# The Ties That Bind: The Emerging Asia-Pacific Regional Order and Taiwan-Korea Relations\*

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## I. Introduction

The rise of China in recent years has brought about more questions than answers as to whether and when China will take on the world Number One—the United States. In line with this reasoning, many analysts begin to suggest that a rinsing China, along with a declining America, would inevitably invite a change of the international order, especially in the Asia–Pacific region. Some began to argue that the United States should further integrate China into the current liberal international order.<sup>1)</sup> US President Barack Obama took office in 2009 and his administration proposed the idea of "strategic reassurance" to further lock in, if not crave, Chinese accommodative behavior. On the other hand, however, others contend that G-2 is only a mirage because of the mismatched national interests of both sides, which is

<sup>\*</sup> This paper was presented at the 6<sup>th</sup> Korea-Taiwan Strategic Dialogue on June 8, 2012, co-hosted by New Asia Research Institute and Prospect Foundation.

Niall Ferguson, "Team 'Chimerica'," *The Washington Post*, November 17, 2008, p. A 19; Zbigniew Brzezinski, "The Group of Two that Could Change the World," *The Financial Times*, January 13, 2009, http://www.ft.com/cms/s/0/d99369b8-e178-11dd-afa0-0000779fd2ac.html#ixzz1KVtbnMOT(accessed 2011/04/01).

exacerbated by the growing mutual distrust.<sup>2)</sup>

With China's growing assertive behavior, the order in the Asia-Pacific region is changing accordingly. Many countries in this region are politically close to the United States, while maintaining economic and societal ties with China. In the meantime, the United States adopts a rebalancing strategy to pivot to Asia with its military strength. China, as one of the centers of gravity in the Asia-Pacific region, pays close attention to how others would react to its rise.

The emerging order in the Asia-Pacific region can be characterized by further economic integration, with political and security uncertainties. Great powers seem to continue to strive for dominance with the hope to benefit from cooperation. Other countries in this region are required to manage their relations with both the United States and China simultaneously. South Korea is a success story of a strong player that can manage its relations with the two giants in this region while facing a truculent North Korea. Taiwan, relatively small in scale, also makes the effort to maximize its national interests in this emerging regional order. With shared interests as well as values, Korea and Taiwan forged a cooperative relationship in the past decades. This paper argues that the dyadic relationship between Korea and Taiwan and that between Korea and other countries are not mutually exclusive. Instead, in a globalized world the bilateral relationship is essential to the network in the Asia-Pacific region.

#### II. The Obama Administration and China's Rise

At the time President Obama took office in 2009, there were four priority issues in foreign policy which required China's cooperation.

Elizabeth C. Economy and Adam Segal, "The G-2 Mirage: Why the United States and China Are Not Ready to Upgrade Ties," *Foreign Affairs*, Vol. 88, No. 3 (May/June 2009), pp. 14~ 23; Kenneth Liberthal and Wang Jisi, *Addressing US-China Strategic Distrust* (Washington DC: The Brookings Institution, 2012).

The most crucial one was to spur global economic recovery. Second, President Obama aimed to halt or curtail the Iranian and North Korea nuclear weapons programs. China was believed to have leverage to potentially affect these two countries with its being Iran's largest trading partner as well as a major investor in energy sector, and the only country with a significant relationship with North Korea. Third, he wanted to end the genocide in Darfur and China's large oil investments in Sudan gave it a voice in Khartoum, which so far had not been raised against the Darfur massacres but could be. Last, he also wanted to begin to cope with climate change with China's being the world's largest emitter of greenhouse gases since 2009.<sup>3)</sup>

In addition, what is more apparent to the Obama administration is that a unidimensional approach to China would generate unsatisfactory results. That is, the US policy toward a rising China could not merely lie on economic blandishments, military capabilities, and pressure on human rights, while a policy of indulgence, endurance of assertive Chinese conduct, or indifference to its internal evolution, could embolden China's defiant behavior. The foreign policy team therefore proposed a resolutely pragmatic and non-ideological policy labeled as "strategic reassurance".<sup>4</sup>

According to Jeffrey Bader, the then-senior director for East Asian affairs on the National Security Council, the US was aware of that its bilateral relationship with China had to be developed from symbolically diplomatic interactions first. To serve the US purpose, the label for the relationship could be a safety net to avoid the down-turns occurred in 1981, 1989, 1993, and 2001, which were the years characterized by shifting administrations. In September 2009, the then-US Deputy

Jeffrey A. Bader, Obama and China's Rise: An Insider's Account of America's Asia Strategy (Washington, D.C.: Brookings Institution Press, 2012), pp. 2~21.

