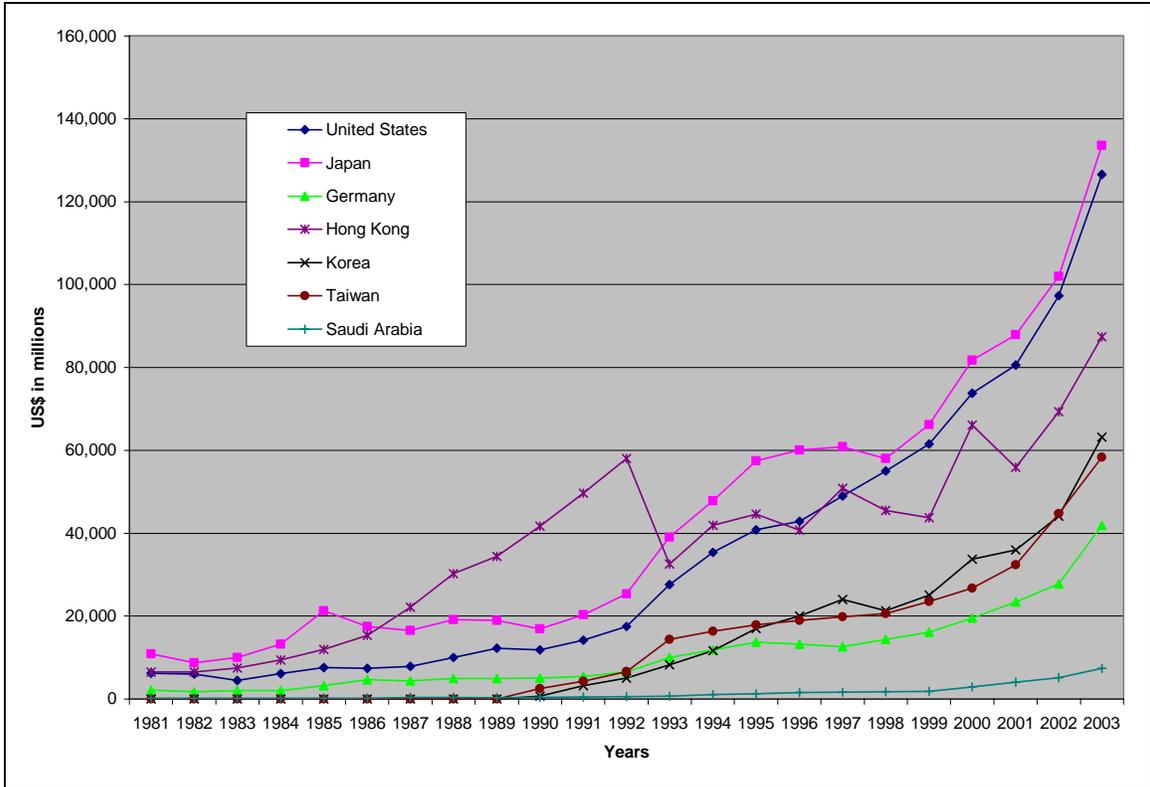


Figure 4. PRC's Amount of Trade with Each Major Partner (Including ROK) Since 1981²⁵

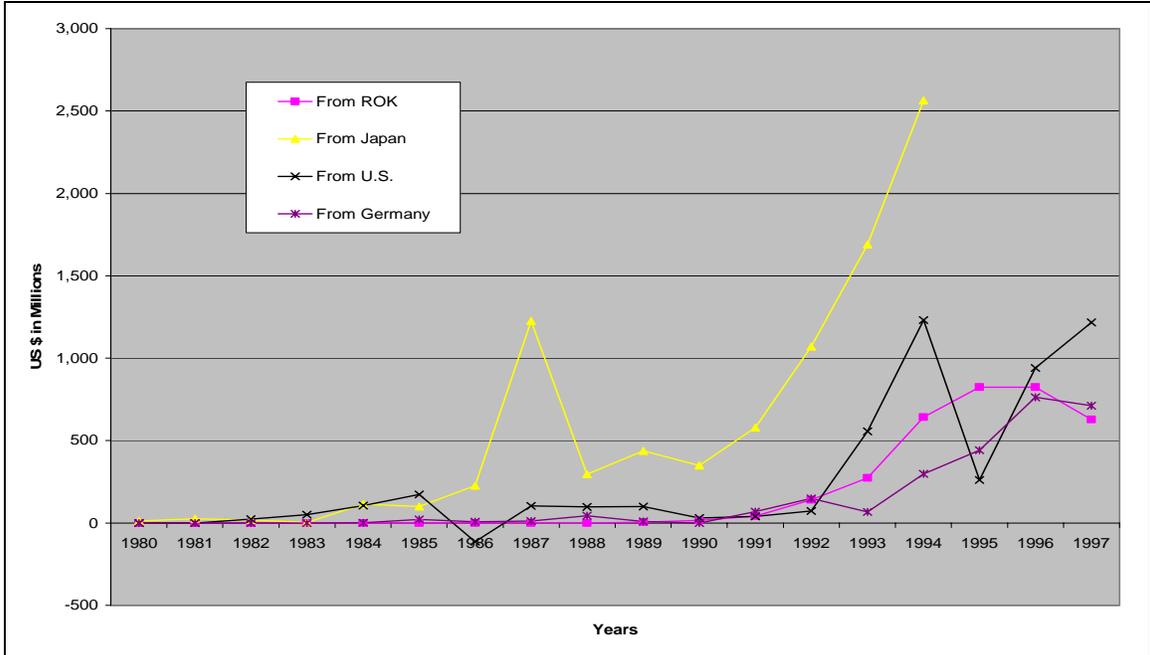


Figure 5. The FDI of Major Trading Partners into China from 1980-1997²⁶

²⁵ IMF *Direction of Trade Statistics, Yearbook*. I took the major trading partners of both China and South Korea and also included major partners they do not share with each other.

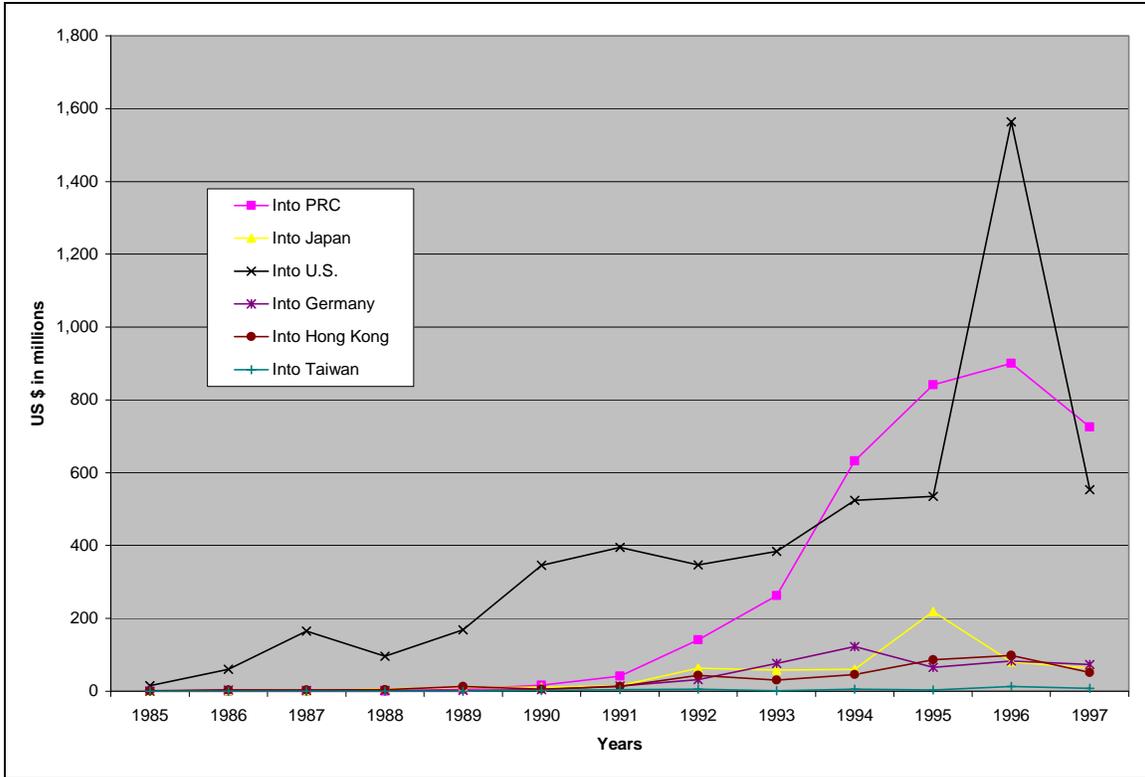


Figure 6. The Outgoing FDI from ROK into Its Major Trading Partners, 1985-1997²⁷

3. Trade and Investment in Scale

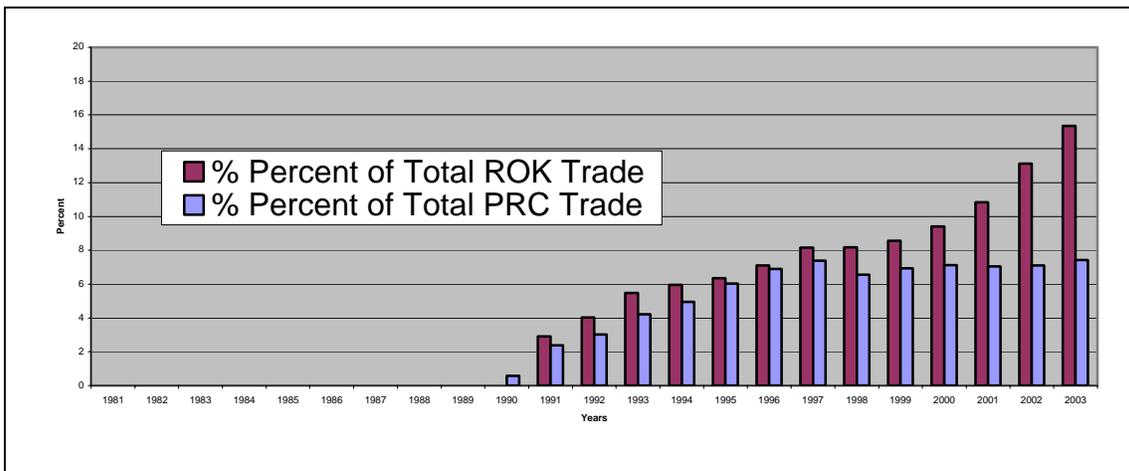


Figure 7. The Percentage of Trade with Each Country Out of Total Trade Since 1981²⁸

²⁶ "Data and Statistics," in The World Bank Group [database online]. [cited 2005]. Available from <http://www1.worldbank.org/economicpolicy/globalization/data.html>. Accessed Oct 2005. I used the same partners as above if they had data available.

²⁷ Ibid. I used the same partners as above if they had data available.

²⁸ IMF *Direction of Trade Statistics. Yearbook.*

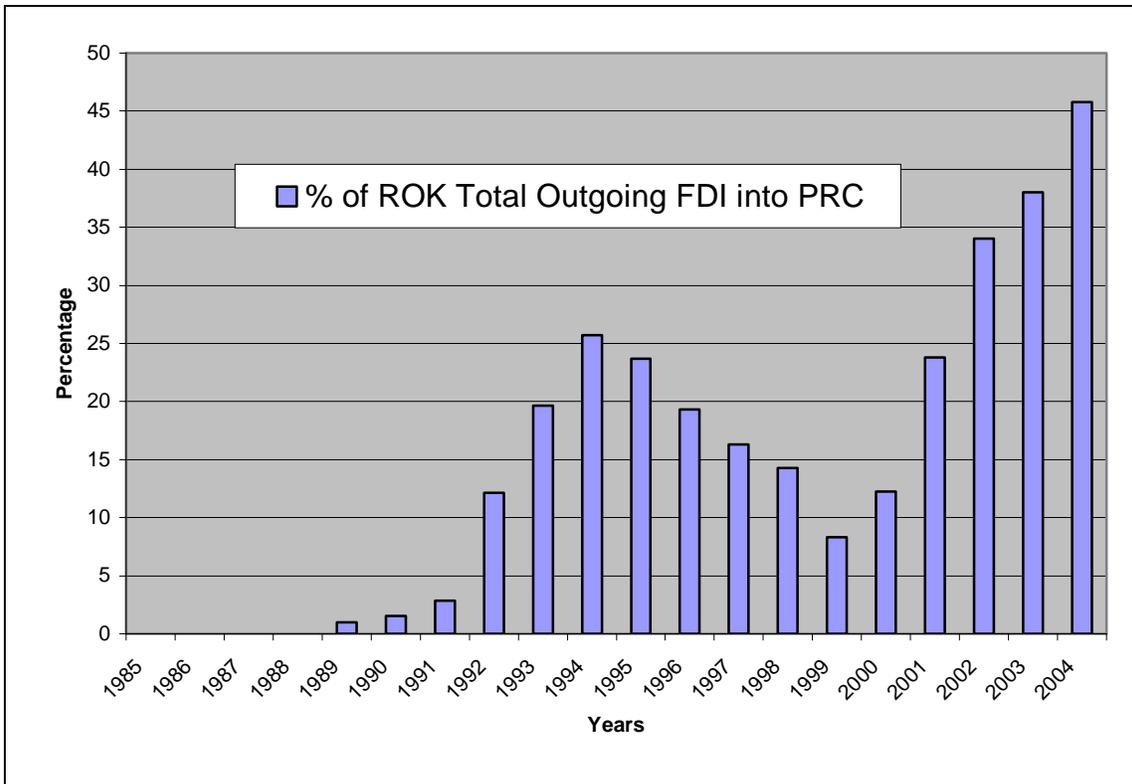


Figure 8. The Percentage of Outgoing FDI from ROK into PRC Out of Total ROK Outgoing FDI, 1985-2004²⁹

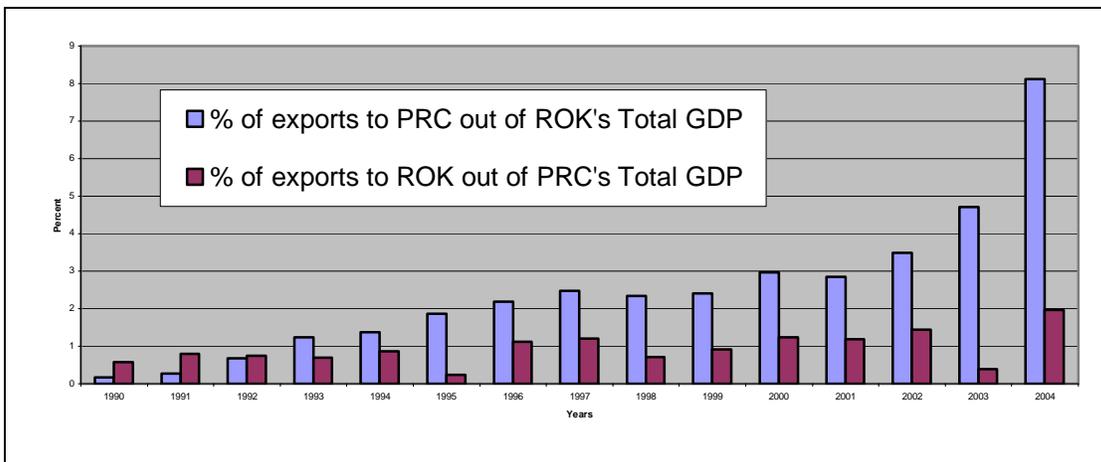


Figure 9. The Percentage of Exports to Each Country Out of Constant GDP, 1990-2004³⁰

²⁹ "Data and Statistics." And *International Monetary Fund: Balance of Payments Statistics Yearbook*, (2004); *World Investment Report 2005: Transnational Corporations and the Internationalization of R&D* UNCTAD, (2005). And "Trade with S. Korea on Fast Track." And Lee, "Economic Relations between Korea and China," 69.

³⁰ "Manufacturer, Exporter, Importer, Market Survey - all about Korea Trade." And "Strategic Asia: A Program of the National Bureau of Asian Research," [cited 2005]. Available from <http://strategicasia.nbr.org/Data/CView/View.aspx?c=34>. Accessed Oct 2005.

4. Pre-Normalization

The seeds for this prospering economic relationship were planted in the late 1970s when Seoul sought to capitalize on China's opening of its market. Able to circumvent the political and security implications, the two countries began trading with "a willingness by both Seoul and Beijing to separate politics from economics [that] therefore allowed an incremental improvement in relations."³¹ As the economic relationship began to grow, diplomatic ties inevitably emerged. In 1990, the Korea Trade Promotion Association (KOTRA) and the Chinese Chamber of Commerce set up trade offices which "marked the start of government-sanctioned economic relations and the shift from indirect trade to open and direct transactions."³² Progression continued over the next couple years as both governments granted each other Most Favored Nation status and agreed to protect investments.³³ Finally, in 1992, China and South Korea normalized relations, forty years after a brutal, bloody war and just three years after the Berlin Wall fell, leading to German unification.

5. Asian Financial Crisis

The economic relationship between China and South Korea continued to grow rapidly after normalization. The Asian financial crisis in 1997-1998 gave Beijing an opportunity to show how much it valued its relationship with South Korea, which had been hit fairly hard by the crisis: Beijing promised not to devalue the yuan "in order not to destabilize the economic turmoil sweeping Asian countries."³⁴ China, itself, avoided being hurt directly by the crisis because, according to scholar Robert G. Sutter, "its currency was not convertible, it holds the world's second largest reserve of foreign exchange, its large international debt mainly involves long-term commitments, and the vast majority of investment in China comes from the 40 percent domestic savings rate."³⁵ Nonetheless, Beijing's commitment helped South Korea to recover quickly, which in turn, helped the trade volume between the two countries rebound and continue growing

³¹ Cha, "Engaging China: Seoul-Beijing Détente and Korean Security," 73-99.

³² Ibid.

³³ Ibid.

³⁴ "PRC Urges ROK to Refrain from Enacting Citizenship Law," *Yonhap*, 21 September 1998, FBIS, FTS19980921000494.

³⁵ Robert G. Sutter, *Chinese Policy Priorities and their Implications for the United States*, p. 6.

as can be seen in Figure 1.³⁶ Victor Cha accurately encapsulates the situation when he wrote, “the impact of the financial crisis on the China-South Korea axis, therefore, has been neutral if not positive, attesting to the resilience of relations.”³⁷ Not only did the economic relationship overcome turbulence that will be highlighted later in this chapter, but as Victor Cha stated, it grew stronger.

6. Three Lucrative Trade Sectors

Several sectors became highly lucrative to South Korean trade: construction, telecommunications, and manufacturing. By 1999, China became the “largest market for Korean construction projects abroad,” and with \$750 billion worth of infrastructure projects through the end of the millennium, the market only grew larger for Korean construction companies.³⁸ As China began to develop code-division multiple access (CDMA)—technology that allows cellular phones to work—lines for its mobile telecommunications sector, South Korea maneuvered to gain a share of the market, spending “considerable time and effort lobbying Chinese [government] counterparts to support South Korean participation in China’s CDMA development at virtually every senior leadership meeting” from late 1998 until the first round of bidding in 2001.³⁹ Manufacturing comprises South Korea’s third focus in China. This focus has made such an impact that Korean products are gaining recognition in China’s huge domestic market. In 2001, more than 20 percent of Chinese consumers “picked passenger cars as a product associated with Korea, with 16.7 percent and 11.8 percent choosing mobile phones and TV sets, respectively.” Also, a principal manufacturer, the LG Group, “has established itself as a major provider of reasonably priced household goods” in China.⁴⁰

³⁶ Dae Yeol Son, "The Role of China in Korean Unification" (Master's Thesis, Naval Postgraduate School, 2003), p. 61.

³⁷ Cha, "Engaging China: Seoul-Beijing Détente and Korean Security," p. 89.

³⁸ Ibid., p. 88.

³⁹ Scott Snyder, "Economic Interests Uber Alles: Hitting the Jackpot through Sino-Korean Partnership," *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 3, no. 2 (2001). And Sung-Jin Yang, "Korea Storms Chinas Handset Market," *Asia Computer Weekly* (Aug 19 2002): 1.

⁴⁰ Snyder, "Economic Interests Uber Alles: Hitting the Jackpot through Sino-Korean Partnership."

7. Growth in the New Millennium

China and South Korea continued to improve this economic foundation during the first few years of the new millennium. In 2001, Seoul created the “China Experts Forum” with its mission being “to develop long-term strategy [*sic*] to enhance trade and investment between the two countries.”⁴¹ In November, Korean small- and medium-size businesses were represented at the “Korea Product Show 2001” in Beijing.⁴² Drastic tariff rate reductions materialized on both sides in early 2002 when China joined the “Bangkok Agreement.”⁴³ This agreement is a “preferential trade arrangement that aims at promoting intra-regional trade through exchange of mutually agreed concessions by member countries,” currently includes China, South Korea, India, Bangladesh, Sri Lanka and Laos,⁴⁴ and is the largest PTA in the world in terms of population.⁴⁵ A few months later, the finance ministers from both countries launched “The Korea-China Investment Cooperation Committee” in Seoul.⁴⁶ Shortly thereafter, talks began about building an industrial complex for Korean manufacturers on the North Korea-China border.⁴⁷ Meanwhile, the Bank of Korea agreed to a currency swap worth \$2 billion as a preventative measure for another Asian financial crisis.⁴⁸ In early 2003, a “China Business School” opened in Korea with its purpose being to “educate Korean businesses about specialized topics regarding trade and investment with China.”⁴⁹ South Korea’s

⁴¹ Scott Snyder, "Navigating the Swiftly Shifting Currents," *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 3, no. 3 (2001). And Yoon-bae Park, "Gov't to Hammer Out Measures to Cope with China's WTO Entry," *Korea Times*, 14 November 2001.

⁴² Scott Snyder, "Keeping the Eye on the (WTO) Prize while Containing Consular Crises," *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 3, no. 4 (2002).

⁴³ Scott Snyder, "Transit, Traffic Control, and Telecoms: Crossing the 'T's' in Sino-Korean Exchange," *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 4, no. 1 (2002).

⁴⁴ "United Nations Economic and Social Commission for Asia and the Pacific," in UNESCAP [database online]. 14 October [cited 2005]. Available from <http://www.unescap.org/index.asp>.

⁴⁵ "China Joins Bangkok Agreement," Press Release, UN Press Release, REC/87, United Nations Economic and Social Commission for Asia and the Pacific, New York.

⁴⁶ Snyder, "Clash, Crash, and Cash: Core Realities in the Sino-Korean Relationship."

⁴⁷ *Ibid.*

⁴⁸ *Ibid.* And "Seoul, Beijing Agree to Swap Foreign Currency in Case of Crisis," *Korea Times*, 5 November 2001.

⁴⁹ Snyder, "Regime Change and another Nuclear Crisis."

evasion of a recession in the latter half of 2004, primarily because of its exports to China, also helped to solidify this economic relationship.⁵⁰

8. China's Entry into the World Trade Organization

While three sectors mentioned earlier have constituted the primary focus, other events have improved the economic relationship, particularly China's entry into the World Trade Organization in late 2001. China's membership in the WTO "[boosted] the ROK-PRC trade and investment volume and [enhanced] much more mutual economic interdependence" between the two countries.⁵¹ Less than one year after China's entry into the WTO, trade volume between the two countries increased so much that China became South Korea's number one trading partner, surpassing the United States. Korea also invested more in China (\$1.3 billion⁵²) than in the United States in 2002.⁵³

9. Foreign Direct Investment

While most FDI is comprised of only money (for FDI statistics, see Figures 2, 5, 6 and 8), South Korea's includes more than that. In 2000, "a Korea-China job training center [opened] in Beijing, financed by the Korea International Cooperation Agency (KOICA), as part of efforts to support human resources development in China."⁵⁴ While China constitutes the world's "leading destination for foreign direct investment," Korean small- and medium-size enterprises, surprisingly, "are leading the Korean FDI charge in China" rather than the major corporations that run bigger operations.⁵⁵ In fact, the Korea Small and Medium Business Institute surveyed 178 enterprises in 2003, 72.2 percent of whom replied they "hope to invest in China within five years."⁵⁶ While trade and investments have greatly increased over the years and have substantially strengthened the

⁵⁰ Scott Snyder, "Waiting Game," *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 6, no. 4 (2005).

⁵¹ Son, "The Role of China in Korean Unification," p. 61.

⁵² Lee, "Economic Relations between Korea and China," p. 71.

⁵³ Scott Snyder, "Beijing in the Driver's Seat? China's Rising Influence on the Two Koreas," *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 4, no. 4 (2003); For more information see, "Korea-Financed Training Center Opens in Beijing," *Korea Times*, 19 December 2000.

⁵⁴ Scott Snyder, "Consummating 'Full-Scale Cooperative Partnership,'" *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 2, no. 4 (2000).

⁵⁵ Snyder, "Beijing in the Driver's Seat? China's Rising Influence on the Two Koreas." For more information see, "Smaller Financial Firms Play Big Role," *China Daily*, 13 July 2001.

⁵⁶ Snyder, "Regime Change and another Nuclear Crisis."

economic relationship between South Korea and China, other events have also contributed to, or were a result of, this strengthened relationship.

10. Downsides

Of course, this relationship has its drawbacks. As China continues to grow and modernize, the relationship will see some competition. China's product improvement has "increasingly challenged" Korea's competitiveness in underdeveloped countries. Not only that, but as China's products improve, Chinese demand for South Korean products will decline.⁵⁷ At the same time, Korean firms are facing competition with China's low labor costs, the result of which has "[hollowed] out Korean industry and [has created] unprecedented levels of investment by Korean firms in plants based in China." Yet as these fears gain more attention, alleviations emerge as well, such as industrial zones that intend to use low wage North Korean labor.⁵⁸

11. Optimistic Future

The economic relationship between South Korea and China, nonetheless, remains strong with many optimistic about its future. In fact, conglomerates feel comfortable enough about the future that many are looking to incorporate strategies that view China as a "second internal market."⁵⁹ Perhaps South Koreans feel comfortable because they feel they recognize China's situation, as best stated by Scott Snyder:

The bustling feel and particular needs of the PRC as a late-developing modernizer, the role of the state in order, brokering, and channeling economic opportunities, the lack of regulatory infrastructure, and the risks (corruption) and opportunities (entrepreneurship) that such an atmosphere provides, the combination of constraint on political expression and economic opportunism that permeates Chinese society—all these aspects of the business atmosphere in China are immediately recognizable to

⁵⁷ "ROK's Yonhap: Exports have been Remarkable, but can S. Korea Sustain Momentum?" *Yonhap*, October 21 2004, FBIS, KPP20041021000040.

