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Hong Kong

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Sino-ROK Relations at 15: An Overview and Assessment

Taeho Kim*

Abstract

For the past 15 years since their diplomatic normalization China and South Korea (ROK) have improved their bilateral ties to such an extent that each represents for the other one of the largest, if not the largest, trade and investment partners. China is also perceived as playing an essential role in the ongoing Six-Party Talks over North Korean nuclear issues and other likely major issues on the Korean peninsula. Yet, there also exists a growing yet little-discussed list of potential problems and issues underlying their otherwise prosperous relationship. Prime examples include the North Korean “refugees” in China, the history of Koguryo, and the longer-term “rise of China”. After identifying principal trends and major developments in China’s post-Cold War relationships with South Korea in particular and with the two Koreas in general this paper examines actual and likely future differences between China and South Korea on a panoply of peninsular and regional issues, including the evolving US-South Korean alliance relationship. Overall, in short, the current state of the Sino-South Korean relationship can be likened to standing right in the eye of the typhoon without knowing where the shelter is.

Introduction

On 24 August 2007 both China (the People’s Republic of China) and South Korea (the Republic of Korea) will celebrate the fifteenth

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anniversary of establishing diplomatic ties between the two countries. The result, in brief, has been a resounding success or - to quote Chairman Mao Zedong - “dizzy with success.”

As widely publicized, there has been a remarkable improvement in all major aspects of their bilateral relations. In particular, China now has emerged as the ROK’s “four number ones”: its largest trading partner, its largest export market, its largest trade-surplus source, and its top outbound investment destination. It is indeed music to a Korean economist’s ears as the ROK economy has remained stagnant and its US\$ 23.4-billion trade surplus with China in 2005 constituted almost all of the country’s total trade surplus (i.e., \$23.5 billion)!¹

For China, the ROK constitutes its third-largest trading partner - after only the United States and Japan - and was the largest source of foreign investment in 2005. Furthermore, China is widely perceived as having played and will play an essential role in the ongoing Six-Party Talks and other likely major issues on the Korean Peninsula. While there is no shortage of impressive economic and trade statistics, it suffices to note that the significance of their bilateral relations is unquestioned.

Moreover, as emphatically noted during the mutual visits by their top leaders such as President Roh Moo-hyun (October 2006) and Premier Wen Jiabao (April 2007), the prospects for growth in the non-economic aspects of their bilateral ties are equally promising as well, if not more than the economic one. At the same time, the South Korean public - unlike their counterparts in Japan and the United States - has over the years maintained a favorable view of China and perceived that the latter’s role on Korean peninsular issues would increase in the future.

As discussed in greater detail below, however, their interests could be significantly in conflict with each other when they are confronted with some concrete issues and longer-term agendas on the Korean peninsula

¹ Unless noted otherwise, all statistical data concerning China’s relations with the two Koreas are based on the official publications of the ROK Ministry of Foreign Affairs and Trade (MOFAT). Occasionally, such primary sources as the data compiled by the Trade Research Institute (TRI) of the Korea International Trade Association (KITA) are employed; but they can be easily corroborated with those of the MOFAT. All currencies in the essay are measured in U.S. dollars.

and in the East Asian region. Prominent examples include, but are not limited to, a North Korean contingency, the future status of the US forces in Korea (USFK), the question of weapons of mass destruction (WMDs) in North Korea, and the military capability and strategic orientation of a unified Korea. It is equally important to note that, notwithstanding the dawning reality of a “rising China,” South Korea’s China policy is both a means and a subordinate goal of its longer-term national security objectives.

This paper attempts to shed some light on these little-discussed yet highly consequential aspects of the Sino-ROK relationship not only by addressing their 15-year ties but also by gauging their future ties in a balanced and comprehensive manner. After identifying principal trends and major developments in China’s post-Cold War relationships with South Korea in particular and with the two Koreas in general, it examines actual and likely future differences between China and South Korea on a panoply of peninsular and regional issues. The paper then addresses South Korea’s emerging security challenge of balancing the American alliance and Chinese cooperation. Overall, it poses a critical question: how would the China factor play out in South Korea’s future security environment and in the evolving US-South Korean relationship?

To telegraph the major arguments and findings of this paper, the seeming “convergence” of interests between Beijing and Seoul in many aspects of their bilateral ties does not necessarily mean that the former is supportive of South Korea’s major policy goals - especially when they come to concrete issues or longer-term questions on the Korean peninsula. They share “common aversions”, not “common interests”, in a sense that both countries share a desire to avoid war on the peninsula and to prevent North Korea’s nuclearization.² It is thus necessary to understand correctly that the ongoing trends and developments in South Korea’s interactions with the United States and China could be those of such a fundamental, sustaining, and impregnated nature as to warrant

² This is the term used by Brad Glosserman for describing the longer-term nature of the Sino-ROK relationship. See his “US-China: The Next Alliance?” *South China Morning Post*, 30 October 2003.

educated guesses and reasoned speculations for the unfolding future strategic configuration on the Korean peninsula and beyond.

China's Post-Cold War Relations with the Two Koreas

Before analyzing China's relationships with South Korea in particular and with both Koreas in general, it is necessary to understand the two major undercurrents that have buttressed China's Korea policy. One is the importance of the Korean peninsula in the eyes of the Chinese for strategic and economic reasons, and the other is its evolving policy goals toward the Korean peninsula.

To begin with, the Korean peninsula encapsulates China's continuing yet elusive quest to restore its past glory, to make a "rich country, strong army" (*fuguo qiangbing*), and to achieve great-power status. For one thing, not only was Korea traditionally part of the Sinocentric world-order up to the mid-19th century, it was also there that the fledgling People's Republic of China confronted the mighty United States 50 years ago. For another, the 1992 Sino-South Korean normalization and their fast-growing economic and other ties testify to the vicissitudes of post-Cold War politics and the validity of China's ongoing reform and open-door policy. For still another, as North Korea's newest nuclear gambit and South Korea's security hedging behavior portend, China's potential to become a full-fledged major power will likely be tested again on the rapidly changing yet uncharted Korean peninsula. This fundamental fact has taken on a new relevance in light of the global discourse over the "rise of China" - be that "China's peaceful rise" (*heping jueqi*),³ "China's peaceful

³ See, for example, Xia Liping and Jiang Xiyuan, *Zhongguo Heping Jueqi* [China's Peaceful Rise] (Beijing: Zhongguo Shehuikexueyuan Chubanshe, 2004); Zheng Bijian, "China's Peaceful Rise and Opportunities for the Asia Pacific Region," *China Strategy*, Vol. 3 (July 20, 2004), pp. 2-4.

development” (*heping fazhan*)⁴ or the “China threat theory” (*weixielun*).⁵

For this reason, throughout the 1990s and continuing to date China has pursued a set of identifiable and consistent policy goals toward the Korean peninsula. They include: a) stability and tension reduction a la denuclearization; b) economic cooperation with South Korea and traditional ties with North Korea; c) its own role and influence, which often come at the expense of the ubiquitous United States; and d) harmonization of its peninsular interests with its global and regional ones—most notably its own unification agenda with Taiwan.

