

**STRATEGIC CONVERGENCE: SOUTH KOREA AND  
CHINA RELATIONS SINCE 1998**

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**DECLARATION**

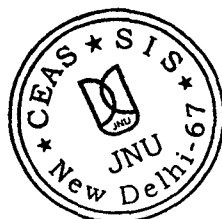
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27<sup>th</sup> July, 2007

  
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*To*  
*My Mom*  
*Niangkhanngai*  
*And*  
*My Dad*  
*L.Suankhogin*

## ABBREVIATIONS AND ACRONYMS

APEC	Asia Pacific Economic Cooperation
ARF	Asian Regional Forum
ASEAN+3	Association of South East Asian Nation + China, Japan and South Korea
CASS	Chinese Academy of Social Science
CBM	Confidence Building Measure
CCPIT	China Council for Promotion of international Trade
CMM	Conflict Management Mechanism
CSCAP	Council for Security Cooperation in the Asia Pacific
DPRK	Democratic People's Republic of Korea
EAEC	East Asian Economic Caucus
EC	European Community
IAEA	International Atomic Energy Agency
KEDO	Korean Peninsula Energy Development Organization
KIEP	Korean Industrial Economic Policy
KTPC	Korean Trade Promotion corporation
NAFTA	North Atlantic Free Trade Area
NATO	North Atlantic Treaty Organisation
NEACD	Northeast Asian Dialogue
NEASeD	Northeast Asian Security Dialogue
NPT	Nonproliferation of Nuclear Weapons
UN	United Nations
ODA	Official Development Assistance
PRC	Peoples Republic of China
RoK	Republic of Korea
TMD	Theater Missile Defense
U.S.	United States

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## Chapter One

### Introduction

The Korean peninsula is situated in Northeast Asia between the 43<sup>rd</sup> and 34<sup>th</sup> latitude (North to South) and between the 124<sup>th</sup> and 131<sup>st</sup> longitudes (West to East). The entire peninsula is approximately 85,310 square miles. In its current politically divided configuration, North Korea is 47,130 square miles and South Korea is 38,180 square miles. In terms of populations, as of the year 2000, there were about 20 million North Koreans, although estimates vary widely due to the secrecy of North Korean society and the uncertain impact of North Korea's post Cold War famines. South Korea's population as of 2000 was about 46 million. The peninsula is attached to the Asian continent, abutting the Manchurian region of Northeast China and Russia's far eastern maritime province. The Yalu River (*Amnok-gang* in Korean) divides the peninsula from China, and the Tumen River (*Tuman-gang* in Korean) divides it from Russia. To the Eastern part of Korea lie Japan which is separated by East Sea (*Dong hae* in Korean).

Geo-strategically, the Korean peninsula, which is 965 km in length and 365 km in width at its broadest point, is located at the junction of four power spheres. The Pacific frontiers of China and Russia meet on its northern border. Its western shores enclose the Yellow sea. The Strait of Korea separates the Korean peninsula and Japan, which at the narrowest point are in 200 km proximity of each other. Any development on the Korean peninsula therefore has consequences for Japan. The North Korean nuclear and ballistic missile programme, impinges on the present security status of Japan in an overbearing manner. In the past, some North Korean missile tests have violated Japanese airspace, rattling Japan and compelled it to review its military posture. If North Korea were not defanged of its strategic weapons, the remilitarization of Japan would be a logical outcome. Strategic stability in the region, therefore, precariously hinges on the United States military presence in South Korea. Since South Korea had a direct strategic interface with formidable powers like China, Russia, North Korea, Japan and the United States, a small miscalculation on the part of any of these protagonists can trigger an avalanche of



disastrous military confrontations, wherein the United States forces would almost instantaneously become engaged in a high intensity conflict involving ground, naval and air forces.

The societies of East Asia- China, Korea, Vietnam, Japan, and the small island kingdom of Liu-ch'iu (Ryukyu)- had all stemmed from ancient China and developed within the Chinese culture area, the area most influenced by the civilization of ancient China. Age, size, and wealth all made China the natural center of this East Asian world (Fairbank 1967:1). The peninsula's location between China and Japan has had a huge impact on its history and on its regional role. The nature of this impact is aptly characterized by the saying about the Korean 'shrimp'. There is much truth in this metaphor as well as the perception of Korea being the vortex of Sino-Japanese and Western imperial tensions. This is also true that the Korean peninsula is the 'land bridge to Asia' for the Japanese aggression and the 'dagger aim at the heart of Japan' endangering Japan from the Asian mainland. However, in its orientation, it was more or less biased towards China throughout its history. It adopted the Chinese model of monarchy and successive dynasties, as opposed to Japan's single imperial line. (Singh 2005:279) The strategic location of Korea has played a major role in transforming Korea, and influencing Chinese, Japanese, and Russians interactions over the territory and waters that occupy the space between them.

Korea and China share long historical and traditional relations that lasted for centuries. Korea's relations with China began as early as the Fifth Century AD, were regularized during the Koryo dynasty (918-1392), and became fully institutionalized during the Yi dynasty (1392-1910). China's relationship with the Korean Peninsula before the Opium War is one of the typical examples of the center-peripheral relations characterized as the tributary system. For centuries, China had been the dominant power on the Korean peninsula, by maintaining a relatively stable and close relationship with the countries in this area. The countries on the Korean Peninsula were basically autonomous in dealing with their domestic affairs and paid tributes to the Chinese emperors on regular basis (Zhang 2001:484). Tribute, which had originally meant tax

payments, generally came to consist of ceremonial presents, typically of local products (Fairbank 1967:7). Chinese emperors in order to maintain and protect its tributary relations send troops to invade and occupy parts of the Korean Peninsula. The following tables shows the regular Ch'ing tributaries in the order listed in the 1818 edition of the collected Statutes (*Ta-Ch'ing hui-tien*), together with the expected frequency and routes of tribute missions.

**TABLE 1. Ch'ing Tributaries as of 1818**

Country	Frequencies of Missions	Route
Korea	Tribute four times a year presented all together at the end of the year	via Mukden and Shanhaikuan
Liu-ch'iu	Tribute once every year	via Foochow
Annam	Tribute once in two years, sending an envoy to court once in four years to present two tributes together	via Chen-nan-kuan and Kwangsi
Laos	Tribute once in ten years	via Yunnan
Siam	Tribute once in three years	via Canton
Sulu	Tribute once in five years or more	via Amoy
Holland	Tribute at no fixed period; the old regulations were for tribute once in five years	via Canton
Burma	Tribute once in ten years	via Yunnan
Western Ocean (Portugal, the Papacy, England)	Tribute at no fixed periods	via Macao

Source: The Chinese World Order, Fairbank (1967)

Korea has been one of the major countries in East Asia surrounded by many continental and maritime neighbours on all sides over the past two thousand years. The traditional relations between China and Korean peninsula have been constituted upon an international system based on concepts distinctively different from the western system of international law. This envisioned China as a superior state while Korea is a dependent or subordinate state. According to this world view, Korea though a dependent on China is independent on her policies, religion, prohibition and orders and China has never interfered in their affairs. Each ruler of China whether the leader of a dynasty or a republic has regarded Korea as a prominent student of traditional Chinese Confucian culture, making Korea an important component of what may be called “East Asian civilization”. From the 16<sup>th</sup> Century, China’s position on the Korean Peninsula began to be challenged by other powers, first of all, Japan. But before the Sino-Japanese War of 1894-95, the Sino-Korean tributary relations remained intact (Zhang 2001:484).

In the 19<sup>th</sup> Century, the Western powers forced China and her neighbour to open up. China and her neighbour became the colonies or semi-colonies of the Western powers (including the Japanese Empire). As a result the Chinese center tributary system gradually collapse and was replaced by the Western dominant system as the international system in East Asia. The basis of the new regional order is power politics and international laws. The opium war of 1840 was the challenge of European capitalism against the oriental feudalism, and that of modern international relations against the ancient tributary system. The Qing Dynasty could not take appropriate response towards the Western pressure and lost the war in 1842. For a full century after 1842, China remained subject to a system of international relations characterized by the “unequal treaties” established by the Western powers, beginning with the Treaty of Nanjing, and not formally abolished until 1943. The Chinese dominance on the Korean Peninsula was ended by the Japanese challenge. The Japanese strategists regarded the Korean Peninsula as a convenient “invasion corridor” to and from Japan and tried to keep Korea under its control. Hydeyoshi invaded Korea in 1592 and with the help of the Chinese forces, Korea finally repelled the invaders in 1598. Strengthened by the Meiji reforms (1867-70), Japan opened the “Hermit Kingdom” by force in 1876. The Sino-Japanese rivalry over Korea

developed into a war in 1894. China was defeated and forced by Japan to recognize “the full and complete independence and autonomy” of Korea (Zhang 2001:486). It was only in 1895 when China was forced to sign the treaty of Shimonoseki with Japan that the tributary relations between Korea and China came to an end. Further, Japan’s victory in the Russo-Japanese War of 1904-05 extends leading position in the region which also introduced American intervention in Northeast Asian politics.

Since its foundation in 1948, the Republic of Korea has been steadfastly committed to the concepts of liberal democracy and free market economy, but its foreign relations have undergone significant changes. As the East-West confrontation evolved into a state of Cold War after the Second World War, the Republic of Korea pursued its foreign relations in concert with the nations of the West, which advocated liberal democracy. In the aftermath of the Korean War (1950-1953), the international community viewed South Korea as a devastated, poverty-ridden nation, but the image began to change in the early 1960s as South Korea’s newly adopted policy of export-driven economic development showed impressive high-speed economic growth. As the East-West confrontation sharpened during the Cold War era, the Republic of Korea, regarded as a member of the Western bloc, began to expand its foreign relations by improving ties with its traditional allies and by building cooperative relations with Third World nations. Since the 1970’s, the diplomacy of the Republic of South Korea has been designed to promote the independent and peaceful unification of the peninsula, which was tragically split into two after World War II. With its diplomatic foundation firmly in place, the Republic continued throughout the 1980’s to pursue cooperative partnership with all countries in every field.

After the end of the Cold War in the early 1990’s, the Republic of Korea moved swiftly towards normalization of its relations with China in 1992. These planted the seeds of a new regional relation in East Asia and presented a strong first step toward the peaceful relations with each other. However, there is still a long way to go to achieve meaningful progress in the South Korea-China relations as United States still plays a dominant role in East Asia. Furthermore, the foundation for peaceful coexistence with North Korea was laid in December 1991, when the two countries concluded the

Agreement on Reconciliation, Non aggression, Exchanges and Cooperation and the Joint Declaration on the De-nuclearization of the Korean peninsula.

South Korea followed a policy of independent foreign policy moving away from dependent policy by adopting an engagement policy towards the North in 1998. Since then, South Korea continues to look forward to China as South Korea-United States relation based on a strict dependent on the alliance with the U.S. does not prove so advantageous to Korean national interests. At the same time, there is a growing voice of post Korean War generation and a new surge of nationalism will direct South Korea to increasingly strengthened its own voice concerning diplomacy, security and reunification for the foreseeable future. On the other hand, China's importance in Korea's foreign policy is being felt as ordinary South Koreans consider China to be an alternative security partner. China's role as a self-defined traditional patron of the Korean peninsula, casts a shadow on South Korea's hope for independent diplomacy and a peaceful unification strategy.

South Korea-China relation begins a new chapter by signing normalization of treaty in 1992. This is an important move for South Korea as the end of the Cold War had direct impact in Northeast Asian regionalism. The rise of China as an economic giant with its remarkable economic growth made itself an important player in the region. At the same time, Korea's importance to U.S. as a strategic partners decrease with the demise of Cold War confrontation between Soviet Union and U.S. This has resulted in an increasing degree of strategic multipolarity and political uncertainty in East Asia as such major powers such as China, Japan, Russia and the U.S. began to redefine their bilateral relations in light of the changing global and regional situation. With all these developments in East Asia, South Korea and China relations in the post Cold War period is interesting and lively as South Korea's foreign policy slowly move way from a dependent policy to an independent policy. The need to look the changing South Korea's foreign policy from the point of its emerging relations with China is important for academics and for those interested in studying the changes in East Asian politics.

## **1.1. THEORETICAL BACKGROUND**

The dissertation used Alexander Atkinson's theory of Strategic revisionism in explaining the concept of strategy in the study. This theory fits well in explaining strategic move of a country, in which it focuses on the relevance of social order to the theory of strategy. This theory states that arm conflict drift towards a rather new or revisionist form in this nuclear age. The struggle for power, that is, the pursuit by real violence of an order in relationships through which power is always remitted, being endemic in international and social relations, if stalled on some avenues of expression (the nuclear and conventional paths), unerringly finds others (Atkinson 1981:74). Thus, the strategic revisionism is needed in explaining the international and social relations by analyzing the struggle for power. This theory is an important element in explaining the strategic convergence of South Korea and China in this nuclear age where the struggle for power is clearly eminent. The conception of social order is also the one firm basis left for the continued survival of a truly political notion of strategy in which the real use of violence is the distinguishing feature. Strategic theory should consider the nature of this feature and the social and moral roots from where it springs.

In strategic revisionism theory, Atkinson redefines strategy as the formulation and distribution of social order, and keep tactics being its detailed application. According to his classification, "tactics is the theory of the use of military force in combat. Strategy is the theory of the use of combats for the object of the war" (Atkinson 1981:74). The strategic initiative of one party towards the formulation and distribution of social order necessarily sweeps all participants off the battle field into a state of social war in which the prime object of strategy is the continuing invasion of the opponent's social order and the reformulation of these newly subverted social resource into the fabrics of one's own social order. This can be applied to South Korea and China's strategic relations in which both are opponent countries during the Korean War and later in Cold War years. However, social and cultural relations intrude into each other's social order that ultimately move the countries to a closer path of convergence. This is supported by the

traditional ties in which China is a superior state and Korea is a subordinate state that led to the historical convergence in which the social and cultural relations were deeply rooted.

Strategic revisionism describe social order into a broader theoretical terms with strategy defined as the formulation and distribution of social order in mind. The conception of social order that is everywhere prominent in the revisionist theory of strategy is, in its most general terms, a unifies system of deeply rooted social values and norms, and related patterns of social interaction and stratification of society, the germane aspect of which for our purpose is rank hierarchy in status and power. A consensus on social values and norms is the prime moral basis of social order which unites a mass of people into one single moral community or society (Atkinson 1981:81). To further explain this conception of social order, we must focus on the very important element of power in the fabrics of social relations. In the first instance, social relations are power relations, power being, for our purpose, the ability to command the actions of others. It is inherent in the very nature of social relations that the actions of individuals are potentials means to the ends of others. Only through social relations are the recognition and services of individuals and groups rendered transferable, in any substantive way, to the ends of others (Atkinson 1981:82). The power relations between China and South Korea commands the actions of each other's which ultimately led to a convergence in their strategic outlook.

The theory of strategy is seen from the conception of social order and it is necessary for strategist to grasp its essential features. The first item in social order relevant to the theory of strategy is that it is only through social relations power over others is pursued in any substantive way. All individuals are not necessarily pursuer of powers over others by nature, but are tempted to become so instant they are thrown out into social relations. Beyond this, they are driven into the violent pursuit of power in the absence of its moral chains. Otherwise the real risk is that the configuration of social relations through which power is always remitted will shift in such a way that one's own actions become the principal means to the ends of others. This is so simply because the

fabrics of social relations with which society is formed always leads to the systematic alienation of power, that is, the increase of power of some over others by the organized transfer of recognition and service of some individuals and groups to its concentration in the hands of others. Social relations being, in the larger part, power relations, society must first of all be organized as an order in the transfer of power which is observed in the established pattern of social relations and ranking in status and power contained therein (Atkinson 1981:84-85). The flood of social relations would otherwise, in the absence of their moral barriers, simply pursue their natural and violent denouement. Strategist must grasp the fact that social order is, at once, a moral order and an order in the everywhere prominent transfer of power observed in the pattern of social relations and social ranking.

The right strategic circumstances necessary is to grasp social order as the prime seat of the will and capacity to wage war. The formulation, distribution and application of social order is a strategic and tactical drive to satisfy the social imperative in war, this is, the absolute necessity to achieve relative security of social resource by subverting and reweaving those of the opponent into one's own fabric of social resources and social order. The compromise of the opponent's social order and will to resist rests on the compromise through a scheme of social strategy and tactics of the consensus on the social values and norms, patterns of established social relations and social ranking, along with the configuration of power relations contained therein. The way one pursues victory over the opponent is not through the implicit convention underlying the model of "decisive battle", or the neutralization of armed power, but through an invasion of the very fabric of social relations and its vital concentration of power which must always underlie the capacity to wage war. The function of moral and social order is the new centre of the will to resist war. The prime avenue in the invasion of social order is, through a scheme of inducement or coercion, throwing a mass of people into new patterns of social relations and social ranking in status and power (Atkinson 1981:87). The two aspects of social order is refashioned in which is contained the configuration of power, out of the hands of the opponent and into the fabric of one's own social order and war capacity.



Thus, the strategic revisionist theory of Atkinson fits well to explain the strategic convergence of South Korea and China. It is the social order and power struggle that led to the convergence of these two powers. At one point of time, they share long historical and traditional relations that lasted for centuries. The traditional relations between China and Korean peninsula have been constituted upon an international system based on concepts distinctively different from the western system of international law. This envisioned China as a superior state while Korea is a dependent or subordinate state. Here, these countries began to develop deep social and cultural relations that ultimately outweigh their hostile relations during the Cold War period into good cordial relations in the post Cold War period.

## **1.2. CONVERGENCE THROUGH THREATS**

To study the strategic convergence of two countries, threat assessment can be used as a tool in analyzing their convergence. South Korea and China continues to have threats from its neighbour that ultimately led to converge in their strategic thinking. Strategic assumption proceeds from conscious and unconscious assumption as follows. Stage one: (a) Strategy abhors a vacuum. (b) Strategist needs enemies. (c) Therefore enemy images are elaborated. Subsequently, enemy images are adapted to one's strategic outlook as much as one's own postures are shifted to meet changes in strategies of one's adversaries. Stage two: (a) The capabilities of other nations are definable as threats because of their intrinsic destructive potential. (b) There is always room for doubt about a nation's intentions. (c) Therefore it is argued that threat assessment should concentrate on threat capabilities rather than intentions. Subsequently the preoccupation with capabilities leads to the guideline that what the enemy can do it will do it (Booth 1979: 110-111). Thus, from this point of view South Korea continues to have threats from the North no matter their relations at times is good and cordial, the threat perception continues to haunt their strategy. This threat always makes them insecure.

On the other hand, China also suffers threats from the United States during the Cold War and more so after the end of the Cold War. This threat varies from military to economic. China's rising as a capable power that can bring together East Asian into one regional platform is also the concern for the United States. These threat perceptions that the Chinese have tend to change the overall strategic calculation in East Asia. The result is a convergence of strategic thinking with South Korea as they too are living in the ambit of threats. These threat perceptions bring the two countries together as they were in the same situations of threats from other nations. Moreover, China has the ability to control South Korea's security threat from the North as China has an alliance with the North since its foundation as a separate state. On the other hand, South Korea is a faithful ally of the United States, this can to some extent reduced United States threats to China.

North Korea continues to predominate South Korea's threat perception. Even though the past hatred between the two countries is low to overcome, there have been sometimes interludes of co-operation, albeit extremely inhibited by the military posturing of the two countries which has remained provocative and menacing. Since 1995, all Defence White Paper refer to North Korea as the 'Main Enemy'. However, the White Paper released in February 2005 has dropped references to North Korea as the 'Main Enemy' and has instead used the term 'Direct Military Threat'.