⁵⁸ Snyder, "Waiting Game;" And, B. J. Lee, "An Oasis of Capitalism; South Korean Companies Explore the Possibilities of Outsourcing to the North, in a New Economic Zone." *Newsweek* (Sep 19 2005): 51.

⁵⁹ Scott Snyder, "Happy Tenth for PRC-ROK Relations! Celebrate while You can, because Tough Times are Ahead," *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 4, no. 3 (2002).

South Korean entrepreneurs, who almost instinctively understand how to work in an environment reminiscent of South Korea two decades ago.⁶⁰

No matter what causes this relationship to grow or slow, it serves as a foundation from which other relations between South Korea and China have expanded and will continue to expand.

B. DIPLOMATIC RELATIONSHIP

Since normalization, Beijing and Seoul have pursued variations of what they call a “cooperative partnership.”⁶¹ On top of economic cooperation, Beijing and Seoul conduct active diplomatic exchanges, pursue military exchanges, and work together toward peace on the peninsula. Of particular interest is the cooperation between the two countries regarding the Six Party Talks. Their efforts to engage North Korea during the present nuclear crisis exemplifies how their economic relationship has strengthened their diplomatic one:

Burgeoning bilateral trade and investment anchors the China-South Korea economic relationship and underscores mutual interests in a diplomatic approach to North Korea that peacefully bounds North Korean nuclear threats and introduces gradual economic reforms to the North.⁶²

Even so, the diplomatic relationship has developed more slowly than the economic one; yet it still has progressed substantially since normalization.

The opening of the South Korean consulate in Shenyang province, located in northeastern China, depicts a good example of substantial yet slow progress. The Chinese embassy and a consulate are open in Seoul and Pusan, respectively, while South Korea has an embassy in Beijing and five consulates throughout China.⁶³ However, the

⁶⁰ Scott Snyder, "Happy Tenth for PRC-ROK Relations! Celebrate while You can, because Tough Times are Ahead," *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 4, no. 3 (2002).

⁶¹ Mentionings of this “cooperative partnership” can be found throughout the recent years in several publications, to include: Cha, "Engaging China: Seoul-Beijing Détente and Korean Security," 73-99. Snyder, "Consummating 'Full-Scale Cooperative Partnership.'" And Snyder, "Economic Interests Uber Alles: Hitting the Jackpot through Sino-Korean Partnership."

⁶² Snyder, "Regime Change and another Nuclear Crisis."

⁶³ "KR.EmbassyInformation.Com - South Korea Embassy Information," in Korean Overseas Information Service [database online]. South Korea [cited 2005]. Available from <http://www.kr.embassyinformation.com>. Accessed Oct 2005.

consulate in Shenyang province did not open until 1999, after seven years of negotiations. The South Koreans desired a consulate there due to the one million Korean-Chinese and 5,000-10,000 South Koreans who reside there.⁶⁴ Chinese officials cited concerns that “Seoul would create an extraordinary alliance with the three northeastern Chinese provinces and that North Korea, which already operates a consulate general in Shenyang, might react negatively to the decision.”⁶⁵ Thus, seven years of negotiations eventually garnered a consulate affairs office for South Korea; the office was upgraded to consulate general level in 2002.⁶⁶ Nonetheless, Beijing and Seoul have pursued a diplomatic relationship beyond the concerns of North Korea.

In 2000, Beijing and Seoul agreed to install direct hotlines between the two foreign ministers.⁶⁷ That same year, the two governments signed a treaty on “judicial cooperation in criminal investigations,” which allowed for “information and evidence exchange between law enforcement authorities.”⁶⁸ Then in 2001, an ROK consulate-general in Guangzhou opened a “to assist Korean companies operating in the region and help arrange personnel exchanges.”⁶⁹ Along with their growing diplomatic relationship, the South Korean government has taken steps to show China how much it values this relationship.

One particular display consists of Seoul’s “one China” policy. Aside from discontinuing flights to Taipei after normalization, Seoul has taken other steps to show China where it stands. In 2002, the government opposed a visit to the country by Taiwan’s First Lady Wu Shu-chen, citing it would violate the “one China” policy.⁷⁰

⁶⁴ "ROK Consulate General to Open in Shenyang," *The Korea Times*, 25 July 2002.

⁶⁵ "Consular Office due in Shenyang," *The Korea Times*, 6 July 1999.

⁶⁶ "ROK Consulate General to Open in Shenyang."

⁶⁷ Scott Snyder, "Beijing at Center Stage Or Upstaged by the Two Kims?" *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 2, no. 2 (2000). For more, Edward A. Olsen, *Toward Normalizing U.S.—Korea Relations: In due Course?* (Boulder, Co: Lynne Rienner Publishers, 2002), p 95.

⁶⁸ Scott Snyder, "Upgrading Communication Channels, Messages are Getting Clearer," *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 2, no. 1 (2000)

⁶⁹ Snyder, "Navigating the Swiftly Shifting Currents." For more, "Guangzhou Consulate General to Open," *Korea Times*, 30 July 2001.

⁷⁰ Snyder, "Clash, Crash, and Cash: Core Realities in the Sino-Korean Relationship."

Seoul also prevented a visit to South Korea by the Dalai Lama against the protest of many Buddhist groups in South Korea. More recently, Seoul told the United States it could not use U.S. troops stationed in South Korea for operations outside the Korean peninsula without Seoul's consent. This action was seen as an attempt to deconflict interests should a military dispute break out between China and Taiwan.⁷¹

1. Military Relationship

Perhaps, in order to diffuse concerns that the U.S.-ROK alliance aims to contain China, Seoul has developed a military relationship alongside its diplomatic one with Beijing. In 1999, Beijing and Seoul institutionalized "reciprocal annual visits by their defense ministers."⁷² Considering the two countries were brutal adversaries fifty years earlier, the visit by Chinese Defense Minister, Chi Haotian, to South Korea in early 2000 made history. His visit, constituting the first official visit to Seoul by a person in his position since the Korean War, also signified the growth of this relationship as he "was the first major guest of the new millennium in Seoul."⁷³ Seoul reciprocated the visit a year later when the Army Chief of Staff, Kil Hyoung-bo, visited China, the first ROK Army chief to do so since the end of the Korean War.⁷⁴ Meanwhile, the two countries increased its military exchanges when eighteen Chinese students from the PRC National Defense College visited the Korea National Defense University for ten days in the summer of 2000.⁷⁵ Another significant military event occurred in late 2001 when a few ships from South Korea's Navy made its first port call to the mainland in Shanghai.⁷⁶ Also, in 2003, Seoul and Beijing "agreed to hold [bilateral] security talks on a regular

⁷¹ "South Korea Will Not be Dragged into Regional Wars - Defence Minister," *Yonhap News Agency*, 7 July 2005, LexisNexis Academic.

⁷² Chung, "South Korea between Eagle and Dragon: Perceptual Ambivalence and Strategic Dilemma," p. 782.

⁷³ Snyder, "Upgrading Communication Channels, Messages are Getting Clearer." And Olsen, *Toward Normalizing U.S.—Korea Relations: In due Course?* p. 95.

⁷⁴ Scott Snyder, "The Winds of Change: Fresh Air Or Pollution?" *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 3, no. 1 (2001).

⁷⁵ Snyder, "Beijing at Center Stage Or Upstaged by the Two Kims?."

⁷⁶ Snyder, "Keeping the Eye on the (WTO) Prize while Containing Consular Crises." And "ROK Navy Ships to make 1st Port Call to China," *Korea Times*, 21 Sept 2001.

basis.”⁷⁷ Finally, after a four day visit to China in late March/early April of 2005, South Korea’s Defense Minister, Yoon Kwang-ung, said Seoul would expand military exchanges with China, increasing them to the level between South Korea and Japan.⁷⁸

China displayed its appreciation for South Korea’s efforts in all areas of the strengthening relationship when the PRC media rendered “highly positive treatment” toward South Korea’s President Roh Moo-hyun during his visit in 2003; it was deemed the “most positive coverage...in recent years.” Some believe the treatment reflected China’s “continuing efforts to strengthen political as well as economic ties.”⁷⁹ South Korea’s strides could be seen as well when, in 2000, then-President Kim Dae-Jung asked Beijing to take on a “leading role in efforts to find a peace formula to replace the armistice” from the Korean War, a tremendous step for the adversaries of that war.⁸⁰ That Kim Dae-Jung asked for help is irrelevant; that he asked Beijing, of all governments, signifies the growing strength of their diplomatic relationship.

While the two governments have encouraged a closer relationship, the citizens of each country have followed in their governments’ footsteps or, even, paved the way through social and cultural ties. Although China and Korea share a deep history more than two thousand years old, memories of the living generations know only of the deep adversarial agitations from 1950 through 1992. While the older generations in South Korea still favor the United States, most of the people in both China and South Korea seem to feel the same way as the governments do. This sentiment is no more apparent than in the social and cultural ties developing as each country experiences a “fever” for the other one.

C. CULTURAL/SOCIAL RELATIONSHIP

A significant indicator of the strengthening relationship between China and South Korea is the boisterous cultural and social ties growing in each country. Tourism, student

⁷⁷ Suk-joo Sohn, "Seoul, Beijing to Hold Regular Security Talks," *Korea Times*, 3 August 2002.

⁷⁸ Sung-ki Jung, “China is Important, Not Threat,” *Korea Times*, 24 August 2005.

⁷⁹ "FMN 09 Jul: No’s Visit to China Bolsters Bilateral Ties, Skirts DPRK Nuclear Issue," *China—FMN*, 9 July 2003, FBIS, CPF20030709000222.

⁸⁰ "China Joins Bangkok Agreement." And “AFP: Premier Zhu Says PRC To Play ‘Constructive Role’ for Korean Peninsula Peace.”

exchanges, and demand for pop culture have all skyrocketed in recent years. South Korea's co-hosting of the 2002 World Cup could serve as the pinnacle of cultural ties between the two countries since as many as 30,000 Chinese descended upon South Korea during one summer month.⁸¹ This section looks at events and trends in each country that constitute these cultural and social ties.

1. South Korea

Virtually everyone is aware of the "China fever" currently spreading throughout South Korea. While some Koreans look to China for its economic opportunities, others are attracted to China's history and possible growing power. Thus, many South Koreans have begun to pursue interests involving China.

The increase in tourism to China from South Korea provides substantial evidence of this "China fever." In 2001, a new high of 1.6 million South Koreans visited China⁸²—the number of South Korean visitors to Japan would not reach that level until 2004.⁸³ Perhaps as a result, Korean Airlines announced "expanded flight service" to 12 cities in China on 16 different routes 82 times a week in 2002. The company expected more than 1 million passengers (a new high) for the year.⁸⁴ To credit KAL's anticipation, by April 2002, "the number of flights between South Korea and China surpassed the number of flights between South Korea and Japan for the first time."⁸⁵ Even with half the World Cup games occurring in Japan, more Koreans flew to China than Japan that summer.⁸⁶ Moreover, the numbers continue to rise. In 2005, China was

⁸¹ Snyder, "Happy Tenth for PRC-ROK Relations! Celebrate while You can, because Tough Times are Ahead." And Yun-seon Heo, "Chinese Fans Mass in Kwangju to Support National Team," *Korea Times*, 04 June 2002.

⁸² Snyder, "Transit, Traffic Control, and Telecoms: Crossing the 'T's' in Sino-Korean Exchange." And "Numbers of Overseas Visitors Rising," *China Daily*, 27 April 2005.

⁸³ "Japan National Tourist Organization Website," in Japan National Tourist Organization [database online]. Japan 24 August [cited 2005]. Available from <http://www.jnto.go.jp/eng/STA/PDF/E2004.pdf>. Jnto web site.

⁸⁴ Snyder, "Clash, Crash, and Cash: Core Realities in the Sino-Korean Relationship." And Jee-yeon Seo, "KAL, Asiana Fighting Hard Over China Routes," *Korea Times*, 19 April 2004.

⁸⁵ Snyder, "Clash, Crash, and Cash: Core Realities in the Sino-Korean Relations."

⁸⁶ Snyder, "Happy Tenth for PRC-ROK Relations! Celebrate while You can, because Tough Times are Ahead." And "South Korea Being's no. 1 Foreign Tourist Source," in China Internet Information Center [database online]. 30 June [cited 2005]. Available from www.china.org.cn. Accessed Oct 2005.

South Korea's top destination spot when nearly 3 million South Koreans—28.7% of the 10.3 million South Koreans who traveled abroad that year—headed that way.⁸⁷

Meanwhile, student exchanges have increased as well. While the increase may also reflect the more stringent visa requirements for entering the United States after Sept. 11, 2001, the fact that South Koreans are choosing China still reflects the growing social ties. At the top Chinese universities, South Korean students “[constitute] well over half of foreign enrollment.”⁸⁸ At the same time, the two governments have conducted student exchanges at a “municipal governmental level.”⁸⁹ On a reciprocal note, Seoul National University formed, in 2000, the “East Asian Academic Network” that included joint degrees and exchanges with Beijing and Tokyo Universities.⁹⁰

The South Korean government has also taken steps to increase cultural ties. China became so popular in South Korea that Seoul announced plans in 2005 to develop a “large-scale Chinatown” in Ilsan, northwest of Seoul.⁹¹ Also, the Ministry of Culture and Tourism developed a plan to help “export Korean pop culture to China.”⁹²

2. China

The Chinese seem to have fallen in love with Korean pop culture. As China begins to open up, infatuation with South Korea's pop culture seems to make sense merely due to the lack of its own. Or possibly it is more than that. Perhaps, similar to American pop culture throughout the world, Chinese are simply interested in Korean pop culture. Either way, South Korean television shows, movies and music are storming their way into China. Even so, the Chinese have pursued more than just pop culture to increase their cultural and social ties with South Koreans; tourism in China has increased

⁸⁷ Kim Rahn, “Number of Korean Overseas Travelers Exceeds 10 Million,” *Korea Times*, 17 January 2006.

⁸⁸ Frank Ching, “Tempestuous Seoul-Beijing Relationship,” *Straits Times Press*, 27 January 2005, LexisNexis.

⁸⁹ Snyder, “Clash, Crash, and Cash: Core Realities in the Sino-Korean Relationship.”

⁹⁰ Snyder, “Consummating ‘Full-Scale Cooperative Partnership.’”

⁹¹ Hyo-sik Lee, “Large-Scale Chinatown to Debut in Ilsan in 2007,” *Korea Times*, 6 October 2005.

⁹² Snyder, “Navigating the Swiftly Shifting Currents.” And “KITA, KNTA Sign Business Cooperation Agreement,” in Korean International Trade Association (KITA) [database online]. Seoul 5 Sept [cited 2005]. Available from http://global.kita.net/kita/kitanews_viw.jsp. Accessed Oct 2005.

and Beijing has opened a cultural center and school in South Korea. Some scholars have begun to call this phenomenon the “Korean wave” as it “marks South Korea’s capacity to make a notable contribution to China’s consumer culture and South Korea remains a model—and benchmark—for managing China’s own economic development and political liberalization process.”⁹³

South Korean television, movies, computer games and music have all gained tremendous popularity recently throughout China. In fact, South Korean soap operas maintain a “huge influence” over Chinese viewers, even during low viewing hours such as after 10 p.m.⁹⁴ Pop music bands have made record-breaking sales, partly because “the developing Chinese market is so much bigger than the Korean domestic pop music sector,” while other groups have performed to sold-out crowds in China. Some Chinese, particularly “young, upwardly-mobile Chinese girls,” even take “package tours” to South Korea to go to concerts and meet the stars.⁹⁵

South Korean companies in China have begun to capitalize on this “Korean wave,” using Korean television stars to advertise their products, to “expand the image of ROK products in China,” sponsoring concert tours, and “building promotions around the positive image of South Korean pop stars and pop culture.”⁹⁶ Even Chinese companies have started recruiting Korean celebrities to market their products.⁹⁷ At the same time, demand for South Korean products has increased. In fact, Korea’s E-Mart, a discount store similar in style to Wal-Mart, already has three stores in Shanghai with plans to open its first supercenter in October 2005. Interestingly, China was the first country to which the Korean company expanded.⁹⁸

⁹³ Snyder, "Happy Tenth for PRC-ROK Relations! Celebrate while You can, because Tough Times are Ahead."

⁹⁴ "TV Dramas Lure Audience with Changing Content," *China Daily*, 17 January 2005, "TV Dramas Lure Audience with Changing Content." On-line. Available from www.china.org.cn.

⁹⁵ Snyder, "Navigating the Swiftly Shifting Currents."

⁹⁶ Snyder, "Happy Tenth for PRC-ROK Relations! Celebrate while You can, because Tough Times are Ahead."

⁹⁷ Snyder, "Clash, Crash, and Cash: Core Realities in the Sino-Korean Relationship."

⁹⁸ "Korea's E-Mart to Strengthen its Position in the Yangtze River Delta Region," *Retail Asia*, July/August 2005.

The “Korean wave” flowing through China became clearly evident during the 2002 World Cup, co-hosted by South Korea. The Chinese formed one of the largest groups to come to Korea during the tournament that summer.⁹⁹ Even before the first-ever World Cup in Asia, tourism in South Korea from China increased by more than 20 percent in 2001, increasing the “person-to-person exchange” between the two countries to approximately 2 million people per year.¹⁰⁰

The Chinese government has responded to this increased craze with South Korea by opening a cultural center in Seoul, the first in Asia, in December 2004.¹⁰¹ In the previous month, Beijing opened the “Confucius Institute” in Seoul, the “first overseas PRC government-sponsored Chinese language school.”¹⁰² At the same time, Beijing also hosted a delegation of youth assembly members from South Korea in January 2005. Wang Zhaoguo, vice-chairman of the Standing Committee of the National People’s Congress (NPC), told the Xinhua News Agency that Beijing hosted the delegation because “to enhance multi-form and multi-level exchanges between young people is of significance for deepening mutual understanding and friendship between them and for promoting the friendly and cooperative relationship between the two countries.”¹⁰³

China clearly has a lot to gain from a strong relationship with South Korea in all areas. So does South Korea from a relationship with China. While the two countries have experienced turbulence along the way, they both seem to look toward a strong relationship for the foreseeable future.

D. GROWING PAINS

The apparently strong relationship is certainly not perfect. Diplomatic concerns, ranging from environmental issues to trade disputes, have risen on occasion. So far, Beijing and Seoul have managed to resolve these issues for the most part. Though the

⁹⁹ Snyder, “Clash, Crash, and Cash: Core Realities in the Sino-Korean Relationship.” And Kyong-ae Choi, “BC Card Taps China’s Market,” *Korea Times*, 21 September 2004.

¹⁰⁰ Snyder, “Transit, Traffic Control, and Telecoms: Crossing the ‘T’s’ in Sino-Korean Exchange.” And Yong-sung Lee, “Gov’t to Subsidize Chinese Restaurants for Tourism,” *Korea Times*, 23 March 2005.

¹⁰¹ Ching, “Tempestuous Seoul-Beijing Relationship.”

¹⁰² Snyder, “Waiting Game.”

¹⁰³ “China’s Senior Legislator Meets ROK, Iceland Delegation,” *Xinhua News Agency*, 11 January 2005, LexisNexis.

economic relationship has continued to grow as the two countries have worked through these state affairs, the occasional disputes deserve a review. Major issues include trade disputes, maritime issues, illegal immigration, North Korean refugees fleeing to China, environmental concerns, and territorial issues. They roughly fit into two categories: disputes as a result of the growth and disputes that can now be confronted and resolved in new ways as a result of normalization and growth.

1. Disputes as a Result of Growth

Garlic dumping—An example of a major trade dispute between the two countries pertains to the garlic dispute in 2000. In just one year, China's market share of garlic in South Korea had increased ten fold. Seoul leveraged a 315% punitive tariff on garlic imports in response. Unwilling to back down, Beijing, in return, banned imports of polyethylene and mobile phone equipment, two sectors that “[dwarfed] the size of the garlic trade,” causing almost \$100 million in losses to the Korean companies involved. The dispute took only six weeks to resolve, although South Korea lost more on the deal than did China.¹⁰⁴

Maritime issues—Seoul has complained at times when South Korean fishermen feel Chinese fishermen, by virtue of location, have depleted fishing stocks in the waters near South Korea. The two countries concluded a fisheries treaty in 1998, and while complaints have resurfaced from time to time, their relationship continues to grow.¹⁰⁵ Additionally, a scandal arose in 2000 in which seafood imports from China supposedly contained lead pellets in crabs and blowfish designed to increase the price by weight of the shipments. This incident was one of a few “scams” that threatened public health in South Korea, raising concerns amongst Koreans about the “increasing dependency on Chinese food imports.”¹⁰⁶

Illegal immigration—Most of South Korea's illegal immigrants are ethnic Koreans from China who face harsh working conditions. As Korean lawmakers tried to

¹⁰⁴ Scott Snyder, "The Insatiable Sino-Korean Economic Relationship: Too Much for Seoul to Swallow?" *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 2, no. 3 (2000).

¹⁰⁵ Stephen Noerper, "Quietly Building Trust," *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 1, no. 1 (1999).

¹⁰⁶ Snyder, "The Insatiable Sino-Korean Economic Relationship: Too Much for Seoul to Swallow?"

deal with these growing unemployment difficulties, they faced opposition from Beijing because their laws were either discriminatory or focused too much on ethnicity.¹⁰⁷ The Chinese government refuses to allow its citizens to hold dual citizenships as it fears home countries of the minorities may try to gain territory in China.

2. Confrontations and Resolutions as a Result of Normalization and Growth

North Korean refugees—With numbers ranging from 10,000 to 300,000 North Koreans in Northeastern China, dealing with the refugees creates a precarious situation for both China and South Korea. Beijing does not want to alienate Pyongyang by helping citizens of the Democratic People’s Republic of Korea escape to South Korea and claims they are not refugees as the UN claims, but illegal immigrants who should be sent back to North Korea. Meanwhile South Korea does not turn any North Koreans away. In some instances, Beijing has created an uproar in South Korea by storming its compounds in China to retrieve North Korean refugees. But for the most part, Beijing seems overlook the North Koreans within its borders. Only when a case becomes high profile, garnering media attention from around the world, does Beijing actively pursue North Koreans to return to the DPRK. South Korea seems to accept this implicit deal as special groups continue to aid North Korean refugees and, though they complain during the high profile cases, seem to let it go quickly.¹⁰⁸

Yellow dust—Korea has been dealing with “yellow dust” from China since 174 A.D. Every spring, winds blow dust from the Gobi Desert that create a yellow haze throughout parts of Korea. Due to drought in recent years and the increasing industrialization in the coastal cities of China, the dust has started to collect harmful particles, pollutants and heavy metals. These particles can cause respiratory and skin problems.¹⁰⁹ The governments of China, Mongolia, Japan and both Koreas have come

¹⁰⁷ Scott Snyder, "Focus on Stability Despite New Challenges," *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 1, no. 2 (1999).

¹⁰⁸ Snyder, "Upgrading Communication Channels, Messages are Getting Clearer."

¹⁰⁹ "Yearly Uninvited Spring Guest," *Korea Times*, 6 April 2004, LexisNexis.

together to find ways to alleviate the environmental and health risks the “yellow dust” poses as the sandstorm occurrences increase every year.¹¹⁰

Territorial disputes—A territorial dispute erupted recently between the two countries. Based in a region that is now partially in northeastern China, Koguryo, founded in 37 B.C., is considered by Koreans as one of the three kingdoms of ancient Korea. In 2004, Chinese scholars claimed the area was a vassal state of China, a claim that threatened to “seriously damage relations between the two countries.”¹¹¹ Since many ethnically Korean Chinese citizens reside there now (see Table 1 below), Beijing fears Koreans may try to reclaim the territory after unification. Koreans were upset by the scholars’ claim because from their viewpoint, Korea was never a vassal state. Korean kings only “rendered obeisance” to China because it “signified their cultural respect for China as the center of...the civilized world.” Koreans considered this obeisance acceptable because Chinese leaders “carefully refrained from interfering with Korean political autonomy.”¹¹² Like most other events, the dispute quieted as officials from the two countries worked to continue improving relations.

Country (Region)	Overseas Population	Percentage
Africa	7,900	0.1
Australia	84,316	1.3
Canada	198,170	3.0
China	2,439,395	36.7
Europe	107,579	1.6
Russia	532,697	8.0
Japan	901,282	13.6
Latin America	107,162	1.6
Middle East	6,923	0.1
New Zealand	31,800	0.5
United States	2,087,496	31.4

Table 1. Distribution of Overseas Koreans in 2005¹¹³

¹¹⁰ "Northeast Asian Countries Join Forces to Tackle Sandstorm Menace," *Agence France Presse*, 16 December 2003, LexisNexis.

¹¹¹ Ching, "Tempestuous Seoul-Beijing Relationship."

¹¹² Selig S. Harrison, *Korean Endgame: A Strategy for Reunification and U.S. Disengagement*, (Princeton, N.J.: Princeton University Press, 2002), p. 306.

¹¹³ Compiled from “Overseas Koreans Foundation” (Seoul: Republic of Korea, Ministry of Foreign Affairs, 2005). [cited 19 March 2005]. Available from http://www.okf.or.kr/data/status_ME.jsp.

No relationship is easy, including the one between China and South Korea. While the strength of it is remarkable considering they were bitter enemies 50 years ago, it does have its problems. At this point, they seem to quell disputes rather quickly. However, some disputes seem to be quelled only for the moment. As the growth of the relationship continues to gain momentum, the disputes may increase in number and in size, potentially derailing the relationship. Nonetheless, at this point, the relationship continues to grow even with its problems along the way.

