



The Deepening of Sino-North Korean Economic Cooperation and South Korea's Responses

Despite of the tight situation of the relations between North and South Korea, Sino-North Korean traditional cooperation and friendship have been held. Economic cooperation in the borderland between China and North Korea is being conducted constantly.

Because of the Korean Peninsula's particularity over geopolitics, Korea is faced with the dilemma of attaining coincidentally two goals which are North Korea's denuclearization and the unification of the Korean Peninsula. Although the sanctions on the North by the United Nations go on wheel to realize North Korea's denuclearization, the trend of strengthening Sino-North Korean economic cooperation has marred the effect of international sanctions against the North. Sino-North Korean Economic cooperation on the other hand brings about changes in the North which are fundamental to the unification of the Korean Peninsula. As the Chinese reform and openness has mentioned as solution of the North's economic difficulty, it's hard for Korea to deny the positive effect of the Sino-North Korean economic cooperation.

Korea needs to establish policies not only to solve North Korean nuclear issue, but also to respond to the Sino-North Korean economic cooperation. First of all, cooperation between Korea, U.S. and China is essential to cope with North Korean nuclear issue. The three countries need to reach an agreement on North Korea's denuclearization, reform and openness, and joint disposal of nuclear threats and provocations, while assuring North Korea's security.

Geoeconomically, new economic cooperative measures between two Koreas and China should be found. First, joint control of the South and North should be strengthened in the existing economic cooperation between South and North Korea as exemplified by Gaeseong Industrial Complex. Second, after constructing Pan Yellow Sea Economic Bloc through the Sino-Korean cooperation, we need to make North Korea participate in that. Third, development projects of social overhead capital should proceed consistently for the success of North Korea's economic development strategy.

Gyeonggi-Do as the local government is able to play an important role in responding Sino-North Korean economic cooperation as well. First, Gyeonggi-Do has to concentrate on the resultful projects among the existing projects for North Korea, while digging out the new projects that have low impact on relations between North and South. Second, Gyeonggi-Do should promote light industry cooperation connected with Gaeseong Industrial Complex in preparation for improving relations between North and South Korea. Third, to strengthen agricultural cooperation between North and South Korea is an important approach to seek so called 'green-détente'. Fourth, because the energy situation in North Korea has took turned for the

worse, it's needed to enlarge cooperation on energy issues. Fifth, North Korean' awareness about market economy and economic cooperation with South Korea should be raised through training education for managers and executives. Finally, Gyeonggi-do needs to establish pilot areas for Sino-Korean free trade in Gyeonggi-do and shandong province in preparation for Korea-China FTA and make joint advance to North Korea.

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