The South Korean Defence Policy makers maintained that the concept of 'Direct Military Threat' from North Korea will continue unless a peace treaty is signed. The Defence White Paper issued in the year 2000 stated that North Korea had increased its number of army divisions from 63 to 67 and combat aircraft from 850 to 870, which included 40 MiG-21 aircraft procured from Kazakhstan. Further, as per the White Paper, North Korea had purchased a substantial number of Mil 8-T Helicopters from Russia and its reservists had increased from 7.45 to 7.8 million. As per latest inputs, North Korea has at least 13,000 artillery pieces and rocket launchers deployed on its side of the DMZ

These threats perception that the two countries had, led to the convergence in their strategic thinking. Also, both countries suffered from Japanese militaristic imperialism

that still threatens them. Japan's resurgent as a militaristic power would have the same threat on both the countries. Thus, the threats that South Korea and China suffer and the common interest they share bring convergence in their relations.

The first Chapter of this dissertation is divided into three broad areas. The first part of this chapter begins with the general introduction of Korean peninsula; here it explains its geo-strategic location of Korean peninsula and its importance to its neighbours. This part gives an insight view of the traditional relations between Korea-China. China is considered a superior state while Korea is a subordinate state. South Korea move foreign policy is driven by the division of Korea after the Second World War. The general introduction of Korea's foreign policy shift in the post Cold War era giving importance to China has also been mentioned in this part. The normalization of relations with China and the subsequent relations that the two countries have is also discussed in this part.

The second part of this chapter covers the theoretical part in which it uses Atkinson's theory of Strategic revisionism in explaining the strategic convergence of South Korea and China. Here it focuses on the social order rather than the struggle for power. The third part of this chapter deals with how convergence occurs in South Korea and China relation. It explains that this convergence is because of the threat perceptions that exist in the Northeast Asia. This threat perception forced the two countries to converge in their strategic way and thinking.

The Second chapter of this dissertation is divided into four sub heads. The first part explains the general introduction of South Korea's foreign policy. Here, it explains how South Korea's foreign policy changes from United States centric to East Asian regional powers. The post Cold War foreign policy of Korea and how South Korea adopted independent foreign policy has also been discussed. The second part of this Chapter focuses on its changing relations with North Korea. It also deals with South Korea's foreign policy shift from a policy of 'containment' to a policy of 'engagement' in

dealing with the North. It also explains the South Korea's engagement policy by analyzing the 'Sunshine Policy' which is the only successful policy that South Korea adopted in dealing with the North.

The third part of this chapter begins with the interferences of the United States during the Korean War, and how they helped South Korea retain back its territory from the North. This chapter also discusses the post Cold War South Korea United States relations in which the young generation Koreans were against the presence of United States troops in the Korean peninsula. However, South Korea needs the United States until a reliable regional organization that neutralize the tensions in the. The fourth part of this chapter discuss South Korea and Japan relations, analyzing United States importance for the security of this two countries and how United States initiative led these countries to sign a normalization treaty in 1965. This part mentions that historical atrocities by the Japanese play is a burden for their relations and Japan should be ready to accept its past atrocities and be ready to form a strong Northeast Asian regionalism, otherwise, South Korea and China will move past them and their importance in regional affairs will go down.

The third chapter of this dissertation is divided into six sub headings. The first part begins with the introduction in explaining South Korea and China relations in the past. How China had an advantage position in Korea as compare to other nations. The second part explains South Korea and China relations in the post Cold War period. It also explains how the two countries normalize their relations and what impact it provides to their relations. The third part of this chapter explains China and the Korean peninsula where it focus mainly on the nuclear issues. Here, China accused the United States hard line policy towards the North that indirectly led the North to pursue their nuclear programme. The fourth part of this chapter explains the rise of China and how much impact does it have on South Korea. It argues that China's rise is not a threat to South Korea; rather it helped in developing their economy. The fifth part of this chapter focuses on the issues affecting South Korea-China relations. It explains Koguryo and China's Northeast project. Here, it deals with the dispute arising out of the Chinese Northeast

Project. The last part of this Chapter focus on the problems of the ethnic Korean in China and how this become a sensitive issues in China Korea relations.

The fourth chapter is sub divided into four main parts. The first part is the introduction of this chapter. Here it explains how the Asian regionalism was formed and its importance. The second part explains multilateral cooperation in Northeast Asia. It explains the importance of multilateral cooperation that will withstand crisis in Northeast Asia. The third part of this chapter explains Northeast Asian regionalism. The last part of this chapter explains ASEAN+3 and Northeast security. It discusses Korea and Asian regionalism giving importance of East Asian regionalism. The post Cold War South Korea-China relations completely change the whole scenario of Northeast Asia.

The fifth chapter is the concluding chapter. This chapter analyzes the findings of this dissertation. South-Korea and China convergence bring changes in the whole scenario in Northeast Asia. It brings these countries closer by moving towards greater economic ties that indirectly reduced the tensions in the Korean Peninsula.

## **Chapter Two**

### **South Korea's Foreign Policy in the Post Cold War Period**

#### **2.1. South Korea's Foreign Policy an Overview**

The liberation of Korean peninsula from the Japanese occupation in 1945 brings a new hope to the Korean people, the much awaited independent Korea, free from other interference, has always been a dream for the Koreans after 35 years of suffering and nightmares in the hand of the Japanese. But their liberation from the Japanese did not instantly bring about the independence for which the Koreans had fought so fiercely. Rather, it was Balkanized into two due to ideological difference caused by the emerging Cold War. Korean's efforts to establish independent governments were frustrated as United States forces occupied the Southern half of the peninsula and the Soviet Troops took control of the North.

In November 1947, The United Nations General Assembly adopted a resolution that called for general elections in Korea under the supervision of the United Nations Commission. However, the Soviet refused to comply with the resolution and denied the United Nations Commission access to the Northern half of Korea. Subsequently, the United Nations adopted another resolution calling for elections in areas accessible to the United Nations Commission. The first elections in Korea were carried out in Korea on May 10, 1948 in areas which lie south of 38<sup>th</sup> parallel. This parallel came to divide Korea into North and South. On June 25 1950, a full-scale war broke out in the newly formed States that lasted for three years. The entire peninsula was devastated by the conflict. The Korean War not only resulted in tremendous loss of life and property, but also left a wide rift among Korean.

The inter-Korean confrontation of half century is deeply rooted in both structural and historical causes. When the American and Soviet occupations entered the peninsula

to receive Japanese surrender in 1945, Korea could hardly avoid division. As the Korean saying goes, Korea was “a shrimp surrounded by whales” and fell victim to power politics and ideological rivalry. Each part of the peninsula was not only divided but transformed socio-economically after the state and society of its occupation. Both South and North Korea came to assume the same structural causes that brought about the Cold War between the two superpowers. It was simply natural for divided families and the Korean people who had lived in one political entity more than a thousand years to aim at reunification. The reality of division and desire to reunify necessitated rivalry with each other and the issue became which side will win over popular support. The two parts had to compete for national legitimacy in virtually all areas including prosperity and security. In the beginning, it was the North which enjoyed an upper hand in both areas and South Korea was on the defensive.

There is a significant change in South Korea’s foreign relations in the late 1980’s as new international environment has freed South Korea from diplomatic constraints of the Cold War system. It embraced the Northeast Asian regionalism that has emerged as a result of globalization. Nations in the region are exploring common agendas and a vision for the future of their part of the world. They share the view that peace and prosperity in the Korean peninsula is essential for regional prosperity. South Korea’s relations with China grow stronger because of its geographical proximity and cultural affinity that make trade and investment ties not only convenient but also desirable. They no longer see China as a Communist adversary blindly supporting North Korea. South Korea’s policy towards the North has received China’s support, and Sino-South Korea relations are closer today than they have been at any other time.

As the Cold War was coming to a close on the superpower level in the late 1980’s, both Koreas gained more autonomy and signed the basic agreement and agreed to non-nuclearization in 1991. However, the approach was idealistic like in inter-war Europe in that they believed the legalistic approach would bring peace on the peninsula. There were two problems. First, the Cold War mechanics and mind-sets remained too intact for rapid reconciliation. Vested interests in the Cold War resisted. They needed some period of

transition to create a new relationship. Second, the North began to develop a survival strategy within the confines of the Cold War environment. When the Soviet Union collapsed, they seemed to be developing “such weapons” for which they had relied on the superpower, which invited confrontation with the United States.

The international order in the post Cold War era has been fundamentally changed with ever growing inter dependence and the emergence of multilateralism as a key mechanism for addressing international issues and maintaining order, with the economy becoming a more important variables in the international order. This environment has led to a need for closer economic cooperation and easing of military confrontation, while encouraging the pursuit of multilateral diplomatic efforts to prevent disputes and promote cooperation, thus contributing to a more stable process of change in the international environment. On the other hand, this situation has also contributed to such potential problems as unbounded economic competition, intensified rivalry among world powers, and difficulty in establishing new multilateral cooperative systems, thereby increasing uncertainty (Dong-Hwi 2000:57-58).

South Korea’s foreign policy began to move from dependent to an independent policy as early as the Park Chung-hee’s strategy of rapprochement towards North Korea. Further more, Park Chung-hee’s “Self Reliant National Defense” and subsequent short-lived nuclear challenge, together with Roh Tae-woo’s “Northern Diplomacy”, were self consciously motivated by a dream of independent national security and diplomacy, a dream which has served as a driving force for the “Sunshine Policy” during the Kim Dae-Jung and Roh Moo-hyun administrations (Ko 2006:260). This independent foreign and security policy of Park Chung-hee and Roh Tae-woo is the result of the United States troops pull back from Korea. President Nixon and Carter pulled back their troops, causing South Korean distrust of the United States security pledge, thereby forcing them to explore an alternative way to guarantee security. Park Chung-hee goes to the extent that he secretly develops a nuclear plant in South Korea so as to secure from external threats. However, this nuclear policy was abandoned after his assassination in 1989. South Korea followed an independent foreign policy because of its security reason in



which their security was always threaten with the continue United States troops withdrawal from Korea. They strongly feel the need to be self reliant on its own security.

Further more, the independent foreign policy was adopted so as to reduce economic imbalance between the two Korea's. It is widely accepted that the most economically effective way for the two Korea's to become one is to help the Pyongyang regime push for economic reform, rather than follow the United States policy that could have a devastating effect in the Korean peninsula by provoking Pyongyang's nuclear adventurism and leading to the further deterioration of the South Korean economy (Ko 2006:263). The main sticking point in the South-North dialogue arises from Seoul's concerns about Pyongyang's nuclear programme heightened by the declining U.S. security commitment to the region. South Korean officials have said that China promised to help denuclearize the peninsula as part of the diplomatic deal. Thus, by acting as an "honest broker" of Korean denuclearization, China can underscore its indispensability in the Northeast Asian security equation.

## **2.2. South Korea's Policy towards the North: The Sunshine Policy**

South Korea signed an armistice with the North in 1953; however, their relations continued to be characterized by high tension. The first movement towards a thaw in the relations was initiated in 1972, when the two sides engaged in high level negotiations. The two countries agreed to continue discussion on political and military issues as well as Confidence Building Measures (CBMs). The CBMs were to be coordinated through a coordinating committee and the Red Cross. However, the discussions were stalled as each side tried to retain initiative and deny legitimacy to the other side. In 1980, the two countries referred to each other by official names. This was followed by a number of political demands made by the North on the South. The most critical demand was withdrawal of United States troops from South Korea as a precondition for further talks. The talks between the two countries continue to be disturbed till the later part of the 1980's. The early 1990's was marked by a series of Prime Minister Talks.

The rapprochement process between the two countries received a major boost after North Korea and South Korea were admitted as separate members of the United Nations in 1991. That China supported this decision of the United Nations was a stupendous diplomatic victory for South Korea. However, on 12 March 1993, North Korea threatened to withdraw from the Non-Proliferation Treaty (NPT), to which it had acceded in 1985. This endangered a major breach in the rapprochement process between the two countries, giving rise to heightened tensions in the region. After prolonged negotiations, extending for more than a year and half, the United States and North Korea signed an agreement in October 1994 by which North Korea agreed not to restart its old nuclear reactors and freeze the construction of two new reactors. The relations between the two countries changed dramatically when Kim Dae-Jung came to power in 1998. He launches a new policy called the Sunshine Policy to engage North Korea. This policy completely changes their bilateral relations and brings a new hope in North-South relations.

The unstable North-South relations are the primary source of insecurity on the Korean peninsula, the vital pre-requisite for a peace settlement in Korea is the stable management of relations among the surrounding powers. The U.S.-China cooperation since September 2001 and the effectively functioning U.S.-Japan alliance imply that now is the optimal time to end the North-South confrontational structure. The regional and global circumstances provide that it is an optimal time for settling peace on the Korean peninsula. Although U.S preoccupation with constructing a post-modern international order by conducting a war on terrorism can present obstacles to peaceful relations among regional actors, there are minimal prospects for a China-led anti-American coalition.

The resolve of the two Korea's to work out a realistic and comprehensive new basis of relations through a series of five meetings at the Prime Ministerial level alternatively in Seoul and Pyongyang became evident when the "Agreement and Reconciliation, Non Aggression and exchanges and Cooperation" between North and South was signed. The 25 Article "Basic Agreement" is a comprehensive concrete agreement which took a historic and realistic view of the bilateral problems and found

systematic ways and means to simultaneously improve, political, systematic, economic, military divisions and international aspects of inter-Korean relations (Das 1999:38). This basic agreement gives a new hope in inter-Korean relations that will bring peace and stability in the Korean peninsula.

The Sunshine Policy signaled a paradigm shift in South Korea's approach towards North Korea. It replaced a policy of Containment with proactive engagement to induce gradual change in the North through reconciliation and economic reconciliation. The Sunshine Policy was first embraced as the official policy by Kim Dae-Jung, the then President of South Korea, when he took office in 1998. The main aim of the policy is to soften North Korea's attitude towards the South by encouraging positive interaction and economic assistance. It seeks to bring about a state of peaceful co-existence in the Korean peninsula by affecting changes in North Korea through reconciliation, co-operation and mutual exchanges. This policy aims at encouraging and facilitating the North to usher in the process of reform and openness. It is a policy guided by unwavering principles of zero tolerance for aggression, renunciation of unification through absorption and an active drive for reconciliation and mutual exchanges. It also aims at ending half a century old distrust and enmity by establishing a firm and enduring peace and security in the peninsula.

Thus the Sunshine Policy is regarded as an affirmative effort by South Korean government towards an independent foreign policy. On the contrary, the policy of containment is one in which South Korea regarded the North as an enemy that is ready to strike at any time. South Korea's confrontational policy with the North was based on the assumption that the North was offensive to reunify the nation into its own communist system and Seoul could not, but be reactive to such offense. They launched a war and would do so whenever opportunities come about. This is one reason South Korea continues to follow its containment policy towards the North. In contrast, the practitioners of the Sunshine policy created a unique mechanism in which there is no confrontational response or resistance to the challenge by North Korea, thus effectively preventing the situation from developing into a crisis (Key-young 2006:76). As South

Korea overtakes the North on the economic front, there is constant fear on the assumption that North Korea will one day collapse. South Korean economy experienced a remarkable growth and became more than fifteen times as large as the North's. Even South Korean President Kim Young Sam (1993-97) advocated and embraced this "collapsist" view, thereby seeing North Korea as a "broken airplane" that would be headed for a crash landing, ushering in reunification by absorption ( Kim 2004:4 eds).

This collapsist view of Kim Young Sam is just a wait and watch policy in which there is a strong feeling that the North will one day collapse. But this view proves wrong because China is always there to lend a helping hand to rescue even though China's relation with the North is not always smooth enough with the latter continuing its nuclear project. Shorn of any diplomatic and economic leverage, North Korea has been using its ballistic missile capability and nuclear weapons programme to extract economic and political concessions to sustain the impoverished country (Singh 2005:279). Also its withdrawal from the 1994 Agreed framework adds to this. Often China's relations with the North is at a low position, even as China fear that regime collapse in North Korea will ultimately reunify Korea that will give United States direct access to Korean peninsula. This will threatened China's security; moreover, China's fear that their growing influence in the peninsula will be halted and their economic interest on the South too would be affected. Thus China is forced to make ties with the North even when North Korea acted against their will and desire.

Kim Dae-Jung's Sunshine Policy dramatically changed the goals and assumptions of the confrontation policy. He strongly feels that the immediate necessity is to bring peace in the region. He, therefore, aimed for peace instead of unification which had pushed both sides to unilateral unification policies. To replace a half century-long zero-sum game of political legitimacy and military confrontation, they decided to try a policy of engagement with the goal of achieving reconciliation and cooperation between the two Koreas, with reunification put off for a decade or two. To him unification was not possible in the near future nor desirable in view of the popular reluctance to bear the huge unification cost. In order to bring peace, he preferred "new thinking" to reduce the source

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of confrontation, that is, hostility, to deterrence where the effects of hostility are controlled. Also he adopted the common security perspective through which Pyongyang's fears are addressed. It is now North Korea in this age of communist collapse and economic disaster that is on the defensive. Unless the concerns of North Korea are considered, the confrontation will not be resolved. Under such assumptions, Kim believed sunshine is the better and effective policy than northern wind as in the Aesop's fable. By providing less hostile environments Pyongyang would change its policies and in due course follow the Chinese model of reform. The convergence of the systems would further help reduce hostilities.

The Kim Dae-Jung's Sunshine Policy is a breakthrough in inter-Korean relations. North Korea which initially dismissed it as a refined version of absorption began to change after Kim Jong-il government allowed Hyundai to send large sum of "tourist fees" in cash to North Korea even after naval clashes. The economic and social ties between them are growing stronger. The 2000 Pyongyang summit was most remarkable historically because it was initiated and executed by Koreans themselves with no external shock or great power sponsorship (Kim (ed) 2004:4). The historic summit of June 2000 had resulted in a series of successful collaborative projects between South and the North. Railroads are being connected and an increasing number of South Korean tourists are visiting the North. In 2005 alone, nearly 300,000 South Korean tourists visited Mt. Kumgang. South Korean Companies employ more than 10,000 North Korean workers at the Kaesong Industrial Complex, north of the de-militarized zone. The chief catalyst for the Pyongyang summit was President Kim Dae-Jung's consistent and single minded pursuit of his pro-engagement "Sunshine Policy" (Armstrong, Rozman, Kim, Kotkin (ed) 2006:170). The Sunshine Policy change South Korean perspective from recognizing the North as an enemy state to a possible friendly nation that will later unify Korea.

Though an attempt to engage North Korea through the Sunshine Policy became successful, the military buildup in the demilitarized zone continues. Despite the end of the Cold War and superpowers rivalry, and despite the historic inter-Korean summit of June 2000, the Korean peninsula remains a zone of fratricidal conflict and a potential

flashpoint for renewed violence, with grave consequence for regional security in Northeast Asia and beyond. Even today, almost half a century after the Korean War “ended” with an armistice accord, the so-called demilitarized zone (DMZ) easily stands out as the most heavily fortified conflict zone in the post Cold War world, where more than 1.8 million military personnel including some 37,000 U.S. troops-confront each other, armed to teeth with the latest weapon systems (Kim (ed) 2004:3).

