

South Korea's Foreign Policy Adjustments Toward China After the Thaad Crisis

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ABSTRACT

The crisis related to the deployment of the Terminal High Altitude Area Defense (THAAD) system in South Korea in July 2016 and installed by early 2017, is widely considered a structural turning point in South Korea - China relations. Not merely bilateral security disputes, the THAAD crisis is also a concrete manifestation of the strategic dilemma faced by South Korea, as structural pressures from U.S. - China competition compel Seoul to continuously adjust its foreign policy in order to maintain a balance between security and economic interests. The article seeks to analyze and assess South Korea's foreign policy adjustments toward China after the THAAD crisis, utilizing a neoclassical realist framework and middle power theory. It argues that Seoul's policy adjustments, including reassurance diplomacy, strategic ambiguity, and diversification of partnerships, have helped stabilize South Korea - China relations in the short term. However, the relationship remains constrained by major power competition and alliance commitments. The THAAD case illustrates the structural limits of middle power diplomacy in an increasingly polarized geopolitical environment.

Keywords: THAAD; South Korea's foreign policy; South Korea - China relations; U.S. - China competition.

INTRODUCTION

In the first two decades of the 21st century, South Korea - China relations have been regarded as a model of pragmatism in international relations. Since the establishment of diplomatic ties in 1992, despite ideological differences and a security alliance, the two countries have rapidly expanded cooperation in the fields of economics, trade, and people-to-people exchanges. China has become South Korea's largest trading partner, with bilateral trade peaking at \$300 billion in 2023, while Seoul has emerged as a key economic and technological partner for Beijing in Northeast Asia (Snyder, 2018). The 2016 - 2017 THAAD crisis disrupted this trajectory, however, triggering a deep diplomatic crisis between Seoul and Beijing and plunging the bilateral relationship into its most strained period since normalization. For South Korea, the THAAD was a defensive measure aimed at countering the growing missile and nuclear threat from North Korea. Conversely, China viewed the deployment not only a response to North Korea, but also a part of the U.S.-led regional missile defense structure, directly threatening Beijing's strategic security interests. As a result, China imposed informal economic sanctions, causing estimated \$7.5-10 billion in losses to the South Korean economy, particularly in the tourism, retail, and high-tech sectors, exposing the vulnerabilities of South Korea's dependence on its largest trading partner.

Consequently, the THAAD crisis was not only a technical-military dispute but also a manifestation of strategic interest conflicts, reflecting the structural clash between South Korea - U.S. alliance and China's growing regional stature. Facing with strong economic and diplomatic pressure from Beijing, Seoul was forced to adjust its foreign policy to limit economic losses, restore bilateral relations, and avoid undermining its security alliance with the United States. The article aims to analyze and assess South Korea's foreign policy adjustment toward China after the THAAD crisis, utilizing a neoclassical realist framework combined with middle power theory. The article argues that the THAAD crisis forced Seoul to become more aware of its economic dependence and the limitations in balancing between its U.S. alliance and Chinese trade partnership. In response to China's strong reactions, including informal economic sanctions, South Korea was compelled to recalibrate its foreign policy to restore bilateral relations with China while maintaining the South Korea - U.S. security alliance. Specifically,

the article tracks South Korea's approaches from reassurance diplomacy with the "Three Nos" commitment and efforts to restore relations under the Moon Jae-in administration (2017 - 2022) to reaffirming the U.S. alliance and a "global pivotal state" strategy under the Yoon Suk-yeol administration (2022 - 4/2025), and pragmatic diplomacy under the Lee Jae-myung administration (6/2025 - present). By comparing these administrations' approaches, the article demonstrates that South Korea is gradually moving beyond the security-economics dilemma to reposition its international status and bilateral relationship with China amid intensifying great power competition.

THEORETICAL FRAMEWORK AND RESEARCH METHODS

Theoretical framework

Neoclassical Realism and the Analysis of Foreign Policy Adjustment

To analyze South Korea's adjustment of foreign policy towards China after the THAAD crisis, this paper employs the theoretical framework of neoclassical realism. This approach was developed in the late 1990s to address the limitations of structural realism in explaining states' foreign policy. Rose argues that a state's foreign policy not only reflects the distribution of power in the international system but also the domestic matters such as leaders' perceptions, institutional structures, and internal political pressures (Rose, 1998). This means that under identical structural pressures, different states may respond in different ways.

