



2019-01

Korea's Choice in 2019

The Asan Institute for Policy Studies

2019.01.03

Reviewing 2018: Illiberal International Order Strikes Back

The Asan Institute for Policy Studies, in its 2018 International Strategic Outlook, forecasted the rise of the illiberal international order. The liberal international order that has been entrenched since the end of the Second World War appeared to be weakening with the rise of illiberal powers and the breakdown of liberal solidarity. More specifically, the Institute envisioned the world in transition toward a more intense struggle for hegemony, a more nationalistic and zero-sum approach to foreign policy, and less commitment to rules, norms, and institutions of the postwar era.

Factors Contributing to Illiberalism and Breakdown of the International Community

While the coalition of those powers underpinning the postwar international order has weakened, illiberal powers have risen steadily, though not as fast as they were in the past. While some states, mostly in Europe, tried in vain to restore the liberal world order, others were preoccupied with their own domestic affairs.

Beginning with a trade war, the competition between the United States and China has become even more intensified. As embodied in the Trump administration's "Indo-Pacific Strategy," U.S. strategy to balance against the rise of China has become more defined. Chinese expansion, on the other hand, has adversely provoked its neighbors. The 19th National Congress of the Communist Party of China has raised even more concerns among neighboring countries about its intentions.

The Trump administration, under the "America First" principle, appeared to undermine the U.S.-led liberal international order. President Trump's approach to foreign policy that emphasized bilateral negotiations (rather than multilateral institutions) and national interest (rather than shared values) caused a growing concern among partners and the international community about the US-led world

order. In response, there has been an attempt by several European states such as France and Germany to reduce their dependence on the United States and develop their own security and economic frameworks. It is also worth noting the strengthened Sino-Russian partnership against the United States.

Deepening Great Power Competition in Northeast Asia

In Northeast Asia, states, whilst trying to avoid armed conflicts, have sought not only to develop their own capacity but also to build various cooperative networks in preparation for the uncertain future of the region. The existing U.S.-led alliances in the region face several challenges. In particular, there has been a growing concern over the prospect for the ROK-U.S. alliance. There appeared to be a widening rift between Seoul and Washington over how to denuclearize North Korea. With regards to U.S.-Japan alliance, Japan, while strengthening the bilateral alliance as a core pillar of its national security, has put a lot of effort into managing and improving its relations with China in order to reduce its anxiety over the future of the alliance in the Trump era. Cooperation with Southeast Asian states has become even more important for the current Japanese government to hedge against the U.S. unreliability. In contrast to the wavering U.S.-led hub-and-spoke system in the region, the trilateral partnership among China, Russia and North Korea has been sustained. Moreover, Beijing improved its bilateral relations with North Korea, thereby expanding its influence over the Korean Peninsula.

To tackle the uncertainties of the region, states have modernized their military capabilities. Beijing has spent years building island fortresses in the South China Sea where the United States Navy has increased freedom of navigation operations. In response to Chinese naval expansion, Tokyo has purchased more American weapons including F-35 fighters and, in cooperation with the United States, increased radar stations in the South Pacific islands.

Peace and Dialogue within the Context of Rising Insecurity in the Korean Peninsula

2018 was a historic year for the Korean Peninsula. Three inter-Korean summits as well as the first U.S.-North Korea summit have transformed the Korean Peninsula from a phase of confrontation into one of dialogue. North Korea's participation in the PyeongChang Winter Olympic and a series of follow-up dialogues have undoubtedly heightened expectations for lasting peace in the region. With a deadlock in talks between Washington and Pyongyang, however, the gloomy prospects for the denuclearization of North Korea loomed large. This has introduced an element of tension in between the two Koreas and the United States. A rift within the alliance over the matter of coordination on North Korean affairs has emerged, though it appears to be settling down with the launch of a ROK-U.S. working group. Pyongyang, whilst continuing its peace offensive, has strengthened relations

with China and Russia. Combined with great power politics, North Korean nuclear problem has become more complicated.

Apart from the North Korean nuclear issues, several other important challenges to the ROK-U.S. alliance remain outstanding, including the transfer of wartime operational control (OPCON), defense cost-sharing, and the ratification of the bilateral free trade agreement. While reaffirming the mutual commitment to the expeditious conditions-based transfer of OPCON and the establishment of the Future Command of Combined Forces at the 50th Security Consultative Meeting (SCM), the two allies are at odds over defense cost-sharing.