This military build up is also the result of the post 9/11 terrorist attack on the United States. The international community sees North Korea as a threat because of its nuclear policy and its withdrawal from Nuclear Proliferation Treaty. President Kim’s Sunshine could not proceed smoothly owing to the shift of United States policies after the leadership transition (Young 2006:77). The Bush administration’s hard line approach towards the North has affected Kim Dae-Jung’s sunshine policy. The entire situation was jolted by the 9/11 terrorist attacks on the United States that caused Washington to toughen its posture towards all threats, pointedly including rogue states such as North Korea, which got lumped together with Iraq and Iran as the “axis of evil” by President Bush in his 2002 State of the Union Address (Olsen 2005:160). The Bush administration hard line policies towards the North threaten the security environment in Northeast Asia. Even as North Korea carried on with their nuclear weapons programme and subsequently conducted nuclear test on October 9, 2006, South Korea, however, continues with its engagement policies towards the North. South Korea initially expressed anger at the Kim Jong-il regime for escalating tensions, but later diverted towards the Bush administration for refusing to engage in serious negotiation with North Korea. The United States changed perceptions of their relations with the North, because of North Korea’s economic decline and inter-Korean rapprochement, make it increasingly difficult for South Korea to understand Washington’s hard line rhetoric politics and policy on this issue. The engagement policy is the only viable option to bring North Korea to the peaceful negotiation table and thus, the continued policy finally convinced the North to give up all its nuclear weapons programme in March 2007.

The Kim Dae-Jung's engagement policy towards the North changes the overall relations with the North. Even though their relations in recent years move from normal to bad, this is only because of the Bush administration hard line policy towards the North. Due to the idea of "axis of evil" of the Bush administration, Kim Dae-Jung has been suffering from setback in his "Sunshine Policy". In fact, Bush policy towards the Korean peninsula was seen as problematic which can only escalate tensions rather than bringing about peace in the region. The South Korean President is unable to convince the U.S. that facilitating more exchanges and dialogues would be beneficial to the stability of the Peninsula. In the same token, China is still having difficulties in convincing North Korea to adopt measures for domestic reforms as well as opening to the outside world. If Pyongyang is willing to move ahead in its reform, and Washington is willing to lessen its hawkish color, only then could the situation in Northeast Asia hopefully go towards détente (Wai 2003:117). However, Kim Dae-Jung's policy changes the whole scenario in inter-Korean relations where peace in the peninsula can be expected. The slow going but steady policy of engagement will win peaceful settlement on the tensions and conflicts in the Korean peninsula.

The Sunshine Policy is a bold step towards the isolationist North Korea. This brings the two countries to the negotiation table. Even though peaceful settlement could not be reached immediately, it completely changed North-South relations. The sun still shine in South-North Korea relations and the trust they developed through the sunshine policy will always be a healing touch to their strain relations. Even though North Korea is a nuclear weapon state, it will not used against South Korea unless forced by external forces like the United States. It is for this main reason that for the South Korean, President George W. Bush's administration was increasingly seen as posing a greater threat than their official enemy, North Korea, particularly if it were to attack what it called part of the "axis of evil" and unleashed unaccountable amount of human and property losses. In this new strategic calculation, it was rational for South Korean policy elites to play the role of devil's advocate rather than faithful ally (Young 2006:5). Moreover, North Korea's ally China has normalized relations with South Korea and the

break up of Soviet Union lessens the threat of North Korea's aggression towards the South.

Thus, deterring war against the North and establishing a solid peace system on the peninsula is a vital interest of South Korea. Since the legacy of the Korean War still remains, and since significant military asymmetries continue to exist along the demilitarized zone, there is a real danger of renewed arm conflict. In these circumstances nothing is more important than preventing renewed conflict from occurring, and transforming the existing precarious armistice into a solid peace structure. Preventing proliferation of nuclear, chemical and biological weapons and ballistic missiles is no less vital to Korea's security. For the past several years the Korean government has identified Pyongyang's nuclear programme as the greatest threat to peace and stability on the Korean peninsula, as well as Northeast Asia. The ultimate goal of Korea's policy regarding the nuclear issue is to deter Pyongyang from developing nuclear weapons and thus secure a nuclear free Korean peninsula.

Korea's security cannot be ensured without peaceful unification of the Korean peninsula. Korea has ruled out war or absorption as a means of unification and is groping for a truly peaceful method of unification. Korea defines the term "truly peaceful method" as unification through dialogue and agreement between the two sides. Peaceful change in the North is also in Korea's security interests and is more desirable than violent change as a means to achieve unification. The unification process must proceed in ways that will not create instability on the Korea peninsula or in Northeast Asia. Thus the Sunshine Policy is a step to bring the two countries together for peace and stability in the Korean peninsula as well as Northeast Asia. The 2000 inter-Korean summit was a major landmark on the road to inter-Korean rapprochement that promised to help transform hostile inter-Korea interactions into benign and cooperative exchanges (Kim 2003:698).

Prior to the Kim Dae-Jung administration, the policy of containment was followed in dealing with the North. This containment policy brings hatred among the two nations and thereby only added to another threat of war in the Korean peninsula. It also had



proven domestically burdensome and a growing source of dissatisfaction and disenchantment due to recurrent antagonistic interaction between the two Koreas. Intermittent and hostile inter-Korean exchanges and dialogue could not resolve the tragedy of separated families. It could neither curb North Korea's secret attempts to develop nuclear weapons programme nor address humanitarian concerns in the South due to wide spread famine in the North. As a matter of fact, North Korea continuation of its policy of nuclear brinkmanship to garner help to its famine ridden economy, is a strong sign of the failure of the policy of containment.

The Sunshine Policies proactive engagement was embraced as a hopeful alternative to containment's benign neglect. Though the Sunshine Policy was rational than a roll back strategy, which will seek the North's collapse regardless of the tragic consequences of another Korean War, the analogy of the North to a traveler was naive. In contrast to the traveler who has limited means to cope with the cold wind and sunshine, North Korea had the potential and own resources to withstand outside pressure, including weapons of mass destructions (WMD) and vast conventional military forces. If total emasculation was impossible, second best was to render the North's susceptible to outside influence by greatly constricting its room to maneuver.

Even if prolonged exposure to Sunshine could forced the North to gradually abandon confrontational policies vis-a-vis the South and become a normal member of international community, the Sunshine Policy failed to articulate specific policy measures to prevent the North from engagement- similar to a traveler who dodges into shadows and caves to escape wind and sun. Only strategy that prevented avoidance could make North Korea engage, as lack of protective trees or caves could compelled a traveler to adjust his behavior to manage the elements. Despite its rhetorical appeal, therefore, analogical reasoning underlying the Sunshine Policy did not accurately reflect North-South relations so long as it neglected operational strategies to create conditions necessary to compel engagement. It was in this context that Kim used the analogy to justify and advocate unrealistic policies rather than to analyzed and developed specific policy options.

Unilateral concessions and financial aid for the North that assumed its benign intentions did not suffice to induce the Sunshine Policy's intended changes. A delicate blend of Sunshine and containment, of benevolence and restraint was necessary. Containment was essential to hold the North into a position without escape. No trees or caves, so to speak. Thus, traditional deterrence and solid alliance stood to facilitate Sunshine Policy implementation. Yet, the inter-Korean Summit on 15 June, 2000, Joint Declaration failed to reflect United States and Japanese concerns about North Korea's Weapons of Mass Destructions (WMD) and missiles. This omission stood to undermine alliances cohesion required to implement the Sunshine Policy. The September 2002 DPRK-Japan Pyongyang Declaration, by contrast, underscored the importance of nuclear and missile issues.

### **2.3. South Korea and the United States**

South Korea and the United States has always been an ally since the end of the Second World War and continue to grow strong during the Cold War years. The R.O.K.-U.S. Mutual Defense Treaty was concluded shortly after the end of the Korean War when there was a high degree of bipolarization between the United States and the Soviet Union in world military and political situation. While the primary objective of the United States in entering into the alliance was to check the expansion of the Soviet and Chinese power in East Asia, South Korea's sole objective was to prevent another North Korean invasion. While Korea and the Far East meant only one segment of its world-wide concern to the United States, the world's situation was important to the small states like South Korea because of its possible effect on her security (Kim, Kang, (ed) 1978:57-58).

Korea was divided into North and South through ideological line by the United States and Soviet Union. South Korea was on the United States ideological camp and their relations begin to be cordial in the following years. The investment of lives and money during the Korean War created a stake in maintaining the alliance, the political cost to a United States leader of abandoning South Korea would be extremely high,

especially after the failure in Vietnam (Clough 1987:210). The relations and bond of ties between these two nations relatively became much stronger with the Korean War, in which about 33,000 United States soldiers were killed and this relationship has endured for more than half a century.

During the Korean War, Seoul placed its Armed Forces under the command of General Mac Arthur in his capacity as the United Nations Commander. The interference of United States, through the channel of United Nations, helped South Korea in retaining its sovereignty. When the Korean Armistice Agreement was signed in 1953, Korea and the United States concluded a Mutual Defense Treaty and the United States, at the request of the South Korean government, agreed to station its armed forces in Korea not only to deter the North Korean from resuming aggression but to ensure the maintenance of peace and security in Northeast Asian region (Han 1983:3). Thus, the treaty binds the two countries to cooperate in defending each other's security and strategic interests. Since then, United States became not only the protector but has become an important ally of South Korea. The stability provided by the more than 50 years old mutual defence treaty has enabled Korea to become an economic power despite the hostile presence of the Communist armies across the 38<sup>th</sup> parallel.

The treaty date itself is significant because it also mark the entrance into the second century of relations with Korea. On May 13, 1834, an American diplomat reported to the Secretary of State that opening of Japanese-American trade ties might lead to trade with Korea. In 1845, a resolution was introduced into the US House of Representatives calling for an American mission to open Japan and Korea to trade, but at that time Korea was too far away from the imagination of the Americans, and the resolution fail to pass. But it was just a little more than 100 years ago in 1882, that a Treaty of Peace, Amity, Commerce, and Navigation was signed by Commodore R.W Shufeldt, USN, and Korean Commisioners in Seoul, providing for diplomatic and consular representation, safe conduct for US vessels and citizens in Korea, and rights and limitations of the conduct of each country's citizen in the other (Han 1983:13-14).

Their relations dates back to the 19 century, however there are two important occasions where the United States twice came to rescue the Korean people on a grand scale. In World War II, the United States overthrew the Japanese control of the Korean Peninsula, ending 35 years of Japanese colonial domination, and leading to formation of Republic of Korea in 1948. The second time of course was during the Korean War itself, when the United States provided the leadership and the largest contingent of the U.N. Command, a War which resulted in 33,626 killed in action, 20,617 non combatant dead, and 103,284 wounded. It was this experience that led to the negotiation of the 1953 treaty, providing for the maintenance of separate and joint means “to deter arm attack” in the Pacific region against Korean territory, and providing for the stationing of US military forces in Korea (Han 1983:14).

The relationship between these two countries is one of symbiotic relationships. This alliance has endured through the good and bad times as both the two have their own benefit from it. To a certain extent, it can be argued that these alliances also served the best interests of other Northeast Asian countries, especially Japan, by preserving regional peace and stability. Little has changed in their nature for half a century, and both alliance are showing signs of age. Their alliance not only brings security to the South Korean but it also helped the South to become one of the most developed economy and an important trade partner in East Asia.

The United States too benefits from its ally, especially during the Cold War, when there is a stiff competition between United States and Soviet Union, South Korea’s strategic location helped United States to contain Soviet Union. South Korea had developed trusting relationships with the United States especially during the Cold War period. This was as reliable as other ally the United States could have outside NATO due to the main reasons that South Korea is: (1) dependent on the United States for its very survival (2) drawing its economic lifeblood from the U.S. market; (3) caught in a secure web of triangular economic ties with its old nemesis, that is, Japan that only tightened the U.S. embrace; and (4) sharing fundamental American values, amid three continental neighbours whose values seemed to offer no appeal (Armstrong, Rozman, Kim, Kotkin,

2006:151-52). South Korea need the United States as much as the United States need them, this bind their ties stronger during the Cold War Period.

In fact, the strategic status of the United States on the Korean peninsula has shifted from “patron of South Korean security against North Korea and neighbouring power houses” to “power balancer of Northeast Asia” (Ko 2006:261). However, when their alliance is going on in full swing there are many setbacks and difficulties this alliance at times faced. The sharpest dispute between Washington and Seoul arose over United States decisions to withdraw forces from South Korea. Park Chung-hee was adamantly opposed to Richard Nixon’s decision in 1970, pursuant to the Nixon Doctrine, to withdraw one of the divisions stationed there, despite the offer of \$1.5 billion over a five year period to be used to modernize South Korean forces. He was equally strongly opposed to Jimmy Carter’s decision in 1977 to withdraw the remaining U.S division. In both instances, the decision was reached without advance consultation with the Korean government. The disputes reflected differing judgments of the North Korean threat and of the need for U.S ground forces to deter North Korean attack. Once the United States had made the decision, the Korean government had no choice but to make the best of it. Nothing demonstrated more strikingly the unequal positions of the two allies (Clough 1987:211).

After the post Cold War, United States interest in South Korea also changes with the changing dynamics of East Asian relations. The collapse of the Soviet Union results in the United States showing no more interest in Northeast Asia. It was a security guarantor for South Korea during the Cold War period; however, as South Korea’s relations get better with the North as well as China, there is a great need to rethink its foreign policies and its dependence on the United States. In the post-Cold War and post-Korean summit environment; many South Koreans prefer to think of the U.S troops as potential peace keepers and power balancers in the region. The North Koreans also have informally proposed that U.S. troops might stay in Korea if they acted in a purely neutral peacekeeping capacity. Such an assignment would necessitate a radical reworking of the United State-South Korea alliance.

However, Post-Korean War generations view American forces on foreign soil a violation of the normal international relationship between sovereign states. In South Korea, the popular anger against United States forces came to world attention in 2002, when tens of thousands of South Korean citizens demonstrated in the streets after the death of two school children run over by United States military armored vehicle. But this was not the first time that popular movements tried to effect change in the United States-South Korea alliance. Earlier there were protests over the Status of Forces Agreement. South Korean had movements “reclaiming our land” against the United States military bases. Also there is the environmental movement campaign against the toxic byproducts of the United States military presence. It continues to challenge United States plan to expand military facilities in Pyongtaek.

The United States and South Korea had a deep difference in dealing with North Korea. The United States prefer to contain North Korea’s nuclear and missile programmes through direct negotiations while South Korea would prefer to promote internal changes in North Korea through economic engagement. The United States also reached an understanding with North Korea to secure better access in North Korea as North Korea-United States relations improved, as encapsulated in the United States-North Korean Joint Communiqué of 2000. Through this more for more approach, the United States sought to resolve suspicion about North Korea’s “hole in the ground” which the United States suspected that North Korea’s carry on the underground site for nuclear facilities and its incipient uranium enrichment programme.

The Bush administration abandoned this approach in 2001 and called North Korea part of the “axis of evil” in 2002. Through this period, Seoul’s basic course remained to make use of multilateral diplomacy to entice Pyongyang into closer relations, but the global environment kept changing (Armstrong, Rozman, Kim, Kotkin, 2006:160). South Korea shows disagreement and displeasure with the United States in dealing with the North in general and its nuclear crisis in particular. This is because South Korea strongly feel that its engagement policy will be able to bring the North to the negotiation table. Even after North Korea’s nuclear test of October 9, 2006. South Korea did not change its

stance, it rather believe that engagement with North Korea will only ease tensions in the peninsula.

Thus, the United States-South Korea though it remains always an ally at times faces strong criticism among the Koreans. The “special allied relationship” between the United states and ROK has been most threatened by a lack of agreement on the nature of the North Korean threat on what constitutes an appropriate conflict-management approach (Kim 2006:33). In the post Cold War scenario where countries think their foreign relations in terms regionalism and economic interests, it is high time South Korea had a rethink in its relations with the United States. The prevailing security dilemma in the Korean peninsula and North Korean nuclear threat will only be over if South Korea built a strong relationship with its neighbouring countries. Heavy dependence on United States will not solve their security problems; it may at times necessary but not for the long run. It is only through a strong Northeast Asian regionalism that they will get over with their security dilemma. However, South Korea needs United States until a strong a reliable Northeast Asian regionalism come on its way that is not far away. Until then, they need to continue with their relations whether good or worse.

#### **2.4. South Korea and Japan**

Korea’s geo strategic location brought two contending regional powers, Japan and China into direct confrontation. China had a pacified relationship with Korea through its tributary system. Japan’s expansion under the doctrine of ‘fokoku kyohei’ (meaning rich nation, strong army) and its imperial order eventually replaced the Sino-centered tributary system. Japan defeated China in the Sino-Japanese war in 1894 and the subsequent victory of Japan led to the signing of the Treaty of Shinomoseki, whereby, China gave up the suzerainty over the Korean peninsula. Japan’s influence over East Asia grew phenomenally following the Sino-Japanese War. Japan paved the way to the annexation of the Korean peninsula by defeating Russia in Russo-Japanese War in 1904-05. It also expelled Germany by forming an alliance with Great Britain in 1910. Thus, the Japanese

began to rule over the Korean peninsula as there is no strong power to compete the Japanese during this period.

Japan has always occupied an important position in the Korean history with their occupation of Korea in August 29, 1910. Korea's suffering under the Japanese occupation was an unforgettable period in the Korean history. The political dilemma created by the loss of sovereignty affected the direction of Korean nationalism. The cultural and educational policies of the Japanese skewed cultural development and compounded ideological division amongst elites. And economic programmes and development under Japanese rule intensified class contradictions that continue to influence Korean society (Eckert, Lee, Lew, Robinson, Wagner 1990:254-55). The colonial legacy has instilled a deeply rooted distrust of Japan among many Koreans. The harsh Japanese occupation that hurt the sentiments of Koreans still haunts them even today, as there is constant fear of Japanese past militaristic policy surfacing again. The Japanese occupation of Korea is one of the most brutal colonialism in modern history. They were not content to simply occupy the country and seize its agricultural and minor industrial assets. They also tried to incorporate Korea into Japanese culture. The Koreans were forced to take Japanese names and the Korean language was no longer taught in the schools (Thompson (ed) 1996:44). These brutal colonialism and cultural imperialism has great impact on Korea-Japan relations.

During the colonial period, Japan treated Korea as a land of resources, instituting brutal rule to gain maximum economic support for Japanese economic growth. The colonial period left an enduring legacy of animosity towards Japan among Koreans and disdain of Koreans among Japanese (Clough 1987:222). Koreans and other Asians were considered inferior beings. In the post-liberation period, Japan treated Korea as a poor, second-rate neighbour, and refused to apologize for Japan's colonial and war-time crimes against the Korean people. With Korean economic successes came Japanese recognition that the "poor Koreans" were becoming a threat to the Japanese economy; in fact, Koreans subsequently captured some major industries, such as shipbuilding, from the Japanese.



South Korea and Japan has been an ally of the United States during the Cold War. They both had strong ties with the latter because of the insecurity that prevails in Northeast Asia during the Cold War. The United States and Japan have common interest on the security, stability and economic development of South Korea (Clough 1987:208). The common dependence of Japan and South Korea on the United States profoundly influenced their relations with each other. The United States pressure on the two governments was a significant factor in bringing about the establishment of diplomatic relations in June 1965. There after, the value those governments placed on good relations with the United States for strategic and economic reasons, together with United States efforts to preserve harmony between its two allies, serve to facilitate cooperation between them and moderate their conflict of interests. Membership in the United States led security system in Northeast Asia and in the global system of market played a leading role to constrain them to harmonize their bilateral relations.

A minor Japanese movement to understand Korea better began in the 1980s, and a new rapprochement occurred in 1984 when Korean President Chun visited Japan for a summit meeting with Japanese leader Nakasone. The official normalization of relations in 1965 between the two countries had not created cordial bilateral feelings, but the “second normalization” not only brought Korea a badly needed loan, but also began to create a genuine sense of rapprochement. For Japanese, Korea’s economic achievements made it a paradise for shopping; in fact, South Korea is the primary destination of Japanese tourists. Japan after the liberation of Korea wants to keep itself away from the troublesome Korean problems.

