# SOUTH KOKEA'S FOREIGN POLICY DURING THE SIXTH REPUBLIC

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#### CERTIFICATE

This is to certify that the dissertation, entitled "South Korea's Foreign Policy During The Sixth Republic" submitted by Jitendra Uttam in fulfilment of six credits out of total requirements of twenty - four credits for the Degree of Master of Philosophy (M.Phil) of the University, is his original work according to the best of my knowledge and may be placed before the examiners for evaluation.

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#### PREFACE

There are several excellent studies on various aspects Republic of economic development in the (hereinafter, Korea) and on reunification and security related issues. However, there are a very few detailed, full length studies on the determinants and dynamics of South Korea's foreign policy. The exhaustive and meticulous survey of literature on foreign policy of the two Korea's by Byung Chul Koh and Young Whan Kihl in the comprehensive and voluminous work entitled "Studies on Korea: A Scholar's Guide" edited by Han Kyo Kim and Hong Kyu Park, published in 1980, mentions only two books dealing with South Korea's foreign policy, although it refers to several doctoral dissertations, monographs, research articles on the subject. Two books on the subject brought out in the first half of the 1980's by Byung Chul Koh, "The Foreign Policy Systems of North and South Korea" (1984) and Young Nok Koo (ed) "Korea's Foreign Policy" (1984) are valuable additions to the growing literature in the field of Korea's foreign studies that have All the so far undertaken on various aspects of the subject have helped in gaining an understanding of the context, course and concerns of South Korea's foreign policy. They have however, become somewhat outdated. It was, therefore, felt

that it would be useful to undertake a systematic study of South Korea's foreign policy with a focus on the Sixth Republic that was proclaimed on 25 February 1988. significant factors influenced the choice of the time-frame of the study. The emergence of the Sixth Republic with Roh Tae Woo as President ushered in a new era and new ethos in the domestic politics. The most striking and positive feature of the new era was not only the dramatic and democratic circumstances in which the Sixth Republic emerged following the historic December 1987 Presidential elections, but also the consolidation of liberal democracy and the citizens' growing confidence in the viability and creditability of the political processes during the last about five years.

The changed domestic political setting coupled with exceptionally remarkable economic progress in the mid 1980s enabled the Roh Tae Woo administration to review the principles and premises of South Korea's foreign policy. The late 1980s also witnessed profound and pervasive changes in the international, political, strategic and economic environment. The world was witnessing an unprecedented transition from confrontation to dialogue and from tension to detente. The rapidly changing domestic, peninsular, regional and international ambience provided both a

challenge and an opportunity to the Roh Tae Woo administration to restructure and reformulate the perspectives and priorities of the nation's foreign policy.

This study has been divided into four chapters followed by a conclusion.

Chapter I provides an overview of the four decades of Korea's foreign policy from 1948 to 1988.

Chapter II discusses the circumstances and significance of the historic transition from the Fifth to the Sixth Republic. It examines the rationale and thrust of the new Nord Politik and surveys Korea's relations with the Soviet Union, countries in Eastern Europe, China and Vietnam.

Chapter III analyses the changing nature of Korea's relations with the United States and Japan.

Chapter IV focuses attention on the challenges faced and responses displayed by Korean foreign policy makers in the 1990s. To begin with, there is an examination of Korea's mature handling of its role in the Gulf Crisis of 1991. The next sub-section deals with Korea's entry into the United Nations - graduating from an observer to an active and fully participating member. Finally there is an evaluation of the

nature of Korea's economic cooperation in the framework of the fast emerging, growingly protectionist international economic order.

The final section of the dissertation presents the conclusions of the study.

#### CHAPTER I

### KOREA'S FOREIGN POLICY FROM THE FIRST TO THE FIFTH REPUBLIC: AN OVERVIEW

The Republic of Korea emerged on the international arena on 15 August 1948. It emerged three years after the end of thirty five years of Japanese colonial rule on 15 August 1945. It was probably the only nation where the end of colonial rule did not immediately and logically lead to the emergence of an independent state. The transition to independent statehood from colonial liberation was, however, a complex process. It was also marked by controversy.

Developments of extra-ordinary significance took place one after another during the intervening period between the defeat of Japan and the resultant collapse of colonial order in Korea and the proclamation of the Republic in Seoul. The influence and significance of these developments went beyond the context and circumstances in which they arose. They influenced the paradigm and priorities, the objects and orientation, the contours and concerns of the fledgling state's foreign policy.

The foreign policy priorities were four fold:

a) to gain international political and diplomatic recognition as the only lawful, representative and viable government in the peninsula;

- b) to ensure its political and systemic survival;
- c) to align itself ideologically on the side of those governments that were opposed to communism; and to
- d) to maintain special relations with the United States.

One of the most important objectives and the first concern of foreign policy of the new government in Seoul was to convince the world that it alone was the government in the entire Korean peninsula. It maintained that the Seoul government's legitimacy was vindicated by two developments : one was during the antestate phase and the other within six months of its coming into existence. Both the developments were connected with the United Nations. The international organization was instrumental in the creation of the Republic of Korea and the Seoul government may be said to be its progeny. On 12 December 1948, the UN General Assembly passed a resolution declaring the Korean government to be a "lawful government" that "is based on elections which were a valid expression of the free will of electorate of that part of Korea (i.e. South of 38th parallel) and that this is the only such government in Korea. The Seoul government perceived this resolution as a triumph of its search for international recognition and

<sup>1.</sup> U.N. Document, A/Ac 19/78. cited in Soon Sung Cho, Korea in World Politics, (Berkely, 1967), p.216.

legitimacy. Following the General Assembly resolution of 12 December 1948, a number of countries led by the United States accorded full diplomatic recognition to the Seoul government. Within less than two years of its formation the Seoul government entered into formal diplomatic relations with twenty-one nations. However, there was a setback for the Seoul government when on 19 January 1949, its first application for membership to the United Nations was rejected. It failed due to the negative vote of the Soviet Union in the Security Council. It continued to apply for the membership of the United Nations from time to time as it felt that it was its legitimate right to enter the world body.

It is axiomatic that the principal objective of any State's foreign policy is to ensure its stability and security. Korea's foreign policy was no exception. However, the extent and magnitude of threat perception and the methods of meeting the threat have varied from state to state. The regime in Seoul under the leadership of President

<sup>2.</sup> Byung Chul Koh, "The Foreign Policy System of North and South Korea", (Berkely, U.C. Press, 1984), pp. 9 and 21.

<sup>3.</sup> Korea established resident embassies in 17 countries during the period, 1948-61. For details see, <u>Foreign Policy for Peace and Unification</u>, the Institute of East Asian Studies (Seoul), 1975.

Syngman Rhee was known for its strident anti-communism and for assigning the highest priority to close ideological, political, economic and military relations with the United States.

The United States on its part attached great importance to its strategic and political relations with Korea. It played a decisive role in the emergence of the government in Seoul in August 1948. It terminated its three year old military government in Korea only after ensuring that the new government in Seoul would broadly share its pespective in the Asia-Pacific region in general and the Korean peninsula in particular. On the international front, the United States championed the cause of the Republic of Korea and supported it diplomatically.

#### THE KOREAN WAR

The Korean War broke out on 25 June 1950, with a planned and coordinated North Korean attack across the 38th parallel.<sup>4</sup> The United States intervened promptly and massively because it viewed the North Korean offensive essentially as a Soviet attack.<sup>5</sup> The U.S. took a firm stand

<sup>4.</sup> For a more recent discussion on the Korean War, see, Korea and World Affairs (Seoul, 1990), vol.XIV, No.2.

<sup>5.</sup> Gleenpaig, "The Korean Decision" (New York, 1968) also see, Zbigniew Brezezneski, "How the Cold War was Played", Foreign Affairs (1972), vol.51, no.1, pp.181-209.

as the commander-in-chief President Truman issued the order on 25 June 1950, for American Air and Naval Forces to quell what he viewed as communist aggression in Korea. The U.S. furnished a total of over 15 billion dollars as a cost of responding to the crisis. More importantly well over a million American soldiers participated of whom about 140,000 suffered casualties including some 25,000 killed in action.

The War in Korea between June 1950 and July 1953 was a watershed in its contemporary history. It brought about significant changes in Korea's domestic politics as well as in its external relations. It clarified the symbiotic nexus between security and stability. It strengthened and solidified the bilateral security ties between Korea and the United States. "The War shifted the containment policy in Asia from the Soviet Union to China. While United States intervened in Korea ostensibly to stop Russian communism, by the War's end the containment of China was the principal goal of American Far Eastern Policy". It invested the United Nations with the task of guarding and guaranteeing the Military Armistice Agreement of 1953. All these factors

<sup>6.</sup> Lim Hyun Chin, "Dependent Development in Korea, 1963-1979", (Seoul) p.47.

<sup>7.</sup> Sung Moon Pae, "Two Korea's Foreign Policy-Making: The Impact of the North-East International System", <u>Korea Observer</u> (Seoul, 1981), Vol.XII, No.3, p.260.

began to influence and define the new priorities of Korea's foreign policy.

Korea's foreign policy concerns began to centre around Korea-US security, political and economic relations. The most concrete expression of these concerns was the US-Korea Mutual Defense Treaty which became operational in 1954.8

During the period 1945-1976 American economic and military aid alone reached 12.6 billion dollars, or roughly 500 dollars per capita. Then, gradually economic aid was phased out and the bilateral trade relationship was strengthened. Since the beginning of 1960s, bilateral trade between Korea and US has steadily developed. Until the later part of the 1970s and the early 1980s, the American balance of payments was generally favourable. 9

#### THE SECOND REPUBLIC, 1960-1961

The simmering discontent against Syngman Rhee's government exploded in the form of Student

<sup>8.</sup> Frank Baldwin (ed.), "Without Parallel: The American Korean Relationship Since 1945", (New York, 1973), p.17.

<sup>9.</sup> Bae Ho Hahn, "The Korean-American Alliance: Its Evolution, Transition and Future Prospects", <u>Asian Perspective</u>, (Seoul, 1983), Vol.7, No.2, p.209.

Revolution in April 1960.<sup>10</sup> Although the fall of Syngman Rhee government heralded a new chapter in Korea's domestic history, it did not bring about any change in its foreign policy.

# MILITARY RULE, THIRD AND FOURTH REPUBLIC: THE PARK CHUNG-HEE ERA, 1961-1979

The seizure of power by the military in May 1961 was an event of extraordinary significance in the contemporary history of Korea. In fact, it has been observed that the capture of power by the military in 1961, was only the second such event in the entire history of Korea. 11 The significance was not confined to domestic politics only. It effected national economy, security and foreign policy also. Indeed, Park Chung Hee's rule lasting over 18 years from 16 May 1961 to 26 October 1979 left an indelible imprint on every major aspect of national life including politics, society, economy, foreign policy and North-South Korea relations. 12 The striking and substantive changes in the

<sup>10.</sup> For detailed analysis, Yong-Pil Rhee, "The Breakdown of Authoritarian Structure in Korea in 1960: A Systems Approach, (Seoul National University Press, 1982).

<sup>11.</sup> See, Gregory Henderson, <u>Korea: The Politics of the Vortex</u> (Cambridge: Harvard University Press, 1968).

<sup>12.</sup> For details, see, S.J. Kim, "The Politics of Military Revolution in Korea", (University of North Carolina Press, Chapel Hill, 1971).

strategy of economic development; the restructuring of Korea-Japan relations and the reinforcing and expanding areas of military cooperation between Korea and the United States became the main concerns of Korean foreign policy during the Park era.

Planned economic development and export led industrialization injected dynamism and gave a new direction to the national economy by the Supreme Committee of National Reconstruction (SCNR) set up by the military junta. The SCNR was headed by Park Chung Hee. Given the paucity of industrial resources, the lack of domestic capital and the weak technological base, the Park regime advocated the launching of the Five Year Plans and the state led export oriented industrialization.

The Park regime gave absolute priority to the export of value added manufactured goods beginning with textile apparel, footwear, wigs and low level electronic goods. Gradually it moved on to less labour intensive and more capital and technology intensive products. The Park government considered the massive inflow of foreign capital and technology as a pre-requisite for export oriented strategy of development. Thus the shift in Korean strategy of development was a conscious and calculated policy change. To be sure the change in policy had to be seen in the larger

context of changes in the international economic environment.

The escalation of the conflict in Vietnam and the United States keenness to involve its military allies in Asia added a new dimension to the United States security relations with two of its leading Asian allies, Japan and Korea. The U.S. seemed to have redoubled its efforts to help to resolve the problem of abnormal relations between Korea and Japan. The abnormality was caused by a number of factors including the bitterness generated by the ruthless Japanese colonial rule, the discrimination to Koreans in Japan and their social economic and legal status. Although the four rounds of Korea-Japan talks were held between October 1951 and April 1960, they turned out to be a futile exercise. 13 There was a change in the background and generation of leadership in Seoul that emerged following the military coup d'etat led by Major General Park Chung Hee.

It is against this background that the most significant shift in Korea's foreign policy took place in the mid 1960s when Korea-Japan Normalization Treaty $^{14}$  was concluded amidst

<sup>13.</sup> Refer, Jung-Hoon Lee, "Korean-Japanese Relations: The Past, Present and Future", <u>Korea Observer</u> (Seoul: 1990), 21 (2), pp. 159-178.

<sup>14.</sup> Youngnok Koo and Sung-Joo Han ed, "The Foreign Policy of the Republic of Korea", (Columbia University Press, New York, 1985), pp.168-176.

widespread protest. 15 In the treaty, Japan recognized the government of the Republic of Korea as the "sole legal" government of Korea. At the same time, Japan agreed to extend 300 million dollars in outright grants, 200 million dollars in government administered soft loans and 300 million dollars in private credits. In return, Korea agreed to establish a 12 mile limit to its territorial waters and to cooperate with Japan in fisheries outside territorial waters. 16 A number of institutional mechanisms were established during the Park Chung Hee period to sustain and strengthen the official relations between Seoul and Tokyo. These included Korea-Japan ministerial conferences, the Korea-Japan high-ranking working-level meetings, the Korea-Parliamentarians League and Korea-Japan Japan the cooperation Committee. 17

After the normalization, Japan's economic assistance became a major factor in the economic growth of Korea. By 1971, Japan took over the United States position of number one and continued to maintain the position, both in terms of

<sup>15.</sup> For the full text of the treaty, see, <u>Korean Quarterly</u> (Seoul, 1965-66), vol.8, no.1, pp.119-120.

<sup>16.</sup> Hee-Suk Shin, "Analysis of Public Opinion in the Process of Japan's Foreign Policy-making with Special Reference to the Normalization of Korea-Japan Relations (1965), Korea Observer, (Seoul, 1980), vol.XI, no.2.

<sup>17.</sup> Jung-Hoon Lee, "Korean-Japanese Relations...", F.n. 13.

amount of investment and in the number of actual instances of investment in Korea till 1980s. The total number of foreign investment cases between 1962 and 1985 reached 1186 amounting to 2.65 billion dollars. Japan accounted for 51.6% of the total 1.37 billion dollars in 772 projects followed by the United States with 29.1 percent accounting for 771.5 million dollars in 248 projects. 18

Japan is not only Korea's most important source of foreign loans and investment capital but also its most important trading partner. Since the treaty, Japan has become the largest supplier of Korean imports and the second largest outlet for its exports. Between 1965 and 1975, Japan's market share of Korean imports was 33.6 percent, surpassing the American share of 27.4 percent, while Japan's intake of Korean exports was 28.6 percent, next to American intake of 36.2 percent.

If one of the main objectives of Korea's foreign policy during the initial years of Park Chung Hees era was to bring about rapid development of Korean economy by inducings Japanese capital and technology, the objective was achieved. This became evident from the fact that there was remarkable

<sup>18.</sup> Calculated from, <u>Korea and the World</u>, <u>Key Statistics</u>, (Korea Foreign Trade Association, Seoul: 1991).
Also see, <u>Major Statistics of Korean Economy</u>, (National Statistical Office, Seoul: 1991.

structural transformation accompanied by impressive and sustained rate of growth and phenomenal rise in exports. All this could not have been possible without the incredible industriousness of Korean people and massive inflow of foreign capital and technology. And yet the development of bilateral economic relations did not necessarily lead to an improvement in the overall relations between Korea and Japan. The heavy dependence of Korea on the import of machinery and technology from Japan inevitably brought about asymmetry and imbalance in the bilateral trade. The trade deficit became a chronic feature and led to serious irritants and frictions between the two countries from time to time. 19

A number of non-economic factors tended to vitiate bilateral relations during the Park Chung Hee era. The kidnapping incident of Kim Dae Jung on 8 August 1973 severely strained the bilateral relations between Seoul and Tokyo. The manner in which he was kidnapped from a Tokyo hotel became an extremely controversial issue and rocked the bilateral relations. It looked as if the bilateral official relations would reach a point of no return unless the issue was amicably settled.

<sup>19.</sup> Korea Annual (Seoul, 1986), p.152.

Korea-Japan relations were further exacerbated in 1974 with the arrest and trial of two Japanese youths in Seoul for their alleged involvement in a plot to overthrow the Korean government. An even more serious difficulty in Korean-Japanese relations in 1974 centred on Japan's alleged responsibility in the attempted assassination of President Park. While President Park escaped the 15 August attack, his wife was killed by Moon Se-Kwang, a Korean resident of Japan. Charging the incident had been plotted and prepared in Japan, the Korean government demanded not only an apology from the Japanese government but also a promise that it would restrict the activities of the communist-controlled Chosen Soren thought to have masterminded the assassination plot. Despite this pressure from Seoul, the Japanese government remained basically unmoved and refused to assume any responsibility.<sup>20</sup>

The escalation of conflict in Vietnam created a new situation in Asia. The United States forces were facing increasing resistance in South Vietnam by mid 1960s. Faced with the dilemma of being unwilling to withdraw and unable to win, the United States chose to involve itself more

<sup>20.</sup> Hong N. Kim, "Japan's Policy Towards the Korean Peninsula Since 1965", in Tae Hwan Kwak (ed.), <u>The Two</u> <u>Korea's in World Politics</u> (Seoul, 1983), pp.305-330.

deeply militarily and also sought to involve military forces of its allies in Asia under the 'More Flags' campaign.

