

## From Preponderance of Power to Balance of Power? South Korea in Search of a New North Korea Policy

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### Rethinking the Balance of Power on the Korean Peninsula

The global and East Asian orders of power are now represented by China's economic, military, and diplomatic rise and America's decline. The result is often called Chimerica or G2, leading to U.S.-China competition in every aspect of the international agenda. After the Bush administration's foreign policy in the first years of the millennium, when many scholars and policy makers focused on U.S. unipolarity or at least its preponderance of power after the collapse of the Soviet Union and the end of the Cold War, the current state of affairs is a great change. While U.S.-China relations represent a set of the most important variables in world politics, the meaning of China's rise is much greater in the East Asian regional order. The Korean Peninsula, of course, cannot escape from the influence of its neighbors.

Although the world order of the 1990s saw the unprecedented economic prosperity and overwhelming military power of the United States, the recent order has been characterized by the relative decline of the United States and the fast and strong rise of China. The Chinese economy has grown more than 10 percent per year for the last thirty years and is now the world's second-largest economy.

Although the Chinese GDP is still only one-third that of the United States, as <Table 1> shows, it is not at all unheard of to say that China may economically

catch up with the superpower by 2030. Moreover, China's trade with Northeast Asian countries is much larger than that of the United States. As <Table 2> shows, China's exports and imports with South Korea, Japan, and Taiwan are almost twice as large when compared with those of the United States. Given America's economic recession and China's incessant growth, the gap between the two is likely to get much larger. China's increasing economic interdependence with regional powers will have a great effect on the changing balance of power in the region, and will have a much greater effect on the Korean Peninsula.

On the other hand, China has also made every effort to build up its military capability. Supported by its strong economic growth, Chinese military spending has been hugely increased, more than 10 percent per year on average. China spent 40 billion U.S. dollars in 2001, but it spent 119 billion in 2010, an increase of almost three times in ten years.<sup>1</sup> <Table 3> indicates that Chinese military spending is still less than one sixth compared to the American figure, but one must

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recognize that while the United States plans to cut its military spending in the next decade due to its budget

deficit, China is certain to keep increasing its, unless its economy falls into deep trouble in the near future.

<Table 1> GDPs in Northeast Asia, 2010 (trillion U.S. Dollars)

Country	U.S.	China	Japan	S. Korea
Amount	14.53	5.88	5.46	1.01

Source: IMF

<Table 2> The United States and China's Trade in Northeast Asia, 2010 (billion U.S. dollars)

	Exports			Imports		
	S. Korea	Japan	Taiwan	S. Korea	Japan	Taiwan
U.S.	39	61	26	49	120	40
China	69	120	30	138	176	116

Source: Korean International Trade Association (KITA), Korea

<Table 3> Military Spending in Northeast Asia, 2010 (billion U.S. dollars)

Country	U.S.	China	Japan	S. Korea
Amount	698	119	54.5	27.6

Source: Stockholm International Peace Research Institute (SIPRI) Yearbook 2011

Furthermore, the military spending between the two countries cannot be compared just in nominal figures. While U.S. military power has been involved all over the world, including Europe, the Middle East, and East Asia, China has focused mainly on East Asia. The military rise of China therefore means a much stronger influence on the Korean Peninsula than the figure shows. The United States has also been recently more concerned about China's military and security developments.<sup>2</sup> With regard to their military and security policies, China has sought to improve its power

projection and possess the capability of conducting a range of military operations in Asia well beyond that of Taiwan, as clearly shown in its aircraft carrier program. In contrast, the United States, due to its economic difficulties, appears to be coping with the situation by strengthening its alliances with South Korea and Japan, encouraging its allies to increase their contribution to global and regional security.



