

CHINA'S SHIFTING BEHAVIOUR TOWARDS SOUTH KOREA IN 2016-2017 THAAD CRISIS RESOLUTION IN KOREAN PENINSULA

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ABSTRAK

Krisis THAAD pada tahun 2016 -2017 antara Korea Selatan dengan Tiongkok terjadi akibat pemasangan sistem pertahanan THAAD (Terminal High Altitude Area Defense) oleh Korea Selatan atas bantuan Amerika Serikat yang dianggap mengancam keamanan nasional Tiongkok. Tiongkok menolak dengan keras sistem pertahanan tersebut dan memberikan sanksi boikot secara tidak resmi pada Korea Selatan dalam bidang turisme, produk, serta budaya pop yang memberikan kerugian secara signifikan akibat aksi retaliasi Tiongkok tersebut. Setelah adanya kunjungan kenegaraan Korea Selatan kepada Tiongkok yang diadakan di Beijing, boikot yang dilakukan Tiongkok kemudian diangkat, namun THAAD yang dipasang di Korea Selatan tetap tidak dilepas dan berhasil dipertahankan. Sehingga muncullah pertanyaan mengapa Tiongkok memilih melunak dan tidak memaksakan agar THAAD ditarik kembali. Tulisan ini menggunakan penelitian kualitatif studi pustaka dan menggunakan variable teori foreign policy oleh Yuen Foon Khong sebagai kerangka analisis dalam tulisan ini, sehingga dapat dilihat bahwa melunaknya Tiongkok atas permasalahan krisis THAAD disebabkan oleh adanya pengaruh kebijakan luar negeri "peripheral diplomacy" yang diambil oleh Tiongkok serta pergeseran kepentingan nasional Tiongkok sehingga Tiongkok tidak memaksakan kehendaknya atas THAAD yang dimiliki Korea Selatan demi menjaga hubungan baik dengan Korea Selatan sebagai negara periferi.

Kata kunci: China, China's Behavior, Kebijakan Luar Negeri, Korea Selatan, THAAD

ABSTRACT

The 2016 – 2017 THAAD crisis between South Korea and China occurred due to the installation of the THAAD (Terminal High Altitude Area Defense) system by South Korea with the help of the United States which was considered as a threat to China's national security. China strongly opposed the installation of the defense system and imposed unofficial sanctions in a form of a boycott in the field of South Korean tourism, products, and pop culture, which provided significant losses due to China's retaliation. After the South Korean state visit to China which was held in Beijing, China's boycott was later lifted, but the THAAD installed in South Korea remain stayed and deployed. Thus the question arises about why China chose to soften and not force the South Koreans to withdraw THAAD. This article uses the qualitative research method of literature studies and uses variables of foreign policy theory by Yuen Foon Khong as the

theoretical framework in this paper. Therefore, it can be seen that China's softening of the THAAD issue is caused by the influence of China's "peripheral diplomacy" foreign policy and the shifting of Chinese behavior so that China does not impose its will on the South Korean THAAD system to maintain good relations with South Korea as a peripheral country.

Keywords: China, China's Behavior, Foreign Policy, South Korea, THAAD

INTRODUCTION

Terminal High Altitude Area Defense (THAAD) is one of the ABM (Anti – Ballistic Missile) system made by Lockheed Martin which are used by the United States to encounter any ballistic missile threats especially from North Korea who openly announces their ballistic and nuclear test to be used against the United States and its allies. THAAD anti-air defense system can destroy a nuclear warhead at an altitude of 150 km and has a radar range of around 1000 km in detecting the missile threat (THAAD Theatre High Altitude Area Defense – Missile System, 2020).

The United States, which was threatened by the actions of North Korea who continues to develop its missiles, offers the THAAD anti-air defense system to South Korea to be installed near the South Korean capital, Seoul, since the reign of Park Geun Hye in 2004. The South Korean, despite having doubts and protests within the country, finally approve the installation of THAAD air defense system after recent ballistic missile test of Hwasong - 12 on May 14 (Davenport, 2017), and the biggest nuclear test on September 3, 2017 (ISDP, 2017, p. 5). The anti-ballistic missile system was then installed in Seongju Region, in the southern part of Seoul. The THAAD system then will be able to strengthen the United State's missile defense strategy in the Korean Peninsula.