Notwithstanding a host of unforeseen developments and shocks since the 1990s on the peninsula and beyond - including the first and second nuclear crises, the sudden death of Kim Il Sung, and America’s regional hegemony, there is no doubt that China’s policy toward the Korean peninsula has achieved an overall success. This can be broadly grouped into three major issue-areas: economic/trade, political/diplomatic, and military/security.

Economic/Trade Issue-areas

Since their diplomatic normalization in 1992 China and South Korea have improved their economic relationship remarkably, for a confluence of factors. The normalization itself opened a huge market and cheap labour in China to the Korean companies, which were struggling with rising labour costs in the wake of Korea’s own

⁴ For the difference between “peaceful rise” and “peaceful development,” see Sukhee Han, “The Rise of China and East Asia’s Changing Order (in Korean),” *New Asia*, Vol. 11, No. 3 (Autumn 2004), pp. 113-34, particularly pp. 116-23.

⁵ There is simply too much literature on the “China threat.” Most representative single volumes include Steven W. Mosher, *Hegemon: China’s Plan to Dominate Asia and the World* (San Francisco: Encounter Books, 2000); Bill Gertz, *The China Threat: How the People’s Republic Targets America* (Washington, DC: Regnery, 2000); Edward Timperlake and William C. Triplett, Jr., *Red Dragon Rising: Communist China’s Military Threat to America* (Washington, DC: Regnery, 1999). For various reactions from the regional actors to a rising China, see Herbert Yee and Ian Storey, eds., *The China Threat: Perceptions, Myths, and Reality* (Richmond, UK: RoutledgeCurzon, 2002); Carolyn W. Pumphrey, ed., *The Rise of China in Asia: Security Implications* (Carlisle Barracks: U.S. Army War College Strategic Studies Institute, 2002).

economic success in the 1970s and 1980s. An ensuing adjustment in Korea's economic structure, together with geographical proximity and comparative advantage in capital and technology-intensive goods, has allowed the Korean companies to concentrate on the newly-found Chinese market.

A \$6.4-billion trade in 1992 grew over 20 percent annually to record US\$23.7 billion in 1997, \$31.3 billion in 2000, \$57 billion in 2003, and \$118 billion in 2006 - making each one the other's major trading partner (See Table 1 below). In 2003, for instance, China for the first time emerged as South Korea's largest export market and by the end of 2004 China had become South Korea's largest trading partner as well.⁶

Table 1. Trends of the ROK's Trade and Investment with China, 1992-2005

(million dollars, percentage)

	Exports		Imports		Balance	Investment on China		China/Overseas Investment	
	Value	Increase Rate	Value	Increase Rate		Case	Value	Case (%)	Value (%)
1992	2,654	164.7	3,725	8.3	-1,071	170	141.1	34.2	11.6
1993	5,151	94.1	3,929	5.5	1,222	381	264.0	55.4	20.9
1994	6,203	20.4	5,463	39.0	740	841	632.1	56.6	27.5
1995	9,144	47.3	7,401	35.5	1,742	748	839.5	56.5	26.8
1996	11,377	24.4	8,539	15.4	2,838	734	892.9	50.2	19.7
1997	13,572	19.3	10,117	18.5	3,456	628	718.6	48.0	19.6
1998	11,944	-12.0	6,484	-35.9	5,460	258	676.6	41.4	16.2
1999	13,685	14.6	8,867	36.7	4,818	454	347.6	41.9	12.1
2000	18,455	34.9	12,799	44.3	5,656	753	605.0	37.1	8.4
2001	18,190	-1.4	13,303	3.9	4,888	1,022	543.6	48.0	29.9
2002	23,754	30.6	17,400	30.8	6,354	1,361	977	55.55	27.56
2003	35,110	47.8	21,909	25.9	13,201	1,666	1,490	59.97	39.71
2004	49,763	41.8	29,585	35.1	20,178	1,746	1,598	57.62	36.00
2005	61,915	24.4	38,648	30.5	23,267	2,232	2,580	51.1	40.3

⁶ According to the recent data released by the MOFAT, South Korea's trade with China in 2006 was \$118 billion with a surplus of \$21 billion. According to the Chinese statistics—which includes the ROK's trade portions with Hong Kong, it was \$134.3 billion with a deficit of \$45.3 billion.

Source: Compiled from the database of the Korea International Trade Association (www.kita.net).

On the other hand, their bilateral trade structure has over the years shifted from “inter-industry trade” to “intra-industry trade” - a logical consequence of China’s economic catching-up. In particular, the trend of an increasing intra-industry division of labour has become obvious in a wide range of manufacturing industries such as petrochemicals, textiles, iron and steel, machinery, electronics, and automobiles (See Table 2 below.).

Table 2. Intra-industry Index Between the ROK and China (percentage)

	Manufactures	Petrochemicals	Textiles	Steel	Machinery	Electronics	Automobiles
1992	11.96	2.30	7.37	11.47	9.39	22.37	4.52
1996	20.76	5.26	13.26	17.32	9.10	56.07	2.93
2000	26.03	3.40	15.91	12.77	15.48	52.53	14.73
2005	30.21	4.24	23.13	22.39	26.67	48.98	8.08

Source: Database of the Korea International Trade Association (www.kita.net).

At the same time, in the ROK’s 2005 exports to China semi-finished goods and parts/components occupied 42 percent and 40 percent, respectively. It is well known that foreign companies stationed in China have played an increasingly important role in Sino-ROK trade. As such, foreign companies’ import shares from Korea increased from 24.7 percent to 55.5 percent in the period from 1995 to 2004.

