

# Indo-Pacific Security Program Memorandum

## DASHED POTENTIAL

How Misperceiving China Could Hamstring the U.S.-ROK Alliance

By Michael Sobolik

### BOTTOM LINE

Renewed alignment between the United States and South Korea is opening new possibilities to elevate the U.S.-ROK alliance from a regional partnership to a global project.

The China policies of U.S. President Joe Biden and ROK President Yoon Suk-yeol complicate these possibilities, particularly with regard to North Korea.

Maximizing the alliance's potential will require Washington and Seoul to treat Beijing as a competitor rather than a partner.

The Republic of Korea (ROK) is undergoing a strategic reorientation under the administration of President Yoon Suk-yeol. Upon assuming office in May 2022, Yoon quickly signaled his intent to break from the positions of his predecessor, Moon Jae-in, on two critical issues: North Korean denuclearization, and countering the rise of the People's Republic of China (PRC).<sup>1</sup> He also hopes to make the ROK a "global pivotal state" that looks and acts beyond the Korean peninsula.<sup>2</sup>

These shifts have great potential to advance America's interests in the Indo-Pacific and beyond. That potential, however, could easily dissipate. The outlook of U.S.-ROK relations, and South Korea's global ambitions, hinge in large part on how Washington and Seoul calibrate their relationship with Beijing.

President Biden's record suggests he intends to continue pursuing co-operation and competition simultaneously with the PRC.<sup>3</sup> In practice, this "both-and" approach to great power competition has predisposed Washington to pull its punches on Beijing's sanctions violations in order to gain progress on other priorities.<sup>4</sup> Meanwhile, Yoon's diplomatic

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AMERICAN FOREIGN  
POLICY COUNCIL

Issue 3 | July 2022

corps seem to believe they can secure China's help with North Korea.<sup>5</sup> This optimism conceals the scars Seoul bears from the last time it crossed China in 2017, when it accepted a critical missile defense battery from the U.S.<sup>6</sup>

If the U.S. and the ROK continue down this road, both governments risk inadvertently offering political leverage to the PRC – leverage which could sap the potential energy of the U.S.-ROK alliance and bring the Biden-Yoon alignment to naught.

### **The Potential of the U.S.-ROK Alliance**

Yoon's vision for South Korea is ambitious, even laudable. Bringing the ROK back into strategic alignment with the U.S. is a crucial undertaking, particularly after former President Moon's ill-fated efforts to circumvent the Trump administration's economic sanctions campaign against Pyongyang.<sup>7</sup> In fairness, though, former President Donald Trump also weakened the alliance by questioning the merit of America's military presence on the peninsula,<sup>8</sup> while also demanding more financial contributions from Seoul.<sup>9</sup>

Both Yoon and Biden have moved quickly to rectify these fissures. "Under President Moon Jae-in," Yoon claimed during his presidential campaign, "dialogue with the North has become an end in itself."<sup>10</sup> He also noted South Korea's hesitancy under Moon to stand up to bullying from Beijing, which "has created an impression that South Korea has been tilting toward China and away from its longtime ally, the United States."<sup>11</sup>

Beyond Northeast Asia, Yoon also signaled his interest to Washington, Tokyo, Canberra, and New Delhi in joining the Quadrilateral Security Dialogue (the "Quad").<sup>12</sup> More concretely, he made history as South Korea's first president to attend a NATO summit in June.<sup>13</sup> Meanwhile, his diplomats are sketching out a "Global Korea" vision, in which Seoul increases its diplomatic leadership beyond Northeast Asia and throughout the Indo-Pacific. Were South Korea to join Japan in stepping up its role as

an investor in Southeast Asia or the Pacific Island region, smaller states would have more development options that lower the costs of avoiding China's gravitational pull. Underpinning these aspirations is Yoon's earnestness to improve relations with Japan – a task Washington is ready and willing to facilitate.<sup>14</sup>

Indeed, Biden was quick to recognize this possibility and respond to Yoon's signals. Less than two weeks after Yoon assumed office, Biden arrived in Seoul for the first stop of his Asia tour.<sup>15</sup> The prompt visit sent a strong message of support to the new administration about the importance to Washington of the U.S.-ROK alliance. Substantively, Yoon confirmed South Korea's intent to become a founding member of Biden's Indo-Pacific Economic Framework for Prosperity (IPEF), a regional economic bloc aimed at countering the PRC's economic dominance over its neighbors.<sup>16</sup> It would seem the sky is the limit for Washington and Seoul.