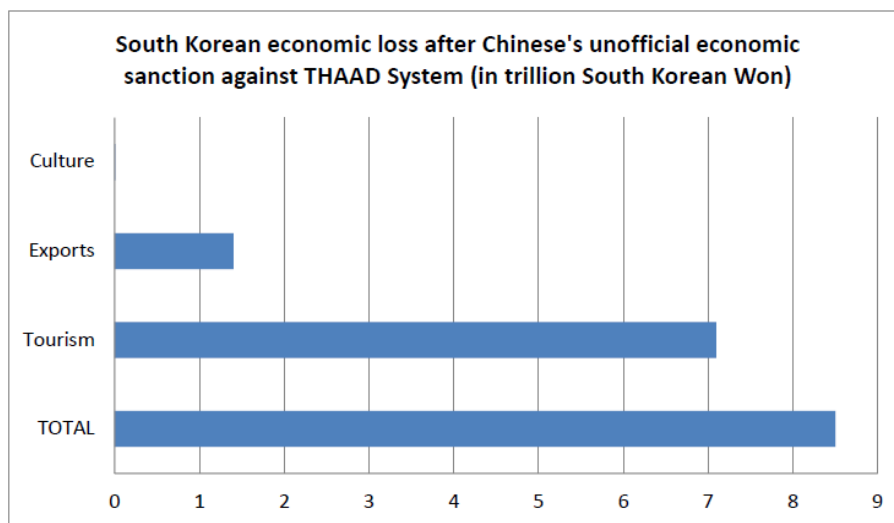
Other countries such as the People's Republic of China states their objections to the air defense system because of the AN/APY-9 X-band radar used on the THAAD air defense system is threatening the People's Republic of China's national security and the balance of the regional security especially in the Korean Peninsula. Previously, the relationship between the Chinese government and the South Korea is in a good situation where in the last twenty years, the People's Republic of China became the most important trade partner for South Korea. China reached the first position in the export destination of South Korea, reaching 160 billion US Dollars in export value (OEC, 2020). The high export and trade value occurred because the

investments and the trade relations between the People's Republic of China and South Korea have existed since the relationship normalization of both countries in 1992 (Chung, 2012).

The People's Republic of China strongly opposes the installation of the ballistic anti-missile defense system. According to the government of the People's Republic of China, the system then destroys the strategic security balance in the Korean Peninsula region because it threatens China's national security (Lee, 2017). The People's Republic of China insists that the installation of the THAAD air defense system could weaken the People's Republic of China's deterrence strategy and became one of South Korean contribution to the United State's Global Missile Defense system which threatens both Beijing and Moscow (Swaine, 2017).

Thus the THAAD crisis was occurred between the People's Republic of China and South Korea by the implementation of the unofficial economic sanction from Beijing to boycott the products and culture from South Korea, from the entertainment sector, consumer products and tourism section which affects the economic sector, as a result, South Korea sustain a significant loss which can be seen in the chart below.

Chart 1. Estimated economic loss of South Korea's Tourism, Export, and Culture, (In trillion South Korean Won)



Sumber: <https://www.statista.com/statistics/748538/south-korea-estimated-economic-loss-from-chinese-boycott-against-thadd-by-industry/>

In the entertainment sector, events featuring South Korean pop-stars and actors were postponed or cancelled without explanations and Chinese's state television channel banned

South Korean television shows (Meick & Salidjanova, 2017). South Korean products such as food products, electronics, cosmetics and even car companies dropped around 52% (Ja-Young, 2017; Hyong-ki, 2017). The South Korean tourism industry suffers the most with the most significant tourist drop from People’s Republic of China. The data from the Korean Tourism Organization revealed that only 4,169,353 Chinese tourists visited South Korea in 2017 compared to the last year which reached 8,067,722 Chinese tourists, the income from the tourism industry itself also decreased significantly, which is about 20% drop compared to the last year, the biggest decrease in 6 years because of Chinese unofficial sanction (Korea Tourism Organization, 2017) with the total economic loss that reached 6.8 million USD (Cheng, 2019).