According to Choong Yong Ahn, a noted Korean expert on the Chinese economy, the bilateral trade in technology and goods has also changed to a more high-tech-oriented one. The high-tech share of ROK’s exports to China rose from 8.1 percent to 41.5 percent over the period from 1995 to 2005, while that of China increased from 9.7 percent to 31.7 percent in the same period.⁷

⁷ Choong Yong Ahn, “Overview of Trends in China-South Korea Economic Relationship,” a paper delivered at a conference on “China and Korea: Partners or Competitors?” co-sponsored by the Asia Foundation and Samsung Economic Research Institute (SERI), Press Center, Seoul, Korea, June 13, 2006, p. 6.

China is also the ROK's top outbound investment destination. In 2005 alone, US\$2.6 billion was registered by Korea, an increase of \$1 billion from that of the previous year (See Table 1 above.). The amount accounted for 40.3 percent of the ROK's total overseas investment value in that year. According to Korea Ex-Im Bank statistics, out of Korea's cumulative investment of \$9.9 billion in China by October 2004 a whopping 85.46 percent (or \$ 8.5 billion) was made in the manufacturing sector, indicating the ROK's over-dependency on China in terms of export, investment, and the manufacturing sector as well.⁸ The ROK's cumulative investment in China by the end of 2006 hovered around \$17 billion in 15,900 cases and served as a complement to its growing exports to China.⁹

All in all, there is no doubt that China's rapid economic modernization presents Korea with both an opportunity and a challenge, especially as its economy has remained stagnant for years. This in turn calls for an adoption of a panoply of new economic strategies on the part of Korea not only in the Chinese market but also in the global market. Included in the new strategies is the continuing sustenance of the ROK's comparative advantages in selective sectors (e.g., telecommunications, semiconductors, shipbuilding, petrochemicals, and automobiles). Additionally, Korean companies have taken measures to diversify investment patterns and areas, concentrate on selected commodities and social strata, and "localize" their research and development (R&D) centres and factories in China. These strategies, if successful, are likely to prolong the ROK's relative competitiveness vis-à-vis that of China for a certain period of time. The same strategies, however, could pose a

⁸ As is often the case with trade figures, there is a far cry between the ROK's and China's official figures on Korean investment in China. For instance, the ROK's official data indicate that its cumulative investment in China by June 2004 was \$9.2 billion, while the Chinese official figure was \$23.2 billion, which is based on the execution basis. The contracted amount was much larger, which was \$42.3 billion by the same period. Choong Yong Ahn cites that by June 2005 Korea's accumulated FDI to China was \$12.02 billion, which is a total of 13,600 cases on the arrival basis and 48.4 percent of the ROK's total outbound FDI cases - which is closely collaborated with those figures of mine.

⁹ According to China's official statistics, the ROK's cumulative investment in China by the end of 2006 was \$34.9 billion in 43,130 cases. See also Eun Mee Kim and Jai S. Mah, "Patterns of South Korea's Foreign Direct Investment into China," *Asian Survey*, Vol. 56, No. 6 (November/December 2006), pp. 881-97.

political and security question to the ROK that has been little discussed and is under-researched in Korea.

On the people-to-people contacts, a total of 5.3 million people visited the other country in 2006.¹⁰ The frequency of contacts between the two sides is evidenced by over 20,000 Korean companies in operation throughout China, 779 passenger flights per week (i.e., over 110 passenger flights per day) between six Korean cities and 30 Chinese cities, and by about 57,000 Korean students in China, which means that as there are over 160,000 foreign students in China one out of every three foreign students in China comes from South Korea!¹¹ An array of other impressive statistics abounds as to tourism, educational and cultural ties - most notably “Korean waves” (*Hanliu*) or “China fever”- between the two countries. This positive trend, which is likely to continue for the foreseeable future, would undoubtedly contribute to the ROK’s economic development. At the same time, however, it should be remembered that its increasing economic dependency on China is a double-edged sword which could restrain the ROK’s diplomatic options by allowing China to enhance its position and influence on the peninsula.

In a sharp contrast, Sino-North Korean economic relations have been severely constrained for many reasons including their different economic structures, North Korea’s economic and financial problems, and North Korea’s self-imposed diplomatic isolation. Even if China remains North Korea’s largest trading partner, accounting for an average 40 percent of the latter’s total trade, their two-way trade fell like a descending stair from the highest \$900 million in 1993 to \$656 million in 1997 to \$488 million in 2000. Since then, however, it has

¹⁰ In 2006 a total of 4.4 million South Koreans visited China, while 900,000 Chinese made a visit to South Korea. These figures are, of course, the number of visits, not the number of actual people as many visited the other country multiple times a year.

¹¹ The figures are drawn from an interview with the ROK’s ambassador to the PRC. See Yonhap News, 9 January 2007.

gradually increased from \$740 million in 2001 to \$1,023 million (i.e., \$1.023 billion) in 2003 to \$1,580 million (i.e., \$1.58 billion) in 2005.¹²

A set of structural economic problems such as chronic fiscal and trade deficits, low competitiveness of its export goods, and lack of hard currency has long prohibited the improvement of North Korea's trade relationship with China. In fact, North Korea's principal export items to China such as non-ferrous metals are in short supply within North Korea as well, demonstrating again the gravity of its economic predicament. As long as the principles of the market economy reign in Beijing, prospects for an improved trade relationship with Pyongyang look bleak for the foreseeable future.

In fact, contrary to Chinese officials' wishful utterances on the resilience of its Communist neighbour, the depth of North Korea's economic problems is real and could become much worse in the years to come.¹³ For the sake of its own interests including peninsular

¹² An increase in China's exports to North Korea for the past few years should be interpreted as a form of Chinese assistance. The question of North Korea's dependency on Chinese oil and food has recently taken on new relevance in the discussion of possible international sanctions against North Korea. According to various official ROK documents, North Korea imported an average one million tons of oil from China in 1991-96 but it fell to a half million tons and below since 1997. Its grain import from China is far more complicated to account due in part to China's own harvest level and export policy, but approximately 300,000 tons of grain have been imported from China since 1997. For a series of recent but higher-level accounts of North Korea's oil and grain imports from China, see John J. Tkacik, Jr., "China Must Pressure Pyongyang (December 17, 2002)," available at www.heritage.org/Press/Commentary/ed123102b.cfm; Phillip P. Pan, "China Treads Carefully Around North Korea," *Washington Post*, January 10, 2003, p. A14; Phillip C. Saunders and Jing-Dong Yuan, "Korea Crisis Will Test Chinese Diplomacy," *Asia Times*, January 8, 2003; Matthew Forney, "Family Feud: China vs. North Korea," *Time*, December 23, 2002; and Mark O'Neill, "Beijing Faces a Stern Test Over Nuclear Crisis in Its Back Yard," *South China Morning Post*, January 3, 2003. A recent report indicated a modest increase of trade volume between the two countries in 2006 from \$1.58 billion in 2005 to \$1.7 billion. See Yonhap News, 20 February 2007.

