



The recent landmine explosion at the Demilitarized Zone (DMZ) between the Koreas has left inter-Korean relations highly tense. But dramatic high-level talks were held between the two Koreas (two-plus-two), which is beginning to raise hopes for normalization. The fact that the talks resulted in the resolution of a highly volatile situation and eased military tensions through dialogue is in no doubt a positive intervention. Before discussing the merits of the case, it is appropriate to acknowledge that it succeeded in protecting the rights and interests of the Korean people.

Similar to the Yeonpyeong Island incident in 2010, the United States and China once again seem to have played a crucial role in the process of crisis management. The United States took actions to alleviate North Korea's additional provocations, at the same time inhibiting the aggressive North Korea policy of South Korea (ROK) by reconfirming its solid security commitment to the ROK. China also reiterated the traditional position that emphasizes peace and stability on the Korean Peninsula and hoped for controlled actions by both parties.

Amid of the region's economic interdependence is deepening and its state-of-the-art weapon systems, including nuclear weapons, are advancing, a clash on the Korean Peninsula is no doubt a worst-case scenario for both the US and China. It is because both countries have alliance relations with South Korea and North Korea, respectively, so the conflict in Korean peninsula could lead to a military clash between the US and China. But as China's current top national goal is economic development, stability in China-US relations and in the US market is crucial. For the United States, China is an important economic partner who is investing in US Treasury bonds with the dollars earned through its trade surplus in the US, helping to preserve the huge current account deficit of the United States.

Both the "stakeholder relations" and the "new type of great power relations" are concepts used by the US and China clearly with an objective to avoid war and to maximize common interests through mutual cooperation. In other words, it is more like an oligopoly rather than a competition as each of the two states is seeking to maximize its own interests. Thus, avoiding conflict on the Korean peninsula that can drive the bilateral relations to a catastrophic end serves as a key policy goal for both Washington and Beijing. This point is reinforced by the strong consensus reached between the US and China on the stability of the Korean Peninsula during the Sino-US summit in January 2011.

Of course, the cooperative relations between the US and China surrounding the Korean Peninsula does not mean full cooperation between the two countries. In the market, there are oligopolies among companies in which unilateral price cuts and other acts of betrayal are lingering. The United States is trying to restrain China through its 'rebalance to Asia' policy while China is engaging in an 'anti-access' strategy to seek a breakthrough which demonstrates that there is still a current of balance of power flowing between the US-China relations.

In regards to the Korean peninsula, the US and China are both vigilant towards the possibility of

being betrayed by either country under the major premise of conflict prevention on the Korean Peninsula. The US and China are both seeking reliable and stable management of their allies in the North and the South while at the same time attempting to undermine the opponent's sphere of influence.

In this context, the recent development between ROK-China relations deserves a closer look. The trade volume between South Korea and China has already surpassed the economic trade between South Korea and the United States. Moreover, South Korea has expressed interest in taking part in the China-led Asian Infrastructure Investment Bank (AIIB), which is challenging the hegemony of the US dollar and aiming to become the financial hub for the internationalization of the yuan. In the political sphere, President Park Geun-hye's decision to attend the China's World War II Victory Day military parade demonstrates the intimate bilateral relations between Beijing and Seoul. From a Chinese perspective, advancing relations with South Korea can only be a good card to guard against the US influence and strengthening strategic alliance between the US and Japan.

Of course, China has an incentive towards Seoul but at the same time it has a rational obligation to reliably manage relations with North Korea because strengthening ROK-China relations may alienate the North. In this case, it raises the possibility for the 'blood brother' (North Korea) to deviate from China's sphere of influence and detach from China to jump on the US bandwagon.

North Korea's third nuclear test and Jang Song Thaek's execution has left China-DPRK relations at a stalemate. Since then, Kim Jong Un was accused of harshly criticizing China, and the recent remarks by the ROK chief representative of the six-party talks that the "DPRK-China relations has changed in nature," may be understood in the context of breakdown in the DPRK-China relations. This is also closely related to Japanese prime minister Shinzo Abe's announcement for a possible visit to Pyongyang and improved relations between Japan and North Korea.

From the perspective of China, however, with the possibility of being betrayed by the United States, there is no rational motive for China to give up on North Korea, which has geopolitical value. This is a separate issue from China's fatigue with the North Korean regime. In other words, even in the extreme case that China abandons the Kim Jong Un regime, Beijing cannot give up the strategic value of North Korea. This is similar to the geopolitical value of South Korea for the US in the 1970s, as the ROK served as an important outpost.

In fact, China's World War II Victory Day celebrations could have been an important event to restore China-DPRK relations and maximize China's interest on the Korean peninsula. For example, if China succeeded in arranging an inter-Korean summit through the Victory Day celebration, China would have been able to secure a symbolic influence in the Korean peninsula and at once overwhelm the United States. But if Kim Jong Un's plan to attend the event has collapsed, it is likely for China to embark on the restoration of Sino-DPRK relations while simultaneously being committed to advance Sino-ROK relations.

If Sino-DPRK relations is not restored and Pyongyang is further alienated by the growing Sino-ROK relations, North Korea may try to complicate the alliance dilemma further by engaging in missile launches and nuclear test, forcing China's alliance obligations, or Pyongyang may opt to alienate China and seek ways to improve relations with Japan and the United States.

Historically, it is undeniable that the Korean peninsula served as a key variable between the great powers in the region, and this influenced its destiny. The Korean peninsula was colonized by Japan after the secret Taft-Katsura agreement in 1905 and faced national division in 1945 from the "Yalta System" of US-Soviet cooperation. Now, the US and China are playing a duet of cooperation surrounding the Korean peninsula. This is an uncomfortable truth for Korea.

Policy that promotes peace and stability on the Korean peninsula comes from a precise analysis of reality. A correct reading of the situation in the peninsula is crucial, and especially a correct understanding of the double-sided characteristics of US-China relations. Arguments that the

United States and China will engage in hegemonic struggle or that China could give up on North Korea are not based on proper and accurate understanding of US-China relations. If the ultimate goal on the Korean peninsula is to protect the rights of the people of Korea, it is crucial for South Korean policymakers to form an in-depth understanding of power relations between the major powers in the region.

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