A major improvement occurs in Korea-Japan relations when President Kim Dae Jung and Premier Keizo Obuchi signed Republic of Korea-Japan strategic partnership declaration in 1998. This included several significant elements for bilateral security cooperation. They were: (1) to prod North Korea to abide by the non nuclear proliferation pact and to avoid the use of chemical weapons; (2) to hold regular consultative meetings on security policy as well as to strengthen the exchange of defence experts at various

levels; (3) to jointly push for the establishment of a multilateral security forum; and (4) to strengthen policy consultation on North Korea in order to ensure peace and stability on the Korean peninsula. (Korea Times, October 8, 1998) The North Korea's test launching of Taepodong long range missile on August 1998 has also tighten security relations between South Korea and Japan as this directly threaten their security. With a commonly perceived threat from North Korea, the need for close security relation strengthens their relations. The most striking feature of Japan-South Korea security adolescence is that military-military relations are not only feasible but also sought after (Manosevitz 2003:804).

South Korea and Japan were brought closer not only by their security threat, but also by Kim Dae Jung's sunshine policy towards the North where South Korea desperately need Japan's support. Moreover, Japan's steady support of the Korean Peninsula Energy Development Organisation (KEDO) project, its economic assistance, especially through Official Development Assistance (ODA) framework, and ultimately diplomatic normalization with North Korea were integral part of the success of the sunshine policy. However, North Korea's missile test and the suspected nuclear facilities in Kumchangri led Japan to suspend its diplomatic normalization with North Korea, freeze financial assistance to KEDO for light water nuclear reactors in the North. Japan also undertake joint research on Theater Missile Defense (TMD) with the United States and to acquire a spy satellite. Japan's shift to a hard-line posture on North Korea undercut South Korea's engagement policy. When the sunshine policy was at its peak, in 2004, the nuclear crisis strained South Korean relations with Japan and the United States. South Korea and Japan grew farther apart in their reasoning on security. For a long time, Japan did not have coherent regional security policy of its own, and its security policy on South Korea was by and large influenced by American factors. North Korea emerged as another factor affecting South Korea-Japan relations.

South Korea and Japan continued with a series of bilateral talks to create an overall friendly relation between the two countries. But, even with this heartening development, there still exists a historical black cloud which threatens to overshadow the

relationship between the two countries, with potentially disruptive results. There are occasional setbacks in their relations sparked by unsavory remarks made by several Japanese right wing politicians on issue relating to Japanese colonial rule and history text book, as well as by the Japanese government's claim on the Island of Dokdo. These remarks continue to haunt their relations as the Koreans were strongly against Japanese claim of Dokdo Island.

The first written records on Tokdo are traced to “*Silla pon’gi (Annals of the Kings of Silla)*” and “*Yoljon (Biographies)*” both in *Samguk Sagi* (History of the Three Kingdoms). These entries state that Tokdo became part of the Korean territory in 512 A.D. when Usan’guk was subjugated by Silla (Shin 1997:333). On the other hand, the Japanese government cites *Onshu Shicho goki* (Records on Observations in Oki Province) edited by Saito Hosen in 1667 as the first record on Tokdo. Saito was a retainer of the daimyo of Izumi (sesshu) and at his lord’s behest made an observation trip to Oki Island and submitted the report to his lord. In the report, Tokdo and Ullungdo were both ascribe to Koryo (Korea), and Oki to Japan as its western most boundary. Here again, Matsushima refers to Tokdo and Takeshima to Ullungdo. The first Japanese record on Tokdo as an official document clearly place Oki within Japan’s territory, and Tokdo and Ullungdo within that of Koryo (Shin 1997:336-37).

Among the official documents released by the Japanese Ministry of Home Affairs are papers that attest to Korea’s title to ullungdo and Tokdo. In 1876 the Ministry instructed all the prefectures to conduct a land survey in order to make a national cadastre and a map of the nation. At this time, Simane prefecture inquired of the ministry whether or not Takeshima (Ullungdo) and Matshushima (Tokdo) were to be covered by this survey. The ministry had examined for five months all the papers exchanged between Korea and Japan around the end of the 17<sup>th</sup> century and concluded that the question of the title to these two Islands had already resolved in 1699 (the 12<sup>th</sup> year of Genroku). The ministry decided to exclude these islands from the survey. However in 1905, the Japanese incorporated Tokdo *sub rosa* into Shimane prefecture without the knowledge of Korea. This was immediately after the Japanese victory in the Russo-Japanese War when Korea

was virtually under Japanese control. Then in 1907 Japan began to show Tokdo north of Okinoshima in the chart in Vol. IV of the *Japanese sealanes* (Shin 1997:347).

As the Russo-Japanese war broke out on February 8, 1904, the Japanese navy built many wireless telegraphs on Korean coast including two on Ullungdo to keep watch on the movements of Russian Vladivostok fleet. Around this time the fishermen living in simane prefecture demanded a Korean government exclusively licenses for sea lion hunting fishing off Tokdo. The Japanese troops stationed in Seoul take advantage of the prevailing situation for annexation of Tokdo and established surveillance network there.

The Korean government became aware of the matter on March 28, 1906, one year after the event took place, when the lord of Okinoshima of simane prefecture and party called on magistrate Sim Hung-taek of Ullungdo during their inspection trip to Tokdo and told him that the island had become Japan's possession. There was great anger on the Koreans, however, Korea came under the Japanese annexation and took control of Korean territory.

Anti-Japanese demonstrations were common in South Korea, and the Japanese government seems congenitally unable or unwilling to put an end to old historical enmities, leading to historical controversies plaguing Japanese-Korean and Sino-Japanese relations (Armstrong, Rozman, Kim, Kotkin, 2006:177). The history of Japanese-Korean relations is filled with aggression, hatred, and sorrow. The memory of how Japan sent Koreans as "comfort women" to serve the Japanese troops, and how over a million Korean men were brought to Japan to work in the mines and factories. Korean women are angry that the Japanese still refuse to acknowledge that their government was responsible for this practice. The Japanese fail to acknowledge their sins in the text book controversy, which continues to be a volatile issue in 2001, still haunts South Korea-Japan relations. Koreans demanded apology from the Japanese governments for the past atrocities which the Japanese refused to fully do it. This will always stand on the way to their peaceful relations. Japan did not win the confidence of the Korean people, however, and the path to regionalism looked long and winding (Armstrong, Rozman, Kim, Kotkin, 2006:183).

Even though both the governments tried their best for a possible good neighbourly relation, the common people had the fear that another resurgent Japan would be intolerable for them.

Thus, South Korea and Japan's relations needs to be solve as a regional issues because, not only Koreans, but the Chinese too were deeply hurt by the Japanese atrocities. So, even their relation may be good on the economic issues, the political and historical issues will continue to play havoc in their relations. It is high time for the Japanese to give more importance on historical issues, though it may be hard for them, unless that is done. South Korean fear of another Japanese militaristic resurgent will always is hurdle in their relations. More over, Japanese should learnt that in this world where regionalism plays a part, history should not come on the way in making good neighbourly alliance. Other wise, South Korea and China with strong relations on their way, will go past Japan and the importance of Japanese will go down even in regional alliance.

## **Chapter Three**

### **South Korea and China: Emerging Partners**

South Korea and China's relation dates back to ancient time when Korea was under the Chinese tributary system. From the first unification by Qin in 211 BC until the outbreak of the Opium War in 1840, China has been the "Middle Kingdom." China at that time was the most developed and powerful country in the east, being isolated from other civilizations mostly by geographical barrier. Therefore China regarded itself as the only "civilized" country in the world and treated her neighbour as "barbarians" (Zhang 2001:482). With the superiority both real and perceived in material and cultural terms, China was then at the center of East Asian international relations. Most of the neighbouring countries paid tribute to the Chinese emperor from time to time.

Traditionally, China has had a vital interest and significant influence in the Korean Peninsula, and historically, there have been close political, military, and economic relations along with a shared cultural background. The peninsula has always been considered crucial to China's security, and the relationship has been perceived by generations of Chinese as much closer than that with many other important neighbouring countries, such as Vietnam. Should an adversary force control the peninsula, China would be deprived of an indispensable security buffer proximate both to the nation's capital and to one of its most important industrial regions. Nevertheless, given its strategic position, geopolitical proximity, huge economic potential and traditional relations with the peoples in both halves of the Korean Peninsula, China continues to play an important role in the regional power games. In fact, new developments and Beijing's policy adjustment in recent years have increased China's influence.

Modernization, nationalism and regionalism have also played leading roles in the shift of China's policy towards the Korean Peninsula. In the 1950s, the PRC, inspired by its perceived threat of the invasion of Western imperialism, provided substantial military support to North Korea in its war against the South. There is no doubt that strategic and

political calculation dominated the PRC's Korean policy. Beijing has also learned lessons from the war. In terms of casualties and political implication for China's foreign policy and the evolution of East Asian international relations, the war proved very costly for China (Liu (ed) 2004:302).

China has had more active participation in international diplomacy involving the Korean peninsula both through its initiative and through widespread recognition particularly in Seoul, where as a practical matter China's view cannot be ignore in the process of seeking a comprehensive settlement of Korean issues. China's participation in the Four Party talk's process, despite initial North Korean statements that appeared to favor exclusion of China from such a process, reflects China's historical involvement in and proximity to Korea and Chinese contributions through this forum have generally been seen as positive. In fact, Chinese position on a number of issues in the four party forums including the need to maintain the armistice as an interim mechanism in the face of North Korean efforts to dismantle the Military Armistice Commission and Chinese willingness to criticize North Korea for actions that may destabilize the regional security environment; reflects China's large stake and interest in Korean peninsula stability.

China has an advantageous position in the Korean peninsula as it is the single major power that is both maintaining close relations with Pyongyang and developing new ties with Seoul. This situation is partially the result of the deterioration of Russian-North Korean links since the late 1980s, which has served to allay China's enduring concerns about Moscow's influence in the North and, accordingly, given Beijing more room to maneuver in the regional power game. It has prompted Pyongyang to tilt toward China and has made it easier for Beijing to justify its position of developing relations with Seoul. Beijing is also compelled to speed up the pace of its relations with South Korea. China's practice in recent years to let Moscow take the lead in approaching Seoul had to change as Seoul importance to China has been felt.

To placate North Korea, China had delayed establishing diplomatic relations with the South, but it showed flexibility in handling Sino-South Korean ties by conducting a

"dual track" approach and "separating economics from politics." Beijing's approach to Seoul has for a decade been characterized by "separating politics from business" and by "provincialization" of contacts, particularly in the early stages (Chung 1990:66-67). However, after witnessing the swift development of Russian-South Korean relations, China quickened its pace in the normalization of relations with South Korea. Thus, it finally signed had cordial relations with the South. The nucleus of China's current Korea policy is to enhance regional stability and promote its influence on the peninsula. China seeks to protect its national security, secure a more advantageous political status, and establish better economic opportunities in the region. Since the early-1980s, the development of relations with South Korea has signified an important shift in China's Korea policy. By extending relations to the entire peninsula, China has discovered new opportunities to pursue its national interests in the region, not only benefiting economically but also strengthening its regional political and strategic position in dealing with other powers and Pyongyang. Finally, this has also created a wedge between the South Koreans and the Taiwanese.

The progress of Sino-South Korean relations has resulted, to a large extent, from Seoul's desire to strengthen its position vis-a-vis North Korea. As President Roh Tae Woo emphasized that "The main goal of his 'northern policy' was to open formal relations with North Korea's friends and allies, and through them to influence North Korea itself." South Korea's northern policy has scored significant breakthroughs. Under it, Seoul has established formal diplomatic relations with almost all former socialist countries in Eastern Europe.



### 3.1. South Korea and China in Post Cold War Period

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. The Sino-Japanese War in 1894-95 over the suzerainty of Korea, Mao's decisions in 1950 to intervene in Korean War despite China's continuing civil and grave domestic problems, and Beijing's agreement in 1997 to participate in for party talks testify to China's persistent and unequivocal interest in the Korean peninsula (Chung 2001:782). The end of the Cold War and the changing international world order bring the South Korea and China into a rethink in their foreign policy. The former which is always with the United States camp during the Cold War see China as a threat to its security, but the end of the Cold War change this thinking and instead found a new ally which is not a threat, but a boost to its economy. While there was a significant improvement in Seoul-Beijing economic relations since 1988, there was also an improvement in their diplomatic relations. China's support to Korea's entry into the United Nations along with North Korea can be seen as a new shift towards improving relations between the two countries (Das 1999:33). The rapidly expanding trade relations between the two countries led to the establishment of trade office in South Korea in 1991.

On August 24, 1992, after more than four decades of Cold War adversity but a decade of informal relations, the People's Republic of China (PRC) and the Republic of Korea (ROK) signed a joint communiqué in which each country agreed to recognize each other and establish full diplomatic relations "in conformity with the interests and desires of the two people" (Lampton (ed) 2001:371). This changed the whole scenario in which the two countries view each other. China's post Cold War policy has completely changed by signing joint communiqué. A decision which marked a practical shift by Beijing from a fraternal policy of "lips and teeth" to one of "equidistance" between Seoul and Pyongyang (Kyung-Ae, Dalchong (ed) 2001:120). The establishment of diplomatic relations between the ROK and China did not immediately open a warm and trusting relationship, but political, social, and economic exchanges between the two countries since normalization have improved steadily.

As a staunch United States ally, during the Cold War, South Korea shares with Japan many of the same views toward China, but this views change after the normalization treaty and most South Koreans feel less threatened by China than do the Japanese, for mostly cultural reasons. There is also a strategic consideration behind Sino-South Korean cooperation. 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 Co prosperity Sphere. This keeps China and South Korea wary of any signs of a resurgence of Japanese militarism.

The post normalization in South Korea-China relations was so dramatic that South Korea's realize it is more beneficial than alliance with the United States in the post Cold War period. The political atmosphere of East-West rapprochement on a global scale since the mid 1980s was an important contributing factor for South Korea-China bilateralism and comprehensive cooperative partnership. The detente spirit among the U.S, the U.S.S.R, and China facilitated in large part by Mikhail Gorbachev's overtures to China created the space for similar conciliatory moves between South Korea and China. Furthermore, several unintentional events and episodes like the landing in South Korea of a hijacked Chinese civil airliner in 1983, the 1986 Asian games and the 1988 Olympic Games in Seoul, and the 1990 Asian Games in Beijing led to closer encounters between Beijing and Seoul.

The mistrust that exists between the two countries began to disappear with the onset of new relations. The 1992 decision was the culmination of a process of balancing and adjusting post-Mao foreign policy to fit changing domestic, regional, and global circumstances (Lampton (ed) 2001:374). With the demise of the Cold War confrontation, there is a need to look towards South Korea, as that is the only country with high economic growth and so tempting with its strategic location. Once relations with South Korea get better, then Northeast Asia would be control through their alliance. First looking at the economic gains and then the political advantages it will get from it. With

its China's policy shift from a one Korea to two Korea, China would put itself in the best possible situation in world politics as well as regional affairs.

The Korean peninsula after the Cold War has been the attention of neighbouring powers because of the continue tensions created by the divided nations. This is added by rapid South Korean economic growth in the 1990's. Increasingly, South Korea was seen as a potential partner in countering American economic pressure and Japanese economic hegemony in East Asia (Lampton (ed) 2001:375). Keeping this in mind, China has always shown interest in the Korean peninsula. Chinese foreign policy also shifts bending towards South Korea. While this change was arguably the most significant reorientation of post-Cold War Chinese foreign policy in the Northeast region, it did not signal a greater Chinese conflict management in role in regional or global politics (Kim 2006:13-14). With North Korea continuing its closed policy from the United States and Japan, it is South Korea that China desperately need to counter Japanese economic expansionism, as North Korea being their faithful ally whether their relations is good or bad. On the other hand, South Korea, after the 1997 financial crisis desperately need China to help retain its economic growth. This is one reason why South Korea and China's relation could continue even when South Korea is at the bottom of crisis. This common interest brings the two countries to develop further trust in their relations in 1998 when the nightmare of the financial crisis is over.

South Korea strongly feels the need to reduce tensions in the peninsula. South Korea adopted Sunshine policy to engage North Korea. In line with its policy, Seoul-Pyongyang summit was held in 2000, China strongly supported South Korea's efforts to improve relations with North Korea when the latter is desperately seeking for financial assistance to recover from economic crisis. Beijing decision in August 1992 to recognize and establish full diplomatic relations with ROK underscores the extent to which post Cold War Chinese foreign policy has shifted from ideology to a more material notion of national interests (Armstrong, Rozman, Kim, Kotkin, 2006:172). Strong Chinese political support for inter-Korean reconciliation was welcomed by the Kim Dae-Jung government at a time of difficulty in U.S.-South Korean relations stemming from the

George W. Bush administration's harder line compared with the policy of the Clinton administration toward the North Korean regime. China urged the United States to support Kim Dae-Jung's Sunshine policy and avoid confrontation and increased tensions.

Pyongyang is a liability in Beijing's eye: a socialist buffer that requires a considerable hand holding and substantial resources. On the other hand, China does not want the North Korean regime to collapse-this would mean the disappearance of a socialist buffer state and a very likely mean the emergence of a single larger and stronger Korean state that is democratic, capitalist and a U.S ally (Kim (ed) 2004:90). China also feel that tensions in the peninsula would threaten its security because another war in the peninsula would bring down the North and will give way for the United States to fully control the peninsula. At the same time, South Korea views China as the only power that is capable of controlling North Korea's policy since the collapsed of Soviet Union. So, it needs China to ease tensions in the peninsula.

In the 1990s, closer relations with China helped to ease South Korean concerns about Beijing's possible support for North Korean aggression against the South. Closer China relations also provided Seoul, via Beijing, with an indirect channel of information on and communication with North Korean leaders, who at that time generally refused to interact directly with their South Korean counterparts. China is destined to play a lead role in inducing North Korea to reform and open up to the outside world. In as much as China has been in accord with South Korea in terms of Seoul's engagement policy towards Pyongyang, the overall Korean peninsula question and the issue of North Korean reform, South Korea continues to have high expectations of China's role in helping to resolve these issues. As such, South Korea needs to further expand its economic, political and, and security dialogue with China and develop various incentives to encourage China to assume a positive role in promoting reform and opening in North Korea (Doo-Bok 2002:85). This convergence of interest brings the two countries to sign a normalization treaty in 1992. Since then, the two countries became an important ally. Beijing supported Seoul on a number of significant political and security issues against the wish of its longtime ally in Pyongyang. It has opposed the North's suspected drive for

nuclear weapons, it has supported Seoul's United Nations membership, and it has opposed North Korea's desire to accommodate Taiwanese nuclear waste. (Johnston and Ross 1999:32) Thus, China has move away from its old one Korea policy to form a new partnership that is beneficial for both the countries.

South Korea-China bilateralism has also benefited from China's implicit disengagement from North Korea since the early 1990s. Beijing distancing from Pyongyang was facilitated by the fundamental shift in China's spirit of foreign policy from vulnerability, contention, and rigidity to confidence, reconciliation, and flexibility. Gradually, China's evolving norms of international relations have made South Korea more attractive than North. Their shared interests and norms have been the driving force of South Korea-China bilateralism. The Korean peninsula is crucial for China because it provides a strategic buffer.

