

This interview piece on PCI Board member Dr. William Overholt appeared in the Korea Times on December 28, 2012.

'Park's challenge comes from inside'

By Sunny Lee



William Overholt

BEIJING — The most daunting foreign policy challenge for incoming president, Park Geun-hye, will be to ensure that the nation is strong enough domestically to confidently handle its foreign affairs, according to an eminent U.S. security expert on Asia.

Pundits largely agree that the most important global challenge Park faces is to skillfully manage the increasingly delicate relations with both the United States and China.

As the two global superpowers compete for leadership and do so most intensely in the Asia-Pacific region, Korea's strategists worry that the country is increasingly squeezed between the two giant powers.

"To skillfully and confidently deal with the situation, Korea needs diplomatic strength, which essentially comes from a solid domestic foundation," William Overholt, senior fellow at Harvard Kennedy School, told The Korea Times.

“And the key domestic challenge President Park faces is to heal the divided society,” he added.

It’s unusual to raise a question about foreign policy and get an answer that stresses the importance of domestic affairs. It’s like the Kung Fu Panda asking the master how to beat the enemy outside, and the master answers the pupil to focus on attaining “inner peace.” And that’s the call from Overholt, who has known Korea inside out for nearly 40 years.

After training as an international political economist at Harvard and Yale, Overholt first visited Korea in 1973, and has since advised various policy groups in Korea.

He also has been closely observing the shifting power dynamics in Asia, as director of the Rand Corporation’s Center for Asia Pacific Policy. Plus, he lived in various parts of Asia for 17 years. He has had appointments at Yonsei University in Korea and Shanghai Jiatong University in China.

From that vantage point, he senses an uncommon opportunity for Korea. “The players in Asia have changed tremendously. Simply put, Korea is a rising force in Asia, rising as fast as Japan is declining. It’s important that Seoul does not underestimate the value it has.

For Beijing, it has strengthened its economic and military power, but drastically weakened its diplomacy in the last three years due to a series of territorial disputes it had with neighboring countries,” he said.

Koreans will take his words with disbelief because they have long felt that they have been victims of foreign aggression for centuries. “A small shrimp breaks his back in a whale fight” is an old saying that captures the essence of Koreans’ sense of victimization caused by the overwhelming strength of its powerful neighbors.

Overholt argues that Korea’s victim mentality is no longer warranted because “the power in East Asia has recently been consistently driven in every direction towards Korea, as both China and Japan want to have Korea on their side,” he said, adding Seoul should act more confidently in the international arena.

“Unlike Japan,” he argues, “Korea has had decisive leadership, has reformed its economy better, and has globalized faster. And Korea has a vast technological lead over China.”

And now, another major stride for Korea towards “going global,” is “looking inward” first to do some

soul searching, according to Overholt, who believes that Korean society needs some social restoration and unity after the recent Presidential election. Park won the election by a narrow margin. Nearly 50 percent of Koreans voted against her.

Overholt recommends Park to promote reconciliation in politics by appointing some political opponents to key positions, reduce domestic income gaps, and restrict the unbridled financial engineering and eliminate the special advantages given to the Chaebol, the family-based business conglomerates in Korea, .

Meanwhile, as global attention is once again fixated on North Korea, following an announcement that it intends to conduct a third nuclear test, Overholt urges Seoul to work with China on the North Korean issue, yet maintain a principled attitude in dealing with the big neighbor too. Such confident action in the international realm, he said, once again requires domestic strength.

Excerpts from the interview are below:

Q: First of all, I think we should briefly touch upon the latest development with North Korea. Pyongyang said that it will carry out a third nuclear test. Again, China's stance is seen as the key here. How far do you think China will go in terms of restraining North Korea?

A: China spoke out much more openly against the satellite launch than it has against most past North Korean violations and it supported U.N. sanctions. Another North Korean nuclear test would be a major provocation against China, which has made its strong disapproval clear. China won't do anything that would destabilize North Korea, but it might take some economic actions.

Q: Koreans are divided about their impressions about China, as they are divided about many other things. What advice would you give to the incoming President Park on China?

A: Korea should make efforts to be on good terms with China in a mutually beneficial relationship, but has to stand firm on matters of principle such as territorial disputes. When China's coast guards patrol very close to Korea's leodo island, for example, Korea should tell China that this is unacceptable. Korea should send a very clear signal to China that the current North Korean territory

is part of South Korea's territory and no historical revisionism on the part of China will be acceptable. Korea should also let Beijing know that it wants to work with China over North Korea in a peaceful way. There are complex balances here, but that's what diplomacy is about.

