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# REGIONAL MULTILATERALISM IN ASIA AND THE KOREAN QUESTION<sup>1</sup>

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#### I. Introduction

The partition of Asia along ideological lines after World War II brought great suffering to the Korean people. The nation was divided along the 38<sup>th</sup> parallel in 1945 and became the battleground for an internationalized civil war from 1950 to 1953, pitting South Korea and the United States against North Korea and China, with the Soviet Union in the background. Although the Cold War has since ended, the Korean question remains unresolved.

Will a reunified nation-state become a reality for the Korean people? This question has internal, inter-Korean, and international dimensions: What kind of a political and economic system should reunified Korea have? How should Koreans overcome national division and move toward unification? How should the Korean nation position itself as an international player? For the first two dimensions, there is a broad consensus in South Korea that a democratic market economy should be the objective and "change through rapprochement"—rather than democracy transplantation through regime change—would provide the best chance to realize this vision. As for the international dimension, placing Korean unification within the broader context of regional integration may be an effective geopolitical strategy for the Korean nation.

Just as Germans and their neighbors agreed to make reunified Germany an integral part of Europe rather than risk the emergence of an unhinged revisionist power, Koreans and their neighbors may come to see regional integration as a critical component of the solution to the Korean question. As a divided land-bridge in Asia, Korea has much to benefit from regional integration. By contrast, a maritime-continental confrontation in Asia is not in the interest of the Korean people, as it would perpetuate national division and increase the risks of military conflict on the Korean peninsula. This line of geopolitical thinking has tended to guide South Korea's perspective on regional multilateralism in Asia, especially since the end of the Cold War and the restoration of democracy in the late 1980s.

To explore these questions and their impact on Korean views of community-building in Asia, this chapter is organized as follows. The next section looks at South Korea's evolving

perspective on regional multilateralism in Asia since the inception of the republic in 1948.

Section III covers current approaches and attitudes toward regional multilateralism. It compares U.S.-centric, Asia-centric, and U.S.-in-Asia approaches, and analyzes recent trends in South Korea's foreign policy. The concluding section looks at South Korea's geopolitical choices for the future.

### II. South Korea's Evolving Perspective on Regional Multilateralism

In the early days of the Cold War, South Korea did not focus much on improving relations with Japan and Communist China—to say nothing of promoting Sino-Japanese rapprochement. Harsh Japanese colonial rule in Korea from 1910 to 1945 had left a bitter memory; in fact, not until 1965 would South Korea establish diplomatic relations with Japan. South Korea's strong anti-communist stance also precluded dialogue with the People's Republic of China. To the extent that regional multilateralism was discussed in those days in South Korea, it had mostly to do with establishing an anti-communist bloc.

When Elpidio Quirino of the Philippines called for the creation of a Pacific alliance along the line of the North Atlantic Treaty Organization (NATO) in March 1949, Syngman Rhee, leader of the Republic of Korea (ROK) from 1948 to 1960, welcomed the proposal because he saw this as guaranteeing automatic intervention by U.S. military forces in the event of an attack from communist North Korea. On May 6, 1949, when Rhee could not obtain a bilateral security assurance from the U.S., he pressed for a Pacific security pact under U.S. leadership, with Nationalist China and the Philippines as the other founding members.<sup>2</sup>

However, with the Nationalist Chinese on the verge of defeat in China and U.S. policy toward Asia under review, Washington was unwilling to overtly support such an anti-communist military alliance. Moreover, for various reasons, the United States preferred to deal with Asian

the Pacific Pact [in Korean]," *Critical Review of History* 76 (Autumn 2006): 95-102.

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<sup>&</sup>lt;sup>2</sup> Rhee was ambivalent about including Japan in this security pact. To strengthen South Korea's position in East Asia, he wanted to minimize Japan's influence in the multilateral arrangement. At the same time, he understood that the U.S. regarded Japan as the anchor of its East Asia strategy, especially after the defeat of the Nationalists in China. For a more detailed discussion of Rhee's position, see Park Jin-Hee, "Syngman Rhee's Attitude toward Japan and

nations on a bilateral basis and form a hub-and-spoke alliance system. Although the U.S. supported the creation of the Southeast Asia Treaty Organization (SEATO) in 1954, this organization had no joint command with standing forces and lacked "all for one, one for all" provisions. It was also limited in geographical scope to Southeast Asia. No similar multilateral structure was created in Northeast Asia or East Asia as a whole. Even after the signing of the ROK-U.S. Mutual Defense Treaty in 1953, Rhee continued to push for a U.S.-supported anti-communist security alliance in Asia – again to little avail.<sup>3</sup>

Rhee's anti-communist stance shaped his unification policy as well. This policy precluded dialogue with the communist regime in North Korea and called for free general elections in all of North and South Korea under the auspices of the United Nations. Whether it was realistic to hold free general elections in North Korea was a moot point. In the ideologically charged atmosphere of the early Cold War period, Rhee's priority was to diplomatically isolate North Korea and create an advantage for South Korea in the international legitimacy game. His policy was similar in spirit to West Germany's tough stance toward East Germany under the Hallstein Doctrine.<sup>4</sup>

Although the thawing of the Cold War, or détente, in the late 1960s and 1970s changed the international context of policy discussions on regional multilateralism and national unification, the bitter memory of the Korean War as well as communist advances in Southeast Asia made most South Koreans cautious, if not skeptical, about any proposal to improve relations with communist regimes. In fact, those who promoted the idea of obtaining security guarantees from the United States, Soviet Union, China, and Japan for peace on the Korean peninsula were regarded as dangerous radicals who were out of touch with reality. Kim Daejung – who later became ROK president from 1998 to 2003 – was portrayed as such during his

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<sup>&</sup>lt;sup>3</sup> Rhee wrote a letter to the *New York Times* warning the U.S. about the growing "red peril" on the Asian continent. Rhee Syngman, "Rhee Warns U.S. Red Peril Grows: Korean President Asks Arms for Asians to Keep Foe from Taking Continent," *The New York Times*, May 9, 1954.

<sup>&</sup>lt;sup>4</sup> According to the Hallstein Doctrine, West Germany had the exclusive right to represent the entire German Nation, and West Germany would sever diplomatic relations with any state that recognized East Germany. However, Willy Brandt abandoned this principle of isolating East Germany and began to pursue *ostpolitik* in the late1960s. A similar change in South Korea's unification policy came much later, with the adoption of *nordpolitik* in the late 1980s.

<sup>&</sup>lt;sup>5</sup> Ironically, Henry Kissinger, the ultimate realist, supported the idea of cross-recognition.

first presidential campaign in 1971.<sup>6</sup> The thawing of the Cold War also created strains in the ROK-U.S. alliance due to the two allies' diverging threat perceptions and domestic political considerations. While the United States pursued détente and reduced its military presence in Asia, South Korea felt more vulnerable to a North Korean attack and launched an ambitious campaign to build up its military capability, including a covert nuclear program. Richard Nixon's visit to Beijing in 1972 and the withdrawal of one of the two U.S. infantry divisions stationed in South Korea marked the beginning of the strained alliance relationship in the 1970s.<sup>7</sup>

To the authoritarian government of Park Chung Hee (1961-79) and Chun Doo Hwan (1980-88), an uncompromising anti-communist stance was not only a prudent security strategy, but a politically expedient one as well, for they could take advantage of popular fears and anxieties about a communist takeover to justify their authoritarian rule. Due in part to these domestic political considerations, South Korea made few comparable moves even after the United States and Japan took steps to normalize relations with China in the 1970s. Although a high-level inter-Korean meeting was held for the first time in July1972, it did not usher in a new era of cooperation between the two sides. On the contrary, citing threats to national security, Park declared a state of national emergency in October of the same year and adopted a new constitution that gave dictatorial powers to the president, eliminated term limits, and abolished direct presidential elections. No serious attempt was made to normalize relations with communist regimes during the authoritarian period.

