

## East Asia's Future after the Global Economic Crisis: The Role of China and South Korea for the Region

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### EAI-CISS Roundtable

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EAI and CISS co-organized a MASI roundtable between the two core institutions as a collaborative research effort to develop policy recommendations to enhance relations between South Korea and China.

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Since the normalization of diplomatic relations in 1992, it is now generally agreed that ROK-China relations have come to be one of the most important in the East Asia region. This positive relationship is seen in the convergent policy goals such as the denuclearization of North Korea and preserving stability in the region. While mistrust in security relations persists, both sides have worked to overcome these obstacles in developing a closer strategic partnership as manifested in ever increasing trade and human capital flows. Perhaps these bonds are best reflected in the recent upgrading of bilateral relations to the level of Strategic Cooperative Partnership in May, 2008. Within the last year though, events have rapidly unfolded with the unprecedented Global Economic Crisis and the escalation of the North Korean nuclear crisis. The events have triggered much debate and discussion on the future of East Asia, the role it will play in the future, and in particular how South Korea and China will position themselves in light of the major events of the last year.

On November 23, 2009 the East Asia Institute and the Center for International & Strategic Studies co-organized a MacArthur Asia Security Initiative roundtable between the two core institutions as a collaborative research effort to develop policy recommendations to enhance relations between South Korea and China. The discussion focused more on long-term views on the future of the region and the changing positions of China and South Korea. One of the main questions

that set out the discussions was what will happen in East Asia after the World Economic Crisis? Related to this were other questions on how will the United States and China engage with each other? What are the policy options for China toward North Korea in resolving the nuclear crisis? And finally, how will ROK-China relations develop in the Post-Crisis environment?

The following is the summary of the main points arising from the roundtable discussion among all participants from China and South Korea.

### 1) The Six-Party Talks remain important, but insufficient

Denuclearization of the Korean Peninsula remains the primary goal of South Korea and China. Both recognize that this is important for regional stability. Any diplomatic effort though would have to come through the Six-Party Talks that both countries have actively promoted. Therefore, bringing North Korea back to the Talks will remain the major task for Seoul and Beijing. Moreover, we need to develop a more profound multilateral framework to deal with comprehensive matters related to North Korea's problems.

### 2) China can benefit from a stronger role in resolving the North Korean nuclear crisis, but is prudent

One of the main foreign policy challenges for

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China is how to resolve the North Korean nuclear crisis. Because of its close political contacts with the North Korean regime, China has a negotiating advantage over other countries involved. Beijing is in a good position to restart the Six-Party Talks to complete the final phase of denuclearization as agreed by all parties in the September 2005 agreement. Such an achievement could be a real diplomatic success for China contributing to its peaceful rise. By resolving such a protracted and complex crisis, it could serve as a model to other countries and help in resolving other international disputes, thereby enhancing China’s diplomatic soft power.

Still, China remains reluctant to take on a more proactive role in the North Korean nuclear crisis. Beijing does not wish to see a nuclear North Korea, but it also does not want to abandon the regime. The fear is that if Beijing were to put too much pressure on Pyongyang it could provoke unintended outcomes. China, as North Korea’s only friend, has to walk the thin line and consider the vulnerabilities felt by the North Korean regime.

### **3) China’s domestic debate should be taken into account on the future of China-DPRK strategic relations**

The difficulty for China in asserting a stronger diplomatic role in the world is the domestic policy debate. Understanding these views will contribute to improving relations with China and understanding what role it can play. Policy debates in China are tough and complex. This reflects a growing confidence while also showing a degree of inherent mistrust toward the United States. China’s strategic relations with North Korea are a source of much discussion in policy circles. Those who support a

change in Beijing’s approach to Pyongyang have to contend with the policy arguments in favor of North Korea. These opinions in favor reflect some of the mistrust in viewing the United States as a greater direct strategic challenge in the long-term than North Korea.

It will be important to consider these debates in China and the difficulties it poses for Beijing when it devises any policy change toward Pyongyang.