Internal troubles within the South Korean society over the government's handling of the North Korean issue make it even more difficult to predict the future. In 2018, we witnessed a growing uncertainty amid an atmosphere of peace on the Korean Peninsula.

The Absence of U.S. Leadership

With respect to the United States, we saw many changes in 2018. Domestically, the Trump administration promoted a business-friendly environment by lifting restrictions and implementing the massive tax reform. The unemployment rate fell below 4 percent, and the quarterly growth rate increased by 1.2 percentage point. In foreign policy, the Trump administration appeared to imperil the liberal world order, and accordingly, the return to great power politics seemed inevitable. It called for greater burden-sharing from the allies; pulled itself out of the Joint Comprehensive Plan of Action (JCPOA), the Iran nuclear deal; initiated a trade war with China; declared to withdraw from the Intermediate-Range Nuclear Forces Treaty (INF), the major arms control deal with Russia. At the same time, however, we witnessed a dramatic shift in the administration's policy vis-à-vis North Korea. In contrast to its maximum pressure campaign against North Korea that conducted a series of provocative actions, the Trump administration held a historic summit with reclusive North Korean leader Kim Jong-un in Singapore.

China at Crossroads

In China, the year 2018 marked the 40th anniversary of reform and opening up as well as the first year of Xi Jinping's second term as president. At the same time, however, it was the year that significant challenges were posed to both Chinese domestic politics and foreign policy. Domestically, President Xi strengthened the authoritarian hold of the Communist Party and consolidated his power within it. The authority was very much committed to cracking down on any potent protest against such reinforcement of the repressive Communist Party. In foreign policy, Beijing increasingly behaved aggressively in the South China Sea. There was an incident involving Chinese warship

coming close to and nearly colliding with a U.S. Naval ship in the South China Sea in October. However, the cancelled or delayed participation by several countries in the Beijing-led Belt and Road Initiative Projects, together with a trade war with the United States, posed a formidable diplomatic challenge for China.

Japan's Concern over Diplomatic Isolation

For Japan, 2018 was a year of challenge. The Abe administration concentrated on promoting the Indo-Pacific Strategy as well as strengthening the alliance with the United States. While the administration continued to maintain a hardline position on North Korea, there was a growing concern about the possibility of “Japan passing.” Both Washington and Seoul appeared focused on their engagement with North Korea. Japan sounded out Pyongyang about a bilateral talk, yet little progress was made.

In line with its persistent hedging strategy, the Abe administration sought to improve its bilateral relations with China and Russia, and strengthen the security cooperation with the Association of Southeast Asian Nations (ASEAN). Relations with South Korea, however, has become more strained with the recent South Korean Supreme Court's ruling on forced labor and Seoul's decision to dissolve the Reconciliation and Healing Foundation.

Europe's Third Way

The 2018 was a difficult year for the European Union (EU) as well. Internally, there was a whole host of unfinished business including the Brexit deal, the ongoing divisive issues of migrants and refugees, and the prospect of an economic crisis in Italy. Externally, there was a growing concern over relations with the United States. European states, France and Germany in particular, have sought to tackle the uncertainty of the transatlantic relations by advocating reducing their military and economic dependence on the United States and by finding a way to build their own cooperative security arrangement.

Growing pressure from conservative Euroskeptics made it difficult for Europe to pursue its common interests. States were increasingly concerned about their own national interests even if these interests did not serve Europe's common goals.

Relations with Russia became relatively stable though it remained as a major threat to Europe. However, European states were increasingly concerned about a new type of security threat, called “hybrid threats.” These are the kind of security threats posed by a combination of conventional and non-conventional threats such as cybersecurity, climate change, and terrorism.

With regard to its relations with South Korea, President Moon visited five European states and attended the Asia-Europe Meeting (ASEM) Summit held in Brussels on October. During his visit, President Moon called for the lifting of international sanctions on North Korea, yet the response from the European leaders was clear that the sanctions must remain in full effect until the “Complete, Verifiable, Irreversible Dismantlement (CVID)” of North Korea. This rather frustrating result of Mr. Moon’s tour in Europe stemmed from a lack of understanding about transatlantic relations, the multilateral nature of Europe’s diplomacy and the EU’s decision-making process.

