



China's rise: the view from South Korea

by Alice Ekman

Monitoring China-South Korea relations is key for the EU, as both countries have been designated strategic partners. Moreover, the Union has important economic ties to both, and signed a free trade agreement (FTA) with the Republic of Korea (ROK) in 2011.

The first years of the mandates of Chinese President Xi Jinping and the Korean President Park Geun-hye's – which started almost at the same time – were marked by an active reinforcing of bilateral ties. The visit of Park Geun-hye to China to attend the large-scale military parade commemorating the 70th anniversary of the victory in the 'Chinese People's War of Resistance against Japanese Aggression', held on 3 September 2015 in Tiananmen Square, was her third trip to the country since she took office in February 2013. And the position of honour granted to the South Korean president, who watched the parade next to Xi's wife, Peng Liyuan and Xi himself – almost as close as Russian President Vladimir Putin – was a symbolic gesture which was generally well received by both the ROK's population and its leadership.

At the beginning of the Xi-Park mandates, with China already South Korea's largest trading partner, both leaders focused on strengthening bilateral economic ties. This culminated in the signing of the ROK-China FTA in June 2015 after three years of negotiations.

In parallel, South Korea has responded positively to China's 'One Belt One Road' project and Beijing's

emphasis on infrastructure development in the region. The ROK joined the Chinese-led Asian Infrastructure Investment Bank (AIIB) as a founding member in March 2015. And by the end of 2015, officials from the ROK Ministry of Foreign Affairs were regularly emphasising the 'complementarity' between China's One Belt One Road project and South Korea's own 'Eurasia Initiative', embracing a talking point initially developed by Beijing. Lately, the South Korean project – which envisioned an inter-Korean railroad connected to Russia's Trans-Siberian railway, and ultimately aimed at facilitating the economic integration of the two Koreas – has been stalled following North Korea's recent nuclear and missile tests. The sanctions in place against Pyongyang make the realisation of the Eurasia Initiative practically impossible.

Nevertheless, China continues to actively promote its own Belt and Road project in South Korea, where it is still perceived positively – unlike in more sceptical Japan or India. Within the framework of this project, China and ROK are now considering the development of joint infrastructure projects (particularly in the fields of transport and energy) in third countries.

While economic relations have been continuously reinforced, political relations with Beijing remain volatile and dependent on the issue of North Korea. Park no longer thanks China "for its constructive role in closely communicating with us in order to resolve the latest tension on the Korean Peninsula",

as she did in early September 2015 (alluding to the mid-August exchanges of fire across the Demilitarised Zone and the ensuing agreement negotiated between Seoul and Pyongyang to de-escalate the situation). Instead, during her recent exchange with Xi on the sidelines of the Nuclear Security Summit on 31 March, Park asked for more action from China on issues concerning North Korea. Although Beijing's perceived passivity towards North Korea causes much discontent in Seoul, political tensions between the two governments are unlikely to last as the ROK leadership remains fully aware that, in the long term, China will be needed to address the issue of North Korea.

Diverging perceptions in North-East Asia

From a broader regional perspective, China's rise is perceived very differently in Seoul than it is in Tokyo. Overall, it is perceived as much less of a threat by South Korea's foreign policy and security community than Japan's. From a South Korean perspective, the challenge for the country's stability is not so much the rise of China *per se*, but the increased US-China rivalry in the region.

South Korea is already being confronted with the realities of this challenge: the potential deployment of the US Terminal High Altitude Area Defense (THAAD) anti-ballistic missile system to South Korea is currently the most contentious issue between Beijing and Seoul. Although the deployment has been on the cards for several years, Seoul has put it back at the top of its agenda following the recent North Korean nuclear and missile tests. In February, the US and the ROK have officially announced the start of working-group-level talks about the deployment of the system on South Korean territory. China, for its part, has expressed its clear and firm opposition to THAAD. Although Seoul and Washington underline that it would be a purely defensive system, Beijing suspects it could also be used to monitor Chinese missile deployments.

Persistent historical resentments

South Korea has tried to balance and diversify its regional partnerships for many years. But this diversification is increasingly showing its limits as Seoul is constrained by the nature of its relations with both the US and China, as well as by persistent historical resentment towards Japan, the main US ally in the region. Historical grievances remain strong and continue to weigh heavily on the evolution of Japanese-Korean relations and the network of US alliances in North-East Asia.

The agreement on wartime 'comfort women' (women forced to serve as prostitutes) backed by the US and signed by Japan and South Korea in December 2015 – whereby Tokyo agreed to contribute ¥1 billion to a South Korean fund to support survivors – certainly represents a breakthrough in this long-running dispute between the two countries. But is not able, in and by itself, to put an end to the cycle of bilateral tensions which had been escalating since early 2013 at the beginning of the Park-Abe era. The agreement has been received with mixed feelings, if not strong criticism, by a significant share of the Korean population and the former sex slaves themselves, who complain about the lack of consultation during the negotiation process, the indirect apology made by Japanese Prime Minister Abe or Tokyo's refusal to admit legal responsibility.

Even following the agreement, the publics and policymakers of both the ROK and China continue to share a strong resentment towards Japan over the issues of war crimes. China is likely to take this into consideration when crafting its approach towards South Korea, as it has already on several occasions in recent years. For instance, the ROK's and China's joint experience as targets of 'Japanese colonialism and aggression' figured prominently in the celebrations of the September 2015 parade in Tiananmen Square.

An awkward predicament

South Korea will continue to find itself in an awkward position as US-China rivalry grows. China-South Korean relations are likely to remain predominantly economic, and political ties will be difficult to reinforce. At the same time, China is well aware of the tensions between the two main US partners in North-East Asia, and will continue to strengthen economic bonds with South Korea accordingly.

In the long term, given its scale and pace, this process is likely to have political implications: the ROK's bilateral trade with China is already larger than South Korea's combined trade with the US and Japan, its second- and third-biggest trading partners, respectively. And Beijing will also seek further cooperation with Seoul on its various institutional initiatives, as one of the country's top priorities under Xi Jinping is to spearhead the restructuring of regional and global governance.

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