¹³ For an excellent discussion on the depth and prospect of North Korea's economic problems and their various effects, see Nicholas Eberstadt, "The Persistence of North Korea," *Policy Review*, October/November 2004, pp. 23-48; Chaiki Seong, "A Decade of Economic Crisis in North Korea: Impacts on the Military," *The KIDA Papers*, No. 3 (October 2003), pp. 1-9; Paul VanWagenen, "U.S. Economic Sanctions—Non-traditional Success against North Korea," *Law and Policy in International Business*, Vol. 32, No. 1 (Fall 2000), pp. 239-61.

stability, China encourages the North Korean leadership to undertake reform measures aimed at more fundamental resolution of their economic problems. If the North Korean regime indeed takes a fundamental reform path, however, it will surely be the most perilous moment for regime survival. Pyongyang's choice has been "deterrence through instability." This, in short, constitutes China's longer-term strategic dilemma as to the North Korean question.¹⁴

Political/Diplomatic Issue-areas

Chinese attempts to strike a balance in its approach to both Koreas and to maintain traditional ties with North Korea have so far produced a mixed result due to a combination of factors, including North Korea's closed nature, external hostility and self-imposed isolation. While it is difficult to pinpoint the date, China for some time has wished to transform its traditional ties with Pyongyang based on ideological affinity and particularistic ties to a more mutually beneficial, state-to-state relationship. But the course of actions North Korea followed in the 1990s reveals that its interests diverge from those of China.

As a matter of fact, a series of major developments on the peninsula throughout the last decade and beyond, such as the simultaneous entry into the United Nations by both Koreas, South Korea's diplomatic normalization with the Soviet Union and China, its opposition to North Korea's attempt to replace the extant Armistice Agreement with a peace treaty with the United States, and the Chinese arrest of Yang Bin (designated by North Korea as the head of a new special administrative area) in spite of the apparent protestation by North Korea - to name but a few - further demonstrated the strained relationships between North Korea and China and the latter's overall "convergence" of interests with South Korea's.

On the other hand, aside from the vast improvement in their economic and other relationships, China and South Korea now regularly hold high-level meetings. On the Chinese side as well, the new lineup of the

¹⁴ For a further discussion of the issue, see Samuel S. Kim, *North Korean Foreign Relations in the Post-Cold War World* (Carlisle Barracks, PA: U.S. Army War College Strategic Studies Institute, April 2007).

so-called “fourth-generation leadership” after the Sixteenth Chinese Communist Party (CCP) Congress in November 2002, in which those with substantial provincial or bureaucratic background were represented, strongly indicates China’s continuing priority on economic development, which depends on regional and peninsular stability, amongst others.¹⁵ In short, the generational turnover in the Chinese leadership, in tandem with its need to maintain political and social stability, is likely to reinforce its current pragmatic policy orientation toward the Korean peninsula. In a nutshell, it can be plausibly argued that China’s domestic economic reform, coupled with the end of the bipolar Cold War, has had the most far-reaching impact on the evolution of the relationship between China and the two Koreas and would continue to put an emphasis on the importance of growing ties with Seoul.

Military/Security Issue-areas

In a similar vein, since the early 1990s and particularly after the death of Kim Il Sung in July 1994, security and military ties between China and North Korea have increasingly been subject to the rigidity of their political relations and China’s national interest-based policy toward the Korean peninsula. Lack of mutually beneficial agenda, North Korea’s domestic problems, and growing Sino-South Korean ties have also militated against the continued development of their bilateral relationship in this important issue-area.

In fact, their political and military contacts have undergone several different phases. From April 1989 to August 1992, General Secretaries Kim Il Sung (three times), Zhao Ziyang, and Jiang Zemin and all their defense and foreign ministers visited the other’s capital. Even during the period from Beijing-Seoul normalization in August 1992 to the death of Kim Il Sung in July 1994, ranking Chinese officials such as Hu Jintao, Qian Qichen, and Chi Haotian as well as North Korean military

¹⁵ See, for example, Lowell Dittmer, “Leadership Change and Chinese Political Development,” *China Quarterly*, No. 176 (December 2003), pp. 903-25. For a discussion on the prospects for U.S-China relations under Hu Jintao, see Jaewoo Choo, “Hu Jintao’s Foreign Policy and Sino-U.S. Relations: From A [sic] Korean Perspective,” *New Asia*, Vol. 11, No. 3 (Autumn 2004), pp. 80-112.

officers such as Choi Kwang, Ok Bong Lin, and Kim Il Chul made mutual visits. But there were no summit meetings.

In particular, from the death of Kim Il Sung until June 1999, when Chairman of the Supreme People's Assembly (SPA) Kim Young Nam visited China, there had been an appreciable decline in the frequency and the rank of Chinese visitors. Since the death of Kim Il Sung the nonmilitary, working-level contacts between the two sides were made mostly at the vice-ministerial level and among their respective international liaison, foreign affairs, economic and provincial-level units. Overall political and military contacts between Beijing and Pyongyang have also shown a gradual but an unmistakable decline. Even the military-to-military contacts between their ranking officers have been mostly good-will visits and are symbolic and ceremonial in nature, not task-oriented meetings on salient military and security issues.¹⁶

North Korean leader Kim Jong Il's May 2000 visit to China - which was followed by his subsequent visits to China in January 2001, April 2004, and January 2006 - as well as the feverish diplomatic activities that followed are undoubtedly intended to alleviate the growing pains of the North's deepening economic and diplomatic vulnerabilities as well as to arrest a further deterioration in its strained relationship with China. There are, however, no appreciable effects on their military-to-military contacts in particular and on their overall ties in general.