For South Korea, the THAAD crisis can be interpreted as a structural shock arising from two main factors. First, the rapid advancement of North Korea's missile and nuclear capabilities has altered the security environment on the Korean Peninsula. Second, the intensification of strategic competition between the United States and China is leading to increasing "geopoliticization" of regional security issues. However, South Korea's response to the crisis is not merely a direct result of changes in the distribution of power, but is also strongly influenced by domestic factors such as the political calculations of the government, pressures from business groups, and public opinion.

According to Schweller, one of the important contributions of neoclassical realism is its emphasis on the role of "state extraction capacity" in shaping foreign policy (Schweller, 2006). This is particularly relevant to the case of South Korea, where the government must balance security interests and economic interests in formulating its foreign policy toward China. China is not only a potential strategic adversary but also South Korea's largest trading partner, leading to an asymmetric economic interdependence. Furthermore, Zakaria also emphasizes that the transformation of material power into foreign policy depends on the state's capacity to convert resources into strategic power (Zakaria, 1999). Applying this to South Korea, it shows that despite its considerable economic and technological potential, the country's ability to transform those resources into strategic power is constrained by its alliance structure with the US and its economic dependence on China. Therefore, the neoclassical realist framework enables an explanation of why South Korea's foreign policy after the THAAD crisis reflected tactical recalibration rather than a strategic realignment.

Middle Power Theory and Flexible Balancing Strategy

In addition to neoclassical realism, the article also employs middle power theory to analyze South Korea's foreign policy. The concept of a middle power typically refers to countries that are not great powers but possess sufficient economic, diplomatic, and institutional capabilities to play a mediating or facilitating role in the international system. According to Eduard Jordaan, the middle powers typically pursue three main characteristics in their foreign policy: (1) prioritizing multilateralism, (2) seeking a mediating role in international conflicts, and (3) using diplomacy to maximize their influence beyond their power capabilities (Jordaan, 2003). In the context of Northeast Asia, South Korea is often considered a typical example of a middle power. As Scott Snyder points out, South Korea's foreign policy over the past several decades has been characterized by a "hedging" strategy - that is, maintaining a strong security alliance with the United States while simultaneously promoting extensive economic cooperation with China (Snyder, 2020).

However, the “hedging” strategy has become increasingly difficult to sustain as U.S.-China competition has taken on a more structural and ideological nature. In this context, middle powers like South Korea must seek to adjust their foreign policy to avoid being forced to choose entirely between the two great powers. One of the common strategies adopted by middle powers is strategic ambiguity. According to Evelyn Goh, strategic ambiguity allows countries to maintain relationships with competing great powers while avoiding commitments that might provoke negative reactions from others (Goh, 2005). In the case of South Korea, this strategy is clearly demonstrated by Seoul’s commitment to the “Three Nos” to reassure China without signing any legally binding agreements that could constrain its alliance with the United States. Furthermore, the middle-power theory also emphasizes the role of multilateral diplomacy and diversification of partnerships in minimizing strategic risks. South Korea's New Southern Policy towards Southeast Asia and India can be interpreted as its attempt to reduce dependence on China and broaden its strategic space.

Research Methods

This article uses a combination of qualitative research and case study to analyze the THAAD crisis as a typical example of the foreign policy adjustment process of a middle power in the context of great power competition. The THAAD crisis was chosen as a case study for three main reasons: *First*, it is a pivotal event in South Korea - China relations since the two countries established diplomatic relations in 1992. The deployment of THAAD not only generated serious diplomatic tensions but also exposed the limitations of South Korea's balancing strategy among great powers. *Second*, the THAAD crisis illustrates the intersection of various structural factors, including the regional security environment, US-China strategic competition, and economic interdependence among countries. This makes the THAAD case a typical example for analyzing the behavior of middle powers in a changing international system. *Third*, this case provides a wealth of data from policy documents, official government statements, and academic studies, allowing researchers to comprehensively analyze the process of foreign policy adjustment.

Based on data collected from three main groups, including government policy documents and official statements, academic articles, and policy reports from think tanks and international organizations, the study analyzes and assesses the economic impact of the THAAD crisis, while also analyzing foreign policy discourse and comparing policies across different administrations.

Although the qualitative research method allows for in-depth analysis of policy processes, this study still has certain limitations. *First*, it relies mainly on secondary sources, which may be influenced by the interpretations of previous authors. *Second*, since the study focuses on the case of South Korea, its conclusions may not be entirely applicable to other countries in the region. However, the use of multiple data sources and the combination of different theoretical frameworks help to partially mitigate these limitations and increase the reliability of the article.