However, the end of military rule in 1987 and ensuing democratization made it possible to expand the scope of public discussions on issues pertaining to unification and regional multilateralism. Furthermore, the end of the Cold War and economic reform in transition countries such as China and Vietnam changed the prospects for regional multilateralism in Asia,

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<sup>&</sup>lt;sup>6</sup> For a more detailed discussion of his position on Korean unification during the 1971 campaign, see Kim Dae-jung, *Union of Republics* [in Korean] (Seoul: Hakminsa, 1991), 102-48.

<sup>&</sup>lt;sup>7</sup> Looking at the ROK-U.S. alliance from 1950 to 1972, Shin (2001) notes that the U.S. pursuit of détente tended to create strains in the alliance, especially in the 1968-72 period. It is interesting to note that another "détente" brought about a reversal of roles in the 2000s, when the U.S. argued that South Korea was discounting North Korea's military threat, whereas South Korea urged the U.S. to engage North Korea to dismantle the Cold War structure on the Korean peninsula. Over the previous three decades, the power balance between North and South Korea had decisively shifted in favor of the South.

and advocacy of regional multilateralism became an intellectually and politically respectable position in South Korea. These changes in domestic and international politics encouraged both academics and practitioners to take a look at South Korea's geopolitical challenges from a more strategic perspective.

In his speech at the United Nations on Oct. 18, 1988, Roh Tae Woo (1988-1993) called for the creation of a Six-Party Consultative Conference for Peace in Northeast Asia with a view toward commencing "an era of Pacific prosperity." He proposed that this conference address regional security issues, so as to ease U.S.-Soviet tensions, resolve Japan-Soviet territorial disputes, promote China-Soviet rapprochement, and secure peace on the Korean peninsula.8 This was in part a response to Mikhail Gorbachev's September 1988 proposal for multilateral security cooperation in the region. The Soviet Union and Japan welcomed Roh's proposal, but it failed to produce a substantive outcome due to lukewarm response from the United States and China and opposition from North Korea, who wanted to normalize bilateral relations with the United States and Japan first. Nevertheless, with South Korea's subsequent normalization of relations with the Soviet Union in 1990 and China in 1992, multilateral security cooperation became an increasingly important objective in its foreign policy. Under nordpolitik, Roh Tae Woo also sought to bring North Korea out from the cold and change its behavior through engagement. These efforts led to the signing of the Agreement on Reconciliation, Nonaggression, and Exchanges and Cooperation Between South and North Korea ("Basic Agreement") in December 1991. 10

Maintaining a strong bilateral alliance with the United States and developing good relations with former adversaries in Northeast Asia became the central policy challenge for South Korea in this period. In his keynote speech at the 26<sup>th</sup> Pacific Basin Economic Council

<sup>&</sup>lt;sup>8</sup> Roh Tae Woo, Korea: A Nation Transformed—Selected Speeches of President Roh Tae Woo (Seoul: Presidential Secretariat, 1990). <sup>9</sup> On his visit to the Siberian city of Krasnoyarsk on Sept. 16, 1988, Gorbachev called for a moratorium on nuclear

weapons in the Asia-Pacific region, reduction of naval and air forces in Northeast Asia, and mutual abandonment of the U.S. bases in the Philippines and the Soviet bases in Cam Ranh Bay. He also made a proposal for a multilateral security conference in Asia.

<sup>&</sup>lt;sup>10</sup> Agreement on Reconciliation, Nonaggression, and Exchanges and Cooperation Between South and North Korea, December 13, 1991 (effective February 19, 1992), http://www.unikorea.go.kr/english/EUL/EUL0101R.jsp.) A more accessible URL in the U.S. may be http://www.isop.ucla.edu/eas/documents/korea-agreement.htm.

(PBEC) Meeting in May 1993, Kim Young Sam (1993-1998) declared that South Korea would push for a multilateral security dialogue while deepening and further developing a bilateral security consultation mechanism with the United States. 11 As for the geographical scope of this multilateral security dialogue, South Korea preferred the sub-region of Northeast Asia to the Asia-Pacific as a whole, and sought to create "a mini-CSCE" (Conference on Security and Cooperation in Europe) in Northeast Asia. 12 At the first ASEAN Regional Forum (ARF) in May 1994, South Korea made a proposal for a Northeast Asia Security Dialogue (NEASeD), which would address such security issues as threats to peace on the Korean peninsula, tensions across the Taiwan Strait, and arms build-ups in the region. In promoting multilateral security cooperation in Northeast Asia, South Korea drew inspiration from the European experience and put forth the following six principles: (1) respect for sovereignty and territorial integrity, (2) nonaggression and non-use of force, (3) non-intervention in domestic affairs, (4) peaceful resolution of disputes, (5) peaceful coexistence, and (6) respect for democracy and human dignity. <sup>13</sup>

North Korea's nuclear brinkmanship and precipitous economic decline in the mid-1990s prompted further discussion on multilateral security cooperation. Although the Geneva Agreed Framework of 1994 was officially a bilateral agreement between the U.S. and North Korea, its implementation required multilateral security and energy cooperation. To bring a formal end to the Korean armistice regime, North and South Korea plus China and the United States launched four-party talks. The ostensible objective of the process was to create a new peace regime on the Korean peninsula, but some policymakers in South Korea believed that it could also provide a framework for dealing with North Korea's collapse.<sup>14</sup>

<sup>&</sup>lt;sup>11</sup> Lee Sang-Kyun draws lessons from the European experience with regard to the role of the United States in regional multilateralism. See Lee Sang-Kyun, "A Proposal for Multilateral Security Cooperation in Northeast Asia: European Experience and Korea's Choice [in Korean]," National Strategy (Spring/Summer 1997): 200-1.

<sup>&</sup>lt;sup>12</sup> For more details on the mini-CSCE idea, see Han, Sung-Joo, "Fundamentals of Korea's New Diplomacy: New Korea's Diplomacy toward the World and the Future," Korea and World Affairs (Summer 1993): 239. Han was the first Foreign Minister in the Kim Young Sam government.

<sup>&</sup>lt;sup>13</sup> Looking at South Korea's previous proposals for multilateral security cooperation in Northeast Asia, Cho observes that the NEASeD proposal can provide a useful benchmark for the forthcoming Six-Party negotiations on a multilateral security organization. See, Cho Sung-Ryol, "The Denuclearization of the Korean Peninsula and a Search for a New Order in Northeast Asia [in Korean]" (paper, Annual Unification Forum, Korean Council for Reconciliation and Cooperation, Seoul, April 12, 2007).

