

South Korea at the Crossroads: Security and Economic Regional Strategy in a Fluid Environment

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The KF-VUB Korea Chair organised a public conference 'South Korea at the Crossroads: Security and Economic Regional Strategy in a Fluid Environment' on October 2nd in cooperation with Institut Français des Relations Internationales (IFRI) in Paris.

Welcome remarks were given by Dr. Ramon Pacheco Pardo, KF-VUB Korea Chair at the Vrije Universiteit Brussel, and Dr. Françoise Nicolas, Director of the Center for Asian Studies at IFRI, to an audience of approximately 70 attendees from the diplomatic and policy-making community, think tanks and academic organisations, among others.

An important element of South Korea's foreign policy is organising and participating in multilateral high-level meetings on regional security governance, such as the Northeast Asia Peace and Cooperation Initiative (NAPCI) and the Seoul Defence Dialogue. South Korea has to evaluate whether to make commitments within or outside the US security architecture, while taking into account possible the effects on its bilateral alliances. What stance should Seoul take towards China's initiatives influencing the security architecture in the region? How should it position itself towards clashing interests in the Indo-pacific?

These topics were discussed by distinguished experts and moderated by Dr. John Nilsson-Wright, Senior Research Fellow for Northeast Asia at Chatham House. Prof. Kim Wonsoo, Distinguished Professor at Yonsei University and former Under-Secretary-General and High Representative for Disarmament Affairs at the UN, gave an overview of the geopolitical risks to South Korea in the current security architecture. The tense competition growing between its top security provider (US) and its largest trading partner (China) is putting South Korea in a tricky spot. Nationalism is rising in East Asian countries with historical issues taking again a central place in diplomatic dialogue and public life. The security threat of North Korea remains as much unpredictable as it is calculated. To manage these diverse risks, Seoul needs a hedging strategy and should avoid being pressured.

Prof. Kim recommends reinforcing the alliance with US which is due to have a large pay-off as its security establishment is strong. While there are sporadic local gatherings protesting US military presence, overall there is no deep-rooted anti-American sentiment in South Korea. In the face of regional tension, the US alliance can provide support. Secondly, Seoul should advocate values which promote free trade and growth for Asian growth engines. These two moves should be combined with a sustained effort from Seoul to encourage dialogue on a regular basis, for example through the trilateral meetings which have not been held in almost two years.

To address the long-term challenge of China's rise and competition with the US, South Korea should seek involvement in the Trans-Pacific Partnership (TPP) and the Indo-Pacific strategy. As a middle power, South Korea can propose middle-ground solutions to balance China's power in the region. In this aspect, South Korea and Japan's current trade conflict should be short-term and give way to joint support of the above strategy.

The European Union has shown itself as a benign facilitator to both Koreas. North Korea has little suspicion towards the EU and there is potential for the EU to play a role. In this aspect, the five countries and North Korea need to come together in a multilateral framework because "it takes two and many more to tango".

With regards to inter-Korean relations, Prof. Kim explained the two conflicting public images of North Korea existing in the South, i.e.; one of brothers and sisters and one of nuclear threat. Political groups in South Korea highlight one image over the other as best suits their aim. Overall, middle-ground rhetoric is shrinking and polarisation makes an appeal to win votes. Middle-ground voices need to be encouraged to not block the road towards reconciliation between the Koreas. Sports play an essential role in the region to deconflict and showcase collaboration, such as during the 2018 Pyeongchang Olympics. The next Olympic Games in 2020 in Japan and in 2022 in China will ensure that the world's eyes stay on East Asia for three consecutive games and should encourage leaders to make bigger strides towards closer cooperation.

Dr. Jaeseung Lee, Professor and Jean Monnet Chair at Korea University, detailed shifts in diplomatic relationships in the North East-Asian region, leading to an ice age for South Korea-Japan relations, lukewarm South Korea-US relations and increasingly warmer inter-Korean relations. Overall, the temperate of bilateral relations in the region has become colder. Domestically, progressives and conservatives agree on the priority of peace-building but disagree on the modality and process to get there. While President Moon has been sincere in enhancing inter-Korean relations, North Korea still has bouts of lashing out and criticising South Korea which can endanger the rapprochement and deal damage to public opinion and support of President Moon. If South Korea and Japan are not out of the ice age by the 2020 Olympic Games, South Korea may take to the international stage and reaffirm its historical grievances.

After discussion of the evolving South Korean security regional strategy, economic regional strategy was discussed during the second panel. In an era of US-China competition, what is the value of South Korea's free trade agreements versus multilateral initiatives such as the CP-TPP and RCEP? Is the South Korea-Japan-China trilateral economic cooperation still feasible in view of increased political tension? Dr. Choi Byung-il, Professor at Ewha Womans University, indicated his view on these topics. Protectionism is rising in the wake of increased technology competition, indicating a demise of free and open trade values. As lines between security and economy are being blurred, there is a need for global institutions and initiatives to manage shifting geo-economics. However, WTO is dysfunctional and unlikely to remedy the current trend. China has not been thorough enough in reform of their state-led economy according to their WTO commitments made more than a decade ago, and it is partly the reason for the US' patience wearing thin and engagement in a trade war.

South Korea has made fast advances in its free trade agreements portfolio, completing or initiating the process with major Western market players by 2008, largely ahead of its Asian neighbours. Business to business relations between Japan and South Korea have strengthened, particularly due to compatibility in value chains, e.g. Japan's specialisation in key components and South Korea's focus on assembly of these in semiconductors, electronics, etc. However diplomatic spats have blocked

impetus to institutionalise trade flows as seen in South Korea's hesitance to join TTP and CTPP. Similarly, FTA negotiations have dragged on which is also partly due to Japan's wariness of opening up its agricultural sector.

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