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## SUNGKYUN CHINA INSIGHT

## Inauguration of a New Government in Korea The Challenges Facing Korea-China Relations



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# **Inauguration of a New Government in Korea**

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#### How to view the 30th anniversary of Korea-China diplomatic relations

This year marks the 30th anniversary of the establishment of diplomatic ties between Korea and China. The two countries' bilateral relations have been dynamically transformed in the past three decades. The rise of China as a global power has, in many ways, transformed the symmetrical relations into an imbalanced interaction with Beijing playing a more dominant role. The intensifying US-China power competition and the assertive Chinese <u>foreign policy</u> have impacted the trajectory of China-Korea relations. While the relations between Beijing and Seoul have been hailed as a strategic cooperative partnership, fundamental differences exist on how both countries perceived the notion of "strategic." The giant Northeast Asian country has been wary of Korea's propensity to align with the US while Korea on the one hand has viewed China's aggressive and expanding foreign policy goals as worrisome in terms of implications to its national interests. There is also a widening negative perception of China among the Korea in May 2022 is expected to strengthen and reaffirm US-Korea relations which is expected to exacerbate political tensions in the region as well as adding further strain to China-Korea relations.

The present state of bilateral relations between China and Korea can be characterized as stable and expanding in various fields of cooperation. The two countries have played constructive roles in the promotion and preservation of peace and stability of the Korean peninsula and the whole region through stronger military and security cooperation as characterized by regular defense exchanges and visits of top officials in both countries. People to people exchange before the Covid 19 pandemic has seen a dramatic rise with at least a million Chinese and Koreans crossing their respective borders annually to visit the other country for tourism and cultural experience. But the exponential growth in the economic relations of the two countries is the most tangible manifestation of the close ties between the second and the tenth largest economies in the world. Total bilateral trade volume has reached USD 301.6 billion from the USD 6.4 billion in 1992, a staggering 47-fold increase and representing (percentage of Korea-China trade in total Korean trade), a figure much higher than the 20.1% share of US and Japan combined. The huge trade imbalance between China and Korea has renewed calls from the conservative camps to craft and implement policies on trade diversification to lessen Seoul's trade dependence on Beijing thereby reducing security risks. However, finding an alternative market for Korean products proves difficult considering the huge size of the Chinese market and the vast economic opportunities it offers to Korean businesspeople and investors.

#### New Challenges in Korea-China Relations

The ever deepening relations between China and Korea are not without difficulties. In the state of international relations, countries clash over their respective national interests. China-Korea relations are not immune to the push and pull of both domestic and global politics. The coming of a new Korean government with conservative leanings could exacerbate these conflicts over divergent national interests.

Firstly, the US-Korea security alliance has been a source of discomfort for China which considers the Korean peninsula and Northeast Asia as under its sphere of influence. The pronouncement of the incoming new government in Seoul that US-Korea relations will be transformed into a comprehensive strategic alliance has caused uneasiness in Beijing over its perceived secondary status in Korea's foreign policy. The US-China rivalry in Northeast Asia has made Korea's foreign policy and security needs susceptible to the unpredictability of the interactions between the two powerful countries. China has frowned on the US and South Korea's ambitious goal of transforming their relationship into a regional alliance that would entrench and expand the US role in the region.

Secondly, the North Korean nuclear issue has so far produced contrasting approaches on how to deal with this security threat. The incoming Yoon administration is expected to abandon Seoul's engagement policy with North Korea and instead push for a "peace through strength" approach which would focus on robust defense spending and reaffirming security ties with the US. Moreover, it will demand strict reciprocity from Pyongyang for any diplomatic accommodation.

Thirdly, the nature of global value chain and supply chain have become more intricate and they play a huge role in international trade. The securitization of the economy has become a feature in the modern international political economy. On the one hand, the economization of security has resulted in the inclusion of the security sector in the overall economic goals of the state. The incoming Korean government would likely join in US-led efforts in using the global supply chain as a strategy to put pressure on China. The participation of Korea in this initiative would drive China towards a more aggressive move in preventing Seoul from adopting punitive measures that would undermine Beijing's hold on the value chain system and maintain its technology independence.