III. WHY SOUTH KOREA WANTS A STRONGER RELATIONSHIP WITH CHINA

Analyzing South Korea's desire for a stronger relationship with China through terms defined in the International Relations field gives a better picture as to why its government and, generally, its business enterprises and people want a closer relationship with a country that served as their bitter enemy fifty years ago and that they had little contact with until the late 1980s. This desire is especially surprising when considering Beijing's "outright rejection of expressing remorse or repentance for the Korean War" in the normalization treaty.¹¹⁴ In Realist terms, will South Korea gain national security or regional hegemony by partnering with China? In Liberalist terms, will South Korea gain domestic stability and peace through economic trade and interdependence by engaging China? Having a strong relationship with its longtime neighbor seems beneficial in all aspects of South Korea's current state of affairs. Not only does China's growing economy offer a myriad of opportunities for South Korean entrepreneurs, but China's close relationship with North Korea offers an avenue for South Korea to reduce tensions on the peninsula. Scholar Edward A. Olsen provides insight into these benefits:

[In the late 1990s] Seoul was no longer simply doing an end run around Pyongyang; it was intensely engaging with China on a broad spectrum of activities for sound bilateral reasons and to make better use of China's ability to help generate confidence-building measures between the two Koreas. This alternative also was open to the United States and Japan, but neither possessed the reservoir of cultural, political, and strategic assets that China did.¹¹⁵

This chapter argues the South Korean government has determined to achieve a strong relationship through economic engagement, a Liberalist view. But first, this chapter considers the Realist approach and its flaws.

A. NATIONAL SECURITY AND REGIONAL HEGEMONY THROUGH REALISM

A Realist might argue the South Korean government desires power. It desires power, first, because all states do; South Korea's economic strength, or "latent power,"

¹¹⁴ Cha, *Alignment Despite Antagonism: The United States-Korea-Japan Security Triangle*, p. 217.

¹¹⁵ Olsen, *Toward Normalizing U.S.-Korea Relations: In due Course?* p. 94.

should be leading to a transformation toward real, or military, power.¹¹⁶ Secondly, South Korea has a real security threat it must contend with, North Korea. With these two conditions in mind, a Realist should argue Seoul desires a strong relationship with Beijing because it sees Beijing as a source for the power it desires and needs, and therefore, is bandwagoning. This section will portray a Realist argument explaining Seoul's desires for a strong relationship with China and then the weakness of that argument.

1. Regional Hegemony

South Korea, one of the Asian “tigers,” has demonstrated incredible economic growth from the 1960s and is currently ranked as the fourteenth largest economy in the world.¹¹⁷ In theory, the government should be looking to transform this economic power into real, military power. As China and the United States/Japan hold the most power in the region but are not exactly antagonistic, South Korean leaders should be building up the military and preparing—for when they do become antagonistic—to balance against one and bandwagon with the other.¹¹⁸ Seoul's options are limited to balancing or bandwagoning since it lacks the strength to challenge either power directly.

Though already holding a strong alliance with the United States, South Korea appears to be bandwagoning with China as its leaders anticipate China's rise to a regional hegemonic status, potentially returning Northeast Asian order to its pre-Western intrusion structure. Kenneth Waltz perhaps defines it best when he said, “in a competition for the position of leader, bandwagoning is sensible behavior where gains are possible even for the losers and where losing does not place their security in jeopardy.”¹¹⁹ Seoul certainly gains significantly by joining China. In fact, it actually gains more security, per se, by this form of losing because Beijing helps to reduce tensions with North Korea.

¹¹⁶ Mearsheimer, *The Tragedy of Great Power Politics*, p. 55.

¹¹⁷ "CIA - the World Factbook," 9 August [cited 2005]. Available from <http://www.cia.gov/cia/publications/factbook/index.html>. Accessed Oct 2005.

¹¹⁸ Mearsheimer, *The Tragedy of Great Power Politics*, pp. 138—140.

¹¹⁹ Kenneth N. Waltz, "Anarchic Orders and Balance of Power," in *Neorealism and its Critics* (New York: Columbia UP, 1986), p. 126.

Thus Seoul, according to Realism, has pursued a relationship with China in order to enjoy China's impending success. At the same time, Seoul seems to not only have jumped on the bandwagon, but is helping push China's rise to power as well. Scholar Lee Chae-Jin states Roh Jae Won, the head of the KOTRA [Korea Trade Promotion Corporation] representative office in Beijing in 1992, told him in an interview that same year that in convincing Beijing to normalize, South Korean diplomats played up China's role as a leader in Asia:

...in normalizing its diplomatic relations with South Korea, China would assert a bona fide role of leadership in Asia and recognize Beijing-Seoul relations for their intrinsic merits, rather than as an extension of inter-Korean relations and North Korea's relations with the United States and Japan.¹²⁰

How willingly Seoul sacrifices its own interests in exchange for support from China signifies another example of bandwagoning. A Realist declares the weaker power sacrifices more for the great power in exchange for more security benefits. The only country in Asia with strong ties to Taiwan remaining, the South Korean government cut the ties abruptly as part of its normalization treaty with the People's Republic of China in 1992. Direct flights between Taiwan and Korea were permanently cancelled—although they have since been re-established—and Seoul demanded Taiwan officials “promptly vacate” the \$1.7 billion embassy complex, which was then given to the PRC for use.¹²¹ And, despite strong requests from South Korea's Buddhist community, Seoul rejected a visit by the Dalai Lama.¹²² Seoul's focus on gaining cooperation and support from Beijing, even though Beijing does not reciprocate all the time—examples include Beijing's returning of North Korean refugees to North Korea and claiming the Korguryo territory as a vassal state—has bolstered the relationship since normalization in 1992.¹²³

¹²⁰ As referenced in Chae-Jin Lee and Doo-Bok Park, *China and Korea: Dynamic Relations*, (Stanford, Calif.: Hoover Institution Press, 1996), p. 123.

¹²¹ Victor D. Cha, "The View from Korea," in *Engaging China: The Management of an Emerging Power* (London: Routledge, 1999), p. 38.

¹²² Snyder, "The Insatiable Sino-Korean Economic Relationship: Too Much for Seoul to Swallow?"

¹²³ Snyder, "Upgrading Communication Channels, Messages are Getting Clearer."

Because Asia has historically known China as a regional hegemon and Asia has been most stable when China is strong, Seoul jumping on the bandwagon is fitting. David Kang argues this idea when he points out that from a Realist perspective, Korea should be one of the countries most fearful of China's rise "because China can actually invade" it. Yet, Korea is not "behaving in explicitly balancing behavior."¹²⁴ South Korea's leaders desire to bandwagon with Beijing not just for the perks of regional hegemonic power or for a return to the hierarchical structure, but also to reduce the threat emanating from North Korea.

2. National Security

South Korea's national security predicament certainly carries unique qualities that most countries do not experience today: the Demilitarized Zone remains one of the most hostile areas in the world. To reduce the tension on the peninsula, a Realist would expect Seoul to eliminate Pyongyang's power by gaining its own. Thus, Seoul pursued the foundation of North Korea's power, China and the Soviet Union/Russia. Befriending North Korea's main ally was supposed to eliminate Beijing's support for North Korea in exchange for support for the South.

Rather than completely transfer total support from North Korea to South Korea, however, China transferred some, developing an equidistant "two-Korea" policy. In doing so, Beijing has become an honest broker, exactly what Seoul needs to engage its brother to the north:

China's equidistant policy has been beneficial to South Korea in its efforts to dismantle the Cold War structure through its diversified bilateralism, not only because China can play a role of effective broker between Seoul and Pyongyang, but also because it can facilitate opening and reform of North Korea.¹²⁵

Beijing has urged both Koreas not to "threaten peace and stability." More specifically, in 1999, Beijing used its influence to encourage Pyongyang "not to take actions that would

¹²⁴ David Kang, "Hierarchy and Stability in Asian International Relations," in *International Relations Theory and the Asia-Pacific* (New York: Columbia University Press, 2003), p. 180.

¹²⁵ Chung-In Moon and Taehwan Kim, "South Korea's International Relations: Challenges to Developmental Realism?" in *The International Relations of Northeast Asia* (Lanham: Rowman & Littlefield Publishers, Inc., 2004), p. 260.

undermine regional stability.” In fact, Chinese diplomats played “a critical role” in convincing Kim Jong Il not to conduct additional missile testing over Japan.¹²⁶

3. The Realism Argument Fails

Whether China’s leaders want it or not, China’s rise in power is changing the hierarchical status within the Northeast Asian (and perhaps all of East Asian) region. Whatever the “re-ordering of regional ties” may be, the relationship between Seoul and Beijing certainly stands to play a critical role.¹²⁷ Some people equate the “recent, relative peace” in Northeast Asia to China’s rise as a “responsible regional power.”¹²⁸ Samuel Kim highlights this argument by summarizing Samuel Huntington’s claim, “Asia’s Sino-centric past, not Europe’s multipolar past, ‘will be Asia’s future,’” hence the other countries in the region will bandwagon rather than balance against China.¹²⁹

However, this supposed bandwagoning does not fit Asia’s situation in the traditional Western sense. South Korea’s—and the rest of Asia’s—developing relationship with China does not constitute bandwagoning, but rather, a return to Asia’s pre-modern political structure, as Huntington pointed out. In fact, many South Koreans do not see China as a threatening great power that needs to be balanced against or bandwagoned with. As relations have warmed over the years, South Koreans have begun to perceive China as a “status quo power” no longer seeking unification, but stability.¹³⁰ If South Koreans do not view China as a threat but as the traditional leader—who has respected South Korea’s autonomy—it has historically been, the idea of bandwagoning with a regional hegemon does not apply.

Further, South Korean leaders did not, as a Realist would presume, pursue China in an attempt to reduce North Korea’s power. Instead, South Korean leaders explicitly expressed that they had no desire to contain or absorb North Korea but that they wanted

¹²⁶ Snyder, "Focus on Stability Despite New Challenges."

¹²⁷ Snyder, "Beijing in the Driver’s Seat? China’s Rising Influence on the Two Koreas."

¹²⁸ Kim, "Northeast Asia in the Local—Regional—Global Nexus: Multiple Challenges and Contending Explanations," p. 8.

¹²⁹ *Ibid.*, p. 19.

¹³⁰ Cha, "The View from Korea," p. 35-36.

to engage it instead. The South Korean government thought engaging China would provide the avenue into engaging North Korea.

In 1990, South Korean President Roh Tae Woo announced he would follow up on his campaign promise to make China his “highest-priority target”¹³¹ of the *nordpolitik* policy, an engagement policy “that called for the improvement of South Korea’s relations with socialist powers according to principles of equality, respect, and mutual prosperity.”¹³²

The ultimate objective of our northern policy is to induce North Korea to open up and thus to secure stability and peace on the Korean Peninsula. The road between Seoul and Pyongyang is now totally blocked. Accordingly, we have to choose an alternative route to the North Korean capital by way of Moscow and Beijing. This may not be the most direct route, but we certainly hope it will be an effective one.¹³³

Moscow’s inability to support Pyongyang after the Soviet Union’s fall drove Seoul further into Beijing’s arms. At the same time, “South Korean engagement [sought] to cultivate Beijing’s cooperation by tying Chinese national interests to stability on the Peninsula” through building multi-faceted exchanges.¹³⁴ Over time, Beijing began to more actively ensure peace on the peninsula.

A good relationship with Beijing helped to reduce tensions emanating from North Korea without giving Pyongyang the impression it was cornered or contained: “engagement was successful...because it effectively isolated the North by befriend[ing] its two primary patrons” (China and Russia).¹³⁵ The South Korean government made it abundantly clear containment was not its goal when the Foreign Minister at the time, Lee Jung-binn, encouraged Beijing to “convey to North Korea the true intentions behind [their] engagement policy.” Moreover, another South Korean official publicly stated

131 Oberdorfer, *The Two Koreas: A Contemporary History*, p. 242.

132 Cha, "The View from Korea," p. 40.

133 As quoted in Chae-Jin Lee, "Conflict and Cooperation: The Pacific Powers and Korea," in *Korea's Future and the Great Powers* (Seattle: University of Washington Press, 2001), p. 59.

134 Cha, "Engaging China: Seoul-Beijing Détente and Korean Security," p. 79.

135 Cha, "The View from Korea," p. 45.

Beijing, as a friend of Pyongyang, would be much more crucial than Washington, the antithesis to North Korea, in the reunification efforts.¹³⁶

Ultimately, South Korean leaders are “immensely pleased with the outcome” of their engagement policy with China.¹³⁷ Beijing has increasingly stepped up its role in facilitating peace and stability on the peninsula, the most visible being its role as host of the Six Party Talks. Chinese leaders have also placed more pressure on Kim Jong Il to open up North Korea, who has responded by implementing some reforms he learned from China, allowing his country to experience economic growth, though minor, the past couple years. Beijing also certainly influenced the two Koreas coming together for the 2000 summit.¹³⁸ As shown, Seoul clearly rebuked the Realist paradigm’s approach to inter-state affairs and explicitly chose the Liberalist approach. Therefore looking at the Liberal paradigm will better explain why South Korea desires a strong relationship with China.

B. INTERDEPENDENCE AND MULTILATERALISM THROUGH LIBERALISM

The introductory chapter discussed the theory of Liberalism explained by Bruce Russett and John Oneal. They argue democracy, interdependence and international organizations must work together in order to achieve peace. With China specifically, Seoul has explicitly pursued two elements of the Kantian system, interdependence and international organizations. Looking at the actions taken by South Korean leaders through these ideas delineates a clear picture as to why they desire a strong relationship with Beijing.

1. Interdependence

Engaging China through economic relations reduced tensions between the two states and, consequently, between the two Koreas. As noted in Chapter II, the economic relationship serves as the foundation for other facets of their relationship. At the same

¹³⁶ Snyder, "Upgrading Communication Channels, Messages are Getting Clearer."

¹³⁷ Lee and Park, *China and Korea: Dynamic Relations*, p. 128.

¹³⁸ Nicholas Eberstadt and Richard J. Ellings, "Assessing Interests and Objectives of Major Actors in the Korean Drama," in *Korea's Future and the Great Powers* (Seattle: The National Bureau of Asian Research, 2001), p. 325.

time, their economies are complementary, creating an ardent desire in South Koreans to pursue economic opportunities in China.

Victor Cha, generally considered a theoretical Realist, even highlighted Seoul's belief "that economic linkages, investment, and trade ties can raise the benefits of cooperation and the costs of non-cooperation to China."¹³⁹ But he also acknowledges South Koreans do not naively believe this economic relationship solves the conflicts in Asia, but believe economics "lay the groundwork for, and [open] the door to, incremental cooperation."¹⁴⁰ Thus, this Liberal paradigm holds particular significance because it explains the foundation, the bedrock, of their entire relationship. Cha appropriately calls it a "thick web of economic ties" that serves as the "mainstay for engagement."¹⁴¹ Trade continues to flourish and grow each year, trade disputes are solved rather quickly, and political disputes barely seem to affect trade. The economic stakes are too valuable for South Korea to let anything hurt this economic relationship.¹⁴² Many scholars concede that the "growing economic regionalization and interdependence have often served as a bulwark against persistent or periodic political tensions in...Sino-South Korean relations."¹⁴³

Indeed, South Korean leaders use this economic relationship to further regional security, including "regional economic development and integration." The current South Korean President, Roh Moo-hyun, believes regional economics can serve "as a foundation and buffer through which political/security conflicts may be avoided," and that "such economic interactions are an investment in good neighborly relations."¹⁴⁴ Therefore, not only does China provide ample economic opportunity for South Korean businesses, it also allows Seoul to pursue security through intraregional economic

¹³⁹ Cha, "The View from Korea," p. 36.

¹⁴⁰ Cha, "Engaging China: Seoul-Beijing Détente and Korean Security," p. 77.

¹⁴¹ Cha, "The View from Korea," p. 41.

¹⁴² Chung, "South Korea between Eagle and Dragon: Perceptual Ambivalence and Strategic Dilemma," p. 789.

¹⁴³ Kim, "Northeast Asia in the Local—Regional—Global Nexus: Multiple Challenges and Contending Explanations," p. 40.

¹⁴⁴ Snyder, "Beijing in the Driver's Seat? China's Rising Influence on the Two Koreas."

development. Furthermore, should a free trade agreement amongst the three countries evolve from the economic interdependence developing in Asia, South Korea stands to achieve the most gross domestic product growth and economic gain (see table below).¹⁴⁵ Nonetheless, many South Koreans believe economic interdependence will facilitate more security and stability in the region.

	Korea-China-Japan FTA		Korea-China FTA		Korea-Japan FTA		China-Japan FTA	
	GDP	Economic gains	GDP	Economic gains	GDP	Economic gains	GDP	Economic gains
Korea	3.2	12,644.5	2.4	10,687.8	1.1	3,682.8	-0.2	-1,189.6
China	1.3	8,191.2	0.2	917.0	0.0	-358.0	1.1	7,335.3
Japan	0.2	12,265.1	0.0	119.9	0.0	2,184.7	0.2	10,289.8

Table 2. Balance Sheet for FTAs involving Korea, Japan, and China: GDP Growth (%) and Economic Gains (U.S. \$ in Millions)

One reason this strong economic foundation exists comes from the fact China’s and South Korea’s economies complement each other. Geographical proximity, inexpensive real estate, “readily available raw materials and cultural similarities, including the availability of bilingual workers of Korean ancestry,” all serve as complements that helped establish the bedrock.¹⁴⁶ Furthermore, South Koreans need somewhere to expand its export-led economy in order to keep growing. A close-proximity large country in substantial need of imports for its massively growing economy could not serve as a better solution:

The composition of trade between the ROK and China suits Beijing. Chinese exports of primary products (e.g. raw cotton, vegetables, soybean, maize, coal) and imports of manufactured goods (e.g. household

¹⁴⁵ Moon and Kim, "South Korea’s International Relations: Challenges to Developmental Realism?" p. 268. The table is also from the authors; their source is “Japanese Cabinet Secretariat, quoted in Dong-A Ilbo, January 11, 2002.

¹⁴⁶ Snyder, "Clash, Crash, and Cash: Core Realities in the Sino-Korean Relationship." And Lee and Park, *China and Korea: Dynamic Relations*, p. 157. And Harrison, *Korean Endgame: A Strategy for Reunification and U.S. Disengagement*, p. 317.

electronics, televisions, refrigerators, cement, plastics) fit well with South Korea's own trade needs.¹⁴⁷

Pursuing this economic relationship seems sensible to South Korea. The economies of both China and South Korea continue to grow and feed off each other, creating more prosperity for the people of both countries. The deeper the roots of this relationship, fueled by their complements, the stronger the two countries will be able to weather whatever political storms may pass through this highly volatile region. While some may point out the potential for competition as China's production of products currently made by South Korea increases, only time will tell how South Korean businesses and the government respond. But for the time being, their economies remain complementary.

a. Business is Business

Theory certainly provides a perfectly good explanation for why Seoul desires a strong economic relationship with China. Nonetheless, one must acknowledge the basic premise that the two countries share this partnership merely because South Koreans view China as an "irresistible business opportunity."¹⁴⁸ As early as 1993, many small- and medium-sized companies in South Korea "chose China as the most suitable site for investment" for various reasons.¹⁴⁹ This perception remained strong through 2004 when respondents to a newspaper poll in South Korea declared China should be South Korea's # 1 priority in economic and trade relations.¹⁵⁰ Also, many companies have begun to "localize their presence in China so as to take advantage of the China market;" seeing it as a "second internal market."¹⁵¹ This viewpoint only propels the pursuit of business opportunities.

Aside from the complementary economies, South Korean companies pursue business in China because opportunities continue to abound. In 2000, South

¹⁴⁷ Cha, "The View from Korea," p. 37.

¹⁴⁸ Snyder, "Clash, Crash, and Cash: Core Realities in the Sino-Korean Relationship." And Lee and Park, *China and Korea: Dynamic Relations*, pp. 157-163.

¹⁴⁹ *Ibid.*, p. 157.

¹⁵⁰ "79.8 % of the South Korean People Regard China as a Rival, rather than a Partner," in KBS Global [database online]. Korea [cited 2005]. Available from http://english.kbs.co.kr/explore/what/1334307_11794.html. Accessed Oct 2005.

¹⁵¹ Snyder, "Happy Tenth for PRC-ROK Relations! Celebrate while You can, because Tough Times are Ahead."

Korea's internet and telecommunications industries experienced a "China fever" as they aimed to "capitalize on the expansion" of these industries in China after experiencing "triple-digit expansion" in their own country.¹⁵² Similarly, South Korean industries look to expand in China when the industry becomes saturated domestically, which can be seen through interest in the expansion of China's nuclear energy industry as domestic plant construction has slowed.¹⁵³ Another example of saturation includes South Korea's home shopping television channels. With five companies competing for less than 10 million cable subscribers, several have established joint venture operations in China (which has 90 million cable subscribers) due to negative growth in their domestic market.¹⁵⁴ At the same time, South Korean firms turn to China "to avoid the economic downturns in the U.S. and Japan."¹⁵⁵ Overall, China undeniably provides South Korea ample opportunity for its own economic growth.

Looking at the relationship through the Liberalist paradigm provides good reason for South Korea to desire a strong relationship with China. Not only does such a relationship encourage and sustain economic growth in both South Korea and China, it has played a role in preventing militarized conflict on the peninsula and in Northeast Asia itself as political tensions tend to subside due to the high economic stake.

2. Multilateralism

Another aspect of the Liberal paradigm is that of international organizations. Some believe collective agreements between countries lead to more outbreaks of peace as they work together to ensure stability within the region. Samuel Kim summarized this aspect of the Liberalist theory:

The core assumption of liberalism is that international organizations help states to cope with uncertainty and to pursue their interests cost-effectively. Through international organizations, regulative norms, rules, and governing procedures are established to provide member states with convergent expectations, transparency of actions, and improved

¹⁵² Snyder, "Upgrading Communication Channels, Messages are Getting Clearer."

¹⁵³ Scott Snyder, "Pursuing Super Economic Cooperation," *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 7, no. 2 (2005).

¹⁵⁴ Bo-mi Lim, "S. Korean Home Shopping Channels Making Inroads in China," *Yonhap News*, 1 April 2004, sec. Features.

¹⁵⁵ Snyder, "The Winds of Change: Fresh Air Or Pollution?"

communication. Multilateral institutions, including security institutions, represent a response to the problems of international cooperation created by large numbers of actors, and such institutions can affect the “national interest” cost-benefit calculations of states through their functions of generating and disseminating information, thus increasing the likelihood of international cooperation in N-person games, [a version of game theory that involves more than two players].¹⁵⁶

Compared to the rest of the world, multilateral organizations have developed relatively slowly in Northeast Asia. But as part of its engagement policy, Seoul ostensibly has pursued such organizations. This Liberalist desire for peace, stability and security through economic interdependence and multilateral organizations explains Seoul’s motives to reduce tensions with Beijing.

Another positive outcome from pursuing a relationship with Beijing was the increased ability to establish multilateral institutions within Asia, a goal for Seoul. At the same time, the development of these institutions became an “important vehicle for *driving improvements* in bilateral relations between China and South Korea.” (emphasis added).¹⁵⁷ South Korean leaders wanted peace and stability in the region by reducing tensions on the peninsula.¹⁵⁸ They saw this possibility through a relationship with China. Once that was established, they could pursue peace and stability in the region further by pushing for regional institutions.

The governments of the three major countries in Northeast Asia (China, South Korea and Japan) have begun to hold trilateral meetings in recent years, regarding situations that affect all of them. For example, the Environment Ministers from the three countries met in 2000 to look for ways to reduce the “yellow dust” pollution from China that coats Korea and Japan in sandstorms every spring. A big step toward regional institutions occurred in 1999 when the East Asian Vision Group, suggested by President Kim Dae Jung, was established. The Group’s purpose was “to study future ways for the East Asian community to integrate as a region, thereby following the lead of other

¹⁵⁶ Kim, "Northeast Asia in the Local—Regional—Global Nexus: Multiple Challenges and Contending Explanations," p. 30.

¹⁵⁷ Snyder, "Consummating 'Full-Scale Cooperative Partnership.'"

¹⁵⁸ Lee and Park, *China and Korea: Dynamic Relations*, p. 128.

regional groups such as the EU and NAFTA” and included two representatives from each of the ten ASEAN members plus two each from Japan, China and South Korea.¹⁵⁹ That same year, another breakthrough toward regional institutions occurred when the three countries’ leaders met on the sidelines for the first time during the ASEAN Plus Three meeting. Though the idea came from Japan, Seoul was in full support: “the call for such a meeting was definitely in line with Kim Dae-jung’s active advocacy of regional and multilateral dialogue, a building block for a future Asian community....”¹⁶⁰

Alongside its northern policy, Seoul pursued *seggyehwa*, or globalization. *Seggyehwa* “implied a leading role for South Korea in international organisations and the continued expansion of South Korea’s multi-directional diplomacy.”¹⁶¹ Not only did this globalization policy allow Seoul to engage China by placing its initiatives in the “context of a non-ideological and overarching foreign-policy vision,”¹⁶² but it also, if subconsciously, allowed Seoul to open Beijing up to the idea of multilateral institutions. Beijing, initially reluctant, eventually agreed to talks between the three Northeast Asian countries (South Korea, China and Japan) that Seoul continues to promote today.¹⁶³ Another benefit for Seoul included being perceived as an active and positive player in the region:

[South Korea] was not a ‘normal state’ and not a fully accepted member of the international community. Its identity in the region was as a security ‘problem,’ and its fate was determined by others. In this context, the ability to successfully engage a former adversary like China held significance. It affirmed ROK developmental successes as an economy that others wanted to model and benefit from. If China took the ROK seriously, this affirmed Seoul’s own view that its position in the system changed. It was now a ‘player’ in the region and a proactive shaper, rather than passive subject, of its external environment. As a power that sought

¹⁵⁹ Quansheng Zhao, "China and the Korean Peace Process," in *the Korean Peace Process and the Four Powers* (Burlington: Ashgate, 2003), p. 110-111.

¹⁶⁰ Scott Snyder, "Deepening Intimacy and Increased Economic Exchange," *Comparative Connections: An E-Journal on East Asian Bilateral Relations* 1, no. 3 (1999). And Snyder, "Focus on Stability Despite New Challenges."

¹⁶¹ Cha, "Engaging China: Seoul-Beijing Détente and Korean Security," p. 80.