<sup>&</sup>lt;sup>14</sup> In this regard, the German case seems to offer a useful lesson: Even if North Korea and its patrons simultaneously suffer a precipitous decline to make "unification by absorption" a realistic prospect for South Korea, it would still make sense for South Korea to have developed good relations with North Korea's patrons, as well as its own allies, to facilitate unification. Adopting a hostile policy toward North Korea's patrons would be counterproductive. Wonhvuk Lim 6

In addition to security cooperation, economic cooperation in Northeast Asia or East Asia also began to attract a great deal of interest in the 1990s. A number of academics and practitioners in South Korea called for tighter economic integration in the region, including the construction of energy and transportation networks that would connect formerly hostile nations and facilitate economic development. They argued that such regional efforts would support the economic integration and eventual unification of the Korean peninsula. Furthermore, the signing of the North American Free Trade Agreement (NAFTA) and the formation of the European Union spurred exploratory discussions on "defensive" responses from Asia.

The 1997 Asian economic crisis highlighted the need to create transnational institutions such as an Asian Monetary Fund to protect the common interests of the countries in the region. In fact, a collective sense of humiliation stemming from the crisis helped to produce a new impetus for regional cooperation and led to the establishment of the ASEAN + 3 process at the end of 1997. In addition, the resurgence of China prompted a search for an international arrangement designed to minimize the risks associated with a shifting balance of power in Asia. These developments in the late 1990s led South Korea to engage in middle-power diplomacy to promote regional cooperation. Kim Dae-jung (1998-2003) sought to improve South Korea's bilateral relations with its "close but distant" neighbor, Japan, and other nations in East Asia, while maintaining a strong alliance with the United States. Building on improved bilateral relations with South Korea's neighbors, he supported the ASEAN + 3 process and other multilateral efforts to address economic and security concerns in the region. These diplomatic efforts helped to set the stage for the historic inter-Korean summit in 2000. Kim believed that an

<sup>&</sup>lt;sup>15</sup> See, for example, Kim Sung-Hoon, Tae-Hoon Kim, and Eui-Seop Shim, *Northeast Asian Economic Region* [in Korean] (Seoul: Bibong Press, 1997); Kim Young Ho, "Economic Cooperation in Northeast Asia and Economic Integration of South and North Korea," *Review of Comparative Economics* 3, 1995 [in Korean], pp.205-225.

<sup>16</sup> Kim Sunhyuk and Yong Wook Lee, "New Asian Regionalism and the United States: Constructing Regional Identity and Interest in the Politics of Inclusion and Exclusion," *Pacific Focus* (Inha University, South Korea) vol. 19, no. 2 (Fall 2004): 185-231. <a href="http://www.korea.ac.kr/~sunhyukk/pf04.pdf">http://www.korea.ac.kr/~sunhyukk/pf04.pdf</a>. Kim and Lee argue that the crucial feature of the "new" Asian regionalism in the post-crisis period has been its exclusionary nature. Using the constructivist theoretical framework, they point out that the initial "holier-than-thou" response of the West to the Asian economic crisis helped the Asian nations to develop a new collective identity. However, as the acrimonious debate over historical issues in the region has since demonstrated, the stability of this new collective identity should be questioned.

<sup>&</sup>lt;sup>17</sup> In 1998, Kim Dae-jung and Keizo Obuchi came to terms with history and declared a new partnership for the 21<sup>st</sup> century between the two nations.

integrated approach was essential to the success of South Korea's inter-Korean and foreign policy. <sup>18</sup>

In a sense, the Northeast Asian Cooperation Initiative for Peace and Prosperity by Roh Moo-hyun (2003-2008) represented the culmination of South Korea's efforts to promote regional cooperation and facilitate Korean unification since the end of the Cold War.<sup>19</sup> At his inauguration in February 2003, Roh declared that although the geopolitical characteristic of the Korean peninsula as "a bridge between China and Japan, linking the continent and the ocean" had caused pain and suffering in the past, this same feature demanded that the Korean people play "a pivotal role in the Age of Northeast Asia in the 21<sup>st</sup> century," to realize "a dream of seeing a regional community of peace and prosperity in Northeast Asia like the European Union." However, subsequent strains in South Korea's bilateral relations with Japan and the United States made it difficult for Roh to play a facilitating role in promoting regional cooperation. The intensifying rivalry between China and Japan in recent years made this task even tougher. Although the Six-Party Talks may evolve into a regional security cooperation organization in the future, Roh's Northeast Asian Cooperation Initiative has achieved only uneven progress.

In sum, geopolitical logic, in combination with international and domestic politics, has influenced South Korea's perspective on regional multilateralism in Asia. Applied to the Korean peninsula as a divided land-bridge in Asia, geopolitical logic seems to dictate that South Korea promote regional cooperation, especially between continental and maritime powers, so as to minimize the risks of conflict on the peninsula and facilitate unification. However, during the years of the Cold War and authoritarian rule, international and domestic political considerations placed important restrictions on South Korea's diplomatic efforts and intellectual discussions. In

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<sup>&</sup>lt;sup>18</sup> Kim Dae-jung, "The South-North Summit: A Year in Review," In Woo, Keun-Min, ed. *Building Common Peace and Prosperity in Northeast Asia*. (Seoul: Yonsei University Press, 2002), pp.27-32. Looking back on the inter-Korean summit, Kim said: "Improvements in South-North relations will be realized when there is parallel progress in U.S.-North Korean ties. It goes without saying that U.S.-North Korean relations are inextricably linked with South-North relations. Successful South-North exchange and cooperation is unlikely to materialize when only progress in one area is visible. These two tracks must develop in unison with each other."

<sup>19</sup> For details of this proposal, see Presidential Committee on Northeast Asian Cooperation Initiative, *Toward a* 

<sup>&</sup>lt;sup>19</sup> For details of this proposal, see Presidential Committee on Northeast Asian Cooperation Initiative, *Toward & Peaceful and Prosperous Northeast Asia*, 2004.

fact, only with the end of the Cold War and authoritarian rule could the geopolitical logic of promoting regional cooperation work in concert with international and domestic political considerations.

III. Debates in South Korea about Regional Multilateralism

Drivers for Regional Multilateralism: Security, Economy, and Identity

In South Korea's case, support for Asian regionalism is driven mostly by security and economic considerations and far less by identity politics. Most South Koreans believe that Asian nations, as well as extra-regional powers such as the United States, can reduce the security dilemma and realize mutual economic gains through regional multilateralism. By contrast, they tend to have a somewhat skeptical view of identity politics. In theory, regionalism can reflect and amplify a shared identity—either positive values or a negative sense of humiliation and victimization; in practice, however, with nations at different stages of development and historical issues still affecting international relations in the region, identity politics has significant limitations as a catalyst for Asian regionalism, at least in the eyes of most South Koreans.

The primary driver for promoting regional multilateralism in South Korea's case is security concerns. First and foremost, to resolve North Korea's nuclear problem and to promote peace and security in Asia, South Korea not only supports the Six-Party process but is also interested in making this into a more permanent multilateral security arrangement. As South Korea's leaders have made clear on a number of occasions since Roh Tae Woo's speech at the United Nations in 1988, South Korea believes that multilateral security cooperation is critical to securing peace not only on the Korean peninsula but also in the broader region. And Seoul has welcomed the inclusion of talks on a peace regime and regional dialogue in the Six-Party process.

However, South Korea's embrace of the Six-Party Talks was not a foregone conclusion when U.S. Secretary of State Colin Powell broached the idea for a multilateral approach in February 2003. Washington had pushed the multilateral negotiating process with the goal of enlisting the other powers of the region to keep pressure on Pyongyang after North Korean

Wonhyuk Lim Regional Multilateralism in Asia and the Korean Question CNAPS Visiting Fellow Working Paper officials allegedly acknowledged a clandestine uranium program in violation of the Agreed Framework during U.S.-DPRK bilateral talks in October 2002. While the Roh government's interest was not necessarily in increasing pressure on the North, there was an interest in multilateralizing the approach to the North to ensure that diplomacy remained the primary tool for convincing Pyongyang to abandon its nuclear weapons program.