Russia’s Pivot to the East

Russia has begun to pivot to the East against a backdrop of the changing situation in Northeast Asia. While reluctantly joining with the Western-led international community in enforcing sanctions on North Korea, Russia sought to expand its influence over the Far East, with its much wider foreign policy objective of building a multi-polar structure of the international system. North Korea’s seemingly new strategy and a series of bilateral dialogues paved the way for Russia to embark its expansion in East Asia. Relations with the EU, however, remained a serious challenge to Russia’s foreign policy. In December 2017, EU leaders decided to renew sanctions against Moscow for violating the Minsk agreement. In March 2018, over thirty states, including half of the EU member states, expelled more than 150 Russian diplomats, in response to the poisoning of Sergei Skripal and his daughter Yulia Skripal in Salisbury, England. Mr. Putin, with high public approval, seemed to take a more adventurous foreign policy toward Ukraine.

Weakened Ties, Directionality, and Centrality in Southeast Asia

Southeast Asian states have increasingly concerned about China’s rise in the region and have been suspicious about the intent of the Beijing-financed Belt and Road Initiative projects. However, this has not led regional countries to turn to the United States and its Indo-Pacific Strategy, given the lingering doubts about the Trump administration’s commitment to the region. In short, most Southeast Asian countries have adopted a wait-and-see attitude in the face of the intensifying U.S.-China conflicts in the region. With regard to South Korea’s policy toward the region, President Moon initiated the “New Southern Policy” with the aim of deepening ties with ASEAN countries. However, further progress has not been made, except for launching a special committee on the New Southern Policy.

Tectonic Shifts in the Middle East

Following the end of Syrian civil war, the Russian and Iranian-led illiberal order has become more deeply entrenched in the Middle East. Compared to evolving illiberal forces in the region, however, American leadership in the Middle East has become in question even among its Western allies, since the Trump administration abandoned the Iran nuclear deal. Unlike the Syrian civil war, Yemen crisis is still ongoing with even more intense struggle between the Shia-led Iran and the Sunni-led Saudi Arabia over the influence in the Middle East. Both Iran and Saudi Arabia, however, met with strong challenges in 2018. In Iran, there were huge anti-government protests over the country's failing economy. The Saudi government was largely blamed for the death of Jamal Khashoggi and its credibility was accordingly damaged among Western partners. What is worse for Saudi Arabia is that Turkey, which allegedly possesses audio and video evidence of Khashoggi's death, pressed Washington to reshape its relations with Saudi Arabia. Given all these challenges, the future of the Middle East remains even more uncertain.

The Reemergence of Non-Traditional Security Issues

In 2018, there was a growing concern in the international community about non-military challenges to security. Of many emerging security threats, cybersecurity, in particular, received enormous attention in 2018 with the boom and crash of cryptocurrency that had widespread repercussions for global finance. This event called for creating specific norms and rules regarding emerging security challenges with blockchain technology. Natural disasters such as heatwave, typhoon, and drought were also unprecedented.

US-led Trade War and Destruction of Norms and Order

The Trump administration attempted to upend the global trade order in an effort to reduce the country's trade deficit. A series of revised trade deals undoubtedly undermined the liberal international order. A trade war with China also illustrates Washington's willingness to reduce its deficit and build a new global trade order. The Trump administration replaced the North American Free Trade Agreement (NAFTA) with a new trade deal called the United States-Mexico-Canada Agreement (USMCA) which reflects the American interests in the areas of intellectual property, dairy and automobile industries. With regard to the Korea-U.S. Free Trade Agreement, Seoul and Washington signed a new version in September with little dramatic change. At the same time, however, we also witnessed a strong commitment to a multilateral liberal trade system. All member states of the Trans-Pacific Partnership (TPP), except for the United States, signed a new multilateral trade agreement called the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) on March.

Outlook on 2019: The Year of Choice

South Korea at Strategic Crossroads

2019 will be a year of even more intensified struggle between western liberal democracies and rising revisionist states over global rules and institutions. Non-Western developing states will continue to challenge the postwar liberal hegemonic system. In response, liberal democracies will be more committed to defending the existing liberal world order. In 2019, we expect that states could hardly maintain a policy of strategic ambiguity on the competition between liberal and illiberal powers. South Korea is no exception.