The THAAD crisis and its economic impacts on South Korea

In the 2010s, the security environment on the Korean Peninsula became increasingly unstable due to the rapid development of North Korea's nuclear and ballistic missile programs, both in terms of frequency and range. Pyongyang's successive nuclear and missile tests after 2010 marked significant advancements, including the testing of medium and long-range nuclear and ballistic missiles capable of directly threatening the security of South Korea, Japan, and even the United States. North Korea’s advancements have significantly increased the pressure on Seoul to enhance its missile defense capabilities. In particular, North Korea's repeated violations of UN Security Council resolutions, conducting two nuclear tests in January and September 2016, seriously destabilized regional security. Ballistic missile launches in 2016, including medium and long-range missiles as well as submarine-launched ballistic missiles (SLBMs) demonstrated Pyongyang’s growing capability to develop strategic strike forces, moving closer to nuclear attack capability that could directly threaten South Korea and U.S. allies in the region (IISS, 2017).

The rapid increase in the missile threat raised growing concerns among policymakers in Seoul and Washington regarding the effectiveness of the existing missile defense systems. In this context, to strengthen the US-South Korea alliance, the US has promoted the construction of a multi-layered missile defense shield in the region,

including the Terminal High Altitude Area Defense (THAAD) system, considered a line of defense for intercepting ballistic missiles in the final stages of their trajectory, thereby complementing South Korea's existing missile defense systems.

The proposal to deploy Terminal High Altitude Area Defense (THAAD) in South Korea was discussed between the US and South Korea from around 2015, but it was only truly accelerated after North Korea's long-range missile launch and nuclear test in early 2016. On July 8, 2016, Seoul and Washington officially announced their decision to deploy THAAD in South Korea as part of defensive measures to protect alliance forces and the South Korean people from North Korea's nuclear threat, weapons of mass destruction, and ballistic missiles. Park Geun-hye's administration regarded this decision as a necessary measure to safeguard national security amid an increasingly unstable strategic environment. The decision was concretized by the swift transfer of system components, including mobile launchers, interceptor missiles, X-band radar, and control systems to Osan Air Base shortly after a series of missile launches by Pyongyang. This demonstrated the urgency behind Seoul and Washington's defensive calculations.

Although the US and South Korea asserted that the deployment of THAAD solely intends to counter threats from North Korea, the decision immediately faced strong political and diplomatic opposition from China. Beijing strongly opposed the deployment of the THAAD system in South Korea, primarily citing concerns about its X-band radar capabilities. China argued that the radar's range, which can extend over 1,000–2,000 km, allows the U.S. to monitor Chinese military movements and detect missiles launched from Chinese territory, thus undermining its strategic deterrent. On July 8, 2016, Chinese Foreign Ministry spokesperson Hong Lei stated, "China strongly opposes the deployment of THAAD by South Korea and the United States and will take necessary measures to safeguard national security interests". Chinese scholars argue that the system could become part of a regional missile defense network led by the US, thereby altering the strategic balance in Northeast Asia (Liff & Ikenberry, 2014). While the Chinese government officially denied organizing the protests, state media and local officials fostered an atmosphere that fueled anti-South Korean sentiment, resulting in boycotts of South Korean goods (Lim, 2019).

China's response to the deployment of the THAAD system extended beyond diplomatic protests and rapidly escalated to informal economic sanctions against South Korea. This approach exemplifies China's "wolf warrior diplomacy" and the "weaponization of economic dependence". Following the land swap agreement between Lotte Group and the South Korean Ministry of Defense in late February 2017, which provided a site for the US-backed THAAD missile system, China imposed significant economic restrictions on South Korea. On March 15, 2017, China's National Tourism Administration effectively initiated a ban on group tours to South Korea, leading to an immediate and sharp decline in Chinese visitors. Chinese tourist arrivals dropped by approximately 40% year-on-year. The number of Chinese tourists for the entire year of 2017 fell to roughly 4.16 million, a decrease of 48.3% compared to the 8 million who visited in 2016. The abrupt decrease in tourists resulted in significant financial damage to South Korea's tourism and retail sectors. Estimates for the total economic losses to the tourism industry ranged from \$5.4 billion to \$7 billion (Diaz & Zhang, 2017). The leading Korean retail group, Lotte, suffered the most severe losses, being forced to close 87 out of 112 supermarkets in China since March 6, 2017. Lotte Mart's sales dropped by 76.9% compared to the previous year, and in October 2018, the Group announced its complete withdrawal from the Chinese market (Lim, 2019). Another sectors, such as cosmetics, fashion, and Korean cultural products, were removed from Chinese online platforms. Hyundai-Kia automobile sales dropped by 40%, and Samsung's semiconductor products faced prolonged customs inspections. The total estimated losses ranged from \$7.5 to \$20 billion, accounting for 0.4 - 1% of South Korea's GDP in 2017.