China's policy is to ensure that it shares borders with friendly or at least neutral states. Since Japan historically regarded Korea as a dagger aimed at the Japanese islands. On the other hand, North Korea, after the death of Kim Il Sung, due to the economic problems the regime is reported to be facing; is apparently using its 'threshold' nuclear capability as a bargaining chip for economic assistance. In this regard, China consistently denied providing assistance to develop Pyongyang's alleged secret nuclear programme, or provide with guided missile technology. This is because China regarded nuclear North Korea as the trigger which will put pressure on South Korea and Japan to go nuclear. Since China is apprehensive of regional nuclear proliferation.

### **3.2. China and the Korean Peninsula Nuclear Issues**

China's policy towards the Korean peninsula nuclear issues has been shaped by the Chinese new perspective on the Korean peninsula. The issues at stake are now divided into three categories: (1) the maintenance of peace in the Korean Peninsula, (2) the establishment of trade and bilateral relations between North and South Korea on the one hand and their neighbouring powers on the other hand, and (3) the unification of two

Koreas (Kim 1994:39-40). Concerning, the issue of maintaining peace in the Korean Peninsula, as indicated earlier, Chinese leaders believe that a stable and peaceful international environment is the necessary condition of their current drive for modernization. In this vein the principle of peaceful coexistence has been set forth since 1982. Beijing diplomatic initiatives in recent years also stemmed from the consideration of economic interests rather than an ideological concern (Qimao 1993:242). Chinese leaders prefer to develop close ties with South Korea by means of economic cooperation, and then use the good neighbour relationship as a means to check South Korea.

The Chinese Premeir Li Peng in the Conference held by the foreign ministry in February 1993 argue that China had no intention to have close military ties with North Korea for military security concern. China also fully supported the de-nuclearization of the Korean peninsula, and it opposed the nuclear armaments of North Korea and the deployment of foreign nuclear arms in South Korea; and that China would not supply advanced military equipment to North Korea. This policy of the Chinese can be observed in Beijing's dealings with the question of North Korean nuclear armaments.

In May 1993 when the UN Security Council passed a resolution against North Korea, for instance China abstained rather than protect the North Korean position. For a solution to the atomic armament in North Korea, China has put forward the idea of tripartite negotiation between South and North Korea, between IAEA and North Korea, and between North Korea and the United States. This proposal reflects Beijing's assumption that North Korea is now using the issue of atomic armament as a means to opening up diplomatic relations with the United States and Japan. China has good reasons to be concerned about that issue; incase the UN decides to take firm measures against North Korea, China probably will have no alternative but to cut off its economic cooperation with North Korea (Kim 1993:41).

The Chinese policy toward the Korean peninsula in the 1990's is shaped by its strategic interest in the peaceful international environment of Northeast Asia. Beijing's

policy towards North Korea at this point can be summarized by its two major, but conflicting goals: (1) to help North Korea cope with the current economic difficulties with a view of maintaining the stable international environment in Northeast Asia, and at the same time, (2) to bring about change in the militaristic adventurist orientation of the North Korean leadership (Kim 1993:44). There are ample reasons for Beijing to join international and regional efforts to defuse the current nuclear crisis. However, China has been hesitant to take a leading role and has limited itself to calls for dialogue and cautions against any actions that could further escalate the tension. This carefully orchestrated balancing act reflects China's fundamental interest in maintaining the status quo on the peninsula. Beijing would support efforts that contribute to peninsular peace and stability, but would be reluctant to take actions that threaten the status quo.

During the North Korean nuclear crisis of 2002–04, rising tensions prompted by the combination of North Korea's provocative nuclear weapons development, shrill warnings, and assertive military actions as well as the firm determination of the United States not to be blackmailed by Pyongyang caused Chinese officials to respond to United States requests to take a more active role in seeking a solution to the crisis. Washington continues to believe, as it has since the North Korean nuclear crisis began in October 2002, that China is the key to solving the problem. The Bush administration has indicated repeatedly that it expects the People's Republic of China (PRC) to exert whatever diplomatic and economic pressure is needed to get North Korea to abandon its nuclear ambition (Carpenter 2006:8).

The Chinese government adopted a more active stance; hosted the three-party talks in Beijing in April 2003 and six-party talks in Beijing in October 2003. Despite or perhaps because of the inconclusive ending of the three party Beijing talks, China's jet-setting preventive diplomacy then accelerated (Armstrong, Rozman, Kim, Kotkin, 2006:174). These results in Beijing engaged in several rounds of shuttle diplomacy with the United States, North Korea, South Korea, and other concerned powers. Though unhappy to be excluded from the three-party talks in April 2003, South Korea supported China's efforts to seek a negotiated solution. Another round of six party talks followed.

The six party talks in Beijing (August 27-29, 2003) were the hard earned outcome of PRC President Hu Jintao's diplomatic efforts (Armstrong, Rozman, Kim, Kotkin, 2006:174). Thus, China plays an important role in influencing North Korea for a peaceful settlement of Korean peninsula. It is clear that China still holds the leverage on North Korea and that South Korea's realize its relations with China will not be futile in solving crisis in Korean peninsula.

While the Bush administration has sought to bring international pressure to bear on the Pyongyang regime, China has repeatedly emphasized the need for peaceful resolution of the crisis. Beijing was afraid that Pyongyang may be pushed into taking even more reckless actions. China worries that too much external pressure might cause the North Korean regime to unravel, and such a development could lead to an assortment of unpleasant consequence for China (Carpenter 2006:8). Concern over potential instability derives partly from China's delicately balanced two-Korea policy, but also reflects its overall strategic considerations in the post-Cold War era. As economic development takes command, China requires a stable international environment for expanding trade, attracting foreign investment and technology transfers, and hence has a particular interest in seeing a stable, even if divided, Korean Peninsula.

Chinese analysts maintain that Washington also bears responsibility for the current nuclear crisis. They acknowledge North Korea's frustration over U.S. implementation of the Agreed Framework and North Korea's security plight as a designated member of the "axis of evil" and a potential target for U.S. nuclear preemptive attack. Some even suggest that the Bush administration's hard-line policy toward North Korea is to blame for Pyongyang's reckless behavior. While conceding that Pyongyang has misplayed its nuclear card, they nonetheless argue that North Korea's nuclear brinkmanship is aimed at getting U.S. attention and obtaining a security guarantee from Washington.

Chinese officials and analysts maintain that the key to resolving the crisis is direct dialogue between North Korea and the United States. While remaining outside the Korean Peninsula Energy Development Organization (KEDO) consortium, China



nevertheless regards the Agreed Framework as a stabilizing factor in helping defuse nuclear tension; providing the energy supplies Pyongyang desperately needs for generating electricity; and maintaining contact between the United States and the DPRK that could eventually lead to the normalization of bilateral relations. Instead of blaming North Korea for the collapse of the 1994 Agreed Framework, Beijing has been calling for both Pyongyang and Washington to return to the agreement and resolve their dispute through dialogue.

The Chinese hope that face-saving ways can be found for Pyongyang and Washington to return to the negotiating table. As a key supplier of energy and food to North Korea, China has leverage that it could exercise to affect Pyongyang's behavior. Indeed, western analysts have argued that China should use the threat of cutting off economic assistance as a means of pressuring North Korea to abandon its nuclear weapons programme. However, the Chinese believe outside pressure is unlikely to force North Korea to change its nuclear policies and that it might destabilize the situation by driving Pyongyang to desperate measures or by causing the regime to collapse.

Indeed, China's attitude toward the Korean issue must be seen in a broader strategic context. One objective is the survival of the North Korean regime and the maintenance of a strategic buffer zone. China is wary of North Korea's reckless behavior and certainly does not want the nuclear crisis to get out of control. At the same time, Beijing believes that Pyongyang's nuclear gamble stems from its acute sense of insecurity and vulnerability and hence any resolution must address this issue. In this context, continued support for North Korea is no longer driven by the need to prop up an ideological bedfellow, but rather by China's long-term strategic interests. China will therefore oppose any measures likely to precipitate the collapse of the North.

### 3.3. South Korea and the Rise of China

South Korea has been influenced by China's economic rise. Fundamental factors underlying the South Korean calculus of the China issue are China's geographical proximity to the Korean peninsula, its continuing influence on North Korea, its growing bilateral ties with South Korea and its fragile relations with the United States. Furthermore, China is likely to remain a major actor in Korean affairs, including the reunification process. These considerations underpin South Korea's views on its relations with China and on the rise of China (Yee and Storey (ed) 2002:168). China is expected to become more active in economic, political and security interaction with South Korea as it needs to reassure them that China's rise is not a threat to their interests; instead, it will pursue mutually beneficial economic schemes that will assist its neighbours in practicing a win-win approach to political and security issues. The economic rise of China has always been perceived by most countries as a threat, but for Korea, it is not a threat; rather, it is a boost to their economy. Chinese participation in various regional and global multilateral organizations will advance, allowing China to become more fully integrated into the prevailing regional and global order. The Chinese followed this policy by recognizing that their move did not hurt the United States as they still play a dominant role in the region. However, knowing very well that their economic rise reduced United States influence in the region.

The peaceful rise of China helped in the growth of the South Korean economy as the two countries benefit from its trade. China has made impressive economic and geopolitical gains with South Korea since their normalization of relations in 1992. At the same time, the relative importance of the United States to South Korea, at least in economic terms, has been steadily declining with the rise of China. To benefit from China's spectacular economic growth and create a geopolitical environment conducive to peace and security in Northeast Asia, South Korea wants to maintain a close relationship with China. To promote Asian regionalism, it is the need for South Korea to move closer towards China that could indirectly reduce tensions in the Korean peninsula.

The withering away of Soviet power and the end of the Cold War changed the power structure in Northeast Asia. Contrary to the view point that the rise of China indicates a fundamental shift in the balance of power, it maintained that China's rise will not pose a threat to the security of Northeast Asia. The interaction between the two poles in the region, viz. the United States and China, is not likely to create conditions conducive to major war. In the post-Cold War era, China has gained a much more independent strategic position in the region. China has taken a road of peaceful development, and has committed itself to building a harmonious world. By peaceful development, China means that while trying to achieve its own prosperity and advancements, it will incorporate its fundamental interests into the world's common interests and actively promote world prosperity and harmony (Shenxia 2006:172). Compared to the 1980s when China was the weakest in the triangle games with the two superpowers, the 1990s witnessed the rise of China and the decline of Russia in power. To a certain degree, China was "the major strategic beneficiary" consequent to the implosion of the Soviet Union. China filled the vacuum wherever the Soviet influence declined.

With the collapse of the Soviet Union and the demise of East-West and Sino-Soviet competition for influence on the Korean peninsula after the Cold War, Beijing adjusted Chinese relations to take advantage of economic and other opportunities with South Korea while it sustained its position as North Korea's most important foreign ally. The international confrontation caused by North Korea's nuclear weapons programme and related ballistic missiles programmes, and the sharp decline in economic conditions and the rise of political uncertainty in the North following the sudden death of Kim Il Sung in 1994 raised uncertainty in China about the future stability of the peninsula. In general, Chinese officials used economic aid and continued military and political exchanges to help stabilize and preserve Chinese relations with the North, while they walked closely with South Korea and at times the United States to seek a peaceful resolution to tensions on the peninsula. I

In response to the crisis created by North Korea's provocative nuclear proliferation activities during 2002-2004, China was even more active, taking the lead in international efforts to seek a diplomatic solutions that would preserve China's influence and interest on the peninsula (Kim 2006:37). South Korean officials along with United States and other outside observers often judged that China has a longer-term interesting seeing a growth of Chinese influence and a reduction of United States and Japanese influence on the peninsula (Kim 2001:205). However, Beijing was careful not to be seen directly challenging United States leadership in Korean affairs; Beijing apparently judged that Chinese interest were best met with a broadly accommodating posture that allowed for concurrent improvement in China's relations with South Korea and effective management of China's sometimes difficult relation with North Korea. The net result a marked increased in China's relations with South Korea and continued Chinese relations with North Korea closer than any other power's but without negatively affecting Beijing's relations with the United States.

During the 2002-04 crisis over North Korea's nuclear programme, China's cooperation with the United States, South Korea, and other concerned powers in seeking a negotiated solution to the problem enhanced the over all positive development in China's relations with these countries while it managed tensions over the North Korean programme in ways that avoided conflict or instability on the peninsula.

The influence of the United States will not be directly eroded by the rise of China. The peace and stability in the region maintained under the security presence of the United States have enabled active trade and investment, the primary driver of China's rapid growth. No country in sight can take over this role from the United States. The United States and other developed countries have been important export markets and source of capital and technology. While trade within East Asia is growing faster in recent years than its trade with the world, the region is not becoming self sufficient. Finer specialization through fragmentation of the production process within East Asia has significantly contributed to the growth of intra-regional trade of parts and components of final goods that will eventually be exported to extra regional markets. Although regional

final demand will become more important as China continues to grow rapidly, East Asia will maintain its inherent incentive to remain open to the rest of the world.

In 1991, the Korea Trade Promotion Corporation (KTPC) and the China Council for the Promotion of International Trade (CCPIT) signed a joint trade pact in Beijing that grants most-favored-nation status to bilateral trade and covers forms of payment and arbitration of trade disputes between the two sides. The two countries also concluded treaties on investment and have engaged in negotiation on direct commercial flights. In the early 1990's, china's rapid economic growth, combined with its external posture, generated an argument in Asia that China could become an economic and military threat.

The economic rise of China has generated a reorientation of international trade patterns in Northeast Asia. For Japan, Korea and Taiwan, China surpassed the United States as their number one trading partner. A network of economic interdependence is developing in which China, Japan, South Korea, and Taiwan have strong vested interest in developing Northeast Asian economic regionalism. Not only is their trading more extensively with each other, but their production process becoming vertically integrated. China acts as the manufacturing platform while neighbouring countries provide investment capital, finance, technology, management skills and expertise. Thus, China's rise is beneficial for Northeast Asian countries. The common perception that China's rise is a threat proves false. It is rather a boost to their economy. They benefits in someway or the other.

During the post normalization period of 1992-2004, China has been "rising" significantly over South Korea. Bilateral trade increased twelve fold in twelve years, from US \$6.38 billion in 1992 to US \$76.4 billion in 2004. In 2003, China became the largest export market for South Korea. Despite the popular expectation that United States would remain South Korea's largest trade partner until 2008, Beijing surged as Seoul's top trade partner in 2004 (Armstrong, Rozman, Kim, Kotkin, 2006:2009).

Economic policies have become an important factor in Beijing's external relations over the last decade. China, a developing country with an enormous supply of low-cost labor and abundant natural resources, and South Korea, a newly industrialized nation with a booming economy and less expensive (compared with advanced industrialized countries) technology intensive industries, are natural partners in economic cooperation. In addition, South Korea's capital is a potential source of foreign investment in China. Geographically, China's Liaodong and Shandong peninsulas and Bohai area is just across the Yellow Sea from the west coast of Korea. The Liaodong Peninsula is among the most industrialized areas in China, with the largest iron and copper deposits in the country, and both it and the Shandong Peninsula are rich in coal, petroleum, and gas.

**China's Trade with the two Koreas, 1980-2004 (US\$ millions)**

Year	With North Korea	With South Korea	Share in China's total (%)	Share in South Korea's total (%)
1980	678	188	0.5	0.5
1985	473	1,161	1.9	1.9
1990	483	3,821	3.3	2.8
1995	550	16,540	5.9	6.4
2000	488	31,250	6.6	9.4
2001	737	31,490	6.2	10.8
2002	738	41,152	6.6	13.1
2003	10,23	57,019	6.7	15.3
2004	1,385	76,460	6.6	16.6

*Source: [www.stats.gov.cn](http://www.stats.gov.cn), and [www.kotis.or.kr](http://www.kotis.or.kr).*

Such geographic features provide convenient transportation and significantly reduce shipping costs, a solid advantage for Sino-South Korean trade and other economic cooperation. Besides, Beijing's efforts to develop economic ties with South Korea are not only aimed at immediate trade benefits but are also intended to allow China to diversify its economic partners and thus reduce its economic and technological dependence on a few foreign sources.

South Korea-China bilateralism was also facilitated by the convergence of the economic interests of the two developing economies. China's policy towards South Korea also changed from a "non policy" to a de facto trade diplomacy, heralding the rise of new bilateral relationships in East Asia (Armstrong, Rozman, Kim, Kotkin, 2006:207). The search for low-cost labor and profitable overseas markets on the part of Seoul coincided with Beijing's will to join the international economic system.

China hoped that its search for capital and technology could be helped significantly by South Korea, which, unlike the U.S. and Japan, was more forthcoming and willing to provide both with few political strings attached. Once bilateral exchanges gained a foothold, both South Korea and China immediately realized the value of cooperation in trade, investment, tourism, education, and so on. In 2003, China became the largest export market for South Korea while continuing to be the number one destination for South Korea's outbound investment.

China had shifted its priorities from political campaigning to economic modernization. Economic development was one of Beijing's primary incentives for normalizing relations with South Korea (Liu (ed) 2004:304). The post Cold War period saw China's growing active interest in beneficial economic relations with South Korea and took a variety of initiatives to improve their over all bilateral relations by exchanging visits in a warm and cordial atmosphere. Both parties demonstrated similar motives: increased bilateral contacts for economic reasons, enhancement of their interests on the



Korean peninsula, and broadened foreign policy options. Economic and other contacts go hand in hand with political contacts. South Korea plays a key role in negotiating the participation of China, along with Hong Kong and Taiwan, as full members in the third party meeting of the Asia-Pacific Economic Cooperation (APEC) forum in Seoul in 1991.

In all, issues relating to solving the North Korean nuclear issues, China played an important role, since it is the only country that has an influencing power over North Korea. South Korea and China are emerging partners as the divergence of United States in Northeast Asia can be seen after the demise of the Cold War. China's peaceful economic rise also give impetus for stronger economic relations as there is a need for expanding regionalism based on economic ties. More over, South Korea's engagement policies towards the North are supported by China which initiates bilateral talks on issues related to the Korean peninsula. All these add to a trust between them as they became an important partner in Northeast Asian region. However, there are some conflicting issues that sometimes create hurdles in their relations. But, the need for strong partnership outgrowth all the negatives in their relationships. Thus, South Korea and China move forward to a new era of relations that will strengthen their economic ties and regional security.

### **3.4. Koguryo History and China's Northeast Project**

Since the normalization of relations between South Korea and China in 1992, the pro-China sentiment of Koreans was continuously greater than that of pro-US sentiment. However, China's Northeast Project, a political scheme to portray Goguryeo (Koguryo) as part of China, has grown into controversy serious enough to draw the unfavorable notice of the Koreans. North Korea also confirm its opposition to the controversial project, denouncing it as a politically- based attempt at distorting the historical legacy of the Korean Peninsula (Ok 2005: 240). This issue has caused Koreans to reconsider their amicable feelings towards China and has raised serious concern over whether China seeks Sino centric hegemony over Korea.

The Northeast Asia Project recently initiated by the Chinese Academy of Social Sciences has stirred up considerable controversy in Korea, where Koreans suspect that this project reveals China's desire to claim the history of Goguryeo as belonging to Chinese history (Doo-Bok 2004:34). Korea's history with China is not always viewed as a positive influence on contemporary bilateral relations. A controversy over the origins of the Koguryo Kingdom sparked a major political dispute in 2004, the largest since the normalization of relations. The flap aroused because the PRC claims that the Koguryo Kingdom (37 BC-668 A.D.) was an integral part of the Chinese territory and history, but not, as Koreans claim, an independent Korean entity that produced many of Korean's longstanding traditions. Angry reactions from South Korea came from many quarters, including the public, members of the National Assembly, and the Ministry of Foreign Affairs and Trade.

