South Korea’s Strategic Thinking toward China
From Park Chung Hee to Roh Moo Hyun

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DR. BUSH: Ladies and gentlemen, why don't we go ahead and get started. It is a real pleasure to welcome you today. It is particularly a great pleasure to welcome our speaker, Dr. Jae Ho Chung. Jae Ho was a Visiting Fellow in the Center for Northeast Asian Policy Studies during the first year that I was director of the Center.

We don't have model workers here at Brookings, but if we had model workers, Jae Ho would have been the model worker for that year. He really defined for me ever since what a good CNAPS Visiting Fellow is, and he performed really outstanding.

He also happens to be probably the best China specialist in the Republic of Korea and is really helping the people of his country understand South Korea's big neighbor. As you well understand, it is very important that that sort of understanding be improved.

He is going to talk to us today about findings from a book that is published or about to be published by Columbia University Press, "Between Ally and Partner: Korea-China Relations and the United States."

The specific topic, as you know, is South Korea's strategic thinking towards China from Park Chung Hee to Roh Moo-hyun.

Dr. Jae Ho Chung.

[Applause.]

DR. CHUNG: Thank you very much, Richard, for the very nice introduction. It's good to be back. I thank Richard and the CNAPS staff for giving me this opportunity.

The presentation today is based on the book that will be published in a month or so. This book is dedicated to two people, one, Professor Jerome Grieder, who was my graduate adviser at Brown University, who used to return to me book review assignments full of suggestions and stylistic comments in red ink every week, and without whom I would not have become who I am today.

The second person I dedicate this book to is Michel Oksenberg, who took me as one of his student corps at the University of Michigan in 1986. He is also the one who reignited my interest in Korea-China relations by enlisting me in the Stanford project on American's changing allies in Asia in 1995. I think I owe a lot to Mike for doing research on this theme, as well as publishing the outcomes as the book.

Having said that, I would like to start my presentation now. This is not exactly a chapter of the book, but it actually encapsulates about three or four chapters of the book. I would like to provide my own assessments of six administrations in South Korea regarding their strategic thinking or strategic thoughts toward China.
The principal assumption behind any effort to explore Korea's strategic thoughts is first to conceive of Korea as a rational state. By "rational state," I mean a state that possesses the attribute of transitivity. That means an ability to order its preferences and opt for a solution that is interest maximizing and, at the same time, cost minimizing.

Having taken for granted that Korea is a rational state, somebody may debate that, but we may proceed to delineating the boundary of its core interests and corresponding costs.

I think, as with most other countries, Korea's national interests are also three-fold. One is security, the security imperative, the second one is development imperative, and the third one I will call a prestige imperative.

If maintaining national security is very important, a country might opt for internal balancing, that is, increasing its own self-defense capabilities. If that is the case, then, the cost of spending huge sums of money on defense, even at the expense of economic growth, may be regarded as acceptable.

To the extent that preserving national security through external balancing, that is to say, allying with other countries is necessary, the expense of increased dependency on other states is deemed acceptable.

When the imperatives of security and developments are attained to a considerable extent, usually, countries contemplate on enhancing its own prestige and self-esteem in international community.

Once the prestige imperative is sought for, payoffs for each of the options becomes completely different. That is to say, rational states would be inclined to value independence and sovereignty and therefore to reduce dependency in security or economic terms on other states.

Having said that, my presentation basically explores three questions. The first one, has there been contemporary strategic thinking on the parts of Korea toward China? The second, if there has, when did it start and under what circumstances? Third, how have Korea's strategic thoughts toward China evolved over the years since its inception?

I argue the following. First, that there have indeed been discernible threads of strategic thinking on the part of Korea toward China.

Second, the seeds of Seoul's strategic thinking, strategic thinking toward China were planted under the initiatives of President Park Chung Hee during the 1970s.

Third, in the period of three decades since then, Korea's strategic thinking toward
China have experienced ebbs and flows. But with diplomatic normalization in 1992 and the rise of China since then, it has become increasingly more concrete and manifest, and I will provide details on that later on.

Now, since I have to talk about six administrations I will probably speed up and not talk about much in detail. Of course, if I give you all the details, you wouldn't buy the book.

Let me first talk about the Park Chung Hee era, but before that, I have to give my own assessment of the Syngman Rhee period. Of course, during the 1950s, under Syngman Rhee, the U.S.-China relations, Sino-South Korean relations, and inter-Korean relations were all so antagonistic, so there was no room at all for Seoul's strategic thinking toward China. In other words, there was no primary alliance dilemma of whether or not to ally the U.S. It was just simply taken for granted.

The highly antagonistic relationship between China and South Korea continued well into the 1960s, only with occasional armistice meetings at the Panmunjom providing the only venue of official encounter between China and South Korea.

However, in the early 1970s, as you all know, international strategic environments began to change rather dramatically, manifested by China's accession to the United Nations and Sino-U.S. rapprochement and diplomatic normalization between Japan and China.

I think Park Chung Hee became keenly aware of China's potential influence over North Korea, so Seoul government began to think strategically that improving relations with Beijing would help reduce tension, as well as maintain peace on the Korean peninsula.

According to declassified government archive of the South Korean government, as of 1972, Seoul's internal position was such that South Korea would not take an antagonistic posture toward China unless Beijing chose to do so first.

In the early 1970s, China posed a challenge to South Korea's developmental imperative, because China began to discriminate against Japanese and American corporations with close commercial ties with South Korea and Taiwan. Grave concern was voiced in Seoul with regard to long-term implications of this China fever in the U.S. and Japan for South Korea's economy.

However, Park Chung Hee decided to face the challenge head-on. He ordered the Article 2 of South Korea's foreign trade law amended so that Korea could engage in trade with the Communist countries.

According to a survey in early 1972, 38 percent of National Assembly members were in support of diplomatic normalization with the men in China, which is surprising, and South Korea's foreign ministry sought hard to open the windows of contact with China.
by permitting diplomats to engage in meeting with their Chinese counterparts.

According to another declassified South Korean government document, Seoul government secretly designated five embassies in Washington, Ottawa, London, Tokyo, and Paris, as well as the consulate general in Hong Kong as key points of contact between China and South Korea.

