

An Analysis of the South Korea-China Summit

Doong Sy-chi

Last year, South Korean President Park Geun-hye made a high-profile visit to China right after visiting the United States, demonstrating her intention to cozy up to China in a bid to solve the nuclear issue on the Korean Peninsula. Quite a number of experts believe that Chinese President Xi Jinping this time chose to visit South Korea before going to North Korea and Japan because China intends to draw South Korea closer to undermine the trilateral security alliance between Japan, South Korea and the United States. Therefore, we could say that the bilateral South Korea-China summit on the one hand served to showcase China's "new Asia policy" at a time when Beijing faces the North Korea nuclear issue and the rise of rightist forces in Japan. On the other hand, we could say it is a South Korean attempt at a new diplomatic course following the North Korea friendly "sunshine policy" during the era of presidents Kim Dae-jung and Roh Moo-hyun as well as the pro-American foreign policy of [Park's predecessor] Lee Myung-bak.

In their summit talks Park and Xi discussed in depth bilateral relations, the situation on the Korean Peninsula and in its vicinity as well as problems that concern both countries, the media reported. Following the summit, the two sides issued a joint statement in which they stated, "We will establish a mature and strategic cooperative partnership to closely discuss mid- and long-term issues and share common interests based on mutual trust." Moreover, the two sides agreed to complete negotiations for a free trade pact by the end of the year and to set up a foreign exchange mechanism for the direct trading of the Korean

won and the Chinese yuan. They also decided to expand and deepen the bilateral relationship on the basis of the 2013 China-ROK [Republic of Korea] Joint Declaration for the Future, issued by the two leaders during Park's visit to China in June last year. The two countries have already reached consensus to launch negotiations on maritime borders, sign a consular affairs agreement and jointly tackle the problem of sand storms.

Nonetheless, "a mature and strategic partnership" still vastly differs from an "alliance relationship." The alliance between South Korea and the United States serves to counter the North Korean military threat based on the shared "values of freedom and democracy." Up to now, South Korea and China have not been able to forge a political consensus, but have so far gradually expanded areas of cooperation only in the economic sphere. Therefore, the alliance between South Korea and the United States and the strategic partnership between South Korea and China are very different in nature. The only problem is that for the upgrading of the South Korean economy, economic and commercial cooperation with China is highly urgent and necessary. As a result, the biggest problems that South Korea currently faces on the diplomatic front are: caught between the diplomatic and strategic ambitions of two strong powers – Washington's "return to Asia" policy and Chinese ambitions to become a regional superpower – South Korea needs to find a position that allows it to safely oscillate between the two sides.

Looking at the Park-Xi summit from an economic perspective, observers in Taiwan

focused their attention on the two sides' declared intention to speed up the conclusion of a bilateral free trade agreement (FTA). However, even if the two countries manage to complete negotiations and sign an FTA by the end of the year, it remains to be seen how big an effect the pact would create, mainly for the following three reasons: first, presently the economic cooperation model between South Korea and China faces the challenge of economic transformation. As the world's second largest economy, China stands in fierce competition with South Korea in the global market when it comes to technology. Therefore, even if the two sides sign an FTA, South Korea will not necessarily be able to continue to rely on exports to China to boost the growth of its economy. Second, while a trade pact appears to be an economic issue, it is, in fact, closely related to the political system, too. Since the protection of foreign investors in China still leaves much to be desired, the political risks that come with the economic benefits are hard to estimate. Finally, given that South Korea has set up a presidential directive on procedures for the conclusion of free trade agreements, a FTA between South Korea and China, once signed, can only enter into force if South Korea's statutory procedures have been completed. If we draw a lesson from the FTA between South Korea and the United States [which had to be renegotiated], then it is still uncertain when the South Korea-China FTA can eventually truly enter into force.

Generally speaking, for South Korea the Park-Xi meeting constituted an attempt at and an opportunity for a completely new foreign policy. The summit talks also greatly reduced the distance in the bilateral relationship. For Seoul, the summit provided a stage and an opportunity for assuming a greater role in the region. Nevertheless, the outcome of the summit talks also shows that huge

constraints remain on the political and diplomatic front, and probably also on the economic front.

Taiwan, like South Korea a middle power in the region, must therefore learn from South Korea's diplomatic strategic thinking. We must make efforts to think over the role that Taiwan ought to play in the region and in the world. Once we have drawn up a concrete foreign affairs strategy, we should design flexible and pragmatic foreign trade and diplomatic tactics. This would enable us to find sustainable diplomatic space and a steadily progressing diplomatic course in the midst of all the great powers in our neighborhood. **BT**

Doong Sy-chi is
Deputy secretary general of the
Taiwanese Association for Northeast Asia
Studies (TANAS)



新台灣國策智庫

Taiwan Brain Trust

3F., No.42, Sec. 2, Minquan E. Rd., Zhongshan Dist., Taipei City 104, Taiwan

Tel: +886-2-2567-8808

Fax: +886-2-2567-0018

E-mail: info@braintrust.tw

<http://www.braintrust.tw>