South Korean claimed that the controversy exposed Beijing's "hegemonic ambitions" and erased an earlier impression of China as a benevolent economic partner. Officials on both sides scrambled to claim the controversy and Beijing dispatched Vice Minister Wu Dawei, former ambassador to South Korea, to negotiate for concrete resolution. The resulting five-point agreements soothed Korean concerns at least

temporarily. With the North Korean problem still at a sensitive stage, government officials were relieved to patch up the relationship. Still, the incident exposed strong underlying sentiment in both populations and could indicate shift away cozy political relationships the two capitals enjoyed for over a decade since normalization.

Since February 2002, the Centre for the Study of Borderland History and Geography under the Chinese Academy of Social Sciences (CASS) has been working on a five-year state-funded project called the “Serial Research Project on the History and Current Status of the Northeast Border Region,” otherwise referred to as the “Northeast Project”. This project deals with various problems relating to the historical, geographical and ethnic issues in China’s Northeastern provinces. There are three provinces in this region: Heilongjiang, Jilin, and Liaoning. Under this project, research on the ancient history of the region is focused on the kingdoms of Kojoson (BC 2333 - BC 108), Koguryo (BC 37 - AD 668), and Parhae (AD 698 - AD 926).

The kingdom that is receiving the most extensive attention in the Northeast Project is Koguryo, which is currently home to large ethnic Korean communities in the Northeastern Provinces as well as to Mongols, Hui, a few Manchus and large numbers of “Han” migrants from North China. The various tribes that inhabited Koguryo are regarded by the project’s historians as among the many minorities that were eventually absorbed into “Greater China”. Since about two-thirds of Koguryo territory lies within today’s China, its history is considered as part of Chinese national history.

China’s Northeast Project, a political scheme to portray Goguryeo (Koguryo) as part of China has grown into a controversy serious enough to hurt South Korea-China relations. The Northeast Project was launched in February 2002 under the title, “Studies of the History and Geography of Northeast Borderland and a Series of Phenomena”. The Northeast project, a five year (2002-2006) government project is intended to conduct research on ancient Chinese territories and societies, mostly in Manchuria. The Chinese Government earmarked 15 million yuan (about US \$ 2 million) to finance the Northeast project. The difference that arises between Korea and China over the North East Project is that China has been emphasizing that the history of Goguryo was only an academic

research object in the Northeast Project aimed for national unification, racial unity, and stabilization of the borderlands.

On the other hand, Korea considers the Northeast project to be an important political issue because Koreans are aware that this project was to be systematically executed with the permission of the Chinese government; the project was to be started with a high level of interest and support by local governments and the central government. The guiding principles of the project and the themes of the project have been described as having substantial meaning for the stability and development of the Northeast borderland area; being intended to develop a theoretical basis or scientific foundation for party and government policies. North Koreans also confirmed its opposition to the controversial project, denouncing it as a politically based attempt at distorting the historical legacy of the Korean peninsula.

With strong protest from the South Korean government, China wanted to resolve the Goguryo problem as soon as possible to minimize damage to its political and economic leverage on the Korean peninsula. The process of resolving the diplomatic arguments between South Korea and China that has been fostered by the Northeast project is a touchstone for controlling the features of the new relationship between them.

The Chinese argument for Koguryo's historical heritage in the Northeast Project is based on two main points: the first is that the Koguryo state grew out of the Han Chinese commandery of Xuantu. Not only Koguryo (37 BC – AD 668) but also Parhae (Korean)/Bohai (Chinese) (AD 698 - AD 926) are considered to be founded by Mohe (Chinese)/Malgal (Korean) and belonged to the Tang Dynasty according to a history textbook in China. The second point emphasised by scholars associated with the Northeast Project is that Gaogouli/Koguryo constituted, in the words of Ma Dazheng, “an influential ethnic group in China's border area in northeastern China between the Western Han Dynasty (206 BC-AD 24) and the Tang Dynasty (AD 618-907)”. A contrasting representation of Koguryo can be seen in the “National History” textbook for high school students in South Korea.

This Korean history textbook stresses Koguryo's conquest and territorial expansion against China. Koguryo is represented as the supreme power of Northeast Asia, rivalling China's Sui and Tang dynasties, rather than a tributary state under Chinese rule. Thus, the contrasting views of Koguryo's position in history between Korea and China are striking, while each presumes a clearly delineated geographical and national border between "Korea" and "China" in ancient times, and a linear national history to the present.

While defining Goguryeo as a local regime set up by an ethnic group in the borderland, the Chinese interpretation argues that Goguryeo grew out of the territory belonging to the Xuantu Commandery of the Western Han and as such can be included in the history of the Chinese nation. Therefore, China goes on to say that as the Goguryeo people were actually subjects of China, the Goguryeo remains and relics that have been excavated in the Northeast region do not belong to the Guryeo Dynasty of the Wang family, but to China (Hwy-Tak 2005:150).

The question of ethnic Koreans in China has emerged as new sensitive issues as China fears that one day two million ethnic Koreans in Northeast China will support a "Greater Korea" that will spell over the modern borders. As a result, the Chinese government has made every effort to address the identity crisis of the ethnic Koreans living in the Chinese northeast by conducting a three perspectives policy since 2002. This policy promotes the historical viewpoint that ethnic Korean history is that of minority group in China, that ethnic Koreans live surrounded by various nations and that the ethnic Korean homeland is China. This policy aim at granting autonomy to minority groups in the short term, and at drawing them into the ethnic Han culture on a longtime basis. Thus, the stability in ethnic Koreans areas is a considerable challenge to China's policy of the northeast borderland.

Ethnic Koreans in the Chinese northeast area are rapidly moving to the southeast coastal region. Qingdao city and yantai city in Shandong province are emerging as new strongholds of ethnic Koreans. At the same time the Chinese government has made every

effort to address the identity crisis of ethnic Koreans living in the Chinese Northeast. The traditional ethnic policies took aim at granting autonomy to minority groups in the short term, and at drawing them into the Han culture on a long term basis. In fact, the ethnic Manchurian that ruled Qing were assimilated into the ethnic Han culture after losing their own culture and language (Ok 2005:249).

The Northeast project is an aim to maintain social stability of the Chinese Northeast. It is directly connected to the Chinese government macro framework for policy that seeks to stabilize China. However for the Koreans, the Northeast project threatened their historical rights. Thus, South Korea-China relations have been greatly affected by the Chinese Northeast Project. There is an urgent need for the settlement of disputes arising out of this historical kingdom.

## **Chapter Four**

### **South Korea-China Relations and Northeast Asian Regionalism**

Until the end of the 1980's East Asia was a hotbed of ideological divisions, with the larger nations aligned with one or the other of the Cold War super powers. Since then conditions have begun to change. An Asian regionalism is evolving, exemplified by Malaysian Prime Minister Mahathir's proposal of an East Asian Economic Caucus (EAEC) and Korean President Roh Tae Woo's 4+2 security proposal. A soft form of regionalism can be defined as a commonality of political and economic approaches taken by regional states. In East Asia, the commonality is an emphasis on economic growth exports, private sector business under government protection and guidance, and pursuit of economic goals ahead of political representation of individual and minority group rights. Soft regionalism is not characterized by organized efforts to promote regular dialogue among countries in the region nor does it not imply to any particular level of intra regional trade. There is no established membership in a soft regional group. Hard regionalism on the other hand, implies regular channels of dialogue within an institutional framework, both for promoting a comprehensive membership concept and formulating measures to deal with states outside the groups. This form of regionalism is thus an exclusive arrangement, but can permit non regional states to participate either as observer or honorary members.

Northeast Asia is the only region in the world where the interests of four of the five centers of world power intersect: the Soviet Union, China, Japan and the United States. This region is thus a crucial focus of global struggle (Han 1983:38). During the Cold War period Northeast Asia became the most heavily armed area in the world. There is constant struggle between super powers in the region. The geo strategic location of the Korean peninsula is the hot bed of this super power confrontation. However, the end of the Cold War reduced tensions in the region. The rise of China as an economic power brings the countries in Northeast Asia closer and the feasibility of Northeast Asian regionalism can be seen.

The security of the Northeast Asian region relies to a high extent on bilateral relations or cooperative structure that is dominated by external powers, but there are two organizations that have been singled out as potential departure points to the creation of regional organizations in Northeast Asia, i.e., ARF and ASEAN+3. These organizations are the most interesting as ASEAN+3 is the only "all Asian" organization that focuses its attention towards Northeast Asia, and ARF is the dominant security situation in Northeast Asia. There are other organization such as APEC and informal structures such as Business Network that could have a positive effect on the conflicts management structures in the region, but the tension here is on formal cooperation in Northeast Asia.

The ongoing security dialogues between the regional states are conducted through informal tract two and loosely structured tract one mechanism, such as the "four party talks" that China joined in late 1997, the Korean Peninsula Energy Development Organization (KEDO), Council for Security Cooperation in the Asia Pacific (CSCAP), the Northeast Asian Dialogue (NEACD). Most cooperation attempts in Northeast Asia are conducted by ad hoc cooperation that lacks formalization, influence or implementation capability. The four party talks and KEDO are, however, so relevant for the initiation of the regional cooperation (Swanstrom 2003:4).

Since the mid-1980s, international relations in Northeast Asia have been undergoing a profound change as the traditional, rigid pattern of relationships in the region has been fundamentally altered. For decades, the old pattern was characterized by military confrontation and ideological antagonism within the overall "big four plus two" equation (with the former Soviet Union and China backing North Korea, and the United States and Japan supporting South Korea) accompanied by the Moscow-Beijing competition within the northern "triangle" for influence in North Korea. The dramatic disintegration of the Soviet Union, the relaxation of the US.-Russian confrontation, and the Moscow-Beijing and Moscow-Tokyo rapprochement, have all contributed to blurring the traditional "zero-sum" formula that had dominated international power games in the region.



There is a growing trend of mutual readjustment of policies among the nations concerned. In the new pattern, military and ideological factors, though not entirely absent, have been eclipsed by a new web of increasing economic interdependence and political accommodation. With the end of the Cold War, the four major powers are more inclined to advance their national interests and influence in this region through political and economic means, and all want a peaceful and more stable situation on the Korean Peninsula. With the shifting power balance and multipolar structure in the region, it is unlikely that any single power in the foreseeable future will be able to play a dominant role on the peninsula.

Northeast Asia is going through historic geopolitical changes due to the rise of China. For Japan too, economy is more important than military power. Japan has been pursuing a more assertive role, politically, militarily as well as economically (Kim 1993:73). The surge of political interest in the vision of an East Asian community suggests that the region is in search of a new order to accommodate China's growing power and influence and to maintain regional peace and stability. It is not an easy enterprise; Asian countries suffer from domestic political difficulties in economic liberalization, large gaps in developmental stages among regional economies, and mutual distrust and historical antagonism between Japan and China. Despite these difficulties, however, there is a growing consensus that, eventually, East Asian countries will come up with some form of a regional community. This will reduce regional tension and lighten United States security burden in the region.

Economic integration will engage regional powers into a stable regional interdependence where one's prosperity is in the interest of others, and make them more predictable and reliable to each other. Successful development of poorer countries in East Asia through integration in regional economic dynamism will help political stability and reduce the possibility that these countries will become hotbeds of terrorism.

#### **4.1. Multilateral Cooperation in Northeast Asia**

Beyond the remnants of the Cold War and the North Korean nuclear challenge, the most important preconditions for achieving permanent peace on the Korean peninsula and Northeast Asia are a coherent strategic vision and the willingness of regional members to work together through a multilateral framework. While moving towards peace, all countries involved must collaborate on the issues of security that have already emerged during the Six-Party talks. And with the Six Party talks, momentum has been created for multi-party security cooperation to begin in a region where none existed before. Resumption of the talks will not only bring the region closer to peaceful resolution of the North Korean nuclear issue but will also strengthen regional members' confidence in the utility of multilateral cooperation for peace and security.

The strategic and political environment of northeast Asia is different from Europe in many ways. The diversity of cultural, nationalistic and political interests and values is such that there is no common structure of security and economic cooperation. Besides, the size and location of East Asian countries are asymmetric. Historically the state has been stronger than civil society and markets. Communism collapse in Europe but is still alive in China, Vietnam and North Korea. There are still several regional disputes in the Korean peninsula, the Northern territories, Cambodia and the Taiwan Strait. Consequently, even the effort at regional economic cooperation is less institutionalized as compared with those of Europe and America.

In Northeast Asia there is a growing need to reduce political uncertainties in the post Cold War era. Given the lack of any multilateral institutions in Northeast Asia, there is concern that greater independence from old restraints imposed by Cold War bipolarity could lead to a dangerous power vacuum. This in turn could result in severe rivalry between potential contenders for regional military predominance. The contenders may seek more independent security posture, and incur greater defence expenditures, perhaps based on the assumption that the utility of the continued alliance affiliations with extra

regional powers may diminishes unless such alliances can be adapted to suit changing local security conditions.

Multilateral cooperation in Northeast Asia can be seen from the Sino-Soviet-North Korea and South Korea-Japan-the United States angles. This broad division among the East Asian nations was created during the Cold War period. However, with the collapse of the Soviet Union and as a result of the end of the Cold War, new multilateral cooperation came into being. The hatred between these nations was normalized with the signing of understanding between the South Korea, China and Soviet in the early 1990's. These brought a new chapter in Northeast Asia when rivals came together to form a strong and vibrant East Asian regionalism.

During the Cold War years, China's influence on the Korean Peninsula was limited to North Korea. Now, by extending its official links to the South, China has broadened the scope of its political and strategic role in regional affairs, which could best serve China's national interest. Although Chinese leaders are aware of Pyongyang's displeasure about their move toward South Korea, they reckon that Pyongyang cannot afford to break its ties with China, which is now North Korea's last ally and on which it has become more dependent for political, military, and economic support. Furthermore, Pyongyang will need China's support as it pursues its diplomatic and other goals vis-a-vis South Korea, Japan, and the United States.

In fact, there is no incentive for China to abandon Pyongyang. It would not be rational to isolate North Korea entirely for fear that, with its back to the wall; the North's leadership might become desperate and resort to military adventurism that would benefit no one. Political instability on the Korean Peninsula could impede China's modernization drive, and therefore, while moving close to Seoul, Beijing has kept up high-level contacts with Pyongyang. In persuading the latter to accept the two Koreas formula, Chinese leaders have repeatedly emphasized their intention to maintain friendly relations with the North. Continuing good relations with North Korea also gives China more room to

maneuver with Seoul, which is eager to exchange its economic favors for Chinese assistance on the issues of Korean reunification and denuclearization. Beijing can only be effective in this if its ties with Pyongyang remain reasonably close.

The most important form of collaboration in Northeast Asia is the four party talks between North Korea, South Korea, China and the United States. The purpose of this dialogue is to reduce tension and build confidence in the Korean peninsula. This dialogue is clearly informal, due to the political situation, and on the other hand, adhoc as a result of the structure and the political disagreements between South Korea and the United States. However, this has been extended to Japan and Russia as member which is subsequently followed by the Six-Party Talks. From the security point of view this talks is essential as the Korean peninsula is so crucial for the peaceful development of Northeast Asia that any dialogue with North Korea and the United States would be beneficial.

The Korean Peninsula Energy Development Organization (KEDO) is one of the collaboration (energy development), in Northeast Asia which has far reaching security implications. It is the foundation for a Northeast Asian regional security organization. The effects on Northeast Asia are, however, important to note as it has the potential to both create confidence and decrease the nuclear threat in the region. In an effort to create a nuclear free Korean peninsula, normalization of political and economic relations and to replace the existing reactors in North Korea with light-water reactors the organization rests upon the principles of consensus and compromise.

With the emergence of the post-Cold War environment in the late 1980s and early 1990s, South Korea saw the possibilities of overcoming the remains of the Cold War structures on the peninsula. It actually pursued the so called Northern Policy and concluded normalization of diplomatic relations with Russia and China. In addition, there was ongoing dialogue – between the two Koreas at various levels and in different fields. Based on the observation of such parallel developments at both levels, South Korea

realized the utility of a multilateral security framework in the post Cold War era. Thus, in 1994, South Korea proposed the Northeast Asian Security Dialogue (NEASeD). But it was still preoccupied with North Korean issues, mostly the nuclear issue. As a consequence, South Korea was only able to focus on limited multilateral cooperation in dealing with North Korean problems as we have seen in KEDO and the Four-Party Talk. While it was arguing for multilateral security mechanism(s), it did not go beyond the peninsula.

Despite all its efforts, South Korea is still jammed between the post Cold War environment at the regional level and the Cold War environment at the peninsular level. With improving inter-Korean relations since 2000, South Korea has become active and enthusiastic again in promoting a multilateral security framework for two reasons; the first is to create a stable and peaceful external environment; which is estimated to reduced the possibilities of great power competition and the second is to managed the process of reconciliation and cooperation on the Korean peninsula. With the inauguration of the Roh Moo-hyun administration in 2003, South Korea began to re-emphasize sub-regional cooperation dialogue. Throughout the process of the Six- Party Talk, where six countries came together to deal with the North Korean nuclear issue, South Korea carefully probed the possibilities of converting the Six-Party Talks into a regional security cooperation mechanism.

In order to push forward regional security cooperation, we have to fulfill four requirements: The first is that we must be steadfast and exclusive in pursuing our objective. These objectives are to maintain regional peace and stability enhanced common security. The second is that we must share our responsibilities and rights. That means cooperative organizations should not be dominated and single countries demanding the submission of other countries to the strategic interests of its own. The third is that regional cooperation must inclusive. That means no security organization or mechanism should be exclusive, or set up against a third party. The fourth is comprehensive cooperation in both traditional and non traditional security areas. That

means the region should emphasize more on the security threats posed by non traditional issues. And security cooperation in these regard is more practical, urgent and necessary.

To promote regional security cooperation, it is necessary to enhance military confidence-building among the countries in the region. China has been blamed for the “China Threats” while taking off economically. Recently, there are also allegations that China’s military modernization could pose a so called “China military threat” to the region and the world. In my view, these concerns are totally unnecessary, China’s national defence modernization is solely for the purpose of safeguarding security for China’s peaceful development. To meet the challenges it is facing in its security environment, China has to improve its self-defence capabilities. One purpose for China to build a stronger national defence is to possess more capabilities to assume international responsibilities. For example, China is willing to assume more humanitarian missions like peace-keeping, disaster-relief, anti-drug trafficking, non-combatants evacuation, and civil police, so that China can contribute more to regional as well as international security.

China has solemnly pledged that it will never change the defensive nature of its national defence policy. China will never “sail their warships wherever their commercial interests go,” like the Western Colonialists did in history. The increasing Chinese energy demands in recent years have taken the blame for rising oil prices. However, the Chinese policy is to contain its energy demands by more effective use of energy, increase domestic production and robust development of energy substitutes.

Northeast Asia is an area that has traditionally relied on a web of strong bilateral organizations, dominated by the United States in the post-World War II period. Observers cite the continued reliance on bilateralism as the rationale for slow growth of formalizes multilateral mechanism in Northeast Asia. However, emerging regional securities mechanisms generally are consistent with the national’s strategies of nation in Northeast Asia, thus, enhancing regional security. The arguments of those who argue against multilateral initiatives for fears of undermining bilateral arrangements fail to realize that

currents effort build upon existing bilateral security relationships, a phenomenon not seen as widely in other regions and one where the Asia-Pacific set the example.

Limits exists, and emerging arrangements serve more as confident and security building measures geared towards preventing the possibilities of, rather than reacting to, aggression or crises. Gradualism, incrementalism, informality, and a process oriented approach characterize multilateral cooperation in Northeast Asia. In tandem, these same characteristic condition South Korea's engagements policy.

