

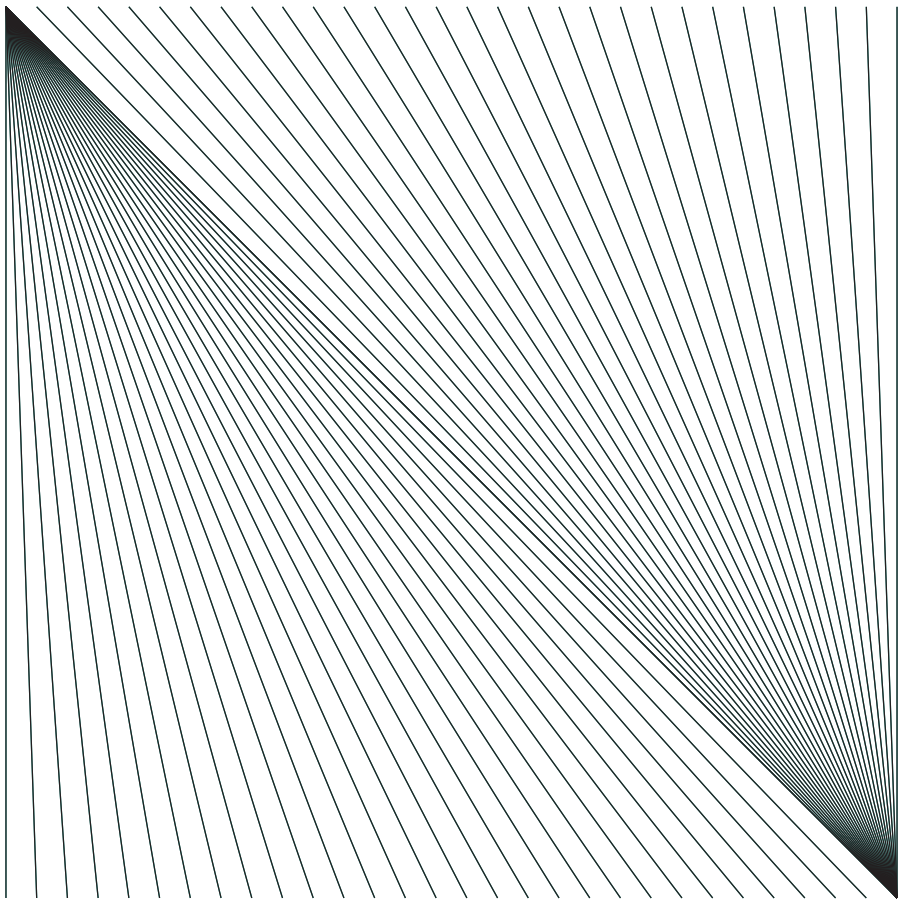
The Restructuring of the World Order and a New Korean Peninsula System

Eun Joo Park et al.



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Printed	July 2022
Published	July 2022
Published by	Korea Institute for National Unification (KINU)
Publisher	Yu-hwan Koh, President
Editor	Yeowon Lim, Research Associate
Registration number	No.2-2361 (April 23, 1997)
Address	217 Banpo-daero(Banpo-dong), Seocho-gu, Seoul 06578, Korea
Telephone	(82-2) 2023-8208
Fax	(82-2) 2023-8298
Homepage	http://www.kinu.or.kr
Design	Seilfocus (82-2) 2275-6894
Print	Seilfocus (82-2) 2275-6894
ISBN	979-11-6589-092-6 93340 : Not for sale

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Also available at the Government Printing Office Sales Center

Store (82-2) 734-6818; Office (82-2) 394-0337

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This English translation is an abbreviated and edited version of Eun Joo Park et al., *The Restructuring of the World Order and a New Korean Peninsula System* (Seoul: Korea Institute for National Unification, December 2021). The analysis, comments, and opinions presented in this paper are those of the author and do not necessarily represent the views of the Korea Institute for National Unification.

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1

Introduction

The 21st century has witnessed various upheaving issues against the existing world order. The outrageous terrorist attacks on September 11, 2001 have brought forth a new wave of changes in international politics. Immediately after the attacks, countries around the world have signaled support for the United States' 'war on terrorism.' However, most European countries excluding the United Kingdom turned their back against the U.S. for the unilateralism exhibited after the U.S. War in Afghanistan.

The Global Financial Crisis of 2008, appraised as the worst economic crisis since the Great Depression of 1929, has also led the transition toward a new world order. Global economic crises drove the shift away from the U.S.-China bipolarity or the G7- or G20-led multipolarity and toward a complex restructuring. The effects of the transformation of the world order triggered by the 2008 Global Financial Crisis reached beyond the state level and increased the autonomy of supranational institutions, global coalitions, and their member states. As a result, the international political environment has become more multidimensional and complex.

The U.S.-China trade disputes that spurred in 2018 have also gained the spotlight as a significant influence in international politics because the escalation of the Sino-American conflict into a strategic competition went beyond the economic realm and has evolved into a race for hegemony during the times of global reordering. The world is on edge as no one country is immune to such intensifying competitions. South Korea kept an especially high alert as the competition was likely to lead to various demands from both superpowers.

The new Biden administration began its term in early 2021.

The dominating prediction was that the new administration would turn the conflict situation with China and reduce uncertainty. However, the Biden administration has clearly stated its intentions to maintain a tough stance and deter the rise of China, thereby sustaining the tension between the two countries. While tensions have reduced in the fields of trade, tariffs, and mobile and internet technology (i.e., Tik Tok), they remain high in almost all other issue areas. Especially, the two countries are at a tug-of-war on intellectual property rights, market disequilibrium stemming from Chinese economic development policies, and high-technology areas. Meanwhile, the U.S. is also trying to recover its international leadership based on the values of democracy and human rights with China fiercely countering the attempt by upholding state sovereignty and condemning domestic interference based on the idea of the “Community of Common Destiny.”

The issues of power transition from the U.S. to China and the transformation of U.S.-led international political and economic orders are extremely hard to resolve. The current world order is based on the Westphalian System, which prioritizes a stable balance of power between sovereign states under the norm of non-intervention. However, the non-Western front has recently been casting doubts on and presenting challenges against the values, norms, and institutions of the world order. China’s Confucian hierarchy-induced order and Islamic order based on religious principles and racial homogeneity are all distinguished from the existing world order and are in conflict with the U.S.-led order. As such, competition and conflict over the foundations of the order are difficult to manage, cooperate on, and rebalance.

In addition, supernational issues in the variable and complex

era of entropy demand attention since supernational issues can be drivers of the change and transformation in the existing world order. Future transformations will not be limited to military and economic dynamics. Instead, they will encompass combinations of issues like security and peace, national development, culture, information, and technology. The current order's structural instability may also increase the likelihood of the transformation since the current role of states as main actors in the world order has increasingly been threatened by the rising salience of non-state actors. The globalizing forces of international politics and economics create a paradox with the political issues that hinder globalization. If global reordering occurs through the influence of complex issues, existing relationships of tension and cooperation may turn into more complex status of conflict, cooperation, coexistence, and competition.

A. Best Timing for Devising the New Korea Peninsula System

In trying to maintain or break the status quo, the U.S. and China have been sustaining tension in the East Asian region. Amid the tension, the issue of North Korea stemming from political and military threats has long been around. In addition, the tensions triggered by conflicts over history between Korea and Japan, Korea and China, and China and Japan are a negative factor. With the escalation of nascent security issues like the COVID-19 pandemic and climate change, the instability in the Northeast Asian region is skyrocketing. If multiple factors continue to drive the global reordering, the relationship between the two Koreas and the development of peace in the Korean Peninsula will face a negative

environment. In the worst case, the U.S.-China-centered divisions and conflicts that dominated the region during the Cold War may resurface.