Visits in the first half of the 2000s by such top Chinese leaders as Jiang Zemin (September 2001), Jia Qinglin (May 2002), Wu Bangguo (October 2003), Li Changchun (September 2004), and Hu Jintao (November 2005) helped to restore the level of Chinese visits, but their practical significance should not be exaggerated.¹⁷ Finally, it is entirely

¹⁶ For a detailed analysis on the military-to-military relationship between China and North Korea up to 1997, see Taeho Kim, "Strategic Relations Between Beijing and Pyongyang: Growing Strains amid Lingering Ties," in James R. Lilley and David Shambaugh, eds., *China's Military Faces the Future* (Armonk: M. E. Sharpe, 1999), pp. 295-321; *idem.*, *Recent Changes in Sino-North Korea Relations and the ROK's Policy Options* (Seoul: KIDA, 2001 in Korean), pp. 60-68.

¹⁷ For an analysis on the mutual visits between Beijing and Pyongyang, see Yonhap News, September 24, 2004.

possible that having maintained mutual contacts of little substance for over a decade both Chinese and North Korean militaries are now undergoing a serious yet little-publicized version of their own “alliance fatigue.”¹⁸

Similarly, while China still maintains the July 1961 Treaty of Friendship, Cooperation, and Mutual Assistance with North Korea (the only country with which China has a formal military alliance), the treaty has been widely interpreted in Beijing and elsewhere to be operative only when North Korea faces an *unprovoked* attack from an outside enemy - a highly unlikely event. It is ironic to note that many Asian security analysts and officials now believe that having a Chinese treaty obligation to a vulnerable North Korea would almost certainly help contribute to stability on the peninsula.

Between South Korea and China, on the other hand, there have been more frequent, more regular, and higher-level visits in recent years in the so-called “military exchanges and cooperation” field.¹⁹ Divided into three aspects - i.e., high-level visits (e.g., defense and service chiefs), working-level contacts (short-term visits and mutual consultation), and military academic and research exchanges (conferences and sports events) - their militaries have gradually but steadily increased the scope of military-to-military exchanges and cooperation. It should be noted, however, that compared with the other nonmilitary aspects of their bilateral ties the “military exchanges and cooperation” have yet to be balanced and institutionalized.

¹⁸ Alliance fatigue, which is a natural symptom for any old alliance relationship, is particularly acute in the Sino-North Korea case as there is a growing divergence of interests between the two. See Sukhee Han, “Alliance Fatigue amid Asymmetrical Interdependence,” *Korean Journal of Defense Analysis*, Vol. 16, No. 1 (Spring 2004), pp. 155-79.

¹⁹ This does not mean, however, that their military-to-military ties are balanced or symmetrical in terms of frequency and the ranks of the visiting officers. For a comprehensive treatment of the PLA’s military diplomacy in the 1990s in general and China’s military relations with both Koreas, see Kenneth Allen and Eric A. McVadon, *China’s Foreign Military Relations* (Washington, DC: The Henry L. Stimson Center, October 1999), esp. pp. 66-68.

Some Salient Issues between South Korea and China

It is noteworthy that the above developments between South Korea and China have resulted in a shift in the South Korean public's perception of China to that of a benign, pragmatic economic partner - for better or worse. In fact, popular South Korean images of China are difficult to generalize and have become more diverse over the years. Reflecting their checkered relationships with the outside world in general and China in particular throughout the 20th century, South Koreans eye China in essentially three different images: a traditional great power, an image which had been built upon their largely unequal yet amicable pre-19th century ties; a Cold-War adversary represented by their hostile experience during the Korean War (1950-53) and thereafter; and a new, pragmatic country with the so-called "good-neighborly, friendly relationship," which has been formed after the Sino-South Korean normalization in 1992.

Besides, there exists a spectrum of opinions within South Korean society regarding the most desirable state of bilateral ties between itself and China. A small but growing number of human rights activists, together with religious, agricultural, and environmental groups, are most critical of China's policies in their respective areas of concern. China's (mis)handling of North Korean "refugees" in China, its opposition to the visit by the Dalai Lama to Seoul, and a host of trade disputes are most recent examples.²⁰

At the opposite end of the spectrum are a sizable number of people who subscribe to the "comprehensive cooperative partnership" (*quanmian hezuo huoban guanxi*) between the two countries. Those with commercial, governmental, and other institutional ties with China tend to be in favor of a stable and prospering relationship with China, even if the looming economic implications of a rising China have made them more sober than before. Understandably, the rapid improvement in

²⁰ The Chinese government's position is that there are no North Korean "refugees," let alone dissidents, in its territory. Its position has triggered a series of strong protests from various NGOs based in South Korea and elsewhere. See the editorial, *Chosun Ilbo*, December 11, 1999, p. 2. On cases of trade dispute see KOTRA, *Dae joongkuk muyeok bunkyu sarye* [Cases of Trade Dispute with China] (Seoul: Korea Trade and Investment Promotion Agency, 2002).

Sino-South Korean ties throughout the 1990s has generated a thick web of individual and institutional interests within South Korean society, which remain sympathetic to Beijing.

Of greater relevance to this study is how the South Koreans perceive the value of China and of the US-South Korean alliance in comparative terms.²¹ To make a long story short, up to the early 2000s the South Korean public's view remained "somewhat critical" toward the United States and "fairly friendly" toward China, whereas the policy elite aired the opposite view - that is, "somewhat critical" toward China and "fairly friendly" toward the United States. It is worthy of note, however, that the Korean public's favorable perception toward China plummeted after the Koguryo issue [see below] had erupted in 2004.²² At least for the past three years since the summer of 2004, the United States has been singled out as the "most friendly (to the ROK)" or the "most supportive of Korean unification" in a host of nationwide opinion surveys.

The "China threat" argument, on the other hand, is distinctly a minority opinion aired by only a few people scattered in the media, military, and ideological communities. There also exists an essential consensus among the Korean business community that notwithstanding South Korea's growing over-dependence with China the latter will remain as an opportunity rather than as a threat to the future of their business. Few foreign-policy analysts in Seoul, including both China and non-China academicians, institutional specialists, and journalists, are vocal about the possibility of a Chinese military threat to the Korean peninsula or advocate policies to "deter," "contain," or "constrain" China, unlike their counterparts in Washington.

²¹ An excellent perceptual study on this critical issue of Korea's emerging strategic problems is available. See Derek J. Mitchell, ed., *Strategy and Sentiment: South Korean Views of the United States and the U.S.-ROK Alliance* (Washington, DC: Center for Strategic and International Studies, 2004); Jae Ho Chung, "South Korea between Eagle and Dragon: Perceptual Ambivalence and Strategic Dilemma," *Asian Survey*, Vol. 41, No. 5 (September/October 2001), pp. 777-96.