South Korea's foreign policy adjustment after the THAAD crisis

As analyzed above, the 2016-2017 THAAD crisis marked a significant turning point in relations between the two Northeast Asian neighbors, South Korea and China. Beijing's diplomatic and economic retaliatory measures inflicted heavy losses on South Korea's economy and exposed vulnerabilities of its dependence on its largest trading partner. This crisis is not only a diplomatic incident but also a "strategic shock", forcing Seoul to reconsider the strategic risks associated with intensifying great power rivalry. Against this backdrop, successive South Korean administrations have adjusted their foreign policy towards China to mitigate bilateral tensions. Three prominent phases can be identified: *reassurance diplomacy and the "Three Nos" policy under the Moon*

Jae-in administration, a trend of strengthening ties with the United States under Yoon Suk-yeol, and a pragmatic diplomatic approach under the incumbent Lee Jae-myung administration.

Administration	International context	Domestic/political mediator	Main China-policy adjustment	Temporal character
Moon Jae-in (2017–2022)	THAAD fallout; North Korean diplomacy; rising U.S.–China rivalry	Progressive coalition; preference for inter-Korean engagement; economic pressure from business sectors	Reassurance, “Three Nos,” high-level dialogue, normalization	Short-term crisis management evolving into hedging
Yoon Suk-yeol (2022–Apr. 2025)	Sharper U.S.–China competition; North Korean nuclear advances	Conservative orientation; stronger alliance identity; emphasis on deterrence	Alliance strengthening, strategic clarity, Indo-Pacific strategy, supply-chain diversification	Longer-term risk reduction and alignment
Lee Jae-myung (June 2025–present)	Continued great-power rivalry; economic-security competition; need for regional stability	Progressive government but strong national-interest emphasis; pressure to deliver economic results	Pragmatic engagement with China while retaining U.S. alliance; restoration of dialogue and economic cooperation	Recalibration and selective re-engagement

The Moon Jae-in Administration: Short-term Reassurance and the “Three Nos” Policy

Upon taking office in 2017, the Moon Jae-in administration faced a complex strategic environment. On the one hand, South Korea needed to maintain its security alliance with the United States to counter the threat posed by North Korea. On the other hand, following China’s economic sanctions related to THAAD, South Korea also sought to restore relations with its largest trading partner. To ease tensions with Beijing, in October 2017, the progressive Moon administration announced its so-called “Three Nos” position toward China, including no additional deployment of THAAD systems in South Korea, no integration into the US-led regional ballistic missile defense network, and no development of a trilateral military alliance among the US, Japan, and South Korea. Through these commitments, Seoul sought to assure Beijing that the THAAD deployment would not develop into a broader strategic threat to China’s security interests (Liani J.N, Teuku & Heryadi, R.D, 2025, p.1087).

Scholars argue that the “Three Nos” policy reflects South Korea’s hedging strategy amidst the increasing US-China rivalry. Seoul’s goal is to reassure China and restore economic and diplomatic relations, while simultaneously maintaining its alliance with the United States. This stance was also intended to mitigate the economic losses caused by China’s informal sanctions following the THAAD crisis (Yang, 2019). In addition, the Moon administration also implemented a series of diplomatic measures to improve relations with China, such as Seoul proactively resuming high-level dialogues, promoting economic cooperation, and strengthening cultural exchanges. These efforts significantly contributed to reducing bilateral tensions after 2018.

Nevertheless, this policy has also met with considerable debate in South Korea. Some analysts argue that the “Three Nos” policy is a concession to Chinese pressure and could undermine the South Korea-US alliance (Glaser & Collins, 2017). Conversely, supporters of the “Three Nos” policy argue that it helps South Korea maintain strategic space and avoid being drawn into the competition between major powers. Overall, the Moon Jae-in administration can be seen as a period during which Seoul pursued reassurance diplomacy towards China, opting for a “strategic ambiguity” approach in US-China relations to avoid choosing sides between the two major powers.

The Yoon Suk-yeol Administration: Value-based diplomacy and a strong pivot toward the United States (US-South Korea alliance as backbone of foreign policy)

President Yoon Suk-yeol's inauguration in May 2022 marked a significant shift in South Korea's foreign policy. Unlike his predecessor Moon Jae-in, who pursued a "hedging" approach between the US and China, the Yoon administration demonstrated a tendency to strengthen strategic ties with the US and its allies, transitioning from strategic ambiguity to clarity in relations with China and the US, and adopting a tougher stance towards Pyongyang. Yoon emphasized South Korea's role as a "global pivotal state", closely aligning its security and values with the U.S. and other Western countries, while promoting freedom, peace, and prosperity through liberal democratic values and international cooperation (Yoon, S., 2022). This orientation is clearly demonstrated in South Korea's Indo-Pacific Strategy announced in 2022. In the strategic framework, the Yoon administration strongly promoted relations with the United States and bolstered trilateral security cooperation among South Korea, the United States, and Japan. Scholars interpret this as a move from a "hedging" strategy to an "alignment" strategy with the United States.