The boom in multilateralism reflects new approaches among several nations. In the past half decade, the United States has embraced multilateralism more fully as a costs effective and institutionally viable option. In remarks to the 29<sup>th</sup> International General Meeting of the Pacific Basin Economic Council (PBEC), former United States Defense Secretary Perry outlined four pillars of the United States approach in the Asia Pacific region, namely strong alliances, regional confidence building, comprehensive engagements in China, and counter proliferation<sup>1</sup>Secretary Perry referred to United States alliances with Japan and others as the "linchpin" of the United States regional security strategy. Significantly, he held out the "promotion of multilateral security initiatives designed to reduced tensions and build regional confidence" as the second pillar. In referring to the third pillar, engagements with China, Perry harkened back to then President Clinton's suggestion that "engagements means using the best tools we have-incentives and dis-incentives alike – to advance core American interest"("Remarks by the President to the Pacific Basin Economic Council" Washington D.C. May 20, 1996. pp-3-4) the fourth pillar entailed prevention of the proliferation of weapons of mass destruction and their delivery systems. He described the most notable success as the Geneva Agreed Framework, which aimed to curtail North Korean nuclear weapon ambitions.

Closely linked with the United States shift towards multilateralism was an orientation towards preventive defence. In *Foreign Affairs*, former Defense Secretary Perry suggested that "today the United States has a unique historical opportunity to foster

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<sup>1</sup> William Perry, "Preventive Defense in the Asia Pacific Region," Washington, D.C., 1996. p 2.

peace through preventive defence. As preventive medicine create the conditions that support health, making diseases less likely and surgery unnecessary, so preventive defence creates the condition that support peace.<sup>2</sup> He cited two similar opportunities earlier in the 20<sup>th</sup> century, namely one missed in the form of an isolationist America's rejection of the League of Nations and one seized upon in a post World War II "path of engagement" that entailed the Marshall Plan, the "epitome of preventive defense" in noting that preventive defense "employs a varieties of tools that not only show nation how armed forces function in a democracy but also serve to build openness and trust between nations," Secretary Perry cited the Marshall Centre in Germany and Asia Pacific Centre in Hawaii as prime examples.<sup>3</sup>

Other great powers China and Russia, appeared slow to embrace multilateralism. China was initially reluctant to participate in regional fora – preferring bilateral dealings and fearing that multilateral activities involving its neighbours threatened its sovereignty. Although Beijing still refuses to participate in Track-II fora involving the South China Seas disputes, it has embraced limited participations elsewhere including the Korean peninsula. China appears to increasingly regard multilateral mechanism as useful for engaging with the international community in a constructive manner.

The multilateral approach to security in Northeast Asia is intended to promote cooperative security in the region and, thereby, provides stability on the Korean peninsula. The term "multilateral" can be defined as any arrangement, formal or informal, that encourages or requires a set of nations to consult or take action together within an international system. What distinguishes the multilateral form from other forms is that it coordinates behavior among three or more States on the basis generalized principles of conduct (Ruggie 1992:574)

The category of issues under discussion now, of course, is related security. As mentioned earlier, however, security has many dimensions. The term is not limited to

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<sup>2</sup> William Perry (1996), "Defense in an Age of Hope," *Foreign Affairs*, 75(6) pp 65-66.

<sup>3</sup> Ibid



those matters where military power, force or the threat of force are relevant factor. In this context the multilateral approach to security in Northeast Asia deals with a great variety of security policy and challenges that the regional states may face in common.

In addition, the multilateral approach to regional security differs from the traditional idea of collective security as preventive medicine differs from acute care. It is designed to ease tensions before they results in conflict – or if conflict breaks out, to act swiftly to contain it and resolve its underlying causes. To prevent disputes from arising between nations, and to prevent existing disputes from escalating into conflicts, many dialogues and consultation are needed. The multilateral approach to regional security, then, can be defined as collaborative efforts by the members of an international community to enhanced security by attempting to resolve existing disputes, forestall potential conflicts and restrict destabilizing deployments of military forces and weapons. These multilateral approaches to regional security can help to create an international regime – a set of principles, norms and patterns of behaviors that can serve to regulate relations within a system of States<sup>4</sup>. In the case of a multilateral security regime in Northeast Asia, the following four basic principles could be codified at the outset, They are: reconciled differences through negotiations and mutual consultation; communicate regularly and clearly on all matters having a bearing on security in the region: exercise restraint in the pursuit of those national interests that impinge on the interests of other: and use force only in self-defence.

National behaviors conditioned and guided by these four principles could not endure for long unless reinforced by similar behavior by other members of the system. But an established pattern of adherence to a set of commonly understood norms would make it easier for regional states within the system to cooperates, rather than act in completely unilateral ways.

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<sup>4</sup> Stephen D. Krasner(1982), “Structural Causes and Regime Consequences,” *International Organization*, 36:spring p.185).

If these principles are to become operational as a functioning regime, a mechanism could be created to facilitate transparency and accommodation within a system of States. Such a mechanism, as seen in the European experience, might be multilateral ministerial meetings, joint military commission and, meeting of officials and experts – all conducted on some frequent and regular scheduled. In addition, a regime can be strengthened by a set of specific obligations designed to encourage transparency and the habits of cooperation. These might be, for example, requirement to provide advance notice of military activities, to exchange information about military deployments and defence expenditures, or to act in accordance with agreed international rules for the operation of military forces. This process, then, can encourages nations to share information, conveyed intention, ease tensions, and resolve disputes and foster confidence. Moreover, it can provide a basis for more sophisticated arms control measure, including arms reduction for regional states.

#### **4.2. Northeast Asian Regionalism**

The Korean peninsula is located geographically at the centre of Northeast Asia, a position that is destined to be the arena of contest in the past. Now, Korea can be the center for Northeast Asian regionalism. Economically, it is interestingly integrated with both China and Japan and Korean foreign direct investment is serving as a mechanism for production technology transfer to China. Politically, the constant security question of North Korea has evolved into a regional question given North Korea's development of missile and nuclear weapons.

The changes in South Korea's foreign policy have an impact in Northeast Asian regionalism. The new international environment has freed South Korea from the diplomatic constraints of the Cold War system. It has developed better relations with China and Russia and it is embracing the Northeast Asian regionalism that has emerged as a result of globalization. Nations in the regions are exploring common agendas and a

vision for the future of their part of the world. They share the view that peace and stability on the Korean peninsula are essential for regional prosperity.

Given its economic development, political transition, and bilateral relations with North Korea, a confident and self assertive South Korea is neither a rebel without a causes nor a fleeting phenomenon. Rather, South Korea's attitudinal shift has multiple causes and will endure through several future administrations. Northeast Asian regionalism which South Korea greatly supported made the region economically stable for countries in this region. The unforgettable experience of the 1997 Asian financial crisis and the subsequent on Korean financial crisis resulted in the need to form a strong and vibrant East Asian community. This will bring each other towards economic growth and prosperity

Regionalism in Northeast Asia cannot be seen in the past when one power dominates Northeast Asia. First was when the Chinese tributary state system operated for most of the millennium Korea was under this tributary system. This was followed by the Japanese imperialism in Northeast Asia for close to half a century. In recent years Northeast Asia was divided into two broad divisions during the Cold War period. South Korea and Japan sided with the United States and China and North Korea with the Soviet Union. The end of the Cold War opens the door for Northeast Asian regionalism.

South Korea has been an eager and enthusiastic supporter of East Asian regionalism, for both economic and political reasons. The Korean Industrial Economic Policy group (KIEP) has proposed the formation of a Northeast Asian coastal line economic cooperation among Russia, China, Japan and the two Korea's. This idea was proposed as a way to counter trading disadvantages that result from the formation of North Atlantic Free Trade Area (NAFTA) or an expanded European Community (EC). The coastal cooperation would consist of a special trading port for each member nation, where intra regional trade would benefit from tariff reduction.

Regional stability is crucial to Korean security. A balance of power and interests among the four major powers surrounding the Korean peninsula is indispensable to peace

and stability in Korea and the Northeast Asian region. Korea was frequently a victim in super power rivalries in the past. Korean security therefore, depends on the emergence of the stable regional environment among China, Japan, Russia and the United States. The presence and the forward deployment of United States troops in Korea, in particular serves the role of balancing other powers; for no other power can play the role of an honest broker and the final guarantor of security without threatening Korea. Also, in the age of a borderless market, Korea's cannot be assured without maintaining a sound relationship of economic interdependence with its trading partners.

#### **4.3. ASEAN+3 and Northeast Asian Security**

The ASEAN+3 was created to increase intra-regional trade and work for further liberalization, not for security purpose, but as ASEAN has function as an effective security organization, there is a possibility that ASEAN+3 could develop the same function in Northeast Asia. The first ASEAN+3 Heads of State meeting was held in Manila in November 1999 and it was a great leap towards an institutionalization of regional cooperation in Northeast Asia. There is a need to form a strong regional organization after the financial crisis in 1997 that could act to prevent a recurring financial crisis. Also, ASEAN+3 was established for regional security and economic development in Northeast Asia in the long run. In the ASEAN+3 charter, it is stated that the parties will continue dialogue and coordination in the political security field. ASEAN+3 agreed to strengthen efforts in accelerating trade and investments and to promote broader private participation in economic cooperation. Private business cooperation is also the area where the Northeast Asian region has had most success in creating cooperation without government involvement. By focusing in an area where there already is positive development, this will create greater legitimacy for the organization since it will be viewed successful.

The economic development and integration that is already in place could gain further momentum within the framework of the ASEAN+3. It has increased the contacts between the Central Banks, decreased the fiscal restraints between the members. The

economic cooperation does, however, not only rely on trade liberalization, it depends to a large extent on the fact that China-Japan and Korea-Japan can put their difference aside and focuses on economic regionalism. This has created a large intra regional trade in East Asia but ASEAN+3 has claimed that they will base their regionalization on the concept of open regionalism in accordance with APEC directives.

Faced with this newly assertive South Korea and the larger challenges of dealing with China and crafting a new regional order, the United States has to ignore South Korea's transformation so as to maintain the traditional patron-client relationship within the hub and spoke against China, using North Korean nuclear crisis as a catalyst. China's current interest in facilitating its own economic development through extroverted trade and investment policies and by fostering, where possible, a cooperative and conciliatory image has generally contributed to the optimism.

There is no doubt that ASEAN will be the building block for further ASEAN + 3 cooperation, and that ASEAN will function as the leader of the organization. This is due to the already established informal form of cooperation that exists in ASEAN. Also, ASEAN is capable of dealing with all Northeast Asian States and thus would be able to create further integration and trust. ASEAN has also proven itself capable of organizing the relation between the Northeast Asian states. In mid 2002 there were great hopes that ASEAN+3 would succeed and lead to more effective economic integration, peace and stability in the region. ASEAN+3 is currently an "Asian-only" organization, but Australia has indicated interest in becoming a member, and United States and other Western states have indicated that they are interested in that a non-Asian states will be able to join. The purpose of this is, according to the Asian states, that the United States would like to influence the organization. Moreover, since the organization is viewed as an East Asian Cooperation structure, the reluctance among ASEAN +3 leaders to accept Australia and any other non-East Asian state has been (and will probably continue to be) strong. The exception might be Japan that would benefit from Australia's membership due to similar policy perceptions and because Australia does not carry the perception of Japan as a war criminal to the same extent as other states in the region. It is more likely that Australia

and New Zealand will be included in East Asian cooperation through the Closer Economic Relations of Australia and New Zealand, but a direct membership is not an issue today.

The creation of ASEAN+3 could formerly create a new trading bloc, if successful. There have been little prospect for an East Asian trading bloc in the past, and it seems still be little prospect for this to success since the concept of open regionalism is strong and the trust between the states are low. The intra-East Asian trade has risen from 33 percent in 1980 to 50 percent in 1998 according to an ASEAN statement, which will make East Asia more internally coherent than all other trading bloc with the exception of European Union (EU).

Moreover the combine foreign reserve for East Asia in 2000 amounted to more than US \$800 billion; this makes ASEAN+3 a formidable competitor to European Union and NAFTA. There has also been a suggestion about a common Asian currency from Thailand, but this is still an issue that national sentiment and the economic reality would prevent from happening since East Asia is not a natural currency area. On the surface it seems as if ASEAN+3 will be an important actor in the international market and it seems that the organization will work for more integration and prosperity in East Asia. As has been mention earlier there are however several problems in the region and to sustain the current progress there needs to be an effective Conflict Management Mechanism (CMM) to handle the dispute that undoubtedly will arise.

Because of geopolitical proximity and historical legacy, Beijing pays great attention to Japan's Korea policy, which has seemed to regard a divided peninsula in its interest. So far, Beijing and Tokyo share a common interest in seeking a peaceful and stable situation in the region, and since the 1980s, it has also been Beijing's policy to encourage a rapprochement between Pyongyang and Tokyo. Using the opportunity presented by Pyongyang's efforts to change its isolated position, the Japanese government speeded up its pace in trying to normalize relations with North Korea. The process is currently at a stalemate, to a large extent waiting for the resolution of the North Korea nuclear issue. But even if normalization is finally realized, future relations between Japan

and the two Koreas are not likely to proceed smoothly. As recent events demonstrate, the historic trauma suffered by the Korean people and other Asian peoples will not fade away easily, and this will affect the development of relations between Japan and other countries in the region.

East Asian countries are also joining hands to protect their currency to avoid a repeat of 1997-99 financial crisis. In May 2000, finance ministers from ASEAN+3 established the first regional financing arrangement in East Asia. This arrangement is called the Chiang Mai Initiative; this consists of bilateral currency swap arrangements, mainly from Japan, China and South Korea to other to other participating nations during financial crisis.<sup>5</sup> Another regional financial arrangement is the Asia Bond Fund. Announced on the June 2, 2003, the fund began with \$ 1 Billion in contributions from 11 central banks from the more developed countries of ASEAN+3 and Australia. Seven additional contributing countries (including India) have joined the funds. The fund is to invest in sovereign and quasi-sovereign bonds issued by Asian governments in international markets. Initially restricted to investments by central banks, in the second phase, the fund is to be opened to private investor (such as insurance companies and pension funds). The intention is to create greater liquidity, less reliance on dollar-denominated financial assets, deeper regional capital markets, and more stability in the Asian financial markets.<sup>6</sup> These financial arrangements are evidence of nascent cooperation and institution building among East Asian nations with both Japan and China playing major roles.

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<sup>5</sup> Asian Development Bank 2003

<sup>6</sup> Hongkong Monetary Authority. The Asian Bond Fund. TDC Trade, Economic Forum [<http://www.tdc.com/econforum/hkma030603.htm>]

## SUMMARY AND CONCLUSION

The dissertation analyzes the changes in South Korea's foreign policy. South Korean foreign policy in the post Cold War period gradually moved from a dependent to an independent policy. This foreign policy shift is mainly due to the changes in international order in the post Cold War period. South Korea also, has to adjust with the changing environment and changed their foreign relations. It had benefited from normalization of alliance with China. Economically, it has a direct impact on the growing South Korean economy; China became the largest export market for South Korea in 2004. This surpasses the idea that United States will always be South Korea's trading partner. China also helped in negotiating Korean nuclear issues. It hosted the six party talks and has been an active participant in solving Korean peninsula problems. Thus, China's changing relations with South Korea and their relations moving from good to better will only be the options for peace and security in the Korean peninsula because China can play the middle role in negotiating North Korea's nuclear issues and bring stability in the peninsula.

The United States on the other hand, with its hard-line policy towards the North does not solve the problems, it only motivated the North to armed themselves with better equipments and forced them to survive at the hardest times to face challenges from the United States. So, the United States is not the only option for building peace in the peninsula, it is China, on the other hand has a strong bargaining power on the North and South Korea for peace and security in the peninsula. It did not meant that the United States has no role completely, what it means is the United States will not be the options for building a lasting peace and stability in the peninsula. Of course the United States will douse the fire if troubles arise but, that will not completely heal the wound. Thus, China is important for the Korean peninsula as the problems in the peninsula lies directly with their neighbouring powers like China. More over, they had a long tradition of good neighbourly relations in the past and their tributary alliance with the Korean peninsula cannot be ignored.



The Cold War containment policy of the United States and Soviet Union and the broad division among the nations in East Asia fades away with the end of the Cold War. The collapse of the Soviet Union forced the United States to change its Korea policy. It does not need South Korea as they do during the Cold War period. The United States has a direct control over Japan and South Korea during the Cold War years as their security relies heavily on them. This made the United States free hand in East Asia. However, the situation changed in the post Cold War period as South Korea normalizes its relations with Soviet Union and China. The Post Cold War Northeast Asian also move towards economic development and economic inter dependence. Japan on the other hand felt the need to self reliance and want their security should not directly be in their hand.

South Korea realizes that their policy of containment towards the North does not yield any result. Rather it only threatened their security. More over, the more they tried to contain North Korea, the more North Korea is more aggressive and militaristic. So, Kim Dae-Jung's policy towards the North, The Sunshine Policy is an attempt to engage the North. This policy is a grand success as North and South Korea can discuss issues that the two countries had for decades. The Sunshine Policy is a policy of engagement towards the North in which issues relating to peace and security in the Korean peninsula was discussed. South Korea's engagement policy brings the North to the negotiation table.

There are certain things that the North Korea agrees to the South like the permission for the divided families to meet each other, South Korean tourist can visit the North. Thus, South Korea's independent foreign policy of engagement slowly led North Korea to move away from its isolationist policy and open up to the North. It is however necessary for South Korea to have a good and cordial relations with North Korea to have peace, security and development in the Korean peninsula. Without having good relations with North Korea, their security will always be threatened, United States relation with South Korea will not solve their security problem, and rather it will only help in minimizing the threat. So, South Korea's independent foreign policy towards the North

will only solve their problems. Other powers will not solve the problem; they will only douse the fire.

South Korea and China does not have any relations during the Cold War period as they were on the two opposing sides during this period. Moreover, China's interference in the Korean War keeps South Korea in a state of shock. The continuing help China give to North Korea during the Cold War years has always troubled South Korea-China relations for a long time. But the post Cold War period saw sudden changes in South Korea's foreign policy in which it normalized relations with their Cold War enemy Soviet Union and China. The post normalization of relations with South Korea is interesting as China and South Korea began a new chapter in their relations. In the past, Korea has been part of Chinese tributary states and these traditional relations lasted for a longtime in the past. Thus the normalization of relations takes back to their historical relations.

The post Cold War changes the relations in East Asia. South Korea normalized relations with China in 1992. This normalization of relations brings a new hope in South and North Korea relations as China is the only nation that has a direct access to North Korea. This results in China hosting the six party talks for peace and security in the peninsula. China's role has had a direct impact and North Korea came into the negotiation table. China as a strong regional power play the role, that is more important than the United States. As the United States only adds to North Korea's militaristic approach and will not bring the North to a peaceful settlement by imposing economic sanctions and declaring them as an evil states. Thus, China is the only options for solving the North Korean crisis. On the issue of North Korean nuclear crisis, China has been an important power in stabilizing the issue. It indirectly forced North Korea to follow the United Nations guidelines. North Korea to show their disrespect to United States may try to stand firm on their policies, however, in reality China can and will be able to control them. The truth is that North Korea survives and remains a nation because of China's help. Thus, South Korea and China relations will slowly improve bringing North Korea to disarm themselves from its entire nuclear weapons programme.

There is also a strong convergence in South Korea and China's relations. As China economic rise bring the two countries closer. South Korea needs China for its export market at the same time; China also needs South Korea to expand their economic rise. South Korea's economy is also experience one of the highest economic growth. The rise of China steadily influences China's dominance over South Korea. However, the rise of China is not a threat as many arguments have said. Rather, it is a boost to its economy. The economic rise of China brings economic stability in Northeast Asia that indirectly helps Northeast Asian nations to stabilize their economy. Also the economic rise of China shifts the idea of arm competition to economic race in East Asia. Thus strengthening economic inter dependence rather than arms race. Thus, China rise is not a threat to South Korea and Northeast Asia; it is in fact a boost to their economy and Northeast Asian economic boom.