It is difficult to predict how the direction and process of change in the world order will affect the denuclearization and development of the peace process in the Korean Peninsula. The restructuring of the world order can provide both threats and opportunities to the issues surrounding the Korean Peninsula depending on South Korea's strategic choice. How the relationship among South Korea, the U.S., and China unfolds will influence the future of the South Korean Peninsula, inter-Korean relations, and South Korea's economic development. South Korea is maintaining a firm security alliance with the U.S. and expanding its economic exchanges with China in fields such as tourism and trade. The "turning to America for security and to China for economy" environment makes strategic decision-making even more difficult for South Korea.

If South Korea can predict the direction and process of the global reordering amid the current circumstances, it will be able to accordingly devise a new system in the Korean Peninsula. The rupture in the world order that maintained the division of the Korean Peninsula provides a chance to abolish the international political structure regarding peace in the Korean Peninsula. Until now, the discourse on peace in the Korean Peninsula depended largely on the role of proximate powers. However, in the reordering process, South Korea may enjoy unprecedented choices. In other words, the reordering phase may turn out to be an opportunity for South Korea to transform the divided system into a peace system. Of course, this is not an easy task. South Korea

ought to develop a grand national plan to take the initiative in transforming the divided system.

The new system in the Korean Peninsula that this study asserts entails the termination of the divided system that stems from the Cold War and the development of a new future. It seeks the development of a new system that is directed toward peace, unification, and prosperity regardless of who takes the power. In order to establish the new system, South Korea must foster the discourse on overcoming the divided system and establishing a peace system on the Korean Peninsula amid the process of creating one Korea.

In this sense, this study offers a direction for the development of a new system in the Korean Peninsula during the global reordering process. If South Korea can offer the world a new system that meets the standards of the times, the era of global reordering will provide a critical chance to leap forward. South Korea must overcome the residue of the current world order - a divided country - and develop a grand national strategy to establish a new system that fosters peace and prosperity. To do so, we must first examine how the current world order has formed and what kind of challenges it faces. In addition, we must examine how the U.S., China, Japan, European Union, and other important countries view the world order. Finally, we hope to analyze the impact of the existing world order on politics, security, economics, and diplomacy of the Korean Peninsula, thereby offering a way forward for South Korea in times of transformation.

2

Exploring the World Order through International Relations Theories

Various academic fields try to theoretically analyze the abruptly changing world. The field of international relations is one of the many fields that utilize various existing theories to analyze the world order and predict its future. Various types of critical theories like Realism and Liberalism, and Constructivism are essentially the international relations paradigm of the 20th century used to evaluate the post-Cold War.

A. The International Relations Theory of Realism and the World Order

The field of international relations in the 20th century revolved around Realism. Especially, the field has focused heavily on Structural Realism, a theoretical strand emphasizing the balance of power as the most important variable in the development of the world order. Structural Realism asserts that global politics begin with the assumption that the world is a large anarchic space, and states are fragmented and distributed according to state power. Power, especially military power decides the global distributional structure, and economic and ideological powers may function as complementary variables.

From a Realist perspective, the Cold War era was defined by a bipolar system and the post-Cold War era by a U.S.-led unipolar system. In terms of military power, the U.S. still enjoys a unipolar leadership, but the rise of China is quickly diversifying the global distribution of power. Currently, the world can be defined as an era of strategic competition between the U.S. and China. China is not strong enough to define the system as bipolar, and the U.S.'s strength is not enough to declare itself a unipolar power.

A unipolar power in a unipolar system does not necessarily equal hegemony. Unipolarity is defined by a distributional system of powers, which varies depending on the reference point, such as military, economic, or comprehensive capabilities. Hegemony, on the other hand, entails less a sense of domination and more of the ability to receive consent from others.¹⁾ To become a hegemony, a state must have both the power to dominate and the persuasiveness to receive consent. Without the ability to persuade and power of ideology and norms, a unipolar power remains a non-hegemonic power. The U.S. has established a liberal world order since 1945. It has also received broad consent from the global community on the norms of Liberalism, thereby achieving a hegemonic status according to Gramsci's definition.

However, American unipolarity has also seen its hegemony diminish. The excessive interference in the Middle East in a post-9.11 era and the 2008 Global Financial Crisis has hindered the superpower from thoroughly reconstructing its hegemonic foundations. Also, the forces of globalization and the COVID-19 pandemic have made the maintenance of its unipolarity a very costly endeavor. America's efforts to maintain its unipolar position have not always been successful either, which has a problem distinct from those stemming from the rise of China. In fact, America's problems would have surfaced regardless of China's rise. Power transition and diminishing hegemony are simply coinciding during China's rise and challenges against the weakening U.S.

As part of the Realist logic, the Power Transition Theory asserts

¹⁾ Antonio Gramsci is an Italian philosopher of communist ideology, writing actively since the 1920s. He defined hegemony as a rule by consent. Antonio Gramsci and Quintin Hoare, *Selections from the Prison Notebooks* (London: Lawrence & Wishart, 1971), p. 57.

the “Thucydides Trap,” which is about the chance of war that arises from a rising power’s challenge against the hegemon. Power transition is already happening between the U.S. and China, and the possibility of a military clash is becoming increasingly plausible, especially surrounding the issues pertaining to Taiwan. If China’s possible missile attacks, naval blockades from foreign support for Taiwan, landing operations on Taiwan, and strategies assuming all these plans have worked out, the U.S. and neighboring countries will face difficulties responding to these challenges.

In all, America’s unipolar power is diminishing owing to its excessive interference in world affairs, rising costs of maintaining hegemony, and challenges from China. The reduction of the power gap between the U.S. and China is driving a power transition, and the threat of military clash is increasing. Considering the important variables of Realism, the future world order will be different from that of the post-Cold War world order that lasted for 30 years; greater instability and change are expected in the future.

B. The International Relations Theory of Liberalism and the World Order

Like Realism, the liberal theory of international relations emphasizes the distribution of power among sovereign states. However, it also pays attention to the mutual benefits deriving from cooperation and the institutionalization of cooperation. Interstate political systems, economic interdependence, and the institutionalization of cooperation offer the possibility of achieving democratic peace, market peace, and institutional peace. The

American liberal order established in 1945 stands upon these three pillars, which are more clearly established in Woodrow Wilson's Fourteen Points from 1917.²⁾ 19th Century United Kingdom also tried establishing a liberal world order based on its hegemony founded upon a liberal market order.

The liberal economic order is based on interstate political consensuses on striving toward a more open and freer global economic order. As such, America's strong leadership and supply of public goods required to sustain a liberal economic order have functioned as the foundation for states to agree to internally operate a restrictive domestic economy while externally pursuing liberal economic policies reified in various forms.³⁾ However, liberalism is limited by its potential to end up in prisoner's dilemma situations if America's ability to provide public goods diminishes or if states disagree to make short-term sacrifices for long-term benefits.

The other pillar of the liberal world order is the cooperation among democratic states, especially the cooperation based on international institutions. Under its unipolarity, America has caused various kinds of trouble by acting excessively to spread liberal democracy, politically interfering in the Middle East and the third world, and engaging in state-building strategies. As a result, the limits of the America-led liberal world order have been clearly exposed; a liberal hegemon exposed its limited capabilities to maintain a liberal world order. The globalization of liberalism has both been a foundation of American leadership and a cause of its

²⁾ Joseph Nye, "What New World order?" *Foreign Affairs*, vol. 71, no. 2 (1992), p. 90.

³⁾ Joseph Nye, "Will the Liberal Order Survive?: The History of an Idea," *Foreign Affairs*, vol. 96, no. 1 (2017), pp. 10~12.

weakening. Nonetheless, liberalists still assert that normative cooperation among democracies is the core of the future world order.