Despite its pro-U.S. tilt, the Yoon Suk-yeol administration still sought to maintain a channel of dialogue with China. The goal is to minimize confrontation and focus on shared economic interests, while resolutely defending democratic values and the international order. However, this balancing act has become increasingly complex as China continues to expand its influence and military activities in the region. Moreover, regarding the THAAD issue, during his presidential campaign, Yoon suggested the possibility of deploying more THAAD systems to counter missile threats from North Korea. This stance reflects a higher priority given to security considerations in South Korea's foreign policy.

This adjustment has heightened concerns in Beijing. China has repeatedly urged South Korea to continue adhering to the Moon administration's "Three Nos" stance, arguing that this policy plays a crucial role in maintaining mutual trust between the two countries (Yonhap News, 2022). From Seoul's perspective, however, a strengthened South Korea-U.S. alliance is seen as necessary in the context of an increasingly unstable regional security environment, especially amid ongoing threats from North Korea's missile and nuclear programs.

The Lee Jae-myung Administration: Pragmatic balance and strategic repositioning

The inauguration of President Lee Jae-myung in June 2025 took place against a backdrop of profound changes in the strategic environment of Northeast Asia. The U.S.-China strategic competition has been intensifying, especially in the realms of technology, trade, and regional security. At the same time, North Korea's nuclear and missile programs continue to increase instability on the Korean Peninsula. In this context, South Korea has met with the complex strategic challenge of maintaining its security alliance with the United States while simultaneously safeguarding its extensive economic relations with China.

China is currently South Korea's largest trading partner, accounting for approximately one-quarter of the country's total trade volume. Therefore, any deterioration in bilateral relations could have a significant impact on the South Korean economy. The THAAD crisis in 2016-2017 demonstrated China's capacity to employ economic measures to exert pressure on Seoul, thereby highlighting South Korea's economic dependence on the Chinese market (Snyder, 2020). In this context, President Lee Jae-myung has adopted a "pragmatic diplomacy" policy as the guiding principle of his foreign policy. He emphasizes that South Korea should pursue a foreign policy based on national interests while avoiding being drawn into the strategic competition among major powers. According to Lee Dongwoo, although the South Korea - U.S. alliance remains the cornerstone of security policy, Seoul must also manage stable relations with China, a partner that exerts significant influence over South Korea's economy and regional security (Lee, 2025). This approach reflects the increasingly prevalent recognition among South Korean policymakers that leaning heavily toward one side (the U.S. or China) may undermine the nation's strategic autonomy. Middle powers like South Korea often seek to maintain strategic flexibility by balancing relations among major powers within the international system (Goh, 2005).

One of the most important objectives of the Lee Jae-myung administration is to restore relations between South Korea and China after a period of tension under the previous administration. Lee asserts that South Korea - China bilateral relations have reached their "lowest point" over the years and need to be managed more stably through

dialogue and pragmatic cooperation. After taking office, Lee has undertaken numerous diplomatic efforts to improve South Korea - China bilateral ties, beginning with a state visit to Beijing in early January 2026. This was President Lee's first official overseas trip since his inauguration, and it marked the first visit by a South Korean president to China in nine years since 2017, in response to Chinese President Xi Jinping's state visit to South Korea and his participation in the APEC Summit in November 2025.

During the meeting in Beijing, President Xi Jinping emphasized that China and South Korea have long adhered to the principles of "valuing harmony" and "harmony without uniformity," overcoming differences in ideological and social systems to achieve mutual success and development. President Xi Jinping pointed out that the world is currently undergoing rapid changes and the international situation is becoming increasingly complex and unstable. As countries benefiting from economic globalization, China and South Korea should work together to counter protectionism, promote multilateralism and a multipolar, equal, and orderly world. President Lee Jae-myung affirmed that South Korea and China are close neighbors with a long history of bilateral relations. Since the establishment of diplomatic relations, the two countries have developed a close cooperative relationship with many positive outcomes. President Lee hoped that the first head-of-state diplomatic meeting in 2026 would be an opportunity to consolidate the relationship and jointly open a new chapter in the development of South Korea-China bilateral relations.

