

Can Korea 'hedge' between US and China?

BEIJING — Koreans 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 Korean saying that captures the essence of Koreans’ sense of victimization by powerful neighbors.

Years ago, people were talking about Korea being squeezed between the two Asian rivals, China and Japan. In 1591, Toyotomi Hideyoshi, a Japanese warlord who rose to power, demanded Korea “open the road” for his invasion of China. Korea rejected. A year later, Japan invaded Korea, leading to seven years of fighting.



William Overholt

At the end of World War II, Korea gained independence from 35 years of colonial rule by Japan, but it was soon divided into two, by the Korean War.

Today, pundits say Korea is pinched between the United States and China, the two global superpowers. The U.S. is South Korea’s most important military ally, while China is South Korea’s most important economic partner. There is a feeling of entrapment among Koreans, fearing a major conflict between the U.S. and China. When the two whales fight, they fear, it will again be the shrimp, Korea, which will suffer.

“Those fears were very intense in Korea,” observed William Overholt, a long-time expert on Asia, who is now a senior research fellow at Harvard Kennedy School, in an interview with The Korea Times. “But, you know, it’s not happening.”

Think outside the box

Historians see the Korean Peninsula as “East Asia’s Balkans,” where powerful countries’ interests converged and collided in Europe. Recently, China’s increasing assertiveness in the region and the U.S. foreign policy shift to “return to Asia” led to a fractured relationship between the two largest global stakeholders, who also differed in their handling of last year’s fatal Cheonan and Yeonpyeong incidents on the peninsula.

Some observers suspect that the reason Seoul failed to earn Beijing’s support over the Cheonan incident was partly due to China’s displeasure with South Korea’s conservative Lee Myung-bak government, which was conspicuously inching closer to Washington. Analysts agree that last year was the best year for the U.S.-South Korea alliance. They also agree that it was the worst year for South Korea-China ties.

As increasing competition between Beijing and Washington appears inevitable, some in Seoul see the nation as being put in a situation where it has to choose a side. Others argue that South Korea should take preventative measures by declaring itself a neutral country, just like Switzerland, so as not to be pulled into the big powers’ tit-for-tat power game.

But Overholt sees Korea’s destiny in a much different way. “Korea will be big enough to make its own decisions and not have to be dictated to by anybody. So I absolutely disagree with the idea that it has to make a choice.”

“Korea is not going to be a tiny little power that big neighbors can kick around. Also, it is not going to be a superpower, but it will become a major power in itself.”

Korea was the 14th largest economy last year, ahead of Australia, according to the World Bank. It was also the world’s 12th largest military power in terms of expenditure, ahead of Canada, according to the Stockholm International Peace Research Institute (SIPRI). The International Monetary Fund expects Korea’s economy to expand 4.5 percent this year. In education, 85 percent of Korean students go to college.

The country also sends more students abroad proportional to its population than any other country in the world.

Overholt, who trained at Harvard and Yale as a political economist and lived in Asia for nearly 20 years, gives an example of how that is likely to be translated. “By 2015, Koreans income, adjusted to purchasing power parity, will be higher than that of the Japanese,” he said.

Although Korea’s other giant neighbor is quickly catching up, Overholt said Korea should confidently welcome China’s rise.

“Korea has a lot of leverage both in economic and security areas. So, it doesn’t have to sell itself completely to anybody. There is plenty of room in Korea’s economic and security relationships. China, for example, has to compete with Japan for Korean support,” he said.

Overholt first came to Korea in 1973. He became an admirer of Park Chung-hee’s economic and institutional reforms but in 1980 worked to ensure that Kim Dae-jung was not executed by the military regime at that time. Kim later became president.

Many Koreans probably also don’t know that Overholt was the one person who argued strongly for the continued presence of U.S. troops during the Jimmy Carter administration, which initially started honoring a campaign promise to pull U.S. troops out of Korea. In the aftermath of the Vietnam War, the U.S. domestic support for having its troops overseas dramatically waned. Korea’s poor human rights record at that time was another concern for Carter. Overholt wrote a 400-page report arguing that “South Korea was not another Vietnam.”

Challenges ahead

Even for any promising country, the future has its share of uncertainty. Overholt sees two challenges ahead that can undermine Korea’s robust future growth potential. One is to continue to integrate Seoul into the globalization process, maintain openness, and guard against nationalism. An open society also means being able to attract foreign workers, who can fill the labor shortage in Korea. In fact, analysts point out the aging population as the biggest challenge Korean society is likely to face in the coming decades.

“Korea is importing foreign workers more than ever before. That’s one of the crucial things to do,” said Overholt.

The second challenge is North Korea and the issue of unification. “Something happening in North Korea can lead to a lot of loss of life and economic devastation in South Korea.” Overholt said Seoul here crucially needs a supportive role by Beijing. “Many things will depend on what’s happening in North Korea and what China does. China is the key in a sense that there won’t be unification of the two Koreas unless China agrees to it.”

Overholt said South Korea should exercise an ability to work with China on the North Korean issue, yet maintain a principled attitude in dealing with the big neighbor too. And here, he said, Seoul’s strong relationship with the U.S. can have a pragmatic importance in hedging China.

“Having a strong relationship with the U.S. and forging as good a relationship as possible with China is the key. Be very forthright and explicit to China that Koreans want to unify Korea. Show China that it’s in China’s interests to have a unified Korea. Korea also has to stand up for its own interests as disputes over territorial waters and other issues that come up. That means South Korea has to be diplomatic but strong. The Chinese will not respect weakness. And they won’t change their policies unless they have to.”