Most importantly, according to another document, in 1974, the South Korean government disseminated a document that says expanding Seoul's political relations with Taipei beyond what it had already maintained was to be tacitly discouraged. In other words, in the minds of Park Chung Hee, in 1974, Taiwan was already expendable in order to improve relations with mainland China.

The essence of President Park's strategic thinking was encapsulated in the so-called June 23rd announcement in 1973, which abandoned the long-held Hallstein principles by opening its door to all countries including China and the Soviet Union, which had official relations with North Korea.

In March 1973, Seoul suggested that Beijing should participate in negotiations for delineating the boundaries of the continental shelf in the Yellow Sea, and for the first time, referred to Beijing as the People's Republic of China.

Little development occurred during 1975 to 1977 because of the succession politics in Beijing, but after the dust of succession politics settled in Beijing, both sides resumed the minuet of 1972-74.

However, the fall of Saigon led to South Korea's reduced confidence in Washington's defense shields against North Korea. Despite Washington's efforts to reassure Park Chung Hee, he went for a clandestine nuclear program to build a reprocessing plant, only to be squashed by Washington.

Then there came the “Carter Chill” by which all U.S. ground forces were to be withdrawn from South Korea within four to five years from 1977.

So, it is very interesting to note that most of the Park Chung Hee administration's overtures toward China were concentrated in this last space during which Seoul's relationship with Washington became increasingly bumpy. However, in my view, although Park Chung Hee regarded China as a sort of diplomatic supplement to the Korea-U.S. relationship which was worsening, but still the highest priority for him was to maintain the option of external balancing, which is the alliance with the United States.

Now, let me move to the Chun Doo-hwan period. Available evidence suggests that President Chun Doo-hwan was very much interested in developing close economic ties with China. During his state visit to Washington in 1981, Chun mentioned that, "If the PRC is a friend of U.S., I think I can extend the logic and say a friend of a friend is less of a threat to us."
Also, at that time, China's weighted emphasis on expanding economic relations with the outside coincided with the South Korea search for export markets and for peace on the peninsula, so was more than prepared to respond to any overtures Beijing might make.

Then, two incidents took place. One is the hijacking incident in 1983, five Chinese hijacked a civil airplane, and it landed in the Chuncheon Airport near Seoul. The other one is the torpedo incident in 1985. There was a mutiny in a Chinese torpedo boat and then there was a shooting and some sort of the machines were out of order and it just strayed into the Kunsan port in Korea. Both incidents led to official negotiations between the two countries, which created a very important opportunity of official contact and cooperation between the two countries.

Exchanges could have developed beyond economic ties had it not been for the two tragic events, the Soviet downing of 007 airliner in September 1983 and North Korea's Rangoon bombing in October 1984, all of which put cold water on Seoul's efforts for rapprochement with the Communist neighbors.

However, post-diplomacy was also taking effect because as we all know, there were the Seoul Asian Games in 1986 and the Olympic Games in 1988, which provided the venues in which both countries could meet, not only officially, but also in other realms.

Evidence suggests that Chun Doo-hwan relayed a message to Deng Xiaoping in 1985 through Mr. Takayuki, who was the head of the Japanese Komeito Party, proposing the development of direct trade. It was also during Chun's tenure that the so-called Interagency Agency Commission under promotion of northern policy was established in 1985.

There is no doubt that the Chun Doo-hwan's administration skillfully utilized the hijacking incident and the Kunsan torpedo boat incident in expanding economic exchanges and official exchanges with China. However, in retrospect, Chun Doo-hwan appears to have been more strongly committed to the option of external balancing, just like Park Chung Hee was. This was understandable considering that his rise to power had been indebted to the military coup d'etat and the bloody suppression of the Kwangju uprising.

Therefore, I think, America's formal endorsement of Chun Doo-hwan’s rule was deemed indispensable and he had to give up much of what President Park Chung Hee had developed - not only the missile program, but also other weapons programs - in order to be invited as the first state guest after Ronald Reagan was inaugurated in 1981.

Now, let me talk about the Roh Tae-woo period. Roh Tae-woo succeeded Chun as the president in February 1988, and I think he is the most important figure in South Korea's normalization with China, just like Suharto and Mandela were to Indonesia and South Africa’s relations with China.
However, Roh Tae-woo was popularly elected, unlike Chun Doo-hwan, and therefore, he was not constrained as much by the consideration of his legitimacy as perceived of it by the U.S., as Chun Doo-hwan was.

Actually, the Roh administration was hoping to adjust Seoul's U.S.-centered diplomacy and seek for only directional foreign policy. In his inaugural address, Roh mentioned that “we will broaden the channel of international cooperation with the continental countries with which we have had no exchanges. Such a northward diplomacy should also lead to the gateway of unification.”

Roh Tae-woo's strategic thinking was epitomized by the July 7 special announcement in 1988, which said Seoul would seek normalization of relations with the Pyongyang's allies and not object to Pyongyang's diplomatic normalization with Seoul's allies, so basically this is the cross-recognition option.

Two sets of evidence leads us to believe that the Roh Tae-woo's administration made efforts to develop an alternative thinking that was quite different from the conventional line of diplomacy.

One, on several occasions, the U.S. expressed concern about the pace at which Korea-China rapprochement was proceeding at the time. In December 1988, for instance, Park Tong-jin, who was then Korea's Ambassador to the United States, characterized the American view of South Korea's north politic as unilateral drive. That means lacking sufficient consultation with Washington.

The other set of evidence concerns South Korea's mode of response to the Tiananmen massacre, which somehow was not synchronized at all with the tough measures implemented by the U.S. and Europe.

South Korea had been silent on the military suppression at the Tiananmen Square and more willing to resume businesses with China. For instance, South Korea was among the very few countries which showed an increase in the number of visitors to China after the Tiananmen tragedy.

In contrast, Japan and the United States scored a decrease of 40 and 29 percent, respectively. It was also in June and August 1989 that Sino-South Korean ferry routes and charter flights were opened for the first time.

Roh Tae-woo's strategic thoughts toward China were largely upset, however, by his preoccupation with attaining diplomatic normalization before the expiration of his tenure as the president.