Over time, the United States, the ROK, Japan, Russia, and China began to see the utility of the Six-Party process in terms of establishing a lasting mechanism for peace in security in Northeast Asia, not unlike the vision put forward by Roh Tae Woo two decades before. In the September 2005 joint statement of the Six-Party Talks<sup>20</sup> and a subsequent implementation statement on February 13, 2007, 21 the parties agreed to establish six working groups. One of the working groups focused on establishing a peace mechanism on the peninsula, essentially reviving the stalled Four Party talks from the mid-1990s. Another working group focused on developing a Northeast Asia Security and Cooperation. While the linkage of progress in these working groups to actual denuclearization by the North remains challenging, and Pyongyang's stance towards regionalism is still highly situational and opportunistic, there is no question that security and confidence-building talks are now entrenched in the diplomacy of Northeast Asia. The focus of that dialogue is still on security issues related to the Korean peninsula, but with success there, it is possible that the talks could be broadened to address other security problems of the major powers in the Northeast Asia. While Seoul once resisted this internationalization of security problems on the peninsula, there is now a higher confidence level that these forums can reinforce the South Koreans' vision of a more stable peninsula.

Another important motive for South Korea to push for regional multilateralism is economic. Although there is a continuing debate on whether East Asia constitutes a "natural" grouping, this region has witnessed rapid economic growth and increasing trade and investment flows over the past few decades. In 1960, the combined GDP of ASEAN + 3 was only two-fifths of the U.S. GDP. By 2003, the combined GDP of this group had become approximately

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<sup>&</sup>lt;sup>20</sup> See the Joint Statement in the Fourth Round of the Six-Party Talks on September 19, 2005, at http://www.mofat.go.kr/me/me a003/me b041/me c041/1226305 31377.html

<sup>&</sup>lt;sup>21</sup> See the Initial Actions for the Implementation of the Joint Statement on February 13, 2007, at http://www.mofat.go.kr/me/me a003/me b041/me c041/1226310 31377.html

70 percent of the GDP of the U.S. In 2025, the combined GDP of ASEAN + 3 is forecast to be slightly less than the U.S. GDP. Moreover, the transformation of East Asia from an export production base for the rest of the world to an increasingly integrated market has significantly enhanced prospects for regional cooperation.<sup>22</sup> Against this background, South Korea is pushing for the construction of energy and transportation networks in the region, facilitating economic development not only in North Korea but also in China's northeastern provinces and the Russian Far East. Such investment projects will also create business opportunities for firms from outside the region, and allow them to share in the benefits of increased regional integration. Oil and gas pipelines from Siberia and Sakhalin are perhaps the best known example of these proposed investment projects.<sup>23</sup>

In his speech to the European Union Chamber of Commerce in Korea (EUCCK) in June 2003, Roh Moo-hyun presented this vision for an open and integrated Northeast Asia. Vowing to establish a virtuous cycle of peace and prosperity in Northeast Asia, he said: "The ultimate goal is to build a cooperative and integrated order in the Northeast Asian region. As Europe in the past was able to pursue economic integration by way of steel and coal, Northeast Asia will be able to create a new order of cooperation through railroad links and joint energy development." He added: "But regional cooperation designed for only Northeast Asian countries will have limits. Security can be improved and dynamism can be bolstered only when Northeast Asia provides an arena that will enable major international corporations to engage in energetic activities on the basis of improved relations among the countries in the region."

As for identity politics, South Korea is inclined to take a historical and process-oriented view rather than just focus on the moment. Although South Koreans are quite proud of the nation's political and economic development over the past half century, they are wary of setting democracy and market economy as pre-conditions for membership in regional multilateralism.

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<sup>&</sup>lt;sup>22</sup> Lim Wonhyuk, "Economic Integration and Reconciliation in Northeast Asia: Possibilities and Limitations," in *Rethinking Historical Injustice in Northeast Asia*, ed. Gi-Wook Shin, Soon-Won Park, and Daqing Yang (New York: Routledge, 2007), 235-53. The author looks at the evolving pattern of economic relations in East Asia, and analyzes the possibilities and limitations of using economic integration to bring about historical reconciliation and regional cooperation.

<sup>&</sup>lt;sup>23</sup> See Presidential Committee on Northeast Asian Cooperation Initiative (2004) for more details on energy, transportation, trade, and environmental cooperation projects.

This approach is in contrast to the one adopted by neoconservative academics and policymakers who have been floating the idea of forming a "value alliance" with nations that share the core values of democracy and market economy against "the irredeemable forces of darkness" in the post-9/11 world. Although South Koreans and neoconservatives may share the core values of democracy and market economy, they are likely to disagree sharply on the policy tools implemented to realize these values. In fact, many South Koreans feel that the risk inherent in the neoconservatives' historical and Manichean approach is that it may actually reduce the prospects for reform in nations targeted by the alliance and greatly increase the possibility of conflict. Some even regard the neoconservative variety of identity politics as a thinly veiled attempt to contain China.<sup>24</sup>

To the extent that interaction with the outside world facilitates change, making engagement conditional on the liberalization of the other side may actually impede such a transition. While a system of governance based on accountability and transparency is likely to be conducive to regional cooperation, it is probably counterproductive for a nation to demand that another nation adopt such a system as a prerequisite for cooperation, especially when many nations in Asia have been making positive economic and political progress over the past few decades. Although South Koreans appreciate the norm-building aspect of regionalism, as demonstrated by the Helsinki Accord of 1975, they tend to differentiate between mutually agreed norm-building and coercive norm-imposing. <sup>26</sup>

South Koreans also tend to believe that before crafting a shared regional identity that transcends national boundaries, nations that make up a potential community should first come to terms with history. Because nationalism was instrumental in the outbreak of historical hostilities in Asia as well as other parts of the world, nationalism would have to inform the discussion on

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<sup>&</sup>lt;sup>24</sup> Cynics may view Japan's diplomatic initiative to create "an arc of freedom and prosperity" as the latest example of justifying China containment based on values.

The economic and political development of Asian nations tends to weaken the old Japanese logic of *datsua* ("escape from Asia") and facilitate regional multilateralism in Asia.

<sup>&</sup>lt;sup>26</sup> The Helsinki Accord had three baskets. The first basket covered security issues such as confidence-building and arms reduction measures. The second basket promoted cooperation in economic, science and technology, and environmental areas. The third basket covered cooperation in humanitarian and other areas, through increased people-to-people interaction.

reconciliation and cooperation. Advocacy of a regional or supranational identity would ring rather hollow before national wounds are healed.<sup>27</sup> In fact, historical issues have had a great deal of impact on bilateral as well as multilateral relations in Northeast Asia. The best known example is the relationship between South Korea and Japan over such issues as "comfort women" and the Yasukuni Shrine. Although the Japanese government has issued a number of official apologies, or expressions of regret, these apologies have been often followed by "misstatements" or actions from influential Japanese politicians who tend to beautify Japan's past colonial rule. Their contradictory words and actions not only cast doubt on the sincerity of the official apologies, but also tend to overshadow the significant efforts that Japan's civil society has made to resolve historical problems through international cooperation.