Korea, in pursuance of its overall foreign policy objective, had lent an unequivocal support to the U.S. ideological, military perspective and position in Vietnam. The deterioration of the U.S. military position in Vietnam was seen as a set back for the forces opposed to communism. Korea decided to responded positively to the "More Flags Campaign" by agreeing to dispatch tens of thousands of its troops to Vietnam. From 1964 to 1973, approximately 312,000 Korean troops were deployed to Vietnam under the terms of secret Brown Memorandum of 4 March 1966.<sup>21</sup> As per the terms of the memorandum the U.S. agreed to meet all the expenses of Korean forces in addition to providing billions of Dollars worth of new military equipment assistance to Korean businessman in Vietnam, and employment of Korean civilian workers in Vietnam.<sup>22</sup>

Although on 5 February, 1954, President Rhee had offered a Korean division to fight in Laos, the offer was turned down by the United States for variety of reasons. And yet a decade later, the US was desperately seeking the

<sup>21.</sup> Frank Baldwin, "Without Parallel...", f.n.8, p.27.

<sup>22.</sup> Ibid., p.28.

services of Korean forces in Vietnam. The scale magnitude of Korean military involvement in Vietnam was probably next to only the United States. If the objective of sending Korean troops to Vietnam was to ensure the victory of the United States in Vietnam, the objective was not realized. Infact the U.S. suffered one of the worst defeats in its post-Second World War era. It took many years for the US to recover from the so-called "Vietnam syndrome". As far as Korea was concerned, there were three major consequences of its military involvement in Vietnam. Τt further strengthened its military and ideological ties with the United States. The Korean leadership sought to capitalize on its strengthened ties. More specifically, it sought greater assistance to beef up its defence capabilities through its military modernization programme. It maintained that in the post-Vietnam Scenario, North Korea would be emboldened to pursue its long standing objective of communizing the whole peninsula in the name of reunification a la Vietnam. pre-eminent position of the military in Korean polity and society was further consolidated as a result of massive military involvement in Vietnam. Finally there was substantial economic fallout of military involvement in Vietnam through direct and indirect inflow of foreign exchange which in turn contributed to accelerating the growth of the Korean economy.

The Presidential election in 1971 was an event of considerable significance in contemporary Korean political history. Although the incumbent President Park won the elections it became clear that there was a serious challenge from civilian democratic forces spearheaded by Kim Dae Jung to the military dominated power base represented by Park Chung Hee. While the crucial issues in the 1971 elections revolved around the nature of polity and the objects and instruments adopted by those in positions of power and authority, the issue of how to perceive the changing international environment specially around the Korean peninsula did figure in the political and academic debate. In other words, there was the debate about the relevance of the old parameters and framework for Korea's foreign policy the context of changing international strategic environment. More specifically, the sharp deterioration in the Sino-Soviet relations -even leading to armed clashes on the borders -necessiated a review of the old foreign policy framework of a number of countries including the United States, Japan and Korea. The United States and China began the process of reconciliation and rapprochement. Japan did not lag behind. It wanted to change its old policy of separating economics from politics in its relations with China. All these changes brought about a shift in its policy towards North Korea and also towards countries that had

recognized North Korea. The most dramatic development in the Korean peninsula was the 4 July 1972 North-South Joint Statement<sup>23</sup> in which among other things, three principles of reunification were agreed upon by Seoul and Pyongyang.

On 23 June 1973 President Park Chung Hee announced a new set of guidelines for foreign policy and reunification reflecting the changes in the international environment and the post 1971 election situation on the Korean peninsula.<sup>24</sup> The U.S.-China and China-Japan rapprochement put pressure on Korean policy makers to change their postures towards China and the Soviet Union immediately. On 23 June 1973, President Park declared a willingness to treat with cautious cordiality those communist countries that were not hostile to Korea. This statement is commonly known as the 23 June Declaration which emphasised that as long as the communist countries, including China, the Soviet Union and East European countries, do not take hostile attitudes towards Korea, it would open its doors widely to establish contacts. North Korea was excluded from the list of non-hostile communist countries.

<sup>23.</sup> For details and text of the Joint Statement, See, A White Paper on South-North Dialogue in Korea, (National Unification Board, Korea, Seoul: 1988).

<sup>24.</sup> R.R. Krishnan, "March Towards Detente", <u>Weekly Round</u>
<u>Table</u> (New Delhi, December 1972), pp.37-38.

During the 1970's, Korea began to lay special importance to the development of relations with developing non-aligned countries in South and South-east Asia, Africa and Latin America. For example, it tried to strengthen its relations with India, Malaysia, Indonesia, the Philippines, Nepal etc.<sup>25</sup>

The 1970's also witnessed a new dimension in Korean foreign policy when Korea began to recognize and stress the importance of resource diplomacy. In fact, the importance of resource diplomacy had come to be recognized since the early 1960s when Korea had started assigning absolute priority to export of manufactured goods to the international market. However the first oil crisis of 1973-74 made the Koreans realize the problems of complete dependence on imported oil from the Middle East and the steep rise in the international price of oil. The quadrupling of oil prices in 1974 seriously affected the trade balance of developing countries including Korea. The second oil crisis of 1974 further underlined the need to diversify the energy resources as well as to enter into long term agreements for the supply of

<sup>25. &</sup>lt;u>Foreign Policy for Peace and Unification</u>, The Institute of East Asian Studies (Seoul, 1975), pp.62-65.

oil, in return for investment and joint ventures as was done with Indonesia, Brunei etc.<sup>26</sup>

## THE INTERIM PERIOD AND THE FIFTH REPUBLIC: THE CHUN DOO-HWAN PERIOD, 1979-1987

The assasination of Park Chung Hee on 26 October 1979 by Kim Jae Kyu, Director of KCIA, shook the foundations of political system built over 18 years since the 16 May 1961 military coup. In the moves and counter moves to take over the reigns of power, Major General Chun Doo Hwan, who as the commander of the defense security command was assigned the task of investigating the assassination of Park Chung Hee, arrested Army Chief of the staff and Commander, Law General Chung Sung Hwa as an accomplice Martial of Kim Jae Kyu on 12 December 1979.27 Many have portrayed the arrest of the Army Chief of the Staff by Major General Chun Doo Hwan as the first coup staged by the latter to capture power. The second coup came few months later when General Chun Doo Hwan became the Chief of the KCIA. Political events followed in quick succession after

<sup>26.</sup> Unpublished M. Phil Dissertation, Priti Dubey, "Energy Resources and Economic Development in the Republic of Korea, (1962-1985), Centre for East Asian Studies, School of International Studies, JNU, PP.50-57.

<sup>27.</sup> Young-Hwan Kihl, "Korea's Fifth Republic: Domestic Political Trends", <u>Journal of Northeast Asian Studies</u>, (Washington, D.C. 1982), vol.1, no.2, pp.37-55.

Choi Kyu Ha stepped down as President on 16 August 1980, although without bringing the Fourth Republic to an end. This he obviously did in order to pave the way for the formal installation of General Chun Doo Hwan, who had received the endorsement of the chiefs of staff and ranking commanders of the armed forces for the presidency on 12 August, and was elected unopposed to the presidency by the National Conference for Unification on 27 August 1980.<sup>28</sup>

In the late 1970's and particularly in late 1979, Korea was not only facing a deep political, but also a major economic, crisis. For the first time since 1962, the Korean economy was facing a negative growth rate. The full consequences of the second oil crisis began to be felt in the Korean economy as the international oil prices soared. The rate of inflation also reached an alarming level of 40 percent in 1980 and the food grain production had been badly affected as the result of an unprecedented drought. Thus the assassination of Park Chung Hee, the open struggle for power among the top brass of the Army, the sudden deterioration in the economy and the widespread, unabating anti-regime demonstrations and protests culminating in the unprecedented Kwangju uprising kept the post-Park leadership busy with

<sup>28.</sup> Young-Hwan Kihl and Harold C. Hinton, "Korea Under New Leadership: The Fifth Republic", <u>Praeger Special Studies</u> (1983), pp.48-49.

domestic issues. It was therefore not surprising that there was hardly any significant move in the area of foreign policy until Chun Doo Hwan consolidated his power.

However beginning with President Chum's visit to the United States in February 1981, an active phase in the Korean foreign policy in the 1980's began. More than anything else, the significance of the visit was seen as the United States' continued support to the Seoul government even though the democratic credentials of the government was suspect and its credibility was rather low after the manner in which the Kwangju uprising was suppressed.

In the first half of 1980s Korea began to assign an important place to developing and newly emerging countries in Asia and Africa with a view to expanding its political and economic interactions with them. President Chun's visit to all the ASEAN countries (Thailand, Indonesia, Malaysia, Singapore and the Philippines) in June 1981 and four African countries (Nigeria, Kenya, Senegal and Gabon) in 1982 was the expression of this new outlook in Korea's foreign policy.

However the most important development in the foreign policy of the Fifth Republic was to seek further improvement in Korea's relations with Japan. On 6 September 1984 President Chun made a three-day state visit to Japan. It was

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for the first time that a Korean head of State went on an official visit to Japan. President Chun's historic visit underlined the policy of Korea to achieve peace and harmony amongst neighbours as well as to overcome the unhappy past. Diplomatically, though the visit was intended to reciprocate Japanese Prime Minister Yasuhiro Nakasone's similar visit to Seoul in January 1983, which paved the way for solution of Korea's 4 billion dollars aid request. The focus, this time, was on President Chun's meeting with Emperor Hirohito. For the first time, Emperor Hirohito delivered a formal expression of "regrets" for his country's colonial rule over the Korean peninsula for 35 years until 1945. President Chun's visit, overshadowed by the symbolic gesture given by Imperical Palace, offered little room to discuss the real issues such as the mounting trade deficit, technology transfer and improved treatment for thousands of Koreans living in Japan.

In the wake of the Rangoon incident and the shooting down of a Korean Air Lines (KAL) Boeing 747 by Soviet jets, 29 President Chun asked Prime Minister Nakasone not to move too quickly in resuming contacts with Pyongyang. He was firm on the belief that Japan should do nothing substantial

<sup>29.</sup> For details, see, <u>Korea Annual</u>, 1985, Also. Byung-Joon Ahn, "The Soviet Union and the Korean Peninsula", <u>Asian Affairs</u>, (Winter 1985), Vol. 11, no.5, p.49.

in the way of opening diplomatic relations with Pyongyang until China or the Soviet Union was ready to take similar steps with regard to Seoul.

President Chun's second visit to Washington in April 1985 underlined the importance of the US-Korean alliance. The talks between President Chun and President Ronald Reagon focused almost entirely on security and trade. The reports of illegally sales of 84 American Combat helicopters surreptitiously delivered to North Korea through West German import agents rocked South Korea.

At the economic level, trade friction was on the rise. In 1984, with the U.S., Korea enjoyed a trade surplus of some 3.5 billion Dollars. To remove this imbalance, the Reagan administration has been pressurising Seoul to open up its market to American products and services. The question of intellectual property-patents and other invisible assets also surfaced as a major concern in trade negotiations.

#### CHAPTER II

### EMERGENCE OF SIXTH REPUBLIC AND THE MAKING OF THE NEW NORDPOLITIK: NEW THRUST AREAS

The political crisis that had begun with the Yushin system<sup>1</sup> in October 1972 did not end with the death of President Park Chung Hee in October 1979. His assassination merely ended the first phase of the crisis. The second phase began with the seizure of power on 12 December 1979 by Chun Doo Hwan and ended with the proclamation of the Fifth Republic in 1981. The circumstances in which Chun Doo Hwan seized power on 12 December 1979 and the manner in which he organized the transition from the Fourth to the Fifth Republic did not endear him to the people.

The political crisis deepened further when the opposition launched an unprecedented campaign for the ninth amendment of the constitution. The ninth constitution amendment debate began in February 1986 when the main opposition, the New Democratic Party and its ally -the Council For the Promotion of Democracy - launched a nation-wide campaign to collect 10 million signatures. President Chun and political leaders agreed to revise the constitution before President Chun's single seven year term expired in February 1988.

For a detailed analysis, see Hak-Kyu Sohn, <u>Authoritarianism and Opposition in South Korea</u>, (London, 1989).

On 13 April 1987, President Chun announced his decision to suspend the constitutional debate until after the Seoul Olympics, which resulted in fierce nation-wide protests. Bowing to the popular pressure for constitutional revision, the ruling Democratic Justice Party (DJP) Chairman and the Presidential candidate, Roh Tae Woo, announced surprise measures on 29 June 1987. The measures accommodated the opposition demands for a direct presidential election, local autonomy, freedom of the press, release of selected political prisoners and restoration of the civil rights of longtime dissident Kim Dae Jung and other anti-government activists. President Chun endorsed Roh's formula on 1 July 1987. Negotiations on constitutional revision between the Democratic Justice Party and Reunification Democratic Party (RDP) began on 31 July 1987. It took about one month to complete the negotiations. The draft constitution was passed by a vote of 154-4 by the National Assembly on 12 October 1987 and finalised in a national referendum on 28 October 1987.

The first direct popular presidential election, in Korea since 1971, which took place on 16 December 1987, marked the beginning of the transition from authoritarianism

<sup>2.</sup> For further details, refer <u>Korea Annual</u>, 1988, pp.89-90.

to democracy. The Democratic Justice Party candidate Roh Tae Woo won the election. $^3$ 

It was against this background that the Sixth Republic emerged on 25 February 1988. To be sure there were a number of issues revolving around the liquidation of the illeffects of the Fifth Republic that remained to be resolved in the first few months of the Sixth Republic. Among the more prominent issues were the corruption and nepotism of Chun Doo Hwan and his close family members, blatant abuse of power and authority, the assault on the political freedom, civil rights and liberties of the citizens, revamping of the national security law, revoking of stringent labour laws and the repression in Kwangju. These issues aroused intense and widespread hostility against Chun Doo Hwan and there was an irrepressible demand for appropriate punishment to be meted out to Chun Doo Hwan even though he was out of power. However the crucial measures to sever the umblical cord that bound the Fifth and the Sixth Republic were temporarily suspended due to the Seoul Olympics. The agitation against

<sup>3.</sup> Roh Tae Woo polled about 8.3 million votes or 36.6 percent of the total 23 million votes. Kim Young Sam and KIm Dae-Jung, who were thought to be in a neck to neck race with Roh Tae Woo during the campaign period, received just 28.1 percent or nearly 6.34 million votes, and 27.1 percent or 6.1 million votes respectively.

Source, Korea Annual, 1988, p.77.

Chun Doo Hwan was resumed after the Olympics in all its intensity. It may be said to have subsided only after Chun Doo Hwan bowed to the people's wishes and aplogized to the nation and pledged the citizens to forgive him for his misdeeds in his famous statement of 23 November 1988.4

#### NEW NORDPOLITIK

A significant transformation was also seen in the domain of foreign policy. An interesting exercise of reviewing the hitherto foreign policy premises, priorities and projections in the context of the rapidly changing international environment was undertaken. This seems to have become all the more imperative after Mikhail Gorbachev announced the policy of "Perestroika" and "Glasnost" global implications. 5 One of the inexplicable developments during the Fifth Republic was the mismatch between the booming economic growth and the collapsing political order. Furthermore, the Korean economic power and clout came to be internationally recognized. Thus with the successful resolution of the political problem through the democratic election of December 1987 and with changes in

<sup>4.</sup> Korea Herald (Seoul, 24 November 1988).

<sup>5.</sup> See, William Smirnov, "Political Reforms and Economic Changes in the Soviet Union: An Uneasy Relationship", in <u>Korea and World Affairs</u>, Vol. 14, No.3, (Seoul: 1990), pp.441-54.

international environment, it became both necessary and feasible to take bold initiatives in reformulating foreign policy goals and priorities and in restructuring external relations.

It was against this background that the first major foreign policy statement of President Roh Tae Woo on 7 July 1988, 6 in which he set forth the country's new Nordpolitik towards the communist countries, has to be seen. The statement consists of the following six principles:

- Promotion of personal exchanges in various fields between South and North Korea and permission of visits to South and North Korea by Korean residents abroad;
- 2. Encouragement of exchanges of correspondence and mutual visits of separated families;
- 3. Promotion of trade between South and North Korea and treatment of South-North trade as internal trade;
- 4. Promotion of balanced economic development between South and North Korea, and permission of trade between countries friendly to South Korea and North Korea, provided it does not involve goods for military use;

<sup>6.</sup> For background see, <u>A White Paper on South-North Dialogue in Korea</u>, (National Unification Board, Seoul: 1988), pp.381-90.

- 5. Ending of counter-productive diplomatic competition with North Korea and permission of contact between South and North Korean representatives at international forums; and
- 6. Support for North Korea's improvement of relations with the United States, Japan and other countries friendly to South Korea and pursuit of improved relations with the Soviet Union, China and other socialist countries.

