

CHAPTER I INTRODUCTION

1.1 Background

This study discusses the dynamics of diplomatic relations between South Korea and China, as a result of the placement of the Terminal High Altitude Area Defense (THAAD) missile defense system in South Korea. The decision to deploy THAAD is an alliance strategy between the United States and South Korea that aims to deter and protect against missile threats from North Korea. The authors assume that the deployment of the THAAD system has created significant diplomatic tensions between South Korea and China, with China viewing such defense systems as a threat to their national security. Thus, the main focus of this study is to analyze how the dynamics of diplomatic relations between the two countries are affected by the security and economic aspects after the placement of THAAD.

The security dynamics on the Korean Peninsula have undergone significant changes since the rise of nuclear and missile threats from North Korea in the past decade. A series of ballistic missile tests and nuclear weapons conducted by North Korea have created tensions that affect regional stability. This situation prompted the United States and South Korea to strengthen their defense cooperation, one of which was through the deployment of the Terminal High Altitude Area Defense (THAAD) missile defense system on South Korean territory in 2016.¹

The decision to deploy THAAD invited strong protests from neighboring countries, especially China. China views the deployment of the advanced missile defense system as a threat to its national security. On March 11, 2016 Chinese Foreign Minister Wang Yi said that the deployment of THAAD in South Korea has exceeded the defense needs on the Korean Peninsula. Given THAAD's radar capabilities that can unite China's territorial areas. China claims that the deployment

¹ Kevin Ramadhan Luqman, Angga Nurdin Rahmat, and ling Nurdin, "THE EFFECT OF NORTH KOREA'S NUCLEAR DETERRENCE ON SECURITY IN THE EAST ASIAN REGION," *Journal of Global Diplomacy and Security* 1, no. 1 (2024): 1–10. (p. 9)

of THAAD will upset the strategic balance in the region and potentially trigger a new arms race in East Asia.² The impact of the THAAD controversy was immediately seen in diplomatic relations between South Korea and China. China has imposed informal sanctions on South Korea, including tourism measures, restrictions on foreign direct investment (FDI), and obstacles to the operations of Korean companies in China. This action resulted in significant economic losses for South Korea, given that China is its largest trading partner.³

This situation puts South Korea in a dilemma between its security interests and its economic interests. On the one hand, South Korea needs protection to prevent nuclear threats from North Korea through an alliance with the United States. On the other hand, the economic dependence on China makes South Korea have to be careful in making decisions that can affect Chinese policies. Data taken from the China Economic Information Center (CEIC) has shown that South Korea's total exports to China peaked in March 2022 at 15.6 USD, this has reflected the important role of the Chinese market in South Korean exports, especially in the manufacturing and technology sectors. In addition, China is also the main source of imports of raw materials and strategic components for South Korea. Despite the conflict, these economic ties remain strong and show how South Korea's dependence on China involves deep integration in global supply chains, especially in high-tech products and electronic goods.⁴ The THAAD issue finally found a bright spot after South Korea's Foreign Minister, Kang Kyung-wha, agreed to express his agreement on the Three No's Policy points that China wants, including: 1) no additional THAAD installation; 2) not participating in the U.S. missile

² Choirul Fahmi Akbar and Ismah Rustam, "Chinese Government's Response to the Deployment of the United States' Terminal High Altitude Area Defense (THAAD) Anti-Missile Defense System in South Korea," *IJPSS: Indonesian Journal of Peace and Security Studies* 4, no. 1 (2022): 82–99. (p. 84-85)

³ Fmprc.gov.cn. "Wang Yi: Deployment of the THAAD Missile Defense System Goes beyond Actual Defense Need_Ministry of Foreign Affairs of the People's Republic of China," November 30, 2016. https://www.fmprc.gov.cn/eng/xw/zyxw/202405/t20240530_11324145.html. (p. 1)

⁴ CEICdata.com. "South Korea Total Exports to China." Ceicdata.com. CEICdata.com, January 1, 2025. <https://www.ceicdata.com/id/indicator/korea/total-exports-to-china>. (p. 1)

defense network; 3) there is no establishment of a trilateral military alliance with the US and Japan. Minister Kang stated this at a parliamentary audit by the National Assembly on October 30, 2017. Then on October 31, 2017, China's Ministry of Foreign Affairs announced the normalization of relations with South Korea.⁵

The complexity of this situation is further increased by the wider strategic competition between the United States and China in the Indo-Pacific region. The placement of THAAD is a symbol of the power competition between the two superpowers, where South Korea is at the center as a strategic ally of the United States as well as an important economic partner of China.⁶ The dynamics of bilateral relations between South Korea and China regarding the THAAD issue reflect the complexity of contemporary international relations, where security and economic aspects are closely intertwined. This situation also shows how a country's defense policy decisions can have far-reaching power over regional diplomatic and economic relations.