More fundamentally, there is a contradiction in what Japanese conservatives are doing with regard to historical issues. Logically, Japanese conservatives should make their case to former imperialist powers in the West (not Korea and China, victims of imperialist aggression) that it is unfair to lump Imperialist Japan with Nazi Germany, and Hideki Tojo with Adolf Hitler. Geopolitically, however, Japanese conservatives seem to have made up their minds to build strong ties with the West (especially the United States) to guard against the rise of China. An intellectually honest and honorable position would be to make a hard-nosed realist justification for Japan's imperialist aggression *and* apologize to the victims of this aggression, but Japanese conservatives have instead tried to beautify their past. Shinzo Abe's effort to justify Japan's wartime treatment of comfort women and the resulting criticism in Korea and the United States demonstrates the trap Japanese conservatives have created for themselves. These retrogressions raise basic questions of trust and impede progress in bilateral and multilateral cooperation.

The controversy over the ancient kingdom of Koguryo in 2004 provides another example of how a historical issue can affect international relations.<sup>28</sup> With North Korea becoming

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<sup>&</sup>lt;sup>27</sup> Choi Jang-Jip, "Ideational Base for the East Asian Community [in Korean]," *Journal of Asiatic Studies* 47, no. 4 (2005): 119-20. Choi distinguishes "nationalism as an ideology" from "nationalism as a historical reality" shaped by the collective memory of struggle against foreign domination. He points out that attempts to deny and deconstruct nationalism as an ideology does not eliminate its existence as a historical reality.

<sup>&</sup>lt;sup>28</sup> With its territory extending from the northern half of the Korean peninsula to Manchuria, the ancient kingdom of Koguryo had the potential to develop into a contentious issue between Korea and China for some time. A major controversy erupted in April 2004 when the Chinese Foreign Ministry deleted references to Koguryo from the Korean history (country profile) section on its Web site (<a href="www.fmprc.gov.cn">www.fmprc.gov.cn</a>). This official Chinese move followed Wonhyuk Lim

increasingly dependent on China, many Koreans interpreted the Chinese action as an attempt to do the historical groundwork to expand its influence into the Korean peninsula. Given China's efforts to present itself as a benign and non-hegemonic power under the slogan of "peaceful rise" or "peaceful development," the way it handled this delicate issue was something of a surprise, to say the least. The Koguryo controversy led many Koreans to take a second look at China, despite continuing expansion in bilateral trade and investment ties.

## Role of the United States: U.S.-centric, Asia-centric, U.S.-in-Asia Approaches

Although there is a general consensus in South Korea that regional multilateralism can bring security and economic benefits, not everyone agrees that it should be given priority in South Korea's foreign policy, especially in relation to South Korea's bilateral alliance with the United States. Nor is there clear agreement on the membership and structure of multilateral cooperation. Of these two interrelated issues, there is far less disagreement on the membership and structure of multilateral cooperation. In fact, South Koreans tend to share similar views on existing multilateral arrangements; where they diverge is the future direction of these arrangements.

Most South Koreans believe that the APEC (Asia-Pacific Economic Cooperation) forum has lost much of its relevance in recent years and degenerated into a largely ceremonial grouping that provides opportunities for presidents to look presidential on an annual basis. Of course, bringing national leaders together in one place and having a series of summits on pressing issues do have some value, but, in the eyes of South Koreans, APEC seems to have lost its focus on its primary mission of trade and investment liberalization and economic and technical cooperation in the Asia-Pacific region. Much like many other countries in the region, South Korea has increasingly resorted to bilateral channels to address economic issues in recent years. Also, although some experts in South Korea have supported the expansion of the APEC's agenda into security areas, most academics and practitioners prefer the narrower geographical scope of the

the "academic" activities of the government-sponsored Northeast Project, which had claimed that Koguryo was merely a Chinese vassal state or a Chinese regional province. When South Korea protested, China responded by deleting the entire pre-World War II history of Korea.

Wonhyuk Lim Regional Multilateralism in Asia and the Korean Question CNAPS Visiting Fellow Working Paper "mini-CSCE" approach. <sup>29</sup> In fact, as previously mentioned, South Koreans believe that the Six-Party Talks have the potential to evolve into a multilateral security forum.

As for the ASEAN + 3, most South Koreans regard it as a multilateral arrangement with substance that can serve as the basis of an East Asian Community, 30 although the dream of creating such a community has suffered a setback in recent years due to deteriorating bilateral relations between major players in the region. How to expand this arrangement and address U.S. concerns about exclusion remains a challenge.<sup>31</sup> Relatedly, many South Koreans feel that China (with some help from Malaysia) might have overplayed its hand in creating the East Asian Summit. Although China, Japan, and South Korea found it somewhat awkward to participate as "guests" in a forum organized by the ASEAN (i.e., ASEAN + 3), creating a separate forum was probably not the best way of securing an equal standing for Northeast Asian countries. China's proposal for the East Asian Summit aroused suspicions about its hegemonic ambitions, and Japan responded by insisting on broad membership which included India, Australia, and New Zealand. Even after a contentious debate on its membership, however, no one seems to know how this body will evolve and differentiate itself from the ASEAN + 3 and how it will respond to U.S. concerns about exclusion.<sup>32</sup> In South Korea, there is no clear consensus on how to respond to U.S. concerns about exclusion from multilateral arrangements in Asia. In fact, this issue is a critical element of the debate on South Korea's foreign policy priorities.

With regard to South Korea's foreign policy priorities, some tend to attach overriding importance to the alliance with the United States. According to this "U.S.-centric" view, a multilateral security arrangement may easily degenerate into little more than "a talk shop," and

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<sup>&</sup>lt;sup>29</sup> Lee (2004), for instance, supports the APEC's new security agenda, pointing to the broader geographical scope of nontraditional threats in the post-9/11 world; whereas, Han et al. (2005) advocate a tighter multilateral arrangement focusing on traditional threats. The latter group would like to create a new multilateral security arrangement in Northeast Asia rather than expanding the scope of the APEC or ARF. See Lee Dong-Hui, "The Development of the APEC and Its Future Agenda [in Korean]," Major International Issue Analysis 2004-30 (Seoul: IFANS, Nov. 26, 2004); Han Yong-Sup et al, *Toward an East Asian Security Community* [in Korean] (Seoul: Nanam Press, 2005). <sup>30</sup> For details, see Park Beon-Soon, "ASEAN + 3 and East Asian Cooperation [in Korean]," Global Issues No. 9 (Seoul: Samsung Economic Research Institute, Nov. 30, 2004).

<sup>&</sup>lt;sup>31</sup> With regard to this question, Bae (2004) argues it is in South Korea's national interest to secure the participation of the U.S. in regional cooperation initiatives. See Bae Geung Chan, "Northeast Asian Cooperation Initiative' and Korea's Diplomatic Tasks: A Strategy for Regional Cooperation," Policy Brief No. 2004-04 (November), (Seoul: IFANS, 2004).