The term "northern policy" or "northern diplomacy" has been popularized since the early 1970s. It is analogous to "Ostpolitik" popularized by Willy Brandt in Germany in the 1970s. The beginning of Nordpolitik may be seen in the President Park Chung Hee's statement on 23 June 1973, when he said he was willing to establish ties between Korea and countries with different ideological and political systems. The term came to be used for the first time in 1983 when then Foreign Minister Lee Bum-Suk gave a speech at the National Defence University. He defined northern policy as follows:

"Our most important foreign policy goal in the 1980s is to prevent the recurrence of war on the Korean peninsula, and our most important diplomatic task is to pursue the

<sup>7.</sup> For the full text, see, <u>Korea and World Affairs</u>, (Seoul, 1988) Vol. XII, No.3, pp.627-30.

northern policy successfully which aims at normalizing relations with Soviet Union and China".8

The new Nordpolitik initiated by Sixth Republic was a fresh attempt to project a new mode of Korean foreign policy appropriate for the changing international and domestic environment, mainly related to security, economic, diplomatic, political and cultural dimensions.

From the very beginning, Korea's Northern Diplomacy was largely motivated by an intention to preserve peace and security in and around the Korean peninsula. The rapidly changing security environment of Northeast Asia stressed the need to diversify Korean security options primarily based on cold war confrontations and super power rivalry. The Guam Doctrine issued by President Richard Nixon in July 1969 was interpreted to mean that the US role in Korea would be drastically reduced in the future. Such an apprehension soon became reality when the United States announced in June 1970 its intention to withdraw one army division from Korea. Furthermore, it was announced that Henry Kissinger had made a secret visit to Beijing in July 1971 to arrange for Nixon's trip to China, which was then regarded as a country

<sup>8.</sup> Lee Bum-Suk, "Diplomacy for the Creation of the Advanced Fatherland," a speech delivered at the National Defence University, 29 June 1988. The translation is by, Sang Seek Park. Quoted in, <u>Korea and World Affairs</u>, ibid, n.7.

hostile to Korea. Korea was shocked by the sudden Sino-American detente. The sudden change in American Northeast Asia policy emerged as a crucial security problem for Korea. Another shock came in October 1971 when the US failed to prevent the expulsion of the Nationalist Chinese government from the United Nations. Beijing's entry into the UN posed a serious psychological threat to Korea. The fact that the United States - sponsored resolution for maintenance of a two-China policy at the UN failed to obtain a simple majority at the General Assembly was interpreted by Koreans as an indication that at some point in time Korea might face declining majority in support of the Korean question at the world organization. The communist success in Indo-China as well as Washington's intention to withdraw from the Vietnam War caused Korea to further question its national dependence on the United States. Against this background, the Northern Diplomacy, not surprisingly, began objective of enhancing the security of Korea and maintaining peace and stability on the Korean peninsula through rapprochement with China and Soviet Union.

As the 1980s evolved, economic interest became increasingly important in the Northern Diplomacy. 9 Economic

<sup>9.</sup> For detailed analysis, see Dalchoong Kim, "South Korea, Northern Diplomacy: Relations with Eastern Europe, the Soviet Union and China," in Dalchoong Kim & Young Sun Lee (ed). "Vietnam-Korea Economic Cooperation", Institute of East and West Studies (Seoul, Yonsei University, 1991), pp.193-210.

motivation in Korea's relations with communist countries derived from domestic need. During the past two decades, the Korean economy grew at an average annual rate of over 7 percent moving it from an underdeveloped, low-income country to newly industrializing country. Export-led development strategy adopted by Korean Economic Panning Board (EPB) has itself reflected the lack of natural resources and limited domestic market.

Traditionally, Korean exports were directed at the two major markets. Two-thirds of exports in the early 1980s went to the industrialized countries. Japan and the United States were receiving more than 50 percent of Korean exports. These two countries were also dominant sources of Korea's imports. Market diversification was crucial for Korea. Its export-led economy was extremely dependent on the US market. Furthermore, US pressures on the trade issues has led to friction between the US and Korea and its opening up the socialist markets to any extent means a success in Korea's overall endeavor to diversify its export markets and import sources.

The substantial reforms and changes within the Soviet Union China, Eastern Europe and other socialist countries strengthened the initiatives of Northern Diplomacy. It can be said that Korea's northward initiative would not have

been as successful had it not been for a reciprocal change in the Soviet and Chinese perception of Korea. 10 Beginning with the economic reforms undertaken under the leadership of Deng Xiaoping, and the twin policies of Perestroika and Glasnost in the Soviet Union under Mikhail Gorbachev both of these communist powers had reassessed their relationship with Korea.

From the Korean perspective, the pursuit of northward diplomacy also had ample domestic political considerations. For instance, the former government under the leadership of President Chun Doo Hwan clearly lacked legitimacy from the very outset of its administration and was beset by severe opposition. Chun Doo Hwan rose to power following the death of President Park Chung Hee in October 1979 and was not able to fully consolidate his power following the Kwangju incident in May 1980. In addition, his government inherited all the hostility and antagonism toward a military – authoritarian government that had been generated under the Park government. Against this background, President Chun exerted efforts to build his political legitimacy on the peaceful transition of power after serving a one term, seven year presidency, and upon the successful hosting of the 24th

<sup>10.</sup> For a recent analysis of Nord Politik success, See, Jae Youl, "Price of Peace", <u>Far Eastern Economic Review</u>, (Hongkong), 16 April '92.

Seoul Olympic Games. Therefore, throughout his term in office, President Chun was virtually obsessed with the successful hosting of Olympic Games as a means of enhancing his domestic political position and Korea's image abroad.

### THE SEOUL OLYMPICS

The Summer Olympics held in Seoul was by any reckoning a great success. The participation of 160 countries in the sports carnival helped Seoul to reach out to all the continents and for all the continents to reach out to Seoul as the famous emotive words of the lilting Olympic song so aptly conveyed. Korea became the Second Asian Country to host such a gigantic international sport event. Although it was a sports event it was not without political overtones and diplomatic fallout. 11 There was participation from almost all the communist countries except few. China, the Soviet Union, Romania, Vietnam, Mongolia etc. participated despite their political and diplomatic relations with North Korea. It was the first game since 1976 to receive both the American and the Soviet delegations. Korea perceived and presented the participation of almost all the socialist countries except Cuba and North Korea as a triumph of its

<sup>11.</sup> For more details on the Seoul Olympics, see, <u>Hand Book of Korea</u>, (Korean Overseas Information Service, 8th Editing Seoul: 1989).

efforts at gaining defacto political recognition and as a precursor to achieving diplomatic recognition. It also saw the successful conclusion of the Olympics as preparing the ground for the recognition of the two Koreas or the two sovereign independent Korean states by the international community.

### OPENING THE EAST EUROPEAN DOORS

After the successful completion of Seoul Olympics, Korea began to intensify its efforts to establish diplomatic relations with socialist countries. It chose Hungary as the first socialist country with whom it wanted to establish diplomatic relations. In a secret visit to Budapest on 5 July 1988, President Roh's policy aide, Park Chul-un met Hungarian officials to brief them on Korea's new open-door policy. A second Korean delegation led by Min Hyung Ki to Budapest signed the agreement to exchange permanent missions in each other's capital on 26 August 1988. The positive developments in the bilateral relations between Korea and Hungary led to the diplomatic recognition when Korea's Foreign Minister Choi Ho-Joong and visiting Hungarian State Secretary for Foreign Affairs Gyula Horn signed and exchanged the protocol to upgrade their permanent missions to Embassies on 10 February 1989.

The establishment of full diplomatic relations between Seoul and Budapest in February 1989 provided a powerful impetus to the Northern Policy. It was the first diplomatic recognition by a communist bloc nation to Korea. 12 In that sense, the establishment of diplomatic relations with Hungary was an epoch-making event in Korea's diplomatic history.

There were several reasons for both countries for encouraging and accelerating bilateral relations. Hungary realized the need for market revitalization to improve its national economy and desired to expand cooperation with capitalist countries including Korea. Korea was also keen for new patterns of economic relations with new regions due to severe trade discord with developed countries and economic regionalism exemplified by the EC. Thus, it was both beneficial and reasonable for Korea to pursue common interests.

In recent years, there has been noticeable progress in the bilateral trde relationship between Korea and Hungary. Even if the trade is still small, the recent vitality in bilateral trade is significant. Trade indicators show that in 1987, the trade volume increased by 220 percent and by 180 percent in 1988. The joint project between Daewoo

<sup>12. &</sup>lt;u>Korea News Review</u>, 4 February 1989.

Corporation and the Credit Bank to set up an automobile assembly plant was expected to encourage future joint ventures by enterprises in the two countries.

Following the footsteps of Hungary, most East European states have established diplomatic relations with Korea. On 27 December 1989, Yugoslavia signed an agreement with the Korean government to open diplomatic channels. On the final day of the Olympics, the Yugoslavian government opened a trade office in Seoul, in the wake of a Korean office opening in Ljubljana on 13 June 1988. Korean exports to Yugoslavia increased from \$ 4,115,000 in 1984 to \$ 9,668,00 in 1986 and \$ 15,992,000 in 1987. 13 Korea was expected to set up a joint textile and garment making plant in Belgrade and Kolon was to provide \$5 million worth of sports goods and electronic equipment to the Yugoslav Mona trading group. 14

Similarly, Poland established an official relationship with Korea on 1 November 1989. Along with Yugoslavia and Czechoslovakia, Poland had taken part in the Korean Trade Fair (SITRA '88) in October 1988. Czechoslovakia and

<sup>13.</sup> Korea Times (Seoul) 5 October 1988, p.5.

<sup>14.</sup> For further details, see. <u>Korea News Review</u>, 17 November 1990.

Bulgaria reached an official agreement with Korea on 22 March and 23 March 1990 respectively. 15 Hanil Synthetic Fiber Company became the first Korean firm to do business with Czechoslovakia, signing a contract to ship \$ 5 million worth of sweaters and other textiles. Romania also established diplomatic relationship with Korea on 20 March 1990.

To coordinate the economic activities with Eastern Europe, Korea set up in September 1988 a special task force with the provisional name of Working Level Economic Policy Committee for Trade with the communist countries, headed by Deputy Minister of Economic Planning, Mr. Moon Hi-gab. In the meanwhile, a private economic consultative body concerned with trade with communist countries was created on 12 October 1988 consisting of representatives of the Korea Trade Promotion Corporation, the Federation of Korean Industries, the Korean Federation of Small Business and the Major Enterprises. Concurrently, a consortium of top Korean banks was coordinating discussion on credit and exchange facilities with East European Countries.

## KOREA AND THE SOVIET UNION

We had earlier noted that the emergence of the Sixth Republic was a turning point in the domestic history of

<sup>15.</sup> The Korea Herald, 24 March 1990.

It was not a fortuituous conjuction that the democratic oriented Sixth Republic emerged when international environment was undergoing profound and pervasive changes. The most striking and substantive change was seen in the domestic and external policies of Soviet Union with the advent of the Mikhail Gorbachev era. His "Perestrioka" and "Glasnost" set a new agenda of reform for the Soviet government, the Communist Party, and the Soviet society. What is of immediate concern is the fundamental change in the Soviet worldview. 16 This change in the worldview was reflected in the abandonment of its policy of ideological and military confrontation with the United States and its allies and thus terminating the politics of Cold War. Its keenness to dismantle the centralized, planned socialist economy and substitute it with a market economy and capitalism. This new economic policy required the induction of massive foreign capital and technology international financial institutions and capitalist countries to reorient and restructure the economy.

The new Nordpolitik was a package of measures in response to the rapidly changing international environment and changed domestic political situation. Korea realized that the changing international environment, in general, and

<sup>16.</sup> William Smirnov, ibid, f.n.5.

the profound changes in the internal and international policies of the Soviet Union, in particular, required reformulating and restructuring its relations with the Soviet Union. It was keen to open a new chapter in its relations with the Soviet Union and put an end to the earlier policy reflexes vis a vis the Soviet Union based on mistrust and ideological hostility.

There are several factors that had contributed to the abscence of correct, let alone cordial, relations between Korea and the Soviet Union for decades. Four important factors may be mentioned here:

- a. Ideological opposition to communism;
- b. The Soviet-North Korea security, economic, political, diplomatic relations;
- c. The Soviet Union's opposition to Korea's membership to the United Nations and
- d. The Korean Airliner (KAL) incident and its aftermath. 17

The Seoul Olympics paved the way for a fundamental change in the course and content of the Korean-Soviet

<sup>17.</sup> For chronology of Korea-Soviet Relations since 1973, see, appendix 3, <u>Korea and World Affairs</u>, Vol XIV, No.4, Winter 1990, pp.781-783.

Dalchoong Kim, ibid, n.9.

Byung-Joon Ahn, "South Korean-Soviet Relations: Issues and Prospects", <u>Korea and World Affairs</u>, Vol. 14, No.4, (Seoul: Winter 1990), pp.671-686.

bilateral relationship. The San Francisco summit meeting on 5 June 1990 between President Roh Tae Woo and President Mikhail Gorbachev marked the beginning of a new era of cooperation. 18 In the first ever meeting, both Presidents agreed in principle to normalize diplomatic ties. The Soviet Foreign Minister Eduard A. Shevardnadze and Korean Foreign Minister Ho Joong Choi signed a joint communique on establishing diplomatic relations between the two countries on 30 September 1990. 19 The relationship gained impressive momentum when President Roh Tae Woo paid a State visit to the Soviet Union for the first time as a President of Korea.<sup>20</sup> On his way back to Moscow from a State visit to Japan, President Gorbachev met President Roh Tae Woo in Cheju do Island.<sup>21</sup> These three summit meetings have greatly contributed to a bilateral rapprochement.

These positive improvements in Korean-Soviet relations can be mainly attributed to two factors namely President Gorbachev's policy in East Asia and President Roh's new

<sup>18.</sup> For detailed analysis, see <u>Korea News Review</u>, 9 June 1990, pp.5-7.

<sup>19.</sup> Korea News Review, 6 October 1990, pp.4-5.

<sup>20.</sup> Korea News Review, 22 December 1990, pp.4-7. For a full text of "Declaration on General Principles of Relations between the Republic of Korea and the Union of Soviet Socialist Republics", see Korea and World Affairs, Vol. 15, No.1 (Seoul: Spring 1991), pp.131-133.

Diplomacy. Under Gorbachev's "perestroika" Northern programme, the Soviet Union paid attention to Northeast Asia. Gorbachev began to show deep interest in this region. This was evident in the speeches in Vladivostok in July 1986 and in the Soviet Asian City of Krasnoyarsk in September 1988. In his Vladivostok speech, he offered a broad overview of the region and the Soviet Union's role in it by proposing an Asia-Pacific counterpart to the "Helsinki Process" in Europe. He reminded audiences that the Soviet Union, like the United States, is an Asia-Pacific country, and that he was ready to pursue peace and stability in the region by reducing tensions with the help of United States. He raised a possibility not only removing the dangerous tension on the Korean peninsula but also of beginning to move along the path of solving the national problem of the entire Korean people.<sup>22</sup> In his Krasnoyarsk speech, he envisaged that, in the context of the general improvement of the situation on Korean peninsula, possibilities could open for establishing economic ties with Korea<sup>23</sup> which clearly placed stress on the potential for dangerous military

<sup>21.</sup> Korea News Review, 27 April 1991, p.7.

<sup>22.</sup> For details, see, Mikhail Titarenko, "Asian and Korean Security and Stability: A Soviet Perspective", Korea and World Affairs, Vol. XIII, No.2, (Seoul: Summer 1989), pp.278-96.

<sup>23.</sup> Ibid., pp.287-88.

confrontation in the Pacific and more emphasis on the Soviet desire for economic cooperation in the region.

Against this backdrop, tentative warming of Soviet-Korean economic relations began. In July 1988, the Soviet Economic Cooperation Committee of Union and Korea economic Businessmen, a nongovernmental cooperation organization, was established in both countries in an attempt to foster bilateral economic cooperation. founder of Hyundai Business group, Chung Ju-Young, unusual visits to North Korea and the Soviet Union in January 1989, to discuss the feasibility of investment in the Kum-Kang Mountains in North Korea and in Soviet Siberia. In February 1990, a consular relationship was established between the two countries. In San Francisco, President Roh and President Gorbachev agreed to establish a joint working level committee to further develop bilateral interests, such as preparing treaties to guarantee foreign investment and eliminate double taxation in the Soviet Union. "Moscow Declaration", signed by President Roh on 14 December, called for an end of the cold war in order to achieve an expansion of economic ties between the two countries. On 22 January 1991, the Soviet Union and Korea reached an agreement that Korea would extend \$ 3 billion in loans and aid to the Soviet Union over the next three years. The agreement included \$ 1.5 billion to finance Soviet imports of Korean

consumer goods and raw material, and \$ 500 million to import Korean-made industrial products. The remaining \$ 1 billion was to be a cash loan to help finance Soviet economic development. 24 Both countries also agreed to set up a Joint Committee for Economy and Technology Cooperation. Rapproachment became inevitable for economic and political reasons in both countries which provided the basis for broader economic cooperation in mutually beneficial ways.

Korea was shocked and concerned at the turn of events in Moscow following the short-lived hardliners' coup d'etat that ousted President Gorbachev. 25 Foreign Minister Lee Song Ock convened an emergency meeting of major officials on hearing the news of ouster of President Gorbachev. Although the initial official position was one of caution and unwillingness to comment about the fluid situation in Moscow, Korea took comfort in the fact that Vice President Gennady Yanayev had categorically stated that the USSR was prepared to develop further its relations with all states on the basis of universally recognised principles of good

<sup>24. &</sup>quot;USSR-All Union Topics," Radio Free Europe/Radio Liberty Daily Report, 23 January 1991: 7 cited in, Young-Shik Bae, "Soviet-South Korea Economic cooperation following Rapprochement," <u>Journal of Northeast Asian Studies</u>, (Washington. D.C., 1991), vol.X. No.1, pp.18-34.