Once Roh made it clear that he wished to see the normalization take place within his term and pay a state visit to China. This left very little room for front-line negotiators to maneuver on their own and I detail the negotiation process in Chapter 6 of my book. There will be a lot of interesting read.
The bigger problem was that the Chinese side was also aware of President Roh Tae-woo's haste. This is the term the Chinese use, "zhaoji," in pushing for the normalization.

Actually, there are two memoirs which touch upon this. One is, as all of you know, Qian Qichen’s memoir, “Ten Episodes in China’s Diplomacy,” has a chapter on Korea-China rapprochement, and in that chapter, he mentions twice on this haste that Roh Tae-woo demonstrated.

Another source, which is not well known, is the memoir that came out in 2004. It is called, “Chushi Hanguo.” It is about being an ambassador to Korea written by the first Chinese ambassador to Korea, who is Zhang Tingyan. But this book is not written under his name, but under his pen name called Yan Jing, which is his name plus his wife's name, Tan Jing.

In this book also a couple of mention was made to President Roh Tae-woo's “haste” in pushing for normalization and Chinese awareness of that.

In sum, the politic was rooted in strategy thinking of some sort, which aspired to enhance nation's self-esteem and international status by steering into a more independent and multidirectional line of diplomacy.

However, the micromanagement of its rapprochement with China was such that it became unclear if the immediate gains from the normalization with China would outnumber or outweigh the long-term cost attached to Korea's posture vis-a-vis China.

However, during this period of Roh Tae-woo's rule, there was not much of a crack created on South Korea-U.S. relations despite its active push for rapprochement with China. So, I think certain credit should be given to Roh Tae-woo because his diplomacy was rather low profile, but more practical in a sense, so I think a reassessment need be made of his foreign policy contributions.

Now, let me talk about Kim Young-sam. It is rather difficult to pin down what his administration's strategic thinking was about. There is no doubt that economic cooperation was accelerated, even taken for granted during his rule. However, in terms of strategic thinking, not only towards China but also towards other countries, it is not quite clear what it really was.

But there is no doubt that during this period there was a certain increase in South Korea's own perception of its prestige and standing in the international community, having achieved economic development, as well as democratic transition.

As one American analyst has aptly put it, I quote, "Leaders in Seoul now display a new appreciation that security means more than perpetuating the U.S. connection. It still remains vital, but so are Seoul's newly found diplomatic levers."
This is not to suggest that there was at the time a firm consensus within the leadership concerning whether and how to adjust its relations with the United States. As a matter of fact, disagreement and confusion more aptly Seoul's strategic thinking during the Kim Young-sam administration.

Of course, there was a lot of talk about the diversification of diplomacy and globalization, and so on, but there were different, mixed, and confusing signals coming out. For instance, before the Kim Young-sam administration really had time to decided on about the priority among globalization, Korean version of globalization and diversified diplomacy and so on, it just fell into the abyss of the North Korea nuclear problem, so it didn't really have time to implement whatever it had in terms of its strategic thinking.

A small incident that took place in 1994 allows us a very rare glimpse of Seoul's diplomatic hatching in its very incipient form.

This took place during President Kim Young-sam's state visit to China, and Hwang Byung-tae, then Korea's ambassador to China, commented that, quote, "South Korea-China cooperation over the issue of North Korea's nuclear program should go beyond the current level of simply notifying Beijing what has already been decided between Seoul and Washington. South Korea's diplomacy should break out of its heavy reliance exclusively on the United States."

However, in less than two hours upon strong request by the National Security Adviser of Korea, Ambassador Hwang canceled his remark and commented that it only represented his personal view.

In retrospect, I mean this is exactly what we are doing now, but 12 years ago, it was really a surprise. Not surprisingly, the incident was widely publicized in the Korean media. Interesting is the fact that despite the media's predominant characterization of the incident as a "diplomatic mishap," some South Korean media began to portray it as a meaningful incident, such as Sisa Journal and Dong-A Daily and so on.

President Kim Young-sam did not endorse Ambassador Hwang's remarks but Ambassador Hwang was not sacked for that incident either. He remained in the post until 1996.

Given the centrality of China's role in the resolution of the North Korea nuclear crisis, this incident might simply have reflected Seoul's wishful thinking about China asserting more influence on North Korea.

However, in hindsight, it might have been, on the other hand, a harbinger of the long-term possibility that South Korea was to maintain a certain balance of its own between the U.S. and China.

Now, let me move to Kim Dae Jung's period. Kim Dae Jung's administration, as you all know, inherited from its predecessor the most serious economic crisis that Seoul
has ever faced.

Deeply enmeshed with international trade and financial regimes, Seoul had to rely on America's assistance for its recovery. So, until its stable recovery, therefore, the Kim Dae Jung's administration could not afford to develop strategic thoughts that would pull South Korea away from the U.S.

In my view, the Kim Dae Jung administration pursued a dual track strategy, the sunshine policy toward North Korea, on one hand, and the engagement policy toward China, on the other, which did not necessarily make the U.S. happy.

The sunshine policy, which is engaging and assisting North Korea without making quid pro quo a prerequisite, landed Seoul in the driver's seat as far as inter-Korean relations were concerned.

The Berlin announcement in March 2000 was not the outcome of Seoul's close consultation with the U.S. or other major powers in Northeast Asia. It was more the outcome of President Kim Dae Jung's strategic thinking on unification.

More importantly, the sunshine policy was apparently supported more actively by China than the United States. The summit communiqué endorsed the Beijing's long-standing petition of 'independent and peaceful unification' as opposed to Washington's peaceful unification.

The Kim Dae Jung administration also capitalized on the changing public opinions of China in South Korea. During these years, if you look at most of the public opinion surveys conducted in South Korea, you can find a clear pattern. That is, more Koreans have favorable views toward China than toward the United States and this provided a source that can be utilized by the politicians.

While the Kim Dae Jung administration appears to have some threads of strategic thinking, which is clearly discernible from his predecessors, it is not quite clear whether it did really have a China focus.

Instead, I think his strategic thoughts evolved more closely around inter-Korean issues and unification. In doing so, it actually contributed to the creation of perception that South Korea might be tilting more toward China than to the United States irrespective of his intentions as such.

Now, let me talk about the current period, the Roh Moo-hyun period. I remain cautious because his time has not yet ended, but already 3 years 8 months has passed. I think that provides us a period long enough for someone to provide an assessment, so I’ll give it a shot.