## The Two Koreas in the Post-Cold War Security Framework

Given the recurring balance of power shift from the U.S. preponderance of power for the last two decades, it is necessary to rethink the security environment in the region. In this vein, South Korea may need to examine the meaning of the rise of China for the Korean Peninsula, especially with regard to the North Korean issue. In reality, China's rise has presented South Korea with a complex and difficult challenge in dealing with North Korea. Most of all, South Korea's approach toward North Korea has so far been based on the post-Cold War regional security framework, which I call America's preponderance of power, given that North Korea has lost its two Cold War patrons, the Soviet Union and China, and has been isolated and surrounded by an unfavorable security environment. The South Korean government has so far made good use of this favorable security environment and has pursued a strong and determined policy toward North Korea.

Since the end of the global Cold War in the early 1990s, every South Korean government has tried to persuade North Korea to change the nature of its regime by either engaging with it or punishing it. The Nordpolitik under the Rho Tae-woo government was the first active effort to bring about the collapse of the Cold War order on the Korean Peninsula and resolve the issues regarding the divided Korea. The Kim Young-sam government had driven North Korea into a corner, hoping to see the collapse of the regime in the mid-1990s and reunify the two Koreas under South Korean leadership, especially after Kim Il-sung's death in 1994. The Kim Dae-jung and Rho Moo-hyu governments sought to engage North Korea. This period is often called the Sunshine Policy, but the two were not much different in that they intended to change the nature of the regime by a South Korean initiative. The current Lee Myung-bak government has also pursued a further tough and determined North Korea policy supported by a strong Korea-U.S. alliance and has

sought to force the North Korean regime to accept international norms and change its course of action.

On the other hand, North Korean leaders have recognized since the late 1980s that as the global Cold War is over, the balance of power on the Korean Peninsula has been moving against North Korea. Kim Il-sung reassessed North Korea's security environment in the process of the Soviet collapse and China's shift. He could choose to face the changing balance of power, in international relations terms, with internal balancing and bandwagoning. The former involved a domestic arms build-up, while the latter was approaches to Cold War enemies like the United States, Japan, and South Korea. North Korea could not rely on external balancing because it could not find a new ally comparable to its former allies, who were no longer very active in guaranteeing extended deterrence. For internal balancing, North Korea concentrated on the development of a nuclear weapons program because it could not afford to carry out a conventional arms race. For bandwagoning, North Korea made contact with the United States and Japan in the late 1980s and the early 1990s in an effort to get out of its unfavorable post-Cold War security framework by establishing diplomatic relations with its former enemies, but this effort failed due to lack of interest and trust. North Korea also sought to improve relations with South Korea and produced the Inter-Korean Basic Agreement and the Joint Declaration of Denuclearization of the Korean Peninsula in 1991, but they could not guarantee the peace and stability of the Korean Peninsula.

North Korea's dual approach of pursuing both internal balancing and bandwagoning could not be accepted in international society due to the evident conflict of interest. If North Korea really wanted to get along with the United States and South Korea, it had to give up its nuclear weapons program, but it could not do so because it perceived that its nuclear weapons program was its last resort for regime survival. What North Korea learned from Iraq was that Saddam Hussein could not secure his regime when he gave up his



nuclear weapons program.<sup>3</sup> However, the problem remains that if the North Korean regime keeps its nuclear program going, it will have no chance of approaching the United States and South Korea and getting out of the security dilemma on the Korean Peninsula. In short, North Korea's mindset and perception after the Cold War has been quite defensive and passive under the unfavorable balance of power on the peninsula.

### The Rise of China and North Korea's Growing Dependence

As a result of the rise of China and changes in Chinese-North Korean relations, the North Korean problem can no longer be seen from the post-Cold War framework of the 1990s. Although the recent East Asian security framework is not a new Cold War rivalry with the United States, Japan, and South Korea on the one side, and China, Russia, and North Korea on the other side, North Korea is not an isolated nation any longer. It is now a nation strongly dependent on and supported by a rising China. Of course, China perceives North Korea neither as it did during the Cold War nor as North Korea now wants China to perceive it. Rather, China seeks to take advantage of North Korean issues strategically in facing its challenges, especially its relations with the United States. North Korea also appears to make use of the Chinese

position and tries to use it to get out of its internal and external dilemmas.