<sup>&</sup>lt;sup>32</sup> See the roundtable discussion on this in the fall 2005 issue of *Changbi*.

cannot be a viable substitute for the bilateral alliance mechanism which has successfully deterred external security threats for more than a half century. By contrast, others tend to take an "Asiacentric" approach and give priority to building a regional community. Still, others try to combine the benefits of the bilateral alliance and regional multilateralism and support multilateral cooperation, including the U.S. Essentially, they take an "U.S.-in-Asia" approach.<sup>33</sup>

Those who attach overriding importance to South Korea's alliance with the United States argue that South Korea risks weakening the cornerstone of its security by giving priority to regional multilateralism. In their alliance-centric view, placing too much emphasis on regional multilateralism may be interpreted by the United States as a thinly veiled attempt to dismantle the alliance for the benefit of China or North Korea, especially when the membership of this multilateral arrangement excludes the United States. To them, South Korea's best option is to curb its enthusiasm for regional multilateralism and strengthen its bilateral alliance with Washington, just as Japan did after its strained alliance relationship with the United States in the first half of the 1990s.<sup>34</sup> This school of thought tends to project a quite ominous future for Asia, where South Korea essentially will be forced to choose sides between the United States and China: rising tension between China and the U.S.-Japan alliance will make regional multilateralism little more than a pipedream, and South Korea should strengthen its alliance with the United States to guard against the rise of China as well as the threat from North Korea.

Some liberals in South Korea support a variant of this U.S.-centric approach under a somewhat different set of assumptions. They too project an ominous future for U.S.-China relations, but then argue that South Korea should strengthen its alliance with the United States not only to guard against Chinese hegemony but also to prevent Japanese rearmament and

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<sup>&</sup>lt;sup>33</sup> For various perspectives on South Korea's foreign policy priorities, see Bae Ki-chan, *Korea Standing Again on a Crossroads of Surviva*l [in Korean] (Seoul: Wisdom House, 2005); Jongryn Mo, "What Does South Korea Want?" *Policy Review*, no. 142 (April & May 2007), <a href="http://www.hoover.org/publications/policyreview/6848122.html">http://www.hoover.org/publications/policyreview/6848122.html</a> (accessed August 24, 2007); Bae Geung Chan, "Northeast Asian Cooperation Initiative' and Korea's Diplomatic Tasks: A Strategy for Regional Cooperation," Policy Brief No. 2004-04 (November), (Seoul: IFANS, 2004); Han Yong-Sup et al, *Toward an East Asian Security Community*.

<sup>&</sup>lt;sup>34</sup> For a comparative perspective on the U.S. alliances with Japan and South Korea, see Michael H. Armacost and Daniel I. Okimoto, *The Future of America's Alliances in Northeast Asia* (Stanford: The Asia-Pacific Research Center, 2004).

continue engagement with North Korea. <sup>35</sup> However, they do not explain why the United States would go along with this policy package under a strengthened alliance with South Korea.

By contrast, those who take an Asia-centric approach tend to emphasize that Asian nations' collective interests are best protected by building their own community. Some even argue that the partition of the world into three blocs would place Asian nations in a strong position to deal with Europe and the United States.<sup>36</sup> Although they do not necessarily want to terminate South Korea's alliance with the United States, they feel that strengthening the bilateral alliance runs counter to the objective of creating a regional community.

Those who support multilateral cooperation that includes the United States want to combine the benefits of bilateral and multilateral approaches. According to their "U.S.-in-Asia" perspective, the exclusively U.S.-centric approach runs the risk of creating a self-fulfilling prophesy by exacerbating tension between the United States and China; whereas, the Asia-centric approach is rather unrealistic because it basically assumes Japan will work with China to create a regional community that excludes the United States. In their view, a bilateral alliance by itself runs the risk of exacerbating the security dilemma. For example, with regard to the potential threat posed by China, the ROK-U.S. alliance can serve as a mutually beneficial insurance; however, a drastic strengthening of this alliance can be interpreted by China as an attempt to gang up on China. While a bilateral alliance can provide a useful hedge against a third power, a multilateral arrangement can offer a more fundamental solution by addressing the security dilemma.

With the balance of power shifting in Asia due to end of the Cold War and the rise of China, those who support the U.S.-in-Asia approach regard regional multilateralism as a means of constraining great powers and preventing continental-maritime confrontation in Asia. If great powers agree to be bound by a multilateral cooperation arrangement, thanks in part to facilitation

<sup>&</sup>lt;sup>35</sup> For example, see Im Hyug Baeg, "East Asian Regionalism: Conditions and Constraints [in Korean]," *Journal of Asiatic Studies* 47, no. 4: 161-62.

<sup>&</sup>lt;sup>36</sup> Choi Won-Sik, "East Asian Initiative as a Scheme to Partition the World into Three Blocs [in Korean]," Chapter 1 in Korean Solidarity for Northeast Asian Intellectuals, ed. *Toward a Northeast Asian Community* (Seoul: Dong-A Ilbo, 2004).

by middle powers in the region, it can be an effective means of securing lasting peace. China's proactive multilateral diplomacy since the late 1990s has been putting pressure on the United States to reassess its multilateral policy in Asia, and this competitive dynamic may lead to the creation of multilateral arrangements that include the United States as well as China. In fact, a Six-Party security cooperation arrangement in Northeast Asia may become the precursor to this new trend in Asia. Those who support the U.S.-in-Asia approach believe that a combination of hedging alliances and inclusive multilateral arrangements will be a stabilizing force in the region.

In South Korea, the U.S.-centric, Asia-centric, and U.S.-in-Asia approaches appeal to different groups based on their beliefs and interests. In general, home-grown academics tend to have greater attraction to the vision of an East Asian Community; whereas U.S.-trained academics with a realist outlook are unenthusiastic about the whole project, while those with a liberal outlook are favorably disposed to the idea of multilateral cooperation with a significant U.S. role, especially in security areas.

Figure f 1ROK Bilateral Trade with the US, Japan, and China

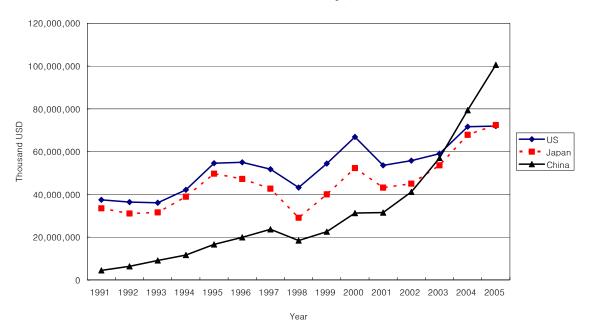
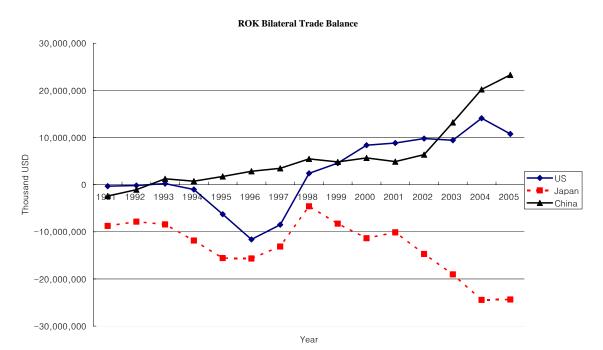


Figure 2



Influenced more by commercial interests than ideological beliefs, the business community would like to take advantage of growing market opportunities in Asia while maintaining strong economic relations with the United States. As shown in Figures 1 and 2, although China overtook the U.S. and Japan as South Korea's largest trading partner in 2004, South Korea has important trade and investment ties with the United States. Moreover, a significant share of South Korea's exports to China is processed in China to be shipped to American shores and other advanced industrial nations. Consequently, the business community in South Korea tends to take a multi-pronged approach by supporting the formation of an East Asian Community as well as free trade agreements with China and the United States.<sup>37</sup> Seeking to avoid U.S.-China confrontation and realize mutual gains through economic integration, this approach is similar in spirit to the U.S.-in-Asia approach. Government officials also tend to take a similar position. As the Ministry of Foreign Affairs and Trade handles South Korea's alliance relationship with the United States and engages in middle-power diplomacy to promote regional multilateralism, it has to strike a fine balance between the two tasks. Other ministries are also well aware of this dual challenge.