In my view, I think the prelude to Roh Moo-hyun's reign came early during the summer of 2002. A few months before the presidential election, the news media in South
Korea were flooded with reports and columns on the 10-year anniversary of Sino-South Korean rapprochement.

At about the same time, South Korea-U.S. relations plummeted to its record low in the wake of candlelit anti-American demonstrations caused by the tragic incident where two schoolgirls had been overrun by U.S. Army vehicle.

Then, the anti-American sentiments and demonstrations ensued, which might have contributed to the election of Roh Moo-hyun as the president. Then, there came a generational and orientational change to the elites, ruling elite in Korea.

Sixty-eight percent of the National Assembly members in the incumbent party, Uri Party, and nearly half, 43 percent of those in the Grand National Party, opposition party, were younger newcomers. According to a survey on 138 newcomers to the National Assembly in 2004, 55 percent chose China as the more important foreign policy target than the United States.

The South Korean elites' growing interest in China was further amplified by surveys on the ordinary citizens. According to Joong-ang Daily a survey in 2003, over 60 percent of the respondents suggested that South Korea's relations with the U.S. need a complete rethinking.

Another survey conducted by Dong-A Daily in 2004 also found that 61 percent of the respondents regarded China as more important in South Korea's diplomacy than the U.S.

Against these backdrops, the Roh administration adopted a three-pronged policy in my view. First, with regard to North Korea, it has mostly succeeded its predecessor's sunshine policy in the name of engagement policy. Inter-Korean cooperation and confidence building is still preferred, and quid pro quo neither required nor prioritized.

Second, concerning its traditional allies, the U.S. and Japan, the Roh administration insisted on the diplomacy with self-esteem. That means different interests are to be explicitly noted rather than concealed or imposed just for the sake of alliance.

Third, the geographical focus of its diplomacy has been defined as the region of Northeast Asia, which later on generated the concept of the hub country of Northeast Asia, as well as Northeast Asia and strategic balance.

Because of its inherited engagement policy, crucial discrepancies have been discernible in terms of threat perception between the U.S. and South Korea concerning North Korea, and this created, in my view, the environment where China emerges as the most influential player and mediator than any other countries in the resolution of North Korean conundrum.

Because of its changes, because of South Korea's changing policy toward the U.S., questions have been posed as to the future of Korea-U.S. alliances, and then the heated
debate, as you all know, ensued regarding whether or not to, and where, to send Korean forces to Iraq, and also the strategic flexibility issue, as well as the wartime operational control issue, and so on.

It is not entirely clear what the Roh's administration's focus on Northeast Asia has really stood for. It not only reduced the geographical scope of Korea's diplomacy, because during the Kim Dae Jung’s administration, the focus was East Asia, which includes Southeast Asia, so there were some people who questioned the concept.

Also, it was not clear how the term "Northeast Asia" was generally interpreted in Japan or China, and when the Roh administration came up with the concept of the hub nation of Northeast Asia, China was not necessarily happy, but when the administration came up with a conceptual twin, that is, Korea as Northeast Asian balancer, that was viewed rather favorably by Beijing, but not by Washington.

South Korea's approach to the second nuclear crisis since October 2002, has also highlighted the diverging threat perceptions between Seoul and Washington. Bush administration certainly took South Korea out of the driver's seat, however, since then, Seoul has, nevertheless, been mostly singing peace and stability to the tune of Beijing in the back seat, mainly in concerted efforts with Beijing to prevent Washington from employing non-peaceful measures against North Korea.

However, in sum, it is not clear whether Korea's strategic relationship with China has indeed improved to the extent of making up for the crack that was created in the Seoul-Washington relationship.

The Roh administration's strategic thoughts toward China, however, were given a heavy blow in the summer of 2004, and some of you may remember this is the time when the Koguryo controversy erupted. The so-called Northeast project, “dongbei gongcheng,” which is efforts to incorporate much of Korea's ancient history into China's local history, “difang zhengquanshi.”

This raised the eyebrows of many South Koreans, and it has actually left significant impact on the intellectual circle in Korea, because many became suspicious of the Chinese government's intentions, and actually, many ordinary Koreans who say if China treats us like this now, how will it treat us in 20 years from now.

So, actually, the Koguryo controversy has been a very important variable, and if you look at the public opinion surveys from 2003 up to now, there have been like 10 important public opinion surveys in that 3 1/2 year period, there is a clear watershed, which is the summer of 2004.

Before the summer of 2004, most of the surveys would find that more people would have favorable views toward China than toward the U.S., but after the summer of 2004, the trend is completely reversed. Now, more people have favorable views toward the U.S., not toward China.
Whether or not this trend will continue, that remains to be seen, but at least from the fall of 2004 until now, the trend has not been reversed, so I think this is probably going to stay for a while.

Also, in terms of elites, I just mentioned a survey done in 2004, in which 55 percent of the National Assembly men in Korea chose China as a more important foreign policy target.

A similar public opinion survey was done in 2005, after this controversy, and 68 percent of the National Assembly men chose the U.S. as the most important foreign policy target of South Korea, so you can see the clear discernible change in this.

So, overall I think, although his term has not ended, in my view, the Roh administration's strategic thinking toward China can be summarized as the following.

In my view, the Roh strategic thinking toward China has preferences, but not necessarily strategies, because if you compare what we have lost in Korea's relations with U.S., it has not necessarily been made up by Seoul's proactive efforts to improve relations with China.

Now, let me conclude. Seoul, I think particularly during the Roh Moo-hyun administration, I think it has been clear that Seoul wishes to consider Beijing as a strategic supplement, if not strategic alternative, however, that is one thing, and whether or not China will regard such a contingency as a possibility is quite another.

Beijing has neither sacrificed nor abandoned Pyongyang just for the sake of Seoul, its proactive efforts for the three- and six-party talks notwithstanding.

I think China's dealing with North Korea under Hu Jintao appears to be somewhat different from the past although whether or not the nuclear program has been an intervening variable, that has to be empirically approached, but I think what I worry about is whether or not the Roh Moo-hyun administration take into consideration the total change that is being generated in China, as well as in the U.S., and if the Roh Moo-hyun administration is not keenly aware of these changes taking place, I think we are in a very serious trouble.