What embarrasses South Korea most is that as North Korea's dependence on China gets bigger, its dependence on South Korea gets smaller. North Korea's increasing dependence on China is in part a natural result of China's rise in East Asia, but it is also because North Korea is getting less dependent on South Korea. This situation must mean that while China's influence on North Korea is growing, South Korea's influence is getting weaker. As Keohane and Nye explain, asymmetric interdependence can be the origin of power.<sup>4</sup> It implies that as North Korea's sensitivity and vulnerability to China are getting larger, so is China's influence on North Korea. In order to balance against China's growing influence on North Korea, South Korea should also seek to lead North Korea to depend more on South Korea, but the reality is exactly the opposite.

<Table 4> and <Table 5> indicate that North Korea's economic dependence on South Korea has recently been decreasing. While North Korea's trade with South Korea has been increasing overall, the rate of the rise has stagnated since 2008. South Korea's economic aid to North Korea has been recently cut in one tenth for the last three years. These data clearly mean that North Korea has become economically less dependent on South Korea than before, which implies that South Korea's economic influence on North Korea is weakening.

<Table 4> North Korea's Trade with South Korea (million U.S. dollars)

Year	2005	2006	2007	2008	2009	2010
Exports	340	520	765	932	934	1,044
Imports	715	830	1,032	888	745	868
Total	1,055	1,350	1,798	1,820	1,679	1,912

Source: Ministry of Unification, South Korea.



&lt;Table 5&gt; South Korea's Economic Aid to North Korea (billion Korean won)

Year	2005	2006	2007	2008	2009	2010
Governmental	315	227	349	44	29	20
Non-governmental	78	71	91	73	38	20
Total	393	298	440	117	67	40

Source: Ministry of Unification, South Korea.

&lt;Table 6&gt; North Korea's Trade with China (million U.S. dollars)

Year	2005	2006	2007	2008	2009	2010
Exports	496	467	581	754	1,887	1,187
Imports	1,084	1,231	1,392	2,033	793	2,277
Total	1,580	1,699	1,973	2,787	2,680	3,465

Source: Korea Trade-Investment Promotion Agency (KOTRA), South Korea.

Conversely, <Table 6> shows that North Korea's economic dependence on China is growing quickly. North Korea's trade with China has doubled in the last five years<sup>5</sup>, and is likely to be increasing continuously. In reality, North Korea has recently made up for the decrement from South Korea with an increment from China. North Korea is thus now economically much more dependent on China than on South Korea, which will lead to a difference in economic influence on North Korea.

Of course, the growing Chinese influence but weakening South Korean influence on North Korea has not just occurred in the economic area. The Chinese influence is also much stronger in diplomatic and military areas. If South Korea wants to have a strong initiative on the Korean Peninsula in an era of a changing balance of power as it has had for the last two decades, South Korea itself should make every effort to enlarge its influence over North Korea. The security

environment favorable to South Korea on the Korean Peninsula after the end of the Cold War resulted from the U.S. preponderance of power in East Asia, but the balance of power in the region appears to have become less advantageous for South Korea. Thus, it is high time for South Korea to think again about its North Korea policy. The South Korean government needs to reassess the changing balance of power on the Korean Peninsula and seek a new North Korea policy that can increase its influence on North Korea.

#### South Korea's Search for a New North Korea Policy

After Kim Jong-il's sudden death in December 2011, North Korea will likely become more dependent on China as the new leadership cannot help but seek China's support in order to stabilize North Korean society. It is not in the South Korean interest to let North Ko-



rea keep increasing its dependence on China and let China keep increasing its influence over North Korea. China's growing influence over North Korea will inevitably lead to its leverage on the whole Korean Peninsula and also affect South Korea-China relations, not only with regard to the North Korean issue but also with regard to South Korea's strategic choice between the United States and China. Thus, if South Korea wants to keep its initiative on the Korean Peninsula in spite of the changing balance of power in East Asia, it needs to balance against China's influence over North Korea. In order to balance against China's influence, South Korea should seek to enlarge its influence over North Korea by encouraging the North to depend more and more on the South Korean side.