Even though there are issues between South Korea and China relations like China's Northeast Project and Goguryeo that can harm their relations. These are historical issues and the two countries can solve it within themselves. These issues will not be a hurdle in their relations as economic and bilateral relations are more important today. More over, the recent changes in the Communist leadership in China will give importance to economic relations rather than having strain relations with their neighbour. South Korea with their experience from their relations with the North also realizes the importance of peaceful economic relations with their neighbours. Thus, these issues will be solve since the two can and will come to an agreement on these issues as they don't want it to be a hurdle in their relations.

The dissertation concludes by arguing that South Korea and China relations can bring Northeast Asian regionalism a reality. The possibility of Northeast Asian economic regionalism can be seen with China as the main player. The post Cold War brings changes to South Korea's foreign policy. South Korea followed an independent foreign policy. This is because South Korea cannot depend on US for all its affairs; the whole calculation during the Cold War period is not relevant today. The dissertation strongly argues that Northeast Asian regionalism is the need of the hour. Economic development

brings countries together; the conflicting issues during the Cold War period fade away. The economic rise of China has had an impact on East Asian economic cooperation. South Korea's foreign policy in the post Cold War period redefines its strategic location in East Asia. It plays an economic buffer for East Asian countries. Without an active role played by South Korea, Northeast Asian economic cooperation will not survive. Thus, China and South Korea can change the whole picture of Northeast Asia and bring economic development in the region. This will strengthen regionalism in East Asia and Southeast Asian nations.

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## APPENDIX – I

### KOREA-CHINA JOINT STATEMENT

1. President Roh Moo-hyun of the Republic of Korea paid a state visit to the People's Republic of China from July 7 to 10, 2003, at the invitation of President Hu Jintao of the People's Republic of China and received a cordial and warm greeting from the government and the people of China.

During the visit, President Roh Moo-hyun and President Hu Jintao held a summit meeting in Beijing. President Roh also held talks with Wu Bangguo, Chairman of the Standing Committee of the National People's Congress of the People's Republic of China, Wen Jiabao, Premier of the State Council, and Vice-President Zeng Qinghong. In these talks President Roh and the Chinese leaders engaged in an in-depth exchange of views on even greater advances in the ties of friendship and cooperation between Korea and China, as well as on the regional and international issues of common interest, and came to a common understanding on a wide range of fields.

2. The two Heads of State generally reviewed and summed up the development of relations of good neighborliness, friendship and cooperation between Korea and China since the establishment of diplomatic ties eleven years ago and expressed their satisfaction at the fact that cooperation in various fields – political, economic, social and cultural – has yielded remarkable results. They further recognized that this progress in bilateral relations has not only been beneficial to the people of Korea and China but also significantly contributed to the promotion of peace, stability and prosperity in this region.
3. The two sides respectively introduced their national situations and foreign policies. The Chinese sides highly recognized the Korean government's active efforts for economic development as well as for peace and prosperity on the

Korean peninsula and this region. The Korean side highly commended the results of the Chinese government's pursuit of reform and opening up as well as construction for modernization, and highly valued its foreign policy of good neighborliness and partnership towards neighboring countries.

4. Both sides shared the view that peace and stability should be maintained on the Korean peninsula and that the status of the denuclearization on the Korean peninsula should be secured. Both sides firmly believed that the North Korean nuclear issue can be resolved peacefully through dialogue.

The Korean side emphasized that the North Korean nuclear issue should be resolved completely in a verifiable and irreversible way. The Chinese side held that North Korea's security concern needs to be settled.

The two sides recognized that the Beijing talks held in April this year were useful. The Korean side appreciated and supported the efforts which China made for the opening of the talks. Both sides hoped that the momentum for dialogue created at the Beijing talks would be maintained and lead to the development of the situation in a positive direction. The Chinese side praised the positive measures taken by the Korean side to improve South-North relations and to ease tensions, and supported Korea's constructive role in Korean Peninsula issues as a concerned party.

Both sides agreed to further step up coordination and cooperation regarding Korean Peninsula matters, including the North Korean nuclear issue.

5. The Chinese side reiterated that there is but one China in the world and that the Taiwan is an inalienable part of the Chinese territory. The Korean side expressed its due understanding and respect for China's stance and indicated that it will continue to adhere to the position that the government of the People's Republic of China is the sole legal government of China and abide by the "One China" policy.

6. The two sides shared the recognition that Korea-China high level exchanges and exchanges between governmental organizations, national assemblies and political parties would be significant in stepping up overall bilateral cooperation. To this end, both sides agreed to facilitate visits and meetings between leaders of the two countries, as well as to expand and develop the mechanisms for exchanges and dialogue.
7. Both sides recognized that enhancing bilateral economic and trade relations would be to the mutual benefit of both countries as well as conducive to their shared development. The two sides agreed to form a joint team to conduct research into the direction for bilateral economic and trade cooperation.

The two sides agreed to take active measures for the sound and smooth development of bilateral trade, based on the principle of seeking trade balance through the expansion of trade. Both sides agreed to prevent and resolve trade-related problems amicably, in a spirit of mutual benefit and friendly consultations. To this end, both sides agreed to establish a consultative body for quality control, inspection and quarantine between the two countries at the earliest date possible.

The two sides agreed to make joint efforts to improve conditions to expand mutual investment by revising “the Agreement on the Encouragement and Reciprocal Protection of Investments between the Government of the Republic of Korea and the Government of the People’s Republic of China.”

8. Both sides agreed to develop new fields and methods of cooperation, seeking to build “future oriented economic cooperative relations.” Both sides highly valued the cooperation in such fields as the production of completely built unit automobiles, finance and CDMA, and agreed to continue to strengthen cooperation in these fields. Furthermore, building on the achievements in these fields, the two sides also agreed to strengthen joint research and cooperation for

industrialization in high tech fields, including the next generation IT industry, biotechnology and new materials, as well as to expand exchanges and cooperation in the fields of infrastructure including goods distribution, the exploitation of resources, energy and transportation.

Both sides agreed to strengthen cooperation in the fields of environmental protection and environmental industry and to co-host a “Korea-China Investment Forum for the Environmental Protection Industry” participated in by government branches, business circles, academia and related organizations. Both sides agreed to continue to enhance cooperation in the fields of the monitoring of yellow sand, prevention of desertification and establishment of the ecology.

The Korean side expressed its active support for the 2008 Beijing Olympics, 2010 Shanghai World Exposition and Western China Development. The Chinese side welcomed the active participation of Korean enterprises.

9. Both sides expressed their satisfaction at the success of the activities in the “2002 Korea-China Year of Exchange,” and based on the results of this day, they decided to consider holding a “Korean-China Exchange Festival” on a regular basis every year, and agreed to further strengthened cooperation for bilateral cultural exchanges and in the cultural industry.

Both sides agreed to further expand exchanges in the fields of education, sports, media, friendship organizations, as well as youth and local and regional sisterhood authorities in both countries to strengthen the basis for friendly cooperation between their peoples.

10. Both sides agreed to make active efforts to promote the process of regional cooperation which is emerging in the Asia-Pacific region. The two sides decided, through the ASEAN + 3 process, to support the continuing expansion and deepening of cooperation in East Asia and to contribute to regional peace and

common prosperity. Both sides recognized that the strengthening of cooperation between Korea, China and Japan contributes to the promotion of the development of cooperation in East Asia and hoped that the joint study on the economic benefits of a Korea-China-Japan FTA, which is underway between economic research institutes of the three countries, would yield great results.

Both sides concurred on enhancing coordination and cooperation at the regional and international levels such as the UN, WTO, APEC, ASEM, and in particular agreed to closely cooperate for the success of the 2005 APEC Economic Leaders Meeting to be hosted by Korea.

Both sides agreed to further strengthen cooperation on matters of mutual interest, including the non-traditional security field such as drug trafficking, international terrorism, financial and economic crimes, piracy and high-tech crimes.

11. Both sides expressed satisfaction at the outcome of President Roh Moo-hyun's state visit to china and shared the view that this state visit would generate valuable momentum for the future development of bilateral relations in the long-term, President Roh Moo-hyun expressed his appreciation for the warm hospitality extended by the Chinese side and invited President Hu Jintao to visit Korea at a convenient time. President Hu Jintao to visit Korea at a convenient time. President Hu Jintao appreciated and gratefully accepted the invitation.

## APPENDIX - II

### U.S. – NORTH KOREAN ‘AGREED FRAMEWORK’ ON NUCLEAR ISSUE

Delegations of the government of the United States of America (U.S.) and the Democratic People’s Republic of Korea (DPRK) held talks in Geneva from September 23 to October 17, 1994 to negotiate and overall resolution of the nuclear issue on the Korean Peninsula.

Both sides reaffirmed the importance of attaining the objectives contained in the August 12, 1994 Agreed Statement between the U.S. and the DPRK and upholding the principles of the June 11, 1993 Joint Settlement of the U.S. and the DPRK to achieve peace and security on a nuclear-free Korean Peninsula. The U.S. and the DPRK decided to take the following actions for the resolution of the nuclear issue:

I. Both sides will cooperate to replace the DPRK’s graphite-moderated reactors and related facilities with light-water reactor (LWR) power plants.

1) In accordance with the October 20, 1994 letter of assurance from the U.S. President, the U.S. will undertake to make arrangements for the provision to the DPRK of a light-water reactor project with a total generating capacity of approximately 2,000 MW (e) by a target date of 2003.

– The U.S. will organize under the leadership of an international consortium to finance and supply the light reactor project to be provided to the DPRK. The U.S. representing the international consortium will serve as the principal point of contact with the DPRK for the LWR project.

– The U.S. representing the consortium will make best efforts to secure the conclusion of a supply contract with the DPRK within six months of the date of this document for the provision of the LWR project. Contract talks will begin as soon as possible after the date of this document.

– As necessary, the U.S. and the DPRK will conclude a bilateral agreement for cooperation in the field of peaceful uses of nuclear energy.

2) In accordance with the October 20, 1994 U.S. letter of assurance concerning interim energy alternatives, the U.S. representing the consortium, will make arrangements to offset the energy forgone due to the freeze of the DPRK's graphite moderated reactors, pending completion of the first LWR unit.

- Alternative energy will be provided in the form of heavy oil for heating and electricity production.
- Deliveries of heavy oil will begin within three months of the date of this document and will reach a rate of 500,000 tons annually, in accordance with an agreed schedule of deliveries.

3) Upon receipt of U.S. assurances for the provision of light-water reactor and for arrangements for interim energy alternatives, the DPRK will freeze its graphite-moderated reactors and related facilities.

- The freeze on the DPRK's graphite-moderated reactors and related facilities will be fully implemented within one month of the date of this document. During this one-month period and throughout the freeze, the IAEA will be allowed to monitor this freeze; the DPRK will provide full cooperation to the IAEA for the purpose.
- Dismantlement of the DPRK's graphite-moderated reactors and related facilities will be completed when the LWR project is completed.
- The U.S. and DPRK will cooperate in finding a method to store safely the spent fuel from the 5MW (e) experimental reactor during the construction of the LWR project, and to dispose of the fuel in a safe manner that does not involve reprocessing in the DPRK.

4) As soon as possible after the date of this document U.S. and DPRK experts will hold two sets of experts' talks.

- At one set of talks, experts will discuss issues related to alternative energy and the replacement of the graphite-moderated reactor program with the LWR project.
- At the other set of talks, experts will discuss specific arrangements for spent fuel storage and ultimate disposition.



II. The two sides will move toward full normalization of political and economic relations.

- 1) Within three months of the date of this document, both sides will reduce barriers to trade and investment, including restrictions on telecommunications services and financial transactions.
- 2) Each sides will open liaison office in the other's capital following resolution of consular and other technical issues through expert level discussions.
- 3) As progress is made on issues of concern to each side, the U.S. and the DPRK will upgrade bilateral relations to the ambassadorial level.

III. Both sides will work together for peace and security on a nuclear free Korean Peninsula.

- 1) The U.S. will provide formal assurances to the DPRK against the threat or use of nuclear weapons by the U.S.
- 2) The DPRK will consistently take steps to implement the North-South Joint Declaration on the De-nuclearization of the Korean peninsula.
- 3) The DPRK will engage in North-south dialogue, as this agreed framework will help create an atmosphere that promotes such a dialogue.

IV. Both sides will work together to strengthen the international nuclear nonproliferation regime.

- 1) The DPRK will remain a party to the treaty on the Nonproliferation of Nuclear Weapons (NPT) and will allow implementation of of its safeguard agreement under the treaty.
- 2) Upon conclusion of the supply contract for the provision of the LWR project, ad hoc and routine inspection will resume under the DPRK's safeguards agreement with the IAEA with respect to the facilities not subject to the freeze. Pending conclusion of the supply contracts, inspections required by the IAEA for the continuity of the safeguards will continue at the facilities not subject to the freeze.
- 3) When a significant portion of the LWR project is completed, but before delivery of key nuclear components, the DPRK will come into full compliance with its safeguards agreement with the IAEA (INFCIRC 403), including taking all steps that may be deemed necessary by the IAEA, following

consultation with the Agency with regard to verifying the accuracy and completeness of the DPRK's initial report on all nuclear material in the DPRK.

## **APPENDIX - III**

### **KOREA-U.S. JOINT STATEMENT**

#### **1. Common Values, Strategy**

On May 14, 2003, President George W. Bush of the United States of America and Roh Moo-hyun of the Republic of Korea held a summit meeting at the White House in Washington, DC. Noting that 2003 marks the fiftieth anniversary of the U.S.-ROK Mutual Defense Treaty, the two leaders pledged to work together to promote the values of democracy, human rights and market economy shared by the people of both nations and to build a comprehensive and dynamic alliance relationship for continued peace and prosperity on the Korean peninsula and in Northeast Asia.

#### **2. U.S.-ROK Alliance**

President Bush and President Roh welcomed the fiftieth anniversary of the U.S.-ROK alliance and paid tribute to those who have contributed to the alliance, particularly the Korean host communities and the members of U.S. Forces Korea (USFK) who have devoted themselves to the defense of peace and freedom on the peninsula. President Bush reaffirmed the U.S. commitment to a robust forward presence on the peninsula and in the Asia-Pacific region. The two leaders pledged to work closely together to modernize the U.S.-ROK alliance, taking advantage of technology to transform both nations' forces and enhance their capabilities to meet emerging threats.

In the context of modernizing the alliance, the two leaders agreed to work out plans to consolidate US forces around key hubs and to relocate the Yongsan garrison at an early date. President Bush pledged to consult closely with President Roh on the appropriate posture for USFK during the transition to a more capable and sustainable US military presence on the peninsula. They shared the view that the relocation of US bases

north of the Han River should be pursued, taking careful account of the political, economic and security situation on the peninsula and in Northeast Asia.

The two leaders also noted the opportunity provided by the Republic of Korea's growing national strength to continue expanding the role of ROK arm forces in defending the Korea peninsula.

President Bush and President Roh welcomed the growing bilateral US-ROK cooperation on international security challenges beyond the Korean peninsula. President Bush thanked President Roh for his support on Iraq and welcomed the Republic of Korea's decision to deploy and construction units and under take other efforts to assist with post-conflict humanitarian assistance and reconstruction in Iraq. President Roh expressed his support for U.S. and international efforts to establish lasting peace and security in the Middle East. The two leaders also reviewed progress and cooperation in the war on terror, noting the contribution of ROK forces to Operation Enduring Freedom and Afghan reconstruction.

To commemorate the fiftieth anniversary of the alliance, the two Presidents welcomed the convening of forums of experts to conduct discussions on the future of U.S.-ROK relations and to generate fresh ideas for both governments.

President Bush and President Roh reaffirmed that they will not tolerate nuclear weapons in North Korea. They noted with serious concern North Korea's statements about reprocessing, possession of nuclear weapons, and its threat to demonstrate or transfer these weapons. They stressed that escalatory moves by North Korea will only lead to its greater isolation and a more desperate situation in the North.

Both leaders reiterated their strong commitment to work for the complete, verifiable and irreversible elimination of North Korea's nuclear weapons programme through peaceful means based on international cooperation. They welcomed the role played by China at the April 23-25 trilateral talks in Beijing. They agreed that the

Republic of Korea and Japan are essential for a successful and comprehensive settlement and that Russia and other nations can also play a constructive role in multilateral diplomacy. While noting that increased threats to peace and stability on the peninsula would require consideration of further steps, they expressed confident that peaceful resolution can be achieved.

Noting that the United States and Republic of Korea are the two leading donors of humanitarian food assistance to North Korea, the two Presidents reaffirmed that humanitarian assistance is provided without linkage to political development and noted the need to ensure that the assistance goes to those in need. President Bush stressed that North Korea's nuclear programs stand in the way of the bold approach and the ability of the international community to consider comprehensive steps to assist the many needs of the North Korean people.

President Roh outlined his peace and prosperity policy and President Bush reiterated his support for the process of South-North reconciliation. President Bush noted that the Republic of Korea has used this dialogue channel to call upon the North to resolve the nuclear issue.

President Roh stated that future inter-Korean exchanges and cooperation will be conducted in light of developments on the North Korean nuclear issue. The two leaders reaffirmed their commitment to maintaining close coordination between the U.S. and ROK government on this issue as well as in trilateral consultations with Japan.

### **3. Economic Relations**

The two leaders agreed on the importance of working together to promote prosperities in their two countries, in the region, and around the world. They agreed that Korea's economic fundamentals are strong and expressed high confidence in the prospects for continued increases in trade, investment and growth in the Republic of Korea. President Bush welcomed and supported President Roh's commitment to

continued structural reform of the Korean economy and his goal of making Korea a regional hub for trade, finance, and investment in Northeast Asia. The two leaders agreed that progress on open trade, investment, and transparency are essential to making this hub concept a reality, and recognized the important role of the private sector in this effort.

The two leaders expressed a desire for enhanced bilateral economic cooperation and reaffirmed their commitment to resolve bilateral trade issue through consultation, and agreed to explore ways to further strengthened the already close economic and trade partnership. Recognizing the importance of global trade liberalization, the two leaders expressed their determination to work together to achieve a successful conclusion of the Doha Development Agenda. The two leaders also agreed to strengthen cooperation in the APEC forum.

#### **4. Towards a Full Partnership**

Taking note of the one hundredth anniversary of Korean immigration to the United States, President Bush conveyed his deep respect not only for the contributions of Korean-Americans to American society but also for the ideals of democracy, peace and prosperity realized by the citizens of the Republic of Korea. President Roh extended his appreciation to the U.S. government and its people for all that has been done to help Korean-Americans realize their dreams in American society.

President Bush and President Roh highlighted the importance of increasing bilateral cooperation across a broad range of global issues. In this context, the two leaders welcomed U.S. and ROK cooperation in the International Thermonuclear Experimental Reactor (ITER) project, in the Global Forum on Corruption to be held in Seoul later this month, and on other efforts to improve the environment and combat crime and infectious diseases around the globe.

The two leaders agreed that their frequent telephone calls since President Roh's election in December and their substantial discussion in Washington have build a

personal foundation of mutual trust and respect that will enhance U.S.-ROK coordination on North Korea and other challenges in the months and years ahead. President Roh thanked President Bush for his hospitality and invited him to make a return visit to Seoul at his convenience. President Bush said it looked forward to another visit to the Republic of Korea.