3. Changes in US-China Relationship a	around the Korean Peninsula
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Strategic Geopolitical Position of the Korean Peninsula amid US-China Competition

Strategic Geopolitical Position of the Korean Peninsula amid US-China Competition

- Should the competition between the US and China develop into a security-based competition, the most important geopolitical area will be the West Pacific region. China regards this area highly and calls it the "first island chain," while the US emphasizes the necessity of the Taiwan-Korea-Japan chain to block the Pacific areas off from China.
- Both the US and China are doing various strategic calculations in order to take full advantage of the divided state of the Korean Peninsula and make future changes that capitalize on their geopolitical benefits.
- South Korea, as an ally of the US, maintains a good international reputation as one of the greatest examples of democracy combined with economic development and growth into the ranks of the advanced countries. The US considers Korea to be a beneficial strategic ally, while China presupposes that its relationship with Korea will be a successful one, regarding its strategy for future relationships with neighboring countries, and puts great effort into maintaining the diplomatic relationship.

US-China Agreement and Cooperation regarding Nonproliferation and the North Korea Nuclear Problem

Unification of the Korean Peninsula and Diplomatic Direction of Unified Korea as Main Considerations of Both the US and China

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US-China Agreement and Cooperation regarding Nonproliferation and the North Korea Nuclear Problem

- The US pursues the denuclearization of North Korea in order to maintain the global order of nonproliferation, and China cooperates with the US, as one of the responsible powerful nations, toward US-led nonproliferation.
- Both countries continue their efforts for the denuclearization of North Korea via the six party talks, yet react sensitively to any future changes in North Korea.
- Since the North Korea nuclear issue is closely connected to the general problems in North Korea and directly related to the future of the Korean Peninsula, the US and China are closely watching any development in the North Korea nuclear issue.

### Unification of the Korean Peninsula and Diplomatic Direction of Unified Korea as Main Considerations of Both the US and China

- After the emergence of the Kim Jeong-un regime, and the lack of clarity in the mid- to long-term future, the unification of the Korean Peninsula has become a major current issue.
- China fears sharing a border with a unified Korea that maintains an alliance with the US. And although China prefers the status quo, it is keeping an eye on the possibility of South Korea-led unification. However, since North Korea, led by Kim Jeong-un, follows an unpredictable and provocative strategy, leading to a stronger alliance between Korea and the US, China needs to move beyond the status quo.
- While both the US and China would closely watch any diplomatic changes after the unification of the two Koreas, they worry about what kind of strategic directions they should make regarding the North Korean nuclear issue and its general problems.

# **CHINA** WATCHING

# US and China: Competitors or Partners?

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### Suggestions

### Development of Diplomatic Equation for the Korea-US-China Relationship

- Amid the intensified diplomatic competition between the US and China in East Asia, mutually satisfactory diplomacy is becoming increasingly difficult to achieve.
- Korea has suggested combining the Korea-US alliance with a strategic cooperative relationship with China; however, considering the progress of various issues, it seems inevitable that the US and China will express some degree of dissatisfaction on each issue.
- Therefore, while managing the dissatisfaction of the US and China, originating from their competition, Korea should clearly state its position of autonomy, emphasizing its position to pursue regional architecture and multilateral cooperation in order to channel the competition between the US and China into a more cooperative relationship, as it is important that the US and China cooperate.

### Middle Power Diplomacy to Strengthen National Power

- Korea needs to pursue a regional strategy that secures the flexibility of the regional structure and prevents the competition between the US and China from escalating to military confrontations. This can be considered middle power diplomacy, since it pursues universal benefits for the region.
- Korea should draw up a detailed plan for middle power diplomacy to facilitate cooperation among other middle powers in East Asia, diplomacy based on universal values, and the resolution of conflicts through peaceful means.
- On the other hand, while promoting middle power diplomacy, Korea should take the pragmatic and realistic stance of securing national power by building its economic, military, and soft power.

## Pursuit of Harmony among North Korea Strategy, Unification Strategy, and East Asia Regional Strategy

- Should unification suddenly occur, Korea needs to make preparations to reduce the cost of such unification, deal with the uncertainty in North Korea, and pursue unification diplomacy in order to gain the support of neighboring countries.
- South Korea needs to demand North Korea's strategic determination through effective sanctions, as a way of ensuring a peaceful and progressive unification, while at the same time, strengthen talks with North Korea to help realize the normalization of North Korea.
- Korea needs to revise its existing unification plans to match the current situation and secure diplomatic resources.