So, I think in the last couple of years, a lot of reflections were made on the state of affairs in Korea-U.S. relations, and I think a similar measure, it is high time a similar measure could be done on Korea-China relations, as well.

I will stop there.

[Applause.]

DR. BUSH: Thank you very much for that sophisticated march through 40 years
of recent history. We will now open the floor to questions and answers, and I will ask Jae Ho to field the questions himself.

Please wait for the mike and identify yourself. Scot Tanner had his hand up first, so he gets the first question.

DR. TANNER: I guess I have already been identified. Scot Tanner, Rand Corporation.

Jae Ho, first of all, thank you very much for an admirable job of covering a hell of a lot of history in a short period of time and with some coherence.

Let me ask the obvious topical question. In the six or eight months leading up to the North Korea nuclear test, it was fairly clear that there was considerable disagreement within the Chinese-Korea watching community over whether or not North Korea could be prevented from crossing this line and testing.

While I know a great deal less about South Korean views of this, my guess is that there were similar disagreements. So, I guess my question would be how has the actual fact of the test caused a rethinking of policy toward North Korea in the south, how do you think, based on your sources, it has caused a rethinking in China, and do you think this action will bring China's and South Korea's policies toward the north closer together or further apart?

DR. CHUNG: How long do you want me to talk about that? I think definitely, the test has given incentives to the current administration to think about its policy toward North Korea. There is no doubt about that. But as you all know, what President Roh Moo-hyun said on the day of the test was quite different from his remarks a couple of days later, which definitely demonstrates that there has been some politics going on in those few days.

What the outcome would be, that, I don't know, but there is no doubt that certain review will be made. It probably is being made as we speak. That is my answer to the portion on South Korea's policy toward North Korea, and whether or not there will be a convergence or divergence between Beijing and Seoul on North Korea policy. I hope it is a convergence.

I think the convergence may depend upon whether or not South Korea is tuned to what is transpiring between Washington and Beijing. I think it should be whether or not we are fully informed of what is going on between Beijing and Washington, as well.

I think the South Korean government is now in serious trouble because South Korean government's policy for the last eight years in dealing with North Korea is now on a testing ground, and I think criticisms have been voiced. They are legitimate because now it is time for us to give serious thought to whether or not the sunshine policy has been successful.
In the first couple of years of Kim Dae-jung's administration, I was in full support of the sunshine policy because that policy was never tried before and it was a worthy experiment. At the same time, if this policy failed we would have legitimate case of employing more effective policy that is not appeasement.

So, I think the experiment was worthy, but where we go from here depends on what Washington and Beijing and Seoul could agree upon. I think that will involve a lot of negotiations and politics, I think.

DR. MATSUMURA: Hiro Matsumura. I have two questions. I would rather stick to the main theme of your book. In speaking about national strategy, we have primarily two major aspects, the geoeconomics and the geopolitics. In the South Korean thinking, which factors weighed more?

Certainly, South Korea is close to the so-called gravitational force from China in a sense that sandwiched between China and Japan. Japan is high tech, and China is low tech. At this point, medium tech, South Korea has a pretty strong complementarity with China although over the long term, as China catches up, South Korea may lose a niche.

So, do you think that geoeconomics does much in the thinking? Or do you narrowly define focus on national security post and it makes sense to get along with U.S. for the foreseeable future?

So, that is my first question. The second question is you pointed out drastic change in distribution of public opinion in your country when you open diplomatic relation with Beijing. Certainly, the people favor the relationship more with China.

It puzzles me because if you visited Seoul, you have a war museum and the people remember that, the most recent history that maybe the Chinese together with the North Korean killed a significant number of South Koreans.

So, what do you think, what factor explain that this has changed, generational shift, or what, because later in your presentation, you also explain that because of the history question, that preference already shifted to the other end.

So, sometimes your people forget about the history and suddenly reminded by the history, so it seems to me there is no clear consistent explanation, the shifting and re-shifting of the public preference to the relation with China. Thank you.

DR. CHUNG: Let me answer the second question first. Public opinions are fickle. They change very quickly, not only in Korea, but also in Japan and elsewhere. But it is interesting that the Koreans already had favorable views of China even before the diplomatic normalization. In my book, I term it as a cultural magnet.

It is very interesting because we had thoughts against Chinese until 1953, but
somehow Koreans forgot about that.

PARTICIPANT: Why?

DR. CHUNG: Interesting, yes, why, but then again, the Japanese imperialism in Korea ended in '45. We still have very strong memories of it and the scars never seem to heal. I can't explain, but that seems to be the contrast and that seems to be one of the important factors that contributed to the initiation or rapprochement during the eighties and normalization in 1992.

Then, I don't quite grasp what you refer to your first question about geoeconomics. My answer to your question basically is that South Korea should consider both, which I think they did.

I think they have not done one at the expense of the other. I think for Korea now, China is important, not only in economic, but also in geostrategic terms. China is Korea's number one trading partner as well as number one investment estimation.

Now more people go between Korea and China than Korea and Japan, and Korea and U.S. So China is becoming increasingly more important both geoeconomically and geostrategically. In terms of North Korean problem, China has become much more important at least so far than the U.S. and Japan. So, not only in geoeconomic but also in geostrategic terms, China has become important.

In the minds of many Koreans, it is not really the choice, between China or Japan, and it is not really the calculus that we have. It is more between U.S. and China. Japan is, in that respect, kind of out of the picture.

Don.

MR. OBERDORFER: Thanks very much for your exposition of the history. It's very interesting to me. But I would like to ask you something about the future based on your answer to the first question.

If there really is a rethinking, a redirection of South Korea's policy toward the North, as you put it, of the sunshine policy, if it's over—this is a big "if"—but if it is in that direction, and there is no more Kaesung, or that is very limited, there is no more Kumgangsan, all these things are reversed, what would this do to the relationship between South Korea and the People's Republic of China, what kind of impact do you think it would have on that relationship if Korea goes in a -- if Korea goes in a different direction?

DR. CHUNG: First of all, in order to avoid misunderstanding, I wasn't proposing that sunshine policy should become completely reversed or completely abolished, that is not what I would prefer. I would say this administration should give a serious thought about policy review on the basis of which they might come up with certain readjustment policy.
I think a certain readjustment is certainly very necessary, and if that happens, what would happen to Sino-South Korean relations? I don't really know, but my hunch is that South Korea might respond a bit more slowly than China would.