1.2 Problem Formulation

How does the deployment of THAAD defense systems by the U.S. and South Korea affect the political, security and economic dynamics between South Korea and China?

1.3 Research Objectives

To find out the impact of the deployment of THAAD defense systems by the US and South Korea affects the political, security, and economic dynamics between South Korea and China.

⁵ Park, Cheol-Hee. 2025. "South Korea's Three No's for China: How Sustainable Are They?" Keaf.org. December 5, 2025.

https://www.keaf.org/en/book/EAF_Policy_Debates/South_Koreas_Three_Nos_for_China_How_Sustainable_Are_They?ckattempt=1. (p. 1)

⁶ Adis Dwi Maqrifah, "PLACEMENT OF TERMINAL HIGH ALTITUDE AREA DEFENSE (THAAD) MISSILE DEFENSE SYSTEM AND ITS IMPACT ON EAST ASIA REGIONAL SECURITY", Hasanuddin University, 2023. (p. 25)

1.4 Research Benefits

1.4.1 Academic Benefits

The benefits of this research for academics are expected to enrich the study of international relations by analyzing the impact of a country's alliance on diplomatic relations. In addition, this research can be a reference for study studies that discuss the dynamics of bilateral diplomacy due to alliance policies

1.4.2 Practical Benefits

Practically, this research can provide insights for policymakers and observers of international relations in responding to defense issues that affect diplomatic relations, as well as help the public in understanding how alliances can affect relations between countries in the global strategic context

1.5 Literature Review

Previous research is one of the references used at the time of writing, this is done so that the author can explore various theories used when reviewing the research conducted. Authors will be able to uncover research relevant to the title being researched using a literature review. Therefore, the author cites several different studies as a reference to improve the material presented in the author's research.

The research entitled "**The Dilemma of the South Korea-United States Security Alliance: A Case Study of THAAD Placement in South Korea**" by Nadya Elvira (2022). The study analyzed South Korea's decision to approve THAAD deployments with the United States was prompted by the increasing threat of ballistic missiles launched by North Korea.⁷ However, the existence of THAAD in South Korea triggered a reaction from China which was considered to be against national security and regional security.

This article also explores South Korea's decision to agree to a *Three No's Policy* with China in order to strengthen bilateral relations in the wake of economic sanctions imposed by China. The study shows that while the implementation of

⁷ Nadya Elvira, "The Dilemma of the South Korea-United States Security Alliance: A Case Study of THAAD Deployment in South Korea," *Frequency of International Relations* 3, no. 2 (2022): 71–102. (p. 75)

THAAD offers strategic value in friendly relations with the U.S., South Korea's decisions are largely based on economic factors related to South Korea on China as a major trading partner. This truth is important to some of the complexities surrounding the trilateral relationship between South Korea and China, as well as the U.S. relationship; especially when it comes to regional policies on the economy and security.

This research is very useful to understand the impact that the deployment of the THAAD defense system has on relations between South Korea and China. However, in this study there are still several discussions that have not been resolved. This article does not discuss in depth the effectiveness of the Three No's Policy in restoring South Korea's relations with China, especially whether it is truly sustainable or whether it creates new vulnerabilities for South Korea. As for the difference with the author's research, that the author went beyond the initial reaction stage by examining the development of South Korea-China diplomatic relations after normalization, as well as the medium-term impact on the political aspects, and the security of the two countries, where previously only focused on China's initial response.

The research entitled **"Terminal High Altitude Area Defense (THAAD) System Establishment Implications on East Asia Region"** by Monika Maurušaitytė (2018) discusses the implications of the THAAD defense system on security in East Asia. Maurušaitytė's research focuses on the impact of THAAD deployments on security in East Asia, with particular attention to the relationship of the United States, North Korea, China, and Japan.⁸ Maurušaitytė uses a neoclassical realism theory approach to analyze the reasons behind the deployment of THAAD by the US and South Korea and the responses of countries in the region by focusing on regional security and stability policies. On a conceptual level, he concluded that these deployments not only encourage defensive actions by North Korea but also increase communication tensions between South Korea and China.