¹⁶² Ibid.

¹⁶³ Snyder, "Deepening Intimacy and Increased Economic Exchange." And Snyder, "Focus on Stability Despite New Challenges."

to bring China into multilateral organizations, the ROK fulfilled its own desires to be seen as a leader of regional tension reduction and dialogue rather than as a source of this tension.¹⁶⁴

Not only did Seoul pursue a relationship with China for the benefit of the country and its people, but it also pursued the relationship for the benefit of the region. Seoul certainly subscribes to the Liberalist idea of international relations. It seems to advocate the Kantian triangle described by Russett and Oneal. Although it cannot necessarily push for democracy in China, its pursuit of economic interdependence and multilateral institutions with China (and Japan for that matter) signify its desire for peace through Liberalist ideas.

C. LIBERALISM SUCCEEDS

South Korean leaders wanted a rapprochement with China beginning in the 1970s.¹⁶⁵ But it was not until the late 1980s when the Cold War was winding down that Beijing began to open up to Seoul's pursuits. In fact, once the Cold War ended with the fall of the Soviet Union in 1991, the relationship between China and South Korea began growing rapidly. As pointed out in this chapter, Seoul's pursuit of a relationship with China can be best explained through the Liberal paradigm of International Relations.

Even South Korean leaders acknowledged this approach throughout speeches and actions since the 1980s. When faced with the Realist paradigm about balancing its pursuit of China economically with the "requirements of the U.S.-ROK security alliance," Korean analysts responded that with the Cold War over, they no longer needed to "view political, security, and economic relationships in zero-sum terms."¹⁶⁶ Victor Cha believes the end of the Cold War was necessary for the relationship to blossom because it changed the "strategic context... [and] that raised both the benefits of cooperation and the costs of non-cooperation."¹⁶⁷ Though the end of the Cold War may have been a necessary precondition, it certainly was not the cause of the Sino-South Korean rapprochement. South Korea pursued China, and China accepted by opening its

¹⁶⁴ Cha, "The View from Korea," p. 39.

¹⁶⁵ Lee and Park, *China and Korea: Dynamic Relations*, p. 105.

¹⁶⁶ Snyder, "Keeping the Eye on the (WTO) Prize while Containing Consular Crises."

¹⁶⁷ Cha, "Engaging China: Seoul-Beijing Détente and Korean Security," p. 74.

doors to a former enemy. Seoul pursued a relationship with China through the Liberal paradigm because it felt that was the best way to bring peace and stability to the region. So far, those leaders have been proven right as Cha acknowledges later in his article: “The dramatic transformation of China-South Korea relations in the 1990s represents the most successful case of engaging China in East Asia.”¹⁶⁸

Now the relationship has become a self-reinforcing circle. The diplomatic relations spark a strengthening of economic relations; the economic interdependence encourages quick resolutions of diplomatic disputes.¹⁶⁹ Their relationship allows for the creation of multilateral institutions and these very same institutions drive Beijing and Seoul closer together. It seems now all they need to do is ensure the circle has enough momentum to continue evolving. Ultimately, Seoul has achieved its goal of increasing economic prosperity for itself and all of Northeast Asia.

While economic prosperity may serve as beneficial outcome, Seoul’s ultimate goal is to reduce tensions with North Korea. As President Roh Tae Woo told Chinese Foreign Minister Qian Qichen in 1991, “What we want to do with North Koreans, who are of the same nation, is to abandon hostility and restore confidence and to establish a cooperative relationship.”¹⁷⁰ Seoul pursued this goal through Beijing. This pursuit succeeded in that Beijing’s involvement helped facilitate the historic 2000 summit and the Six Party Talks.¹⁷¹ Nicholas Eberstadt and Richard J. Ellings perhaps phrased it best when they wrote:

While Seoul’s defense is bolstered through its alliance with the United States, and nuclear weapons issues are addressed with leadership from the United States, it recognizes the extraordinary role of China in other dealings with the North (particularly political matters such as defections, North-South meetings, and contacts with Koreans living in China near the North Korean border).¹⁷²

¹⁶⁸ Cha, "Engaging China: Seoul-Beijing Détente and Korean Security," p. 92.

¹⁶⁹ Lee and Park, *China and Korea: Dynamic Relations*, p. 151.

¹⁷⁰ Oberdorfer, *The Two Koreas: A Contemporary History*, pp. 244—45.

¹⁷¹ Olsen, *Toward Normalizing U.S.-Korea Relations: In due Course?* p. 95.

¹⁷² Eberstadt and Ellings, "Assessing Interests and Objectives of Major Actors in the Korean Drama," p. 325.

Seoul's explicit use of the Liberal Approach has helped to pursue its goal of reducing tensions with the North and, additionally, has afforded the country a huge economic opportunity and an increasing role in determining the future of Asia through multilateral organizations.

IV. WHY CHINA WANTS A STRONGER RELATIONSHIP WITH SOUTH KOREA

While Seoul explicitly engages China through Liberal ideas, the reasons China's leaders desire a strong relationship with South Korea may not be as transparent. Beijing's actions in general cause debate amongst scholars and policy makers as its actions do not always match its stated foreign policy. For example, whether China actually poses a threat to the United States underscores the uncertainty surrounding Beijing's intentions. American media regularly inundate viewers/readers with news stories questioning the role China will play in the coming decades.

These questions pervade the academic world as well because Beijing's actions can be explained through virtually all International Relations paradigms. At the same time, looking to answer Beijing's intentions with a specific paradigm only creates more questions. The leadership's quest for a strong relationship with South Korea, explained through Liberal terms, stems from the reasoning that the need and desire to continue modernizing through economic growth can be stimulated by following South Korea's economic model as well as through a durable economic relationship. However, most countries in Asia invest heavily in China and have developed extensive trading relationships. An economic relationship with South Korea is not singularly important to Beijing when it has similar relationships with other countries. Beijing's desire, explained through Realist terms, is that the government feels it can secure national security through regional stability. However, it does not exhibit expansionist or revisionist tendencies that substantiate many Realist claims. Scholar Thomas Moore frames the complexity of Beijing's foreign policy best when he wrote, "the challenge for China's decision makers, of course, has been to balance these new economic interests with longstanding concerns about sovereignty, independence, and socialist virtue."¹⁷³

This chapter contends the Chinese have created their own form of International Relations that will be called here, taking from a phrase the Chinese use themselves,

¹⁷³ Thomas G. Moore, "China's International Relations: The Economic Dimension," in *The International Relations of Northeast Asia* (Lanham, Md.: Rowman and Littlefield Publishers, Inc., 2004), p.126.

Realpolitik with Chinese characteristics. Looking at their actions through this paradigm, Beijing's foreign policy demonstrates *realpolitik* through taking control of each situation, although reluctantly; China stands to act as a regional hegemon whether its leaders desire such a role or not. It has become the leader almost by default. Yet the Chinese give their own twist to *realpolitik* by acting with discipline and by acting reactively rather than proactively, responding as necessary to each crisis as it arises. This idea contradicts an aspect of Offensive Realism: that should China continue to grow, it will inherit expansionist aims and "revisionist intentions."¹⁷⁴ In this light, Beijing's reactivity highlights its aversion to expansion and revision; it highlights Beijing's desire to be a stabilizing power. Additionally, Chinese leaders have pursued good neighborly relations with countries in the region. This disciplined, reactive and good neighborly outlook encompasses Beijing's pragmatic approach to its regional hegemonic responsibilities. Therefore, China serves as a regional hegemon without the expansionist tendencies that would delineate its actions wholly through traditional Realist terms. Toward South Korea specifically, China's physical and economic size, geographic and cultural proximity, and historical strength on the peninsula, looked at through the *Realpolitik with Chinese characteristics* paradigm, explain its reasoning for a close and durable relationship.

The "honest broker," as Beijing is referred to in the current Six Party Talks, serves as a good example of *Realpolitik with Chinese characteristics*. Being called the honest broker does not connote an expanding state with imperialist intentions. Also, the world has witnessed far more mediating from Beijing during this nuclear crisis than in 1994. "China has never before undertaken such an activist diplomatic initiative solely on its own initiative. Beijing literally stuck its neck out: by Chinese standards of excessive caution, it took an enormously bold and risky step well outside its normal comfort zone" in its diplomatic efforts to "bring Washington and Pyongyang to the same [negotiating] table."¹⁷⁵ At the same time, Beijing somehow became the host, organizer and "honest

¹⁷⁴ Mearsheimer, *The Tragedy of Great Power Politics*, p. 29.

¹⁷⁵ Andrew Scobell and Army War College (U.S.). Strategic Studies Institute, *China and North Korea [Electronic Resource]: From Comrades-in-Arms to Allies at Arm's Length*, (Carlisle, PA: Strategic Studies Institute, U.S. Army War College, 2004), p. 11.

broker” although it did not even propose the actual idea of the Six Party Talks. China’s increasing role in regional affairs, particularly involving South Korea, stems from its physical and economic size, geographic and cultural proximity and historical strength rather than from an intentional intervention. Looking at how both traditional paradigms fail to fully explain Beijing’s desire for a strong relationship with South Korea, this chapter offers an explanation through China’s own version of Realism.

A. DOMESTIC STABILITY THROUGH LIBERALIST TERMS

Some scholars believe Beijing’s attitude toward regional affairs has evolved into a liberalist approach since the end of the Cold War. This evolution explains its rapprochement with South Korea in 1992 and the expansion of their economic relationship since then. These scholars claim China’s economic prosperity directly relies upon regional stability, particularly on the Korean peninsula since it shares a border with North Korea. Hence, much of Beijing’s policies toward situations in Northeast Asia balance around its economic priorities. Looking through the Liberalist lens, this section shows that while China’s leaders may be adapting their foreign policy to accommodate economic motives, the Liberalist view does not explain why they desire a strong relationship specifically with South Korea.

1. A Liberal Argument for China’s Foreign Policy

Economic prosperity serves as the main goal of China’s leaders today, and South Korea provides much stimulation in China’s economy. In fact, the liberalization of its market in the late 1970s “made China receptive to trade with the South.”¹⁷⁶ This trade grew steadily throughout the 1980s and skyrocketed after rapprochement in 1992. China’s leaders had to focus on the economic relationship—causing diplomatic (and military) relations to lag behind—out of deference to its historical and ideological relationship with North Korea. Even today, the economic relationship between China and South Korea encompasses the majority of their overall relationship as Beijing still tries to keep its relationship between the two Koreas delicately balanced.

Another argument claims China’s leaders need to offer economic prosperity to their citizens in order to maintain legitimacy and internal stability. After the Tiananmen

¹⁷⁶ Cha, "Engaging China: Seoul-Beijing Détente and Korean Security," p. 75.

Square tragedy and “the downfall of the communist system in the Soviet Union and Eastern Europe largely caused, in the Chinese leadership’s view, by economic breakdown,” the Chinese government needed to ensure the economy continued to grow through successful economic reforms. Some believe Beijing accepted Seoul’s approaches for rapprochement because of “the prospect for economic benefits.”¹⁷⁷ Many took this move as a show of “how economic development was rearranging China’s priorities,”¹⁷⁸ which supposedly signified Beijing’s adaptation of a Liberal approach in its foreign policy.

The Chinese government undeniably has continued to adjust its policies to include economic interests. A recent Congressional Research Service report states “economic success is affecting decision making and policies in the ranks of the Chinese Communist Party (CCP)” which has begun “including more of China’s business and other interests both in its membership and policies.” The report goes on to state “an estimated 30% of China’s [mostly business elite] entrepreneurs (several million) are now members of the CCP.” Additionally, other party members have “become involved in business or have strong business interests.”¹⁷⁹ Thus while China’s leadership adjusts to “reflect the interests of the people,”¹⁸⁰ it continues to strengthen economically its relationship with South Korea.

Another factor proponents of the Liberal approach point out concerns Beijing’s use of South Korea’s economic growth as a model for its own growth:

with seventeen-fold increases in gross national product (GNP) between 1961 and 1978 and annual export growth rates averaging 42%, South Korean post-war economic success as one of the Asian ‘tigers’ provided potential lessons for Beijing’s own modernisation programmes.¹⁸¹

¹⁷⁷ Hong Liu, "The Sino-South Korean Normalization: A Triangular Explanation," *Asian Survey* 33, no. 11 (Nov. 1993): pp. 1093-94.

¹⁷⁸ Charles Hutzler and Gordon Fairclough, "China Breaks with its Wartime Past," *Far Eastern Economic Review* 166, no. 31 (Aug 7 2003): 24.

¹⁷⁹ Dick K. Nanto and Emma Chanlett-Avery, *CRS Report for Congress: The Rise of China and its Effect on Taiwan, Japan, and South Korea: U.S. Policy Choices* (Washington, D.C.: Congressional Research Service, 2005), p. 9.

¹⁸⁰ Ibid.

¹⁸¹ Cha, "Engaging China: Seoul-Beijing Détente and Korean Security," p. 77.

Similarly, China scholar Denny Roy uses an assertion made by Korea scholar Bruce Cumings that “Deng [Xiaoping] is really nothing more than the Park Chung Hee of China” to point out many “Chinese scholars...frequently discuss the applicability of South Korea’s experience to China.¹⁸² This applicability implies that Beijing, today, views South Korea as a roadmap for China to follow toward economic success. In fact, Beijing has implemented lessons learned from the events in South Korea that led to the Asian Financial Crisis in 1997-1998 in an attempt to prevent such an occurrence in China.¹⁸³

Meanwhile, as discussed in Chapter III, Seoul engaged China to reduce tensions in the region. Some believe the argument can be reciprocated as China needs stability on its border for economic growth. Lee Tai To’s summary provides the best assessment: “for China, a more favourable security environment in the Korean peninsula would be more conducive to its efforts to concentrate on its own Four Modernizations.”¹⁸⁴ Moreover, others point out an explicit change in Beijing’s foreign policy toward a Liberal approach. This change stems from the “smile strategy” that is designed to “coopt the interests of neighboring countries through trade and investment while putting forth a less threatening military posture.”¹⁸⁵

Similarly, others point to Beijing’s increased involvement and promotion of multilateral institutions in not just Northeast Asia, but all of Asia as a sign of its Liberal approach. The consensus seems to think China’s leaders first disliked the idea of multilateral institutions as they “feared [they] could be used to punish or constrain

¹⁸² Denny Roy, *China's Foreign Relations*, 1st American ed. (Lanham, Md.: Rowman & Littlefield, 1998), p. 211. I point out Roy used Cumings’ argument because I will further expand Cumings’ argument to refute Roy’s in a later section.

¹⁸³ Minxin Pei, "Asia's Political Lessons," *The China Business Review* 26, no. 5 (Sep/Oct 1999): 8.

¹⁸⁴ Lai To Lee, "East Asian Assessments of China's Security Policy," *International Affairs (Royal Institute of International Affairs 1944-)* 73, no. 2, Asia and the Pacific (Apr. 1997): p. 253. For other references, see Scobell and Army War College (U.S.). Strategic Studies Institute, *China and North Korea [Electronic Resource]: From Comrades-in-Arms to Allies at Arm's Length*, p. 28; and Eric A. McVadon, "Chapter 5: China's Goals and Strategies for the Korean Peninsula," in *Planning for a Peaceful Korea* (Carlisle Barracks, Pennsylvania: The Strategic Studies Institute, U.S. Army War College, 2001), pp. 151, 173.

¹⁸⁵ Nanto and Chanlett-Avery, *CRS Report for Congress: The Rise of China and its Effect on Taiwan, Japan, and South Korea: U.S. Policy Choices*, p.1.

China.”¹⁸⁶ Eventually the Chinese began to view multilateral organizations as a way to balance against the United States.¹⁸⁷ Additionally, some claim Beijing’s shift toward multilateral institutions “reflects the greater weight Beijing now places on regional financial stability as an important objective of Chinese economic security.”¹⁸⁸

a. Taiwan

The Liberal approach asserts China’s strengthened relationship with South Korea signified another way to suppress Taiwan. As a matter of fact, Seoul abruptly cut its diplomatic ties with Taiwan in exchange for rapprochement with China in 1992. For Beijing, this break in ties implied a step up in international legitimacy and a step closer toward reunification. When the South Korean government, the last one in the region to recognize the PRC over the ROC, cut the ties, Beijing solidified its right to existence in the region. In the zero-sum game Beijing plays with Taipei, Beijing scored a huge success through the rapprochement with Seoul. Beijing has developed three strategies toward Taiwan: “verbal military threat, international isolation, and economic absorption. For the latter two strategies, South Korea is somewhat useful.”¹⁸⁹ For the Liberal theory, the latter is useful:

[China’s] expansion of business ties with South Korea will induce Taiwanese to compete with South Koreans in the Chinese market, and China can use economic incentives to encourage a peaceful change in the PRC-Taiwan relationship.¹⁹⁰

However, thirteen years of established diplomatic relations between Beijing and Seoul have not eased China’s situation with Taiwan, contrary to the Liberal expectations highlighted above.

Perhaps scholar Chae-Jin Lee provides the most comprehensive answer as to why China wants a strong relationship with South Korea economically:

¹⁸⁶ Evan S. Medeiros and M. Taylor Fravel, "China's New Diplomacy," *Foreign Affairs* 82, no. 6 (Nov/Dec 2003).

¹⁸⁷ Hongying Wang, "Multilateralism in Chinese Foreign Policy: The Limits of Socialization," *Asian Survey* 40, no. 3 (May - Jun. 2000): p. 483.

¹⁸⁸ Moore, "China's International Relations: The Economic Dimension," p. 127.

¹⁸⁹ Liu, "The Sino-South Korean Normalization: A Triangular Explanation," pp. 1089—1090.

¹⁹⁰ *Ibid.*

First, [China found a country] eager to accommodate [its] economic preferences....Second, the Chinese found the intermediate technology of South Korea more suitable to their practical needs than the expensive high-technology of the United States, Japan, and Western Europe. Third, they felt more comfortable with the sociable and outgoing South Koreans than with the Japanese...or with the Taiwanese....Fourth, the geographic proximity and cultural affinities between China and South Korea reduced transportation costs and barriers to communications....Fifth, China made use of the highly educated and professionally competent Koreans (about two million) residing in China who were ready to interact with their South Korean counterparts.¹⁹¹

Even with Lee's convincing argument, the fact remains that Japan, Taiwan and the United States remain bigger trading partners of China than South Korea does.¹⁹² The Liberal approach still fails to provide a complete answer as to why China desires a strong relationship with South Korea because while South Korea does offer ample opportunity to support China's economic growth, many other countries fill that role as well.

2. The Liberal Argument Misses the Target

China undeniably enjoys its strong economic partnership with South Korea, and the opening of its markets increasingly affects the decisions China's leaders make. Many claim "the Chinese economic imperative, coupled with the passing of the cold war international system" led to China's abandoning its "one-Korea position" for a "pragmatic two-Korea diplomacy."¹⁹³ However, this relationship does not separate South Korea from the other countries in Northeast Asia because Beijing's economic imperative applies to all its neighbors. In fact, every country, except Russia, in Northeast Asia: Japan, North Korea, Mongolia, and Taiwan, holds China as its number one trade partner.¹⁹⁴ While the economic relationship is important, it perhaps is not as important to Beijing as it is to Seoul. To put things into perspective, if trade between the two countries were to end abruptly today, South Korea would suffer much more than China because China's economic prosperity does not rely mostly upon South Korea.

¹⁹¹ Lee and Park, *China and Korea: Dynamic Relations*, p. 149.

¹⁹² "CIA - the World Factbook." Also, see Figure 4 on p. 12 of this thesis.

¹⁹³ Lee and Park, *China and Korea: Dynamic Relations*, p 170.

¹⁹⁴ "World Trade Organization - Trade Profiles," April [cited 2005]. Available from <http://stat.wto.org/CountryProfile/WSDBCountryPFView.aspx?Language=E&Country=CN.HK.JP.KR.MN.TW>. Accessed Oct 2005.

Some would argue China's most important trading partner is Japan and oftentimes, South Korea's economic relationship with China is compared to that of Japan's.¹⁹⁵ While some point out the similarities between Sino-South Korean and Sino-Japanese relationships, others simply group them into one section of study when looking at China.¹⁹⁶ Rarely does South Korea receive undivided attention (from non-Korean specialists) when studying China. Its economic importance to China is not important enough to garner its own attention; it must share the spotlight with Japan. Even today, Korea's historical role of serving as the crossroads between major powers and falling in their shadows lives on.

This relatively minor role in China's affairs does not necessarily imply the Liberalism theory fails. Indeed, the Liberal paradigm does explain Beijing's recent foreign policy decisions, including ones involving South Korea. Yet, Liberalism only provides part of the picture in this situation; it fails to fully explain why Beijing desires a strong relationship with its former adversary, particularly while maintaining a relationship with the other half of the peninsula. Liberalism only highlights that Beijing has begun treating South Korea like it treats every other country in the region. It does not explain what makes South Korea specifically so important, nor does it explain what made China change its view of South Korea from an enemy to a friend.

The claim Beijing uses South Korea as an economic model probably encompasses the strongest Liberal argument for Beijing's pursuit of a strong relationship with South Korea. Perhaps Deng Xiaoping was inspired by Park Chung Hee's successful reforms when he began liberalizing China's market; however, Beijing probably does not use South Korea as a model today, contrary to popular belief in South Korea. As mentioned earlier, Denny Roy quotes Bruce Cumings' statement, "Deng [Xiaoping] is really nothing more than the Park Chung Hee of China," to support this claim. Yet Roy took Cumings' statement out of context. Cumings made the statement to point out "all manner of

¹⁹⁵ For an example, see: Roy, *China's Foreign Relations*, p. 212. Also, see Figure 4 on p. 12 of this thesis.

¹⁹⁶ Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress: China's Search for Security*, (New York: W.W. Norton, 1997) p.82—99. The chapter is titled, "Difficult Friends: Japan and the Two Koreas."

political disorder can proceed without disrupting economic growth or dislodging the ruling groups”¹⁹⁷ as Park Chung Hee proved during his brutal reign in South Korea from 1961—1979. Cumings was not arguing Beijing uses South Korea as an economic model; he was arguing that authoritarian regimes can be economically successful. Cumings declares, instead, Beijing uses Singapore as its model.

Nonetheless, the fact remains Beijing can use any number of Asian countries as a model because:

China is quite frankly pursuing the latest version of the developmental state theory, one our economists cannot understand but that makes complete sense to Asians as diverse as former Japanese Prime Minister Kishi Nobusuke, Chiang Kai-shek, Park Chung Hee, Lee Kwan Yew, and Deng Xiaoping.¹⁹⁸

This diversity shows South Korea does not garner any special economic attention from China. Furthermore, South Korea is not the only “Asian tiger;” therefore, why would China follow only South Korea’s model?

Nevertheless, Beijing certainly desires a strong relationship with South Korea—which can be fully explained through *Realpolitik with Chinese characteristics*—and values the contribution South Korea makes to China’s and all of Northeast Asia’s economic prosperity. While the Liberal paradigm highlights Beijing’s general foreign policy extremely well, it only partially explains South Korea’s value to China. South Korea’s economic role in Northeast Asia does not differ much from the other countries in the region. Further, the strong relationship Beijing desires and shares with South Korea is not merely the result of Beijing’s general foreign policy, it involves a lot more. Thus the Liberal paradigm fails to fully explain why Beijing wants a strong relationship specifically with South Korea.

B. REGIONAL HEGEMONY THROUGH REALIST TERMS

The Realist paradigm categorizes China’s growth as a desire to hegemonically rule Asia, maybe even the world. China’s military modernization program serves as evidence of its intentions to expand or assert its real power over its neighbors in order to

¹⁹⁷ Bruce Cumings, "The World Shakes China," *The National Interest*, no. 43 (Spring 1996): p. 35.

¹⁹⁸ *Ibid.*

secure its own national interests. Scholars who use the Realist paradigm believe Beijing's desire for a strong relationship with South Korea represents its attempts to consolidate its power within the region.¹⁹⁹

Applying this idea to economics, "China is using the allure of its rapidly developing economy and trade relations to create a regional economic sphere revolving around China."²⁰⁰ In Realist theory, "power resources are homogenous and fungible."²⁰¹ Therefore, China's economic power should then extend to other arms of statecraft. For example, some believe Beijing desires this relationship with South Korea because having good relations with both Koreas (the only country in the world to hold such distinction) demonstrates Beijing's growing political power; it creates a "source of pride in Beijing's diplomatic prowess."²⁰² At the same time, Beijing is fully aware Seoul relies on it "to check North Korean recklessness."²⁰³ Military and diplomatic relations with the North, economic and diplomatic relations with the South: this "best of two worlds"²⁰⁴ lends to the belief China's leaders desire regional hegemonic status. Wu Xinbo, a Chinese strategist, agrees with this belief when he points out that since Beijing lacks the power to exert its great power interests, it limits itself to national and regional interests.²⁰⁵ Others believe Beijing began expressing interest in becoming a regional hegemon when it became convinced the 21st century would be the "pacific [*sic*] century." As Asia rises to the top during this century, China's leaders want to "[create] a regional environment conducive to its economic modernization and national security."²⁰⁶

199 Liu, "The Sino-South Korean Normalization: A Triangular Explanation," p. 1086.

200 Nanto and Chanlett-Avery, *CRS Report for Congress: The Rise of China and its Effect on Taiwan, Japan, and South Korea: U.S. Policy Choices*, p. 8.

201 Robert O. Keohane, "Theory of World Politics: Structural Realism and Beyond," in *NeoRealism and its Critics* (New York: Columbia University Press, 1986), p. 167.

202 McVadon, "Chapter 5: China's Goals and Strategies for the Korean Peninsula," p. 149.

203 Nathan and Ross, *The Great Wall and the Empty Fortress: China's Search for Security*, p. 97.

204 Lee and Park, *China and Korea: Dynamic Relations*, p. 127.

205 Suisheng Zhao, "The Making of China's Periphery Policy," in *Chinese Foreign Policy: Pragmatism and Strategic Behavior* (Armonk, New York: M. E. Sharpe, 2004), p. 256.

206 *Ibid.*, p. 257.