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### Issues

### 1. Present and Future of New Power Relationship between the US and China

The power gap between the US and China is narrowing, and the two countries are making various efforts to peacefully manage this change As two countries understand that the shift of dominant power has been resulted from the war in modern international relationship, the US and China are competing against each other and helping each other at the same time, doing their best to avoid any military confrontation. Both the US and China are preparing a variety of frameworks to strengthen cooperation on global governance and transnational issues at a global level. However, the competition and conflict between the two countries is growing in East Asia, where security is a major issue. At summit talks in June 2013, At summit talks in June 2013, both the US and China attempted to establish a both the US and China new type of great power relationship attempted to establish a new type of great power relationship The main point of the new power relationship between the US and China was the agreement to respect each other's core interests and engage in mutually beneficial activities. After this agreement, they attempted to address issues of mutual benefit, such as the North Korea nuclear problem and cyber security. However, unlike the cooperation established under the new power relationship, the two countries have begun to engage in competitive zero-sum diplomacy in an effort to attract other East Asian countries over to their side. Whereas China is strengthening its diplomacy with neighboring countries and encouraging them to join the AIIB that it is planning to establish, the US is strengthening its existing alliances through its rebalancing strategy and solidifying its strategic cooperative relationships with countries in the region. Both countries are competing Competition between the US and China seems like a competition over norms to establish norms and and institutions to resolve specific issues rather than a direct military institutions for the resolution of competition issues that are favorable to themselves Both countries are competing to establish norms and institutions for the resolution of issues that are favorable to themselves, rather than using military power for quick resolutions under the circumstances of conflicts over core interests. So called "soft balancing" and "institutional balancing". Since China emerged from the international order led by the US, it has been making diplomatic efforts for its own benefit, rather than as way of directly challenging the US-led order, while maintaining general frameworks. At the same time, China is stepping up its diplomacy (including public diplomacy) in order to win over other East Asian countries.

2. Future Developments of the US-China Relationship

### **Emergence of US-China Relationship with Similar National Power in 2020s**

- The Xi Jinping administration is striving to achieve economic growth of about seven percent over next ten years, strengthen the economy by boosting domestic demand, resolve the problem of domestic inequality, and eradicate internal corruption.
- Also, China's national defense budget has been increasing by over 10 percent annually, and it continues to develop strategic weapons while promoting the military strategy of anti-approach and area denial
- On the other hand, the US is under legislative pressure to reduce its national defense budget over next ten years, but as a hegemon, is diverting more and more of its national power and resources to resolve various global problems, including those in Asia.
- Therefore, a balance of power is expected to be reached between the US and China in Asia by the 2020s

### Developments in the US-China Relationship Over the Next Ten Years

- In order to maintain their new power relationship, both the US and China will try not to undermine the mutual benefits that the relationship brings, yet they are likely to engage in frequent and fierce competition over various individual issues in order to secure an advantageous position in the competition that is expected in the 2020s.
- The two countries will avoid creating situations that introduce the possibility of armed conflict in the main conflict areas of the South China Sea, East China Sea, and North Korea. However, the arms race and diplomatic competition to secure more strategic allies will continue.

### Possibility of Significant Changes in US-China Relationship in Ten Years

- The relationship between the US and China over the next ten years can be forecasted based on the present situation; however, the status of the relationship in the ten years after that is very difficult to predict. Considering the economic inequality, political democratization, and sustainable economic growth that China is experiencing, it is difficult to predict what kind of new relationship will develop after the competition in the 2020s.
- On the other hand, the US is likely to strengthen its power by resolving its fiscal deficit and maintaining steady economic development for the next ten years. Professor Joseph Nye mentions that changes in international politics take place not only between nations but also through the diffusion of power, including non-state actors, and so he predicts that the US will be able to strengthen its national power.
- Therefore, it is necessary to take a closer look at the order in which these variables of the US-China relationship will develop, and prepare accordingly

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Therefore, a balance of power is expected to be reached between the US and China in Asia by the 2020s

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