

# South Korea's Pragmatic, Principled and Prudent Path Between the US and China

By Sang Hyun Lee

Perhaps no country in Asia faces as wide a range of challenges in navigating the Sino-US strategic contest as South Korea. An economic powerhouse dependent for much of its economy on relations with its giant neighbor, it also relies on the US for security assurances in the face of a nuclear-armed North Korea.

Leaders in Seoul are clear-eyed about all of this. Given the challenges, South Korea should pursue a wise combination of pragmatic diplomacy, principled alignment and prudent hedging, writes Sang Hyun Lee.

THE INTERNATIONAL order is undergoing a profound transformation. The rules-based and liberal international order established under US leadership after the Second World War is gradually giving way to a more fragmented and contested environment characterized by growing challenges to international law, multilateralism and free trade. These changes are driven in part by shifts in US foreign policy and evolving perceptions of America's global role. Increasingly, the US appears less willing to bear the costs of sustaining the existing international order and is more inclined to pursue narrowly defined national interests. Critics have characterized President Donald Trump's approach as a form of "wrecking-ball politics" that challenges long-standing assumptions about American leadership.

Across the Indo-Pacific, these developments have triggered a quiet but significant strategic reassessment. For decades, regional states largely assumed that the US would remain the indispensable security provider while China's rise would be constrained by the US-led alliance network. During the first year of the second Trump administration, however, this assumption has become less certain.

Looking toward 2035, most Indo-Pacific countries do not anticipate a straightforward transition from American primacy to Chinese dominance. Rather, they expect a prolonged period of strategic coexistence in which the US remains militarily indispensable, China remains economically central and middle powers exercise increasing agency. This vision closely resembles Amitav Acharya's concept of a "multiplex order,"

in which no single power dominates and regional actors shape outcomes through flexible coalitions and issue-specific alignments.

This expectation is already influencing regional security calculations. Rather than making binary choices between Washington and Beijing, many Indo-Pacific states are pursuing diversified hedging strategies. They seek to strengthen deterrence co-operation with the US, preserve economic ties with China and simultaneously deepen multilateral and middle-power co-operation with countries such as Japan, Australia, India and South Korea.

The most important indicators of future influence may not be military capabilities alone, but political credibility: alliance reliability, crisis-management capacity, technological resilience, supply-chain security and the ability to provide public goods during regional emergencies. The 2026 Iran conflict is particularly significant in this regard because it tests whether growing US global commitments will weaken Indo-Pacific reassurance and create space for alternative regional arrangements.

The emerging international order is likely to be increasingly networked, layered and hybrid in character. It will be neither a continuation of US-led liberal hegemony nor a traditional multipolar balance-of-power system. Instead, it will be a decentralized and pluralistic order in which states, regional organizations, companies, cities, civil society groups and transnational networks collectively shape outcomes. As distinguished economist Danny Quah has argued, the world may increasingly resemble a "G-minus" order in which major powers are either withdrawing from or undermining key elements of the multilateral system. Under such conditions, co-operation among middle powers becomes not merely desirable but increasingly necessary for preserving international stability.

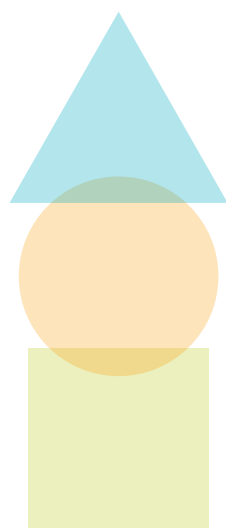
## SOUTH KOREA'S DIFFICULT CHOICES

The strategic competition between the US and China is creating a very difficult situation for South Korea in particular. The dilemma lies in the fact that, although the South Korea-US alliance remains the top priority in terms of both security and the economy, it is becoming increasingly difficult to rely solely on this alliance for national security. The essence of the current situation is that, alongside its importance, the alliance also entails growing costs and risks, and the dangers of both abandonment and entrapment coexist.

The challenge for South Korea is not whether to maintain the alliance, but how to modernize and diversify its security partnerships while preserving the alliance as the cornerstone of its national security. Furthermore, while prioritizing the alliance with the US, maintaining stable relations with China is an essential task. However, as the strategic competition between the US and China intensifies, it is becoming increasingly difficult for South Korea to maintain a stable balance between the two powers.

The modernization of the alliance currently under discussion between Seoul and Washington represents a highly comprehensive transformation. The fundamental aim of this modernization is to adapt the alliance to the changed circumstances, thereby strengthening the security of both nations while also contributing to global strategic stability.