For Korea specifically, scholars believe China's leaders desire to exert its regional hegemonic power because Korea falls within the "natural sphere of influence."²⁰⁷ Considering the history of relations between Korea and China, such a belief has merit. In modern times, other regional considerations provide evidence of Beijing's drive for great power status. Most everyone has come to the conclusion a unified Korea will fall under South Korean control. When reunification occurs, Beijing wants to be on good terms with its possibly nuclear-armed new neighbor.²⁰⁸ At the same time, Beijing wants "leverage in shaping the eventual outcome of the divided Korean peninsula," something it would lack without good relations with the South.²⁰⁹ Because Korea lacks the strength to challenge China directly, Realists argue China's leaders want influence on the peninsula only to ensure no enemies of China gain influence on its border.²¹⁰ A Realist could also argue Beijing displays its hegemonic tendencies by its expansion into the Korean peninsula precisely because neither Korea nor the two Koreas combined as a united one nation state can prevent this expansion. This expansion might also explain Seoul's bandwagoning tendencies. Beijing's exertion of power over its former "vassal" state may even signify (to its people at least) its return to the "Middle Kingdom" status it had held until the Western intrusion during the 19th century. China might view the Korean peninsula as a stepping stone back up to its traditional role. Some believe the Korguryo dispute in 2004 exposed this viewpoint.

The PRC angered Koreans when Chinese scholars claimed in official documents the Koguryo Kingdom (37 B.C.—668 A.D.), whose territory included what is currently in northeastern China, had been a part of China, not "an independent Korean entity that produced many of Korea's longstanding traditions."²¹¹ What amounted to the largest political dispute between China and South Korea since the normalization of relations in

²⁰⁷ David L. Shambaugh, "China and the Korean Peninsula: Playing for the Long Term," *The Washington Quarterly* 26, no. 2 (2003): 43-56.

²⁰⁸ Nanto and Chanlett-Avery, *CRS Report for Congress: The Rise of China and its Effect on Taiwan, Japan, and South Korea: U.S. Policy Choices*, p. 26.

²⁰⁹ Shambaugh, "China and the Korean Peninsula: Playing for the Long Term," 43-56.

²¹⁰ Nathan and Ross, *The Great Wall and the Empty Fortress: China's Search for Security*, p. 93.

²¹¹ Nanto and Chanlett-Avery, *CRS Report for Congress: The Rise of China and its Effect on Taiwan, Japan, and South Korea: U.S. Policy Choices*, p. 24.

1992 highlighted Chinese fears that a unified Korea may try to reclaim the land of the Koguryo Kingdom that is now a part of China as well as Korea's sensitivity of its history—some claim Korea was a vassal state of China at one time which Koreans adamantly deny—with China. Nonetheless, some saw the controversy as a slipup by China that exposed its “true hegemonic ambitions.”²¹² They believe China wants Korea to return to its vassal state of pre-modern times.

Additionally, Beijing pursues a relationship with Seoul to wean it off the United States' support. A break in the military alliance would “weaken what [China] views as an important link in the U.S. ‘encirclement’ of China.”²¹³ This encirclement China has felt since the Korean War when Americans crossed into Chinese territory has got it “bent on shaping a longer-term strategic partnership against the United States in Asia.”²¹⁴ Further, Chinese leaders seem to believe the peninsula will be more stable as China's influence rises while the United States' influence declines.²¹⁵ Another benefit a strong relationship with South Korea poses for China deals with the thorn in its side: Taiwan and the U.S. support of the island. An economic relationship with South Korea allows Beijing to lessen its dependence on the United States. Thus, “the Seoul connection provides China one more card to play vis-à-vis both the U.S. [*sic*] and Taiwan.”²¹⁶

In addition to the degradation of the United States' role in Asia, Beijing seeks to balance against Japan's power. China's influence in Korea would “undercut or offset” any attempts Japan might make to gain influence.²¹⁷ While empirical evidence of such a desire on China's part seems scarce, another viewpoint in Realist theory considers a

²¹² Scott Snyder, “A Turning Point for China-Korea Relations?” *Comparative Connections* 6, no. 3 (2004).

²¹³ Nanto and Chanlett-Avery, *CRS Report for Congress: The Rise of China and its Effect on Taiwan, Japan, and South Korea: U.S. Policy Choices*, p. 26.

²¹⁴ Lorien Holland and Shim Jae Hoon, “China's Korea Game,” *Far Eastern Economic Review* 163, no. 24 (Jun 15 2000): 16. The authors are quoting Lee Jong Seok, a senior Pyongyang watcher at Sejong Institute, a South Korean government think tank.

²¹⁵ Chung, “South Korea between Eagle and Dragon: Perceptual Ambivalence and Strategic Dilemma,” p. 795.

²¹⁶ As quoted in Liu, “The Sino-South Korean Normalization: A Triangular Explanation,” p. 1086.

²¹⁷ Shambaugh, “China and the Korean Peninsula: Playing for the Long Term,” 43-56.

shared view by Korea and China toward Japan and thus a partnership to counter its influence:

Both countries are seriously concerned about Japan's growing economic dominance and potential political influence in Asia based on its substantial economic and technological strength. Their apprehension is rooted in the legacy of mistrust arising from Japan's past record of aggression against both countries in its quest for the Greater East Asian Coprosperity Sphere....neither China nor South Korea is willing to accept...broad Japanese leadership. Their economic and strategic cooperation is believed to be necessary to constrain Japan's growing influence as a regional power.²¹⁸

Ironically, North Korea's similar anti-Japan sentiment may bring the three countries together in a way all other attempts have failed.

Even as Beijing supposedly pursues regional hegemonic status, it must still protect China's borders, its national security. Sharing an 880-mile border with North Korea requires Beijing, according to Realist theory, to gain influence on the peninsula as a way to prevent "any aggressive behaviour on the part of either Pyongyang or Seoul that would jeopardize the stability of the area and consequently the security of China." It strives to achieve this stability through its growing influence, yet by acting as the mediator maintaining the balance of power, which will be discussed later.²¹⁹

While the Realist theory proclaims Beijing is indeed exhibiting expansionist tendencies as it seeks to gain influence on the Korean peninsula by adhering to its two-Korea policy, Beijing shows more of a reactive approach that detracts from an expansionist argument. For example, the Chinese demonstrate they are fully cognizant of Korea's sensitivity and refusal to be identified as a vassal state of China. Thus Beijing desires a strong relationship with South Korea not because it wants to consolidate its power in the region as a hegemon but because it wants to be a good neighbor so everyone can enjoy peace, stability and prosperity.

²¹⁸ Liu, "The Sino-South Korean Normalization: A Triangular Explanation," p. 1092.

²¹⁹ Lee, "East Asian Assessments of China's Security Policy," p. 253.

C. REALPOLITIK WITH CHINESE CHARACTERISTICS

China's hundred years of humiliation has engraved into the mindset of the Chinese an aversion for hegemony and imperialism. Their foreign policy decisions are considerably marked with reluctance to interfere in the internal affairs of other countries and with respect of other nations' sovereignties. While some believe this foreign policy approach merely reflects propaganda as opposed to actual intentions, Beijing's actions toward South Korea show it has no intention of expanding into the Korean peninsula as a traditional regional hegemon, according to Realist theory, would do.

Instead, China—not surprisingly, based on its long history—has developed its own International Relations paradigm. This paradigm seems to combine elements of both traditional International Relations frames. As Thomas Moore phrases it, Beijing's "pursuit of economic security and national development through multilateral cooperation could be characterized as a (neo-)liberal means to realist ends."²²⁰ Additionally, Beijing has included some recent lessons learned: "the Chinese have learned that there are neither permanent friends nor permanent enemies in international relations and that the hyperbolic rhetoric of socialist revolution and international solidarity is no longer crucial to fulfilling their national interests."²²¹ China is destined to be a regional power, but its leaders do not want the power struggle that comes with the Realist view of ascending to power: arms races, wars, etc. Nor does the Chinese government want to be the sole power in the region; after witnessing U.S. dominance since World War II, the Chinese Communist Party prefers a multi-power system. However, due to China's physical and economic size, no other country in Northeast Asia will be able to match its power. A strategy of interdependence and cooperation leaves Beijing inadvertently, rather than intentionally, in power. This ascension leaves Beijing room to pursue peace and national security on its own terms, in its own way. A look at three factors contributing to China's relationship with South Korea—size, proximity and historical strength—not only offers insights into China's interests on the peninsula but also provides good insight into Beijing's general foreign policy toward its neighbors.

²²⁰ Moore, "China's International Relations: The Economic Dimension," p. 127.

²²¹ Lee and Park, *China and Korea: Dynamic Relations*, p. 5.

1. Size, Proximity, and Historical Strength

a. Size

South Korea's population, geographical area, and economy pale in comparison to that of China. China's population contains 27 times more people than South Korea, and 18 times more than the population of the two Koreas combined. China's territorial size is roughly smaller than the United States while South Korea is roughly larger than the state of Indiana.²²² China's total gross domestic product for 2004 ranked seventh in the world at \$1.6 trillion while South Korea's ranked 11th at \$679 billion.²²³ China's size naturally makes it a leader. Since its size significantly outweighs South Korea's, unlike that of Japan's, Beijing does not feel threatened by South Korea and therefore, can pursue its good neighborly approach specifically with South Korea. While critics believe Beijing's approach reveals a Realist attempt to reach regional hegemonic status, scholar Eric McVadon explains, "fear of hegemony, by any party, must not obscure the fact that China is the largest and most populous country of the region and that it has legitimate aspirations for a constructive role in the security affairs of the region."²²⁴ Needless to say, China's size creates a role for Beijing to play in the relatively large situation South Korea currently faces; Beijing's way of playing a role is to develop a relationship with both sides.

b. Proximity

Sometimes insensitively—inaccurately in the minds of Koreans—referred to as a vassal or tributary state of pre-modern China, Korea's geographic proximity to China has always played a role in its history and in the creation of it as a nation. Today, analysts of the relationship between China and South Korea highlight how their geographic and cultural proximity allow for cheaper transportation costs and more efficient business transactions.²²⁵ From China's viewpoint, Korea's propinquity has usually been a reason for its involvement on the peninsula:

²²² "CIA - the World Factbook."

²²³ "World Development Indicators Database," in World Bank [database online]. 15 July [cited 2005]. Available from <http://www.worldbank.org/data/databytopic/GDP.pdf>.

²²⁴ McVadon, "Chapter 5: China's Goals and Strategies for the Korean Peninsula," p. 195.

²²⁵ Lee and Park, *China and Korea: Dynamic Relations*, p. 149.

Based on a very long legacy of Chinese cultural diffusion that contributed significantly to Korean identity and made Korea a major example of the Sinic cultural realm (albeit with substantial love-hate qualities that stemmed from a mixture of Korean attempts to improve upon what was imported from China and Chinese tendencies to be the Confucian big brother to Korea's little brother), both nations entered the modern era thoroughly attuned to each other's national interests. As Korea's closest neighbor, there has never been any doubt that China grasped the peninsula's importance.²²⁶

At the same time, historically some of China's invaders have come to China through the Korean peninsula. In addition, "the Korean peninsula shares a long border with China, and historically has served as an arena of conflict with Russia and Japan, China's two traditional rivals."²²⁷ This security vulnerability explains why Beijing has qualms about Korea allying with an enemy of China. Ultimately, their geographic closeness has been the catalyst for close relations throughout their history and thus, cultural affinities have developed as a result. Today, this geographical and cultural proximity continues to drive China's relationship with South Korea as it has done throughout the traditional history of Sino-Korean bonds.

c. Historical Strength

The third reason China desires a strong relationship with South Korea stems from its historical strength in the region. David Kang asserts China's strength directly affects stability in Asia: "historically, it has been Chinese weakness that has led to chaos in Asia. When China has been strong and stable, order has been preserved."²²⁸ Consequently, this strength plays a large role in Korea—partly due to their proximity—"Korea is one of the few places over which the Chinese shadow has traditionally been cast heavily, irrespective of the ebbs and flows of Beijing's influence."²²⁹ This historical role drives Beijing to continue exerting its influence as China has always done and explains its desire for a strong relationship with South Korea (as it already has as a

²²⁶ Olsen, *Toward Normalizing U.S.-Korea Relations: In due Course?* p. 89.

²²⁷ Liu, "The Sino-South Korean Normalization: A Triangular Explanation," p. 1084.

²²⁸ David C. Kang, "Getting Asia Wrong: The Need for New Analytical Frameworks," *International Security* 27, no. 4 (2003): p. 65.

²²⁹ Chung, "South Korea between Eagle and Dragon: Perceptual Ambivalence and Strategic Dilemma," p. 782.

relatively close relationship with the North) that is unique to its relations with other countries in the region. Perhaps scholar Quansheng Zhao phrased it best when he wrote, “Chinese interest in the Korean peninsula has been based on the combined factors of national interest and the historical connections between China and Korea.”²³⁰ Moreover, scholar Robert Scalapino certainly put China’s historical strength into scale when he wrote, “From the beginning of recorded history, China has figured prominently on the Korean Peninsula.”²³¹ While Koreans are adamant against becoming a “tributary state” again, that they appear to be bandwagoning with China as opposed to balancing against it, as a Realist predicts,²³² shows they may be willing to accept, today, China’s historical influence on the peninsula.

These three factors offer insight into Beijing’s *Realpolitik with Chinese characteristics*. Not threatened by its neighbors and sharing similarities developed throughout history, Beijing defies traditional Realist theory of intentional intervention by pursuing great power responsibility through the pragmatic means of disciplined behavior, reactivity and good neighborly relations. Nowhere is this unique paradigm more apparent than on the Korean peninsula.

2. Foreign Policy Chinese Style

a. Discipline

As one foreign policy expert expressed, Beijing holds hegemonic power but does not exhibit hegemonic behavior.²³³ When scholars use words such as “guarantor,” “intermediary,” and “counselor” to describe the role Beijing plays on the Korean peninsula, they emphasize the restraint with which the Chinese government exercises its hegemonic power.²³⁴ Using a more specific example, since China provides the most amount of aid to North Korea, it could “exert its maximum leverage” by cutting off all aid, forcing North Korea to follow Beijing’s wishes—something a traditional

²³⁰ Zhao, “China and the Korean Peace Process,” p. 102.

²³¹ Robert A. Scalapino, “China and Korean Reunification—A Neighbor’s Concerns,” in *Korea’s Future and the Great Powers* (Seattle: The National Bureau of Asian Research, 2001), p. 107.

²³² Kang, “Getting Asia Wrong: The Need for New Analytical Frameworks,” p. 58.

²³³ As referenced in Medeiros and Fravel, “China’s New Diplomacy.”

²³⁴ Son, “The Role of China in Korean Unification,” p. 89.

hegemonic partner would be expected to do. Instead, China's leaders have engaged in a "shuttle diplomacy" to bring all parties involved to the Six Party Talks; they have acted as an intermediary.²³⁵ That "halting North Korea's nuclear program is not the ultimate end China hopes to achieve" also reveals Beijing's deviation from the security dilemma factor in the traditional Realist paradigm. Rather than view the elimination of North Korea's nuclear program as the elimination of a security threat—the ultimate end a Realist would expect—"China's [more long term and more complicated] calculations, interests, and goals" instead delineate its own paradigm.²³⁶

China's own paradigm strays from Realism in this regard. Its paradigm combines great power status with pragmatic means of discipline, reactivity and good neighborly relations. Beijing's role as an "honest broker," Anne Wu, a former official in the Chinese Ministry of Foreign Affairs, argues "seems only natural" due to its good neighbor relations with all the countries involved.²³⁷ In the meantime, Beijing's good neighborly relations with both Koreas allow it to hold a "constructive influence" over situations on the peninsula.²³⁸

b. Reactivity

A "constructive influence" goes hand in hand with being a good neighbor because a good neighbor is willing to help but does not overextend his welcome. In this regard, Beijing also exhibits its deviation from the traditional Realist paradigm by being reactive rather than expansive. Oftentimes, Beijing does not take a stand on a situation until it is forced to. For instance, North Koreans seeking asylum in China put Beijing in a precarious situation. On one side, Pyongyang denies the people are refugees and demands they be repatriated. On the other, South Korean NGOs plead with Beijing to allow the refugees an escape. Beijing essentially responded by turning a blind eye to the refugees unless a specific case garnered international attention in response to which it

²³⁵ Hutzler and Fairclough, "China Breaks with its Wartime Past," 24.

²³⁶ Shambaugh, "China and the Korean Peninsula: Playing for the Long Term," 43-56.

²³⁷ Anne Wu, "What China Whispers to North Korea," *The Washington Quarterly* 28, no. 2 (2005): p. 35.

²³⁸ Lee and Park, *China and Korea: Dynamic Relations*, p. 174.

would repatriate the North Koreans. But as the number of refugees seeking asylum has dramatically increased recently, Beijing was “forced...to harden its position.”²³⁹

Beijing displays similar behavior in core security situations. For example, Beijing did not suggest the Six Party Talk format as a way to resolve the North Korean nuclear crisis. Eventually, though, Chinese diplomats became the key players in ensuring the Talks continued and achieved some success. Such reactive behavior typifies Beijing’s foreign policy approach to regional affairs. This behavior also undermines the idea Beijing aspires for hegemony because the reactivity allows weaker states to have a role in determining the outcome; Beijing does not act unilaterally in accordance with its own interests without regard for the consequences others may experience, as a Realist would expect a typical hegemon to do.

Being reactive does not come without its pitfalls. Anne Wu provides an excellent analogy when she wrote: “Beijing may be find itself ‘riding a tiger, afraid to dismount’—thrust forward into a protagonist’s role that it may not be fully prepared to play.” Being reactive means Beijing loses total control; it may find itself having to work under circumstances it did not create; it becomes a “hostage to the behavior of potential adversaries and unreliable neighbors.”²⁴⁰ Yet, Chinese leadership seems willing to accept this limitation in exchange for a more peaceful and stable region.

This reactivity signifies *Realpolitik with Chinese characteristics*. Rather than setting expectations and demands that other countries would have no choice but to follow—as a traditional regional hegemon would do—China’s leaders choose a pragmatic approach that requires them to be reactive. Waiting and listening to the desires of the actors involved allows Beijing to develop a more sound response to a situation. For instance, in the current nuclear crisis, Pyongyang wanted bilateral talks with the United States while Washington demanded multilateral talks. After listening to these desires of the main actors, Beijing reacted by developing a sound response that combined elements of both countries’ desires. After mediating, Beijing convinced Pyongyang to accept multilateral talks while preventing Washington from implementing sanctions

²³⁹ Wu, "What China Whispers to North Korea," p. 38.

²⁴⁰ Nathan and Ross, *The Great Wall and the Empty Fortress: China's Search for Security*, p. 230.

intended to end Kim Jong Il's regime. Similarly, Beijing has consistently refused to stop sending aid to North Korea in order to get its way with Pyongyang; Beijing has employed a more sound, pragmatic approach of negotiations that respects North Korea's sovereignty.

c. Good Neighborly Relations

Acting as a good neighbor comprises a third aspect of Beijing's pragmatic approach. This good neighbor policy "stemmed from the traditional Chinese belief that 'a good neighbor near is better than a relative afar.'"²⁴¹ Beijing, as a good neighbor, remains more neutral in situations, which, in turn, gives it more room to develop a fair and pragmatic approach and/or solution. Since "China has managed not to tilt toward Seoul at Pyongyang's expense,"²⁴² it now has the opportunity to find a more peaceful solution to the nuclear crisis. Had Beijing never developed sound relations with South Korea, or had Beijing's relations with North Korea deteriorated as a result of its relations with South Korea, today's nuclear talks would see Beijing with little leverage in dealing with the United States or North Korea; it would not be the "honest broker" or mediator; its intentions of peacefully solving the crisis, in effect, would be marginalized.

Additionally, dropping its ideological and militant tone toward its neighbors allowed Beijing to clear up many of its border disputes recently and to ease tensions it has shared with countries since the People's Republic of China's inception. In the past few years, Beijing has settled most of its border disputes through what Jiang Zemin envisioned, "consultations and negotiations."²⁴³ In many of these consulted and negotiated settlements, "China received only 50 percent or less of the contested territory." Beijing has even improved relations with India, its longtime rival, through "confidence building and troop-reduction agreements signed in the 1990s." Now China's border "has never been more secure."²⁴⁴ For the current nuclear crisis specifically, Beijing's good neighbor relationships "with Seoul, Washington and Tokyo on the one hand and

²⁴¹ "China Seeks to make Friends with all World," *Xinhua News Agency*, 1 October 2005.

²⁴² Chung, "South Korea between Eagle and Dragon: Perceptual Ambivalence and Strategic Dilemma," p. 787.

²⁴³ Zhao, "The Making of China's Periphery Policy," p. 258.

²⁴⁴ Medeiros and Fravel, "China's New Diplomacy."

Pyongyang on the other uniquely qualify China to play the role of mediator. China used its influence to encourage both sides to take steps to reduce tensions..."²⁴⁵ This quest for good neighborly relations highlights yet another deviation from the traditional Realist paradigm in which a great power would disregard the interests of other states.

D. DISCIPLINED GREAT POWER

Scholar Suisheng Zhao provides an excellent overview of Beijing's pragmatic approach to foreign affairs, its *Realpolitik with Chinese characteristics*:

To work toward the perceived trend of multipolarization and to insure a favorable international environment for its modernization, pragmatic Chinese leaders have tried to avoid confrontational relations with the United States and other Western powers and, in the meantime, pursued a policy of defusing tensions along its immediate borders....Pragmatic strategy has thus gained power both from reacting to and absorbing from the outside world. Pragmatic strategic behavior is flexible in tactics, subtle in strategy, and avoids appearing confrontational, but it is uncompromising with foreign demands that involve China's vital interest or that trigger historical sensitivities.²⁴⁶

Realpolitik with Chinese characteristics means China's leaders pursue Realist ends—great power status and responsibility—through their own pragmatic means, that of discipline, reactivity and good neighborly relations.

China's size relative to, proximity to and historical strength over the Korean peninsula explains Beijing's interest in South Korea, and *Realpolitik with Chinese characteristics* explains its approach to crises erupting on the peninsula. China desires a strong relationship with South Korea because of its size, proximity and historical strength, but that cannot be understood without looking at the relationship through China's unique International Relations paradigm. Toward South Korea, Beijing's discipline can be explained through its size compared to South Korea. Although significantly larger, Beijing has not used that to its advantage when interacting with South Korea. Beijing's reactivity can be explained by its historical strength over the peninsula. Beijing knows it will always play a role on the peninsula, it knows Korea's

²⁴⁵ Roy, *China's Foreign Relations*, p. 213.

²⁴⁶ Suisheng Zhao, "Chinese Foreign Policy: Pragmatism and Strategic Behavior," in *Chinese Foreign Policy: Pragmatism and Strategic Behavior* (Armonk, New York: M. E. Sharpe, 2004), p. 5.

fierce preference for autonomy and independence, and it knows it has always respected that preference. Beijing's reactivity serves as the modern way to respect that preference. This reactivity is evidenced by Beijing's reluctance to pressure Pyongyang too much and by its absence of influence in South Korea's internal affairs. Finally, Beijing's desire for good neighborly relations can be explained by its proximity to the Korean peninsula. As Korea's closest neighbor, China's good neighborly relations instills a trust that it can portray to other nations in the region and perhaps to the world.

China's physical and economic size relative to South Korea, geographic and cultural proximity and historical strength, considered through its newly formed pragmatic approach toward relations/situations with its neighbors—*Realpolitik with Chinese characteristics*—explain its desire for a solid relationship with South Korea in ways the Liberal and Realist paradigms fail to do. The two traditional paradigms may shed partial light on Chinese foreign policy intentions. However they both fail to acknowledge certain characteristics that distinguish Chinese foreign policy from others. Similarly, they fail to adequately provide a unique reason for China's situation with South Korea. While South Korean leaders explicitly and deliberately chose the Liberal theory to engage China, Beijing created its own path to engage South Korea. This path contains elements of Liberal and Realist theories, but in ways unique to China.

V. IMPLICATIONS FOR NORTH KOREA

With rising fears of a unilateral regime-change mission by the United States, Pyongyang maneuvered to gain more aid and sympathy from the international community; a former ally, Russia; and most importantly, its bordering neighbors, South Korea and China. Kim Jong Il recently implemented some but not all of Beijing's recommended market reforms, and South Korea has built several special economic zones inside North Korea. These actions helped North Korea to experience a slight economic growth in recent years. Meanwhile, several conditions—Beijing coordinating the Six Party Talks, advocating a peaceful solution, Seoul agreeing with Beijing's views (while maintaining its alliance with the United States), and the U.S. military focusing on Afghanistan and Iraq—have essentially limited Washington's options. Instituting sanctions, as Washington has threatened to do, will only be effective if China and South Korea participate since they comprise the most aid for and trade with North Korea.

Beijing and Seoul seem to understand Pyongyang's viewpoint; they seem to appreciate North Korea's fears of a pre-emptive strike by the United States, especially since that fear realized would also tremendously damage China's and South Korea's economies and devastate regions in their own countries. That Pyongyang's two neighbors, whether implicitly or explicitly, understand its viewpoint should prove advantageous in the current nuclear situation. Not only do the two countries understand Pyongyang's concerns, but through similar cultures and familiar histories, the two countries also understand better how to read and respond to its actions. For example, both countries seem extremely aware of Pyongyang's preference for distant relationships and its fear of appearing as a China flunky. With this kind of support while battling a global superpower, Kim Jong Il might have more of an advantage than people realize. After looking at North Korea's historical (since its creation in 1948) and current relationships with both China and South Korea, this chapter will explore Pyongyang's views on their growing relationship and the implications for North Korea.

A. NORTH KOREA'S RELATIONSHIP WITH CHINA

Beijing has pursued an unprecedentedly active role in resolving the current nuclear crisis on the peninsula. Most believe Beijing can use its relationship with

Pyongyang to influence and pressure Kim Jong Il into following Beijing's, and the rest of the international community's, wishes. Yet Beijing denies the relationship is strong enough to exert such pressure. Nonetheless, Beijing seems to be using the close relationship it does share with both Koreas as justification to prevent any sanctions implemented by the United Nations at the request of Washington. With this situation in mind, a history and overview of the current relationship between China and North Korea will help shed light on Pyongyang's view toward China's growing relationship with South Korea.