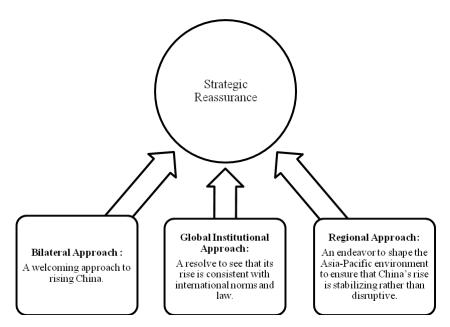
Jeffrey A. Bader, Obama and China's Rise: An Insider's Account of America's Asia Strategy (Washington, D.C.: Brookings Institution Press, 2012), pp. 3~5.

Secretary of State, James B. Steinberg, mentioned Sino-American relations in a keynote speech delivered at the Center for a New American Security, and brought up the idea of "strategic reassurance."<sup>5)</sup> It was said that the US and its allies would acknowledge China's economic strength and military modernization, and reassure that the US would not suppress China's rising in Asia on the condition that China shall ensure in return that its "peaceful rise" would not jeopardize other countries' security and well-beings.

This concept was materialized in the US-China Joint Statement during President Obama's visit to China in November 2009.characterized by mentioning the phrase of "core interest" and by indicating both countries' intention to strengthen coordination and cooperation on major global issues. The proposal of the concept of "strategic reassurance" laid a good foundation for the US-China relationship. In order to strengthen its efficacy, the concrete principles was then needed developing. Under the Obama foreign policy team, the concept rested on three pillars. First of all. China should be considered a potential partner in resolving crucial global issues rather than an inevitable rival. Second, the administration believed it was critical that China should rise within the context of international law and norms. Third, the administration sought to ensure that China's rise served to stabilize the Asia-Pacific region by three means, which were: (1) working hard to enhance existing alliances in Asia-Pacific; (2) participating actively in the multilateral institutions of the region, especially the East Asia Summit; and (3) strengthening bilateral and multilateral trade ties with the region through FTA and Trans-Pacific Partnership (TPP).<sup>6)</sup>

<sup>5)</sup> James B. Steinberg, Deputy Secretary of State, Keynote Address at the Center for a New American Security, Washington, DC, September 24, 2009.

<sup>6)</sup> Jeffrey A. Bader, Obama and China's Rise: An Insider's Account of America's Asia Strategy (Washington, D.C.: Brookings Institution Press, 2012), p. 7 and pp. 69~71.



(Diagram 1) The Three Pillars of "Strategic Reassurance" of the Obama Administration

In early 2010, the US handle on issues of arms sales to Taiwan and of Tibet upset the Chinese leadership, and put the concept of "strategic reassurance" to the test. President Obama decided to sale weaponry to Taiwan, in a sum amounted of \$ 6.4 billion,<sup>7</sup>) and finally met Dalai Lama in the Map Room in the White House and reiterated the administration's view that it supported the genuine autonomy for Tibet for the preservation of distinct religious and cultural heritage. In the meantime he stressed that Tibet was a part of China and urged the Dalai Lama to persist in dialogue with the Chinese.<sup>8</sup>) The United States saw this meeting as a religious issue, but China claimed that this act was a violation to the core interest of China.

<sup>7)</sup> This package includes 60 Blackhawk helicopters (\$ 3.1 billion), 114 Patriot missiles (\$ 2.81 billion), 12 advanced Harpoon anti-ship missiles (\$ 37 million), Communication equipment (\$ 340 million) and 2 Osprey mine-hunting ships (\$ 105 million). Charley Keyes, "U.S. Announces \$6.4 Billion Arms Deal with Taiwan," CNN, January 29, 2010, http://articles.cnn.com/2010-01-29/world/taiwan.arms\_1\_ one-china-taiwan-strait-strong-indignation?\_s=PM:WORLD (accessed February 5, 2010).