The major diplomatic challenge for South Korea in 2019 is North Korea. In 2018, Seoul has prioritized improving inter-Korean relations over the alliance with the United States. However, there has been little progress on North Korea's denuclearization. In fact, Pyongyang has shown no indication of its willingness to denuclearize. Instead, we have witnessed a widening rift between Seoul and Washington over how to address the North Korean issue. In 2019, South Korea will have to cooperate more closely with its American ally and the international community for the goal of the CVID. Pyongyang is likely to continue to press Seoul to implement inter-Korean agreements and resume economic cooperation. South Korea will have to find the right balance between its bilateral alliance with the United States and inter-Korean ties, and between sanctions regime and its engagement policy.

Other important challenges apart North Korea include managing bilateral relations with the United States, Japan, China, and Russia. Against the backdrop of great power competition in Northeast Asia, South Korea will have to reorient itself in the region and develop a long-term security strategy. With intensifying competition between the U.S.-led Indo-Pacific Strategy and China's Belt and Road Initiative, South Korea may no longer be able to maintain its policy of strategic ambiguity. The future of South Korea in the age of great power rivalry will be determined by its choice in 2019.

Several challenges also remain unsettled within the ROK-U.S. alliance. The defense cost-sharing and the ratification of the bilateral trade relations are among the most imminent challenges to the alliance. More importantly, the two countries will need to work closely together to define the position of the ROK-U.S. alliance within the Indo-Pacific Strategy. Indeed, failure to coordinate in dealing with a rising China may harm the alliance credibility.

With regard to South Korea's relationship with China, THAAD issue remains unresolved. Beijing will continue to press Seoul on the U.S. military presence in South Korea. Indeed, China's support for more engagement toward North Korea may be a double-edged sword for South Korea. Tensions between Seoul and Tokyo over historical issues may lead to undermining their existing cooperation as well as South Korea's position in Northeast Asia. In 2019, Seoul may adopt a two-track approach toward Japan in which it separates history from other issues. With regards to South Korea's relations with Russia, Moscow will continue to call for implementing the existing bilateral agreements on

economic cooperation. Given complex dynamics in Northeast Asia, Seoul is likely to be sidelined in the region if its foreign policy is focused predominantly on North Korea.

Since taking office, President Moon has underscored the importance of expanding South Korea's diplomatic space on a global scale. In line with this strategy, President Moon has sent a special envoy to ASEAN and EU immediately after inauguration. In particular, he initiated the "New Southern Policy" with the aim of expanding and deepening ties with ASEAN countries. Looking back, however, one may question South Korea's willingness to diversify its diplomatic strategy. Its policy toward the Middle East was no exception. South Korea could have expanded its network in the Middle East and become a reliable strategic partner but it failed to do so. Seoul's foreign policy in 2018 seemed to be preoccupied with North Korea-related issues and domestic economic challenges. In 2019, South Korea's diplomacy must go beyond the immediate region surrounding the Korean Peninsula.

Last but not least, South Korea, as a global middle power, can play an important role in maintaining global peace and stability. South Korea's contributions to emerging security threats such as climate change, cybersecurity, and terrorism were insignificant in the year 2018. With its global leadership, South Korea will need to step up its efforts to preserve and strengthen the liberal-led international order which is being fundamentally challenged by illiberal powers.

The United States Caught between Conflict and Change

The 2018 midterm election results may pose a significant challenge for President Trump in the second half of his presidency. Trump's agenda is likely to be halted by a Democrat-led House. With regards to its North Korean policy, the Trump administration is less likely to lift sanctions and rush to a peace treaty until Pyongyang takes concrete steps towards denuclearization. North Korea may gamble and possibly engage in provocative behavior in order to increase its bargaining leverage against the United States. This approach, however, will adversely push the Trump administration to change its approach to dealing with North Korea. With regards to its Middle East policy, Trump's Israeli-Palestinian peace plan is likely to be unveiled in early 2019. While maintaining a trade war with China, the administration will further develop its Indo-Pacific Strategy as an alternative to Beijing's Belt and Road Initiative.

China: Expanding Influencing while Managing U.S.-China Relations

Managing relations with the United States will be a priority for China in 2019. Acknowledging that Washington has the upper hand in their bilateral relationship, Beijing is likely to prefer a compromise. At the same time, however, the heightened uncertainty of its relations with Washington would

increase the necessity for Beijing to protect and expand its influence in East Asia. One interesting move in this direction may require Beijing seeking improved bilateral ties with Japan in 2019.