⁸ Monika Maurušaitytė, "TERMINAL HIGH ALTITUDE AREA DEFENSE (THAAD) SYSTEM ESTABLISHMENT IMPLICATIONS ON EAST ASIA REGION" (VYTAUTAS MAGNUS UNIVERSITY, 2018). (p. 73)

The study acknowledges that the escalation of missile threats from North Korea is a major driver, while the deployment of THAAD is also part of the U.S. strategy to strengthen influence in the East Asian region. North Korea's missile launches demonstrate increasingly advanced capabilities, including the ability to reach the U.S. mainland, making this threat not only regional but also global. Therefore, the placement of THAAD will be a strategic step to improve the defense system and protection for the population and the regional strategy of South Korea.

The difference between Maurušaitytė's research and the author's research lies in the more macro-focused form of research. There are a number of aspects that have not been resolved where Monika has not comprehensively reviewed the dimensions of bilateral relations between South Korea and China after Normalization. In contrast to the author, the author only examines the bilateral relationship between South Korea and China, through the approach of the Concept of Security Dilemma, and the Concept of Alliance to describe the interaction and consequences of diplomatic relations in a more in-depth and specific way.

Research entitled "**Destined for War: Can America and China Escape Thucydides's Trap?**" by Hugo Bras Martins da Costa (2017) discusses the dynamics of the conflict between two camps, namely the established power (ruling power) and the rising power. Allison explained how the rise of China could be a major opponent to the dominance of the United States in the global arena.⁹ China is not only focusing on economic development, but also on geopolitical strategies to be able to influence countries in the East Asian region.

This article discusses more about how China as a power is challenging the global dominance of the United States, by focusing on the impact on the international order and not delving into aspects of bilateral relations. The difference in this study lies in the new contribution given by the author by highlighting the diplomatic consequences of South Korea being in a dilemma between the pressure exerted from China.

⁹ Hugo Bras Martins da Costa, "Destined for War: Can America and China Escape Thucydides's Trap?," *JOURNAL OF THE BRAZILIAN POLITICAL SCIENCE ASSOCIATION* 12, no. 3 (2018): 1–6, <https://doi.org/10.1590/1981-3821201800030008>. (p. 5)

1.6 Conceptual Framework

1.6.1 Security Dilemma

The security dilemma is defined as an action and reaction between several countries, where if one country has made an increase in security, but the increase is considered to weaken another country. This dilemma can arise in an anarchic international system, where countries cannot fully trust each other, making cooperation difficult despite mutual interests. Jervis identified two main variables that affect the security dilemma, namely offensive or defensive advantage and offensive or defensive posture. Offensive or defensive advantage refers to the extent to which technology, strategy, and geographical conditions make it easier for a party to attack or defend. If the offensive advantage is greater, the state tends to be encouraged to take preventive measures to attack first because they judge that attacking is more advantageous than defending. On the other hand, if the defensive advantage is greater, countries will be more careful because defense becomes more effective. In this context, the balance between offensive and defensive capabilities determines how much conflict can occur. Meanwhile, offensive or defensive posture refers to how a country organizes and displays its military power, whether offensive or purely defensive. Offensive postures are usually seen through the construction of long-range systems, military expansion beyond national territory, or the deployment of systems that can penetrate the territory of other countries. On the contrary, the defensive posture is characterized by the development of a defense system that functions to protect its own territory from external attacks.

Robert Jervis created a strategic matrix that lists four strategic environments that describe four different environments based on these variables, which can affect the level of tension and the likelihood of cooperation. First, when defense is superior and distinguishable, the international environment tends to be stable and cooperation is easy to establish. Second, if the defense is superior but indistinguishable, stability is still relatively high but colored by vigilance. Third, if the attack is superior and distinguishable, the risk of conflict increases because the state has an incentive to strike first. Fourth, when the attack is superior and indistinguishable, the most dangerous conditions are created because any defensive

action can be mistaken for an offensive threat. Through historical examples, such as World Wars I and II, Jervis shows how perceptions of offensive and defensive balances influence the decisions of nations, where uncertainty and low trust can lead to aggressive actions. To enhance cooperation, Jervis emphasized the importance of mechanisms that allow countries to bind themselves and detect each other's intentions, including increased incentives to cooperate and threat reduction through transparency. Thus, understanding the security dilemma is crucial in the analysis of international relations, as it helps explain why countries are often caught in cycles of mistrust and conflict, despite the shared interest to collaborate.¹⁰