### **The Perils of Accommodating Beijing**

There is, however, a primary complicating factor: China. For all the differences between Moon and Yoon, South Korean diplomats continue to view the PRC as a necessary partner vis-à-vis North Korea. According to the prevailing logic in Seoul, if the U.S. pressures China to enforce existing sanctions on the DPRK, Beijing would compel North Korea to come to the negotiating table –

*President Yoon hopes to make the ROK a "global pivotal state" that looks and acts beyond the Korean peninsula.*

either as a result of sanctions enforcement, or as an alternative to it.<sup>17</sup> It is unclear how Yoon's administration will balance this perspective with its broader concerns about Beijing, however. Even more unclear is whether this gambit would even work. In June 2022, China and Russia blocked further multilateral sanctions on North Korea at the United Nations Security Council for the first time since 2006.<sup>18</sup>



The complicated state of U.S.-China relations also raises questions about Xi's willingness to lean on Kim. Biden is the latest in a long line of U.S. presidents that have refrained from punishing Chinese entities that routinely break DPRK sanctions across the spectrum, from oil shipments<sup>19</sup> to luxury goods<sup>20</sup> and illicit financial transactions.<sup>21</sup>

More broadly, Biden has made no secret of his longstanding desire to hew a middle ground of "responsible competition" with the PRC (see Box 1). The Chinese Communist Party (CCP) has sought to exploit this approach by linking progress on cooperative agendas to specific policy demands, including releasing Huawei executive Meng Wanzhou, easing pressure on Confucius Institutes, and softening Washington's rhetoric about the Party.<sup>22</sup> The Biden administration has acted on these demands, which does not bode well for holding Beijing to account for its complicity in North Korea's nuclear program.<sup>23</sup> Indeed, his advisors see North Korea as an issue on which Washington and Beijing can "work together."<sup>24</sup>

This reality is not lost on Yoon. By all appearances, South Korea's new president is not guided by the same quixotic notions as his predecessor. Yoon's administration openly views the PRC as a security threat to South Korea, and "China hawks" in the People Power Party privately question the long-term staying power of the CCP.<sup>25</sup> What, then, informs Seoul's belief that China has something to offer in the North Korean context?

Beijing's capacity to inflict material pain on South Korea continues to influence decision-making in Seoul. No one in the ROK has forgotten China's swift retaliation to the deployment of the Terminal High Altitude Area Defense (THAAD) system in 2017. South Korean businesses and tourism bore the brunt of China's response (see Fig. 1), and a widespread belief that Washington did not do enough lingers in Seoul.<sup>26</sup>

The PRC, in other words, has something both the U.S. and the ROK want. For Biden, Xi holds the potential to engage cooperatively on issues relevant to his domestic

## BOX 1

### JOE BIDEN AND "RESPONSIBLE COMPETITION" WITH CHINA

"All the major powers of the world have a duty, in my view, to **carefully manage their relationships so they do not tip from responsible competition to conflict...we are not seeking a new Cold War or a world divided into rigid blocs.** The United States is ready to work with any nation that steps up and pursues peaceful resolution to shared challenges, **even if we have intense disagreements in other areas.**"<sup>27</sup> President Biden, United Nations General Assembly, September 21, 2021

"[The U.S.-China relationship] has to be a relationship built on **responsible competition** and there has to be **responsible stakeholders.**"<sup>28</sup> Then-private citizen Joe Biden, University of Pennsylvania, 2017.

"We've made important progress to center our growing relationship with China in **enhanced cooperation and responsible competition.**"<sup>29</sup> Then-Vice President Biden, Australia, July 20, 2016