I think I was surprised by the reports on what is now being done in Dandong by China. They have already built the wire along the border area, and they are now checking every truck that comes out of North Korea and that goes into North Korea. This has happened a lot faster than I thought. I don't know why they are doing it that fast.

Of course, I think this might be one of their unilateral pressure on North Korea, just like what they did in February 2003. They obviously attributed to technical difficulties, but when I did interviews in China in 2004 and 2005, everyone was aware of it and no one said it was political, but they say that happens and Chinese used it very strategically. That was the comment offered by Chinese.

So, I think some things are being done visibly and also invisibly, and hopefully, South Korea behaves a bit more slowly than China but comes along overall to match what is being done by Washington and Beijing to minimize the problems.

Yes?

MR. MARSHALL: Michael Marshall, UPI.

South Korea has contingency plans for collapse of government in North Korea. Presumably, China also has its contingency plans. I am wondering what you think will be the critical issues between South Korea and China in the event of a collapse of government in the North, maintenance of order, and introduction of troop services. And to what degree do you think that these have already been coordinated or at least discussed?

DR. CHUNG: I do not know for a fact whether the South Korean government has a contingency plan. I hope they do and I hope Washington and Beijing do, too. I don't know whether North Korea's collapse is imminent or not. Actually, I was talking to a few people in the room about the need for conversation between Korea, on the one hand, and the U.S. and China, on the other, concerning what should be done if North Korea should collapse.

There are a couple of possibilities, but none of which are really appealing. One is sending in South Korean police forces, which then creates no military problem at all for the neighboring countries, but South Korean police forces are neither equipped nor trained to do that, so the second option would be sending in South Korean military forces. Then, we come up with this issue of defining whether such an act would be interpreted as a peacetime operation or wartime operation. If it's the latter, then, we will have a problem, because we have to coordinate it with United States. If U.S. forces go into North Korea along with South Korean forces, I think that will be detested by the Chinese, which is why it is not likely to happen.
The third option would be inviting multinational forces to North Korea under the UN banner, but this is not appealing to many in South Korea. During the short interim period of this multinational management of North Korea, we suspect as some North Korean people come up and say they need independent election, which will lead to the creation of another regime, then, there goes the dream of reunification, so none of this is really appealing to us.

But I think it is very important and imperative for South Korea to engage in serious conversation with U.S. and China on how to deal with the issue on a collective basis without damaging the trust among the three countries.

PARTICIPANT: Could you elaborate a little bit more on the subtle changes on President Hu Jintao's policy that you mentioned at the last part of your lecture?

DR. CHUNG: Well, I have a chapter in the book edited by David Shambaugh, sitting in the rear of the room, and that chapter actually provides a detailed discussion as to what might have been changed in the Hu Jintao era regarding North Korea compared to the first nuclear crisis. But my basic view is that, first of all, more people appeared to be less sympathetic toward the case of North Korea than, let's say, 12 years ago.

Second, the people I talked to in -- [tape change].

DR. CHUNG: [In progress] -- tend to have more universalistic arguments about North Korea. In other words, before, they would emphasize North Korea's special petitions, special environments and circumstances, and their sympathy was legitimate. Nowadays I don't get to meet a lot of those people.

Of course, there still are mostly those who have worked on Korean issues and sympathetic toward Pyongyang, and many of those who worked on arms control or international relations at large tend to have more universalistic arguments even toward North Korea. That seems to be reflected to a certain extent on the policy of the Hu Jintao administration.

Yes, David.

MR. BROWN: Dave Brown from SAIS. I join in thanking you for a very thoughtful presentation.

In your discussion of this change of opinion in 2004 amongst Koreans towards China, you seem to attribute that primarily to the Koguryo scandal. My question has to do with the way South Koreans look at Chinese economic involvement in North Korea.

If you are thinking strategically and focused primarily on reconciliation and opening the North, then, active Chinese economic involvement in the North could be seen in a very positive way. But my sense is that it has been seen in a rather competitive or
antagonistic or cautious way in North Korea.

I wonder if you could comment on that.

DR. CHUNG: It is true that it was around late 2003 and 2004 that the so-called Sino-phobia began to spring up in Korea, particularly when certain people began to talk about South Korea's dependency being too high on China. But then again, a lot of counter arguments were made, and these counter arguments suggested that what would be the alternative, without relying on China at that point, what would be the alternative.

Obviously, the trade dependence, most people would attribute it to trade dependence, but trade dependency back then was about 14 percent. Now, it's about 20 percent, and I think if this trend should continue, we would have approximately 30 percent by 2009.

But much would be also had investment elements, because there was a lot of investment made from South Korea, and some of it was actually related to the high rise in trade was related to the increase in investment.

I think now the mainstream view is that there is no doubt the dependency is increasing. But these trends cannot be reversed and this is not necessarily bad. Therefore, I think Sino-phobia is subsiding.

Now the anti-Chinese or negative sentiments toward China are mostly focusing on this history controversy, not only Korea now is now a part of that, which is another ancient history and goes back and back.

MR. BROWN: It was talking about the North -- the Chinese economic penetration in North Korea.

DR. CHUNG: Well, yes. That one is a new one. That one began in 2005 actually. That is the year when Chinese investment in North Korea skyrocketed because of a certain investment by Zhejiang people in the coal mine and iron ore mines.

But then again I think South Korean government, as well as specialists, are not really concerned about their investment in those minerals, because they are not investing only in North Korea, they are doing it everywhere in the world for raw materials.

I don't think that has really constituted a major source of concern. Of course, there were certain debates about it, but I don't think that constitutes a mainstream view.

CHU SHULONG: Hi, Jae Ho, it is good to see you again.

You are talking about the incident history, about history on the impact with the Korean public opinion about China. Frankly speaking, we could not understand -- "we," as in people working on international affairs in Beijing -- because to our knowledge, it is
not a standing statement petition with Chinese government or leaders. It is not a statement coming from ministry or common to our understanding.

So, it's not an event at all in Beijing and China, we don't know. We don't know today what it is about, even in the circle or foreign policy, international relations in Beijing. So, why it is now we consider these things have so tremendous impact on the opinions? Is it part of emotion, a part of plot, or something else, I don't know. Would you please elaborate more? Thank you.