<sup>25. &</sup>lt;u>Korea News Review</u>, 24 August 1991.

neighbourliness, equality, mutual benefit and non-interference in internal affairs of each other. Kim Chong-Whi, national security advisor to the President, however said, "Gorbachev's replacement may affect the speed with which the Soviets push their political and economic reforms, but I don't think that they will be backtracking against the trend of democratization and openness." He further added, "There will be no serious changes in the broad framework of our relations with Moscow." Kim Chong Whi quoted President Roh as having directed Foreign Minister Lee to closely follow developments in the Soviet Union and cope up with them cautiously in cooperation with Seoul's allies. 26

The collapse of the coup staged by the hardliners and Gorbachev's return to power were welcomed and hailed by Korean leadership. President Roh welcomed reinstatement of President Gorbachev and said, "Today's development is a monumental victory of the courage and resolve of the Soviet citizen toward freedom and democracy." He further added, "The unflinching faith in democracy and the leadership of President Yeltsin of the Russian republic and courageous Soviet leaders have made this victory possible, and I pay my respects to the people of the Soviet Union". Expressing his great sense of relief at the personal safety of Gorbachev,

<sup>26.</sup> Korea News Review, 31 August 1991.

President Roh said, "As one who has had three summit meetings with President Gorbachev, and had heart to heart discussions with him over such issues as democracy, market economics and world peace, the past three days for me have been period of personal anguish.<sup>27</sup>

The Soviet President Gorbachev appreciated the "solidarity" and "support" which Korea extended to the Soviet leadership during the unprecendented political crisis of August 1991. In a letter to President Roh, Gorbachev said, "I hope the relations between the Soviet Union and Korea will continue to improve. My country is going through a severe crisis and I am sincerely looking forward to your practical support at this crucial moment". 28

Although Gorbachev was reinstated after the dramatic failure of the coup, the Soviet Union or the Union of Soviet Socialist Republic as an independent, sovereign, collective, political and territorial entity began to disintegrate soon. Thus the process of dismantling the socialist system which began under the leadership of Gorbachev ended up with the disintegration of the Soviet Union as a political entity.

<sup>27.</sup> All quotes in this paragraph are from <u>Korea News</u>
<u>Review</u>, 31 August 1991.

<sup>28.</sup> Korea News Review, 7 September, 1991.

With the dissolution of the Soviet Federal System becoming a certainty by the end of 1991, the wisdom of Korea relentlessly pursuing the 3 billion dollar aid package to Moscow was being increasingly questioned.

By December 1991 Korean firms had already shipped 115 million dollars worth of 11 items to the Soviet Union and received 297 million dollars worth of letters of credit, the shipment for which will be made in two or three months. Contracts for tied loan exports currently total 527 million dollars for 32 items and the Export-Import Bank of Korea has approved 443 million dollars involving 92 projects in financial aid to exporters. Seoul has also completed the extension of 1 billion dollars in cash loans to Moscow and promised trade credit of 800 million dollars by the year 1991. Thus, so far, about 43 percent of the aid programme has been carried out. Of the remaining 1.2 billion dollars, \$ 700 million, including \$ 500 million in export financing of consumer goods, was to be extended in 1992 and the other \$ 500 million in 1993.29

Some sections in Korea, who maintain that Seoul should freeze any further loan extension to Moscow, point to the possible failure of the Soviet Federal Government to repay,

<sup>29.</sup> Korea News Review, 14 December 1991.

which would burden the Korean banks or the Korean tax payers in the end. The main question is who would repay the loan taken by the Soviet Union after the collapse of the Soviet Union - would the various republics, after their emergence as independent entities, honour the commitment that the Soviet Union had made with Korea regarding the terms and conditions of loan repayment? This loan controversy notwithstanding, the Korean foreign policy makers have been closely monitoring the rapidly changing political scenario in, what is now known as, the Commonwealth of Independent States (CIS). The Koreans are trying to maintain close links with the Baltic States, Russia, Ukraine, Belarus, Uzbekistan and other members of the CIS.

# KOREA AND THE PEOPLE'S REPUBLIC OF CHINA [PRC]

One of the most important developments in Korean foreign policy during the Sixth Republic has been substantive improvement in Korea-PRC relations. Although there was an expectation that Seoul and Beijing would establish formal diplomatic relations especially after the simultaneous and separate entry of the two Korea's in the United Nations, the expectations remained unfulfilled until May 1992. However, the course and content of Korea-China relations has undergone enormous transformation, especially in bilateral trade since 1988.

<sup>30.</sup> See, Dalchoong Kim, ibid, footnote 9.

There were several factors that had prevented the development of close relations between Korea and China during the long years from 1948-'88. Few of the more important factors may be mentioned. There was a fundamental difference in the ideological basis and the world view between Korea and China. While Korea recognized Taiwan, North Korea was recognized by the PRC. China expressed grave misgivings about Korea's relations with the US completely disapproved UN involvement in Korea. Korea-PRC relations deteriorated sharply with the outbreak of War in the Korean peninsula. China was particularly critical of the Truman administration's attempts to link the Korean problem with the China problem. It sharply criticized the interdiction of Taiwan policy. Thus Korea became a major issue in Sino-US relations. China's intervention in the Korean conflict in support of North Korea generated deep hostility in Seoul. This hostility, coupled with China's close military, economic, political relations with North Korea, became the main barrier in the conduct of normal relations between Seoul and Beijing. China on its part disapproved Korea's relations with Taiwan. The improvement in Korea-China relations was therefore dependent on the removal of the major irritants in their bilateral relations. This also required the opening up of the China's economy and modernization, an improvement international in the

environment surrounding the Korean peninsula and in inter-Korean relations.

The first clear sign of improvement in Korea-China relations was seen in the manner in which both Korea and China handled the incident of hijacking a Chinese civilian air liner in 1983. In May 1983, a Chinese air liner on a domestic flight was hijacked to Seoul by six Chinese civilians. This incident seems to have provided Korea with an excellent opportunity to have a direct contact with the Chinese authorities. This was not however the first time when a Chinese plane had violated the Korean air space. The manner in which Korea and China resolved the issue was different. 31 Rather surprisingly, China sent a team of 36 officials and a crew led by Shen Du, Director General of Chinese Civil Aviation (CCA) so that they could engage direct negotiations with a team of Korean officials led by Assistant Foreign Minister, Kang Roh Myung. In a memorandum signed by both sides for the first time, they agreed to cooperate further in case of similar emergency, thus opening the way to possibilities of more contact. 32

<sup>31.</sup> For the details of earlier and later incidents begining with AN-2 light plane incident of 1961, see, <u>Korea Annual</u>, (1986) pp.36-39.

<sup>32.</sup> Byong-Joon Ahn, "The Security Environment of Korea and East Asia," paper presented to the <u>Second Hwarangdae International Symposium</u>, (Seoul, 1983).

The Asian Games held in Seoul in 1986 not only saw an impressive Chinese participation but also an opportunity for the two countries to come closer. The Chinese participation was hailed by Korea and was seen as the beginning of a purposive defacto relationship between Seoul and Beijing. China also participated in a big way in 1988 Seoul Olympics. Two years later, it was the turn of the Korean sports persons to participate in the Asian Games held in Beijing in September 1990. China granted privileges equivalent to those of accredited diplomats to Korea's Asiad representatives.

The most dramatic turn in the Korea-China relations came in bilateral trade since 1988. Although the bilateral trade was characterized as indirect trade, there was substantial improvement in value, volume and variety. The trade volume between Korea and China rapidly expanded from 1.3 billion Dollars in 1985 to 3.2 billion Dollars in 1988 - an increase of more than 88 per cent of the total trade with socialist countries. In fact, China became the fourth largest trading partner following the US, Japan and Germany in 1989. Korea became China's tenth largest trading partner. The momentum in Korea-China trade was maintained during 1989 to '91. In 1991, the two-way trade recorded an impressive 5.8 billion dollars with a 1 billion dollar surplus in China's favour. 33 The bilateral trade is expected to reach 8

<sup>33.</sup> Korea News Review, 29 February 1992.

billion Dollars in 1992 and expected to break past the 10 billion dollar milestone in March 1993. $^{34}$ 

What is interesting to note from the current trend is that Chinese exports are likely to outpace Korea's. The Korean Foreign Trade Association has already expressed apprehension that the cheap labour and drastic devaluation of Chinese currency are eating away at Korea's share of major markets. In 1988, Korea had exported 60.7 billion dollars and China 47.5 billion dollars. The gap narrowed in 1990 to 65 billion dollars for Korea and 62 billion dollars for China.

Korea's outward investment in Socialist countries began in 1985 with 160 thousand U.S. Dollars in Guangdong Province in China to establish a sewing factory. Now the trend is in increase in the form of either joint venture or direct investment. As of February 1990, about 29 Korean firms were estimated to have invested in 34 projects in China. The total amount of investments reached \$49 million and is expected to increase. The Korean firms initially established joint ventures in China through a third country's subsidiaries, but from 1989, many Korean enterprises have advanced directly into China for investment. The Bank of China signed correspondent agreement with the Korea Exchange

<sup>34.</sup> Korea News Review, 18 April 1992.

Bank and other Korean commercial banks in November 1988. Under the agreements, Korean banks can engage in foreign exchange transactions with the Bank of China head office as well as its twelve branches. According to information from the Export-Import Bank of Korea, more than 150 Korean firms are under consideration for investment in socialist countries. Investment in China consists of mainly labour intensive manufacturing industries such as toys and electronic products. 35

Korea approved 37 projects between January and March '92 totaling \$23.89 million, which represents more than a four-fold increase from eight cases worth \$4.98 million during January and March '91. The ministry said that 37 investments in China were in apparel, five in textiles, four in luggage and toys and two in sports equipment.<sup>36</sup>

One of the most important landmarks in the development of Korea-China relations was the agreement reached between Korea Overseas Trade Representative Authority (KOTRA) and Chinese Chamber of International Commerce (CCOIC) on 20 October 1990 to open trade representative offices in Seoul

<sup>35.</sup> Dalchoong Kim, Ibid., foot note no.9, p.203.

<sup>36.</sup> Korea News Review, 18 April, 1992, p.12.

and Beijing.<sup>37</sup> The biggest impediment in bilateral negotiations after the agreement was concluded was on how many members of the staff would be given diplomatic status. At the end of the negotiations the two sides agreed to give

diplomatic immunity to half of the staff on each side. It was clear that China wanted to give emphasis or primacy to economic factors in its relations with Korea. It is also clear that China was trying to elevate, formalise and regularise its trade with Korea to a status of direct trade from that of an indirect trade. Such an elevation of the status of trade necessarily involved an institutional arrangement, which while serving the basic commercial functions of an embassy would yet not be considered as a diplomatic mission.

There can be several explanations or reasons for China choosing a mechanism which would be eminently pragmatic in sustaining and strengthening Sino-Korean relations without establishing formal diplomatic relations. In other words, China was almost imploring Korea to wait for a more opportune time to establish formal diplomatic relations with Korea. It was willing to move to a situation between defacto

<sup>37.</sup> Korea Herald, 21 October, 1990.

and probably de jure relations with Korea. It probably took this measure in consulation with North Korea.

In pursuance of the agreement of 20 October 1990 between KOTRA and CCOIC, a Korean Trade Mission was opened in Beijing in January 1991. Roh Jae-Won, Chief of the Korea Trade representative office expressed the hope that the trade mission would help open a new chapter in bilateral trade and economic cooperation. He said the primary tasks of the mission were to encourage China to eliminate the discrimination against the Korean exporters and to conclude an investment guarantee pact. The other tasks would increase helping Korean trading companies register with the Chinese authorities and exploiting air and other transport routes between the two countries to lay the foundation for the expansion of trade and economic cooperation strategy. 38 Elaborating on the shift in Korean international relations from "Ocean-bound" to "continent-bound" Roh said, "Korea "Ocean-bound"in international relations and was centered diplomacy and trade on Japan, the United States and Western Europe. But, now is a time when we must look to the continent with the historic opening of a trade mission on the Chinese mainland. We should open a "continent bound" era."<sup>39</sup>

<sup>38.</sup> Korea News Review, 9 February 1991.

<sup>39.</sup> Ibid.

little over one year after the agreement of 20 October 1990 to open trade representative office in Seoul and Beijing, the historic trade accord betwen Korea and China was concluded. The accord has several unique features. It abolished China's discriminatory tarriffs ranging from 5-30 per cent on Korean exports and granted Most Favoured Nation (MFN) status in tarriffs and import-export procedures. The abolishment of discriminatory tarriffs was expected to help increase Korea's exports by 15 to 20 per cent. Korea and China decided to set up a working level committee to finalise an agreement to avoid double taxation and to provide an investment guarantee in Beijing on 19-21 February 1992.40

While there was substantive and significant improvement in Korea-PRC economic relations since 1988, there was also an improvement in Korea's relations with China in non-economic areas. Korea's entry into the United Nations along with that of North Korea would not have been possible without China's support. In the past China had consistently supported North Korean position on the question of membership of the two Korea's in the world body and the larger question of reunification of Korea. Korea, on its part, was also changing its view on economic, political and

<sup>40. &</sup>lt;u>Korea Herald</u>, 21 Feb. 1992.

diplomatic relations with China. The rapid progress in Korea-PRC relations since 1988 suggest that before long the two countries will formally recognise each other. The possibilities have become greater especially after the 13 December 1991 Agreement on Reconciliation, Non-Aggression and Exchanges and Cooperation between the South and North Korea.

## KOREA-VIETNAM

As the economic interest became increasingly important in the new Nordpolitik policy, the Korean companies began making inroads into Vietnam. Vietnam is important to Korea in many ways. Firstly, Vietnam has the potential to become a large market as it is the third largest socialist country in terms of population. Secondly, Vietnam can be stepping stone for Korea to penetrate the two other Indo-Chinese countries, Cambodia and Laos. Thirdly, Vietnam is rich in resources including abundant cheap labour, and besides, abounds in agriculture, fishery, forestry and, more importantly, offshore oil resources. 41

<sup>41.</sup> For further analysis See. Young Sun Lee, "Potential and Prospects and of the Economic Cooperation Between Vietnam and Korea" in Dalchoong Kim and Young Sun Lee (ed), foot note no. 9, pp.211-220.

In 1987, the Vietnamese government started far reaching economic reforms towards a more market oriented economic system encompassing a wide range of policy areas including agriculture, industry, prices and wages, exchange rates, interest rates, international trade and foreign investment.

However, there are some historical and psychological hangovers from the uncomfortable experiences in the 1960s and 1970s which make Korea hesitate to initiate actions to improve the relationship between Korea and Vietnam. Thus, the growing trade and investment activities between the two countries are still not very significant.

Korea's exports to Vietnam amounted to only \$ 45 million in 1989, reduced from \$ 62 million in 1988. Korean exports to Vietnam consists of mainly fettilizer, T.V. sets, cement textiles and electronic products. The main importing commodities by Korea from Vietnam are coal, wood, and iron scrap. Investment activities of Korean firms are only at the primary stage. However, an increasing number of Korean firms are seriously considering investing in Vietnam. Jeil Synthetic Fibers Co. Ltd. has signed a contract to export \$ 119.000 worth of textile yarn and Oriental Corp., Shincho Trading Co. Ltd. and several others held talks with Vietnamese businessmen on the future development of over \$ 10 million worth of projects. The most significant

development in Korea-Vietnam economic relations was the conclusion of an agreement between Pohang Iron and Steel Company (POSCO) and Vietnamese Southern Steel Union on 1 April 1992, to set up a \$ 3.9 million steel mill near Ho Chi Minh City. It will be 50-50 joint venture. It will have an annual capacity of 10000 tonnes corrugated and non-corrugated galvanized steel sheets to be sold locally mostly for use as roofing material.<sup>42</sup>

Thus, Korean foreign policy makers have made inroads into the erstwile Socialist bloc. This development is one of the major shifts in Korean foreign policy making. The changing international scenario, combined with Korea's domestic needs, as also Korea's clear-cut intentions to diversify and gain further international recognition as also further its markets... these factors have been major causes for the successful implementation of the new Nordpolitik. This shift also reveals growing maturity and greater attempts by a resurgent Korea at charting out its own sovereignty the policy makers strive to keep in touch with an international order that is in great flux.

<sup>42.</sup> Korea News Review, 16 May 1992.

### CHAPTER III

# KOREA, THE UNITED STATES AND JAPAN: EVOLVING RELATIONS IN A POST COLD WAR ERA

### KOREA AND THE UNITED STATES

We had noted earlier that Korea's relations with the United States had occupied a preeminent place in the Korean foreign policy during the four decades from 1948 to 1988. Korea-US relations were often described as "special" or "unique". To be sure, there were periods or situations when stresses and strains, irritants and frictions were noticeable in the bilateral relations. However, these irritants were never allowed to assume serious proportions. They were not allowed to cause a rupture or a breakdown in the bilateral relations. In other words, the short periods of stresses and strains were seen more as an aberration or unwelcome deviations in the otherwise cordial and close relations between Korea and the US.

For the first time some basic issues in Korea-US relations were raised in a serious way after the end of the Chun Doo Hwan era and at the time of the dramatic transition to the Sixth Republic. The support extended by the United States to Chun Doo Hwan during the critical period from 12 December 1979, to the proclamation of the Fifth Republic,

especially the US attitude<sup>1</sup> during the Kwangju uprising came in for widespread criticism. It was becoming apparent that the chasm was widening between the Seoul government and the Korean people, especially the youth, on the importance of the United States political relations with Korea. The Korean leadership was for the first time faced with the dilemma of how to assuage the hurt and hostile sentiments against the United States on the one hand and how to assure the United States of the continued relevance and value of its support to Korea during the Sixth Republic. The issue of the anti-American sentiments of large sections of the Korean people would have certainly figured during the Summit meeting between President Roh Tae Woo and President Rohald Reagan on 20 October 1988, although no official acknowledgment of it was made in the statement issued at the end of the summit.