The international community currently faces various tasks: 1) controlling the spread of globalization, 2) strengthening democracy in individual states, 3) cautioning the excessive application of the democratic peace theory, and 4) rebuilding rule-based orders with authoritarian states like China. It is uncertain whether it will be possible to recover the benefits of the liberal idea of economic interdependence while establishing a multilateral rule-based order with states of diverse governing systems. Still, the interdependence and networks among states are too complex for the world order to be defined solely by the balance of power between superpowers as Realists assert.

C. The International Relations Theory of Constructivism and the World Order

The International Relations Theory of Constructivism distinguishes itself from Realism and Liberalism by emphasizing the interaction between states and the international political structure, especially the norm structure and identity internalized by states. Constructivism prioritizes the norm structure operating in the international realm. Norms do have a material basis but are composed of independent conceptual structures. Norms are neither subordinated to the power distribution structure as asserted by Realism nor limited to market or democratic logic. Instead, norms in the Constructivist sense are created by various international political actors in various dimensions. With enough

sympathizers, a norm structure that defines international relations can be formed.

When states internalize a certain norm structure, they acquire unique identities, and those identities affect how states define state interests. In addition, the norm structure of a state affects its foreign policy goals and its choice of means to achieve the goals. Hence, a Constructivist emphasizes not only the distribution of power and institutional cooperation but also the various dimension of conceptual norm structures.

A hegemon's ideologies, ideals, norms, and principles are very important for the discussion of world order. A hegemon creates and maintains order by not only providing material public goods but also by striving to create foundational ideas and spread them. In this sense, the America-led liberal world order is not simply an outcome of American military and economic powers; the liberal ideology represented and transformed by America played a critical role.⁴⁾

The question about whether America will be able to maintain its hegemony is closely connected to the question of how successful America's value diplomacy and norm diplomacy will be. Constructivists emphasize not only the distribution of material power but also the distribution of identity when discussing future world order. Hence, while Constructivists focus on the U.S.-China relationship, they also focus on the norm conflict between the two states. While China is somewhat successful in replacing American material power, it holds various deficiencies in terms of identity and norms.⁵⁾

⁴⁾ Charles Kupchan, "The Normative Foundations of Hegemony and the Coming Challenge to Pax Americana," *Security Studies*, vol. 23, no. 2 (2014), pp. 224~230.

The U.S.-led liberal world order boasts a strong normative background. The order is not a product solely shaped by the U.S.; it is a product of a cooperative endeavor, containing a wide collective identity. Even if America's power fades, the normative structure of the current order is likely to survive within the identities of individual states and the goals of international organizations and institutions. Even with the power transitions from the U.S. to China, the fundamentals of the current world order will likely sustain themselves unless there is a transition of norms and identities. If, in the future, political communication and norm creation capabilities become important in the realm of global governance, the expertise and normative influence of middle countries will increase, thereby elevating the weight of the voices of middle and small and weak countries. Such progression might even lead to the democratization of international politics.

D. Various Strands of Critical Theory and the World Order

Mainstream theories of international relations - Realism, Liberalism, and Constructivism - contribute significantly by suggesting important factors for analyzing the current and future world orders. However, they fall short of precisely predicting which new factors might arise amidst the abruptly changing international political environment. They are limited to predicting the future of the distribution of power among superpowers, the possibility of a power transition, the role of the market, changes in

⁵⁾ Bentley Allian, Srdjan Vucetic, and Ted Hopf, "The Distribution of Identity and the Future of World Order: China's Hegemonic Prospects," *International Organization*, vol. 72, no. 4 (2018), pp. 861~862.

government systems, and what kind of role norms and identity would play. Mainstream theories are criticized more so because they lack a critical view on the causes of change and focus on the role of vested elites.

Critical theory in international relations theory diverges into various strands and is hard to discuss as a single theory. The main strands include Marxism, Structuralism, and Post-Colonialism. Rather than providing an alternative perspective, they focus on criticizing existing conceptualizations, hypotheses, and empirical evidence. The COVID-19 context is fostering discussions on new issues, especially in the rapidly changing international political environment.

Mainstream international relations theories have been limited in providing sufficient discussion points on new issues like the COVID-19 pandemic. Hence, critical perspectives are needed for finding solutions to the various unfavorable issues stemming from globalization. The field ought to receive inspiration from interdisciplinary research.

3

**New Issues that Lead the
Change in the World Order**

This study analyzes what kind of new issues drive the restructuring or changes in the U.S.-led liberal world order and what kind of influence they exert on the world order. This study focuses on the 2008 Global Financial Crisis, which initiated the rupture in the current world order, and the COVID-19 pandemic that caused other forms of shocks.

A. Change in the World Order and IPE

The global economy is densely interconnected. Stocks, bonds, and currencies restlessly cross borders within the walls of a single global financial market. The average daily rate of currency exchanges is 7.5 quadrillion won as of 2019 and growing.⁶⁾ Interstate trade reaches beyond the confines of trading goods and services and exhibits supranational connectivity through global production networks. Economic globalization not only positively affects market productivity but also creates various problems like financial crises, economic inequality, global warming, and climate crisis.⁷⁾ International Political Economy (IPE) is an academic field of study that examines how economic globalization began, how it changed, and how it solves various problems.⁸⁾

Order is created through institutions; a world order is tightly connected to institutions in that the two define each other. For instance, the liberal economic order is controlled by three institutions: the IMF, World Bank, and WTO. The strategic

⁶⁾ "Currency trade top at \$59.3 Billion per day in the first quarter," *Shin-a Ilbo*, April 24, 2020.

⁷⁾ Dani Rodrik, *The Globalization Paradox: Democracy and the Future of the World Economy*, pp. 3~23.

⁸⁾ Susan Strange, *States and Markets* (London: Continuum, 1994), pp. 9~12.

relationships among superpowers and the norms of the international community compose the world order and the order is always specified through the creation of, and changes in institutions.⁹⁾ Will the liberal global economic order survive in the 21st Century? Or will China be able to construct a new global economic order through the creation of new institutions?

This study discusses the future direction of the global economic order in the context of the ‘competition of orders.’ The competition and conflict between the U.S. and China on the reordering of the global economic order shows no sign of easing. In fact, the conflict is expanding to the issues of trade, production network, currency, and finance. When the U.S. regulated the Chinese exports, China devised new export control laws to fight back.

The global economy is digitizing rapidly, the financial sector especially so. It is observing a rise of competition on the global governance that either individually or comprehensively connects the digital economy, blockchain, cryptocurrency, and fintech. Also, topics such as the institutionalization of exchange, corporate tax, income tax, transfer income tax, M&A, and big data regulations are gaining traction in the field of global financial regulations. South Korea needs to devise strategies to cultivate leadership and gain actual profit through the development of financial capability. The race toward standardizing digital global finance is indeed fierce. The U.S. is advocating for the easing of ‘network regulations.’ China, on the other hand, advocates for ‘network sovereignty.’ The results of the platform competition between the two countries will

⁹⁾ Amitav Acharya, “Rethinking Demand, Purpose and Progress in Global Governance: An Introduction,” in *Why Govern? Rethinking Demand and Progress in Global Governance*, ed. Amitav Acharya (New York: Cambridge University Press, 2016), pp. 1~6.

decide the future of the global standards of the field.¹⁰⁾ Once the standard is set, it is very difficult to reverse. Hence, South Korea needs to actively take part in the network platform competition. In doing so, it should invest in technological development as well as engage in multilateral tech-diplomacy to shift the digital global finance norms to its favor.