After the meeting, the two leaders jointly witnessed the signing of 15 cooperation agreements in areas such as scientific and technological innovation, ecological environment, transportation, and trade and economic cooperation. Over the 34 years since the establishment of diplomatic relations in 1992, China - South Korea relations have undergone numerous fluctuations. While previous presidents prioritized strengthening defense and economic relations with the United States and Japan, notably the U.S. deployment of a missile defense system in South Korea in 2017, which escalated tensions with China, President Lee Jae-myung has pursued a more cautious and balanced approach. High-level exchanges between the two countries have recently become warmer. In August 2025, President Lee Jae-myung sent a delegation led by former National Assembly Speaker Park Byeong-seug to China, carrying a personal letter from the South Korean President with the message of "bringing bilateral relations back onto a stable and constructive trajectory".

In November, Chinese President Xi Jinping paid an official visit to South Korea after 11 years. Following the meeting, the two leaders agreed to relaunch the regular high-level dialogue mechanism to enhance strategic coordination on regional and global issues, thaw bilateral relations, promote cooperation in the fields of economy, security, and culture, ultimately leading to peace on the Korean Peninsula. This was followed by the visit of the South Korean President to China. The fact that both sides have exchanged visits within just two months is regarded by South Korea as a rare occurrence, clearly demonstrating the determination of both countries to restore political trust and expand strategic cooperation in the aftermath of the THAAD crisis.

One of the key areas of cooperation that South Korea and China are pursuing is the economy. China has been South Korea's largest trading partner for 21 consecutive years, while South Korea has regained its position as China's second-largest trading partner. South Korea plays a crucial role in the global technology supply chain, particularly in semiconductors, electronic components, and batteries, sectors that China is striving to localize to reduce its dependence on Western countries. In the context of an increasingly unstable global economy, both Seoul and Beijing share an interest in maintaining stable supply chains and expanding trade cooperation. These intertwined interests drive the two countries to continue seeking dialogue within a new balance of power.

President Lee Jae-myung stated that South Korea and China have very close economic and trade relations, with many factors that greatly benefit the economic development of both sides. In the past, economic cooperation between South Korea and China was primarily based on a combination of South Korea's advanced technology and capital with China's workforce, reflecting a vertical cooperation model. However, China has recently achieved significant economic growth and development, catching up with and even surpassing South Korea in several areas of technology and capital. Therefore, it is necessary to restructure economic cooperation between South Korea and China into a horizontal cooperation model and an equal partnership. In addition, China and South Korea have significant potential for cooperation in emerging fields such as artificial intelligence, biopharmaceuticals, green industries, and the silver economy.

The South Korean leader also believes that cooperation in consumer sectors such as household goods, cosmetics, food, as well as in cultural content, including film, music, games, and sports could also create new breakthroughs. The inclusion of major business delegations in high-level visits to China is seen as a signal that Seoul seeks to revitalize pragmatic and mutually beneficial bilateral economic cooperation (Jeon, 2026). Furthermore, both countries are also interested in promoting regional cooperation through multilateral economic mechanisms such as RCEP. Analysts believe that strengthening regional economic cooperation could help South Korea mitigate the impact of rising trade protectionism and economic competition among major powers (Xiang Haoyu, 2025).

Another important aspect of Lee Jae-myung's policy toward China is Beijing's role in managing security issues on the Korean Peninsula. China has long played a significant role in diplomatic efforts to resolve the North Korean nuclear issue. The Lee administration urges China to act as a mediator, encouraging dialogue among the relevant parties and reducing tensions on the Korean Peninsula. In discussions with Chinese leaders, Seoul has emphasized the importance of cooperation in promoting regional peace and stability (Kim, 2026). Scholars argue that South Korea's efforts to seek China's cooperation on the North Korean issue reflect the reality that Beijing exerts considerable influence over Pyongyang. Therefore, any progress on the North Korean nuclear issue is unlikely to be achieved without China's involvement (Cha, 2018).

Overall, Lee Jae-myung's foreign policy toward China can be seen as an attempt to strategically rebalance South Korea amidst intensifying major power competition. This pragmatic diplomatic approach enables Seoul to ease tensions in its relationship with China while maintaining its alliance with the United States. However, the success of this strategy depends on various factors, including the evolution of U.S.-China competition, the security environment on the Korean Peninsula, and South Korea's domestic political factors. In the long term, Lee Jae-myung's pragmatic diplomacy can be seen as an expression of a broader trend in the foreign policy of middle powers in Asia - namely, the pursuit of strategic autonomy within an increasingly polarized international system.