Table 1. South Korean Tourist Visits and Economic Loss in Tourism Industry

Year	Tourist Arrival	Chinese Tourist	Tourism Receipts (per 1000 USD)	Increase/Decrease rate
2013	12,175,550	4,326,869	14,288,400	+8.2% (from last year)
2014	14,201,516	6,126,865	17,335,900	+21.3%
2015	13,231,651	5,984,170	14,675,800	-15.3%
2016	17,241,823	8,067,722	16,753,900	+14.2%
2017	13,335,758	4,169,353	13,263,900	-20.8%

Source: Korean Tourism Organization

Even, Lotte Mart, one of the biggest franchise companies in South Korea closes down 80 percent of its stores in the People’s Republic of China because of the THAAD crisis (France-Press, 2017). The relationship between the People’s Republic of China and South Korea was quickly deteriorating. Responding to the crisis, Moon Jae In as the South Korean President conducted a state visit to Beijing for four days from 13-16 December 2017 (Gao, 2017). The state visit was conducted to repair the relationship between the People’s Republic of China and South Korea and to discuss the resolution of the THAAD crisis. After the series of state visits, the boycott was lifted. The THAAD issue was not fully resolved because the Chinese government still opposes the existence of THAAD air defense system in South Korea, but for now, the South Korean government managed to hold on to THAAD air defense system to be

used to defend itself from the North Korean nuclear and ballistic missile threat.

Despite the THAAD air defense system significance towards the United States regional defense and its allies such as South Korea and Japan in the Korean Peninsula, and also the views from the other nations such as the People's Republic of China, Russia, and North Korea, some several academic research and journals also discuss the THAAD crisis from the security strategy and political economy viewpoints.

The security strategy study looks at the importance of THAAD air defense system as a defense measure for South Korea to counter the potential threat of a North Korean ballistic and nuclear missile attack, in accordance with South Korean defense needs and national security objectives (Klingner, 2019). Another study discusses the Chinese's objections towards the installment of THAAD defense systems that can harm the People's Republic of China's national security (Habiburrahman, 2017). However, there are also an academic studies which sees that THAAD system deployment is an unwise strategic decision, and the cooperation between the United States - South Korea in addition of the credibility of United State's extended deterrence must be strengthened (Kim & Park, 2018). Hutchinson (2016) in his article also explained the United States and South Korea's decision in deploying THAAD air defense system and Beijing's concern and counterstrategy in facing the THAAD system.

From the political-economic study, another study suggests that in the People's Republic of China's perspective, the THAAD crisis affects the personal value of the Chinese tourists by the factor of patriotism, risk awareness, and external dependencies which makes the Chinese tourists support the unofficial boycott carried by the government of People's Republic of China (Juan, Choi, An, Lee, & Lee, 2017). Another academic study stated that the unofficial boycott caused a decline in South Korea's perception of the People's Republic of China so that South Korea must seek new policies to reduce its dependence on the People's Republic of China (Paik, 2020). In addition, another article also suggests that South Korea must reassure the People's Republic of China because of its proximity to South Korea and the high economic interdependence even though the technical analysis of the THAAD air defense system is not as threatening as the Chinese claims (Sankaran & Fearey, 2017).

The THAAD crisis was not completely resolved, the government of the People's

Republic of China still objects to the existence of the THAAD air defense system in South Korea and the THAAD system itself still stands and deployed in Seongju, but the boycott from the Chinese government has been lifted. Thus, the question arises as, why the People's Republic of China chose to soften against South Korea and did not force the THAAD air defense system to be dismantled. The argument established by the author based on that question has to do with a shift happening in the People's Republic of China's behavior regarding the issue of regional security and economy-related with Chinese's ambition of BRI (Belt Road Initiative), and also one of the foreign policies adopted by the People's Republic of China, where the policy encourages the Chinese government to accept the South Korean intentions to repair the relationship between both countries very well, for the national interest of the People's Republic of China.

ANALYTICAL FRAMEWORK

To answer the question and prove the author's argument for the paper, the author uses the theory of Foreign Policy Analysis (FPA) by Yuen Foon Khong's variables of threat perception, characteristic of the state, political ideology, and leadership concerning relative peace, regional stability and also economic dynamism. The variables mentioned by Khong are important in understanding the outcome of why People's Republic of China chose not to force the South Korea to dismantle the THAAD anti air defense system. Another concept of "peripheral diplomacy" carried out by the People's Republic of China also appears in the study which also contributes to the analysis of the shifting behavior of the People's Republic of China in discussing the THAAD dispute resolution issue.