B. The Era of Nascent Security and COVID-19

The rapidly changing security environment exhibits the expansion of the subject, agent, and scope of security. Also, the complex interaction of multiple dimensions among issues is likely to increase the volatility of the geopolitical environment and increase the discord between supranational challenges and institutional efforts to overcome them. Such change necessitates the redefining of security and analysis of threats from a new perspective. Furthermore, the security environment also implies that overcoming the limits of the state-centric world order and developing an alternative governance model are urgent in terms of response efficiency.

The ongoing COVID-19 crisis is exposing the fragility of the interdependently developed global socioeconomic system and revealing the conflict and inequality over quarantine, vaccine development, and its supply.¹¹⁾ During the onset of the pandemic,

¹⁰⁾ Ji-young Park and Sun-kyung Kim, "Competition over Digital Trade and Data Protectionism," Asan Institute Issue Brief, June 11, 2019, pp. 5~6, <<http://www.asaninst.org/contents/%EB%94%94%EC%A7%80%ED%84%B8-%EB%AC%B4%EC%97%AD-%EA%B2%BD%EC%9F%81%EA%B3%BC-%EB%8D%B0%EC%9D%B4%ED%84%B0-%EB%B3%B4%ED%98%B8%EC%A3%BC%EC%9D%98/>> (Accessed September 21, 2021). (in Korean)

states chose to close borders rather than intimately exchange information, worsening the situation and blocking the UN, WHO, and superpowers from playing significant roles. The absence of public-good-providing leadership was, in fact, the worst outcome of the COVID-19 pandemic.¹²⁾

The COVID-19 pandemic, a first of its kind since the Spanish Flu from a century ago, has clearly shown the power of a global biological threat. The pandemic has had an equal influence on poor and rich countries unlike the post-Cold War human security issues such as hunger, refugee, and ethnic minorities. It has drawn everyone to an undesired war.¹³⁾ The unprecedented pandemic has replaced military security with ecological security, especially ‘biological security,’ as being more directly related to human survival. Humanity is currently fighting a war with an invisible and ever-evolving bacteria.

The international community needs to seek an alternative governance system amid the COVID-19 pandemic. Through the pandemic, the world has keenly recognized the need to review the effectiveness of its quarantine system, freedom of the people and safety of the community, transparency of the society, and people’s trust in the government. The world needs to transition into a resilience-based response model. A society’s wellbeing is decided by whether its durability and trust can help the system become resilient to a threat. The current pandemic-led crisis reminds us of

¹¹⁾ NIC, “Global Trend 2040: A More Contested Worlds,” p. 6.

¹²⁾ “Global Leadership is Missing in Action,” *The Economist*, June 18, 2020, <<https://www.economist.com/special-report/2020/06/18/global-leadership-is-missing-in-action>> (Accessed August 6, 2021).

¹³⁾ Lisa Monaco, “Pandemic Disease Is a Threat to National Security,” *Foreign Affairs*, March 3, 2020.

the need to strengthen the social resilience required to face yet another threat in the future and seek alternative leadership that can undertake this task.

C. The Rise of Security Issues on New Technologies

The value of new technologies like artificial intelligence, semiconductors, and block chain is not limited to industry. They are comprehensively interconnected to and are influencing the fields of politics, military, economy, and society. Such change testifies that technological issues can always turn into security issues. However, there's a lack of international consensus on international norms and the direction of governance on using new technologies. This limits the development of global standards and specific norms while also increasing uncertainty about the use of new technologies. While major powers emphasize the stability of the global supply chain, they are not hesitant to make contradicting political decisions based on national security calculations. Recently developed technologies include 'general-purpose technologies' that are widely applicable with military potential, which requires a security-based approach.¹⁴⁾ AI technology has been quickly introduced to the military, being applied to not only scouting and surveillance but also offensive weapons to maximize power efficiency. This development is creating a new type of security dilemma and intensifying the discussions surrounding the

¹⁴⁾ General-purpose technologies are 'technologies that can fundamentally influence the economy at the national or global level through increased productivity.' Examples include the steam engine, electricity, computer, and internet. "General Purpose Technology," <<https://ideas.repec.org/h/eee/grochp/1-18.html>> (Accessed August 17, 2021).

development and use of new technologies. In the 2020s, the technological threats that the WEF has pointed out have been veiled by the salience of the pandemic, but the feasibility and influence of the threats continue to increase.¹⁵⁾

However, the deglobalization trend exacerbated by the COVID-19 pandemic is fostering the deconstruction of the global division of labor in the semiconductor industry. As semiconductors are increasingly recognized as essential features of future industrial competitiveness and weapons system, it is becoming a sector arousing strong competition among major powers. While blockchain technology remains at a nascent stage, the decentralized nature of this technology is being elevated as a game-changer in terms of information transparency and trustworthiness and its ability to prevent data misuse and vandalism.

In fact, the conflict between the U.S. and China on new technologies is less about taking the lead and more about the security strategically to compete for innovative capacity and technological sovereignty. Specifically, new technologies are moving the competition first into a platform competition and ultimately to a hegemonic competition on setting the global standard. The Biden administration has been emphasizing the idea of ‘overwhelming technological capacity,’ declaring its priority to take the initiative in competition over the high-tech sector, which is increasingly becoming a security agenda.¹⁶⁾ This implies that the competition between the U.S. and China over technological

¹⁵⁾ WEF, *The Global Risks Report 2020* 15th Edition (Geneva: World Economic Forum, 2020), pp. 3~5.

¹⁶⁾ “Will South Korea be hit by Biden’s orders to review the semiconductor and battery supply chain?” *Yonhap News*, February 25, 2021, <<https://www.yna.co.kr/view/AKR20210225025500071>> (Accessed August 17, 2021).

hegemony will become increasingly fierce and sophisticated. The conflict of interests among major powers may escalate into group conflict, influencing private and industrial technology sectors and forcing South Korea to make strategic decisions.

D. The Restructuring of the Governance on Global Climate Change

The seriousness of the climate crisis can be seen in WEF's "2021 Global Risk" presented during the Davos Agenda Week (Jan 25 - 29). It is noteworthy that severe extreme weather and climate change have been placed at the top of the risk table. The forum has set the "Great Reset Initiative" as its core agenda, including topics such as resilience, inclusivity, developing a sustainable economic system, and restoring trust. In doing so, the forum emphasized that responses to climate change can be carried out in tandem with efforts to overcome the pandemic-led economic crisis and inequality and achieve shared growth.¹⁷⁾ In other words, the forum emphasizes the need for a joint solution for climate change and post-pandemic economic recovery.

The Paris Agreement has taken full initiative starting in 2021. However, as with the climate change regime under the Kyoto Protocol, the new regime faces various challenges. The first challenge is about helping the poorest and developing countries with low greenhouse gas emissions and historical responsibility on emissions. The second challenge is about the lack of fulfillment of

¹⁷⁾ "2021 The Davos list on global economic risks" *Korea Trade News*, January 26, 2021, <<https://www.weeklytrade.co.kr/news/view.html?section=1&category=136&item=&no=71105>> (Accessed September 1, 2021).

climate change-related promises from developing countries like China. The third challenge is about the bottom-up structure of the new regime, its dependence on the voluntary actions of member states to set a high level of reduction goals, and the lack of willingness and inaction. The fourth challenge arises from the relationship between the two most important states - the U.S. and China. Their 'new Cold War' relationship is an obstacle to solving nascent security issues like climate change and the pandemic.

With the outbreak of the pandemic and the acceleration of climate change, the international community is responding to the negative effects (i.e., the acceleration of economic and social crises) of the pandemic and, at the same time, choosing measures to establish driving forces for sustainable development and economic growth through solving environmental issues including climate change. However, the situation is complicated by the fact that developing countries are opposing the policy decisions of developed countries. Developing countries are criticizing that developed countries are using green regulations as a protectionist means for maintaining their industrial competitiveness and that such an approach manifests green imperialism. The trade conflict that may arise from the diverging opinion may weaken the grounds for the new climate regime, which requires international cooperation at such a pivotal moment of initiation of the new climate regime of 2021.