²² After the election for National Assembly members, 63 percent of the ruling party members (Woori Party) favored a closer ties with China compared with the United States. After the Koguryo case became a diplomatic row between the two countries, the figure plummeted to 10 percent or below. Similar results can be found in other opinion surveys. See, for example, Yonhap News, August 10, 2004 and Media Daum, August 19, 2004.

On the other hand, while the Beijing and the Seoul governments have long maintained that they see eye to eye with each other on a host of peninsular issues - at least in their official proclamations and high rhetoric - there exist subtle but important differences between the two on the issues of Korean unification, the USFK, the North Korean nuclear and missile programmes, and the US-Japan alliance ties, to name but a few.

For one thing, Article 5 of the August 1992 Joint Declaration on the Establishment of Diplomatic Relations between the ROK and the PRC reads: “The PRC government respects the Korean people’s desire to have the Korean Peninsula unified peacefully at an early date and support a *peaceful unification* of the Korean Peninsula *by the Korean people*” (italics added).²³ Since then, all ranking Chinese officials, when asked, have articulated their support for a peaceful, independent, and gradual unification of the Korean peninsula. Then, a question naturally arises: What if the unification is not peaceful, not independent (devoid of US involvement?) or not gradual? To the best knowledge of this author, none of the numerous ranking Chinese officials have ever answered this question to the point. As noted at the beginning of this article, China’s prime objective toward the Korean peninsula is “stability,” not unification - which is the ROK’s national security objective. The fact remains that China’s support for Korean unification is *not* unconditional.

Moreover, since the early 2000s and continuing to date the plight of the North Korean “refugees” (or “illegal economic migrants” by Chinese definition) has become a very salient bilateral issue between the two countries as well as for the international community.²⁴ While there were growing numbers of North Koreans entering into foreign embassies, international schools, and other sanctuaries in Beijing in the first half of the 2000s, the PRC government’s position remains adamant: the issue touches upon China’s sovereignty and ethnic issues and thus can be

²³ Unofficial translation by the author.

²⁴ For the strategic context of the issues, see Jaeho Hwang, “Northeast Asia’s Pandora’s Box: North Korean Escapees,” *Korean Journal of Defense Analysis*, Vol. 16, No. 1 (Spring 2004), pp. 49-72.

resolved only between the PRC and North Korea. Besides, it argues, the issues should be handled according to - in descending order of importance - Chinese domestic law, international law, and humanitarian concern. There is a far cry between China's efforts to project an international image as an up-and-coming responsible power in the world and the often brutal handling of the North Korean refugees against their wishes.

In addition, the Chinese project known as "Northeast Project" (*dongbei gongcheng*), to incorporate the history of Koguryo into their own history, is the gravest of all potential problems between the two countries.²⁵ While the Chinese government averred that the project was an academic endeavor that was begun in 2002 by such provincial-level governments as Liaoning, Jilin, and Heilongjiang, it is anything but an academic one. In fact, the "Northeast Project" had begun much earlier, in 1996, by the regional academies of social sciences located in the three northeastern provinces mentioned above and was ratified by none other than Hu Jintao, the current Party General Secretary and then a member of the Politburo Standing Committee, as a national-level project. It is for these reasons that the project was then led by the Chinese Academy of Social Sciences (CASS), the party's policy-development organ, and that three-trillion Korean won and a manpower of about 1,500 were able to be devoted to it. In brief, it is a political, not an academic, project of the Chinese central government.

In light of the expected objections from both North and South Korea as well as from the world community, what prompted China to engineer the historical distortions? First, it stands to reason that the steady power shift in Northeast Asia - including China's rise, North Korea's nuclear crisis, readjustments in the US-ROK alliance, and Japan's elevated status in the US East Asia strategy - must have a place in it. Second, North Korea's future and the two-million strong ethnic Koreans in the

²⁵ See a flurry of newspaper reports on the subject including B. J. Lee, "Historical Differences," *South China Morning Post*, August 13, 2004; Edward Cody, "China Gives No Ground in Spats over History," *Washington Post*, September 22, 2004, p. A25; Howard W. French, "China's Textbooks Twist and Omit History," *New York Times*, December 6, 2004; David Scofield, "China Ups and Downs in Ancient-Kingdom Feud with Korea," *Asia Times*, August 16, 2004; *idem.*, "China Puts Korean Spat on the Map," *Asia Times*, August 19, 2004.

northeastern provinces must remain a serious concern for China's political leaders and strategists. Third, a unified Korea's possible claim over the Gando region - which extends to much of Manchuria - well into the future can be nipped in the bud should any ancient histories of China's current northeastern region be incorporated as part of China's own proud and rich history.²⁶

Table 3. Chinese and South Korean Positions on Some Salient Peninsular and Regional Issues

Issues	Chinese Positions	South Korean Positions
History of Koguryo	<ul style="list-style-type: none"> • Part of China's ancient history in its peripheral regions • (Aware South Koreans' sensitivity to the issue) want a "quiet" and academic approach 	<ul style="list-style-type: none"> • The issue touches upon Korea's national identity and historical continuity • Call for both academic and diplomatic approach
Korean Unification	<ul style="list-style-type: none"> • Support peaceful (and "independent") unification • In fact, prefers stability to unification • De facto support for the North Korean regime 	<ul style="list-style-type: none"> • Peacetime confidence-building measures necessary for a North Korean contingency • Differences exist for specifics • Call for discussions on post-unification relations
North Korean nuclear Issue	<ul style="list-style-type: none"> • Support a nuclear-free Korean Peninsula • Maintain stability and peace on the Korean Peninsula • Resolve the issue in a diplomatic and peaceful manner 	<ul style="list-style-type: none"> • North Korea's nuclear gambit is a threat to the peninsula and beyond • Call for a diplomatic and multilateral solution, including China's "constructive" role
North Korean refugees in China	<ul style="list-style-type: none"> • A sensitive issue that touches upon China's sovereignty, territories, and ethnic issues; "no refugees" in China • A bilateral issue between China and North Korea, not South Korea 	<ul style="list-style-type: none"> • Forcible repatriation of them to North Korea unacceptable • A humanitarian issue • A bigger issue in waiting when Korea is unified
US Forces in Korea	<ul style="list-style-type: none"> • Principled opposition to the stationing of foreign troops • A historical issue to be discussed between South Korea and the US • Remain wary of its possible role against China or a Taiwan contingency 	<ul style="list-style-type: none"> • A stabilizing factor on the peninsula and in the region • Never raise the issue with China • Focus of the post-unification USFK is regional stability
North Korea missile (re-) launching	<ul style="list-style-type: none"> • Every country's sovereign right • Opposes international pressure on North Korea • Will do "what it can" 	<ul style="list-style-type: none"> • Major source of instability and missile development • Danger of missile proliferation • Call for China's "constructive" role
Strengthened US-Japan alliance	<ul style="list-style-type: none"> • "Asian edition of NATO" • Will lead to Japan's rearmament • Wary of its anti-China and Taiwan contingency role 	<ul style="list-style-type: none"> • Contributes to peninsular and regional stability • A bilateral issue between the U.S. and Japan
Theatre Missile Defence	<ul style="list-style-type: none"> • Opposes it for a number of reasons • Welcomes South Korea's non-participation 	<ul style="list-style-type: none"> • North Korea as a primary rationale for its development • South Korea's geographical, economic, technical reasons