EVALUATION AND DISCUSSION

Neoclassical realism argues that the national foreign policy is not only influenced by the distribution of power within the international system, but also shaped by domestic intervening variables, including leaders' perceptions, internal political structures, and the capacity to mobilize national resources (Rose, 1998). From this perspective, states respond to changes in the strategic international environment through policy choices that are adjusted by domestic factors.

For South Korea, as a middle power, the country typically seeks to enhance its international influence through flexible diplomatic strategies, including alliance-building, promoting multilateral cooperation, and acting as a mediator in regional affairs. Such strategies enable South Korea to maximize its interests within an international system dominated by major powers. While its security alliance with the United States serves as the cornerstone of Seoul's defense strategy, China remains South Korea's largest trading partner. This dual dependence creates a strategic dilemma in South Korea's foreign policy, requiring the country to maintain close security ties with the United States while simultaneously protecting its economic interests with China (Snyder, 2020). From a perspective combining neoclassical realism and middle power theory, South Korea's foreign policy adjustments toward China under the three administrations of Moon Jae-in, Yoon Suk-yeol, and Lee Jae-myung can be interpreted as distinct efforts to address this strategic dilemma.

The Moon administration pursued a strategy often described as hedging to maintain stable relations with both the United States and China. A notable success of this strategy was the reduction of tensions in South Korea–China relations after the THAAD crisis. The adoption of the “Three Nos” policy enabled Seoul to reassure Beijing and paved the way for the restoration of bilateral relations. From the perspective of middle power theory, this approach reflects South Korea's efforts to maintain strategic autonomy between the two major powers. Rather than aligning exclusively with one side, Seoul seeks to leverage the benefits from both sides. This is consistent with the observation by Cooper et al. (1993), who argue that middle powers often employ flexible diplomacy to maximize their national interests. In addition, the hedging strategy has enabled South Korea to maintain an active role in regional cooperation mechanisms. The Moon administration promoted numerous diplomatic initiatives to enhance economic and security cooperation in Northeast Asia, thereby strengthening South Korea's position as an influential middle power in the region.

However, the Moon administration's hedging strategy also revealed significant limitations. *First*, the strategy became increasingly difficult to sustain as strategic competition between the United States and China intensified. As Washington increased pressure on its allies to participate in initiatives aimed at containing China, the space for South Korea's balancing policies narrowed (Ikenberry G. J & Myers J. J, 2011). *Second*, the effort to maintain a balance between the two major powers sometimes leads to South Korea's foreign policy being perceived as lacking a clear strategic direction. Some analysts argue that the hedging strategy may undermine the credibility of the South Korea–U.S. alliance. From a neoclassical realist perspective, the Moon administration's attempts to navigate intensifying Sino-US competition were heavily mediated by domestic political factors, rather than direct systemic imperatives. While the structural environment grew polarized, the administration's "balanced strategy", often termed "strategic ambiguity" or "double allegiance", attempted to maintain the security alliance with the U.S. while fostering economic and diplomatic engagement with China. This approach, aimed at maximizing security via regional stability, ultimately faced limitations as the "two-level game" created conflict between external pressures and domestic desires for inter-Korean detente.

The Yoon Suk-yeol administration (2022-2025) adopted a distinctly different approach by strengthening the alliance with the United States and reducing South Korea's strategic dependence on China. One of the key outcomes of this strategy was the significant consolidation of the South Korea–U.S. alliance. The Yoon administration expanded military cooperation with Washington and enhanced trilateral security cooperation among the United States, Japan, and South Korea. This has served to bolster South Korea's deterrence capabilities against threats from North Korea. In addition, the Yoon administration has promoted a strategy of diversifying supply chains, particularly in high-tech sectors such as semiconductors. This aligns with the trend of restructuring global supply chain amidst the technological competition between the United States and China. From the perspective of middle power theory, this strategy can be seen as an effort to reposition South Korea within U.S.-led regional security architectures. However, the strategy also entails significant limitations. *First*, relations between South Korea and China have become more strained, increasing the risk of economic retaliation similar to the THAAD crisis. *Second*, South Korea's alignment with the United States may undermine its ability to act as a mediator or bridge between major powers, a role typically associated with middle powers.

Under the Lee Jae-myung administration, South Korea has sought to adjust its foreign policy toward pragmatic diplomacy, combining elements of both preceding strategies. Pragmatic diplomacy may help South Korea ease tensions in its relationship with China while maintaining its alliance with the United States. This approach reflects Seoul's efforts to preserve strategic flexibility amid intensifying major power competition. Furthermore, this strategy also aligns with the logic of middle power theory, in which states seek to maximize national interests through flexible and multilateral diplomatic strategies. However, similar to strategies of the two predecessors, the Lee administration's pragmatic diplomatic strategy also faces numerous challenges: *First*, the increasing US - China competition makes it more difficult to maintain a balance between the two major powers. *Second*, South Korean public opinion is increasingly negative towards China may limit the government's ability to promote bilateral cooperation.