4

Major Powers' Perspectives on, and Reactions to, the World Order

It is difficult to settle on a conclusion about changes in, or the reordering of, the world order even after an overview of the development from the Cold War bipolarity between the U.S. and the U.S.S.R. to the U.S.-led unipolar liberal world order and an examination of the international relations theories. The interaction between state and non-state actors complicates the issue, and nascent security issues emerging in the new global environment further drive changes in the world order. With such a diverse range of actors and variables affecting changes, which direction the world order will move to is unknown. Hence, this study analyzes how the major actors of the international political order who are also important neighbors of the Korean Peninsula (i.e., the U.S., China, Japan, and EU) view the world order, and what kind of response strategies they adopt.

A. American World Order and Strategies on East Asia

In this study, America's world order is theoretically based on the Hegemonic Studies 3.0 framework which focuses on the internal domestic politics of hegemons and how the unique traits of hegemons lead to the changes in the hegemonic order. I focus on how America's grand strategy paradigm shifts from Liberal Internationalism to Realism and analyze how the shift will influence the world, including South Korea.

The U.S. has held on to the belief that, if the experiment on the Philadelphian System could be applied at the global level, a world union could be devised to create universal peace. Since the 1900s when the U.S. began exerting power globally, the U.S. took the two victories in the world wars as chances to become a global architect

of the world order.¹⁸⁾ As a post-war superpower, the U.S. was bestowed the task of preventing another Great Depression or World War and successfully waging the upcoming Cold War. The new world order that emerged amid such transition took the form of a liberal hierarchy; the U.S. provided security and public goods to the global economy and fostered norms and institutions.¹⁹⁾

The U.S. succeeded in establishing a mutually beneficial partnership with China after the breakdown of the Soviet Union, and it tried to transform the Chinese domestic political structure into a liberal one. However, after 2010, the “involve and expand” strategic paradigm has seen clear limits. The current crisis of the liberal world order is fundamentally different from the crises of the past. Past challengers' GDP like the Soviet Union or Japan was less than 50% of that of the U.S. However, China's GDP has surpassed the 70% mark and is predicted to surpass that of the U.S. within 10 years. Whereas most socioeconomic challenges against the liberal domestic order came from the periphery and the left, the current challenge arises from the right-wing populism of the capitalist core.²⁰⁾ The current challenge is much more fundamental than the challenges of the past in that it stems from the collision of

¹⁸⁾ Taesuh Cha, “The U.S. and the Problématique of Sovereignty: Retreat from Postmodern Network Sovereignty to Modern Complete Sovereignty?” *Korean Political Science Review*, vol. 53, no. 4 (2019), p. 134. (in Korean)

¹⁹⁾ John Ikenberry, *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order* (Princeton, New Jersey: Princeton University Press, 2011), pp. 159~169; One thing to point out is that the issues on third world regions always remain invisible because the liberal world order traces back to the heritage of racism and imperialism. Sang Hyun Yun, “Sovereignty, the World Order, and the Origins of International Liberalism,” *Concept and Communication*, vol. 17 (2016), pp. 159~190. (in Korean)

²⁰⁾ Daniel Deudney and John Ikenberry, “Liberal World: The Resilient Order,” *Foreign Affairs*, vol. 97, no. 4 (2018).

contradictions of Liberalism as the political and economic model.

The unpredicted shocks of the COVID-19 pandemic have clearly exposed how debilitating the paralysis of the U.S.-led world order and global governance mechanisms can turn out. Such shocks have also exposed how various non-liberal trends in a wide range of dimensions can be amplified amid crises. The pandemic is functioning as a catalyst for accelerating the return of de-liberalization and geopolitics.²¹⁾ Under such context, it is important to pay attention not only to world order argument but also to the defensive, realistic argument on America's East Asian politics and the U.S.-China relationship.

B. China's World Order and Strategies on East Asia

For China, the world order has always been a subject of revision and reform. One incident that triggered the potential for change in the liberal world order was the 2008 Global Financial Crisis. However, China has always argued that the world order ought to be reformed in a fairer and more equal way. Hence, a call for reform is not a new phenomenon. Ever since it first established the government, China has long emphasized the unfair and unreasonable nature of the world order, and it has repeatedly called for reform.²²⁾

²¹⁾ Taesuh Cha, "The Acceleration of History? Reading U.S. Foreign Policy and World Order in the Post-COVID-19/Post-Trump Era," *Journal of International Area Studies*, vol. 30, no. 1 (2021), pp. 3~4. (in Korean)

²²⁾ "中华人民共和国代表团团长邓小平在联大特别会议的发言," 『人民日报』, April 11, 1974; 梁守德·洪银娴, 『国际政治概论』 (北京: 中央编译出版社, 1994), pp. 275~284; 穆朝辉, "关于中国国际新秩序理论探讨-中美关于国际新秩序构想的比较," 『东北师大学报』, 3期 (1998), pp. 54~58.

China has maintained rapid economic growth by selectively adopting the liberal world order. Yet, China has argued relentlessly that the U.S.-led liberal world order is unfair and unreasonable. Meanwhile, it did not actively participate in reforming and revising the liberal world order. Rather, it maintained a passive stance toward responsibilities and duties unrelated to self-interest and only focused on maximizing self-interest.²³⁾ As a result, China has been evaluated as a ‘free-rider’ and a ‘selective multilateralist.’²⁴⁾

While the world order was a subject of reform for the world order, China did not actively seek to do so during the 1990s and early 2000s. Rather, China tried to maximize self-interest within the system, maintaining the posture of a “responsible superpower” and stabilizing the order. Surprisingly, China now began to actively show its desire to reform and revise the liberal world order and even create a new institution. It seems to be seeking out the chance to both reform and revise the order as well as establish its own order through new institutions.

However, I doubt that it will lead to reform. America will not forgo its leadership,²⁵⁾ and the distribution of benefits from an international institution is a difficult topic to solve in the short run,

23) For a more detailed discussion of China’s post-Cold War scheme - ‘New International Political Economic Order,’ see Ae-kyung Kim, “China’s Conception and Its Limit on World Order in Post-Cold War,” *Journal of Eurasian Studies*, vol. 28, no. 2 (2004), pp. 13~36. (in Korean)

24) David Schambaugh (translated by Young-jun Park and Seung-hyun Hong), *China and the World: Future Challenge* (Seoul: Asan Institute, 2014), p. 210 and pp. 224~225.

25) 唐世平, “國際秩序變遷與中國的選項,” 『中國社會科學』, 3期 (2019), pp. 187~203; 達巍, “自由國際秩序的前路與中國的戰略機遇期,” 『全球秩序』, 1期 (2018), pp. 90~106; 王瑋, “從優勢論到優先論: 冷戰後美國對外政策思想的研究,” 『美國研究』, 5期 (2018), pp. 66~81; 肖河, “美國反建制主義和特朗普政策,” 『國際政治科學』, 2期 (2017), pp. 62~94.

leading to a slow transition of power.²⁶⁾ Also, China will spend little energy on challenging the core values of the liberal world order unless its survival and sovereignty is at stake.²⁷⁾ While China can be criticized as a ‘free-rider’ or a ‘selective multilateralist,’ it is likely to choose to maintain the stability of the world order to sustain its economic growth.