Lastly, the socio-cultural dimension of the bilateral ties is hard to disregard. Despite extensive socio-cultural exchanges in Korea-China relations, negative mutual perceptions between the two countries have expanded. These negative sentiments are more pronounced in Korea where majority of the Koreans have shown disagreement on the authoritarian government of Xi Jinping. Chinese public opinion, fueled by patriotism and nationalism, is critical of Korea's lack of autonomy in its foreign policy and diplomacy.

#### A New Positioning of the South Korea-China Relations

The US-China strategic competition has reconfigured the distribution of power in the international system and such event is perceived as not temporary in nature but a continuing phenomenon that affects the structures related to ideology, systems, and institutions. The effort of the US to challenge China's rise as a global power forces China to reinforce identity politics in its dealings with the rest of the world. The only way for China to be accepted as a global power is to assert its identity as a benign great power who harbors no intentions of becoming a global hegemon at the expense of a stable world order.

The past 30 years reveal a changing pattern of conflict and cooperation between China and Korea where the traditional sources of conflict were centered in "soft issues" such as disputes on history and economy. Nowadays, however, hard issues have been brought to the fore as China's military and political power continues to expand and neighboring countries like Korea feel vulnerable leading to insecurity. The deployment of the THAAD in South Korea and a deeper and stronger US-Korea military alliance are among the security issues that confront China-Korea relations.

The 2008 global financial had exposed the limits of a liberal economic order led by the US and China offers an alternative for global economic development through its Belt Road Initiative (BRI) an ambitious trade policy of connecting China to the rest of the world. The government of Xi Jinping resorted to playing the identity card by emphasizing 'Chineseness' while at the same time emphasizing a party-state system and return to socialism. This trend means that there exist more challenging factors in Korea-China relations and the resolution process can be also complicated. Therefore, it is necessary to present new principles on how to reconstruct the future Korea-China relationship. The first principle is co-evolution. Korea and China are in a relationship that is difficult to separate due to geopolitical, geo-economics and geo-cultural reasons. There is a saying, that says "If you want to go far, go together." Therefore, it is necessary to find a path to symbiosis based on a positive-sum rather than zero-sum thinking.

Secondly, a new thinking is needed. The two countries need to overcome old ideological stereotypes, liberate their own ideas and approach problems from a new perspective. In other words, if all issues related to China are understood only in the context of U.S- Korea alliance, then we may fall into the trap of overly simplifying the U.S.-China strategic competition. South Korea should also be able to boldly criticize China's revival of Sino-centrism and its projection into Korea-China relations. Korea must thoroughly think pragmatically with the national interest at the center.

The third is the pursuit of triple wins. In an era of global communities where climate change occurs extensively and the pandemic turns into endemic diseases, the politics of individual survival is extremely dangerous. Korea-China relations should also contribute to the development and peace both in the regional and global level which is a win-win situation for both countries. Both countries should increase their Overseas Development Assistance (ODA), participate in open and inclusive regional cooperation, and design new global governance.

Fourthly, efforts for peace on the Korean Peninsula must be continued. The Korean peninsula is geopolitically a rimland where maritime powers and continental powers display their struggles for great power status. Therefore, Korea and China should plan for a cooperative regime of peace and economy, including cooperation at the Northeast border, and open a new path to institutionalization and consolidation of peace on the Korean Peninsula. Contrary to the Latin maxim "Si vis pacem, para bellum", if we want peace, we should prepare for peace rather than prepare for war.

Fifth, cooperation on future agenda should be pursued. Korea and China declared to achieve carbon neutrality by 2050 and 2060, respectively. Cooperation on climate change, energy mix, and the agenda of the Fourth Industrial Revolution should be strengthened. In fact, the fine dust in China directly affects the atmospheric environment in Korea and affects mutual perception. In other words, it is necessary to jointly cope with future risks and establish a cooperation mechanism for joint investment and cooperation in emerging industries.

Korea and China relations have developed in a multi-layered and multi-dimensional manner. Therefore, it is practically impossible to think that all problems could be predicted in advance. Therefore, beyond the static stability of "good is good", dynamic stability that develops while managing without fear of crises is needed. Lastly, in terms of public diplomacy that aims to win hearts and minds of the other country's people, Korea and China should pursue diplomacy that is tangible, interactive, sustainable, and open to future generations.

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