Jeffrey A. Bader, Obama and China's Rise: An Insider's Account of America's Asia Strategy (Washington, D.C.: Brookings Institution Press, 2012), p. 75.

The Chinese leadership expected the US to adopt certain steps to arrest the downward spirals between the two nations, including a visit by high-level US officials to China, authoritative assurances from President Obama to indicate his attitude to this bilateral relationship, and last, some sort of statement by the US on its arms sale policy to Taiwan.<sup>9)</sup>

In the hope that China can be cooperative on Iran and on bilateral trading issues, Steinberg and Bader visited Beijing in early March 2010 to assure the Chinese that the US was deeply committed to the relationship with China in spite of US domestic criticism and divergent views from both sides over *renminbi*, Iran, and core interest, etc.

After the Beijing visit came with the President Obama's meeting with the incoming Chinese ambassador, Zhang Yesui. As expected, the White House issued a press release accenting the president was committed to further develop a positive relationship with China and the administration's "one China" policy.<sup>10)</sup> Steinberg also reiterated the core precepts of the "one China" policy and the US's attitude toward Tibet.<sup>11)</sup> To prove its rhetoric reassurance credible, the US Treasury postponed publication of the report to Congress on the international economic and exchange rate policies of the US major trading partner s.<sup>12)</sup> Despite domestic opposition, Chinese President Hu Jintao decided

12) Part of the statement reads, "...China's inflexible exchange rate has made it difficult for other emerging market economies to let their currencies appreciate. A move by China to a more

<sup>9)</sup> Jeffrey A. Bader, Obama and China's Rise: An Insider's Account of America's Asia Strategy (Washington, D.C.: Brookings Institution Press, 2012), p. 74.

<sup>10)</sup> Part of the statement reads, "...He reaffirmed our one China policy and our support for the efforts made by Beijing and Taipei to reduce friction across the Taiwan Strait." See White House, Office of the Press Secretary, "Statement by Press Secretary Robert Gibbs on China," March 29, 2010, http://www.whitehouse.gov/the-press-office/statement-press-secretary-robert-gibbs-china (accessed May 26, 2012).

<sup>11)</sup> Part of the statement reads, "...We've made clear that we do not support independence for Taiwan and we oppose unilateral attempts by either side to change the status quo...[and] on Tibet, we reaffirmed our position that we do consider Tibet to be a part of the PRC and do not support independence for Tibet, but we strongly support continued dialogue between the Chinese government and the representatives of the Dali Lama to resolve the differences." See U.S. Department of State, "the Deputy Secretary's Trip to the Balkans and Asia," FPC Briefing, March 29, 2010, http://fpc.state.gov/139203.htm (accessed May 26, 2012).

to attend the Nuclear Summit meeting in Washington, D.C., on April 1, 2010, marking the achievement of the application of "strategic reassurance."<sup>13</sup>) This meeting was initiated by President Obama, and Hu's attendance symbolically showed that China was not on the opposite side to the US stand over nuclear proliferation and both leaders discussed the Iran issue during their meeting.

However, this line of reasoning seemed to soon fade away with China's truculent international behavior since mid-2010, as indicative in the cases over the Cheonan Incident and over the South China Sea. US-China relations were exacerbated during the annual meeting of the ASEAN Regional Forum (ARF) in Hanoi in July 2010 due to the South China Sea. Unlike Taiwan and Tibet issues, China had not authoritatively named the South China Sea a "core interest." What was learned by the Steinberg-Bader visit to Beijing in March 2010 concerning the South China Sea was its orientation as a "national priority."<sup>14</sup>) Based on the knowledge, at a closed-door session of the ARF. Secretary of State Hillary Rodham Clinton delivered a formal speech reiterated the US position of not taking sides on territorial claims to islands in the South China Sea asserted by China, Vietnam, Philippines, Malaysia, Taiwan, and Brunei. Simultaneously, she asserted US national interests in freedom of navigation, open access to Asia's maritime commons, and the expectation that all claims to rights in waters in the South China Sea would need to be based on land-based claims valid under the UN convention on the law of the sea and customary international law, support for a collaborative process to resolve competing

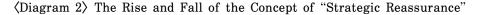
market-oriented exchange rate will make an essential contribution to global rebalancing. Our objective is to use the opportunity presented by the G-20 and S&ED meetings with China to make material progress in the coming months." See U.S. Department of the Treasury, Press Center, "Statement of Treasury Secretary Geithner on the Report to Congress on International Economic and Exchange Rate Policies," April 3, 2010,

http://www.treasury.gov/press-center/press-releases/pages/tg627.aspx (accessed May 26, 2012).