C. The Restructuring of the World Order and Japan’s East Asia Policies

The changes in the security environment surrounding Japan are defined by an increasing interdependence in the international community, the breakdown of the balance of power with the rise of emerging powers like China, and the growing uncertainty of existing orders. In addition, the international community is increasingly emphasizing the challenges that require the effort of multiple states. Similarly, it emphasizes the threat of China, North Korea, and Russia. It critically warns about China’s lack of transparency in military activities, North Korea’s threatening development of nuclear weapons and ballistic missiles, and Russia’s accelerating modernization of its military and its increasing potential to clash with Europe and the U.S. in various regions of the world.²⁸⁾

26) 周超·程亞文·李舟, “新自由主義全球化國際體系嬗變的全球挑戰與應對,” 『山東青年政治學院學報』, 1期 (2020), p. 26; 醜則靜, “從轉型到危機: 美國優先對國際秩序的影響,” 『國際展望』, 1期 (2020), pp. 49~50 and p. 60.

27) Jessica Weiss and Jeremy Wallace, “Domestic Politics, China’s Rise, and the Future of the Liberal World Order,” pp. 635~664.

28) 防衛省, 『平成31年度以降に係る防衛計画の大綱について』 (東京: 防衛省, December 18, 2018), pp. 2~6.

Japan emphasizes that it is striving to expand and deepen the cooperative relationships with various countries upon the foundation of the U.S.-Japan alliance and pacifism. Also, it emphasizes its allegiance to civilian rule, reaffirming that its national security strategy of strengthening its diplomatic and defensive power will not escalate into becoming a threatening military power. Japan also positively stressed its adherence to the ‘Three Principles on Denuclearization,’ promising to maintain its peaceful approach.²⁹⁾ However, Japan added that it will respond to new challenges in an active and strategic way.³⁰⁾

As a potential cause of change in the world order, Japan has pointed to the rise of uncertainty stemming from nascent security issues regarding China’s rise, its efforts to reform the geographical configuration, the imbalance of power in the region, and the rising traditional security threat. In response, Japan has clearly revealed its concerns over the feasibility of traditional strategies and procedures in realizing its national interests. Against this backdrop, Japan views that it ought to change its national strategy and response and that the need for multilateral cooperation is rising. In the same context, Japan’s strategies in East Asia have settled on joining the U.S.-led anti-China network by maximizing threat from North Korea and China.

²⁹⁾ Three Principles on Denuclearization refer to the remarks of great-grandfather of Prime Minister Abe and the longest serving Prime Minister before Abe, Eisaku Sato. He declared, “do not own, make, nor bring in nuclear weapons.” International law endows effect to this one-sided statement, making the statement valid. Hyuk-tae Kwon, “The strange cohabitation between the three principles on denuclearization and American nuclear weapons,” *Pressian*, February 2, 2009, <[https:// m.pressian.com/m/pages/articles/58032](https://m.pressian.com/m/pages/articles/58032)> (Accessed October 26, 2021). (in Korean)

³⁰⁾ 防衛省, 『平成31年度以降に係る防衛計画の大綱について』, p. 7.

D. The Restructuring of the World Order and the European Dilemma

Europe is at the root of all Western civilizations and a geographical counterpart to the eastern world. However, Europe should not be classified solely on geographical terms. Instead, Europe can be understood in two different ways under two different perspectives - individual state perspective and integration perspective. Whether to view Europe as an aggregation of individual states or as the integrated EU is neither an issue of dichotomy nor categorization; it is an issue of putting emphasis on either nationality or integration. The history of individual European states spans much further back than the history of their integration. The motivation and environment that have led to the post-WW2 movement to prevent a war in Europe and European integration movement between Germany and France to establish a peace system are very different from today.

The difficulty in researching and analyzing Europe stems exactly from the difficulty in defining and classifying the “two Europes.” Europe as an aggregation of individual states like Germany, France, the U.K., and Italy is its standard conception, whereas Europe as a pan-European political entity - the European Union - is a newly emerging political actor in the international political order. This study distinguishes the two Europes in analyzing the international politico-economic order.

The 2008 Global Financial Crisis has created a serious rupture in what has until then been a smooth integrative process in Europe. In response to the Crisis, the 27 member states of the EU jointly pursued a large-scale stimulus plan. In December of 2008,

they agreed on the European Economic Recovery Plan (EERP) at the European Council and decided to execute 400 billion euros (3.3% of the EU GDP). To carry out the plan, the EU made the effort to expand infrastructure as well as to test the feasibility of programs on employment support, creating labor demand and corporate support funds.³¹⁾ However, the crisis of European integration continues to exist. Greece has declared a default, Greece and Italy are considering Grexit and Italexit, and Brexit has been realized.

In addition, the Sino-American conflict has acted as a transitional event leading to the increased demand to stop or dissolve the European integration process. Core members such as France and Germany have also pursued a public policy with the economic rather than diplomacy or security concerns in mind. Such circumstances imply that the environment will work against the U.S. in collaborating with European countries to pressure China. While the EU's cooperation with China has been limited to the economic realm, the possibility of expanding cooperation to military, diplomacy, and security warrants close attention. Nevertheless, the U.S.-led world order will remain intact.

³¹⁾ EU, MONTHLY BULLETIN DECEMBER 12-2008 (Brussel: European Central Bank, 2008), pp. 5~15.

5

The World Order's Influence on South Korea

It is difficult to analyze how the restructuring of the world order will influence the Korean Peninsula and South Korea and to academically explain the relationship between the world order and the politics, economy, diplomacy, and security of South Korea. It is well known that South Korea is not free from international political influence due to geographical or geopolitical circumstances. However, translating this issue into a research question and precisely examining it is a task outside the range of any specific academic field due to the scope of the issue.

A. Influence on the Political Dimension

This study analyzes the special experiences of South Korea over the Cold War and the post-Cold War period under the framework of “security, growth, and democracy” to illustrate how closely knitted these issues are with the world order. While the choice of specific experiences may be controversial, ‘security, growth, and democracy’ are highly general standards and, therefore, agreeable agendas in reviewing Korean politics since 1948.

The Korean War has made sovereignty (security) one of South Korea’s core agendas, and South Korea opted into the South Korea-U.S. alliance as a solution. The U.S. has made various military alliances with both traditional Atlantic countries and emerging independent countries. The divided Peninsula afforded a unique condition for the South Korea-U.S. alliance, closely connecting the alliance with the events and flows of the Cold War system. Under the Cold War system, the U.S. provided various public goods including international security and free trade which enabled South Korea to establish security-centered sovereignty,

ultimately generating a consolidated integration of Korean politics and the world order.

The clearest impact of the Global Financial Crisis on South Korea was seen through a 'rise of distrust in politics and crisis of representative democracy' and 'socioeconomic polarization.' Having actively incorporated globalization, South Korea's crisis of representative democracy and polarization may stem from the way it has incorporated globalization over the past 20 years and how the economy has restructured after the IMF relief loans have entered the country. The way in which changes in the world order at the early phase of the Cold War and post-Cold War were reflected in Korean politics has been relatively direct and transparent. However, how the post-Global Financial Crisis changes have been reflected in Korean politics has been relatively distorted. As a result, it has become more difficult to understand the relationship between the changes in the world order and South Korean politics. Various reasons exist, but the main reason should stem from how complicated the changing world order has been reflected in South Korea's politics that result from the maturation of its political culture, repeated power transitions between parties, and the diversified routes for recruiting political leaders.

As a politicized issue in South Korea, COVID-19 has exposed problems surrounding state and government accountability, the crisis of democracy and the emergence of the leviathan state, how these issues influence elections, and how to precisely explain such problems in the Korean context.

In all, the COVID-19 crisis has crushed the faith that life in globalized and denationalized communities will be comfortable and happy. It has also elevated the fear that the forces of regionalism,

nationalism, and individual isolationism may gain power and, consequently, led to the rising assumption that the expansion of government influence is inevitable.³²⁾ As a result, the times are calling for a new cooperative model of political governance composed of the government, civic groups, and private entities.

