



## Envoy, THAAD and Korea-China relations under Moon Jae-in by Seong-Hyon Lee

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The seating “mishap” during the meeting between Chinese Communist Party leader Xi Jinping and Lee Hae-chan, South Korean President Moon Jae-in’s special envoy, was seemingly innocuous, but was, in fact, a carefully planned diplomatic discourtesy. It was meant to signal the new Moon government that it should not assume that a change of government means that Seoul can automatically reset relations with China without halting the deployment of a Terminal High Altitude Area Defense (THAAD) battery. Candidate Moon argued that the THAAD issue should be left to the next government to decide. Having become South Korea’s new leader, China has high expectations for Moon to move in that direction and withdraw THAAD.

When Xi and Lee met there was a conspicuous difference in the way the Chinese host treated his visitor. Xi sat alone at a center head table while the Korean envoy was seated below him. In the past, the South Korean envoy, representing the newly-elected president, was seated side-by-side with the Chinese leader, on an equal footing. The change of seating was widely noted. Having played this role before, Lee, a former prime minister and seven-term lawmaker, recognized the difference. Thirteen years ago, representing the then newly-elected President Roh Moo-hyun, Lee met Hu Jintao, then China’s top leader. They sat side by side, on an even seating arrangement.

During the Korean envoy’s visit, in front of cameras, Beijing underscored the importance of bilateral relations, but behind closed doors China pressured the Korean envoy. On THAAD, China wants Korea to take “concrete measures” (juti de cuoshi) to reset relations. The lifting of economic retaliation may be “wishful thinking” by South Korea. On the day of the envoy’s visit, three Lotte outlets were allowed to resume business; but three day later they were shut down again.

News stories of the “lifting” of China’s economic retaliation are not seen as part of a Chinese government policy shift. The reactivation of Lotte Mart’s website, the price increases of China-related stocks, signs of resuming academic exchanges and calls to explore new business deals are likely to be “opportunistic” maneuvers by Chinese institutions and businessmen, preparing for the easing of the “anti-Korea” ban. The news that Xi made a congratulatory call to Moon prompted these reactions, as China is a country where the emperor’s cough implies a thousand words to his minions.

Before the presidential election, Korean interlocutors who visited China attempted to lower Chinese expectations by conveying that “with THAAD already being deployed, it is difficult to undo.” Yet, with Moon in the Blue House, China believes that there is a 50-50 chance of reversing the decision, depending on how hard it tries, and it will use both pressure and appeasement to get its way.

China appears to have decided not to consider a list of Korean “solutions” that include: 1) Moon’s proclamation that THAAD will only be used against North Korea; 2) Seoul will not join the US-led missile defense system; 3) the THAAD radar’s range can be adjusted; 4) once the North Korean threat is removed, THAAD will be removed.

The view that China is in search of a “THAAD exit strategy” has been heard in South Korea in an amplified fashion, due to discord created by diverging positions between China’s Foreign Ministry and the People’s Liberation Army (PLA).

China wants Korea to take “concrete” measures rather than making “declarative” statements. China’s position seems to be: 1) withdraw THAAD; 2) if that is not feasible because THAAD is deployed, then “unplug” (badio dianyuanxian) it. While holding onto its “de jure” position, China is also willing to consider a substantial “alternative.”

Xi didn’t mention the word “THAAD” during his meeting with Lee, but everyone knew it was the most prominent bilateral issue. This was an important signal in China’s diplomatic game. The official *People’s Daily* placed the picture of Xi and the Korean envoy shaking hands on its front page, granting official significance to the event, despite the “seat arrangement fiasco.” This means China is willing to continue consultations with the Moon government on the issue. This is considered progress from the Park administration when China even refused to meet with Park’s officials after she announced the deployment of THAAD.

China will likely be in a “wait and see” mode, and won’t exacerbate its economic retaliation. It will carefully watch how the Moon government handles the THAAD issue, including discussions at the National Assembly. China will also occasionally allow some “hallyu” star to perform there. In this way, it will try to bypass international criticism over its economic retaliation against South Korea. This is likely to create confusion and debate among the commentariat regarding whether China has lifted its economic retaliation.

*PacNet commentaries and responses represent the views of the respective authors. Alternative viewpoints are always welcomed and encouraged.*