Foreign Policy Analysis

The Foreign Policy Analysis theory tries to explain that the purpose of the foreign policy analysis is to find out the factors and processes that make a country (A) to take on a decision (B) on dealing with a certain issue (C). Point A, B, and C relates to the decision-makers, decision-making process, and decision outcome respectively (Khong, 2014, pp. 83-84), which in this case, the author would like to find out why the People's Republic of China (A) decides to

soften and not forcing South Korea to dismantle the THAAD anti air defense system (B) and then decided to lift the economic sanction on the THAAD dispute (C). The foreign policy analysis focuses on the state decision making which the behavior of the individual states became the dependent variable and seeks to explain what does the state tries to achieve in the system filled with pressure and possibilities in the external realm (Rose, 1998).

Khong (2014, hal. 84), explains that although he understands Waltz statement regarding the distinction between the International Relations (IR) and Foreign Policy Analysis that in IR, clear perception of systemic constraints delivers clues to the state's expected reaction, but such theory of international politics are unable to provide explanations about the state reaction because according to Waltz such reaction depends on both international constraints and state characteristics (Waltz, 1979, p. 122). Therefore, Khong provides several important variables in order to analyze the state reaction. Such important variables such as threat perceptions, leadership, political ideology, and characteristics of the state, which can be used to analyze how a decision was reached by the actor to create intended outcome of relative peace, regional stability and also economic dynamism (Khong, 2014, p. 95).

Robert Jervis (1976) explained that threat perception is a process that based on the decision- makers belief about the other's world, images and also intentions to determine the state behavior. According to Khong (2014, p. 89) history, geography and ideology are important in assessing such threat. He gives example in how the United States are perceived differently in the perception of threat by of Asian states because of its historical, geographical and ideological reasons.

One of the essential variable which can impact the stability of a region is the role of leadership, Khong (2014, p. 90) added some example that certain political leaders such as Indonesian presidents Soekarno and Soeharto affects the regional stability in South East Asia, and North Korean leader which become the center of the issue in the stability of Korean Peninsula. Thus such leadership role and changes also became a factor that relates to the threat perception, and can make a difference in the peace and region's stability.

Political ideology and characteristic of the state also become the important variable that can be taken into account in defining the decision chosen by the actor in certain issue. Khong

(2014, pp. 92-93) gives explanation how the ideology relates with the strategic and economic alignments in the Asia region, in which the basic of such alignments are based on the political ideology, and international economic system are also essential in pressuring the states to open up the market and create exchanges.

Thus, the use of the variable provided by Khong provides considerable accuracy in describing and analyzing the THAAD issue. Such important variables such as threat perceptions, leadership, political ideology, and characteristics of the state are used to analyze how a decision was reached by the People's Republic of China to soften up and postponing the THAAD crisis while not forcing South Korea to dismantle the missile defense system.

RESEARCH METHOD

This study used a qualitative approach which the author then researches by using a descriptive- analytical study. According to Bryman in Creswell (2009), qualitative research is a strategy that are centered on the words and explanation using context and description because the important details indicates the significance of the research subject and provides thorough explanation about the context of the research focus. The research is conducted by gathering data from various sources, such as journals, text books, documents, and news reports that is related to the focus of the research. The focus of the research itself is to find out why People's Republic of China choose to relent and not forcing South Korea to dismantle THAAD anti air defense system which are deemed threatening People's Republic of China's national security.

The sources then be analyzed using the several steps to gain a comprehensive description of the phenomena in the THAAD issue between South Korea and People's Republic of China. In addition, to analyze the data, the author uses the Miles and Huberman model to analyze the data which consists of three main steps, Data Reduction by separating and sorting important points to provide clearer view to the author in gathering the data, Data Display which is the compiled information of the data to be processed and analyzed based on the understanding of the case context, and Verification which draws the conclusion and answers the focus of the research based on the data analysis (Huberman & Miles, 1992).