China and North Korea have shared a close relationship in the nearly 60 years of North Korea's existence. Each country helped to fight off the other's enemy: Koreans helped China to fight off Japan during World War II, and the Chinese helped North Koreans to push back the United States during the Korean War. The bond "formed in blood" and their common ideological identity forged a strong relationship that lasted until the end of the Cold War. With the fall of the Soviet Union and China's opening of its market, North Korea soon became more of a liability to Beijing than an asset. Even so, Beijing has maintained a closer relationship with Pyongyang than any other state has been able to accomplish.

1. History and Evolution of the Relationship

While China and Korea had a relationship in one way or another during all of Korea's existence, the seeds for a relationship with North Korea were laid indirectly by the Japanese occupation of Korea. The beginnings of this relationship eventually led to 2.5 million Chinese troops, 900,000 of whom were killed or wounded, fighting on the North Korean side during the Korean War.²⁴⁷ The decades following the war saw a "warm official friendship" between the two states. Both claimed their relationship was similar to that of "lips and teeth." This "lips and teeth" metaphor was reinforced when leaders, such as Premier Chou Enlai, made statements like, "China and North Korea are neighbors linked by mountains and rivers.... This friendship cemented in blood was forged and has grown in the course of the protracted struggle against our common enemies, U.S. and Japanese imperialism.... Common interests and common problems of

²⁴⁷ Oberdorfer, *The Two Koreas: A Contemporary History*, p. 230.

security have bound and united our two peoples together.”²⁴⁸ Even after China normalized relations with the United States in 1971, it maintained a close relationship with North Korea. In 1982, Kim Il Sung declared the relationship “an invincible force that no one can ever break.... It will last as long as the mountains and rivers to [sic] the two countries exist.”²⁴⁹

Competition with the Soviet Union also encouraged Beijing to maintain a close relationship with North Korea:

China’s basic interest during and after the cold war has been to make certain that no other power ever again acquires a dominant position in the peninsula. This called initially for a substantial economic and military aid role in North Korea that would offset the influential position enjoyed by the Soviet Union in Pyongyang as a result of its key role in installing the Kim Il Sung leadership.²⁵⁰

Beijing competed by donating as much aid as it could, by exporting at reduced prices, which they called “friendship prices,” and by barter agreements. It also helped North Korea by “[constructing] oil refineries, petrochemical plants, and other industrial facilities.”²⁵¹ However, as the Soviet Union began to decline in the late 1980s and after Moscow and Beijing renormalized their relations, Beijing’s desire to support North Korea so wholeheartedly began to wane.

a. The End of the Cold War

Relative to the Soviet Union, Beijing kept close relations with Pyongyang while the assistance diminished. Moscow, faced with an economic implosion, had no choice but to reach out to the West, including Seoul, for help at the geopolitical expense of North Korea. While Pyongyang was not surprised at Moscow’s abrupt recognition of South Korea, it certainly felt no need to mask its displeasure.²⁵²

²⁴⁸ As quoted in Oberdorfer, *The Two Koreas: A Contemporary History*, p. 230.

²⁴⁹ Ibid., p. 231.

²⁵⁰ Harrison, *Korean Endgame: A Strategy for Reunification and U.S. Disengagement*, p. 311.

²⁵¹ Ibid.

²⁵² Kang, C. S. Eliot, "North Korea’s International Relations: The Successful Failure?" in *The International Relations of Northeast Asia* (Lanham: 2004), pp. 285-286.

Beijing, on the other hand, had better prepared itself. While implementing open market reforms internally, it also began reaching out to the West earlier and more cautiously so that it avoided an implosion similar to the Soviet Union's. In particular, China developed a relationship with South Korea during the 1980s that did not jeopardize its relationship with North Korea:

...China had been carrying out a carefully calibrated Korea policy that separated economics from politics. Its dual-track diplomacy had allowed China to enjoy the fruits of a close trading relationship with South Korea without official relations while maintaining close political ties with North Korea...²⁵³

However, once Moscow established diplomatic relations with South Korea, Beijing had to follow suit "in order to maintain diplomatic parity with the Soviet Union."²⁵⁴ Additionally, with the weakening of the Soviet Union, Beijing no longer had concerns "that adjusting their policy toward South Korea could push Kim Il Sung into the arms of the Soviet Union."²⁵⁵ Even so, China's leaders pursued a gentler course than Moscow did with North Korea, letting Pyongyang know (through several visits by high ranking people) changes were on the horizon and, specifically, Beijing's normalization of relations with South Korea one month before they announced it to the rest of the world.²⁵⁶ Furthermore, as an example of China possessing a better understanding of how to deal with the two Koreas than others, Chinese leaders later claimed "that flattery and saving face had been keys to obtaining North Korea's acceptance of the change."²⁵⁷

On another note, some say Beijing began distancing itself from Pyongyang because the ties relied mostly on personal relationships "at the highest levels." As leaders from both countries who had experienced the Japanese invasion and occupation of China and the Korean War began to pass away, the relationship between the two countries began to erode. Proponents claim as "old, key revolutionaries...died....

²⁵³ Kang, C. S. Eliot, "North Korea's International Relations: The Successful Failure?" in *The International Relations of Northeast Asia* (Lanham: 2004), pp. 285-286.

²⁵⁴ Ibid.

²⁵⁵ Oberdorfer, *The Two Koreas: A Contemporary History*, p. 231.

²⁵⁶ Ibid., p. 245, 247.

²⁵⁷ Ibid., p. 247.

Chinese foreign policy toward North Korea has now become more ‘businesslike,’ rather than the old fashion of ‘comrades plus brothers.’”²⁵⁸ No matter what caused the distancing, the fact remains that China still provides more aid, engages in more trade and enjoys closer diplomatic relations with North Korea than any other country today.

2. History and Evolution of Economic Relationship

China remains North Korea’s top trading partner today, accounting for nearly half of North Korea’s overall trade²⁵⁹ with a trade volume of more than \$1 billion.²⁶⁰ At the same time, China is believed to be the largest provider of aid, including grain and fuel, to North Korea, increasing aid when others decrease and vice versa or using it as leverage to influence decisions by North Korea.²⁶¹ This increase in trade and aid, however, is rather new.

Of course, economic relations were good immediately following the Korean War as China and North Korea held close ties in all areas of statecraft. In fact, North Korea surprised many countries around the world as it displayed economic growth at rates higher than that of South Korea through the early 1970s. After the war, Beijing began by eliminating all war debts Pyongyang owed it. Through the 1980s, Beijing competed with the Soviet Union in providing economic aid and trade relations. When the competition began to wane as the Soviet Union’s economic power began to decline, Beijing straddled itself between a pragmatic business approach—such as demanding hard currency payment at world market prices rather than bartering and exporting at “friendship prices”—toward North Korea and one of increasing its influence and leverage on the peninsula for its own national security purposes. Though Beijing eased its demand for hard currency payments soon after it made the demand, trade and aid, for various reasons, declined throughout the 1990s.²⁶² In fact, bilateral trade dropped from its “peak level of

²⁵⁸ Zhao, "China and the Korean Peace Process," p. 112.

²⁵⁹ "Japan: Economic Groups' Study Reveals Sino-DPRK Trade 'Tripled in Four Years'," *Tokyo Sankei Shimbun*, 12 February 2005, FBIS, JPP20050214000009.

²⁶⁰ *North Korea: Can the Iron Fist Accept the Invisible Hand?* International Crisis Group: Working to Prevent Conflict Worldwide, 2005).

²⁶¹ Mark Manyin, *Foreign Assistance to North Korea* (Washington, D.C.: Congressional Research Service, 2005), p. 21.

²⁶² Harrison, *Korean Endgame: A Strategy for Reunification and U.S. Disengagement*, pp. 311-313.

nearly \$900 million in 1993 [to] a mere \$370 million in 1999, according to PRC statistics.”²⁶³ But as Pyongyang finally began to implement some of Beijing’s recommended economic reforms, trade began to increase again, “bilateral trade nearly doubled from 2002 to 2004 to \$1.39 billion, according to KOTRA.”²⁶⁴

3. Their Relationship Today

China undeniably holds deeper political and economic relations with North Korea than any other country does. This depth can be seen through North Korea’s economic growth in recent years that stemmed from reforms based on the Chinese economic model, Beijing’s ability to coax Pyongyang to join the Six Party Talks²⁶⁵, and the fact that “the China-North Korea relationship remains the most enduring, uninterrupted bilateral friendship for both [countries].”²⁶⁶ Indeed, some scholars believe Kim Jong Il’s visit to China shortly before the historic North-South summit in 2000 “signals the importance of China to Pyongyang.”²⁶⁷ Also, Beijing reduced its military aid to North Korea because its “military policy toward the Korean peninsula increasingly emphasized the reduction of military tensions.”²⁶⁸ Nonetheless, Pyongyang still keeps China at a distance. While it certainly needs China on its side as a permanent member of the U.N. Security Council, part of Pyongyang’s *juche* philosophy drives it to desire less dependence on China, to not be a China “flunky,” or *sadaejui*.²⁶⁹ Others also believe “Pyongyang is distancing itself from Beijing to a certain extent to strengthen its position in the regional power games.”²⁷⁰ The Chinese, familiar with Korea’s history and thus reasoning, understand

²⁶³ Mel Gurtov, "Common Security in North Korea: Quest for a New Paradigm in Inter-Korean Relations," *Asian Survey*, May/June 2002, p. 401.

²⁶⁴ Anthony Faiola, "Despite U.S. Attempts, N. Korea Anything but Isolated; Regional Trade Boom Reflects Division between Bush Priorities, Asian Interests," *The Washington Post*, May 12 2005, p. A.18.

²⁶⁵ Joseph Kahn, "North Korea Says it Will Abandon Nuclear Efforts," *The New York Times*, 19 September 2005, sec. International.

²⁶⁶ Andrew Scobell, *North Korea's Strategic Intentions*, (Carlisle Barracks, Pennsylvania: The Strategic Studies Institute, U.S. Army War College, 2005) p. 22. And Scobell and Army War College (U.S.). Strategic Studies Institute, *China and North Korea [Electronic Resource]: From Comrades-in-Arms to Allies at Arm's Length*, p. v.

²⁶⁷ Scalapino, "China and Korean Reunification—A Neighbor's Concerns," p. 119.

²⁶⁸ Harrison, *Korean Endgame: A Strategy for Reunification and U.S. Disengagement*, p. 314.

²⁶⁹ Kang, C. S. Eliot, "North Korea’s International Relations: The Successful Failure?" p. 294.

²⁷⁰ "Can NK-China Comradeship Survive?" *Korea Times*, 7 July 2003, LexisNexis.

North Korea's position and consequently, play within the bounds Pyongyang has set. Hence, while North Korea's feelings toward China vary, it certainly values the relationship too much to end it any time soon.

B. NORTH KOREA'S RELATIONSHIP WITH SOUTH KOREA

To call what North and South Korea share a relationship may seem inappropriate, but it suffices for simplicity's sake. Splitting in 1948 with a brutal war following, the two Koreas headed down entirely separate paths for the next four decades. Bitter enemies and arch rivals, exacerbated by the great powers that supported them, they antagonized each other, sometimes even with violence. But with the end of the Cold War, the two Koreas could take steps in the pursuit of reconciliation that otherwise had been previously unavailable.

After the Korean War ended, North Korea stood in better economic shape because it contained most of the heavy industries developed in the country at that point. South Korea did not catch up in per capita income until the early 1980s.²⁷¹ But as the Cold War died down, thawing fears, and as South Korea surpassed North Korea economically, the two countries began opening up to each other. Seoul more strongly pursued engagement through its *nordpolitik* and "sunshine"²⁷² policies, leading South Korea to open up more than the North. A prime example occurred in 1988 when Seoul ended South Korea's side of the trade ban that had existed since the two Korea's inception because both countries had desired "economic self-sufficiency." Pyongyang responded by relaxing its posture.²⁷³

Throughout the 1990s, relations improved under South Korean President Kim Dae Jung. His moves succeeded in part because of North Korea's dire food shortages during that decade: "in general...the economic crisis in North Korea dictated that progress in the North-South dialogue, and a wider improvement in relations with the

²⁷¹ Harrison, *Korean Endgame: A Strategy for Reunification and U.S. Disengagement*, p. 26.

²⁷² Don Oberdorfer, *The Two Koreas: A Contemporary History*, (London: Warner Books, 1999), p. 407.

²⁷³ *Ibid.*, p. 43.

West, became absolutely imperative.”²⁷⁴ This economic shortage required North Korea to import rice from South Korea for their “first-ever official bilateral trade” in 1991. This trade opened the floodgates as “South Korean trade and investment emerged as probably the best hope of rapidly increasing its supply of foreign exchange.”²⁷⁵ Seoul and Pyongyang made even more progress when they both agreed to a denuclearization of the peninsula in 1991. Without this agreement, Pyongyang would not have agreed to shut down its Yongbyon reprocessing plant in the nuclear freeze agreement with the United States in 1994.²⁷⁶

Another reason the North began opening up to the South stems from the leadership of Kim Dae Jung. Unlike previous South Korean presidents, he “offered an unprecedented opportunity for improved North-South relations on terms acceptable to the North.”²⁷⁷ North Korean officials, though initially skeptical, were impressed by Kim Dae Jung’s actions. His pushing the United States to ease sanctions against North Korea and his “support for Hyundai president Chung Ju Yung’s plan to develop a tourist resort in the North near Mount Kungang (Diamond), especially his support for generous terms that gave Pyongyang quick infusions of hard currency,” convinced North Korean leaders he was serious in his endeavors to engage North Korea.²⁷⁸

Kim Dae Jung’s steadfast belief, not espoused by his predecessors, that engagement was the key to reducing tensions in the region (hence his engagement with China and multilateral regional institutions) paved the way for the unprecedented growth in the inter-Korean relationship witnessed through today.²⁷⁹ In fact, his “steady engagement (even if Pyongyang [didn’t] reciprocate immediately)...played a key role in

²⁷⁴ Barry K. Gills, *Korea Versus Korea: A Case of Contested Legitimacy*, (London; New York: Routledge, 1996), p. 231.

²⁷⁵ *Ibid.*, pp. 230.

²⁷⁶ Harrison, *Korean Endgame: A Strategy for Reunification and U.S. Disengagement*, p. 250.

²⁷⁷ *Ibid.*, p. 85.

²⁷⁸ *Ibid.*, p. 86.

²⁷⁹ Oberdorfer, *The Two Koreas: A Contemporary History*, p. 407.

keeping the United States in dialogue with North Korea.”²⁸⁰ Kim Dae Jung’s endeavors also helped lay the foundation for the historic 2000 summit.

In early 2000, Kim Dae Jung began proposing a summit with Kim Jong Il. His March 9th speech in Berlin offering tremendous assistance to North Korea convinced the ailing regime to consider Kim Dae Jung’s proposals. Five days later, Pyongyang sent a message for secret meetings to discuss the possibility of a summit. The Koreans’ quick preparations led to a successful, historic 3-day summit in mid-June. Topics of discussion ranged from “reunions of divided families, exchanges of cultural and sporting groups, and meetings of the military and civilian government officials.” Although they naturally faced some obstacles along the way, Kim Dae Jung rightfully declared after the summit, “A new age has dawned for our nation.” More specifically, Kim Dae Jung told the South Korean people:

I found that Pyongyang, too, was our land, indeed. The Pyongyang people are the same as we, the same nation sharing the same blood.... We lived as a unified nation for 1300 years before we were divided 55 years ago against our will. It is impossible for us to continue to live separated physically and spiritually. I was able to reconfirm this fact first-hand during this visit. I have returned with the conviction that, sooner or later, we will become reconciled with each other, cooperate, and finally get reunified.²⁸¹

The success of the summit led to increased economic ventures, cultural and sports exchanges throughout the following years.

Although growing beforehand, economic enterprises expanded profoundly after the summit. Two major South Korean name brands began selling televisions made in North Korea. Pyongyang saw its first branch of a South Korean bank. Also, a joint North-South venture began to market a brand of cigarettes to both countries. The two Koreas also witnessed an auto race that began in South Korea and ended in the North.²⁸²

Much like it did with China, Seoul also pursued sports diplomacy with its northern counterpart. Merely three months after the summit, North and South Korea

²⁸⁰ Kang, C. S. Eliot, "North Korea's International Relations: The Successful Failure?" p. 291.

²⁸¹ Oberdorfer, *The Two Koreas: A Contemporary History*, pp. 427-433.

²⁸² Harrison, *Korean Endgame: A Strategy for Reunification and U.S. Disengagement*, p. 92-93.

marched in the opening ceremony of the 2000 Olympic Games in Sydney under one flag.²⁸³ Two years later, North Korea sent its “first-ever boatload of athletes, musicians, and cheerleaders” to South Korea for the Asian games.²⁸⁴ In 2004, the two Koreas entered the 2004 Olympic Games in Athens together under the unification flag again.²⁸⁵ Although the two teams still competed against each other as in Sydney, the table tennis team did hold a joint practice for the first time since 1991 in Athens.²⁸⁶ Further progressing, in late 2004, the two Koreas and China agreed to have invitational friendly matches of table tennis.²⁸⁷ More recently, the two Koreas announced in November 2005 that they agreed in principle, with the details to be worked out later, to send a joint team to the 2008 Olympics in Beijing.²⁸⁸

While this opening up by North Korea seems promising to some, others remain skeptical. These critics still believe Pyongyang wants to dominate the South; they believe it is still playing a “zero-sum security game.”²⁸⁹ They cite Pyongyang’s advances as tactical but not strategic, merely satisfying short-term interests. Particularly, scholar C.S. Eliot Kang argues Pyongyang has become the “odd man out”²⁹⁰ in Northeast Asia because while the other countries in the region have embraced economic interdependence and globalization, “North Korea has held fast to the militant antiforeign, anticapitalist values and ideas that have guided its external policy since its founding.”²⁹¹ Kang further declares, “North Korea has been unable to redefine its national interests and

²⁸³ Harrison, *Korean Endgame: A Strategy for Reunification and U.S. Disengagement*, p. 93.

²⁸⁴ John Feffer, “Responding to North Korea’s Surprises,” *Foreign Policy in Focus*, December 2002, 14.

²⁸⁵ Hyun-cheol Kim, “Olympics Open in Athens: 11,000 Athletes from 201 Countries Competing in 28 Disciplines,” *The Korea Times*, 13 August 2004.

²⁸⁶ Kyong-ae Choi, “Two Koreas Join First Table Tennis Practice,” *The Korea Times*, 13 August 2004.

²⁸⁷ “Koreas, China Friendly Table Tennis Matches Planned from 30 December,” *BBC Monitoring International Reports*, 23 December 2004, LexisNexis.

²⁸⁸ Donald Kirk, “Two Koreas’ dream: one Olympic team; The North and South have agreed in principle to field one team for the 2008 games in Beijing,” *The Christian Science Monitor*, Nov. 3, 2005, 5.

²⁸⁹ Kang, C. S. Eliot, “North Korea’s International Relations: The Successful Failure?” p. 282.

²⁹⁰ *Ibid.*, p. 293.

²⁹¹ *Ibid.*, p. 282.

‘identity.’”²⁹² Kang believes that because Kim Jong Il still uses the *juche* policy of self-reliance to give his regime legitimacy within the country, North Korea’s recent advances do not necessarily indicate long-term success. He also points out that although North Korea’s continued existence implies its “unique diplomacy” has been successful, the “accomplishments have come at an enormous price...famine and the lingering threat of war.”²⁹³

Kang and other critics may be reacting too quickly. Perhaps Pyongyang’s recent advances do indicate a change in “its national interest and ‘identity.’” Beijing began shedding its communist identity in the late 1970s when Deng Xiao Ping introduced economic reforms, but only recently have the implications of that change surfaced. Moscow’s national interests and identity changed so quickly only because the Soviet regime imploded. North Korea began experiencing economic growth two years after the historic 2000 summit with its brother to the south. Indeed, some proponents view the actual occurrence of the summit as a symbol of strategic change of policy in Pyongyang.²⁹⁴ If it continues to grow, Pyongyang, like Beijing, may begin to adapt its national interests and identity to that of the region. Beijing now uses the PRC’s economic success to garner legitimacy instead of communism; perhaps Kim Jong Il will pursue the same logic if he can liberalize North Korea’s market enough.

Also, Pyongyang’s actions no longer endorse the idea of a zero-sum security game. It seems more concerned with its own survival than competing with the South for dominance; it now looks at gains in “absolute rather than relative terms vis-à-vis the gap with the South.”²⁹⁵ In fact, a former staunch ideologue who had defected, Hwang Jang-yop, admitted “a communist revolution in the South was no longer a viable DPRK objective.”²⁹⁶ Several prominent Korea scholars also believe it is “highly unlikely that

²⁹² Kang, C. S. Eliot, "North Korea’s International Relations: The Successful Failure?" p. 293.

²⁹³ Ibid., p. 295.

²⁹⁴ Tae-Hwan Kwak, "The Korean Peace-Building Process: Problems and Prospects," in *The Korean Peace Process and the Four Powers* (Burlington: Ashgate Publishing Limited, 2003), p. 11.

²⁹⁵ Victor Cha, "Hawk Engagement and Preventive Defense on the Korean Peninsula," *International Security*, 2002, p. 50 and 66.

²⁹⁶ Ibid., p 49.

North Korea currently retains such aggressive intentions [i.e., plans to invade South Korea] in any serious way.”²⁹⁷ Andrew Scobell highlights a spectrum of Korea scholars in his monograph, *North Korea’s Strategic Intentions*, in which he points out David Kang, Bruce Cumings and Victor Cha all believe the North “desires ‘peaceful coexistence with the South.’”²⁹⁸

As reclusive as North Korea is, some scholars believe it faces an internal struggle between reformers and the “Old Guard,” remaining revolutionaries and comrades of North Korea’s first leader, Kim Il Sung, who had helped establish communist North Korea. These same scholars usually consider Kim Jong Il a reformer wanting more economic interaction with the South but is prevented by the Old Guard who still believe strictly in self reliance. The reformers in North Korea view more economic interaction with the South “as the quickest way to get a large-scale infusion of capital and technology.”²⁹⁹ In fact, Kim Jong Il, in June 2003, supposedly told the Hyundai-Asan Chairman at the time, “South Korean businessmen can provide the North Korean people with an effective shortcut for understanding what capitalism is.”³⁰⁰ Thus, even while combating the Old Guard and other remaining resistance to South Korean business north of the DMZ, the interaction between the two Koreas has undeniably grown since the 2000 summit.

With the summit diluting many of the obstacles erected at the end of the Korean War, South Korea’s food aid to the North also increased heavily. While South Korea has provided nearly 2 million metric tons of government food aid since 1996, almost all of it came after the summit, which can be seen in Figure 10:

²⁹⁷ This quote comes from Andrew Scobell’s writing of David Kang’s beliefs which is further discussed in sentence following the quote and annotated in the next footnote.

²⁹⁸ Scobell, *North Korea's Strategic Intentions*, p. 5. The first quote came from Scobell’s overview of Kang’s beliefs and the second from Cumings’.

²⁹⁹ Harrison, *Korean Endgame: A Strategy for Reunification and U.S. Disengagement*, p. 42-43.

³⁰⁰ "North Korea: Can the Iron Fist Accept the Invisible Hand?" p. 9.

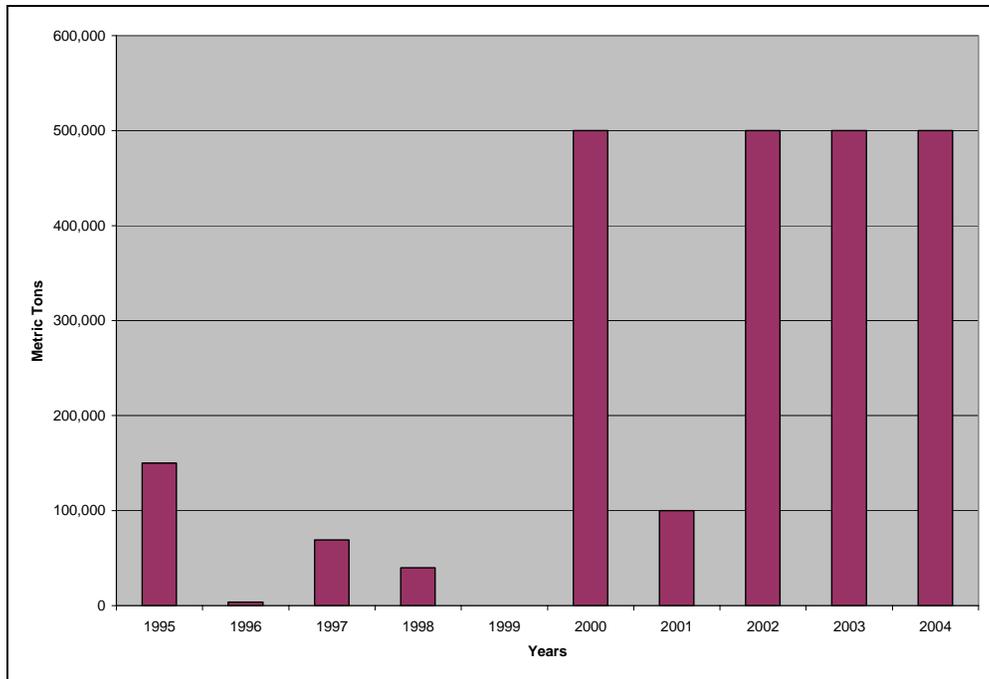


Figure 10. South Korea Food Aid to DPRK, 1995-2004³⁰¹

When Pyongyang halted the bilateral reconciliation process in July 2004, Seoul “linked provision of humanitarian assistance to North Korea returning” to the talks, which it did in the first half of 2005. At the same time, the South stepped in to fill the gap created when other countries began dropping their donations to the North in 2002. Also, the Korean Peninsula Energy Development Organization (KEDO), a multinational organization designated in 1994 to provide “a package of benefits in return for a freeze of North Korea’s nuclear program,” received most of its contributions from South Korea, which gave more than \$1.3 billion.³⁰² Moreover, the South has contributed \$72 million in rice aid per year during the past few years to the North, “even purchasing rice from abroad in June 2004, due to domestic shortages.”³⁰³ While North Korea has benefited from South Korea’s consistent aid since the summit at the turn of the century, South Korea has also intensified its trade interactions.