B. Influence on the Economic Dimension

The liberal world order can be said to have stabilized around the post-Cold War era after the 1990s. During this time, the rapid development of international institutions has led to an increase in interstate cooperation. Having transformed from a developing country to a semi-developed country, South Korea has become an important participant of the liberal world order and strengthened its role in international organizations since the 1990s. It has also begun strengthening its economic interdependence and cooperation with multiple countries. This study examines how the structural changes in the international community from the end of WW2 until the end of the Cold War have influenced the structure of international politico-economic order and how South Korean economic policies and institutions have coped with those changes.

The international politico-economic order between 1945 and the end of the Cold War has largely been determined by American foreign policy. During this period, South Korea focused on enlarging its export-based, state-centric economic policies. The Republic of Korea (ROK) participated in the Bretton Woods system by joining the GATT and focused on reconstructing its domestic

³²⁾ Hyeonju Son, "COVID-19 and the Future of Politics," *Journal of Regional Studies*, vol. 29, no. 2 (2021), pp. 120~123. (in Korean)

economy and growth rather than taking an active role in the institution.

With the founding of the WTO in 1995, South Korea participated more actively in the process of establishing the WTO regime as a member state and closing various follow-up negotiations. It exhibited various efforts in participating in the liberal world order. It led a dramatic economic growth and became a member of the OECD by carrying out an export-led industrialization strategy. Whereas it depended in large part on American aid, South Korea became an active actor in the liberal world order since the end of the Cold War.

After the 2008 Global Financial Crisis, South Korea experienced a decrease in various economic indices including trade volume. However, it quickly rebounded in 2010. Unlike the U.S. and its return to protectionism, South Korea has engaged in various efforts to sustain the principles of liberal trade. South Korea has seen 11 FTAs come into effect between 2008 and 2017, and it sought regional economic agreements such as the RCEP. Currently, it is engaged in various negotiations to advance into markets in Southeast Asia, Central Asia, and Central and South Americas.³³⁾

While the pandemic-driven global economic crisis has influenced South Korea, South Korea has utilized international institutions and bolstered international cooperation in line with its economic policies that have been set in place since 2008. Resolving international disputes such as trade disputes requires increased use of multilateral international institutions and the sharing of

³³⁾ At this period, FTA countries include Peru, the U.S., Turkey, Australia, Canada, China, New Zealand, Vietnam, Columbia, five South American countries, and the U.K. "South Korea's FTA Status," <<https://www.fta.go.kr/main/situation/kfta/ov/>> (Accessed October 26, 2021).

information with international organizations. Abiding by free trade principles, rather than returning to protectionist policies, is also important in vitalizing the domestic economy in the long run.

C. Influence on the Diplomatic Dimension

Right after WW2, the U.S. gained the hegemonic status both economically and militarily, but this soon leads to a bipolar competition between the U.S. and the Soviet Union. As a result, the Korean Peninsula has been divided into North and South Korea. The Korean War displays the tension and conflict between the two hegemons.

During the Cold War, South Korea has been passively adopting policies from superpowers rather than being an active participant of the international community. South Korean foreign policy was, above all, decided by its relationship with the U.S. It agreed on a mutual defense treaty with the U.S. in October of 1953, and this remains the only military alliance treaty in the history of South Korea. Through the treaty, the U.S. gained a sizable influence over diplomacy and security in the Korean Peninsula. In fact, the U.S. executed significant decision-making power in the process of developing inter-Korean relations and South Korea's policies on North Korea.³⁴⁾

During the Cold War, South Korea has made various diplomatic efforts to join the UN. Ever since it conducted its first general election under the UN's watch, it sought UN membership to gain legitimacy and prove its legality. However, prior to the end of the

³⁴⁾ Sangbae Kim et al., *New World Order and South Korea's Diplomatic Strategy*, p. 167.

Cold War, it was continuously let down by the veto from the Soviet Union. With the UN's role becoming more prominent after the Cold War, South Korea again set its priorities in joining the organization. With the support of previous opponents like China and the major Easter Bloc countries, South Korea, jointly with North Korea, finally joined the UN on September 17, 1991.

In the post-Cold War era, South Korea acted on spurring economic growth and peace by enhancing international cooperation in the form of increasing regional cooperation with other Asian countries. It carried out talks with Soviet countries and engaged in cooperation with North Korea and other Asian countries. In terms of foreign policy, its emphasis has shifted from security to various factors including foreign economies and energy.

After the 2018 Global Financial Crisis, South Korea engaged in a diversified foreign policy amid the competition between the U.S. and China. The Moon Jae-in administration maintained the South Korea-U.S. alliance-based foreign policy, but it also emphasized plans to promote cooperation with China.³⁵⁾ Also, it promoted various types of foreign policies beyond security and economy. Even in terms of diplomatic measures, the Moon Jae-in administration emphasized both traditional and public diplomacy. In fact, South Korea declared 2010 as the “first year of public diplomacy.” While South Korea entered the public diplomacy arena later than other developed countries, its efforts on government-led cultural exchanges, or cultural diplomacy, date all the way back to the 1950s. The first group of performers, funded by the government, took on a tour around Vietnam, Hong Kong, Singapore, Thailand,

³⁵⁾ Sangbae Kim et al., *New World Order and South Korea's Diplomatic Strategy*, p. 179.

the Philippines, and Japan for about 50 days in 1958.³⁶⁾

The bases of the diversified foreign policy from the 2000s remain in place even after the COVID-19 pandemic. However, in terms of international development cooperation, developing countries have conducted new policies in response to and recovering from the pandemic. South Korea has emphasized the need to vitalize international environmental cooperation in the post-pandemic era and maintained the use of public diplomacy as a means to achieve cooperation.

D. Influence on the Security Dimension

During the Cold War, security in the Korean Peninsula has been subordinated to the mechanisms of global security. As a result, defining South Korean security requires an understanding of two core pillars - the U.S. and North Korea. The symbolic 'divided structure' encompasses both the conditions of the international security order and of the situations in the Korean Peninsula.³⁷⁾ When thinking about security in the Korean Peninsula, the U.S. exists less at the individual country level and more at the alliance institution level. Hence, institutions, designed to protect the South Korean society against threats, inevitably serve to protect the South Korea-U.S. relationship, given the social structuralization of security

³⁶⁾ Ministry of Foreign Affairs, "60 Years of Diplomacy in South Korea: Cultural Diplomacy," <https://www.mofa.go.kr/www/wpge/m_4098/contents.do> (Accessed October 26, 2021).

³⁷⁾ A 'divided system' is a social scientific concept explaining how, within the process of maintaining the two distinct systems of the two Koreas, the distinct institutionalization process in the two Koreas assumes a divided condition. Jongseok Lee, *Unification Studies in the Era of Division* (Seoul: Hanwool, 1998), pp. 30~32. (in Korean)

in South Korea.

The end of the Cold War has brought fundamental changes to state or regional security across the globe including Europe, South America, Southeast Asia, and Central Asia. However, it did not change the 'division-based security system' in the Korean Peninsula. With South Korea at the center, North Korea and the U.S. have been placed symmetrically based on their interests over the 'lack (or threat) of security.' The uniqueness of security in the Korean Peninsula has transformed 'threat' into 'security,' paradoxically reproducing threat through maintaining security.

Thirty years have passed since the end of the Cold War. Peace in the Korean Peninsula has been fundamentally approached in the dimension of perception, conception, and practice. However, the reality still sustains a 'stable' structure of conflict in the South Korea-U.S. relations and inter-Korean relationships. The logic of 'development of nuclear weapons for survival' has led the international community to set up guidelines against North Korean deviance, thereby creating the effect of legitimizing North Korea's logic and institutionally guaranteeing America's post-Cold War security structuralization. As a result, the politics of insecurity stemming from two Koreas' use of security threats for domestic political purposes fit consistently with North Korea's rationale for developing nuclear weapons.