Q: How can Korea stand firm against China, when, diplomatically speaking, it doesn't have many cards?

A: That's the argument I often hear, and I disagree with that. Korea is actually very important to China, particularly given China's problems with Japan. Korea can find a balance between Japan and China. That is one important card it has. China also needs Korean investment and Korean technology. China vitally needs Korea to upgrade its industry. It's important that Korea does not underestimate the value of its cards. Besides, Korea is not alone. Most other countries have similar problems as South Korea in dealing with China. So, it's important for Korea to leverage its friendships.

Q: Does friendship really matter in international relations? The IR 101 tells students that it's all about interests.

A: Friendship with other countries can work powerfully. Friendship among nations derives from shared interests that have led to patterns of mutual understanding and cooperation. The shared interests can include regional security, intellectual property protection, economic agreements and others. Long-term cooperation between the United States and Korea over such shared interests has led to mutual understanding and friendship that transcend daily issues. In all this, for instance, in the territorial waters issues, China itself cannot afford to be isolated either.

Q: Lately, China and Korea have been acting like new lovers. After being elected, Park sent her envoy to China first, scrapping the previous practice of sending envoys to the United States first. Is this change worrisome to Washington?

A: It's not dangerous to the United States for Korea to have a warming relationship with China, as

long as Seoul and Washington are in robust communication with each other. That said, China has been striving to pull Korea away from the United States. One of the arguments I often hear in Korea these days is that 'how could we depend on China for its economic growth, while depending for its security on the U.S.?' Obviously, there is a fallacy in that argument. Korea is not dependent on China economically. While China is Korea's biggest single trading partner, the majority of its trade is with others. And trade is, by nature, done based on mutual needs; China needs Korean trade and investment as much as Korea needs China's. I was struck when I heard this economics versus security argument many times during my recent visit to Seoul. It looks like Chinese propaganda has made big inroads into Korea.

Q: As a member of the G2, what do you think China is lacking as a superpower?

A: China has done very well at growing its economy and more recently its military. It also has enormous cultural attractiveness, which is increasing as its art and literature and music blossom. But it has vital weaknesses in soft power. If it is to be accepted as a leader, it needs to accept the responsibilities of a big power. For instance, in its territorial disputes in the South China Sea, China has not behaved very differently to some of the ASEAN countries. But it is so big that it comes across as a bully to its neighbors. As a big power it needs to take responsibility for moving toward a fair solution of the problems. Its other soft power problem is that most of the neighbors find its domestic politics unattractive.

Q: You made a very intriguing point by saying that Korea needs some intensive domestic policy care, before it can be a more confident international player. How does that apply to the incoming president Park Geun-hye?

A: I think President Park could reach out to opposition leaders and appoint some of them to play an important role. Maybe she can create a bipartisan consultancy committee and take it very seriously. Any measure that is serious about reducing the income disparity and helping the poorest people with significant consequences will be an important signal. Obviously, there was some consensus expressed in the last election that some kind of stricter restrictions on Chaebol are also necessary. If she can find a way to reach out conspicuously to North Korea while maintaining the highest standards in safeguarding South Korea's national security, that would serve an important domestic

as well as foreign purpose. The important thing is for President Park to be seen as quite visibly trying to heal the divisions; the details of how she does that are less important.

Q: The Seoul-Washington ties have also undergone some ups and downs, to be frank, especially under the George Bush administration. And you were one of the close witnesses to all of that. How would you advise the second Obama administration on Washington's policy on Korea?

A: During the George Bush administration, the U.S. treated Korea as a second-tier ally, which was less important than Japan. The Bush administration's humiliation of Kim Dae-jung was unconscionable. That started to improve later in the Bush administration and has improved enormously under the Obama administration. The U.S. should continue to treat Korea as a first-rate ally and give Korea great recognition of its rising regional role. Doing so is not only appropriate but also valuable to U.S. interests as well. The Obama administration feels very close to Korea. He mentioned Korea four times during one State of the Union Address. No other foreign country got that attention. And I don't think there is any worry about incoming President Park's friendship with the United States.

Q: To sum up, if you are in the same elevator with Park and you have only 30 seconds, what advice would you give to her in terms of her foreign-policy frontier?

A: The most important thing is the domestic strength of Korea, both economic and political. Right now the most important thing for Korea to do is to heal the domestic divisions as much as possible. It is the key to successfully dealing with both the United States and China. Today, I think Korea is at an historic point, it is poised for a major international role. And the first step in that direction is to expand the area of domestic consensus.

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