This includes the transfer of wartime operational control, an increase in South Korea's defense spending, South Korea taking the lead in conventional deterrence and contributing to the containment of China. Until now, the US and its allies have focused on preparing for sporadic geopolitical threats. However, the problem is that the enemy's responses are no longer sporadic but coordinated and simultaneous. It is therefore time for the alliance to co-operate more closely.



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While the broad direction and framework for modernizing the alliance are largely similar in the eyes of both South Korea and the US, gaps remain regarding the disparity in national power, priorities of interest and perceptions of threat.

South Korea considers the primary mission of the alliance with the US to be deterring North Korea and maintaining stability on the Korean Peninsula, whereas the US wishes to expand the alliance's scope beyond the Korean Peninsula to encompass the whole of Northeast Asia and the Indo-Pacific region. Should the mission of the South Korea-US alliance be expanded in this way, South Korea would inevitably be drawn into containing and pressuring China, which could lead to a strained diplomatic situation between South Korea and China.

The recent remarks by General Xavier Bronson, commander of US Forces Korea, in which he described South Korea and US Forces Korea as a “dagger” to counter China, or characterized South Korea as a “fixed aircraft carrier” between China and Japan, are a telling illustration of the US perspective.

From the outset, the Lee Jae Myung adminis-

tration in South Korea has championed a pragmatic approach to diplomacy. Pragmatic diplomacy by no means implies an approach that pursues only immediate, short-term gains. While it is true that national interests take precedence over moral considerations in diplomacy, a certain degree of principle and direction is nonetheless essential. A nation's identity is inevitably reflected, to some extent, in its values, and it is precisely through diplomacy that this national identity is expressed.

#### LESS ROOM TO MOVE

South Korea's pragmatic diplomacy should not be a strategy of maintaining a mechanical balance between the US and China, but rather a strategy that clearly defines choices and priorities in each sector based on South Korea's core national interests. To borrow a phrase from Michael Beckley's recent article in *Foreign Affairs*, it is becoming increasingly difficult for middle powers to remain entirely non-aligned. He contends that middle powers can no longer freely maneuver between Washington and Beijing through “strategic autonomy” or “hedging.” Instead, he argues that the

intensifying US-China rivalry will eventually force states to align more closely with one side or the other. This view suggests that the notion of a “middle-power era” may be an illusion. As Beckley argues, “not choosing is not an option.”

The core of South Korea's pragmatic diplomacy lies in a “principled pragmatic alignment” that centers security on the South Korea-US alliance while avoiding excessive hostility toward China in the realms of economics, technology and regional diplomacy.

First, in the security sphere, strategic ambiguity must be reduced. Given North Korea's nuclear and missile threats, military co-operation between Russia and North Korea and instability in the Taiwan Strait and the South China Sea, South Korea's security foundation rests on US extended deterrence and the South Korea-US alliance. Therefore, while South Korea should strengthen its military, intelligence and advanced technology co-operation with the US, it must frame this in terms of “deterring North Korea and ensuring regional stability,” rather than containing China.

Second, in the economic sphere, risk diversification is more realistic than decoupling from China. While South Korea cannot sever trade ties with China, it must diversify its supply chains in strategic sectors such as semiconductors, batteries, rare earths, critical minerals and pharmaceuticals. In other words, a China +1 strategy is required. South Korea must maintain access to the Chinese market while reducing its dependence on China in areas where such reliance poses a risk to national security.

Third, in the technology and industry sectors, South Korea must integrate more deeply into the US-led order while strengthening its negotiating position. In fields such as semiconductors, AI, quantum technology, space, cyber security and defense, South Korea can become a key part-

ner for the US. Rather than simply acceding to US demands, South Korea must negotiate proactively on issues such as the impact on South Korean companies' business with China, subsidies, exemptions from export controls and the terms of technological co-operation.

Fourth, South Korea's diplomacy toward China requires a policy of competitive coexistence with managed stability. South Korea should scale back symbolic diplomacy that publicly provokes China, while maintaining channels of co-operation on issues such as climate change, public health, culture, tourism, regional economies and the North Korean nuclear issue. However, it must establish a framework for joint action with partners such as the US, Japan, the EU and Australia to respond quietly but resolutely to economic coercion, such as the retaliation over the deployment of the THAAD antimissile system in South Korea.

Fifth, rather than harboring illusions about a “coalition of middle powers,” South Korea should make use of ad hoc co-operation tailored to specific objectives. While co-operation with ASEAN, Australia, Japan, Canada, the EU and India is important, it is unlikely to evolve into an independent order capable of replacing the US-China dynamic. Instead, the country should build practical alliances in specific sectors such as supply chains, maritime security, development co-operation, cyber security, climate change and nuclear non-proliferation.