<sup>13)</sup> Jeffrey A. Bader, Obama and China's Rise: An Insider's Account of America's Asia Strategy (Washington, D.C.: Brookings Institution Press, 2012), pp. 78 ∼79.

<sup>14)</sup> Jeffrey A. Bader, Obama and China's Rise: An Insider's Account of America's Asia Strategy (Washington, D.C.: Brookings Institution Press, 2012), p. 77.

territorial claims, and US willingness to facilitate initiatives and confidence building measures for reaching a full code of conduct for the sea.<sup>15)</sup> Nevertheless, China's foreign minister, Yang Jiechi, articulated strongly that there was no problem in the area and intimidated ASEAN countries not to seek outside or multilateral support with his emphasis on "a big China" rhetoric.<sup>16)</sup>





- 15) Part of the statement reads, "...the United States, like every nation, has a national interest in freedom of navigation, open access to Asia's maritime commons, and respect for international law in the South China Sea...[and] while the United States does not take sides on the competing territorial disputes over land features in the South China Sea, we believe claimants should pursue their territorial claims and accompanying rights to maritime space in accordance with the UN convention on the law of the sea. Consistent with customary international law, legitimate claims to maritime space in the South China Sea should be derived solely from legitimate claims to land features. ...[and] the U.S. supports the 2002 ASEAN-China declaration on the conduct of parties in the South China Sea. We encourage the parties to reach agreement on a full code of conduct. The U.S. is prepared to facilitate initiatives and confidence building measures consistent with the declaration." See "Remarks at Press Availability-Secretary Hillary Rodham Clinton," Hanoi, Vietnam, July 23, 2010, http://www.state.gov/secretary/rm/2010/07/145095.htm (accessed May 26, 2012).
- 16) Jeffrey A. Bader, Obama and China's Rise: An Insider's Account of America's Asia Strategy (Washington, D.C.: Brookings Institution Press, 2012), p. 105.

As a matter of fact, the rising nationalist sentiment of China and the conflicting situation on the South China Sea issue at the ARF meeting were the venue to disclose two countries' fundamentally strategic distrust. The Obama administration seemed to rhetorically drop the idea of "strategic reassurance" since then.

#### III. US Pivot to Asia and the Emerging Regional Order

US pivot to Asia can be understood through the talks from high-level officials in the Obama administration and from President himself since 2011. For instance, Secretary of State Hillary Clinton expressed the importance of the Asia-Pacific region to US national interests on several occasions, and how US would do to continually engage with Asia.<sup>17)</sup> President Obama, in his trip to Australia in November 2011, stated that his goal is to ensure that "the United States will play a larger and long-term role in shaping this region and its future."<sup>18)</sup> The ultimate goal of the US, according to National Security Advisor Tom Donilon, is to promote US interests by helping to shape the norms and rules of the Asia-Pacific region, to ensure that "international law and norms be respected, that commerce and freedom of navigation are not impeded, that emerging powers build trust with their neighbors, and that disagreements are resolved peacefully without threats or coercion." <sup>19)</sup>

In January 2012, President Obama issued a new strategy guideline that confirmed the rationale to emphasizing US existence in Asia with the conception of rebalancing.<sup>20)</sup> In military terms, the US would

<sup>17)</sup> US Department of State, "Secretary Hillary Clinton on America's Pacific Century," November 10, 2011.

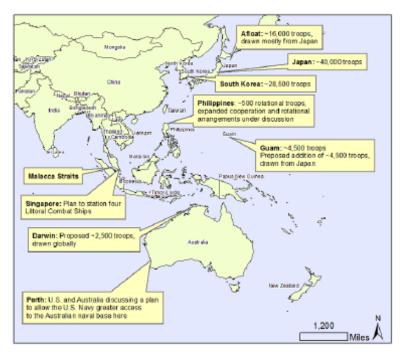
The White House Office of the Press Secretary, "Remarks By President Obama to the Australian Parliament," November 17, 2011.