Japan's Hedge

In line with its efforts not to be sidelined on talks with North Korea, Japan will seek to improve its bilateral relations with China, Russia, and ASEAN member states. At the same time, however, Japan will continue to work closely with its American ally to balance against Chinese expansion in the region. It is also important for Japan to mitigate the negative impact of a U.S.-China trade war on its economy.

Europe: Search for Stability and the Third Way

The EU will need to tackle an overwhelming number of internal struggles that could undermine the solidarity of the bloc. The future of Brexit remains unclear, and Italy's breach of EU fiscal rules in its 2019 draft budget increases concern over another European debt crisis. Whilst intensifying nationalism across the region, there is a continuing struggle among the member states over migrants and refugees. Externally, the EU would need to tackle its major security threats from Russia and China amid strained relations with the United States.

Russia's Search for Entry into the Far East Amid Domestic Instability

Russia's domestic politics in 2019 will greatly depend on a possible constitutional amendment allowing President Putin to run for the 2024 election. Unless Mr. Putin seeks to amend the constitution for his third consecutive term, Dmitry Medvedev is most likely to succeed Putin to become the next Russian President. Putin's attempt to amend the constitution, however, will meet strong opposition in the Federal Assembly. Russia's North Korean policy in 2019 will continue to be focused on trilateral economic cooperation with the two Koreas. More specifically, Moscow is committed to building a gas pipeline and rail lines linking Russia with the two Koreas. The realization of this vision of trilateral economic cooperation, however, is hard to achieve unless international sanctions on North Korea are lifted. In political and military terms, Russia's interests on the Korean Peninsula are best served by preserving the status quo. Its engagement with the Korean Peninsula affairs in 2019 is thus likely to fall short of changing the status quo.

Southeast Asia: Looking for Autonomy in the midst of Deepening U.S.-China Competition

2019 may be the year of transition for Southeast Asian countries, as general elections will be held in Indonesia, Philippines, and Thailand. More importantly, Southeast Asian countries will need to tackle those challenges coming from intensifying competition between the U.S.-led Indo-Pacific Strategy and China's Belt and Road Initiative.

Middle East: Continuing Domestic Insecurity and Instability of the Strategic Environment

Iran's expansion in the Middle East is likely to be restrained due to its largest anti-government protests since the Islamic Revolution in 1979. Iran is likely to maintain its influence in the region by boosting its ties with China, Turkey, and Qatar. Unlike Iran facing domestic challenges, Saudi Arabia will need to deal with the diplomatic challenges of being condemned internationally for the murder of Khashoggi. Mohammed bin Salman who needs to restore his dignity may embark on peace talks over Yemen's civil war. Saudi Arabia is likely to make significant concessions in Yemen peace talks in order to break through its diplomatic crisis, and this will strengthen Iran's influence in Yemen. Meanwhile, Turkish President Erdogan may use the scandal of Khashoggi assassination to further consolidate his power and increase his leverage over the United States and Saudi Arabia. What is worse for those seeking to incorporate the Middle East into the liberal world order is the dispute between the United States and its Western allies over the Iran nuclear deal. The illiberal order is therefore likely to remain a dominant concern in the region during 2019.

Governance: New Governance on Non-Traditional Security

South Korea's diplomacy has long been preoccupied with North Korean affairs. In 2019, however, South Korea will be asked to take part in preserving the liberal international order. South Korea must go beyond its traditional foreign policies of managing the balance of power in Northeast Asia as well as the North Korean nuclear issue and tackle important emerging security threats, such as cyber security, climate change, official development assistance, terrorism and so on.

Trade Strategy: New Developments in Trade System

The trade war between the United States and China is likely to continue in 2019. At the same time, however, there will be some progress related to mega free trade deals. The CPTPP is expected to take

effect before the end of 2018. Negotiations for the Regional Comprehensive Economic Partnership (RCEP) also have moved to a final stage. The emergence of such multilateral trade agreements amid rising protectionism illustrates the resilience of multilateralism in the global trading system.

Selection of Major Issues

U.S.-ROK Relations

Defense cost-sharing and trade relations are among the most imminent challenges to the ROK-U.S. alliance in 2019. The two countries must be careful that these challenges do not harm the alliance. It is important for South Korea to continue to closely cooperate with the United States in dealing with the North Korean nuclear problem. Considering Washington's new approach to foreign policy in the Trump era, however, Seoul also needs to participate in a multilateral liberal trade system to expand its diplomatic space on a global scale. In line with this view, Seoul should use the challenge presented by the United States as an opportunity for broadening its diplomatic portfolio in the coming year.