DISCUSSION

In this part, the author will describe the analysis of the People's Republic of China's decision in choosing not to impose its demands in dismantling the THAAD Anti Ballistic Missile system after previously delivers its coercive diplomacy by boycotting the products and culture from South Korea and persuading the Chinese tourist not to visit South Korean tourist attractions, thus resulted in heavy losses for South Korea.

In order to be discussed comprehensively, the author will start from the South Korean attempt in repairing the bilateral relationship with the People's Republic of China on the state visit, along with China's response in the meeting which resulted in the resolution of the THAAD dispute, the lifting of the boycott and also the signature of seven MoU's/Memorandum of Understanding. And then the author will analyze the Chinese responses related to the shifting of their behavior and the peripheral diplomacy foreign policy of the People's Republic of China.

The Rapprochement between People's Republic of China – South Korea of THAAD Issue

The THAAD dispute between the People's Republic of China and South Korea created huge losses for South Korea in the field of tourism and culture from the decline of income due to the decreasing number of Chinese tourists coming to South Korea. In addition, the Lotte Group, one of the biggest companies in South Korea, also suffered from the dispute because of providing its land assets to be used as a place to install the THAAD anti-missile system. The Lotte Group was forced to close down 87 of its stores located in China for "security" reasons and lost around 441.7 million USD (Xianbo, 2017).

At the end of 2017, South Korean President Moon Jae-in held a four-day state visit to Beijing on December 13-16, 2017 in order to improve a bilateral relationship that has been deteriorating due to the THAAD crisis. President Moon Jae-in who represented the government of South Korea then welcomed by the Chinese's side and the President of the People's Republic of China, Xi Jinping. During the meeting, there are many things discussed between South Korea and the People's Republic of China, especially regarding the resolution of the THAAD dispute.

South Korea tries to convince the Chinese government that the air defense system

would not be used for things that could jeopardize China's national security and sovereignty. Furthermore, South Korea declare three "No's" which intend to provide reassurance to the People's Republic of China. The three "No's" consist of not installing additional THAAD air defense systems, not participating in the United States regional missile defense system, and not forming a trilateral alliance with Japan and the United States (Lee, 2017).

The People's Republic of China still insisting its demands for South Korea to withdraw the THAAD anti-missile system, but the government of the People's Republic of China appreciated the effort and determination made by the South Korean government to communicate and improve bilateral relations between both countries, thus the Chinese government was moved to put aside the problem of the crisis for a while until both sides are truly prepared while promoting the similar aspirations, mutual trust and enhancing bilateral cooperation (Xi Jinping Holds Talks with President Moon Jae-in of the ROK, 2017). In the cooperation agreement, South Korea also agreed to actively participate in the joint development of the "Belt and Road Initiative" project initiated by the People's Republic of China along with its development and mutually beneficial cooperation models (ibid, 2017). Thus, the THAAD issue was postponed and the anti-ballistic missile system has been defended for now and the boycott has been lifted from South Korea, which the Chinese officials explained implicitly based on the news (Jeong, 2017).

After that, both countries finally vowed and on developing bilateral cooperation and discussed many topics such as joint projects that have been stopped before the rising tension. Also, both countries signed seven Memoranda of Understanding (MoU) on the field of free trade agreements, and cooperation in the issue of healthcare, agriculture, environment, energy, and eco-friendly industries, which was signed by both the government of the People's Republic of China and South Korea (Sohn, 2017)

The Shifting of China's Behavior in Relation to China's Peripheral Diplomacy

The relationship between South Korea and the People's Republic of China is reciprocal. The Chinese acts of welcoming the South Korean attempt to repair the bilateral relationship and South Korea's willingness to assist China in cooperation is certainly beneficial to both

parties and especially helps to realize the China Belt and Road Initiative project which then influences China considerations in approving South Korean "Three No's" proposal and considering handling the THAAD crisis to be resolved at a future opportunity so that China then temporarily dismissed the THAAD air defense system dispute where implicitly, The THAAD anti air missile system can still remain operational until later discussed again at the right moment. The seven Memoranda of Understanding (MoU) which is signed by both countries in the field of free trade and other issues such as healthcare, environment, agriculture, energy, and eco-friendly industries also became one of the things that relax the tension between the two countries and made them closer, as their relationship became more stable.