The most significant aspect of the Korea-US relationship was the 1954 Mutual Defence Pact. This Pact had been viewed by Korea as an ultimate guarantee of its security by the United States. The two countries had worked out the command and control structure between Korean Armed Forces and the U.S. Forces in Korea. The problem of realizing greater equality in command relationship within

For detailed discussion see, Samsung Lee, "Kwangju and America in Perspective", <u>Asian Perspective</u>, Vol.12, No.2, (Seoul, 1988), pp.69-122.

the Combined Forces Command (CFC) - which was established in 1978 with a US General as Commander-in-chief of combined forces command - began to emerge as an important issue in the bilateral security relations from 1987.

The question of recovering operational control of Korean Armed Forces, placed under CFC, was in fact raised at the time of President election campaign in September 1987. The Reunification and Democracy Party (RDP) promised that if Kim Young Sam were elected the next President he would begin negotiations aimed at eliminating US control over Korean military forces in the CFC.<sup>2</sup> His opponent Roh Tae Woo however maintained that "a change cannot be made at this moment", and that it "is too serious for a campaign issue".<sup>3</sup> Nonetheless, Roh himself endorsed a future change in US-Korean military command arrangements that could give Korea more control over its own armed forces by saying, "It is natural for any sovereign country to exercise operational control over its military forces".<sup>4</sup>

At the twelfth Korea-US Military Committee meeting on 15 November 1990, an agreement was reached to transfer two major military positions to the Korean forces. It was agreed

<sup>2.</sup> Korea Herald, 16 September 1987.

<sup>3.</sup> Ibid., foot note no.2.

<sup>4.</sup> Ibid.; See also, Korea Herald 7 October 1987.

that Korean generals would succeed US Generals as commander of the UN command ground forces and the top representative of the UN Command in the Military Armistice Commission. As the UN Command in Korea consists mostly of Korean and US forces, the transfer of the UN Command ground component commandership from the US to the Korean forces would imply that under the Korea-US Combined Forces Command structure, Korean forces will be the main force as far as ground forces are concerned.

The transfer of these two posts was an extremely significant development and could be said to be a turning point in the long and close military alliance between Korea and the United States. It initiated the process of restructuring the bilateral military relations on an equal and functional basis. It sought to restrict, if not completely, remove the United States' powerful say on the assessment and responses to the military situation in the peninsula, although Korea was not a signatory to the Armistice Agreement of 1953. It signaled the beginning of a shift in the role of the US forces in Korea from that of leading to supporting one in the defence of Korean security.

The Korea-US agreement of 15 November 1990 virtually gave Korea the status and position of the senior member of UN Command in the Military Armistice Commission.

historic December Ιn the 13 "Agreement Reconciliation, Non-aggression and Exchanges and Cooperation between the South and the North", both parties for the first time agreed to "endeavour together to transform the present armistice regime into a firm state of peace between the South and North and shall abide by the present Military Armistice Agreement (of 27 July 1953) until such time as such a state of peace has taken hold". Both parties also agreed that all "differences of opinion and disputes arising between the two parties shall be peacefully resolved through dialogue and negotiations." Furthermore in pursuance of article 14 of agreement it was decided that a South-North Military Sub-committee would be set up "in order to discuss concrete measures to implementation ensure the observance of the accord on non-aggression and to resolve confrontation".5 military The inter-Korean especially the three articles cited above (5,10 and 14) clearly demonstrate the successful manner in which Korea was able to reduce the U.S. military role and responsibility in the Korean peninsula as one of the principal custodians of the Armistice Agreement.

<sup>5.</sup> Accord Inked on Terms of Reconciliation: The Fifth Round of South-North Korean High Level Talks, December 10-13, 1991, Korean Overseas Information Service. (Seoul, 1991), Policy Series 97-7.

The issue of increasing Korea's share of the costs for the upkeep of the U.S. forces in Korea commensurate with its economic and financial situation began to assume greater significance in the bilateral relations from the beginning of the Sixth Republic. The United States sought pressurize Korea to contribute more financially towards the expenditure for maintaining the US forces in Korea. Apart from providing the US forces with rent free bases, subsidized electricity and water, and over three thousand Korean support personnel, Korea had paid on an average 34.2 million Dollars per year under the Korea-US combined Defense Improvement Programme (CDIP) for the upkeep of US troops in Korea since 1974. According to a Korean source in Korea's contributions in direct forms (amounted 287,600,000 dollars and indirect forms (1,618,500,000 dollars) to the maintenance of the U.S. troops in Korea totaled 1906 million dollars of which 287.6 million dollars and 150 million dollars was for the rent of privately owned land used of U.S. troops, whereas the remainder was direct cash payments for the service rendered by the support personnel and the like for the U.S. bases in Korea. 6

<sup>6.</sup> Ki-Seok Ahn and Seong-Woong Choi, "Chuhan Migun 40-nyeun", Shindong - A, (July 1988), pp.567-568, cited in Hong Nack Kim, "Perspective on U.S-Korea Security Relations, Korea and World Affairs, vol.XIII, no.1, (1989), pp.76-94.

argued that in order to secure greater contribution from Korea, the United States will have to demonstrate that the Korean share in cost-sharing is unreasonably smaller than that the other allies either in Europe or Asia.

An interesting study conducted by a researcher shows "Korea's present contribution to the maintenance of U.S. troops in Korea equals that of Japan and Western European Countries on a per capita U.S. soldier basis". 7 At the end of the 23rd Korea-US Security consultative meeting (SCM) in November 1991, the controversial issue of increased sphere of the cost of defence was amicably resolved. It was agreed that Korea would provide 180 million Dollars to the United States forces stationed in Korea during the fiscal year 1992. This amount was 30 million Dollars more than the 1991 contribution of Korea. It was estimated that the cost of maintaining the U.S. forces in Korea was around 2.26 billion dollars in 1991. Korea and the United States agreed that Korea would gradually increase its share of the cost of defense to the level of one third of the won-based sum of stationing U.S. forces in Korea by 1995.8 Both sides also

<sup>7.</sup> Kwan Chi Oh, "Some Thoughts on ROK-US Alliance and Burden Sharing", a paper presented at the CSIS-KIDA International Conference on the Future of ROK-US Security Relations, (September 12-13, 1989), pp.14-16, cited in Hong Nack Kim, ibid., foot note no.6.

<sup>8.</sup> Korea News Review, 30 November, 1991.

agreed to continue efforts to upgrade munitions, stock piles and sustainability of the combined forces.

Towards the end of 1980's, the issue of when and where to relocate the US forces - which had, alongwith its headquarters, been stationed in Yongsan Base in down town Seoul occupying nearly 700 acres of land for many decades aroused controversy and - was viewed as a potentially highly explosive issue in Korea-US relations. The issue had ethnic, social, political, economic and military dimensions. Many Koreans found Youngsan "a humiliating reminder of the day when the United States loomed at the centre of everything politics, defense, culture". 9 As a Hang Kook Ilbo article reflecting on the general mood of the people - pointed out that it will be increasingly difficult to justify the continued use of nearly 700 acres of choice land by US troops in a congested area in down town Seoul. Thus, "the quicker the relocation of the U.S. military base in Yongsan is carried out, the better."10 Korea and the United States,

<sup>9.</sup> Susan Chira, "In Heart of Seoul: An Unwanted U.S. Presence", New York Times, 14 August 1988. Other than the Yongsan base, there are altogether 12 U.S. bases in Korea, the total area of which is estimated to be approximately 50 million Pyong (or about 165,000 square kilometers), See, Ki Seok Ahn and Seong Woong Choi, "Chuhan Migun 40-nyeun", Shindong - A, July 1988, p.564, cited in Hong Nack Kim, ibid., foot note no.6, p.86.

<sup>10.</sup> Hankook Ilbo, 13 August, 1988.

after lengthy discussions, sought to resolve this contentious issue through an agreement in June 1990. It was agreed to relocate military facilities in Yongsan to the Osan Camp Humphreys area. The new site will include Korea-US Combined Forces Command, the Eighth US Army Command and related supporting facilities.

Two other issues assumed considerable significance in the Korea-US bilateral relations towards the end of 1980s. The first was the revision of the Korea-US Status of Forces Agreement (SOFA) signed in 1966. The demand for the revision of SOFA arose from political parties like DRP and the student movement. Radical Students, who were in forefront of Anti American demonstrations, demanded the abrogation of the SOFA which they characterized as rageous. It was contended that the criminal jurisdiction waiver rate of Korea was the highest among the US allies. In support of this contention the data provided by the Korean government to the National Assembly - as presented on 4 August 1986 - was cited. According to the data, there were 15,000 criminal cases involving US soldiers in Korea in the previous ten-year period. However, the Korean government exercised its criminal jurisdiction on slightly over 100 cases or 0.7 percent of the total cases. In contrast, NATO States have exercised allies of the United

jurisdiction in 32% of the criminal cases involving the US military personnel, whereas the Philippines has exercised its jurisdiction in 21.3 percent of criminal cases involving U.S. soldiers. <sup>11</sup> The second issue was with regard to liberalization of the US restrictions on the export of arms produced in Korea under U.S. license or with U.S. technology.

The phenomenal, almost exponential, increase over thousand fold in exports from about 60 million dollars in 1962 to over 60 billion dollars in 1988 and the changing composition of exports from labour intensive and low level technology to sophisticated hi-tech commodities are the striking features Korea's of export oriented industrialization. In this rapid and remarkable economic transformation in Korea the United States has played a very important role. As we have noted earlier, the bilateral economic ties between Korea and the United States started with massive US aid which had almost sustained the economy in the 1950's. With the change in Korea's strategy of development from import substation industrialization (ISI) to export oriented industrialization (EOI), there was also a change in the US economic policies towards Korea.

<sup>11.</sup> For detailed analysis, see, Seong-Young Hong, "Han Mi Haenghyup Kaejeong Shikup hada" Wolkan Chungang, (October, 1988), pp.310-323, cited in, Hong Nack Kim, ibid., foot note no.6, p. 91.

emphasis shifted in favour of advancing loans, direct US investments, transfer of wide range of technology and trade. The remarkable transformation in the nature, substance and scope of the economic relationship between Korea and the United States has been aptly described as a transition from 'patron to partner'.

The United States emerged as a leading trading partner and a major source of technology and the largest supplier of investment capital. In other words, the United States interest in investment, technology transfer and trade with Korea also changed with changes in the economies of Korea and the United States and changes in the international economic environment. Since the early 1980's, the United States has been demanding Korea's economic liberalization and calling for wider market opening in agricultural and service industries. This resulted in serious differences of opinion between the United States and Korea on the question of the extent and consequences of opening the Korean farm fisheries product market. In particular, the US asked Korea to open its market among other things to beef, rice, frozen pork, oranges, apples and fruit juice. Korea on its part insisted that it would not open its market for basic foods such as rice, barley, beef and milk products. It maintained that it would encounter intense political opposition and that its domestic agricultural industry was too fragile to

cope up with the flood of foreign commodities. The United States proposed to Korea to commit itself in written form to liberalize its beef market in 1997. If a market opening time table is not presented as recommended by the GATT council, the United States indicated that it had plans to take retaliatory actions against Korea under Trade Act Section 301 by banning imports of some major Korean manufactured goods. Korea however maintained that it had imported 50,000 tonnes of beef in 1989 and 14,239 tonnes in 1988 when beef imports were resumed due to pressure from the United States.

Korea seems to have been more incensed and indignant at the persistent demand of the United States to open up the Korean rice market to foreign competition. The question of opening up Korean rice market became a highly sensitive and emotional issue with nationalist overtones. Since Korean staple food was rice, there was also simmering discontent over government procurement price policy. The Korean government kept reassuring its citizens from time to time that it had not yielded to American pressure to open its rice market or that it had finalized any time frame for the opening of the rice market. When the controversy assumed serious proportions in July 1991, a government spokesman categorically stated that Korea had "made no decision on the schedule for the opening of the rice market and the specific

year for the market opening has been mentioned." He further said "the Japanese government has maintained its position of not opening up its rice market adding that the nation's present proposal reaffirming the previous position emphasizing rice's non-trade-related aspects such as security food."12

The controversy did not subside with the passage of time. On the contrary, there were unprecedented massive nation-wide anti-import rice rallies to synchronize with the visit of the U.S. president George Bush in January 1992. There were not only rallies and street marches in many cities but also fields of rice harvest were set fire as a mark of protest. Thus given the intense and widespread and persistent opposition to allowing the import of rice from the United States, it became clear that the United States may not succeed in opening the Korean rice market in the forseeable future. However the issue remained a major irritant in the bilateral relations between Korea and the U.S.

The United States was also keen that Korea should open its service market wider. In particular, it wanted Korea to open its market wider in such industries as medical, legal,

<sup>12.</sup> Korea News Review, 6 July 1991.

banking, leasing, franchising and insurance brokerage services. The Korean side on its part asked for increased business opportunities in the United States. It also demanded the United States to include shipping services and to expand the scope of international manpower movement in construction industry. 13

The United States has also been pressurising Korea to improve intellectual property rights protection. It investigated, under Section 301 of the 1974 Trade Act, Korea's lack of intellectual property rights programme and characterized it as an "unfair trade practice". 14

The export oriented industrialization strategy catapulated Korea to the status of the leading newly industrializing country and eleventh largest trading power in the world and the second most important trading state in Asia next only to Japan. As a trading state, its main concern was to continuously pay attention to its foreign trade especially to its leading trade partners. In this exercise, both the United States and Japan were of special

<sup>13. &</sup>lt;u>Korea News Review</u>, 23 February 1991, p.13.

<u>Korea News Review</u>, 14 February 1991, p.22.

<sup>14.</sup> Yearn Hong Choi, "Korea-US Trade Issues and Koreans' Attitude Towards Trade Friction", <u>Korea Observer</u>, (Seoul, 1991), vol.XX, no.1, pp.39-54.

importance. For most of its history since 1948, Korea was saddled with annual trade deficits. This however dramatically changed in 1986 when Korea registered its first current account surplus. In 1987 the surplus swelled to about 10 billion dollars. Korea also began to register annual bilateral trade surplus with the United States. In 1987 Korea was the fifth largest trade deficit causing country for the US with 6.3 billion dollars in 1989 but was reduced to the 10th such nation with 4.1 billion dollars trade loss on the part of the United States in 1990. For the first time since 1981, Korea suffered a 340 million dollars deficit with the United States in 1991.

As Korea started trade surplus with the United States in the 1980s and with the changing international economic environment it became clear that Korea would become a target of US protectionist pressure. There was even criticism in some quarters that Korea was emerging as a "New Japan". The implication being that while Korea was trying to take advantage of the open US economy it was at the same time deliberately restricting access to its own market. As a first move, the U.S. sought to exclude Korea from Generalized System of Preferences (GSP) in early 1988. The second decisive move was to pressurize Korea to open its markets to the US goods and services and to demand a more

realistic exchange rate for Korean currency. Through these and other related moves, the United States sought to restructure its trade relations with Korea.

Although the reunification issue was essentially a Korean and peninsular issue it has not been without an international dimension. The successive governments in Korea since 1948, had always sought and obtained from the United States the understanding of and support for its perception of the reunification problem and its resolution. Korea explained to the United States the circumstances, the rationale and the significance of its new Nordpolitik, in general, and the move to give a new direction and momentum to inter-Korean relations, in particular. Since the United States had acquired unique military a role and responsibility in Korea, the Korean leadership was bound by security treaty obligation to get the approval endorsement of the United States for the 13 December 1991 inter-Korean especially for Articles accord 5,10,11,12,13,14. The momentous decision on the part of the US to withdraw its tactical nuclear weapons from Korea and the equally important decision to suspend U.S.-Korea Joint Military Team Spirit 1992 could have been taken without first discussing the rationale and consequence with Korea. All these developments point to the fact that despite serious differences on some economic and political matters,

the resilience and enduring nature of Korea-US relations -at least at the official level - remained unchanged during the Sixth Republic.

### KOREA AND JAPAN

We have noted earlier that during the Fifth Republic President Chun Doo Hwan had made special efforts to improve Korea's relations with Japan. The efforts were continued during the Sixth Republic and further improvement of relations was given adequate importance by President Roh Tae Woo soon after he assumed office in February 1988.

One of the most important pending and sensitive issues in Korea-Japan relations that was taken up by Roh Tae Woo administration was the legal status of the third generation Korean residents in Japan although the issue of the legal status of first and second generation Korean residents had not been resolved to the complete satisfaction of the Seoul government. Sorean and Japan initiated negotiations on legal status of Korean residents in Japan in December 1988 as the 1965 accord required them to complete the decision on

<sup>15.</sup> The expression First-generation Koreans means those who were granted permanent residence until 16 January 1971 under the 1965 accord. Second-generation Koreans means those who were born after that date. Third-generation Koreans are the children of Second-generation Koreans.

it by 16 January 1991. The Korean side demanded that the negotiations should cover not only third-generation residents but also other residents. It put forth nine demands to the Japanese government. These included the granting of permanent resident status to third-generation Koreans and their descendants, removing the four vicious rules for all Koreans, quaranteeing franchises and removing discrimination in recruitment of public and private school teachers. 16 The negotiations on the legal status of Korean residents were finally concluded when an agreement was arrived between Korean foreign minister Choi Ho-Joong and Japanese foreign minister Taro Nakayama on 30 April 1990. Korea and Japan agreed to exempt third-generation Korean residents in Japan from finger-printing registration, which was one of the "four vicious rules". The other three notorious rules : alien registration card possession, permission for re-entry to Japan and deportation. Both sides agreed to seek a "proper measure to find a substitute for possession of the alien registration card for Koreans" by 16 January 1991, when the two countries were to complete the negotiations to all aspects of the legal status of third-generation Koreans. The two sides further agreed that all the third-generation Koreans and their descendants be -

<sup>16.</sup> Korea News Review, 5 May 1990.

granted permanent residence upon request. Korean and Japanese sides also agreed to let Koreans in Japan re-enter Japan without renewed visas for five years from the date of leaving the country. Koreans in Japan will be deported only if they commit a crime against the state, rather than upon receiving a seven years or a longer prison term. Other demands, like granting franchises to Korean residents and removing discrimination in recruitment of public and private school-teachers, were to be discussed in future negotiations.