³⁰¹ Manyin, *Foreign Assistance to North Korea*, p. 38.

³⁰² *Ibid.*, pp. 22-25.

³⁰³ Michael Horowitz, “Who’s Behind that Curtain? Unveiling Potential Leverage Over Pyongyang,” *The Washington Quarterly*, Winter 2004-05, p. 37.

Trade between the two countries has relatively skyrocketed since the summit. In 2001, South Korea's trade with North Korea surpassed the level at which Japan traded with the North and reached half of the China-North Korea trade level by 2004.³⁰⁴ In fact, South Korea became the North's second-largest trading partner, behind China, consuming about 23 % of North Korea's total trade volume in 2003.³⁰⁵ In the first three months of 2005, South Korean trade with North Korea increased by 58% when compared with the same period in 2004.³⁰⁶ Not only have aid and trade increased since 2000, but business ventures and investing have increased as well. However, very few of these ventures have yet to make a profit.³⁰⁷ This growth, then, explains many South Koreans' desires to reconcile with their countrymen to the north.

This desire perhaps was best illustrated when the first products made by both South and North Koreans in North Korea at the Kaesong special economic zone went on sale at a department store in Seoul. The \$19 stainless steel pots sold out in two days as shoppers grabbed them "to give to relatives, friends and South Koreans whose ancestral towns are in North Korea."³⁰⁸ This same sentiment echoes in the business sector: "In 2001, 50 per cent of all South Korean companies engaged in business with the North were motivated by humanitarian and nationalistic aims."³⁰⁹

A reporter for *The New York Times*, Norimitsu Onishi, interviewed a South Korean who had decided to open a factory in the North because of "the cost of labor in North Korea, which is even cheaper than in China, the common language and his personal belief that free enterprise could coax the North further out of its shell." That man expressed the sentiment best when he told Onishi, "I concluded that North Korea is

304 "Japan: Economic Groups' Study Reveals Sino-DPRK Trade 'Tripled in Four Years'."

305 Horowitz, "Who's Behind that Curtain? Unveiling Potential Leverage Over Pyongyang," p. 31.

306 Faiola, "Despite U.S. Attempts, N. Korea Anything but Isolated; Regional Trade Boom Reflects Division between Bush Priorities, Asian Interests," A.18.

307 "North Korea: Can the Iron Fist Accept the Invisible Hand?" p. 9.

308 Norimitsu Onishi, "2 Koreas Forge Economic Ties to Ease Tensions," *The New York Times*, 8 February 2005.

309 "North Korea: Can the Iron Fist Accept the Invisible Hand?" p. 9.

not anyone else's problem.... It's our problem as one people."³¹⁰ Since the 2000 summit, many South Koreans have begun to see North Korea in the same light as the factory owner, Yoo Chang Geun. Polls have shown that 60% of South Koreans think aid to North Korea was "acceptable or should increase." Meanwhile, 39% chose North Korea and 24% chose the United States when faced with a choice of with which country to increase cooperation.³¹¹

Pyongyang, in its own way, has demonstrated it desires this increase in cooperation as well. From an economic viewpoint, the act of opening up to its archrival on its southern flank signifies a desire for cooperation in and of itself. Additionally, some South Koreans claim North Korean officials have actually pressed the South "to quicken the pace of development" at the Kaesong special economic zone.³¹² At the same time, North Korea's strong anti-U.S. sentiment creates an avenue for the country to cooperate with liberal political parties in Seoul that favor more aid to the North than the conservative (and normally pro-U.S. stance) parties.³¹³ Meanwhile, changes at the DMZ constitute further cooperation. In July 2005, loudspeakers at the inter-Korean border were removed as part of an agreement to remove equipment and materials used for propaganda in that area.³¹⁴

Ultimately, North Korea sees South Korea as its brother but also as a puppet of the United States. Opening up to the South may have been out of necessity, but it is also driven by the idea of brotherhood. Shortly after returning from the 2000 summit, President Kim Dae Jung stated:

...the most important reason for the opening was North Korea's desperate economic travail, which made assistance from the outside world essential to its survival. 'Without improved relations with South Korea, others won't help them....' Other reasons...were the failure of North Korea to sideline the ROK while responding to the United States; global pressures

310 Onishi, "2 Koreas Forge Economic Ties to Ease Tensions."

311 Horowitz, "Who's Behind that Curtain? Unveiling Potential Leverage Over Pyongyang," p. 39.

312 Onishi, "2 Koreas Forge Economic Ties to Ease Tensions."

313 Kwanwoo Jun, "North Korea Campaigns for Friendly Legislature in South Korea," *Agence France Presse*, 12 April 2004, LexisNexis Academic.

314 "Photo Caption: Toning it Down," *JoongAng Daily*, 27 July 2005.

for détente from China, Russia, and other nations; and Pyongyang's growing trust that the South's policy was actually aimed at assisting the North rather than undermining it.³¹⁵

As fears of absorption subside and anti-Americanism in South Korea rises, North Korea may open up more to its brother. Either way, looking at the inter-Korean relationship certainly gives insight into North Korea's views on South Korea's growing relationship with the DPRK's closest ally, China.

C. VIEWS ON THE GROWING RELATIONSHIP BETWEEN SOUTH KOREA AND CHINA

Scholars should expect the growing relationship between China and South Korea to put Pyongyang in a precarious situation. Its closest ally befriending its main enemy seems to be the ultimate paradox. Yet Pyongyang reacted more harshly to Moscow's establishment of diplomatic ties with Seoul than it did to Beijing's. In fact, Pyongyang seemed to barely notice, or acknowledge at least, the new relationship. Retired journalist Don Oberdorfer states Pyongyang accepted the rapprochement with "official silence," and when he asked the North Korean foreign minister, Kim Yong Nam, about a month later, the minister replied the new relationship was "nothing special ... nothing [that] matters to us."³¹⁶

On another note, Pyongyang views both countries with suspicion. Although China serves as its closest ally, many North Koreans seem to distrust China and its intentions. For a country that believes in self-reliance for success and survival, relying so heavily on China does not sit well with many North Korean officials³¹⁷. On the other hand, Seoul's pursuit of a relationship with China probably seems like a backdoor absorption approach to North Korea. So why did Pyongyang hardly react when Seoul and Beijing established relations? Why does North Korea not seem to care as the strength of the relationship has only increased since 1992? Does it not fear two of its border countries may be attempting to contain it?

³¹⁵ Oberdorfer, *The Two Koreas: A Contemporary History*, p. 433.

³¹⁶ *Ibid.*, p. 248.

³¹⁷ Scobell and Army War College (U.S.). Strategic Studies Institute, *China and North Korea [Electronic Resource]: From Comrades-in-Arms to Allies at Arm's Length*, p. 16.

Pyongyang does not really have a choice. Kim Jong Il seems acutely aware he cannot stop this relationship from growing. Generally speaking, in the post-Cold War era, “North Korea was placed in a position that compelled it either to accept isolation or to make the best of the situation by demonstrating some flexibility.”³¹⁸ Scholar Barry K. Gills points out Pyongyang demonstrated this flexibility through its complete reversal on the issue of joint UN membership in the early 1990s. After opposing two Koreas in the UN for two decades, Pyongyang reversed its policy when its allies declared they would not block South Korean membership. Not wanting to “allow the South to enjoy sole representation, which in effect would have meant accepting the de-legitimation of the DPRK,” Pyongyang chose flexibility over isolation by opting for joint membership.³¹⁹ North Korea has also demonstrated more of this flexibility through its implementation of a few of Beijing’s recommended market reforms and through the increase of inter-Korean relations after the 2000 summit.

Pyongyang may not view this growing relationship as threatening. Shortly after Seoul-Beijing rapprochement, Chinese leaders went through great lengths to reassure Kim Il Sung of “China’s uninterrupted high regard for the Sino-North Korean solidarity forged during the Korean War.”³²⁰ Consequently, the North Koreans may believe that no matter how close Beijing gets to Seoul, “the Chinese will help North Korea as much as they can for the sake of preventing a collapse of its system or military instability.”³²¹ Additionally, the relationship between China and South Korea has proven beneficial for North Korea as aid from these two countries has increased, as it has experienced economic growth due to efforts by China and South Korea (economic models and industrial complexes), and as it thus far has successfully avoided U.N. sanctions during the Six Party Talks largely due to unwillingness by China and South Korea to participate in the sanctions. At the same time, Pyongyang adamantly displays reluctance to become

³¹⁸ Gills, *Korea Versus Korea: A Case of Contested Legitimacy*, p. 231.

³¹⁹ *Ibid.*, pp. 231-232.

³²⁰ Chae-Jin Lee, "China and North Korea: An Uncertain Relationship," in *North Korea After Kim Il Sung* (Boulder: Lynne Rienner Publishers, 1998), p. 195. More details of Chinese flattery to improve relations with North Korea after rapprochement with South Korea can be found on p. 197.

³²¹ *Ibid.*, p. 199.

China's flunky. Rather than accusing South Korea of becoming one, Pyongyang has, instead, continued making progress toward reconciliation. Such action perhaps indicates North Korean leaders do not feel threatened by the PRC-ROK relationship like it does by the relationship between South Korea and the United States. Meanwhile, neither Beijing nor Seoul has given Pyongyang the impression it is trying to contain or change the regime.

Ultimately, Pyongyang's basic goal seems to be "simply to survive in a hostile world."³²² This goal reflects its views on the growing relationship between China and South Korea. Scholar Chae-Jin Lee believes "the North Koreans adopted a realistic approach toward China's growing linkage with South Korea and sought China's diplomatic and economic assistance as much as possible."³²³ Additionally, Seoul pursued a relationship with China to reduce tensions on the peninsula. A common sensical by-product includes reduced tensions from the viewpoint of North Korea.

Perhaps North Korea thought a growing relationship with China meant South Korea would be distancing itself from the United States. Indeed, Pyongyang began viewing Washington as an asset in its "strategic calculus" during the 1990s;³²⁴ however, as Seoul grows closer to Beijing, perhaps North Korean leaders hope the United States' role in the South will be marginalized, decreasing the perceived threat North Korea faces. Pyongyang certainly hoped Beijing's normalization with Seoul would help reduce this perceived threat through an improvement in its own relations with the United States and Japan. When Chinese Foreign Minister Qian Qichen made a secret trip to Pyongyang just before normalization with Seoul, he portrayed to North Korean leader Kim Il Sung this idea of reciprocation on the part of the United States and Japan as one of Beijing's arguments for recognizing Seoul.³²⁵ Similarly, a marginalized United States would have limited influence on a unified Korea, a situation Pyongyang undoubtedly desires.

³²² Gurtov, "Common Security in North Korea: Quest for a New Paradigm in Inter-Korean Relations," p. 417.

³²³ Lee, "China and North Korea: An Uncertain Relationship," p. 197.

³²⁴ B. C. Koh, "North Korean Policy Toward the United States," in *North Korea After Kim Il Sung* (Boulder: Lynne Rienner Publishers, 1998), p. 88.

³²⁵ Lee and Park, *China and Korea: Dynamic Relations*, p. 125.

As scholar Edward A. Olsen states, China and the United States are “two powerful countries that view themselves as indispensable.... [And] act as though they have the right to exert their influence in ways that the two Koreas should heed.”³²⁶ Although desiring no foreign influence on Korea at all, Pyongyang clearly would choose China over the United States to have the most influence on the peninsula. Seoul moving closer to Beijing may give Pyongyang the impression such a scenario is possible.

Either way, reduced tensions most certainly equal a better chance of survival for Kim Jong Il’s regime. On the other hand, even if Pyongyang were upset with China for recognizing Seoul, it needs China to survive.³²⁷ Especially after the Soviet Union collapsed, and thereafter Russia’s weakened ability to help North Korea, China remained the biggest provider of aid to the ailing country. Furthermore, the Chinese “[continue] to protect North Korean interests at the UN and the IAEA.”³²⁸ Now that South Korea has joined the ranks of aid providers and major trade partners, North Korea has enmeshed itself in a triangle in which it needs both China’s and South Korea’s support to survive. The necessity of China’s support for survival leaves Pyongyang with no choice but to accept Beijing’s relationship with Seoul.

While it may need China (and increasingly, South Korea) to survive, Pyongyang certainly does not want to rely so heavily on anyone. Its policy of *juche*, independence and self-reliance, is the antonym of *sadaejjuui*, “serving and relying upon foreign power,” (what it believes South Korea does).³²⁹ Thus Pyongyang tends to harbor suspicions toward China.³³⁰ This viewpoint may carry over toward Seoul as well as the two countries become more and more interdependent. However, if Pyongyang continues to demonstrate the flexibility Gills pointed out, as it comes to rely more and more on its two neighbors, it may continue to establish diplomatic relations with more countries in an

³²⁶ Olsen, *Toward Normalizing U.S.-Korea Relations: In due Course?* p. 89.

³²⁷ Scobell and Army War College (U.S.). Strategic Studies Institute, *China and North Korea [Electronic Resource]: From Comrades-in-Arms to Allies at Arm's Length*, p. 28.

³²⁸ Lee, "China and North Korea: An Uncertain Relationship," p. 202.

³²⁹ Kang, C. S. Eliot, "North Korea's International Relations: The Successful Failure?" p. 294.

³³⁰ Scobell and Army War College (U.S.). Strategic Studies Institute, *China and North Korea [Electronic Resource]: From Comrades-in-Arms to Allies at Arm's Length*, p. 16.

effort to distance itself from its two main supporters. In this regard, *juche*'s relevance within North Korea seems to be decreasing and opening up is something both China and South Korea would prefer North Korea to do.

Kim Dae Jung perceived this possibility during his presidency and related it to Oberdorfer: "they realized if they continue [isolation] like this without cooperation with the outside, they cannot maintain their system."³³¹ Pyongyang views the growing relationship between South Korea and China as unstoppable and whether they like it or not, North Korean leaders know they still need China in order to keep their country in existence. Thus, perhaps they see the advantage of this growing relationship. With China and, indirectly South Korea, in its corner, Pyongyang holds more negotiating power with the rest of the world. Furthermore, these two countries understand very well Pyongyang's desire for distance through *juche*, know North Korea's entire history and share a cultural affinity. These three dynamics make Pyongyang's relations with China and South Korea and with the rest of the world a lot easier. Perhaps Kim Jong Il sees this relationship as a key ingredient to ensuring his regime and country survive. Consequently, if Kim Jong Il is the reformer some scholars claim he is, maybe he wants this relationship to grow so he can take full advantage of it. He knows he cannot stop the relationship, so perhaps he thinks he can milk them both to prop up his regime.

While scholars debate if North Korea's current reforms are tactics or strategies and if Kim Jong Il desires reform or not, one thing is for certain: North Korea (as most countries do, presumably) wants to survive. It needs China to do so. Furthermore, with Seoul's desire for peace and stability through engagement, a growing relationship with China does not necessarily pose a threat to North Korea's survival. In fact, it probably increases the chances, and Pyongyang recognizes this probability. Thus, while not explicitly supporting a strong relationship between its number one ally and its supposed archenemy, Pyongyang does not protest it.

D. CONSEQUENCES FOR NORTH KOREA

This growing relationship between China and South Korea could imply positive outcomes for North Korea. Not only does North Korea need help from anyone willing to

³³¹ Oberdorfer, *The Two Koreas: A Contemporary History*, p. 426.

give it, but receiving help from two countries who are sensitive to Pyongyang's viewpoint can prove advantageous. Further, the engagement strategies of Seoul and Beijing toward Pyongyang have influenced Kim Jong Il's decisions to implement reforms, which although slight, are reforms nonetheless. However, Pyongyang faces a dilemma in that it must find a way to adapt its *juche* policy in order to maximize the possible benefits from this relationship.

North Korea's trade with other countries has increased since the turn of the century, primarily due to its modest opening up. The historical inter-Korean summit in 2000 led to industrial complexes that have encouraged South Korean businesses to invest in North Korea and led to Pyongyang establishing diplomatic ties with 19 new countries.³³² At the same time, North Korean authorities have authorized private markets—with some limitations of course—to the extent that most cities now have a town market.³³³ Pyongyang has also taken steps to broaden property rights.³³⁴ Although “periodic tensions” between Pyongyang and Beijing have risen occasionally due to China's pressure for economic reforms³³⁵, Kim Jong Il's visit to Shanghai in 2001 proved fruitful as North Korea has experienced economic growth, though small (approximately 2-3 % each year) in the last two years. During his first visit to Shanghai in seventeen years, Kim visited the Shanghai Stock Exchange, a U.S.-Chinese automobile manufacturing joint venture, and Chinese companies in the information technology sector and appeared extremely interested in the role of a stock market in the state.³³⁶ David Kang believes this growth shows how serious North Korea is about “opening up to the outside world,” which was partly influenced by Chinese success, so far.³³⁷ Although

³³² Norimitsu Onishi, "North Korea is Reaching Out, and World is Reaching Back," *The New York Times*, 20 August 2004, LexisNexis. Those nineteen new countries are: Australia, Austria, Belgium, Brazil, Canada, Denmark, Finland, Germany, Greece, Italy, Kuwait, Luxembourg, the Netherlands, New Zealand, Philippines, Portugal, Spain, Sweden, and the United Kingdom.

³³³ Manyin, *Foreign Assistance to North Korea*, p. 5.

³³⁴ Onishi, "2 Koreas Forge Economic Ties to Ease Tensions."

³³⁵ Harrison, *Korean Endgame: A Strategy for Reunification and U.S. Disengagement*, p. 313.

³³⁶ Snyder, "The Winds of Change: Fresh Air Or Pollution?"

³³⁷ David Kang, "Commentary; PERSPECTIVE ON ASIA; we should Not Fear the North Koreans; there is Reason for Mistrust, but the Stakes Justify Moves to Bring them into World Community." *Los Angeles Times*, Jun 13 2000, p. 9.

Pyongyang experienced some setbacks in economic reforms in late 2005, Kim Jong Il made an unofficial visit to China in January 2006.³³⁸ Not only did he meet with President Hu Jintao and the other eight members of the Politburo Standing Committee, but he and the economic officials in his traveling party also toured southern China's prosperous economic regions and special economic zones.³³⁹ While the purpose and the results of the trip remain unclear, Kim Jong Il's second trip to China in five years, during both of which he praised China's economic success, shows North Korea is serious about its opening up.

China serves as a nice conduit with which North Korea can pursue its relationship with South Korea. As the "threat" from the United States continues to loom large, Pyongyang can use Washington's ally to allay its security fears brought on by the United States. Pyongyang would not be able to pursue this tactic without Beijing's involvement. With the United States on one side and China on the other (in this situation specifically), South Korea sitting on the fence allows Pyongyang to pursue aid or inter-Korean relations without upsetting the balance. Seoul's relationship with North Korea's number one ally implies another opportunity for Pyongyang to defy Washington's wishes (that Seoul and Beijing do not support) and thus, maintain its sovereignty. As the growing relationship proves more and more beneficial for North Korea, the Bush Administration's desires to incite a regime change, to contain the country, or to even pursue theater missile defense in the region become effectively marginalized. Similarly, the Proliferation Security Initiative (PSI), an initiative by the United States to stop the proliferation of weapons of mass destruction while in transit from reaching their desired destinations,³⁴⁰ has become less effective against North Korea due to the "non-participation of China and South Korea."³⁴¹

³³⁸ Joseph Kahn, with Choe Sang-Hun contributing, "North Korean Leader Ends Visit to China," *The New York Times*, 19 January 2006.

³³⁹ Norimitsu Onishi, "North Korea Takes a Peek Down China's Capitalist Road," *The New York Times*, 26 January 2006.

³⁴⁰ Revere, Evans J.R., Principal Deputy Assistant Secretary for East Asian and Pacific Affairs, "Remarks to the Baltimore Council on Foreign Affairs: U.S. Foreign Policy Priorities and the East Asia-Pacific Region," (2005).

³⁴¹ *Reorienting U.S.-Korea Relations*, Alliance of Scholars Concerned about Korea (ASCK), (2005). The statement was made in response to a question during the Q & A period.

The strong relationship between China and South Korea implies a balancer against the United States in other ways as well. Both countries desire an engagement policy while Washington prefers a more hard-line approach that may lead to the collapse of Kim Jong Il's regime. This relationship effectively undermines any actions the United States can take, outside of war. Not only can Beijing veto any sanctions Washington brings to the United Nations, but any sanctions attempted against North Korea would fail unless both China and South Korea participate since they provide the most aid for and trade with North Korea.

Another implication centers on the changing hierarchy in East Asia. Pyongyang understands the potential significance this growing relationship has on the future dynamics of Asian politics. As China rises to power in the region, South Korea stands poised to ride on the coattails of that rise. For North Korea, to be in good favor of, or at least understood by, the rising powers of Asia has its benefits. Currently considered the odd man out, Pyongyang may find itself with an opportunity to be included in this new hierarchy. As Pyongyang takes steps toward international recognition, having the support of the dominant powers in Asia will also add to its credibility and legitimacy.

For scholars believing Pyongyang's recent reforms merely imply tactical changes that lack any real internal reform, the relationship between China and South Korea holds implications as well. Kim Jong Il can use this relationship to continue attempting to drive a wedge between the United States and South Korea by capitalizing on the relationship between the South and China. In other words, Pyongyang can take the carrots the two countries offer as a way to entice them for more help and to keep holding off the United States. It could even try to keep the stand off with the United States continuing as a way to keep more aid coming from the China and South Korea. Ultimately, Kim Jong Il can play China and South Korea off against each other once the "threat" from the United States dissipates in order to continue receiving more aid.

Alexandre Mansourov of the Asia-Pacific Center for Security Studies seemed to encompass a wide spectrum of implications and Kim Jong Il's options when he stated:

Kim's games seems to be to promote "national cooperation" between the North and the South, play up historical anti-Chinese nationalist sentiments across the DMZ, and gradually, albeit reluctantly, increase his reliance on

the ROK for economic assistance, diplomatic support, and military guarantees, thereby reducing the DPRK's lopsided dependence on and strategic vulnerability to China, giving a stake to Seoul in the survival of his regime, and, in the long run, using the South as a leverage in his own bargaining with the Chinese, or even forging a common North-South front in dealings with the PRC.³⁴²

Mansourov also states that throughout all of history, "China can make or break any Korean state." North Korea's leaders know this and are aware of China's indispensability in Korean unification. They know "an ascending Korean power must align itself with China, because of China's enormous political, economic, and military potential, huge stakes, and a high degree of sensitivity to geopolitical developments on the Korean peninsula."³⁴³ Seoul seems to be pursuing this route already; Pyongyang probably knows it cannot stay behind.

While most implications suggest a positive outcome for North Korea, it runs the risk of mishandling its opportunities (i.e. reverting back to its isolationist ways). Therein lies a problem: how can Kim Jong Il adapt his *juche* policy to embrace an interdependence with China and South Korea? He cannot easily denounce the policy as it serves as the "central ideology legitimizing the rule of the 'Kim dynasty' in North Korea and its claim to the once and future unified Korea."³⁴⁴ Kim Jong Il must find a way to legitimize interdependence with a suspicious-looking China and his country's rival to the south through *juche* in order to maximize the potential benefits of this growing relationship.

Perhaps Kim can use *juche* to proclaim Asian self-reliance against the "imperial United States." Another option includes replacing *juche* with another foundation for legitimacy like the Chinese Communist Party has replaced communist rhetoric with economic prosperity. As long as Chinese citizens continue to enjoy the fruits of China's economic growth, the CCP will remain in power. Kim Jong Il can pursue a similar

³⁴² "Giving Lip Service with an Attitude: North Korea's China Debate," in The Nautilus Institute, Asia-Pacific Center for Security Studies (APCSS) [database online]. December [cited 2005]. Available from http://www.nautilus.org/DPRKBriefingBook/china/Mansourov_DPRKChinaDebate.html. Accessed Oct 2005.

³⁴³ Ibid.

³⁴⁴ Kang, C. S. Eliot, "North Korea's International Relations: The Successful Failure?" p. 294.

course. If North Koreans begin to experience prosperity through economic growth, Kim Jong Il can peacefully transition his legitimacy away from the failed idea of self-reliance. Whatever he does, the long-term implications and current tactical benefits for North Korea of the growing relationship between China and South Korea will amount to nothing if Kim cannot provide a stronger foundation for it in his hermit kingdom.

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VI. CONCLUSION

The growing relations between South Korea and China undoubtedly carry implications beyond North Korea. As China's power grows alongside its relationship with South Korea, the power structure in Asia will change. With both countries sharing a distrust of Japan, the implications of this relationship for Japan could be negative. Meanwhile, if policy makers in the United States decide to contain rather than engage China, not only does China's growing relationship with a U.S. ally carry potentially negative implications but so does the United States' strengthening alliance with Japan since that may further alienate Japan from Asia or create a polarized region with the potential to spark a new Cold War. After providing a summary of the main argument, this chapter highlights specific implications for Japan and the United States and will provide recommendations for policy makers in the United States.

A. SUMMARY

The purpose of this thesis was to examine the growing relationship between South Korea and China, determine why each country desires a relationship with the other and then study the implications of this relationship for North Korea. South Korea and China began trading indirectly in the early 1980s. The end of the Cold War and the disintegration of the Soviet Union, Beijing's rival, opened opportunities for China regarding North Korea. The end of the Cold War signified Beijing no longer had to view South Korea as part of the evil enemy, and the fall of the Soviet Union meant Beijing no longer had to compete for Pyongyang's attention. These two antecedent conditions paved the way for Beijing to respond to Seoul's engagement strategy, Kim Dae Jung's "sunshine policy." Gracefully normalizing relations with Seoul while maintaining amicable relations with Pyongyang allowed Beijing to reap the benefits of its new two Koreas policy.

South Korean entrepreneurs expressed their approval of the normalization in 1992 through their increased business transactions with their Chinese counterparts. While trade between the two countries had been steadily increasing throughout the 1980s, it skyrocketed after the normalization of relations and has continued to rise ever since, signified by China's overtaking of the United States as South Korea's #1 trade partner in

2002. At the same time, South Korean businesses have opened many factories in China, increased their foreign direct investment and have specially devoted attention toward re-industrializing the rust belt, an area in northeastern China near the Korean peninsula.