However, North Korea will be very reluctant to increase its dependence on South Korea under such a changing balance of power. Because the rise of China and the decline of the United States in East Asia is a less unfavorable security environment for North Korea compared with the post-Cold War framework, it is more likely to avoid the further increase of South Korean and U.S. influence. North Korea, of course, would not want China to have a strong influence on it either, but it will seek to make use of China to confront South Korea and the United States. In short, North Korea will build up its negotiating capability by taking advantage of the new balance of power in East Asia. For example, as shown in the cases of the sinking of the South Korean corvette *Cheonan* and the shelling of Yeonpyeong Island in 2010, North Korea will try to escalate the tension between the United States and China regarding the issues of the Korean Peninsula. If the Six-Party Talks resume in the future after their long period of suspension since December 2008, North Korea is more likely to insist on its demands and stand firm by highlighting the conflict of positions between the United States and China.

In order to cope with the changing balance of power in East Asia and North Korea's new balancing behavior, South Korea must make every effort to en-

large its common perspective with China. South Korea should be ready to talk with China on the future of North Korea and the Korean Peninsula. It will be significant to plan how to persuade China to share its perceptions and policies with South Korea. If China perceives South Korea to be a more important player than North Korea in East Asia, it will be easier to persuade China to rethink the denuclearization and reunification of the Korean Peninsula, which will serve Chinese interests in the long run. Given the meaning of asymmetric interdependence as a source of power, the South Korean government should seek to upgrade Korean-Chinese relations and lead China to depend more on South Korea not only economically but also strategically, because the Chinese influence on the South as well as on the North will grow if North Korea's dependence on China increases asymmetrically.

On the other hand, it is necessary for South Korea to lead North Korea to depend more on South Korea than on China. If North Korea is getting more dependent on South Korea, South Korea will have more leverage on the issues of the Korean Peninsula and it will be easier to persuade China to agree to South Korean initiatives. Increasing South Korea's influence on North Korea while decreasing China's influence is how South Korea should respond to the rise of China in East Asia.

This is the impact of the changing East Asian balance of power on the Korean Peninsula and on South Korea's North Korea policy. Whoever takes power in the next South Korean presidential election in December 2012, it is the issue of how to respond to the rise of China on the Korean Peninsula that will determine the success or failure of the next South Korean government's North Korea policy.<sup>6</sup> Because the favorable balance of power for the South Korean side is finished, the South Korean government cannot enjoy the initiative any longer on the Korean Peninsula that was provided by the U.S. preponderance of power after the end of the Cold War in the early 1990s. Although the South Korea-U.S. alliance is still the bottom line of



South Korea's North Korea policy, the changing balance of power represents a serious challenge to the South with regard to how to deal with the rise of China on the Korean Peninsula. ■

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### Notes

<sup>1</sup> SIPRI Yearbook 2011

<sup>2</sup> Office of the Secretary of Defense. 2011. Military and Security Developments Involving the People's Republic of China. Annual Report to Congress. U.S. Department of Defense; Cliff, Roger, Mark Burles, Michael S. Chase, Derek Eaton, Kevin L. Pollpeter. 2007. "Entering the Dragon's Lair: Chinese Antiaccess Strategies and Their Implications for the United States." Santa Monica: RAND Corporation.

<sup>3</sup> Pyongyang stated that "the Iraq war taught us that it is inevitable that we will possess strong material deterrence in order to prevent war and defend the country's security and national sovereignty. Rodong Sinmun, April 19, 2003.

<sup>4</sup> Keohane, Robert and Joseph Nye. 1977. *Power and Interdependence: World Politics in Transition*. Boston: Little, Brown.

<sup>5</sup> North Korea's import from China in 2009 was cut in half, but it is presumed to be a temporary one that resulted from China's economic sanction against North Korea's second nuclear test in May 2009. Its import from China was restored in 2010.

<sup>6</sup> Interestingly, Geun-hye Park, one of the strong presidential candidates in South Korea, raised the need to produce a new kind of North Korea policy that emphasizes more balanced position. However, she does not seem to think enough of the impact of the rise of China on the Korean peninsula and South Korea's North Korea policy.

