

## **Policy Recommendation for**

## South Korea's Middle Power Diplomacy:

## **South Korea-China Relations**

Dong Ryul Lee Dongduk Women's University

February 2015

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#### **China's Perception of Middle Powers**

Since the 2008 global financial crisis, China, starting from within academic circles, began to give more attention to and lead discussions on middle power (中等强国). In particular, China has been keenly focusing on the rise of the emerging market and emerging countries since the beginning of the 21st century, especially after 2008, a year that marked the advent of the BRICS (Brazil, Russia, India, China and South Africa) and G20. Discussion on middle power in China fundamentally started from the growth of this emerging market, and implies China's expectation for the transformation of the existing Western economic order and system.

China's attitude toward the emergence of middle powers is derived from the context of its own rise. China expects that the emergence of middle powers can help contribute to the multi-polarization of the international community, which has been China's consistent aim since the end of the Cold War. China has paid attention to the fact that the emergence of middle powers has been brought about by the relative decline of the U.S. and Western powers after the global economic crisis. This implies China's expectation of emerging middle powers is that they will become a partner in checking the existing international order led by the U.S.

China, in fact, still possesses a dual perception of middle power. China expects that middle powers will become cooperative partners in forming a new international order. In terms of bilateral relationships, however, as China's national strength and interests enlarge due to its rapid growth, China is expressing concerns about potential competition and conflict, rather than complementary cooperation with middle power countries. This is more so since there remains characteristics of developing countries in certain sectors within China



due to the uniqueness of its rise. There is concern that some middle power countries might be embroiled in competition with China.

In short, China's perception of and attention to middle powers are guided by China's national and strategic interests such as its rise, check-and-balance vis-à-vis established major powers like the U.S., and the reform of the existing international system and order.

China especially focuses on the reality that since 2008, many countries are faced with a dilemma of strategic choice under the rapidly changing regional political architecture, with China's rise and the U.S.'s Pivot to Asia strategy. China evaluates that most East Asian countries are relying on the U.S. or strengthening their military power out of concern for their security. At the same time, China sees that these countries are not attempting to practice a hostile security strategy against China by siding with the U.S. Instead, China recognizes that the middle powers in the region are likely to try to maintain national security interests as much as possible between the U.S. and China, rather than choosing either side.

#### China's Diplomacy toward Middle Powers

China classifies the major objects of its diplomacy into four categories: major countries, the peripheral, the developing, and multilateral diplomacy. China's middle power diplomacy is currently being constructed and implemented under its existing diplomatic framework

China's diplomacy toward middle powers is being framed as a part of its peripheral diplomacy, focusing on the roles and strategic importance of countries classified as neither developed nor developing. For instance, China categorizes South Korea, Indonesia, and Pakistan as peripheral middle powers, and focuses on their strategic roles and significance. These countries take up important strategic positions in the U.S.' U-shaped containment strategy against China, relationships with these countries are considered to have more strategic importance than those with other peripheral countries. China recognizes that peripheral middle powers wish to extricate themselves from this dilemma and maintain friendly relations with both the U.S. and China. China's maximum objective in its peripheral middle power diplomacy is to incorporate them into the influence of rising China, and its minimum objective is to prevent them from participating in the U.S.-led containment of China.

China now led by the Xi government attempts to fully utilize its economic power in strengthening its relationship with other countries and expanding its international influ-



ence. Under the Xi government, China's strategy focused on economic diplomacy is unfolding vigorously and in a more diversified way. China is trying to establish Asia's infrastructure and network. For instance, it plans to expand various forms of investment projects with neighboring countries via high-speed railroad construction, fiber-optical cables installation, and river development. China has been active in not only bilateral FTAs, but also multilateral economic cooperation mechanisms such as the RCEP. China plans to integrate capital markets with South Korea, Singapore, Hong Kong, and Taiwan through internalization of the Renminbi. President Xi's agreement with opening a direct market for Yuan-Won convertibility and his request for South Korea's participation in the Asian Infrastructure Investment Bank (AIIB) during his recent visit to South Korea are all an extension of China's such attempts.

#### China's Perception of and Strategy for 'South Korea as a Middle Power'

China thinks that although South Korea is an Organization for Economic Cooperation and Development (OECD) member and a middle power in terms of its economic size, South Korea has not been able to secure prestige and a role commensurate with its national strength because of its geopolitical environment surrounded by major powers.

Although China includes South Korea within the category of middle powers, it still has not released any notable response to or evaluation on South Korea's middle power diplomacy. The reason possibly is that although conceptually China includes South Korea within the category of middle power, but because of South Korea's uniqueness as a divided country that shares borders with China, South Korea has been strongly imprinted in the Chinese mindset as a peripheral country.

China is still not open about its position on MIKTA (Mexico, Indonesia, South Korea, Turkey, Australia) partly because MIKTA is still in its nascent stage and has not yet executed any noteworthy activities; however, another reason may be that all five participants are in either alliance or friendly relations with the U.S., the condition of which makes it difficult for China to form a positive perception.

China's recognition and judgment of South Korea's middle power diplomacy will depend largely on its recognition and judgment of its own relationship with the U.S. China is wary of South Korea's participation in the U.S.' checking of China via its rebalancing strategy and U.S.-Japan alliance; within this context, China's active diplomatic gesture towards



South Korea is being played out.