<sup>19)</sup> Tom Donilon, "America is Back in the Pacific and will Uphold the Rules," *Financial Times*, November 27, 2011.

<sup>20)</sup> US Department of Defense, Sustaining US Global Leadership: Priorities for 21st Century Defense, January 2012.

increase the deployment of and/or rotate its troops in Australia and Singapore, while prioritizing sea and air capabilities over land forces. As expected, the military budget for FY2013 is below the level of spending in FY2012. There will be a 5% decrease for bilateral assistance programs in the Asia-Pacific, as opposed to an 18% cut for Europe, Eurasia, and Central Asia.<sup>21)</sup>

〈Figure 1〉 Map of the Asia-Pacific(including selected US Troop Deployments and Plans)



Source: Mark Manyin, etc., "Pivot to the Pacific? The Obama Administration's 'Rebalancing' toward Asia," CRS Report for Congress, March 28, 2012, p. 3.

Given the limited financial resources, the US will gradually reduce its budget on defense. In the meantime, the US is expected to exert its influence through a combination of military, economic, and

<sup>21)</sup> Mark Manyin, etc., "Pivot to the Pacific? The Obama Administration's 'Rebalancing' toward Asia," CRS Report for Congress, March 28, 2012.

political means as Hillary Clinton suggested on several occasions. For instance, the US attended the East Asia Summit (EAS) meeting for the first time in 2011 and emphasized its bilateral security relations with alliances in the region. The US is also devoted to boost its economic relations with major trading partners across the Pacific through TPP. Also, Secretary of Defense Leon Panetta's remarks on "rebalancing" in the Shagri-La Dialogue is another case in point.<sup>22)</sup>

These developments, illustrated as "expansion" of existing Asia policies with "transformational elements" in tactics in *the CRS Report*, are believed to be driven mostly by the rise of China and by the (mis)perceived decline of the US. The growing importance of the Asia-Pacific region to US in economic terms and the closing of US military deployment in Iraq and Afghanistan also contributed to this shift in gravity. In addition, the allies in this region, for their respective reasons, called the US to be more responsive to the growing Chinese influence. In other words, the order of the Asia-Pacific region will be economically shaded by China while militarily attached to the US.

Though it seems logical to make this shift to the idea of "rebalancing," there might be some side effects that the US needs to take into consideration. First, an increased emphasis on the Asia-Pacific region might lead to a significant reduction in US military presence in other areas of the world due to limited financial resources. This might result in the feelings of insecurity in US allies in Europe. Second, solid domestic support is necessary to any administrations if they are to materialize this pivot to Asia strategy. However, a conflict or emergency involved vital US interests, another terrorist attempt for instance, would delay as well as challenge the reasoning behind this policy shift. In other words, how long this emphasis could last is in doubt. Third, many observers and pundits argue that this "rebalancing"

US Secretary of Defense Leon E. Panetta, Speech delivered at Shangri-La Hotel, Singapore, June 2, 2012.

is targeted against China, and the latter could be antagonized while feeling encircled. This can thus strengthen the influence of Chinese hardliners and make a next to zero chance for the US and China to cooperate on various issues. Last but not least, US pivot strategy may bolster assertiveness of its allies in the Asia-Pacific region and result in a "tail wagging the dog" problem. The recent case that the Philippines held military drills in the disputed South China Sea area is illustrative.

#### IV. China's Tentative Response

Due to the US claim of pivot strategy, China is aware of its limited military capabilities vis-à-vis the US, but politically tries to arrest the possible downward spiral along with the re-emergence of the "China Threat" reasoning. This is a learning experience from China's own assertive international behavior in 2010. This paper argues that being cautious, but not pessimistic, might be the tentative response from the Chinese side.

Most Chinese analysts agree that this is a critical moment for US-China relations, especially this administration was taking a relatively friendly attitude toward China as its benchmark when Obama took office. A group of scholars, such as Yan Xuetong, argue that it is inevitable for a rising power to challenge a leading power, and the latter trying to delay the rise of the former.<sup>23)</sup> Others, including many practitioners such as Dai Bingguo, suggest that there are tremendous common interests between the two and the overall relations can be managed to succeed. Still others, such as Wang Jisi, hold a relatively pragmatic view, indicating that strategic distrust will lead to misunderstanding and contribute to unnecessary conflicts.