While the economic relationship has continued to grow and has become the foundation of the relationship between the two countries, Seoul and Beijing slowly developed diplomatic and military ties, the slowness stemming from Beijing's deference to Pyongyang's wishes. Nonetheless, diplomatic relations have grown as visits between state ministers have increased since 1992, consulates have been opened, and a "cooperative partnership" has been pursued. This cooperative partnership became most apparent during the Six Party Talks as Seoul and Beijing worked to defuse the nuclear situation through peaceful means. Military ties were even slower to develop, due to each country's respective alliance concerns, but have grown over the past few years, signified by military exchanges, defense minister visits and port calls. Cultural and social ties have increased as well with many South Koreans showing interest in China through a rise in tourism and student exchanges and with many Chinese becoming obsessed with Korean pop culture.

This multi-faceted growth of an unlikely relationship—considering they were mortal enemies during the horrific Korean and tense Cold Wars—can be understood by studying why each country desires such a relationship through the two traditional International Relations paradigms, Realism and Liberalism. While South Korean entrepreneurs pursued insatiable business opportunities, the government acted in kind. The South Korean government explicitly pursued an engagement strategy based on the Liberal idea of economic interdependence in order to reduce tensions on the peninsula. This strategy, culminating in the normalization of relations in 1992, created more room for economic maneuverability. South Korean businesses took full advantage of this new opportunity, which in turn, deepened the economic interdependence the government was looking for. So far, Seoul's strategy seems to have worked as the economic relationship has helped the two countries to overcome diplomatic rows, and tensions on the peninsula have been reduced. The major successes of this economic interdependence include the Six Party Talks that have so far prevented provocative sanctions and full-out war on North Korea and the historic 2000 summit where the two Korean leaders met and took

significant steps toward reconciliation. In both cases, heavy Beijing involvement paved the way toward the actual occurrence of each event.

The Liberalist theory of economic interdependence does not, however, fully explain Beijing's desire for a strong relationship with Seoul. Beijing does appreciate South Korea's contribution toward China's economic growth and modernization. However, with so many Asian countries contributing, South Korea's contribution cannot be enough to solely explain Beijing's desire. On the other hand, the Realism theory also fails to explain Beijing's desire as it suggests Beijing is seeking to gain regional hegemony through great power status and is using South Korea as a stepping stone toward such status. With the Korean peninsula currently one of the most volatile spots in the world, Beijing's unique position of good relations with both countries makes it practically indispensable when resolving crises as they erupt. Though this position provides further evidence for Realists that Beijing desires regional hegemony, Beijing's actions generally fall short of a power-hungry expansionist. Instead, China's leaders pursue their own version of Realism; a version that propels China into leading Asia through the 21st century but not through violent, imperialistic means. China's approach includes discipline, good neighborly relations and a pragmatic, reactive response to situations as they arise. This *Realpolitik with Chinese characteristics*, combined with China's physical and economic size, geographical and cultural proximity, and historical strength respective to Korea, makes a good relationship with the peninsula desirable. With a relationship sealed in blood with North Korea, Beijing then pursued a relationship with South Korea at its earliest possible opportunity.

Kim Jong Il largely has no choice but to accept this growing relationship. He needs Beijing's support to keep his regime and country afloat and has never really viewed South Korea as the enemy, just as a puppet of his enemy, the United States. Perhaps he does not even view this relationship as a threat since both have increased aid and trade in the past few years and North Korea has opened up, establishing diplomatic ties with countries throughout the world, including most of Europe. At the same time, Kim Jong Il knows this growing relationship cannot be stopped. Overall, the implications for him seem favorable: both governments desire to keep his regime afloat, to encourage North Korea's success through economic reform, and to see the United States moderate its

approach toward North Korea. Even as Kim Jong Il confronts the hard-liners within his organization, he can bring North Korea to join South Korea in a political position that stands to benefit from China's rise in power.

B. CHANGING POWER STRUCTURE IN THE REGION

China potentially can return to its historic leadership position, or “gravitational center,”³⁴⁵ as it continues to grow and gain more power in the years to come. Assuming the other countries in the region accept a hierarchical order with China on top as it was in the past, Beijing stands to gain great power status. Even if “a century of chaos and change, and the growing influence of the rest of the world (in particular the United States), would lead one to conclude that a Chinese-led regional system would not look like its historical predecessor,”³⁴⁶ China's power cannot be denied, as discussed in Chapter IV. Thus the power structure in the region has the potential to change, and with South Korea in a position to gain from China's power, Japan's future as an influential power in the region can look bleak. Furthermore, the rising anti-American sentiment in South Korea, coupled with the strong alliance the United States shares with Japan leaves the United States potentially looking at a bleak future as an influential power.

1. Japan

While China serves as Japan's number one trading partner and Japan trades heavily with South Korea, neither Beijing nor Seoul want this strong relationship they share with Japan to strengthen Japan's influence in Asian affairs. The historical animosities—recently highlighted by the massive protesting of Japan's history textbooks—China and Korea feel toward Japan cloud much of the diplomatic relationships—although the economic relations continue to remain stable. As Korea and China grow closer, this antagonism could imply an alienation of Japan.

This alienation may prevent Japan from integrating itself with Northeast Asia. If the Chinese continue to distrust Japan while it revises its pacifist constitution, “Chinese leaders might be compelled to shift back to a hardline stance vis-à-vis Japan.” However, since their “mutually beneficial economic relationship” has grown so vastly

³⁴⁵ Kang, "Getting Asia Wrong: The Need for New Analytical Frameworks," p. 67.

³⁴⁶ Ibid.

interdependent and serves as the foundation for their diplomatic relationship,³⁴⁷ Tokyo should be able to avoid complete alienation providing their economies continue to flourish.

On the other hand, Tokyo views the rise of China as a “primary strategic challenge” and has responded by strengthening its alliance with the United States. At the same time, though, as difficulties between Japan and the United States have surfaced since the end of the Cold War, Tokyo has turned toward Asia, pursuing multilateral institutions and bilateral approaches “to nurture a more benign regional security environment.”³⁴⁸ These actions imply that should Washington ever abandon Japan, Tokyo may have no choice but to join South (and North) Korea in a close relationship with China. However, if Washington remains involved with Japan, tensions may continue to mount as the Korean peninsula leans toward China. Hopefully, the economic interdependence will prove strong enough to stabilize the region.

2. United States

Revisiting each of the three countries’ (the United States, South Korea and China) goals and why Seoul and Beijing have pursued relations with each other in pursuit of their respective goals may provide the clearest picture as to what this growing relationship implies for the United States. Additionally, these implications vary, depending upon the goals of the United States. Based on these implications, six policy recommendations for leaders in the United States will be presented.

a. Why South Korea Desires a Strong Relationship with China: Implications for the United States

For this study, Seoul’s particular goals include reunification with North Korea, international legitimacy and a closure in the economic gap between itself and North Korea. With these goals in mind, Seoul pursued a relationship with China through Liberalist means in order to achieve economic interdependence. This interdependence helped to reduce tensions on the peninsula which brought the Koreas closer to reunification. Meanwhile, Seoul’s successful engagement of China was meant to signify

³⁴⁷ Mike M. Mochizuki, "Japan: Between Alliance and Autonomy," in *Strategic Asia 2004--05: Confronting Terrorism in the Pursuit of Power* (Seattle, Washington: The National Bureau of Asian Research, 2004), p.124.

³⁴⁸ *Ibid.*, p. 117.

South Korea's true acceptance into the international arena. Finally, Seoul wanted a strong relationship with China in hopes that it would create opportunities for engaging North Korea, thereby increasing the economic success of the ailing country.

Seoul's goals and its approach to these goals imply Washington may be losing its influence in South Korea. Clearly, Seoul has chosen a Liberal approach in its regional foreign policy, an approach Washington may not necessarily agree with. This Liberal approach has led to China's usurping the United States as South Korea's #1 trading partner. Furthermore, a Chinese scholar noted in his 1989 article in the *Beijing Review*, "[South Korea] is trying to discard the image of being 'little brother' to the United States, because the image is not compatible with its economic strength."³⁴⁹ Similarly, Washington's hard-line approach conflicts with Seoul's Liberal approach toward national security. Though Seoul currently shows no willingness to reduce its strategic alliance with the United States, as Beijing adopts Liberal approaches to situations in the region, Seoul may find itself drawing closer to Beijing.

On top of increasingly similar approaches between Seoul and Beijing, the two countries "share a long history of complex, intimate relations" that has lasted approximately 1,500 years.³⁵⁰ While this history may not play an overt role in the growing of relations today, it surely helps, and therefore, it contributes to the decrease of relevance in Washington's role on the peninsula. Similarly, Seoul, over the past few decades, has been on a quest to achieve international legitimacy. As China tends to show more respect toward Koreans than the United States does³⁵¹ and Beijing tends to take Seoul more seriously than Washington does—in the viewpoint of Koreans—the implication seems to indicate Washington will lose more ground in South Korea.

South Korea clearly wants to eventually reunite with North Korea. Beijing seems to have accepted reunification as an inevitability and has taken steps to prepare for a new country on its border—some believe that is why Beijing pursued a

³⁴⁹ Lee and Park, *China and Korea: Dynamic Relations*, p. 114.

³⁵⁰ *Ibid.*, p. 1.

³⁵¹ Seung-Hwan Kim, "Anti-Americanism in Korea," *The Washington Quarterly* 26, no. 1 (2002): p. 116.

relationship with Seoul: to be on friendly terms with the expected ruling government of a unified Korea. Washington, on the other hand, has no formal plan to deal with reunification. It has thought through neither the potential consequences, both good and bad, nor of the impact reunification will have. This lack of planning affects decisions Washington makes today involving Seoul; in fact, this lack of planning makes Washington indecisive and an ill advisor regarding the Korean peninsula and regional affairs in general. This lack of planning also implies lost ground for Washington.

Similarly, Seoul pursued Beijing because of its close relationship with Pyongyang. Thus far, the pursuit has seemingly worked as the Koreans have taken steps toward reconciliation. Washington, on the other hand, has provided a military deterrent that has prevented North Korea from invading South Korea again. Though significant in its own right, this military deterrent has produced fewer results in reducing the threat from North Korea than Seoul's and Beijing's engagement approach. As engaging North Korea results in more and more success, the implication for the United States will be lost ground in South Korea.

Seoul's pursuit of a strong relationship with China has brought it closer to achieving its goals mentioned above, far closer than its relationship with the United States has. Therefore, this growing relationship implies Washington may be losing its presence and influence in South Korea. It also implies Washington's hard-line approach toward North Korea will not work. Since Seoul desires economic success for North Korea (so that reunification will not be an economic burden), its engagement policies conflict with Washington's containment policies. With Seoul serving as the #2 aid provider and trader with North Korea (and with China being #1), Seoul's Liberal approach implies the United States' approach will not produce acceptable results.

It must be stressed, however, Seoul currently expresses extreme reluctance to breaking its alliance with the United States. In fact, Seoul currently sees itself as the intermediary between the two major powers of the region. The "worst-case scenario" for South Korea is to be caught in the middle of a face off between China and the United States, particularly in relation to the Taiwan issue. The government does not want to

have to choose between the two.³⁵² And while hoping to become the mediator, Seoul would prefer to avoid the issue altogether. Regarding this sensitivity, Beijing stresses it is not looking to become a substitute for the United States in South Korea, but rather, to act as a supplement.³⁵³

While this assertion seems to imply Washington should not be concerned about the growing relationship between South Korea and China, the reality is that Seoul will mostly likely not join Washington if it attempts to contain China.³⁵⁴ Moreover, while Seoul currently values its relationship with Washington enough not to replace it with Beijing, China's growing power coupled with the growing relationship between the two countries implies this value may decrease. A particular sign of the United States' decline in South Korea is the intensifying anti-American sentiment. The rising of Korean nationalism has partially fueled this sentiment. "Many Korean intellectuals" blame the United States for the separation of Korea and for the Korean War itself, based on decisions the United States made that "openly invited Communist aggression from the North." While Koreans do appreciate the United States' help during both World War II and the Korean War, the government "has had the bitter experience of being largely ignored as Washington [deals] with important issues affecting Korean national interests." Thus, Koreans are weary and "believe that, if necessary, the United States may abandon South Korea again in favor of U.S. global strategic interests."³⁵⁵ This skepticism, alongside rising Korean nationalism, fuels the anti-American sentiment that is growing as the Koreans who remember Americans as saviors retire and younger generations take their place in government and society. With the increasing resentment of an American presence—and the other factors listed above—in mind, the growing relationship between South Korea and China implies a declining influence of the United States on the peninsula.

³⁵² Snyder, "Deepening Intimacy and Increased Economic Exchange."

³⁵³ Robert G. Sutter, *Chinese Policy Priorities and their Implications for the United States*, pp. 100-01.

³⁵⁴ Kang, "Getting Asia Wrong: The Need for New Analytical Frameworks," p. 79.

³⁵⁵ Kim, "Anti-Americanism in Korea," 109-122.

b. Why China Desires a Strong Relationship with South Korea: Implications for the United States

Beijing's goals, for this study, include friendly relations with its neighbors (including a unified Korea), national security, economic growth and the survival of Kim Jong Il's regime. In an attempt to attain these goals, Beijing pursued strong relations with South Korea because of its size, proximity and historical strength relative to its neighbor; its desire for regional hegemonic status via discipline, reactivity and good neighborly relations; and its preference for regime survival in North Korea.

The biggest implication for the United States of Beijing's pursuit of a strong relationship with South Korea is that China's involvement with South Korea will not diminish anytime soon. The relationship is something Washington must begin to contend with as it makes decisions regarding South Korea or the peninsula in general. With this major implication in mind, other implications fall into three categories: 1) if the United States views its power in the region as zero sum 2) if the United States views its power in the region as non zero sum and 3) its approach toward North Korea. In the first two categories, the issue of Taiwan will be discussed as well.

If the United States holds a zero-sum mentality, China's reasons for pursuing a relationship with South Korea implies a loss of power and influence in Northeast Asia for the United States. It also implies a slow degeneration of its influence in Seoul—slow because according to Beijing's foreign policy paradigm, *Realpolitik with Chinese characters* as described in Chapter IV, Beijing's rise in influence in South Korea will be disciplined. Finally, Beijing's growing relationship with Seoul implies Washington cannot ignore Beijing; it will have to consider Beijing's preferences when making decisions regarding the peninsula and the region as a whole. In that sense, Beijing's growing relationship with such a close ally to the United States implies a threat to U.S. global power. South Korea, a country held closely under Washington's wing much like Japan, may soon be under Beijing's wing, symbolizing a loss in overall global power for the United States. In this light, Beijing's pursuit of a relationship with South Korea may imply the United States should overtly improve its relations with Taiwan and boost its defense of the island in order to maintain parity with China. Overall, the

implications of Beijing's pursuit of a relationship with South Korea in a zero-sum mentality measure in losses of drastic proportions.

On the other hand, if the United States employs a non-zero-sum mentality, the reasons Beijing has pursued a strong relationship with South Korea hold positive implications for the United States. In the words of David Kang, Northeast Asia will become more stable and peaceful under a disciplined China. This peaceful stability will provide an opportunity for Washington to lessen its dedicated resources in the region. This peaceful stability will also improve the overall condition of the world as Asia's economic success continues to prosper. For Taiwan specifically, this peaceful stability implies Washington should not be anxious about Taiwan's survival as Beijing will conduct itself in a disciplined, reactive and good neighborly way—if Taiwan's independence movement remains benign, a possibility should Washington decrease support. Finally, this peaceful stability will provide Northeast Asia with an opportunity to take a more active role in the UN during responses to issues around the world, much like the roles the United States and Europe fill today. For the United States specifically, a peaceful and stable Asia implies more prosperity for its own citizens.

The final category involves Washington's approach toward North Korea. Regardless of which mentality Washington uses, Beijing's reasons for pursuing a relationship with Seoul implies Washington will not bring Kim Jong Il's regime to an end. As long as Beijing and Seoul agree on their approach toward keeping the reclusive regime afloat, Washington's hard-line approach will be ineffective.

The growing relationship between South Korea and China in general can imply the building of a bridge between the United States and China through South Korea. South Korea serves as the "common denominator" in the relationship between China and the United States. Since "the Korean issue...represents an area where the interests of the United States and China converge," former ROK Foreign Minister, Han Sung-Joo, believes South Korea can serve as the bridge between the two powers.³⁵⁶ The growing relationship between South Korea and China implies for Washington an avenue to engage

³⁵⁶ Sung-Joo Han, "Korea's Place in China-U.S. Ties," *Far Eastern Economic Review* 163, no. 26 (Jun 29 2000): 29.

Beijing rather than contain it. It implies a place and role for the United States in the changing power structure of Northeast Asia.

C. POLICY RECOMMENDATIONS

China remains acutely aware of its “hundred years of humiliation” at the hands of the Western powers and will likely not endure it a second time. Therefore, Washington’s role will decline considerably if it continues on its current course of action in Northeast Asia. Typically, Washington has disregarded historical implications and the national interests of the countries involved when determining policy toward this region. To continue on such a path may prove disastrous. U.S. policy makers should consider China’s historical role as the leader in Asia and Chinese and Korean distrust of Japan when determining options for its Asian policy. As China makes its way toward its traditional leadership position in Asia, Washington should develop a better foundation of trust and cooperation with China. It should use the bridge South Korea creates to engage China. This bridge will not only improve relations between China and the United States, but it will also ensure Washington maintains a role in the changing political structure of Asia. David Kang puts the necessity of this bridge in perspective:

The alliances that a united Korea chooses could tilt the regional balance in any number of ways. A realist view would predict that China would pose the greatest threat to a unified Korea, and that a unified Korea would remain a staunch U.S. and Japanese ally to balance China’s power. In contrast, the implication of hierarchy would be that unified Korea will accommodate and coexist with China, and that the U.S. might be the odd man out.³⁵⁷

With anti-American sentiment intensifying in South Korea, alongside the rise of Korean nationalism³⁵⁸—which Beijing respects, winning the Chinese government more trust and respect from Koreans—the United States could potentially lose its ground. Furthermore, as Chinese and South Korean technology finds its way into North Korea, North Koreans will be exposed to a “much more favorable picture of China than of the United States....[and] will also find Korean cyberspace to be highly critical of the United States,” hindering the United States from gaining any positive ground with the North

³⁵⁷ Kang, "Hierarchy and Stability in Asian International Relations," p. 181.

³⁵⁸ Kim, "Anti-Americanism in Korea," 109-122.

Koreans. Similarly, since South Korea and China are more economically engaged with North Korea than the United States is, North Koreans will be exposed more to their cultural products than to Western culture.³⁵⁹ At the same time, heavy anti-Japanese propaganda in China could potentially fuel anti-Japan sentiments on the Korean peninsula as China's power and influence rises.

Keeping Asian sensitivities in mind (China as a leader and distrust for Japan), supporting Taiwan may possibly further alienate Washington and antagonize the anti-American sentiment. A more probable alienation stems from Washington's alliance with Japan. Americans showed their insensitivity to the South Koreans when after liberation from the Japanese in 1945, the Americans kept many of the same Japanese working in South Korea. South Koreans interpreted this action to mean Washington preferred South Korea to remain under brutal Japanese influence, a notion that still stirs in the minds of South Koreans whenever Washington strengthens its ties with Tokyo. Today, with such a strong distrust in both Korea and China for Japan, the United States government continues to demonstrate its disregard for history and cultural sensitivity when it strengthens its ties to Japan, which alienates itself and gives the impression it wants a more "militaristic" Japan to lead Asia.

Thus as the power structure in Northeast Asia changes, Washington should look to adjust its policy that takes history and cultural sensitivities into consideration if its leaders desire to remain a great power in the region. The Asian countries have seemed to accept they cannot stop China from growing, or, do not view China's growth as a threat because "China is likely to act within bounds acceptable to the other Asian nations."³⁶⁰ Perhaps Washington should embrace the same view, unless, of course, Beijing starts to exhibit expansionist tendencies. Ultimately, Washington should try to improve South Korean confidence regarding the United States by taking steps to decrease anti-American sentiment in South Korea, and to strengthen alliance and cultural ties. Toward China, and North Korea for that matter, Washington should try to find ways to increase trust with them. With these issues in mind, following are six policy recommendations for the

³⁵⁹ Rebecca MacKinnon, "Chinese Cell Phone Breaches North Korean Hermit Kingdom," (2005): PFO 05-09A.

³⁶⁰ Kang, "Getting Asia Wrong: The Need for New Analytical Frameworks," p. 82.

United States with the goals of maintaining an influence in Northeast Asia, ensuring Northeast Asia is stable and eliminating the threat from North Korea. To pursue these policy recommendations, Washington must accept a non-zero-sum mentality and that China does not pose a threat.

The first and most important step American leaders should take is to reciprocate Beijing's actions by normalizing relations with North Korea, and simultaneously, to moderate its approach toward the Hermit Kingdom.³⁶¹ Doing so would significantly reduce North Korea's threat perception of the United States, bringing the two Koreas closer to reconciliation and reunification. Moderating its approach to become more in line with Seoul's approach would also help to improve relations with Seoul, therefore, increasing Washington's presence on the peninsula. Reciprocating Beijing's actions may also serve as a stepping stone toward improving relations with China. Washington should also try to increase trust and confidence and lower the threat perception in North Korea. It may be able to accomplish such an action by engaging North Korea in the same manner South Korea has: slowly and with no intention of destroying the country.

Secondly, the United States should aim to decrease anti-American sentiment in South Korea. Normalizing with North Korea may help; but at the same time, the American government, military and business sectors can do much more. Specifically, the United States government can improve its outreach via the embassy and cultural centers. It can also loosen visa restrictions for students interested in studying in the United States, or can even eliminate the visa requirement like it has with Japan³⁶², and can create other incentives to encourage Korean students to attend school here. The government can also change its foreign policy approach, increasing amicable diplomatic visits and taking steps toward strengthening the alliance and friendship. The U.S. military can take steps to decrease anti-American sentiment by increasing cultural awareness amongst its members in an attempt to prevent "brash" American behavior—such awareness programs exist for members stationed in other countries, such as Turkey. After normalization of relations

³⁶¹ Scobell, *North Korea's Strategic Intentions*, p. 4.

³⁶² "Visa Waiver Program (VWP)," in Bureau of Consular Affairs, U.S. Department of State [database online]. [cited 2005]. Available from http://travel.state.gov/visa/temp/without/without_1990.html. Accessed Oct 2005.

with North Korea, the U.S. military could allow members to bring their families to Korea with them in order to raise the morale of the troops.

While the business sector may not take the initiative on its own, the U.S. government can provide incentives for businesses to help create more of a connection between South Korea and the United States. For example, the government can subsidize airline tickets between South Korea and the United States, encouraging separated Korean families (and American military families) to visit each other more often. Since the United States holds the second highest number of overseas Koreans—much of it due to the American presence in South Korea—cheaper transportation costs may harvest appreciation as families can visit each other more often. Essentially, Washington should take steps to persuade South Koreans it genuinely cares about South Korea's interests. Many South Koreans see the United States' support as flimsy at best; should it take steps to build trust and a positive image, the anti-American sentiment may dwindle, allowing Washington to increase its presence and influence in the outcome of events involving the Korean peninsula. Showing South Korea it genuinely cares about its interests may also help convince Beijing that Washington has no ill intentions, i.e. containment, toward China.

Third, Washington should work with South Korea as a bridge to build mutual trust between China and the United States. As discussed earlier, Washington cannot ignore Beijing's growing role on the Korean peninsula, and it must accept that the relationship will continue to grow. Taking steps to increase mutual trust with China may eliminate the perception of threat in the United States, the prospects of another Cold War, and will put Washington on amicable terms with the new power structure in Northeast Asia. Since both Beijing and Washington share interests involving the Korean peninsula, the growing relationship between an ally and China can prove beneficial to Washington. More specifically, Washington can draw on South Korea as a bridge toward building mutual trust with China by asking Seoul to organize and host confidence building measures. Seoul can also serve as the mediator who can help convey to Beijing Washington's viewpoint on issues and vice versa. Such a step may also boost relations between Seoul and Washington since Washington's request for Seoul's role in building mutual trust with Beijing would signify to Koreans Washington's confidence in South

Korea. At the same time, if Washington has Seoul helping it to build trust with Beijing, other Asian countries may not view Washington as instigating a rivalry and may also help the United States.

A fourth recommendation for the United States regarding steps it should take in response to its potential alienation in Northeast Asia is to find ways to ease the fears of China and Korea about Japan's possible remilitarization. Since all the countries in Northeast Asia and most scholars concede the United States provides stability in the region through security, Japan's remilitarization seems unnecessary. If Tokyo does decide to remilitarize, Washington should find ways to alleviate the concerns of the region. With the anti-American sentiment rising, simply saying it will keep Japan restrained will not suffice. Washington should look to create avenues to build trust between the other nations and a remilitarized Japan in order to keep security stable in the region. Doing so may also increase Washington's standing with the other nations.

Fifth, Washington should encourage Taiwan to follow in the footsteps of Hong Kong by accepting the one country/two systems proposal. Doing so will eliminate much of the potential antagonism between Beijing and Washington, improving relations in turn. The two system idea seems to work for Hong Kong; therefore, the Washington should have no fear it would not work with Taiwan. Even if Taiwan resisted the idea, encouragement from Washington may quell the independence movement leading to improved ties with Beijing for both Taipei and Washington.

Finally, Washington should develop formal plans for a unified Korea (under several possible contingencies). At the very minimum, Washington should genuinely acknowledge to itself the probability of unification. Doing so will help Washington to be more decisive and more supportive of Seoul's endeavors toward engagement. It will also help Washington's approach toward the peninsula to be less sporadic. This support will help Seoul—and by extension, Beijing—to be more receptive to Washington's viewpoints on the situation. In the end, a definitive plan of action for the United States will help to ensure a stable Northeast Asia.

Some of these policy recommendations and examples may seem extreme; however, the implications of the growing relationship between South Korea and China

merit drastic changes in Washington's foreign policy approach toward the Northeast Asian region. While Seoul does not seem likely to cut its ties with the United States anytime soon, Washington must improve its relations with China in order to maintain its influence in the region before it is too late. It has always taken a haphazard view toward Asia and cannot afford to do so any longer.

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