²⁶ For this line of reasoning, see Jun-young Kang, "Hidden Motives behind China's Northeast Project," *Korea Herald*, 24 August 2004. The publication date, it should be noted, is the 12th anniversary of the ROK-PRC diplomatic normalization.

While the South Koreans have so far believed in China's position that an academic issue should be resolved in academic terms only, the dawning reality is that the "Northeast Project" is nothing but the Chinese government's official project, aided by the media, the academic and policy units, and regional governments. The project and the lessons thereof should awaken the Korean people to the dangers of the self-fulfilling prophecy about China. Additionally, the recent "China bashing" in South Korea, largely triggered by the issue of historical distortion, should be harnessed into a new opportunity not only to rethink China's strategic intentions towards the Korean peninsula but also to dispel the self-centered "China fantasy" many of us have held up to now.

While the above three issues remain the most salient ones, there are many other potential problems that may come to the surface one day. An overview of potential sources of differences between China and South Korea is provided in Table 3.

Balancing the American Alliance and Chinese Cooperation: South Korea's Emerging Strategic Challenge

The relationship between the United States and China is widely believed to be probably the most consequential bilateral ties in the contemporary world, whose impact reverberates throughout global and regional issues. It is thus encouraging to note that both the United States and China have since September 11, 2001 worked together to improve their otherwise fragile relationship in such diverse areas as international terrorism, North Korea's nuclear moves, and most recently their military-to-military contacts. On the other hand, it should also be acknowledged that despite their global pretensions and their derivative self-acclaimed role for peace and stability the world over, the United States and China are countries with different attitudes,

diverging perspectives, and conflicting world-views.²⁷ These differences are often brought to bear in their handling of regional and peninsular issues.

For instance, notwithstanding the long list of their outstanding disputes at both the bilateral and regional levels, China and the United States have time and again argued, at the official and declaratory level at least, that they share a set of common interests over the Korean peninsula – namely, peninsular stability, denuclearization, North-South Korean dialogue, and peaceful reunification. The question is: why?

In light of their vast differences in strategic visions, political systems, social values, and strategic objectives, notwithstanding their recent “normalizing” efforts, it is far more logical and - I would argue - more empirically valid to make a case that the United States and China are likely to remain divergent over peninsular issues as well. Beneath the façade of the “constructive, cooperative, and candid relationship” - the Bush administration’s official China policy - moreover, their interests could be significantly in conflict with each other when confronted with some concrete issues and longer-term agendas. Prominent examples include, but are not limited to, a North Korean contingency, future status of the USFK, and military capability and strategic orientation of a unified Korea.

It is also possible that future political thaw on the peninsula, as we thought within our reach in the months after the June 2000 North-South Korean summit, could also accentuate, and at a minimum has increased the uncertainty over, a host of issues that involve the United States, China, and the Koreans.²⁸ Therefore, in light of the possibility for Sino-American competition, their likely diverging interests over the

²⁷ See, for example, Bates Gill, “Contrasting Visions: United States, China and World Order,” an unpublished mimeo presented at the U.S.-China Security Review Commission Session on U.S.-China Relationship and Strategic Perceptions, August 3, 2001. A dated yet still useful discussion on the impact of the diverging visions of the United States and China on the Korea peninsula can be found in Edward A. Olsen, “U.S. & China: Conflicting Korean Agenda,” *Korea and World Affairs*, Vol. 21, No. 2 (Summer 1997), pp. 254-69.

²⁸ For a recent discussion on the future of the two Koreas, see Samuel S. Kim, *The Two Koreas and the Great Powers* (New York: Cambridge University Press, 2006), especially ch. 6.

peninsula, and the “rise of China” (which is largely a fact of life, not an assumption, for most East Asian states including South Korea), South Korea needs to continuously prioritize its strategic relationships with the United States and with China. In practical terms as well as for the sake of its national interests, this means that the ROK should be able to reap the benefits of its alliance ties with the U.S. in addressing the growing importance of the “China factor.”²⁹

In a similar vein, future changes in inter-Korean relations could have a significant impact on the future course of the peninsula and the South Korean-US security relationship. Likewise, recent changes in both domestic and external dimensions in both South Korea and the United States have not only influenced the nature of the alliance, but have also raised new issues or old issues in a new form which are endogenous to the security alliance. While those substantive issues are largely subordinated to both countries’ national interests so far, they could become sources of strain for the alliance if left unresolved for long.

As perhaps their divergent perceptions of and policies towards a series of ongoing North Korean nuclear crises (e.g., the “Six-Party Talks”) best illustrate,³⁰ the South Korean and the US governments need to coordinate their policy toward North Korea more tightly and more coherently than has been the case. Policy differences over North Korea do not augur well for the long-term development of the South Korean-US alliance, especially if they have to prepare for the day when they

²⁹ In particular, see the conference proceedings on The First ROK-U.S.-China Future Forum entitled “The Changing ROK-U.S.-China Relationships and the Future of the Korean Peninsula,” co-hosted by the Institute for Diplomacy and Security Studies (IDSS) and the Center for Contemporary China Studies (CCCS), Hallym University, Shilla Hotel, Seoul, October 30, 2004.