In this study, the use of the concept of security dilemma was used to understand the tensions that occurred between South Korea and China after the deployment of THAAD by the United States and South Korea. The Security Dilemma, as explained by Robert Jervis, refers to actions taken by a country to improve its security are perceived by other countries to trigger threats to their country's national security, so that this can cause a defensive reaction and increase tensions between the two parties. In the context of this study, the placement of THAAD by South Korea is a form of response to the North Korean threat. has raised concerns on the Chinese side about potential threats to its national security. This concern arises because the AN/TPY-2 radar system in THAAD has a detection range of up to thousands of kilometers, which has the potential to monitor military and missile activities in mainland China. For China, the radar capability is seen as an act that goes beyond North Korea's defense needs and threatens the strategic balance in the region. Thus, South Korea's move to deploy THAAD is not only seen as a defensive effort, but also as an offensive move that could expand the influence of the United States in East Asia. China's reaction in the form of pressure and economic sanctions against South Korea shows a real manifestation of the security dilemma, where the increase in security from one side actually triggers the insecurity of the other.

¹⁰ Robert Jervis, "COOPERATION UNDER THE SECURITY DILEMMA," *World Politics* 30, No. 2 (1978): 167–214. (p. 4)

1.6.2 Interdependence

The concept of Interdependence put forward by Joseph Nye and Robert Keohane is an important approach in understanding international relations that emphasizes the interdependence between countries. This concept is increasingly developing by highlighting how states in the international system no longer only interact through military force, but also through various kinds of interactions such as economic, political, and social interrelated. This interdependence creates a situation in which the actions of one country can significantly affect another, thus creating complex and interconnected network interests. This causes each country to consider the impact of the policies they make on international partners, especially in the context of economics and security. Interdependence can be an effective tool of diplomacy, because interdependence between countries tends to avoid direct conflict in order to maintain stability and mutual benefits.¹¹

In this case, it means that a party will not be able to meet its own needs completely, therefore the role of the other party is needed. Interdependence views that cooperation between international actors has existed for a long time in the interaction of international relations. The increase in interdependence that occurs between countries will reduce the potential for these countries to be involved in conflict: to be senjata. Liberals are interdependent. Modernization is a process of increasing the level and scope of interdependence between countries so as to give rise to wider cooperation.¹²

In the context of the deployment of THAAD defense systems by the United States and South Korea, this concept is particularly relevant to illustrate how despite the security tensions between South Korea and China, the two countries remain economically interdependent, especially in the high-tech export-import and manufacturing sectors. This concept serves to explain the dilemma faced by South Korea in maintaining security and protection without neglecting the economic aspects that depend on China. This concept highlights that despite the security

¹¹ Robert O Keohane and Joseph S Nye, *Power and Interdependence*, 4th ed. (United States of America: Pearson, 2012). (p. 3)

¹² Robert Jackson and George Sorensen, *Introduction to International Relations Theories and Approaches* (United Kingdom: Oxford University Press, 2013). (p. 173)

conflicts of a country, the parties involved have a strong incentive to resist the escalation of the conflict and seek balance in their relationships. Therefore, this concept is very important to analyze how defense policy can have an impact not only on security relations, but also on economics and politics.

1.7 Hypothesis

The deployment of the THAAD deterrence system by South Korea and the United States in 2016 has increased diplomatic tensions between South Korea and China, which is reflected through (1) the implementation of informal economic sanctions by China against South Korea which has had an impact on declining tourist visits, investment barriers, and disruptions to the operations of South Korean companies in China in the period 2017-2018, and (2) the decrease in the intensity of bilateral political cooperation and strategic dialogue forums between the two countries for the next five years. But South Korea and China's economic dependence on the export-import sector remains strong, reflected in high trade, despite political and security tensions.