DR. CHUNG: I am glad you asked that question, because I really wanted to clarify that. Obviously, you haven't read the outcomes from that project. That is why you are posing question in such a manner, because if you had read the books published from that research, you wouldn't say that.

First of all, the research was done by Border Area History Research Project, “Dongbei bianjiang lishi xilie yanjiu gongcheng,” which is headquartered in the Chinese Academy of Social Sciences.

Now, they have been doing a couple of projects before this. One is “tanyuan gongcheng,” which is a project which seeks out the original Chinese civilization on Xia and Yin Dynasty, and so on. There was another called Southwest Project, “xinan gongcheng” which was about Tibet, and now they are doing this “dongbei gongcheng” on Korea.

If you read the outcomes of this research, which have already published about seven to eight books under the general editorship of a person called Ma Dazheng, who was also the key person in the “xinan gongcheng.”

If you read the preface, there is an explicit statement that says under the auspices and explicit support of the National Leadership blah-blah-blah, we were doing this. That is one thing.

Second, you said this is not a government position, but that is not true. When the South Korean government first took on this issue, that was when the foreign ministry’s official website, erased the section on Koguryo from its discussion of Korea’s ancient dynasties. So, it was a certain statement from the government.

Then, when the South Korean government filed a complaint about it, foreign ministry completely erased the ancient history part from its section on Korea. In other words, if you don't want to engage in any controversy, that is another thing.

The third one, now, if you go to Northeastern part of China, there are a lot of places where they post signs and notices about this ancient heritages, and there are a lot of distortions. When the South Korean government and embassy in Beijing filed complaints, Chinese government would say this is all the local government’s doing.
But my doctoral dissertation was on central local dynamics and I know about how it works. Of course, because of decentralization since the early 1980s, Beijing cannot do whatever it wants to in economic terms, but in political terms, in other words, if China considers its relations with South Korea as important, then, I think they can do something about it, but they haven't done it.

This reminds me of what happened in 1987 when North Korea filed the complaint(s) to the foreign ministry. Foreign ministry would come and say to North Korea, “Well, the South Korean government is dealing with China, it is basically on the local government level, nothing to do with the central government.”

So somehow it is hard to believe because, without the central government's auspices, it cannot be done. So that is how I would respond to your queries.

William?

PARTICIPANT: Excellent presentation, Jae Ho.

I want to follow up on Don's question, and if we look back at 1999, 2000, there was a lot of synergy between South Korea's policy toward North Korea and U.S. policy toward North Korea. In fact, after the Perry Process and through direct negotiations with North Korea, United States basically put a lid on the plutonium program in North Korea and also missile program moratorium was there.

Even for the uranium enrichment program, there was an implicit understanding that the two sides, United States and North Korea, would increase transparency in all these contentious issues like Kumchangli and uranium enrichment, and so on, as the relations between the two sides improve, and that is kind of captured in the joint communique between Washington and Pyongyang.

So, the U.S. policy toward North Korea at that time focused on security and military matters, and at the same time, South Korea's sunshine policy used economic and social engagement to try and promote reform in North Korea.

Again, I emphasize there is symmetry between the two policies. At that time, the major premise of sunshine policy was not to link military and security issues to economic and social issues.

You could do linkage within issues like humanitarian issue, then, South Korea would provide humanitarian aid and North Korea would be more progressive with regard to something like the reunion of separated families.

Although you didn't say as much in your presentation, it seems like you are advocating class issue linkage, linking economic engagement with concessions from the North on security matters.
My question to you is, how realistic do you think that kind of changing strategy would promote change in North Korea's behavior. Also, what would you recommend the U.S. administration to do now that this policy synergy has broken down?

DR. CHUNG: About the cross issue linkage, I think it is worth trying. Intra-issue linkage, we have done it enough, and it obviously is not working. So, linking different issues to push North Korea for a certain solution point, I think if it's necessary, I wouldn't oppose.

However, I think Kaesung and Kumgangsan projects are definitely the cash channel, but we don't know for sure how that cash is being used and no one in Korea seems to know that.

At Kaesung, the wages are obviously being paid in cash and I think we have to somehow come up with a solution to minimize it or to suspend it. How fast I don't know, that is up to the decision-makers. But somehow I think if we can find a solution point, I wouldn't mind implementing inter-issue linkage.

On what I should recommend to the U.S. administration, I think there are more experts in the room than I can possibly say, so I will pass.

Alan?

PARTICIPANT: Thanks, and thanks again for your very insightful remarks. My question has to do with South Korean opinion toward the United States and toward China, and whether there is any kind of a tradeoff.

It seems to me that there was a high tide of what we all called anti-Americanism or anti-American sentiment, just about the time when the anger at China arose, so in a sense it was convenient.

My interest is really looking ahead. As I understand it, the first reaction in South Korea was to be angry at North Korea. But on second thought, there is a lot of resentment about what is seen as U.S. responsibility for North Korea taking this step with the test.

What I am wondering is, number one, whether you see that, and, number two, whether there is a meaningful element to that. If it has any implications for attitudes in South Korea about China would people at some point, whatever we do in terms of sanctions, in their thinking about who matters and who should matter and not just hard-headed who is going to have the bigger trade relationship say, “Well, we really think more like China does in this case, and less like the U.S.,” or address that a little bit. I am just not sure how to put that together, but I think it could be an important issue.

DR. CHUNG: Thanks. The tradeoff issue. This is the worst case scenario in my view. When I write for the newspapers and when I give speeches in Korea, I always mention this.
A policy that is necessarily in line with China should not be construed as anti-American or vice versa, because that would be the worst case scenario for Korea. But obviously certain so-called, “conservative media” are actually doing it.

So, many people who tend to read those newspapers begin to have such a dichotomous view, but I am not quite sure whether that has been a contributing factor to the timing of this rise of anti-Chinese sentiments in Korea or not.

The second question is who mattered, and I forgot the second question.

PARTICIPANT: [Inaudible.]

DR. CHUNG: Of course. In some corners of South Korean public, as well as the policy circle, there are people who blame U.S. for the state of affairs where Kim Jong-il tested nuclear weapons. But I am not quite sure that they constitute either the majority or mainstream view.