³⁰ For a critical assessment on the North Korean nuclear crisis and on the participating nations’ difference interests, see Alexandre Y. Mansourov, “North Korea Is Poised to Cross the Nuclear Rubicon: Will the Canary Die in the Mine?” *International Journal on World Peace*, Vol. 20, No. 3 (September 2003), pp. 17-28; Michael O’Hanlon and Mike Mochizuki, *Crisis on the Korean Peninsula: How to Deal With a Nuclear North Korea* (Washington, DC: The Brookings Institution, 2003); Victor D. Cha, “North Korea’s Weapons of Mass Destruction: Badges, Shields, or Swords?” *Political Science Quarterly*, Vol. 117, No. 2 (Summer 2002), pp. 209-30; C. Kenneth Quinones, “North Korea Nuclear Talks: The View from Pyongyang,” *Arms Control Today*, Vol. 34, No. 7 (September 2004), pp. 6-12.

“run out of common enemies.” It is these kinds of specific policy issues and longer-term questions that South Korea needs to take into consideration in formulating its strategic plan for its future security environment.

Looking Ahead

In closing this paper, it is appropriate to sum up the findings and arguments with respect to the questions raised at the outset. First, as long as China holds fast to its ongoing reform drive, continued stability on the Korean peninsula is a key to its economic and other interests, so that it would try to prevent a renewed conflict on the peninsula. For the same reason, China will continue to promote a friendly and beneficial relationship with South Korea and at the same time it would try to retain its lingering ties with North Korea, but it is highly likely that their economic ties would be increasingly subject to economic logic, structural trade problems, and the state of other issue-areas. In the mid-to longer-term, moreover, China would seek to transform its traditional “special” ties with Pyongyang based on ideological affinity and particularistic bonds to a more normal, state-to-state relationship based on hard-nosed national interests and mutual benefits.

Second, the seeming “convergence” of interests - common aversions in fact - between Beijing and Seoul in major aspects of their bilateral ties does not necessarily mean that the former is supportive of South Korea’s major policy goals, especially when they come to concrete issues or longer-term questions on the Korean peninsula. Under such circumstances and for the foreseeable future South Korea’s “strategic prioritization” in its relations with the United States and with China would be highly likely to be the most optimal strategic choice, even if South Korea should continuously and systematically pursue a specific set of confidence-building measures with China.

Third, in light of the longer-term Sino-American competition, their likely diverging interests over the peninsula, and China’s growing influence over the Korean peninsula, it is entirely possible that China will become a source for *both* despair and hope in realizing South Korea’s national objectives. While its growing economic and social interdependence with China is highly encouraging and should be

continued, South Korea should also be aware of its attendant costs in other issue-areas, namely, diplomatic and security ones. In a similar vein, the intrinsic value of the “China factor” in South Korea’s evolving security environment lies not in its supposed balancing role against a ubiquitous and unilateral America, but in its potential and likely role in ensuring peace on the peninsula - with Korean unification included. In the long and often tortuous path to Korean security and unification, China will be no substitute for the United States for the foreseeable future.

Fourth, it is this complex set of major external challenges that the ROK leadership will face for many years to come. How well and in what manner they handle the challenges could significantly affect not only the wealth and health of the Republic but also the future of the nation, including reunification. Furthermore, now that both the domestic and the international contexts upon which the ROK’s foreign and security policies have been predicated are also undergoing extraordinary changes, it is necessary to understand correctly that the ongoing trends and developments in South Korea’s interactions with the United States and China could be those of a fundamental, sustaining, and impregnated nature which warrant cooler thinking on the unfolding future strategic configuration on the Korean peninsula and beyond.

In addition, South Korean concerns with China now range from its increasing economic dependency to its heretofore reliance on China’s role in the Six-Party Talks to China’s recent economic inroads into North Korea. To the best of this author’s knowledge, in recent years there have been an increasing number of Korean ‘China scholars’ who are more vocal about Seoul’s accommodative approach to Beijing. Sukhee Han, for example, has argued to such an extent that China’s preferred goal is not de-nuclearization of the Korean Peninsula, but the prolongation of regime stability in North Korea. Doobok Park, for another, has opined that South Korea’s policy inflexibility comes from its own [standards] set higher than China expects. For still another, Dong-ryul Lee has pointed out that the [South Korean] government’s undue expectation on the [constructive] role of China in enhancing North-South Korean relations has [ironically] set up an obstacle for the same goal.

Barring any unforeseen developments in the near future, it is highly likely that a mixture of economic convergence, political anxiety, and military indifference would define the ROK's overall interactions with China. Economically, there exists an essential consensus among the Korean business community that China is probably the last resort for their survival at least for the time being. This sense of urgency on the part of business community would likely push for a higher level of industrial and technological cooperation between the two countries. While the ROK government has recently instituted a system of protection mechanisms in response to the growing concern with technology leakage, its effectiveness is likely to be severely tested due to the growing economic interactions with China as well as to the technological nature of the problem.

It should also be borne in mind that a combination of factors such as economic over-dependency, the Koguryo case, and China's economic inroads into North Korea have begun to feed political anxiety in South Korea. One outcome has been an about-face in the perception of China at the public, opinion-maker, and elite levels in South Korea. Another is an emerging "dual hedging" strategy by the ROK government that has been discernible for the past two years, in which China's behaviour has played a major part.³¹ Taken together, the ROK government seems to be caught between American coercive diplomacy toward and Chinese cooptation of North Korea, while a recalcitrant North Korea has made little room for the ROK government to maneuver, let alone a major role, in managing Korean affairs.

Finally, it should be noted that, while the above developments are largely externally driven, South Korea's changing domestic political dynamics remain an important variable in its future interactions with China. In retrospect, China has served as a useful policy tool for the current ROK government's peninsula-centered and populist ideology, which is often seen as opposed to that of an imposing and unilateral America. But the term of the presidential office has less than one year left; the president's popularity rate is as low as ever. Besides, in light of the pervasive popular disbelief toward the government's major

³¹ This observation is indebted to my discussions with Robert Sutter and Scott Snyder, in Seoul, May and June 2006, respectively.

policies - e.g., the government reaction to the North Korean launching of missiles and the ROK-US free trade agreement, it would be virtually impossible for the ROK government to take any major policy initiative, especially when a domestic consensus is absent.

It is this complex context against which the ROK's overall interactions with China should be understood. In the mid- to longer-term, it is entirely possible that South Korea's political divergence with China on specific and concrete issues would affect the erstwhile discrete interactions with China in other dimensions. One cost-effective way of coping with this future uncertainty is to maintain exchanges and cooperation with China in select areas, while anticipating and preparing for a reversal of its present course toward the Korean peninsula.