1.8 Research Methods

This study uses a qualitative research method with the following details:

1.8.1 Research Design

In this study which discusses "The Impact of the Placement of THAAD Defense Systems by the US and South Korea on the Dynamics of Diplomatic Relations between South Korea and China", the method used in this study is a qualitative method, where the source of research comes from scientific articles in the form of journals and books that are relevant to the title of the research. Meanwhile, the approach used is a qualitative descriptive approach. Qualitative research is a scientific approach that reveals certain social situations by describing reality appropriately, formed in words based on relevant data analysis collection techniques and obtained from scientific situations. In this study, one type of Qualitative research is also used, namely Case Study, where researchers research a policy taken by one country and then it becomes a problem for other countries. In

this method, the researcher will provide an overview of the topic of the problem by using relevant concepts or theories as written in the previous sub-chapter.¹³

1.8.2 Research Object

The object of this study is the dynamics of diplomatic relations between South Korea and China, especially how the interaction and policies of the two countries adapt and change in response to global issues. In addition, the researcher also added other objects such as the placement of the Terminal High Altitude Area Defense (THAAD) missile defense system by the United States and South Korea on the Korean Peninsula.

1.8.3 Data Collection Techniques

This research uses secondary data obtained through documentation techniques such as memos, written documents, journals, articles, and library research. This type of data collection technique can be said to be a data collection technique by analyzing a number of existing data sources and related to the problem to be researched.

1.8.4 Data Analysis Techniques

Qualitative data analysis is the method used in this study. The act of gathering information from field records, and other sources in a methodical manner so that it is easy to understand and the results can be shared with others is known as qualitative analysis. According to the idea put forward by Milles & Huberman, the data analysis method used in this case is qualitative data analysis.

Milles & Huberman stated that activities in qualitative data analysis are carried out interactively and take place continuously at each stage of the research so that the data is complete and the data is saturated. Activities in data analysis include:¹⁴

A. Data Reduction

¹³ Prof. Dr. Sugiyono, *Quantitative, Qualitative and R&D Research Methods* (Bandung: Alfabeta, 2015). (p. 205)

¹⁴ Matthew B Miles, A. Michael Huberman, and Johnny Saldana, *Qualitative Data Analysis: A Methods Sourcebook*, 3rd ed. (United States of America: Sage Publications, 2014). (p. 77-79)

Reducing data requires a way of summarizing, choosing key ideas, and concentrating on what's important, looking for trends and themes, and getting rid of things that aren't important. The results of the summarized material will give a clearer picture and make it easier for the writer to gather more information and search for it if necessary.

B. Display Data

Once the data is reduced, the data should then be presented or displayed in the form of a concise description, a category relationship chart, or something similar. In this case, narrative prose is the most widely used format for presenting data in qualitative research. It will be easier to understand what is going on and plan the next work based on what is known when the data is displayed.

C. Verification

The next step is conclusion and verification. The initial conclusions/hypotheses presented are still temporary, and may change when no strong supporting evidence is found at the next stage of data collection or new findings that have not been previously available. Findings can be in the form of descriptions or descriptions of an object that was previously gray or dark so that after being researched becomes clear, it can be useful for casual or interactive relationships.

1.8.5 Writing Systematics

CHAPTER I: INTRODUCTION

As an opening chapter, this chapter contains the research background, problem formulation, research objectives, research benefits, hypotheses, research methods, and concepts and theories used. This chapter briefly outlines what led South Korea to take a policy of allying with the United States, to place THAAD on the Korean Peninsula. This chapter also contains previous research as the basis and reinforcement of the author's research.

CHAPTER II: United States and South Korea Alliance in the Deployment of the *TERMINAL HIGH ALTITUDE AREA DEFENSE (THAAD)* DEFENSE SYSTEM

In this chapter, the author will elaborate in depth on the alliance between the United States and South Korea, especially in the context of the placement of the High Altitude Area Defense Terminal on the Korean Peninsula. The explanation in this chapter covers the background of the US-South Korean alliance, as well as the justification for the placement of THAAD from the perspective of the two countries.

CHAPTER III: The Impact of THAAD Placement on South Korea-China Diplomatic Relations and Their Development

In this chapter, the author will outline the results of research on the impact of the deployment of THAAD by the US and South Korea on diplomatic relations between South Korea and China. This chapter will focus on changes in the dynamics of diplomatic relations both economic, political, and security between the two countries after the establishment of THAAD, and the development of relations between the two countries.

CHAPTER IV: CONCLUSION

This chapter will conclude the findings that the authors have reviewed on the impact of the U.S. and South Korean alliance on the placement of THAAD on South Korea's diplomatic relations with China.