ROK-China Relations

In 2019, China will seek to expand its influence in East Asia against a backdrop of the growing uncertainty in U.S.-China relations. China will continue to work closely with Tokyo to strengthen bilateral relations. With regards to North Korea, President Xi is likely to visit Pyongyang in commemoration of the 70th anniversary of the normalization of North Korea-China relations. This will strengthen Kim Jong-un's position in North Korea. China will also seek to restore its ties with Seoul, which has deteriorated since Seoul's decision to deploy THAAD. South Korea is likely to face a complex dilemma of maintaining its alliance with the United States and repairing its bilateral ties with China.

Inter-Korean Relations

In 2019, Seoul may face a tough choice between Washington and Pyongyang over how to ensure peace and security on the Korean Peninsula. Pyongyang will consistently insist that it could take steps toward denuclearization only when economic sanctions are lifted. It will continue to press Seoul to resume inter-Korean cooperation. The United States, however, has been consistent that sanctions against North Korea must remain in place until it takes concrete steps toward denuclearization.

Washington is concerned that Seoul's emphasis on inter-Korean economic cooperation could lead to the violation on existing sanctions regime. Considering the potential impact of a weakened ROK-U.S. alliance on the South Korean economy, Seoul will ultimately have no choice but to keep pace with its American ally.

ROK-Japan Relations

In 2019, Japan will continue to present a united front with the United States against North Korea. At the same time, however, it may also seek to hold direct talks with Pyongyang amid growing concern over being sidelined in talks over the North Korean nuclear issue. With its strong commitment to resolving the long-standing issue of abductions of Japanese nationals by North Korea, Japan may be willing to offer humanitarian and financial assistance during the inspection of nuclear facilities in North Korea.

ROK-Russia Relations

President Moon initiated the "New Northern Policy" with the aim of bridging the Eurasian continent and the seas. South Korea's economic cooperation with Russia and other Eurasian countries also serves Russian interests for developing its eastern region. North Korea has also long been sought to boost its economy through foreign investment. Therefore, the two Koreas and Russia are likely to promote a three-way economic cooperation in 2019.

Europe and South Korea

South Korea and the EU share mutual interests in promoting cooperation, particularly against the backdrop of Washington's unilateralism and the rise of China. For South Korea, security cooperation with EU would not only enhance its security but also contribute to upholding the rule-based international system. Indeed, the EU may be able to play as an honest broker in the denuclearization of North Korea. It is therefore important for South Korea to manage its relations with the EU so that it can complement the bilateral coordination with the United States.

Southeast Asia and South Korea

Although South Korea and Southeast Asian countries share common concerns over a number of issues, their cooperation has been limited to trade and North Korea. As of now, it is safe to say that President Moon's New Southern Policy initiated in November 2017 is no different from the previous governments' approach to the region. In 2019, South Korea will need to decide whether it will expand the scope of cooperation with Southeast Asian countries. The third South Korea-ASEAN special summit which will be held in South Korea in 2019 might be a watershed moment for the future of the New Southern Policy.

The Middle East and South Korea

The emergence of the Iranian and Russian-led illiberal order in the Middle East is a serious impediment to North Korea's denuclearization process. More specifically, North Korea has been able to sell weapons to armed forces in the region with the support of Iran's hardliners. In light of this, the slowdown of Iran's expansion in the region may have a positive impact on North Korea's denuclearization. The prospects for South Korea's economic cooperation with Iran are not bright. The restoration of United States sanctions on Iran is likely to force South Korean companies, as well as Japanese and European companies, to choose between the Iranian market and the American market.

Global Governance and South Korea

Emerging security threats, such as new technologies and climate change, may pose unprecedented socio-economic challenges for the international community. What is worse is the absence of relevant norms and rules in addressing these security threats. As a global middle power, South Korea will need to participate actively in the process of developing global governance that can handle such new challenges.

Trade Strategy and South Korea

The trade war between the United States and China calls for developing long-term, comprehensive trade policy. In 2018, we have witnessed the limitations of the global trading system based solely on bilateral agreements. In the face of rising protectionism, several important multilateral trade frameworks such as CPTPP and RCEP are expected to emerge in 2019. Against this backdrop, South Korea is encouraged to develop a trade policy that supports the multilateral liberal trade order.