Analyzing from the eyes of the threat perception, the Chinese were convinced that the THAAD anti air missile system and also the South Korean actions related to the THAAD dispute is not an immediate threat, since the missiles are mainly used for defending against nuclear and ballistic missile threats from North Korea. Also, the state visit from the South Korean president, Moon Jae-In produces a new agreement of four new principles between the South Korean and Chinese government. The four principle consists of "Not allowing any war on the peninsula", "Stick to a stance on denuclearization on the region", "Address any North Korean issues, such as denuclearization, in a peaceful manner by means of dialogue and negotiations," and "Improving Inter-Korea ties to help solve issues on the Korean Peninsula" (Sohn, 2017). The agreement between the two countries reassures the Chinese government that South Korean government will not be hostile towards People's Republic of China and are also eager in resolving the crisis and mending the relationship between the countries.

Moving to the leadership variable, on the China's side, Xi Jinping as a President carries out its foreign policy in a certain manner in order to gain the "China Dream" that he wishes to achieve. His strong character yet approachable became something that represents China as a strong country but benevolent through his governance in conducting mutual benefit project such as the Belt and Road Initiative (Ng, 2013). The approachable character of Xi that represents the Chinese government makes the country also open and available through negotiations, while through his firm characteristic, People's Republic of China is looked as a

strong country that cannot be underestimated, backed with its strong economy and willpower. Although China keep stating its objections regarding the deployment of the THAAD anti air defense system, the Chinese government are still open with negotiations and agree to help easing the tensions (Perlez, 2017). With the relationship easing with the South Korea, the government of People's Republic of China can also strengthen its position against the United States from the guarantees proposed by the South Korean which is also one of the key allies of the United States with the rapprochement of THAAD dispute, thus affecting the South Korean relations with the US (Kim, 2018).

As for the political ideology part in analyzing the reason of the shifting behavior of Chinese government regarding to the THAAD issue, The government of the People's Republic of China has a certain foreign policy called "Peripheral Diplomacy", in which the policy's goal is to make the People's Republic of China becoming more superior in Asia in the long term and to weave a Sino-centric relationship in terms of economy, culture, and security with the neighboring countries. The foreign policy was related to the "China Dream" that Xi Jinping wishes to achieve (Callahan, 2016). The relation management relies on four principles which are friendship, reciprocity, sincerity, and inclusiveness (Jinping, 2013). In terms of the role at the international level, the People's Republic of China aims to be more active but still maintaining the high strategic profile in the Northeast Asia region which uses the four-wheel-drive character in reaching security and stability and also economic development (Menegazzi, 2017). The new projects such as the New Silk Road Economic Belt, Belt Road Initiative (formerly One BeltOne Road/OBOR initiative), and 21st Century Maritime Silk Road, became such projects that aim to make win-win economic opportunities to make a network of tight economic, political, cultural and strategic relationships in order to propel China into a normative power for global governance in the ambitious grand strategy (Callahan, 2016, p. 3).

As for the security, stability, and sovereignty of the People's Republic of China in the peripheral diplomacy, Xi Jinping proposed a new approach for security cooperation in Asia. He promotes cooperative security measures especially in fighting the forces of terrorism, separatism, and extremism (Jinping, 2013, p. 391). But according to Callahan, even though China is pursuing balanced development and security priorities peacefully, and discarding the

Cold War zero-sum mentality, China will not allow its core interests and rights undermined (Callahan, 2016, p. 9). This “peripheral diplomacy” in relations between People’s Republic of China and external parties, prove a shift in the Chinese government’s focus to the west and started to pay attention to countries around mainland China due to the increasing tensions that occurred mainly with neighboring countries especially such issues like the THAAD issue and dispute with the South China Sea, thus the Chinese government needs to build friendly and profitable relations that can benefit the People’s Republic of China in the long run by making a Sino-centric relationship with the neighboring countries in terms of economy, security and culture (Callahan, 2016).