The other issues that had come up for discussion between the foreign ministers of Korea and Japan in April 1990 were also resolved amicably. According to the Korean Foreign Minister, he and the Japanese Foreign Minister had also discussed issues involving the past history of two countries particularly financial support for the home visits of Koreans forced to be settled in the Soviet Island of Sakhalin during Japanese colonial rule and the Korean victims of the atomic bomb explosion in Hiroshima and Nagasaki. The Foreign ministers of Korea and Japan further claimed that the agreements on legal status of third-generation Koreans in Japan had removed the barriers to President Roh Tae Woo's visit to Japan.

On the eve of President Roh Tae Woo's visit to Japan, Emperor Akihito expressed his "deepest regret" for the suffering the Korean people underwent during the Japanese colonial rule over Korea. 17 More clear cut apology was extended by Japanese Prime Minister Toshiki Kaifu, when he said, "I am deeply repentant and extend a frank apology about the fact that the Korean people suffered unbearable hardships and sorrow because of the activities committed by my country. "18 Earlier, the late Emperor Hirohito had already expressed his regret about "an unfortunate past" between Korea and Japan. The statements followed several weeks of tough negotiations between Tokyo and Seoul over the Korean demand that Japan finally issue an unambiguous apology.

In his first State visit to Japan on 25 May 1990, President Roh Tae Woo stressed the need for Korea and Japan to shape an Asia-Pacific community as partners in keeping with the current global trend of regional integration. In 1988, President Roh had already proposed the establishment of the multilateral Northeast Asian Peace community and offered to initiate ties of cooperation among willing nations in feasible areas "to make such a conference

<sup>17.</sup> Quoted in Korea News Reivew, 26 May, 1990.

<sup>18.</sup> Ibid., p.4.

possible." President Roh further stressed "our bilateral relationship is now no longer the concern of our two nations alone but it is also the basis and focal point for Asia-Pacific cooperation". 19

The most significant aspect of Korea-Japan bilateral relations was the growing trade imbalance between the two countries. Korea suffered a trade deficit of \$ 5.2 billion in 1987, \$ 3.9 billion in 1988, \$ 4.04 billion in 1989 and \$ 8.8 billion in 1991. On the Chairman of the Korea Foreign Trade Association (KFTA) said that Korea's trade deficit with Japan in 1992 is expected to be similar to 1991. Korean exports to Japan are likely to recover from the 1991 slump because of the price competitiveness of Korean goods, caused by the strength of the Yen, and Japanese policy of expanding imports. On the other hand, imports from Japan, are also expected to increase.

The growing trade imbalance became a major destablising factor in Korea-Japan relations. During his visit to Japan in 1990, President Roh placed top priority to rectify the

<sup>19.</sup> Korea News Review, 26, May 1990, p.4.

<sup>20. &</sup>lt;u>Korea and the World, Key Statistics</u> (Seoul, Korea Foreign Trade Association: 1991), p.50.

<sup>21.</sup> Korea Herald, 16 January, 1992.

chronic bilateral trade imbalance. All efforts to curb the mounting trade imbalance were ineffective due to Japan's adamant attitude toward Korea's request for lowering Japanese tariffs on major Korean imports. Japanese government made it clear that Tokyo will consider Seoul's proposal for reducing Japanese tariffs on Korean imports only as a part of its Uruguay Round of Trade negotiations.

It is difficult to correct the trade deficit between Korea and Japan because it has resulted from the industrial structure of both countries. Korea has exported labour intensive products such as textiles, farm products and fish to Japan, while importing technology-intensive products such as machinery, electrical goods and electronic components.

Traditionally, the United States was the number one contributor of foreign investment and technological know-how. But in 1971, Japanese foreign investment in Korea surpassed those of the United States Two years later, in 1973, Japanese investments reached 262.5 million dollars while American investment were only \$ 179.8 million. In 1988, Japan invested \$ 443 million while American investment was \$ 234 million. 22 By 1990, Japanese investment reached \$ 362 million and US investment was only \$ 244 million. It

<sup>22.</sup> Quoted in Korea News Review, 26 May, 1990.

should also be noted that by the end of the 1980's Japan emerged the world's biggest creditor, the biggest overseas investor, and the biggest foreign aid donor. But Japan had subsidized its trade and investment links with immense amounts of tied aid. Virtually all loans were tied to purchase of Japanese goods and services. The Japan Overseas Economic Cooperation Fund screened all the projects and then paid the loans to Japanese companies to construct them.

During his visit to Japan, President Roh Tae Woo expressed hope for accelerated transfer of technology from Japan and expanded scientific cooperation. A fund was proposed for the establishment of industrial, scientific and technological cooperation.

The issues of compensation for the past doing by the ex-colonial power have rocked the bilateral relations between Korea and Japan. Several times, the Korean government had decided to formally demand that Japan compensate Korea "comfort women" who were enslaved to serve the sexual desires of Japanese soldiers during World War II. According to Korean historians, about 100,000 to 200,000 young Korean women were taken by the Imperial Japanese Army to China and Southeast Asia during World War II for forced labour of sex with Japanese soldiers. Even the teen-aged school girls were shipped to Japan for sexual entertainment.

The issue triggered stormy national protest and shifted national attention from the trade imbalance to Japan's wartime atrocities, focusing on "comfort girls". 23 But the Japanese government had rejected the charges of direct governmental involvement in the issue. Some testimonies provided fresh proof that the Japanese government was directly involved in one of Japan's ugliest World War II atrocities. Seichi Yoshida, who played a part in sending Korean girls to the battlefields to sexually entertain Japanese soldiers testified that right after Japan's defeat in the war, the government issued an urgent order to police and administrative units to burn all documents and records related to the comfort girls.

To resolve the highly sensitive issue, the Korean government formed an inter-ministerial task force to gather detailed information on the whole issue and study proper ways of compensation. The participating government agencies included the Economic Planning Board and the Ministries of Foreign Affairs, Home Affairs, Finance, Justice, Defense, Education, Culture, Social and Health Affairs. Labour and Government Administration ministeries.

<sup>23.</sup> William Nester, "Japan and the Two Korea's Neomercantalism, Prosperity and Dependence", <u>The Korean Journal of International Studies</u>, (Seoul, 1991), vol. XXII, no.3, pp.455-476.

There was tremendous pressure from Seoul which seems to have forced Japanese Prime Minister Kiichi Miyazawa to accept the Korean demand for compensation. However Chief Secretary of Japanese government Koichi Kato ruled out compensation for the 'comfort girls' as the issue of compensation between Korea and Japan was already settled in a 1965 agreement on war reparations.

The Korean legal experts questioned the validity of the 1965 agreement.<sup>24</sup> They maintained that compensation money was based on false figures provided by Japan. The compensation of \$ 500 million in 1965 included only 20,000 Koreans who were killed or missing in action during the war after being enlisted as soldiers and laboures. It was claimed that the actual number of Korean war victims was 10 to 15 percent higher, not including the comfort girls. Prof. Chung-hyon of Seoul National Paik University, international law expert, also said that Japan's legal ability for the Korean women drafted as sex slaves cannot be acquitted by the Basic Treaty because, at the time of signing the accord, Japan denied the existence of comfort girls.

<sup>24.</sup> For detailed discussion, see, <u>Korea News Review</u>, 25 January, 1992.

A similar issue of compensation from the Japanese government was put forth by the bereaved family members of hundreds of thousands of Koreans who died during World War II after being forced by the Japanese government to the battlefields. The Japanese government quoted the similar 1965 accord between two countries when Japan paid \$ 500 million to Korea to bury the past and normalize relations.

Korea's ties with the USA and Japan will continue to be close despite the cracks that seem to threaten a partnership that has helped both the Asian giants to achieve economic 'miracles' at such a rapid, sustained pace. It should be noted here that more in the case of Japan rather than the US, the relationship has had a momentum of its own relatively independent of the rapid changes that are changing international milieu. Korea cannot ignore its allies - the US or Japan - as their influences in its (Korea's) development still show. But, Korean foreign policy makers are fighting out, bargaining for a more equal relationship commensurate to its growing economic process and with the dawn of the post Cold War era, Korea should make progress.

#### CHAPTER IV

#### KOREA IN THE NINETIES: CHALLENGES AND INITIATIVES

Korea entered into the nineties with its policy makers grappling with the emergence of an international order which has been in flux with the demise of one of the superpowers, viz. the Soviet Union. The Gulf Crisis, which took place immediately with the advent of the nineties, provided the Korean policy planners with a severe test of balancing their national interests in a highly unpredictable, yet resource-strategic region, the Gulf. The Koreans showed great maturity in handling this Crisis by adopting a low profile, yet pragmatic approach. This approach did not endear them to their ally, the United States, but it did underline the Korean resolve to maintain its autonomous character in its decision-making, while protecting its interests in the Gulf.

The early nineties witnessed a significant event: that of Korea being accepted as a member of the United Nations. It did so simultaneously with North Korea. Korea's entry into the United Nations symbolised the end to a long quest for international recognition (which a UN membership undoubtedly does) and it was evidence of the success of its Nordpolitik.

Another major trend that has been witnessed in the nineties has been the emergence of regional economic groupings, as exemplified by the evolution of the European Community as a single monetary union, and the reaction to this "Fortress Europe" by the North American Free Trade Agreement (NAFTA) involving the Us, Canada and Mexico. This trend has become a major challenge for the Korean foreign policymakers in the nineties. As a counter-move, the Koreans, alongwith the other economies of the Asia-Pacific region, have mooted the possibility of greater regional cooperation. Such a move could mark an unprecedented shift or initiatives from the Korean foreign policy makers towards a more Asia-centric approach.

# KOREA AND THE UNITED NATIONS: From Observer to Member

We had noted earlier that Korea had been knocking at the door of the United Nations for an entry as a dignified fullfledged member almost from the time it emerged as an independent state on 15 August 1948. We had also observed that in the emergence of the Republic, the UN had played a unique and unprecedented role through the UN Temporary Commission on Korea (UNTCOK) which had observed the May 1948 General Elections in the area south of 38th parallel. At the Third session of the UN General Assembly on 12 December

1948, a resolution was adopted recognizing the government of the Republic of Korea as the sole lawfully elected government on the peninsula. The resolution also established the UN Commission on Korea (UNCOK) to replace the UNTCOK.  $^{\rm 1}$ 

The UN was not only politically involved in Korea but also militarily involved following the outbreak of the Korean War on 25 June 1950. The three Security Council resolutions, No.82 (25 June 1950), No.83 (27 June 1950) and No.84 (7 July 1950) symbolised the three stages of the UN military intervention in Korea. They became landmark resolutions in the history of the world organization. The UN military intervention on behalf of South Korea during the Korean War led to its logical conclusion of the UN Military Command becoming a party of Armistice Agreement concluded on 27 July 1953. The Command has continued to participate in the Military Armistice Commission set up as per terms of the Armistice Agreement. The UN Command has not been The 7 July 1950 Security Council resolution has disbanded. not been rescinded.

Chi Young Park, "Korea and the United Nations" in Youngnok Koo and Sung-Joo Han (ed.), <u>The Foreign Policy</u> of the Republic of Korea (New York, 1985), pp. 262-284.

A new commission -the UN Commission for Unification and Rehabilitation of Korea (UNCURK) - was set up in midst of the Korean War to replace UNCOK. The UNCURK functioned until the early 1970s hoping to bring about the peaceful reunification of Korea through the aegis of the world body despite consistent opposition from North Korea. The UNCURK ceased to function following the historic 4 July 1972, North-South Korea Joint Statement.<sup>2</sup>

Despite all these extensive and long years of UN involvement in Korea, it was not successful in gaining the membership of the world body. It could in fact be argued that extensive UN political and military involvement in a way prevented Korea from finding its legitimate place in the international organization. This was mainly because the nature and extent of UN political and military involvement became a highly controversial and sensitive issue in inter-Korean relations as well as in the relations between major powers having a stake and interest in the Korean peninsula.

R.R.Krishnan, "United Nations and Korea", <u>The Hindustan</u> <u>Times</u>, New Delhi, 2 August 1972.

Korea, however, persisted with its efforts at joining the world body and formally applied for admission into the UN atleast five times - in January 1949, December 1951, April 1961, July 1975 and September 1975 - but all applications predictably enough met with failure due to the veto by the Soviet Union, a permanent member of the Security Council. In fact according to some reports, Korea had made a total of 19 direct and indirect moves to win a UN seat in 42 years since submitting its first application in January 1949.3Another permanent member of the Security Council, the United States, was opposed to the attempts of North Korea and its ally, the Soviet Union to seek Pyongyang's membership of the world body. It was becoming clear that either the two Korea's could enter the UN as two independent members or both would be kept out of the UN due to sharp differences of opinion on the issue between the US and western powers on one hand and China and the Soviet Union on Thus the deadlock on the issue of Korea's the other. membership of the UN persisted for years and came to be

<sup>3.</sup> Ministry of Foreign Affairs, "Background Information to Korea's Relations with the United Nations", cited in <a href="Diplomacy">Diplomacy</a>, (Seoul, 1991), Vol. XVII, No. 10, p.14.

Also see, "Two Koreas Win UN Membership", <u>Seoul</u> (Seoul, 1991), p.16

inextricably linked with the nature of inter-Korean relations and the relations between the permanent members of the UN Security Council especially between the US, the Soviet Union and China and their divergent perspectives on the nature and course of international relations.

However, Korea on its part kept pleading for its rightful place in the world body. It also sought and obtained membership of all the UN specialized organizations and made the stipulated financial contributions without failure. It was contributing annually a total of \$7 million to 31 organizations of the United Nations, including \$1 million to the United Nations Development Programme (UNDP) \$600,000 to the United Nations Children's Fund (UNICEF), \$723,000 to the Food and Agriculture Organization (FAO), \$625,000 to the United Nations Educational, Scientific and Cultural Organization (UNESCO), \$254,000 to the International Civil Aviation Organization (ICAO) \$652,000 to the World Health Organization (WHO).4 What is also noteworthy is that Korea, unlike its ally, the United States or another Newly Industrializing Country like Singapore, refused to quit the UNESCO due to differences

<sup>4.</sup> Ministry of Foreign Affairs, ibid. footnote 3, pp.12-15.

over its functioning. Apart from fulfilling its financial obligations, several distinguished Koreans began to serve as international civil servants or as experts in various UN specialized agencies. A total of 163 Koreans were working with 20 organizations of the United Nations as of the end of 1990, including five at UNICEF, eight at WHO, 25 at IMF and 87 at the World Bank.<sup>5</sup>

Towards the end of the 1980s it became clear that it was only a question of time when the long pending issue of Korea's membership of the world body could be resolved in a manner favourable to Korea. One of the successful outcomes of the new Nordpolitik initiated by President Roh Tae Woo was the end of the opposition of the Soviet Union and China to the entry of Korea into the United Nations. These powers seem to have been successful in persuading North Korea that it was in Pyonyang's interest to enter the UN simultaneously with Seoul. In effect, both the Soviet Union and China seem to have opted for a policy of delinking the issue of the membership of two Koreas in the UN with the more complicated issue of reunification of two Koreas. The examples of the two Germanys and the two Yemens also seem to have gone

<sup>5.</sup> Ibid. footnote 3, p.14.

against the position taken by North Korea to stall the entry of either Korea into the UN.

The growing economic power of Korea and the successful manner in which it had concluded the Seoul Olympics reflected the vastly improved international position and structure of the regime in Seoul in the late 1980s than what they were in the beginning the decade. It would therefore have been difficult for any permanent member of the Security Council to oppose the entry of Korea in the UN or for that matter oppose the separate and simultaneous entry of the two Korea's in the UN. Thus encouraged by the remarkable successes registered by the new Nordpolitik overwhelming support for its UN membership by international community as reflected in the sharp increase in Korea's efforts to establish diplomatic relations in 1989-90, and the favourable changes in the international environment following the end of the Cold War, the Roh Tae Woo administration showed great alacrity in seizing the opportune moment to successfully press home the issue of UN membership in 1991.

On 5 April 1991 Korea submitted to the Security Council a memorandum clarifying and reiterating its intent to join

the UN as a full fledged member within the year. 6

The changing international environment, the establishment of Moscow-Seoul diplomatic relations, the phenomenal progress in Beijing-Seoul economic relations and the establishment of trade missions with counselor functions in Beijing and Seoul, the participation of over 160 countries including almost all the socialist countries in the Seoul Olympics, the unification of two Germanys and the two Yemens despite their being members of the UN etc. seem to have brought about a major shift in North Korea's approach to the membership of the two Korea's in the UN. This became evident when on 27 May 1991 it announced that it would no longer insist on the single-seat U.N. membership formula and that it would also submit an application for UN membership in 1991. This move on the part of North Korea was obviously an outcome of international circumstances thus compelling it to abandon its long-standing opposition to the entry of two Koreas in the UN. What ever may be the rationale, the North Korean move paved the way for the two Koreas to enter the UN.

<sup>6.</sup> Korea Herald, 6 April 1991.