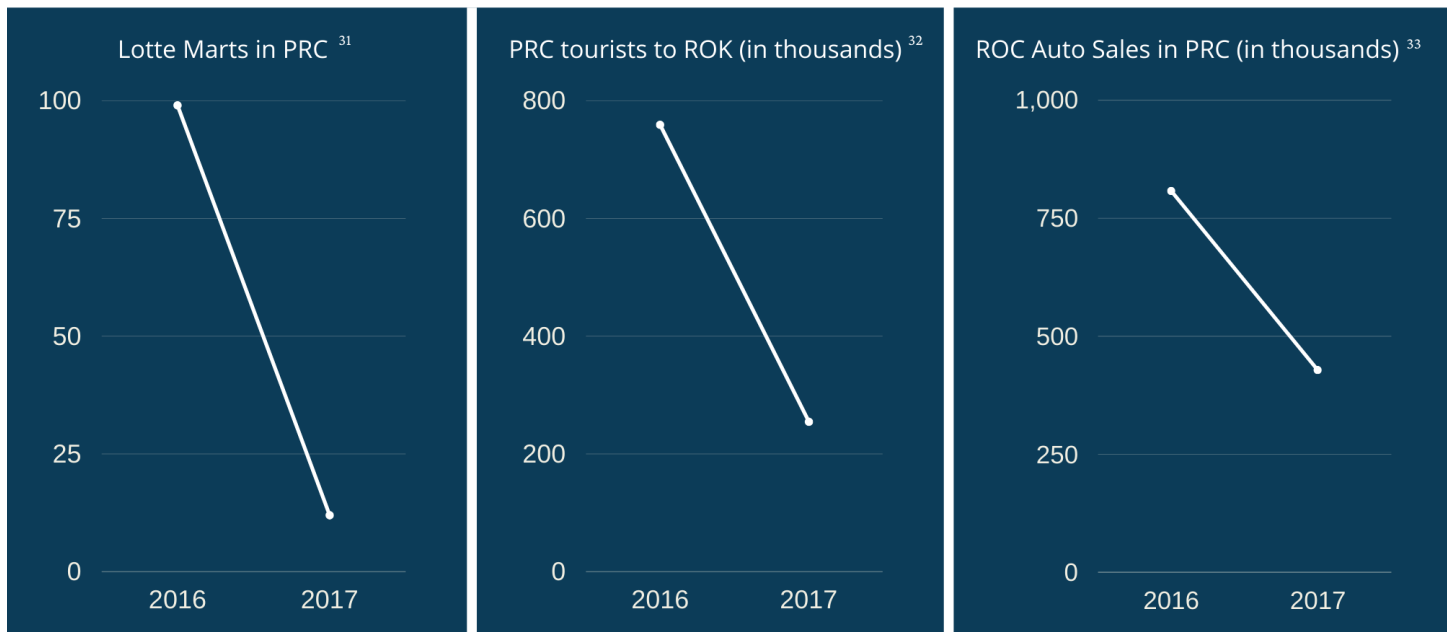
"I believe that the future of China's success and global influence is directly tied to the extent to which it acts as a responsible stakeholder. Essential to this is **continuing to find new ways to work together even as we manage future competition in a responsible way.** We must all embrace the role of responsible competitor... **Responsible competition...in my view will be the essential ingredient necessary to manage areas of disagreement, and to build the long-term sustainable U.S.-China relationship.** As President Xi has said, 'There's competition in cooperation.'"<sup>30</sup> Then-Vice President Biden, Washington, DC, June 23, 2015



FIGURE 1



## CHINA'S ECONOMIC RETALIATION AGAINST SOUTH KOREA



agenda. For Yoon, Xi has the power to withhold economic punishment. That safety comes at a price for Yoon: not acting against the PRC's security interests, specious as they may be.<sup>34</sup> Beijing could leverage this asymmetry to coerce Washington and Seoul to act in ways contrary to their own interests.

*Beijing's capacity to inflict material pain on South Korea continues to influence decision-making in Seoul.*

### Getting China Right

This pessimistic outcome is not destiny. Leaders in America and South Korea could buck PRC blackmail and act to hold Chinese sanctions violators accountable. Moreover, Australia has demonstrated that governments can stand up to China's economic measures and survive.<sup>35</sup> Doing so, however, could come at great cost to both leaders.

It is unclear whether Biden would take such a risk, and, relatedly, whether Yoon would trust the U.S. to come to South Korea's aid in that event.


The U.S.-ROK alliance has great potential to expand in scope and deepen in substance in 2022 and beyond, but

these uncertainties are a persistent strain that could artificially cap its outlook. Leaders in both capitals are seeking to resolve this ambiguity with a persistent belief in Beijing's stated intent to secure a "win-win" outcome on North Korea, but beliefs must be grounded in reality. Ultimately, the PRC prefers the status quo on the Korean Peninsula, which guarantees a buffer state between China and a neighbor with a permanent United States military presence.<sup>36</sup> Meanwhile, Washington and Seoul work to blunt Pyongyang's path to the bomb – an outcome that





would not only be untenable for North Korea, but also unpalatable to the PRC because a non-nuclear North Korea may become unstable.

As long as Biden and Yoon ignore this fundamental contradiction, they risk empowering Xi to degrade the strength and derail the prospects of the U.S.-ROK alliance. Getting North Korea right, and maximizing South Korea's potential, depend in large part on getting China right. 

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Indo-Pacific Security Program

# Memorandum

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Issue 3 | July 2022

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