### **4) A smart ROK-US Alliance is compatible with strategically cooperative ROK-China Relations**

While there is a vibrant relationship between South Korea and China, differences on political and security issues that are a legacy of the Cold War period remain evident today. Some views in China consider the ROK-U.S. alliance as an impediment to closer ROK-China relations. This observation though does not take into account the changes in the ROK-U.S. alliance toward it becoming a smart alliance. As a 21st century alliance, the ROK-U.S. alliance is more than just a Cold War-era military posture but rather a convergence of ideas, goals, and interests. In this regard, it can be possible for South Korea to have a close relationship with China while maintaining an alliance with another big power.

### **5) Institutionalizing networks of dialogue will enhance ROK-China Relations**

In order to develop closer integration and a greater understanding between Seoul and Beijing, particularly with regard to security issues, there are two areas that need improving. The first is in the need to tackle and cope with the lack of high quality information at the go-

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vernmental-level on each other's perceptions, interests, and foreign policy strategies. Such a lack of quality information is the source of misperceptions in ROK-China relations. The second is in the channels of communication where an upgrade is needed to improve contacts. Both areas could be the focus of collaboration between scholars to develop institutionalized channels of dialogue. Track I and II dialogue can help overcome the inherent misperceptions between the two countries. Improved dialogue means looking into what unites China and South Korea as well as how they can learn to live and accept the differences between them.

#### **6) China will need to suggest a vision for the Post-Crisis world order**

The conventional wisdom is that the United States is in decline and that China, along with other powers such as India and Brazil, are on the rise. It is clear that Beijing will hold the resources to take on a much bigger role internationally. However, to do so will require a grasp on the new forms of power in the world. In an age of complexity where the United States is neither totally dominant nor completely irrelevant, China will have to show more innovation in its diplomacy. It should develop a diplomacy based on a world of complexity rather than that of the old traditional concepts of power. In spite of this, it will be difficult to see China taking on a more assertive role on the international stage. As previously mentioned, there is little will to take on a stronger role as Beijing focuses more on its own domestic challenges, such as economic disparities in the country and internal stability in sensitive regions, for example Tibet and Xinjiang.

#### **7) The G-20 shows the way ahead, not the G-2**

The Global Economic Crisis and the rise in importance of China in international affairs and global institutions resulted in debate and talk of a G-2. Despite the optimism among some scholars to this idea, there is a great deal of skepticism particularly from China to the G-2. One of the main reasons for this is because of the difference in capabilities between the United States and China. Considering the role Washington expects Beijing to play internationally on green, security, and trade issues, there is a lack of convergence between the two sides. China's own domestic needs and political challenges prevent it from fully addressing the global challenges expected of it by the United States. For Beijing, the G-20 remains the most favored institutional framework for resolving the global issues in the Post-Crisis world. Support in Seoul for the G-20 is also strong. South Korea as a middle power is investing in the G-20 where it can balance the different interests between developing and developed countries.

#### **Conclusion**

The roundtable discussion touched upon some major issues that have affected China and South Korea over the last year, these include the unprecedented Global Economic Crisis and the escalating North Korean nuclear crisis. South Korea and China actually share much in common to address these major challenges, yet old misperceptions prevent deeper contacts and coordination. From China there is still a degree of mistrust over Korea's alliance with the United States and from

South Korea's perspective there is concern over China's rapid military buildup accompanying its rise. It was agreed that such misperceptions would have to be resolved in order to facilitate enhanced cooperation for resolving the nuclear crisis and managing the Post-Crisis world. While there were disagreements about the degree to which China should become more internationally involved, particularly with regard to North Korea, both sides felt the G-2 is not the answer for the Post-Crisis world. Stronger multilateral approaches were favored among participants, like the G-20, which has seen strong support from both South Korean and China.

The Chinese participants were reluctant about China being more involved directly in resolving the North Korea nuclear crisis, favoring more multilateral approaches through the Six-Party Talks. Some of the Korean participants believed that if China was to actively resolve the North Korea nuclear crisis then it could benefit China diplomatically and contribute toward its peaceful rise. Both agreed that the Six-Party Talks is vital and will require North Korea to come back and live up to its agreed commitments for denuclearization. ■