On 8 August 1991, the Security Council unanimously approved application from the two Korea's in a full session. All the 15 members of the Council voted for the application without discussion. The two Koreas were admitted as full UN members immediately after the General Assembly opened its 46th Annual Session on 17 September 1991.

President Roh Tae Woo, addressing the UN General Assembly on 24 September 1991, said, "As a full-fledged member of this world body, the Republic of Korea now proudly joins the world of nations in our common task of realizing long-held dreams of all mankind. We renew our commitment to the United Nations and will march forward hand all nations in hand with in the of cause organization."8

President Roh hoped that the separate membership of two Koreas in the UN would only be an interim step towards ultimate goal of reunification and this would be a move to "untie the old War Knot on the Korean peninsula." He said,

<sup>7.</sup> Korea Times, 18 September, 1991.

<sup>8.</sup> Korea Herald, 25 September 1991.

"It has taken more than 40 years for us to move the short distance from the observer's to member's seat. It took the two Germanys 17 years to combine their UN seats. I sincerely hope that it will not take as long for the two Korean seats to become one."

Korea's entry into the UN in September 1991 marked the end of a long period of waiting and the beginning of a new era of active participation in the deliberations and decisions of the world body. The Roh Tae Woo administration justifiably viewed Korea's attaining the coveted status of a dignified full member of the world body as the fulfilment of one of the long-standing goals of Korea's foreign policy.

## KOREA AND THE GULF CRISIS: A Mature Response

Iraq's lightning invasion of Kuwait in August 1990 had world wide repercussions. It profoundly affected the movement and price of oil which were of vital concern for both developed and developing countries that were dependent

See, Text of President Roh Tae Woo's address, UN General Assembly entitled, "Toward a Peaceful World Community", <u>Korea Herald</u>, 24 September 1991.

Also see, <u>Korea News Review</u> (Seoul, 28 September, 1991).

on oil as a major source of energy. It sharply focused attention on the vital question of the use of force to undermine the territorial integrity and sovereignty of independent states. It became a litmus test for the UN Security Council of its responsibility in living up to the ideals enshrined in the Charter. Thus the Gulf crisis affected the international political, economic and strategic environment in general, and the alignment and balance of forces in the Middle East in particular.

Although Korea was located thousands of miles away from the scene of the conflict and was not a member of the United Nations, it was nonetheless affected by developments in the Middle East following Irag's invasion of Kuwait. crisis affected Korea in three major ways. Korea was heavily dependent on oil imports from the Middle East. fact at the time of Gulf crisis, Korea's energy dependency on oil deepened from 50.2 per cent to 53.3 per cent between the January-August periods of 1989 and 1990. Korea had imported about 175 million barrels of crude oil in the first half of 1990 out of which about 75 per cent came from the Middle East including the oil imports from Kuwait and Iraq. The energy import bill climbed 9.7 per cent to 5.47 billion dollars, accounting for 12.6 per cent of Korea's total

imports between January-August 1990., 10

Iraq's invasion of Kuwait threatened the supply of oil from that region. There was also the fear of the rise in the price of oil. Korea was also directly affected by the economic sanctions that were imposed against Iraq by the United Nations. Korea had decided to join in economic sanctions against Iraq and announced measures to stop oil imports from Iraq on 9 August 1990. 11

There was a major policy announcement by President George Bush with regard to Gulf crisis on 13 August 1990, in which he said that he would ask "US allies to share the cost of Gulf mobilization, especially nations such as Japan, West Germany and South Korea that rely heavily on oil from the Middle East." In the message to President Roh Tae Woo President Bush asked for Seoul's cooperation, while stressing that sanctions against Iraq in accordance with the UN Security Council resolution were necessary to world peace and economic stability.

<sup>10.</sup> Calculated on the basis of figures obtained from <u>Korea News Review</u>, 10 August 1991; 8 September 1990, and 10 November 1990.

<sup>11.</sup> Korea Herald, 9 August 1990.

<sup>12.</sup> Korea News Review, 15 September 1990.

In response to President Bush's message, President Roh announced that Seoul will pay for part of the US military expenditure in the Gulf. He said, "we will offer assistance within our economic capacity and in consideration of our national security conditions." 13

With the deepening of the crisis in the Gulf, the need for taking stronger retaliatory and non economic measures including the formation of UN Multinational Force led by the US, was being increasingly advocated by the United States and its allies. Korea witnessed an interesting debate about the nature and extent of its support to the concept and composition of the Multinational Forces within the framework its foreign policy goals and national security objectives. More specifically, the question was keenly debated in National Assembly, media and outside about the feasibility, desirability and consequences of Korea's sending combat troops as a part of Multinational Force in pursuance of UN resolutions. The Korean government finally decided not to send combat troops to serve the Multinational Force.

The Korean foreign policy makers thus adopted a cautious, growingly independent approach that revealed a

<sup>13.</sup> Ibid., footnote 12.

dichotomy of economics from politics. The complex political dynamics that has prevailed in the Middle East played a major influencing factor in this adoption of "low profile" engagement in this major international crisis. The Koreans could not afford to upset the Arabs who supplied significantly the blood for its (Korea's) growing industrial needs: petroleum. Emphasis was thus given to assuage Arab sentiments keeping in view the long-term strategically economic objectives in the Middle East.

Korean foreign planners could not however wish away any involvement in this crisis, which was to underline the growing US tendency to assert its military supremacy in a fast emerging militarily unipolar world. It, therefore, decided to give financial aid and military transport and material support for the UN led forces in the Gulf War, Korea offered \$470 million in aid to the US forces and \$30 million for the British forces deployed in the Gulf region. 14

Korea took the momentous decision to despatch military medical mission to the Gulf region to join the US led Multinational Force on 24 September 1990. Consequently, the main unit of the Korean military medical team left for Saudi

<sup>14.</sup> Korea Herald, 15 October 1991.

Arabia to join the US led Multinational Forces Medical contingent. This low key involvement of its military personnel in this crisis contrasted sharply with the direct, large-scale engagement of Korean troops to help the US cause in Vietnam during the sixties and the early seventies. Then, the Korean foreign policy makers had portrayed the Korean involvement as strategically essential. Strategically essential it was, as it bolstered the Korean economy with the US paying heavily for the Korean involvement in direct dollar terms. It also greatly enhanced Korean-US ties. The current Gulf crisis was, of course, not in the Korean neighbourhood. But its partial engagement, despite severe US pressure, also revealed a Korean desire to eke its own path. It could also be construed as perhaps a vote of discord against the Americans whose actions were not entirely agreeable to many nations, including the Koreans.

Yet another set of issues of great concern for Korea was the physical safety of Korean construction workers in the Middle East, in general, and Iraq and Kuwait, in particular, the consequences of the abrupt termination of number of Korean construction projects in Iraq and Kuwait and the closure of one of the major sources of foreign exchange earnings both from the ongoing projects and the remittances of Korean workers from Iraq and Kuwait. As the

deadline for withdrawal of Iraq's troops from Kuwait set by UN Security Council, i.e. 15 January 1991 was approaching, Korea intensified its efforts to complete the evacuation of the remaining Koreans who wished to return. By January 1991, some 1200 of the 1300 Koreans in Iraq and Kuwait left the country since Iraq invaded Kuwait. 15

The unprecedented Gulf crisis which occupied the centre stage of international politics for well over six months from August 1990 to February 1991 was a test to Korean foreign policy planners and their ability to respond to a major international crisis. They retained the initiative and succeeded in preserving the autonomy of Korea's foreign policy. They also showed maturity and restraint in safe guarding Korea's vital national economic interests in the Gulf region.

## 15. Korea News Review, 12 January 1991.

For further analysis, see "Statement Issued by the Ministry of National Defense: "Medical Unit to be Sent to the Gulf", Seoul, January 11, 1991"; "Statement by the Government Spokesman, Minister of Information Choi Chang-Yoon, on the outbreak of War in Persian Gulf, Seoul, January 17, 1991", Selected speech by Defence Minister Lee Jong-Ku at a Farewell Ceremony Held for a Military Transport Unit Leaving for the Gulf, Kimpo Airport, Seoul, February 18, 1991", cited in Korea and World Affairs, vol. XV, no.1, Spring 1991.

# KOREA'S EXTERNAL ECONOMIC COOPERATION: Regional and Multilateral Dimensions

One of the major determinants of Korea's foreign policy especially since the early 1960s has been the protection and promotion of its vital national economic interests. Korea could not have emerged as the most developed Newly Industrialized Country and a major Trading State, next only to Japan in Asia, had the foreign policy planners and executors not paid adequate attention to the vital economic content of its foreign policy. What is important to stress is that foreign policy was also used as an effective instrument to subserve nation's economic interests. However, there were subtle but distinct variations in the manner in which different policies were adopted from time to time in the pursuit of economic dimensions of foreign policy during the Sixth Republic. The variations, nuances and instruments depended on the nature and form of interaction of the requirements of the different stages of Korea's economic environment. For example, in the 1960s Korea was mainly concentrating on the exports of manufactured goods like textile apparel, footwear and electronics and depended heavily on the United States and Japan as the major sources of capital, technology and market. It was therefore not surprising that in the 1960s Korea's external economic

relations were largely restricted to the United States and In the 1970s when Korea launched its Heavy Chemical Industrialization (HCI) oriented Third Five year Plan with 100 per cent dependence on imported oil as the most important sources of energy, it began to pay attention to countries in the Middle East. Its external trade also began to diversify with European Community, with OPEC membernations gaining increasing importance. Beginning with the 1980s Korea witnessed the transition from a developing to a developed country with increasing attention being paid to hi-tech and sophisticated industries. With the rapid technological advancement especially in the areas of sophisticated industries and a rise in Korea's investible surplus, it was becoming apparent that there would be a perceptible alteration in the profile of Korea's interaction with the international economic environment, especially with the emerging regional and multilateral economic groupings.

In the 1980s the world economy was witnessing the parallel process of globalization and regionalization. For instance, the EC had already started the process of a unified market with a joint production value of 5 trillion dollars. As a countermove, the United States, Canada and Mexico agreed in February 1991 to pursue a regional trade deal. The free trade agreement expanding the 1989 free

trade accord i.e. North America Free Trade Agreement (NAFTA) between Canada and the United States would bring together a market of 360 million people with a total output of 6 trillion dollars. According to the US Trade Representative Carla Hills, a free trade agreement covering Mexico, Canada and the United States could be struck before the American elections in November 1992. 16 Facing the tariff walls of EC and the NAFTA, the countries and regions of the Asia - Pacific area seem compelled to strengthen their economic cooperation.

However, it may be mentioned that there are two different forms of regional economic cooperation, one is regional economic cooperation, the other is regional economic bloc.

The regional economic cooperation is open and without exclusiveness, its aim is to promote a mutual prosperity of all the countries in the region; such cooperation is positive toward the integration and globalization of the global economy; while the regional economic bloc is more or less exclusive toward outside countries and regions, despite the fact that it is open inside the bloc. Such a

<sup>16.</sup> Korea Herald, 10 April 1992.

proliferation of the concept of bloc economy runs counter to the integration and globalization the of world economy.

one of the most striking features of the world economy in the 1980s has been the remarkable economic dynamism registered in the Asia - Pacific region consisting of some 15 nations. In fact this region is the fastest growing economy in the world. It is a region with vast diversity, rich in variety of resources, huge population and unlimited potentialities for further development. According to one estimate the region's G.N.P. is over 43 per cent of the world GNP, about two times that of the European Community. 17 Despite the worldwide slowdown, growth in developing Asia-Pacific region has hardly flickered, with savings high, investment strong, populations young, there is every chance that many countries will do well even in the future. 18

However, much of Korea's trade is concentrated in the Asia - Pacific region which accounts for over 70 per cent of its total global transactions. Korea's exports to the region in 1988 amounted to 43.7 billion dollars, an increase

<sup>17.</sup> Youngnok Koo, "Korea's Global Economic Interests with Reference to North East Asia", <u>The Korean Journal of International Studies</u>, (Seoul, 1991), Vol. XXII, No.3, p.392.

<sup>18.</sup> Economist (London, 30 May-5 June 1992), p.17.

of 29.7 per cent, as compared with the preceding year's total of 33.7 billion dollars. The import volume also showed a similar trend. In 1988, Korea's imports from the region registered 36.9 billion dollars, an increase of 28.8 per cent over the import volume of the preceding year. 19

The Roh Tae Woo administration realized that the enormous economic potentialities of the Asia - Pacific region could only be developed by fostering closer economic cooperation between the member countries of the region. It therefore, wanted to first consolidate the ongoing process of closer economic cooperation in the region transcending systemic differences and divergent levels of technological and economic development. More importantly, it wanted to institutionalize the Asia - Pacific region's economic cooperation by taking the initiative to persuade the various countries of the region to form a forum that would protect and promote economic cooperation in the region.

It was against this background the Asia - Pacific Economic Cooperation (APEC) was conceived with fifteen member countries. $^{20}$  Following the meetings of APEC in

<sup>19.</sup> Youngnok Koo, <u>ibid.</u>, p.394. See also, <u>Korea Statistical</u> <u>Yearbook 1989</u>, pp. 260-73.

<sup>20.</sup> Fifteen economies of APEC are: Australia, Brunei Darussalam, Canada, People's Republic of China, Hongkong, Indonesia, Japan, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Chinese Taipei, Thailand, and the United States.

Singapore and in Seoul, the cooperation among the countries of the region has been taken to higher stage. In a Ministerial Meeting of APEC in November 1991 in Seoul<sup>21</sup>, President Roh Tae Woo emphasised that the APEC, whose fifteen economies are producing one half of the global output, has reached a stage where an institutional base should be established in order to represent the common economic interests of the region and to promote intraregional trade and economic cooperation:

- \* APEC should set an example of open regionalism under the principles of free trade, thereby complementing and strengthening the multilateral free trade system;
- \* APEC, as a region-wide framework for cooperation, should play a central role in promoting a harmonious and balanced development of the trans Pacific relations by embracing sub-regional economic groups within the Asia Pacific region.

"Seoul APEC Declaration"  $^{22}$  acknowledged the important contribution made by the ASEAN and the PECC (Pacific

<sup>21.</sup> For the full text of the AEPC declaration, see, <u>Joint Statement</u>, Annexe B, issued by the Ministry of Foreign Affairs (Korea) in the APEC Ministerial Meeting on 12-14 November 1991 in Seoul.

<sup>22.</sup> Ibid., Annexe B, p.1.

Economic Cooperation Conference in fostering closer regional links and dialogue and recognised the dynamic growth of economies of the Asia - Pacific region has brought with it growing economic inter-dependence and strong common interests in maintaining the region's economic dynamism and believed that APEC should serve as an exemplary model of open regional cooperation.

APEC placed its top priority on the successful conclusion of Uruguay Round to be the most critical economic issue facing the international community and declared that a successful Round must include substantial liberalization of trade in both goods and services, based on strengthened rules and disciplines in the multilateral trading system and emphasized that a major underpin the growth of world trade, to forestall protectionist pressure, to instill confidence in markets to facilitate the continuation of economic reform in the region and elsewhere.<sup>23</sup>

Till date, APEC has aimed at economic cooperation, but not the formation of an economic bloc which is hostile to outside countries. The economic cooperation in Asia -

<sup>23.</sup> For detailed discussion of the APEC Declaration on the Uruguay Round, see, Joint Statement (Annex C), APEC Ministerial Meeting (Seoul, 12-14 November 1991).

Pacific region is of multiple layers; such as bilateral cooperation and multilateral cooperation among South - East and North - East Asian Countries and regions. Possibly, there could be a regional cooperation on a large scale including South Asia or SAARC Countries.

Thus, as Korea enters the mid nineties, it moves along as a full-fledged member of the UN; its foreign policy makers can take pride from the low profile, yet pragmatic response of a growingly mature Korea to the Gulf crisis. With the emergence of bloc economies, Koreans have no options but to act. The APEC or a much larger Asian Economic Bloc does seem far-fetched, but it could become a necessary solution if the EC and NAFTA blocs come up. Whatever form economic cooperation takes in Asia, Korea, being the second largest trading nation, will play a very important role. The are some of the challenges that a Korean foreign policymaker would have to take note as it (Korea) enters the nineties.

#### CONCLUSIONS

In the preceding pages an attempt has been made to examine the course and contents of Korea's foreign policy during the Sixth Republic which was inaugurated on 25 February 1988. Developments in external relations have been covered upto May 1992.

The study begins with an overview or a general survey of Korea's foreign policy covering the period from the proclamation of the Republic of Korea in August 1948 to the establishment of the Sixth Republic in February 1988. This has been done with a view to identifying the elements of continuity and change in the evolution of Korea's foreign policy during the first four decades of its existence as an independent state. There were two distinct phases in the evolution of foreign policy during this period. The Treaty of Normalization of Relations between Korea and Japan concluded on 22 June 1965, may be said to mark the dividing line between the two phases.

The peninsular and international circumstances in which the Republic of Korea emerged and the ideological orientation of the State's leadership profoundly influenced the foreign policy framework and priorities of the fledgling state.

They were (a) to gain international recognition as the only lawful, representative, national and viable state in the peninsula; (b) to ensure the state's political and systemic survival; (c) to align itself ideologically on the side of those states and governments that upheld liberal democracy and were opposed to communism; (d) to maintain close relations with the United States and (e) to repose trust and confidence in the United Nations in the resolution of the problem of reunification of Korea.

The War in Korea between 25 June 1950 to 27 July 1953 was a watershed in its contemporary history. It brought about noteworthy shifts in Korea's foreign policy especially in the nature, form and extent of its relations with the United States and the United Nations. It clarified and emphasised the nexus between political stability and national security. It strengthened and solidified the bilateral security, political and economic ties between Korea and the United States. This bilateral relations became the core or centerpiece of Korea's external relations. conclusion of Korea-US Mutual Defence Pact in October 1953 was the most tangible expression of Korea's desire to seek the U.S. support to meet its threat perceptions. The United Nations which had intervened militarily in the Korean conflict through three landmark Security Council

Resolutions, No.82, No.83 and No.84 became one of the custodians of Korea's Security because the UN Command was a signatory to the Armistice Agreement of 27 July 1953.