It is important to realize that the paradoxical combination of North Korean and American interests regarding security in the Korean Peninsula has consolidated the divided structure. The current system of balancing security with insecurity allows security and insecurity to depend on each other, making it difficult to fundamentally overcome the security situation in the Korean

Peninsula. As a result, the post-Cold War security threat of North Korean nuclear power limits South Korea's autonomous role and emphasizes the politicization of the issue by 'others' - the U.S. and North Korea.

Throughout history, the Korean Peninsula has been considered as an intersection for strategic conflicts and exchanges between continental (China and Russia) and naval (U.S. and Japan) forces. Taking control over the Peninsula provides a clear advantage in advancing into each other's territories. Therefore, it is evident that the Korean Peninsula has high strategic value for China, especially if the U.S.-China or China-Japan competitions escalate. More importantly, conflict in the Korean Peninsula will hurt China economically since the U.S., Japan, and South Korea are China's core trade partners. China will try harder to interfere with the security of the Korean Peninsula with a goal of 'managing a stable condition.' Such environmental changes will deepen South Korea's concerns.

6

A Proposal for the New Korean Peninsula System

The Korean Peninsula has been divided alongside the rise of the Cold War system. The two Koreas chose distinct political and economic systems and are under competition while maintaining the divided system. Throughout the 1960s and 70s, the two authoritarian governments considered each other as a threat and coexisted by using the threat to legitimize domestic control. The divided system remained after the fall of the Soviet Union, becoming the final remnant of the Cold War. The issue of North Korean nuclear weapons gained traction amid the transition from a bipolar to a unipolar system, making the Korean Peninsula a source of instability and blocking the two Koreas from reconciling and cooperating.

Worries over the prolonging of the divided system have gained a greater voice since the 2008 Global Financial Crisis because the crisis in the U.S. and the sustained growth in China have intensified the competition between the two countries. The intensification of their competition on global leadership and influence in Asia was predicted to reach its heights in the Korean Peninsula. The dominant prospect was that if the two Koreas fell into a member of two different camps amidst the U.S.-China competition, the divided system would likely remain, as evidenced by the U.S.-Soviet Cold War era when the two Koreas competed against each other as a member of two completely different world orders.

However, as new issues appear and affect the world order, the direction and procedure of restructuring became harder to predict. New supernational issues may either inflict new types of pain and crisis, lead to destructive paths, or, contrarily, become a catalyst for supernational cooperation and the realization of a hyper-connected global environment. There is uncertainty about whether the world

order will restructure and, if so, what will cause it. Then, what should we prepare?

A. A Trembling Peninsula amid the Restructuring of the World Order

During the transition of the world order after the breakdown of the communist bloc, North Korea had to go through the 'Arduous March' caused by an economic meltdown and diplomatic isolation. South Korea suffered through the 1997 Asian Financial Crisis, having to face the forces of economic liberalization and social polarization head-on. Under such circumstances, the two Koreas simultaneously joined the UN, held two summits in 2000 and 2007, and created the expectation for an era of reconciliation and cooperation. However, as tensions repeatedly rose in SK-NK-US, US-NK, and NK-Japan relations surrounding North Korea's development of nuclear weapons and human rights issues, the divided system was only shaken, not broken.³⁸⁾

Power transition between the two Koreas has already occurred in the 1970s, but the Peninsula failed to overcome its divided system and suffered through the 2008 Global Financial Crisis and the COVID-19 pandemic. In the process, concerns over the perpetuation of the divided system have increased, especially since the economic potential that China exhibited during the Global Financial Crisis led to the prediction that the power transition between the U.S. and China was imminent. If the Cold War confrontations between U.S.-Japan-South Korea and North

³⁸⁾ Nak-chung Paik, *The Trembling System of Division* (Seoul: Changbi Publishers, 1998), pp. 5~10. (in Korean)

Korea-China-Russia repeat, the trembling divided system will be once again on strong footing.

To prevent the perpetuation of the divided system, a peace system should be established. Amid the changing world order shaken by the Global Financial Crisis and the COVID-19 pandemic, the order in the Korean Peninsula will partially be linked to the changing global and regional orders. Rather than ignoring and denying such external influence, South Korea needs to be equipped with the wisdom and grit to shape the Korean Peninsula in a desirable direction by taking advantage of such external influence.

From now on, the focus should be on landing the Korean Peninsula safely within the rule-based world order. When the system of the Korean Peninsula becomes harmonious with the world order, there is a greater chance for the rise of the New Korean Peninsula System and for maintaining its stability. While the changes in, and the future status of, the current liberal world order is unpredictable, the future world order is predictable by examining the rules that a majority of the democratic countries support. The European Union and countries like, Japan, and Australia have continuously emphasized the importance of a ruled-based order.³⁹⁾ Then, what will the future rule-based order entail? This study predicts that the core of a rule-based order includes 1) multilateralism, 2) free trade, and 3) democracy.

³⁹⁾ Si-Hong Kim, "New EU Leadership and the Future of European Integration: Implications to EU-East Asia Relations," *EU Studies*, vol. 55 (2020), pp. 55~86 (in Korean); Sung Chul Jung, "The Retreat of Liberal World Order? Declining Global Hegemony, Middle Power Democracies, and a Rules-based Order," *The Journal of Political Science & Communication*, vol. 23, no. 1 (2020), pp. 141~164. (in Korean)

B. Composition and Establishment of the New Korean Peninsula System

Recognizing the changes in international politics, the two Koreas must strive to overcome the divided system as a member of the same world order. The New Korean Peninsula System should maintain a rule-based order and connectivity while pursuing security cooperation based on denuclearization and disarmament, economic cooperation that seeks symmetrically dependent relationships, and regional cooperation connecting the East Asian countries. The construction of such system should be advanced on three fronts – domestic level, inter-Korean relations, and international politics. It is necessary to promote and carry out a long-term strategy for creating an order that is agreed upon domestically, by the two Koreas, and by the international community.

Under such contexts, the core contents of the New Korean Peninsula System are threefold. First, the new system strives toward security cooperation based on its core values of denuclearization and disarmament. Second, it strives toward ‘symmetrical interdependence’ based on the diversification of import and export as well as investment attraction. Third, the system strives toward economic and cultural regional integration with neighboring countries.

The South Korean government has long argued for the three principles of unification - autonomy, peace, and democracy - based on the Korean National Community Unification Formula. With a history of colonialization and division, the idea of promoting unification autonomously gained popularity. However, the idea of resolving the unification issue and North Korea’s issues between

the two Koreas requires a change of perception. South Korea's anti-North Korea and unification policies have varied along with the alternation of power between conservative and liberal parties after democratization. However, neither succeeded in drawing out fundamental changes, showing that reflection and change are necessary. Looking back to the issues that hinder bilateral cooperation and issues that are unsolvable through bilateral cooperation, there needs to be a new logic that connects the Korean Peninsula with the world order. Also, this logic needs to be connected with a long-term strategy.

The establishment of the New Korean Peninsula System will proceed through domestic, inter-Korean, and international phases. Wide-ranging discussions and debates are necessary before devising a new system that will end the Cold War prolonged in the Korean Peninsula. The South Korean government's policies on the Korean Peninsula have not gained enough impetus long hindered by its ideological and generational variance over the opinions on North Korea and unification. Anti-North Korea and unification policies that only a portion of the citizens support face imminent failure when they meet hurdles from North Korea or the international community. A unified future will begin to emerge only when South Korea devises a blueprint for the New Korean Peninsula System based on the discussions over national interests and values.

The Restructuring of the World Order and a New Korean Peninsula System