<sup>23)</sup> Yan Xuetong, "How China Can Defeat America," The New York Times, November 20, 2011.

According to Wang, the perceived narrowing gap in capabilities, insufficient comprehension of each other's policy making process, and different political traditions and value systems, are feeding strategic distrust between China and the US. Therefore, management is crucial to reconcile disagreements and to increase shared interests.<sup>24)</sup>

A positive development for US-China relations is the two sides agree to institutionalize their mid- to high-level interactions. Prior to the Obama administration, there were about 60 channels for the officials from two countries to exchange their views. Since 2009, both sides further agreed to promote the high level exchanges under the Senior Dialogue (SD) and Strategic Economic Dialogue (SED) to Strategic and Economic Dialogue (S&ED). Earlier this month, both sides had the fourth round of S&ED in Beijing and reached consensus on many issues, including coordinating macroeconomic policy.

China's intention to further coordinate and cooperate with the US is worth noting in this S&ED meeting. When US President Obama visited China in November 2009, Chinese Premier Wen Jiabao conveyed the view that China "disagrees to the suggestion of G-2," because first, China is still a developing country with a huge population and has a long way to go before it becomes modernized. Second, China pursues the independent foreign policy of peace and will not align with any country or country blocks. Third, global issues should be decided by all nations in the world, rather than one or two countries. Meanwhile, we believe Sino-U.S. cooperation can play a unique role in advancing the establishment of the new international political and economic order, as well as promoting world peace, stability and prosperity.<sup>25)</sup>

<sup>24)</sup> For instance, Wang's latest work with Kenneth Liberthal represents this view. Kenneth Liberthal and Wang Jisi, *Addressing US-China Strategic Distrust* (Washington DC: The Brookings Institution, 2012).

<sup>25)</sup> Xinhuanet, "Wen Jiabao Meets with U.S. President Obama," November 19, 2009, http://www.china-un.ch/eng/xwdt/t628181.htm (accessed 2010/12/15).

China seems to adapt in the fourth round of S&ED. Chinese State Councilor Dai Bingguo indicated that though China refused to join the so-called "G-2," but there shall be a "C-2" in that "bilateral coordination" is essential for the US and China to get things done and build a new relationship. To achieve this goal, Dai suggested that interactions between China and the US in the Asia Pacific should uphold the following principles: first, mutual respect and mutual trust; second, equality, mutual benefit, harmonious coexistence and common development; third, promoting the development of regional cooperation mechanisms in an open, inclusive and step by step manner; and fourth, seeking common ground while reserving differences and sharing responsibilities, building security through cooperation and properly handling regional hotspot issues.<sup>26)</sup>

As a reaction to Panetta's remarks, the Chinese government tends to think Washington's deeds, including its plan to highlight the South China Sea issue at an annual regional security meeting at the weekend, exposed its true intentions. The spokesman of Ministry of Foreign Affairs (MFA) Liu Weimin commented that China hoped the US to play "a positive and constructive role in the region."<sup>27</sup>) Yan Xeutong, however, was relatively sanguine by suggesting that the US is rebalancing its military presence while seeing China as a partner ahead of Japan, South Korea, Singapore, and Indonesia. And, Yan continues, Washington "will need cooperation from Beijing to maintain regional security and stability."<sup>28</sup>) Still others tend to reduce possible negative results by contending that "it is not a big deal" while maintaining cautious about further materialization of this policy.<sup>29</sup>) In

<sup>26) &</sup>quot;Dai Bingguo: Promote China-US Sound Interactions in Asia Pacific," http://haiwai.people.com.cn/BIG5/n/2012/0504/c232573-17004864.html (accessed 2012/05/06).

<sup>27) &</sup>quot;Beijing Defends Interests," China Daily, June 1, 2012, http://www.chinadaily.com.cn/cndy/2012-06/01/content\_15441680.htm(accessed 2012/06/03).

<sup>28) &</sup>quot;Scholars Examine US Asia 'Pivot' Following Panetta Speech," http://bbs.chinadaily.com.cn/thread-752038-1-1.html (accessed 2012/06/03).

other words, China seems to interpret the US pivot strategy in a relatively neutral way. In a nutshell, Deng Xiaoping's mantra of "hide our capabilities and bide our time" may still be valid, at least for the time being.