In this case, we can see that South Korea became an important peripheral country which is really beneficial to People’s Republic of China. According to the OEM/Observatory of Economic Complexity which provide comprehensive explanation and reports about the product exchange between countries, South Korea is one of the five biggest China’s export destinations which the export value reaches around 107 Billion Dollars (OEC, 2020). On the opposite side, China became the top export destination of South Korea yearly which reached a staggering 160 Billion Dollars in export value, filling up a quarter of South Korea’s total export worldwide (OEC, 2020).

Table 2. South Korea Export Destination And Percentages, Showing China As The Top Export Destination

No.	Country	Export Value	Percentage
1.	People’s Republic of China	160 Billion USD	25.9%
2.	United States	73.1 Billion USD	11.9%
3.	Vietnam	48.6 Billion USD	7.88%
4.	Hong Kong	44.5 Billion USD	7.22%
5.	Japan	30.8 Billion USD	4.99%

Sumber: https://oec.world/en/profile/country/kor/#Trade_Balance

The character of People’s Republic of China as a state and its leadership can be seen as cautious yet ambitious in gaining the position in the global order, as it can be seen from the

case; the People's Republic of China does not want to be hostile towards South Korea which is considered as China's peripheral and neighboring country. But South Korean tendency towards the United States is worrying the Chinese government, thus the People's Republic of China decides to make a punishment towards South Korea which then the South Korean government suffered considerable losses in the part of tourism and pop culture commodity. In addition, in this crisis, the Chinese government also sees that South Korea is still dependent on the People's Republic of China for mutually beneficial cooperation in the short term, but in the long run, China will be far closer to achieving the goals of its "China Dream" with the success of The Belt and Road Initiative project, the South Korean government promised to assist as one of China's partners in this large project.

Thus there's clearly a shift in the People's Republic of China's behavior from the presumed immediate security threat into a profitable cooperation with South Korea while slowly keeping an eye on South Korean actions. Therefore, the People's Republic of China also previously limited its coercive diplomacy to continue to provide a deterrent effect on South Korea (Lee, 2017) while continuing to prioritize diplomacy with South Korea in order to continue to create stability between People's Republic of China and South Korea's relationship which then conforms to the Chinese peripheral diplomacy foreign policy which subsequently trying to get closer to neighboring countries in order to build good and profitable relations, especially for China in the future.

CONCLUSION

The attitude of the People's Republic of China towards South Korea regarding the crisis of the THAAD air defense system is a manifestation of the foreign policy of the People's Republic of China towards South Korea as a peripheral country, where China then warmly accepts the intention and efforts of the South Korean side to improve the tenuous relations caused by the THAAD crisis. The Chinese side that carried out the coercion diplomacy in the form of an unofficial boycott actually had the aim of providing a deterrent effect on South Korea who often tends to come closer to the United States when South Korea itself was also very dependent on China especially in the fields of economy and tourism. People's Republic of

China also carries out the "peripheral diplomacy" foreign policy in which the main idea is to get closer to neighboring countries with open arms, based on the four principles of friendship, reciprocity, sincerity, and inclusiveness, in this case, it is conducted in order to control the tensions caused by the THAAD crisis with South Korea.

Based on the explanation, The argument of why People's Republic of China chose not to insist on the withdrawal of THAAD because, in order to implement the "peripheral diplomacy" foreign policy of the Chinese government, there is special attention in handling an issue for China's progress and other strategic interests in its Grand Strategy, which according to the four variables of foreign policy analysis by Khong, the threat perception, political ideology, leadership and the characteristic of the state, People's Republic of China sees South Korea as an important partner and a valuable country with the prospect of helping the People's Republic of China reach the China Dream that the Chinese aims to reach. South Korea's THAAD air defense system is no longer considered as an immediate threat and then the national interest was shifted into gaining more valuable cooperation while at the same time, securing South Korea's tendency to the Chinese. Thus the government of People's Republic of China was softening up after being rough (but not completely rough) with South Korea with the coercive economic boycott and also join in the efforts to improve relations between both countries in order to secure the loyalty of South Korea and gain benefit and more cooperation with the country as a peripheral country. In addition, South Korea is a potential help for People's Republic of China in working together in the Chinese BRI (Belt and Road Initiative) project for the short-term common interests and in the long-term interests of the People's Republic of China so that it can be central in the economic, political, and security fields in the regions of Asia.

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