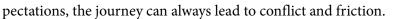
Regarding South Korea's role as a middle power, China has more concern than expectation. China's view of South Korea's role and prestige as an independent middle power is limited. Even in terms of economics, South Korea is too limited to take a leading role in the region as a middle power because it directly faces competition with the region's economic major powers such as China and Japan. China in some aspects is wary of South Korea's increasing role as a middle power. It is staying alert to whether South Korea's role and prestige as a middle power might limit China's influence or hinder its national interests. China's strategic focus in its relations with South Korea is whether South Korea will partake in checking China's rise via its alliance with the U.S. and what can be done to prevent South Korea from doing so.

#### **Policy Recommendations**

#### 1. They Need to Understand Each Other's Differing Expectations.

Although South Korea and China possess common motivation for mutual cooperation, such motivation, when examined closely, is of a differing kind. On the surface, both South Korea and China support peace and stability on the Korean peninsula. China, however, is newly recognizing the necessity of cooperation with South Korea as a means of checking the U.S. rebalancing strategy in Asia and the rightist turn of Japan. Particularly, as China unlike before begins to propose concrete alternative agenda to take initiative in the process of reshuffling the East Asian regional order, it is actively seeking South Korea's participation or support. For instance, China expects South Korea to support its claim promulgated at the Conference on Interaction and Confidence Building Measures in Asia that "Asian security must be protected by Asian people" and requests South Korea participate in the AIIB where the U.S. has not been invited.

Considering its alliance with the U.S., South Korea still finds it difficult to readily respond positively to these concrete demands, but on the other hand, it focuses on its expectation of economic cooperation with China and "China's role" in resolving the North Korean nuclear crisis. South Korea and China, therefore, can be likened to two partners on a journey who believe they are on the same path, meanwhile, inwardly, they are aiming at different destinations. Unless there is sufficient understanding of each other's differing ex-





2. South Korea Must Make Efforts to Expand its Independent Diplomatic Space and Arena beyond its Existing Identity as an American Ally.

China will acknowledge the strategic value of South Korea allied with the U.S., not necessarily based on its respect for South Korea's middle power status, but more likely on its perception of South Korea as the U.S.' junior partner. China will view South Korea as an obstacle to China when it plays its role in important international affairs; it is possible that China will continuously practice a limited approach to South Korea as a dependent variable in U.S.-China relations. Also, if South Korea attempts to check China through its alliance with the U.S., doing so in the long run may result in the negative ramification of bringing U.S.-China competition onto the Korean peninsula. Also, as a rising China gets involved while harboring negative perceptions of South Korea, China in the long run would harbor distrust of South Korea's strategic intention, and forming trust between South Korea and China could become difficult.

In order for South Korea to secure prestige and a role as a middle power vis-à-vis China, it is necessary that South Korea make efforts to expand its independent diplomatic space and arena beyond its existing identity as an American ally. Additionally, another important task is to jointly seek cooperation mechanisms with other middle powers to induce stability in U.S.-China relations.

### 3. South Korea Needs to Participate in China-Led Economic and Non-Traditional Security Networks that Could be an Alternative to Securing its Prestige as a Middle Power.

China also is creating an environment favorable to its rise by circumventing competition in areas where the U.S. has relative strategic edge. By expanding its influence in the areas of trade, investment, finance, environmental issues, and energy, China is building various networks, targeting middle powers and emerging major powers. As for South Korea, participation in China-led economic and non-traditional security networks could be an alternative to securing its prestige as a middle power all the while alleviating China's concern and wariness generated from Korea's alliance with the U.S.

EAI Middle Power Diplomacy Initiative Policy Recommendation 3



# 4. South Korea Should Propose the Establishment of a Trilateral Dialogue among the United States, China, and South Korea.

In order for South Korea to maintain its middle power status, it needs to build various global networks. In the process of developing multilateral security cooperation in Northeast Asia, South Korea needs to prioritize active participation, if not play a leading role, in building minilateralism. This is of great importance in trying to resolve North Korean problems, including the nuclear issue, which limits South Korea's role as a middle power. Thus, it is necessary to revitalize trilateral dialogue among South Korea, the U.S., and China as an alternative to the stalled six-party talks.

If may be difficult at first to move forward with a trilateral dialogue at the highest level of officialdom, therefore it is necessary to start at the 1.5 track and gradually expand the dialogue channel to include the government level. Through this, South Korea can retain an opportunity to create a mechanism in which it can share regional and global issues with the U.S. and China. Furthermore, South Korea can use this as a platform in seeking avenues to expand a South Korea-U.S.-China trilateral dialogue to include other significant actors, creating possible dialogues such as South Korea-U.S.-Japan, South Korea-China-Japan, or South Korea-China-Russia forums.



Author's Biography

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Dong Ryul Lee is a professor at the Department of Chinese Studies of the Dongduk Women's University since 1997. He is now a chair at China Research Panel of East Asia Institute (EAI). Previously, he served as a policy advisor to the Republic of Korea Ministry of Unification and an executive committee member in the Joint Committee of Experts for Korea-China Strategic Cooperative Partnership. He was also an editor of *The Journal of Contemporary China Studies in Korea* (2010-2011). He was a visiting scholar in the Weatherhead East Asian Institute, Columbia University from August 2005 to August 2006. He received his Ph.D. in the Department of International Politics from Peking University in 1996. He has published many scholarly articles, monographs, and edited books, including *Global Superpower? Prospects for China's Future* (2011), "China's Policy and Influence on the North Korea Nuclear Issue: Denuclearization and/or Stabilization of the Korean Peninsula?" in *The Korean Journal of Defense Analysis* (2010), *China's Territorial Dispute* (2008), and "Chinese Diplomatic Behavior in the United Nations" (2007). His research area includes Chinese foreign policy, international relations in East Asia, Chinese nationalism and minority.

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