## V. Korea-Taiwan Relations in Prospect

The emerging order in the Asia-Pacific region can be characterized further economic integration. with political and bv security uncertainties. Great powers in the region are expected to "find ways to cooperate and to compete" in the near future.<sup>30)</sup> Other countries in this region are required to manage their relations with both the United States and China simultaneously. South Korea is a success story of a strong player that can manage its relations with the two giants in this region while facing a truculent North Korea. Korea's robust military ties and the Korea-US Free Trade Agreement (KORUS FTA) with the US and the trading relationship with China are illustrative.

Taiwan, relatively small in scale, also makes the effort to maximize its national interests in this emerging regional order. Despite political constraints due to the "One China principle," Korea and Taiwan forged a cooperative relationship in the past decades. For instance, Korea and Taiwan have began to grant the visa waiver status to each other since 2003, reopened air links in 2005, and opened the air route between Taipei and Busan in 2012, altogether joined by occasionally visits by high-level officials and by congressmen. On trading relations, the volume continues to grow from US\$19.1 billion dollars in 2005, to US\$30.2 billion dollars in 2011. Korea becomes the 5<sup>th</sup> largest trading

<sup>29)</sup> China Review News, http://www.chinareviewnews.com/doc/1021/2/9/7/102129748.html?coluid=137&kindid=5291&docid =102129748&mdate=0605000206 (accessed 2012/06/03).

<sup>30)</sup> Michael Yahuda, The International Politics of the Asia-Pacific (New York: Routledge, 2011), p. 344.

partner to Taiwan, and Taiwan as the 6<sup>th</sup> largest for Korea. In terms of societal exchanges, the number of annual person-visits between the two countries reached 660,000 in 2011. Regular exchanges by scholars and analysts between Korea and Taiwan are also remarkable.

With shared interests as well as values, ties between Korea and Taiwan are considerably strong in many issue-areas. In the meantime, other issue-areas may help broaden as well as deepen these bilateral ties. Both sides can proceed with cooperation on functional issues, and Taiwan's effort on participating in functional international organizations may serve as a starting point. This also serves the national interests of Korea. As indicated by Korea's Ministry of Foreign Affairs and Trade (MOFAT), "green growth" is one of the key policies that Korea is in pursuit at this moment. With policy coordination, Taiwan can contribute to this project since participation in the UN Framework Convention on Climate Change (UNFCCC) is one of our goals. In addition, the US government also aims to fulfill this idea as it upheld "green growth" as one of the goals that shall be achieved in the near future in the Asia-Pacific Economic Cooperation (APEC) Summit Meeting in 2011.

Another case in point is Taiwan's endeavor to join the International Civil Aviation Organization (ICAO). Along with economic growth and the growing number of business travelers, air traffic control is essential to further development in the Asia-Pacific region. Taiwan now is receiving information needed for air traffic control indirectly from neighboring countries. It will be more effective if Taiwan can participate directly in ICAO and share information necessary to safety in the near future. This is beneficial to Taiwan as well as to others such as Korea.

Having said this, Taiwan is also aware of the need of others to conduct full-fledged political relations with China. The dyadic relationship between Korea and Taiwan and that between Korea and other countries are not mutually exclusive. Instead, in a globalized world the bilateral relationship is essential to the network in the Asia-Pacific region.

# VI. Conclusion

In 2009, the Obama administration began with pragmatism and a non-ideological way to cope with China and therefore formulated its policy toward the Asia-Pacific region. "Strategic reassurance" became the catchphrase to describe Obama's China policy. However, with China's growing truculent international behavior since mid-2010, the Obama administration finally dropped this concept in rhetoric.

The emerging order in the Asia-Pacific region will be characterized by further economic integration, with political and security uncertainties. Great powers in the region are expected to continue their cooperation and competition in one way or another in the near future. Other countries in this region are required to manage their relations with both the United States and China simultaneously.

All in all, this paper argues that the US pivot strategy toward Asia has an impact on the region, and the regional order will be inevitably shaped by the interactions between the US and China. In this emerging regional order, with close ties Korea and Taiwan should work together to see what can be done to increase prosperity and stability in this region.