<sup>&</sup>lt;sup>37</sup> See, for instance, FKI (2004), FKI (2006a), and FKI (2006b).

In fact, South Korea's foreign policy under Roh Moo-hyun may be understood as an attempt to address this dual challenge—more through trial and error than design. Initially, Roh's anti-American rhetoric and Northeast Asian initiative seemed to suggest that he was taking an Asia-centric approach in his foreign policy. In fact, in the spring of 2005, his advocacy of a balancing role for South Korea in Northeast Asia raised questions about his commitment to South Korea's alliance with the United States. However, near the end of 2005, the Roh government abruptly shifted to a liberal variant of U.S.-centric approach and formally launched negotiations for a free trade agreement between South Korea and the United States in February 2006. This change of position came without any explanation and raised questions of trust, leaving to the next government the challenge of formulating and communicating South Korea's foreign policy priorities.

Whether out of conviction or political calculation, Roh frequently projected the image of a maverick with an anti-American streak. In fact, during his presidential campaign in 2002, Roh went so far as to say, "What's wrong with being a little anti-American?" Even after taking office, he promoted himself as someone who could stand up to the United States. His emotional remarks plus frequent clashes with the Bush administration over North Korea policy created the impression that he was anti-American. In addition, his vision for a peaceful and prosperous Northeast Asia was initially vague about the role of the United States. By contrast, Roh was quite enthusiastic about strengthening South Korea's bilateral ties with China and Japan, at least early in his term. In fact, despite criticism at home, he made his first official visit to Japan on South Korea's Memorial Day and sought to secure support for his Northeast Asian initiative at the Japanese Diet in 2003. These actions suggested that the Roh government was adopting an essentially Asia-centric approach to building a regional community.

However, his Northeast Asian initiative suffered "historical" setbacks in 2004. In the spring of that year, a major controversy erupted between China and South Korea over the ancient

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<sup>&</sup>lt;sup>38</sup> Roh did go out of his way to make pro-American statements on his first trip to the U.S. in May 2003, but when he came back home, he basically characterized his previous statements as theater for American consumption. His subsequent decisions to send combat troops to Iraq and accommodate the relocation of U.S. troops stationed in South Korea did little to win back the trust of the Americans.

kingdom of Koguryo. This incident raised questions about China's "peaceful rise" and made South Korea appreciate once again the value of its alliance with the United States. Moreover, Japanese Prime Minister Junichiro Koizumi's visits to the Yasukuni Shrine created tension in South Korea's relations with Japan, essentially turning back the clock on the Kim-Obuchi declaration of 1998. It also was a major factor in straining Sino-Japanese relations. These developments among three major players in Northeast Asia raised questions about the feasibility of building a regional community. The Asia-centric approach to regional multilateralism suffered a further setback in early 2005 when Japan's Shimane Prefecture claimed ownership of the Tokdo Islands (called Takeshima in Japan) and the Japanese Ambassador to South Korea reaffirmed this claim in Seoul. What was officially declared "a year of friendship" between Japan and South Korea quickly degenerated into a year of friction. To express his outrage at what he saw as a historical injustice, Roh Moo-hyun condemned Japanese actions in an open letter he posted on the internet.

These developments formed the background of his speeches on South Korea's new role as a balancer in Northeast Asia. Many Americans interpreted his remarks as expressing a desire to play the role of a balancer between the United States and China in the neorealist sense of the term, despite South Korea's alliance with the United States. However, a close reading of the speech text suggests that "a balancer" was a rather ill-defined term in Roh's mind. More than anything, he wanted to declare that South Korea would not be pushed around and that South Korea's choices would have a major impact on Northeast Asia.

In an address at the Korean Air Force Academy on March 8, 2005, Roh started out by making a reference to the nation's humiliation in the past. He said: "Korea sought peace one hundred years ago to no avail because it did not have the power to defend itself." After listing South Korea's accomplishments over the past century, he concluded by projecting a significant role for South Korea's armed forces: "We will safeguard peace in the region as an important balancing factor in Northeast Asia. For this purpose, we will take the lead in building a cooperative security structure in the region and working together closely with other neighboring countries based on the Korea-U.S. alliance." In this context, being "an important balancing factor" does not seem to imply a neorealist balancer role for South Korea between China and the

U.S. or between China and Japan. Instead, the speech text suggests that South Korea would resort to the combination of multilateral security cooperation and its alliance with the U.S. to safeguard peace.

Two weeks later, Roh made a similar speech at the Korea Third Military Academy. He said: "The Korean armed forces have grown into a formidable military no one can take lightly....We should play a balancing role for peace and prosperity not only on the Korean Peninsula but also for Northeast Asia.... The power equation in Northeast Asia will change depending on the choices we make." Unlike in the previous speech, Roh made no explicit reference to the ROK-U.S. alliance, but "a balancing role" in this context just seems to imply "a significant role," not the neorealist notion of a balancer. In sum, what many interpreted as the height of Roh's anti-American remarks was largely a nationalistic response to Japanese actions on historical issues. <sup>39</sup> In fact, if anything, the Asia-centric position that Roh had displayed early in his term was changing in favor of the U.S. around this time. In late 2005, the Roh government officially accepted the U.S. principle of "strategic flexibility" despite its earlier reservations.

Roh's shift to a U.S.-centric position was most clearly demonstrated by dramatic changes in his FTA policy. Initially, the Roh government pursued FTAs in two directions. First, it negotiated essentially "exploratory" FTAs with smaller countries that had a great deal of previous experience with FTAs and posed little threat to Korea's vulnerable agricultural sector. As a result of these negotiations, South Korea signed free trade agreements with Chile, Singapore, and the European Free Trade Association (EFTA). As a next step in this process, South Korea explored FTAs with middle powers such as Canada and Australia. Although these countries would likely demand agricultural liberalization, many experts believed that South Korea could negotiate on even terms with them and secure comparable concessions in return.

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<sup>&</sup>lt;sup>39</sup> ROK National Security Council later attempted to rationalize Roh's remarks by arguing that the term "balancer" really meant a mediator, harmonizer, facilitator, and initiator for peace. National Security Council, "A Briefing on the Concept of a Balancer in Northeast Asia [in Korean]," April 27, 2005 (accessed on Aug. 25, 2007, at <a href="http://www.president.go.kr/cwd/kr/archive/archive\_view.php?meta\_id=news\_data&id=3156e0ed75b5e6e6c5844a90">http://www.president.go.kr/cwd/kr/archive/archive\_view.php?meta\_id=news\_data&id=3156e0ed75b5e6e6c5844a90</a>

<sup>&</sup>lt;sup>40</sup> For details on Korea's FTA strategy as of early 2005, see Lim Wonhyuk, "Economic Integration and Reconciliation in Northeast Asia."