Overall, South Korea's foreign policy adjustments toward China after the THAAD crisis under the three administrations reflect the efforts of a middle power to adapt to an increasingly complex strategic environment. No strategy is entirely optimal in the context of escalating great power competition. Instead, middle powers like South Korea are forced to constantly adjust their foreign policy in order to balance security, economic, and strategic interests. In the long term, the ability to maintain strategic flexibility, diversify foreign relations, and strengthen its role in regional cooperation mechanisms may be the most important factors enabling South Korea to protect its national interests in an increasingly volatile and complex international system.

CONCLUSION

South Korea's foreign policy adjustments toward China in recent years clearly reflect the strategic challenges faced by middle powers amidst increasing great power competition. Since the 2016–2017 THAAD crisis, relations between South Korea and China have become one of the most significant variables in Seoul's foreign policy. Three South Korean administrations – Moon Jae-in, Yoon Suk-yeol, and Lee Jae-myung have each adopted distinct approaches to managing relations with China, thereby reflecting the complex interplay between international structural factors and domestic political variables.

From a neoclassical realist perspective, South Korea's foreign policy adjustments can be explained by a combination of pressures from the international strategic environment and the perceptions of national leaders. The increasing strategic competition between the United States and China has imposed significant structural constraints on Seoul's foreign policy. While the security alliance with the United States remains the cornerstone of South Korea's defense strategy, China plays a crucial role in its economy. This dual dependence forces South Korea to seek flexible strategies to balance its security and economic interests.

In such context, the Moon Jae-in administration adopted a hedging strategy, aiming to maintain stable relations with both the United States and China. The "Three Nos" policy regarding the THAAD system is a clear manifestation of this approach. Moon's hedging strategy enabled South Korea to ease tensions with China and partially restore bilateral relations after the crisis. However, this strategy also revealed certain limitations, particularly as escalating U.S.-China strategic competition left less room for balanced policies.

In contrast, the Yoon Suk-yeol administration adopted a more explicit approach by strengthening the alliance with the United States and expanding security cooperation with regional partners. This strategy enhanced South Korea's deterrence capabilities against security threats while enhancing Seoul's position within U.S.-led regional security structures. However, this alignment with Washington also increased tensions with China and narrowed South Korea's diplomatic space for maintaining strategic balance.

Meanwhile, the Lee Jae-myung administration has sought to recalibrate foreign policy toward pragmatic diplomacy, aiming to integrate elements of the two previous strategies. This approach emphasizes maintaining the security alliance with the U.S. while simultaneously seeking to improve relations with China on the basis of economic interests and regional stability. Pragmatic diplomacy enables South Korea to preserve a certain degree of strategic flexibility amidst increasing great power competition. The success of this strategy depends on various factors, however, including the evolution of U.S. - China rivalry, the security situation on the Korean Peninsula, and South Korea's domestic political factors.

Comparing the three administrations reveals that South Korea's foreign policy adjustment not only reflect changes in the international strategic environment but are also significantly influenced by internal factors, particularly the divergent strategic perceptions of progressive and conservative politicians. Progressive administrations tend to emphasize strategic autonomy and maintaining stable relations with China, whereas conservative administrations prioritize strengthening alliance with the United States and enhancing regional security cooperation. However, regardless of the differences among administrations, in fact, South Korea is a middle power situated between two major powers and as such it could not entirely escape the strategic pressures arising from major power competition. This means that South Korea's foreign policy in the future is likely to remain flexible and pragmatic, aiming to maintain a balance among security, economic and strategic interests.

From a broader perspective, the case of South Korea provides a prime example of how middle powers seek to adapt to a changing international environment. As the East Asian regional order becomes increasingly dominated by strategic competition between the United States and China, countries like South Korea are compelled to develop flexible diplomatic strategies to protect national interests and preserve their strategic space. In the long term, the ability to maintain strategic flexibility and diversify foreign relations may become the most important factors enabling South Korea to cope with the changing international environment. At the same time, the stability of South Korea - China relations will continue to play a crucial role in ensuring peace and stability of Northeast Asian region.

Finally, this study also demonstrates the value of neoclassical realism in explaining foreign policy adjustments of middle powers. By combining international structural factors with internal variables, the theoretical framework enables a more comprehensive analysis of the complex dynamics shaping the national foreign policy in the context of major power competition.

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