According to the most recent survey about four or five days ago, over 70 percent of South Korean public thought that changes should be made into the sunshine policy. If that is the popular opinion, and if South Korea is a democratic country, I think it probably should to a certain extent reflect that opinion.

Then, again, the question is the need for a change in the sunshine policy, whether or not that is willing to, the U.S. responsibility, that, I am not quite sure. I don't know how South Korean people are perceiving that issue.

I would presume many people would attribute it half to the U.S. and half to North Korea, but I haven't seen any survey research. However, I wouldn't say because of that that they would necessarily say South Korea policy should be more in line with China. That, I don't know, that is an interesting question. In sum, I cannot answer your question.

Richard.

DR. BUSH: I am going to grab the mike to ask a question. You began your presentation with certain assumptions about the capacity of a state to have a strategy. I want to ask a radical question: Whether that assumption may not apply in today's South Korea in the situation that South Korea faces with respect to its environment and the political environment within the nation, what are the prospects that it might produce strategic paralysis, an inability to order priorities, make choices, and carry them out?

DR. CHUNG: In fact, that is exactly the term that opposition party members are using to criticize the current administration, although I am not sure I would agree with that.

But I think that is true, there is certainly a confusing state of affairs in whether or not the current administration is keeping priority more to the imperative, their procedure,
the security, or the development imperative.

But as I said earlier, the current administration seems to have preferences and they seem to be quite good at outlining the issues of contention. However, they are not very good at micromanaging those.

For instance, operational control issue has been in the agenda of the South Korean government for the last 12 years. But the Kim Dae-jung administration couldn't afford to do it, but Roh administration did it, and many other issues, as well, but they somehow couldn't micromanage it successfully, so that even the directions are later on considered as either wrong or unsuccessful. That is rather unfortunate of this current administration.

So, although my talk today was more about strategies, in my own mind, it is not only strategies but also micromanagement on the part of those front-line Korean diplomats that is very important for their success.

Did I answer your question? Okay. Bruce.

MR. DICKSON: Bruce Dickson from GW.

It builds off of Richard's question in a sense: You mentioned at the beginning about the different types of imperatives that are involved and the history issue seems to be one thing that you have mentioned that has caused a real downturn in relations between South Korea and China, which I guess fits under your prestige imperative that the South Koreans are angry that China is trying to grab their history away.

Beyond that issue, what are the issues or policies that could also lead to worsened relations between the two countries, whether done by Korea or done by China?

DR. CHUNG: Actually, I would say the history controversy is considered more as a security imperative. It is linked to prestige issue but many people seem to consider that. They seem to be reminded of what the Ming dynasty or Qing dynasty did to impose on Chosun because of this history controversy.

So, in terms of security, it is not simply in terms of history controversy, it is not just prestige that was affected, but I think many South Koreans think, particularly in relation to China's deeper involvement in North Korea, they seem to be concerned about the integrity of the security of Korea. In this case, Korea means the Korean peninsula as a whole.

Now, one thing that might worsen the bilateral relationship at this point is that South Korea has been scoring successive trade surpluses with China since 1993, and as of 2005, it was almost about $15 billion to our advantage, and Chinese have been complaining about it. But it has never constituted a major issue of concern.

So, so far the most important issue that has blocked the improvement of Sino-South Korean relations has been the history issue. In that respect, I think President Roh
Moo-hyun's recent visit to China was simply unsuccessful. I think his trip could have produced a more interesting outcome on that front, but because of the nuclear tests, I think much of his effort had to be devoted to the nuclear issue at the expense of other issues.

It should be noted that he is the first Korean president to visit China twice during his term as the president, and as we all know, November of last year when Hu Jintao came to Korea, Korea gave Hu Jintao the biggest present ever, which was the recognition of China as the market economy. So far we haven't gotten anything in return and I think it's about time we did.

MR. COSTELLO: Thank you for your presentation. Stephen Costello.

I appreciate your last answer that the history question is really very much of a future question in the eyes of many in South Korea. I want to follow on David Brown's question about Chinese economic investments in North Korea.

My understanding is there are about 150 Chinese companies operating in North Korea now and there are 13 to 15 in the Kaesong complex from South Korea.

Over the past several years, I have heard from a range of people from government spokesman to academics and even NGO people in the South, that this is one of their primary concerns. It is not just the size of Chinese investment in North Korea. It is also the model that is being used and being learned in North Korea.

So, on that broader issue, I wonder what we know about the details of the Chinese investments, what sort of model is it that Chinese investment takes in North Korea.

This issue of economic competition, which is also strategic, seems to be very much at the heart of a lot of South Korean worries about China next to, and maybe similar to or part of, that whole history issue that you talked about.

DR. CHUNG: I am not quite sure I understand the term "model" as used by you.

MR. COSTELLO: I am just wondering what is the nature of the Chinese investment, what rules does it follow, and what will it mean if it expands. If you have got 150 Chinese companies and you probably know the statistics.

DR. CHUNG: My data says it's 44 projects and the total is $122 million.

MR. COSTELLO: These are from the Unification Ministry as recently as a month ago and it must be beyond just the mining, but I guess I just wanted to point out that, I, together with David Brown, think this issue of economic competition with China in North Korea as a very big concern among a broad range of South Koreans.

DR. CHUNG: First of all, I am not quite sure whether there is just one set of data on China's investment or trade with North Korea. I think there are several different
versions of it and they all use different contents of the data.

There was, and I mentioned this in my reply to David, a concern about the pace at which Chinese investment in North Korea was proceeding, there is no doubt. But I am not quite sure whether the perception in South Korea was such that we would consider it as competitor to South Korea. I am not quite sure because our investment is not in the raw material section.

It might proceed into that direction in the future, but not necessarily. Also, the Chinese investment in North Korea mostly in raw material sections and some in the consumer goods supply and circulation including one Zhejiang investment in department store in Pyongyang, and so on.

So, I am not quite sure whether there is a discernible pattern that we can talk about China's investment in North Korea, and obviously, we have data problems.

DR. BUSH: On that note of uncertainty, we will close the session for today, but one thing we are not uncertain about is our gratitude for Jae Ho for that wonderful presentation, and you are always welcome at Brookings. Thank you.

[Applause.]