<sup>&</sup>lt;sup>41</sup> In their view, it was imperative that South Korea set the pace and scope of agricultural and other trade liberalization depending on the concessions secured from the negotiating partner. For this reason, they felt that it made sense for South Korea to enter into negotiations with middle powers such as Canada first. In addition to *Wonhyuk Lim* 

Second, the Roh government also pursued more "strategic" FTAs with a view toward promoting peace and prosperity in Northeast Asia. Building on the goodwill generated by the Kim-Obuchi declaration of a new partnership in October 1998, an FTA with Japan received top priority. By comparison, many felt that an FTA with China would be detrimental to South Korea's agricultural sector, even though it would give a significant boost to manufacturing exports. An FTA with the U.S. was widely regarded as a long-term project, driven mainly by high politics than economics, for it would impose significant adjustment costs not only on South Korea's agriculture but services as well, with less tangible benefits for the manufacturing sector.

By early 2005, however, the Roh government began to seek new directions for various reasons. First, FTAs with Chile, Singapore, and EFTA gave South Korean trade negotiators the confidence to pursue "simultaneous negotiations with multiple trading partners," including the U.S. Second, FTA negotiations with Japan broke down, and the controversy over historical issues further aggravated the prospects of these trade talks. Third, perhaps most importantly, faced with a deteriorating external security environment, the Roh government came to see the free trade agreement with the U.S. as a way of compensating for the strains in the ROK-U.S. alliance. 42 Although China expressed willingness to show flexibility with regard to rice and other "sensitive items" in its FTA negotiations with South Korea in August 2005, 43 the Roh government spurned this offer due in part to concern about U.S. reaction. Furthermore, after concluding a free trade agreement with the United States in April 2007, the Roh government started negotiations with the European Union rather than its Asian neighbors. The idea of using "strategic" FTAs with Japan and China to build a regional community seemed a distant memory, but the FTA with the United States took on new importance to ensure a strengthening of trans-Pacific trade with South Korea at the center.

achieving a more equitable outcome, such a sequencing strategy would allow South Korea's vulnerable sectors to adjust to liberalization before an FTA negotiation with an economic superpower like the U.S.

http://news.khan.co.kr/kh news/khan art view.html?artid=200608080747031&code=910203.

<sup>&</sup>lt;sup>42</sup> See Joo Young Lee, "Controversy over President Roh's motive to push for KORUS FTA negotiations [in Korean]," The Kyunghyang Sinmun, August 8, 2006,

<sup>&</sup>lt;sup>43</sup> See "S.K. Nixed Trade Deal with China under U.S. Pressure, Data Reveals," *The Hankyoreh*, August 11, 2006, http://english.hani.co.kr/arti/english\_edition/e\_business/148185.html.

## IV. Looking ahead

Roh's dramatic shift from an Asia-centric approach to a liberal variant of a U.S.-centric approach raised questions about South Korea's foreign policy priorities. In less than a year, from the time of his speeches on South Korea's balancing role to the start of FTA negotiations with the United States, Roh managed to confuse the Americans and the Chinese about South Korea's geopolitical strategy. Looking ahead, South Korea must formulate and communicate its position in a clear and consistent manner, striking a balance between its alliance with the U.S. and its pursuit of regional multilateralism. For South Korea, the challenge is to find an alternative that is effective in promoting regional cooperation in Asia but is at the same time non-threatening to the United States. Most importantly, a regional cooperation scheme should provide a "big picture" for the relations between China and Japan and the role of the United States in Asia. The resolution of the Korean question also has to be an integral part of such a scheme. These challenges can be best met by adopting a U.S.-in-Asia approach.

From South Korea's perspective, the United States plays a critical role in determining the future of the Korean peninsula and the region as a whole. This role can be negative or positive, however. In fact, there appear to be basically two options for the United States, depending on what kind of relationship with China it envisions. <sup>44</sup> One is to place South Korea within a huband-spoke alliance against China, using the North Korean nuclear crisis as a catalyst. However, this policy is likely to find little support in South Korea and risks a nationalist backlash if the United States is increasingly viewed as an impediment to Korean unification and regional security. It would also increase the possibility of a shift in Korean attitudes from the United States to China or perpetuate the division of the Korean peninsula and exacerbate a continental-maritime confrontation in Asia. The United States would find itself increasingly tied to Japan, whose reluctance to come to terms with its past has limited the effectiveness of its diplomacy. Under this strategic vision, the U.S. essentially risks "losing" the Korean peninsula in order to cement its relationship with Japan and contain China.

<sup>&</sup>lt;sup>44</sup> A similar argument is made in Kim Sunhyuk and Lim Wonhyuk, "How to Deal with South Korea" *The Washington Quarterly* 30, no. 2 (Spring 2007): 71-82.

The other alternative is to deal with South Korea on more equal terms and engage it as a partner in building a new order in the region, facilitating China's gradual transition and resolving the North Korean nuclear crisis to usher in a new era in Asia. This alternative would require the United States to be more "equidistant" between China and Japan, consistently signaling to China that the existing U.S. alliances with Japan and South Korea are not designed to threaten China. At the same time, the United States would also have to reassure Japan that this policy is not "Japan passing." The U.S. would assume the role of a stabilizer in Asia, much as it does in Europe. This approach would not only strengthen the U.S. position in the Korean peninsula but also enhance its policy options in dealing with China and Japan. It would also have the effect of encouraging Japan to improve relations with its neighbors. Under this vision, South Korea would play the role of an advocate for cooperation in the region, not a balancer in the neorealist sense of the term. South Korea is likely to support such a shift in U.S. policy, for the last thing it wants is a continental-maritime division in Asia that would greatly complicate Korean unification and increase tension in the region. This strategic vision would not only serve the interest of the ROK-U.S. alliance but also enhance regional security.

South Korea will continue to rely on the United States as the stabilizer in Northeast Asia, but new multilateral security arrangements that build confidence among the major powers in Northeast Asia can supplement the U.S. role and help Korea to maintain a positive role as the land-bridge of Northeast Asia without being caught between a continental-versus-maritime rivalry of great powers. The Six-Party Talks may serve as a predecessor to such a regime, though that process will by necessity be somewhat hostage to the pace of denuclearization by the North. A multilateral scheme to promote political reconciliation and economic integration more broadly in Asia will also serve Korean interests. The ASEAN + 3 may provide the basis for further reconciliation and integration, but South Korea will be careful to ensure that there is no

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<sup>&</sup>lt;sup>45</sup> In his remarks at the Korea Society Annual Dinner on September 15, 2005 in New York, Roh Moo-hyun spoke in favor of this latter alternative. He said: "...it would be desirable to see the quest for a conciliatory and cooperative order for integration in the region assume primacy in U.S. policy toward Northeast Asia.... The hypothetical assumption of an adversarial constellation of forces in Northeast Asia will work to aggravate confrontation in the region, while the posting of reconciliation and cooperation will be similarly self-fulfilling." He added: "It would be far from the truth to claim that the uniting of Europe is fraying transatlantic ties.... It is high time for us to steadily pursue integration in Northeast Asia." These remarks were seemingly in line with a U.S.-in-Asia approach, but, because of his previous inconsistencies, it was unclear whether they represented his final say on the alliance and regional multilateralism.

"Fortress Asia" that excludes its critical ally and trading partner, the United States. Moreover, as a major trading nation, South Korean governments will want Asian regional integration to serve as a building block for global trade liberalization and economic integration. For Asia to secure peace and prosperity –and to ensure that the Korean people never again have to endure what they did in the first half of the 20<sup>th</sup> Century -- it is essential that the region contain the Sino-Japanese rivalry and maritime-continental confrontation and continue to expand economic interdependence with the rest of the world through trade and investment channels.