In conclusion, the appropriate framework for South Korea's pragmatic diplomacy is one in which security relies on the US, the economy is diversified, relations with China are managed and co-operation with middle powers serves as a complementary element. The key is not to feign neutrality, but to minimize the costs of unnecessary conflict while clearly identifying the pillars that are most vital to South Korea's survival and prosperity.

**THE COURSE OF 'PRUDENT HEDGING'**

Given the growing geopolitical risks and uncertainties on a global scale, as well as the deepening strategic rivalry between the US and China, South Korea has no alternative but to adopt a strategy of “prudent hedging.” Hedging refers to a strategy whereby, in a situation of competition between major powers, a particular country avoids fully joining one side or balancing against the other, instead co-operating with both sides simultaneously to spread the risk.

For obvious reasons, maintaining a prudent balance between US and China is one of the most serious challenges South Korea faces in the coming years. All small and middle powers now find themselves in a position where they must consider hedging against the growing global geopolitical risks and the fallout from competition between the great powers. For South Korea, I propose a three-pillar strategy — strength, solidarity and inclusiveness — as a way to expand its hedging.

Strength, or self-reliance, refers to strengthening a nation's capacity for survival by bolstering its fundamental capabilities. This encompasses not only the nation's physical strength — such as military, technological and economic self-sufficiency — but also intangible factors like national unity and efficient governance.

Solidarity means strengthening ties with like-minded nations. This encompasses alliances, partnerships, value-based coalitions and norms-based co-operation. Given Washington's still formidable hegemonic influence, while the US remains South Korea's primary partner for solidarity, Seoul cannot afford to rely solely on its alliance or place its trust exclusively in it.

Finally, inclusiveness or balance refers to expanding the scope of South Korean diplomacy toward nations that are “less like-minded.” Inclusiveness is a concept that, premised on the openness of the regional order, encompasses

the expansion of mutually beneficial relations with nations of the Global South, including China and Russia.

As major powers continue to undermine multilateral institutions, co-operation among middle powers has become essential for restoring the rules-based order. Canadian Prime Minister Mark Carney's Davos Forum speech in January reminded us that we have to face the reality that the existing international order is no longer functioning as before. Carney's central claim was that the post-Cold War order supported by US primacy has experienced a “rupture, not a transition.”

Carney strongly urged middle powers to build coalitions, reduce dependence on dominant powers and resist economic coercion collectively. However, one must not harbor the illusion that solidarity among middle powers will resolve South Korea's diplomatic and security issues. The more difficult questions are how to enhance middle power agency and empower middle powers and their networks. This will be a real challenge for many middle powers in the coming years.

With the exception of a handful of major powers, the vast majority of nations are either small or middle powers. There seems to be no reason why so many countries should be unable to join forces. The agency of middle powers is ultimately only possible if they possess confidence and conviction in their roles and identities.

Since taking office, the Lee Jae Myung administration has focused on crisis management by prioritizing a pragmatic, national-interest-centered foreign policy amid adverse external factors such as US tariff pressures and the Middle East crisis. It is widely regarded as having taken a solid first step toward stabilizing South Korea-US relations through its inaugural summit with President Trump shortly after taking office in May last year.

With regard to China, the Lee administration accelerated efforts to improve relations by declar-

ing a full restoration of South Korea-China ties following Chinese President Xi Jinping's visit to South Korea last year and President Lee's visit to China earlier this year. South Korea-Japan relations have also seen an early restoration of shuttle diplomacy between the leaders through seven summits and meetings, and the two nations continue to maintain friendly relations.

South Korea is regarded as well-placed to lead solidarity among middle powers while simultaneously managing significant geopolitical risks through prudent hedging. South Korea should

pursue a wise combination of pragmatic diplomacy, principled alignment and prudent hedging. The current global geopolitical turmoil presents a significant challenge for the Lee administration, but it could also serve as an opportunity to elevate South Korea's international standing. Whether the administration reacts passively to the crisis or turns it into an opportunity is entirely up to them.

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THE INHABITANTS ON THE RIM OF THE VAST  
PACIFIC OCEAN BARELY KNEW ONE ANOTHER.  
DURING THE 20TH CENTURY THEY MET, SOMETIMES VIOLENTLY.  
BUT WHEN THE HISTORY OF THE 21ST CENTURY IS WRITTEN,**

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