The simmering discontent against the Rhee regime exploded in the form of Students Revolution in April 1960. Although the collapse of the First Republic was an event of extraordinary significance in the political history of Korea, it did not bring about an immediate change in Korea's foreign policy.

The Chang Myon government came to power in August 1960 following the most free and fair elections since 1948. Thus the Second Republic emerged amidst great expectations. It was hoped that the broad democratic political base of the new government would in due course lead to some major changes in the foreign policy priorities. More specifically, it was hoped that the issues that had sustained the abnormality in Korea's relations with Japan might be resolved amicably and that emphasis would be given to restructuring and reorienting Korea's external economic relations. It was also expected that the new government, without abandoning Korea's special security, political and economic relations with the United States, would endeavour to expand diplomatic ties and strengthen political and economic relations with the Third World and developing

countries. However, the Second Republic did not last for even one year. It could not bring the unstable political and economic situation under control to enable it to pursue any substantive change in foreign policy.

On 16 May 1961, a group of Army officers led by Major General Park Chung Hee carried out a successful coup and overthrew the Chang Myon government and terminated the Second Republic. In the next two years, Korea came to be directly ruled by serving military officers through first the Military Revolutionary Committee and later by the Supreme Council, for National Reconstruction. Both the institutions were under the strong and effective leadership of General Park Chung Hee. Civilian constitutional rule was restored on 17 December 1963, after the Presidential election. Park Chung Hee became President of the Third Republic. However, the real power continued to be in the hands of senior military officers, serving and retired, who were close to Park Chung Hee. The Park Chung Hee era lasted until his assassination on 26 October 1979, i.e. seven years after he inaugurated the Fourth Republic following the promulgation of the controversial Yushin Constitution in October 1972.

The eighteen years of Park Chung Hee era left an indelible imprint on every major aspect of national life and

brought about significant changes in politics, economy, society and foreign policy.

and Fourth Republic restructured Third reoriented Korea's relations with the United States in general and redefined the bilateral security relations in particular. In May 1965, President Park visited the United States upon President Lyndon Johnson's invitation and soon after that the agreement between Korea and the United States regarding the dispatch of Korean troops to Vietnam was concluded. As a result Korea emerged as a major and active military ally of the United States in Asia. transformation in the military status and position of Korea vis-a-vis the United States had its impact on other vital areas of Korea-US relations and brought about a new phase and a new equation in the bilateral relations. Yet another manifestation of the restructured security relations was the conclusion in August 1965 of an administrative agreement concerning the status of US Troops in Korea (SOFA), thus resolving many problems which had existed since the arrival of American troops in Korea.

The new twin strategy of planned economic development and Export Oriented Industrialization adopted in the early 1960s, ushered in an era of unprecedented, impressive and sustained economic growth, phenomenal expansion of exports

social. and remarkable and rapid economic technological transformation of Korea. The success of the strategy at least in the formative years required, among other things, the ensuring of the flow of foreign capital and technology and an assured international market for Korean manufactured products, especially in the industrially advanced countries. This strategy of outward looking economic development infused dynamisms to the economic content of foreign policy and gave primacy to resource diplomacy in the broadest sense of the term. From the Third Republic onwards the issue of how to promote and project rapid and diversified economic development given the paucity of industrial resources became an important issue of foreign policy and external economic relations. The incredible growth of economic power since the early 1960s enabled Korea to enhance, prestige and standing in the international community. It became both an objective and an instrument of foreign policy during the Park Chung Hee era government in the post-Park era could ignore it.

One of the most significant breakthroughs in foreign policy since the establishment of the Republic was the conclusion of the normalization treaty with Japan on 22 June 1965 despite widespread and vigorous opposition of tens of thousands of Koreans. This treaty, while settling many problems which had existed between Korea and Japan since

Korea was liberated from Japan, established diplomatic and economic relations between the two countries. The 1965 treaty thus brought about the most significant substantive change in the foreign policy perceptions and priorities of Korea since 1948. Following the normalization treaty, Japan came to play an important role in Korea's economic and technological development and became the leading trading partner of Korea. However, despite Japan's preeminent place in Korea's external economic relations, a number of issues continued to cause friction in the bilateral relations during the Third and Fourth Republics. These included the trade inbalance, the social, economic and legal discriminations against the Korean minority in Japan, the assessment and portrayal of Japanese colonial rule in the Japanese high school history text books, the political activities of Korean dissidents and their supporters Japan, the plight of the Korean victims of Hiroshima and Nagasaki bombings, Japan's policies towards North Korea and pro-North Korea organizations in Japan etc.

Yet another important area of foreign policy which received considerable attention during the Third and Fourth Republics was the expansion of diplomatic relations. In fact as of April 1961, only 17 nations, mostly pro-US, had established diplomatic relations with Korea. However,

between May 1961 and December 1972, Korea concluded diplomatic treaties with 60 countries most of which were This trend non-aligned and developing countries. diversifying diplomatic relations with developing and nonaligned countries gained momentum during done the 1970s. In a very significant move, Korea signed postal agreements with communist countries, five including Yuqoslavia Czechoslovakia in September 1979. The new policy establishing ties with "non-hostile" communist states began announced on 23 June 1973/to show results by the end of 1970s.

Korea found itself in the midst of a serious political crisis following the assassination of President Park Chung Hee on 26 October 1979. In the struggle for power, Major General Chun Doo Hwan, commander of the Defence Security Command emerged as the strongman. He became President of the Fourth Republic on 2 September 1980, following resignation of acting President Choi Kyu Ha who was earlier the Prime Minister, nominated by President Park. President Chun further consolidated his position and got himself elected as the President of the Fifth Republic on 3 March after making some minor changes in the constitution.

The most important development in Korea's foreign policy during the Fifth Republic was the efforts to strengthen relations with Japan. President Chun became the first Korean head of state to visit Japan on 6 September 1984 for a three-day state visit.

The Fifth Republic also saw a mismatch between remarkable economic recovery especially after a negative growth in 1980 and an unstable political situation. And yet it was only in the 1980s that Korea began to be taken seriously as an emerging Asian economic giant, next only to Japan. It is this recognition of its economic power and potentialities that facilitated Korean foreign policy planners to realize the goal of expansion of diplomatic, political and economic relations with developing and nonaligned countries, irrespective of the political and economic systems. The Fifth Republic saw truly impressive success in diversifying diplomatic relations. It was also during the Fifth Republic that Korea won the bid, in the face of tough challenges, to host the XXIV Summer Olympic in Seoul although the games were held in the first year of the Sixth Republic.

The transition from the Fifth to the Sixth Republic was characterized by a transformation in the nature of politics. For the first time in the turbulent history of Korea there

was a peaceful change of government following the historic Presidential election in December 1987. It was historic because for the first time the incumbent President was not a candidate. The transition from the Fifth to the Sixth Republic has generally been characterized as a positive movement from authoritarian oriented politics to democracy oriented politics. The transformation in the nature of politics also resolved the problems of viability and credibility of the political system that had bedeviled Korea in the past. What is no less significant is that the Roh Tae Woo administration sought to consolidate the process and institutions of liberal democracy by exposing and punishing those who had sought to misuse power and authority for personal aggrandizement during the Fifth Republic. Thus probably never before had a government come to power in Seoul with more impressive democratic credentials than that of the government of President Roh Tae Woo and the Sixth The timings of this change in Korea was also Republic. significant. It came at a time when in the international balance of political forces and conflict in ideologies, liberal democracy was emerging asawinner.

Given the democratic background of the Sixth Republic, it was clear that the Roh Tae Woo Administration would initiate changes in the foreign policy also. It could even be argued that the new government had very little choice in

the matter, because a review and reformulation of foreign policy priorities had become imperative in view of the rapid pace of changes in the international political, strategic and economic environment. It therefore became possible, desirable and necessary to take appropriate measures to reformulate foreign policy goals, reconsider options and priorities and restructure external relations. A few months after the formal inauguration of the Sixth Republic, President Roh Tae Woo announced his first major foreign policy and reunification statement on 7 July 1988 in which he set forth the nation's new Nordpolitik towards the communist countries in general and North Korea in particular. The underlying philosophy of the new Nordpolitik was two fold: a) to make a determined attempt at defreezing the North-South relations and b) to convince the international community, especially the Communist Countries, to accept the need to recognise the sovereign, independent existence of the two Koreas. With a view to achieving the second objective, the foreign policy planners in Seoul probably thought it would be desirable to pursue a policy of seeking an all round improvement in bilateral relations with communist countries that were not apparently hostile to the Seoul regime. The policy planners in Seoul realized that substantial reforms and changes were taking place within the Soviet Union, Eastern Europe, China and other socialist

countries although the content and form of economic and political changes were not uniform in the communist countries. No less important was the fact that most of these communist countries were not only averse but in fact keen to develop direct or indirect trade and economic relations with Korea. They were also willing to acknowledge Korea's impressive and rapid industrialization since the early 1960's.

Korea viewed the XXIV Summer Olympics in Seoul as a challenge and an opportunity to reach out to all the continents. It therefore spared no effort to get the maximum participation in the history of the Olympics. particular, it was keen to ensure the participation of as many countries as possible that were either communist or believed to be close to North Korea. Thus, although the Seoul Olympics was essentially an international sports event, it was not without political and diplomatic The Seoul Olympics was by any reckoning a great overtones. The participation of 160 countries in the sports success. carnival was a tribute to the organisation skill and steadfast determination of Korea to ensure the maximum participation. Korea perceived and presented participation of almost all the Socialist countries except Cuba and North Korea as a triumph of its efforts at gaining

defacto recognition of the communist bloc. What is no less significant was the fact that the Seoul Olympics was the first since 1976 to receive both the Soviet Union and the American delegations. In the larger international context this development signaled detente in super power relations which augured well for Korea's new Nordpolitik.

After the successful completion of Seoul Olympics Korea intensified its efforts to establish diplomatic relations with socialist countries and predictably enough started with Hungary. The first round of success in opening the East European doors came when the sixth Republic was about to complete its first year. Korea-Hungary diplomatic relations set the pattern for most of the other East Euorpean countries to follow suit.

The most significant success for Koreas foreign policy during the Sixth Republic came when Korea and the Soviet Union agreed to establish diplomatic relations on September, 1990. What was no less significant was the series of Summit meetings between President Roh President Gorbachev and the rapid progress in economic cooperation between the two countries. Retrospectively viewed, especially after the collapse of the socialist system and the disintegration of the USSR, it does seem that Korea probably showed undue haste to establish diplomatic

relations with the Soviet Union and offered unnecessarily generous economic assistance to the stagnating Soviet economy. It, like many other countries, probably overestimated the resilience of the Soviet Economy and the political system when it sought to establish diplomatic and economic relations with the Soviet Union as an important aspect of the new Nordpolitik.

The development of Korea's relations with the People's Republic of China during the Sixth Republic was in different from the development of Korea - USSR relations though it was positive and encouraging. Unlike Seoul-Moscow relations, there was no flurry of activities or series of dramatic Summit meetings or any generous promise of economic assistance in the development of Seoul-Beijing relations. What was noteworthy was the steady development of all round relations, short of establishing full fledged formal diplomatic relation or according dejure recognition. fact there had been dramatic development in bilateral trade and economic relation including Korean direct investments in The trade volume between Korea and China rapidly China. expanded from 1.3 billion dollars in 1985 to 3.2 billion dollars in 1988 to 5.8 billion in 1991. The bilateral trade is expected to break past the 10 billion mark in March 1993. It was also clear that without China's support, Korea could not have gained entry into the United Nations. China also

responded to Seoul's invitation and attended the historic APEC meeting in Seoul in November, 1991. China participated in the Seoul Olympics and Korea reciprocated with its participation in the Asian Games in Beijing in 1990. Thus Korea-China relations did register a steady, substantial and all round improvement though the issue of according formal or dejure recognition had been shelved for the present. In fact the development of Korea-China relations during the Sixth Republic has demonstrated the pragmatic, realistic and patient approach of Korea's foreign policy planners in dealing with China whose leaders are believed to be capable of influencing the North Korean leadership's perception of peninsular, regional and global issues and which has a bilateral security treaty with North Korea since 1961.

When the Sixth Republic emerged, Korea-US relations were passing through one of the most difficult periods since 1948. It was becoming clear that differences had emerged about the perceptions of Korea-US relations at the official and unofficial levels. The 1980s had seen a new trend in Korean politics. It was the fusion between anti-regime and anti-U.S. movements, especially after the suppression of the Kawangju uprising. There was a feeling among large sections of Koreans that the United States should have refrained from lending unqualified support to General Chun Doo Hwan during

the crucial months from December 1979 to May 1980 and later during the Fourth and Fifth Republics.

also resentment against the U.S policies. The resentment cut across political differences. It was generally felt that the protective nature of U.S. trade policies placed severe constraints on the export of Korean manufactured products to the U.S. market. The Korean government was also implored not to yield to the U.S. pressures to open the Korean market wider. In particular the American demand to open Korean rice market was widely and sharply resented. The issue was assuming strong nationalist overtones. There were not only rallies and street marches in many cities against any move to allow the import of rice from the U.S., but also fields of rice harvest were set fire as a mark of protest to synchronize with the visit of President George Bush in January 1992. Yet another set of issues revolving around the U.S. military presence in Korea was being increasingly debated. These included, recovering operational control of Korean Armed Forces placed under the combined Forces command; sharing the costs for the upkeep of the U.S. forces in Korea; relocating the U.S. Forces headquarters from downtown Seoul and revising the Korea-U.S Status of Forces Agreement (SOFA). Thus several issues in Korea - U.S. relations which were either pushed under the carpet earlier or which had remained

dormant came up for a serious and frank discussion and amicable settlement during the Sixth Republic. United States and Korea recognized the need and the urgency to review the bilateral relations. The exercise of restructuring Korea-US relations without undermining the basis and spirit of the relations was far more difficult than establishing diplomatic and economic relations with the Communist countries in Eastern Europe which were in any case undergoing rapid ideological reorientation and even national disintegration. However, the Roh Tae Woo administration handled a range of important and sensitive issues in Korea-US relations with tact, patience and foresight. resolved most of the issues and took the sting out of the critics and brought about perceptible but mutually acceptable changes in the form and content of Korea - US relations.

Japan continued to occupy an important place in the foreign policy concerns during the Sixth Republic. It could not have been otherwise given the history of strained and abnormal relation. How to redress the chronic and mounting trade deficit with Japan remained an issue of utmost concern for Korea in its overall economic relations with Japan. President Roh Tae woo sought some positive commitment from Japan that it would adopt more encouraging policies towards

imports from Korea during his visit to Japan in May 1990. Assurances were given and yet the deficit continued to increase. The Roh Tae Woo administration did succeed at least in resolving the long standing and contentious issue of the legal status of the third generation Koreans after considerable negotiations. However, the bilateral relations once again plunged into a bitter phase with the shocking revelations about thousands of Korean "Comfort Women" made to serve the Japanese soldiers during World War II. Korea-Japan relations during the Sixth Republic once again confirmed that the improvement and deterioration in the bilateral relations have a logic and momentum of their own and seem to be unrelated with the trends in international relations.

Iraq's invasion of Kuwait in August, 1990 and the retaliatory measures adopted by the U.N. Security Council put to severe test the economic, political and security aspects of Korea's Foreign policy. Korea could not take only a moral stance and remain content with a strong condemnation of Iraq's invasion. It had to face upto the consequences of supporting the U.N sanctions on Iraq. It had to take concrete measures with regard to a number of issues. These included, evacuating Korean nationals from Iraq and Kuwait, containing the impact on balance of payments from the rise of oil prices, ensuring alternate sources of supply to make

up for the losses suffered from the interruption of oil supply from Iraq and Kuwait etc. However Korea's response to the Gulf Crisis went beyond merely safeguarding its immediate economic interest. It decided to demonstrate its positive support to U.N. actions by giving financial aid to and military transport and material support for the U.N. Forces in the Gulf conflict. It also rendered direct financial support to frontline Arab States in the conflict However, what is significant to note is that like Egypt. Korea restrained and refrained from sending combat troops as part of UN Multinational Force, although there was an expectation that Korea would send combat troops since it was generally perceived as a close ally of the United States. The issue came up for an intense debate and the national consensus was that Korea would send only military medical mission to join the UN Multinational Force. Thus Korea's response to the Gulf crisis that occupied the centre stage of international politics for almost six months principled, prompt, positive, and restrained. demonstrated more than anything else that Korea retained its initiative and autonomy while deciding the form and extent of its support to the UN Security Council resolutions.

One of the most important successes of Korea's foreign policy during the Sixth Republic was Korea's entry into the

United Nations as a full fledged, dignified member. combination of peninsular, regional and international factors had conspired for years to keep Korea out of the UN. Korea could finally achieve what had eluded it for forty two This was mainly because of its multipronged favourable international diplomacy. perseverance and political environment. China's endorsement of simultaneous and separate entry of the two Koreas cleared as it were the last stumbling block for Korea to join the UN. All indications suggest that Korea will play a constructive and active role in the United Nations and use the forum and institution of the UN to pursue its foreign policy goals with a greater zeal.

Korea's foreign policy during the little over four years of the Sixth Republic could be summed up as innovative, independent, dynamic, balanced and generally successful. The Roh Tae Woo administration is unlikely to take any new initiative in the domain of foreign policy in view of the forthcoming Presidential election.

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