

**ADVANCE SOCIAL SCIENCE ARCHIVE JOURNAL**Available Online: <https://assajournal.com>

Vol. 04 No. 01. July-September 2025. Page# 736-751

Print ISSN: [3006-2497](#) Online ISSN: [3006-2500](#)Platform & Workflow by: [Open Journal Systems](#)<https://doi.org/10.55966/assaj.2025.4.1.060>

China's Economic Dominance in the Korean Peninsula and its Ramifications for US Economic Hegemonic Influence in the Region

Umm e Hani

Department of International Relations, University of Peshawar, KP, Pakistan.

ummehani.lki@gmail.com**ABSTRACT**

The Korean Peninsula conflict involves two major powers, China and the United States, making it a fundamental factor in regional stability and international geopolitics. This research examines the growing economic influence of China in the Korean Peninsula as well as its implications on the long-lasting hegemonic dominance of the United States in the East Asia region. Through an interdisciplinary approach, contemporary economic trends, encompassing historical analysis and geopolitical assessments, this study aims to provide a detailed understanding of the developing role of China and its multifaceted impact on US interests in the region. Examining the complex web of trade dynamics, infrastructure projects, investment patterns and strategic alignments, this research explains the extent to which the economic stabilization of China invades both South Korea and North Korea. By proposing strategic responses and policy recommendations, grounded in a deep understanding of regional dynamics and power shifts. Also, this Research is on the base of Qualitative approaches, utilizing a combination of secondary data source (e.g.: reviewing academic publications, official websites, statements, newspapers, magazines, news articles, research papers, and internet publications) to provide a comprehensive analysis of the economic influence of China in Korean Peninsula. This research aspires to make a substantive contribution to the academic discourse on East Asian geopolitics and international political economy, offering a comprehensive analysis of the developing power dynamics in the Korean Peninsula and their implications for US hegemony in the region.

Key words: Korean Peninsula Conflict, China's Economic Influence, US Hegemony, East Asian Geopolitics, Strategic Alignments, International Political Economy, North and South Korea.

Introduction

The Korean Peninsula is located in the Northeast Asia region, bordered by the Korean Strait to the South, to the west by the Yellow Sea to the east by the Sea of Japan (East Sea). The peninsula contains mountains with several plains and river valleys. The total area of the peninsula is approximately 220,000 square kilometers. The Korean War occurred during the early stages of the Cold War, a period marked by intense rivalry between the Western bloc, led by the United States and its allies, and the Eastern bloc, led by the Soviet Union and its allies. The Korean

Peninsula is divided by the 38th parallel line, known as the Korean Demilitarized Zone, resulting in two separate countries with distinct political, economic and social systems. One country is North Korea, which is known as the Democratic People's Republic of Korea, occupying the northern part of the Korean Peninsula, and another country is South Korea, which is known as the Republic of Korea, occupying the Southern Part of the Korean Peninsula. The Korean Peninsula remains a significant point of tension and strategic interest in East Asia and globally, due to the ongoing conflict between North and South Korea and also the participation of major powers such as China and the United States. On June 25, 1950, North Korean forces, supported by the Soviet Union and China, occupied South Korea. The United Nations, with the United States as the main force, came to the aid of South Korea. US supported South Korea because the United States and its partners were in favor of containing the spread of communism, supporting South Korea. After all, it had a non-communist government. And if we see on the other hand, North Korea was assisted by the Soviet Union and later China, meaning communist or socialist states. The Korean Peninsula has been marked as a point of conflict among neighboring countries, major powerful states, causing regional instability and generating international geopolitical disputes for a long time. These unstable situations, characterized by territorial disputes, historical conflict and nuclear proliferation fears, underscore the crucial role of the Korean Peninsula in shaping the broader dynamics of the Asia-Pacific region. In the geopolitical dispute of the Korean Peninsula, the relationship between the United States and China remains a regional rivalry, as it embodies a struggle for dominance in a pivotal region of global power dynamics. As the two superpowers of the world, their competition for influence in this unstable region has extensive implications for international stability, peace and the stability of power. The Korean Peninsula, with its historical tension and conflict, serves as a battleground where these competing interests come together, shaping the structure of nations in the region and the shape of global geopolitics. Since 1961, the authorization of the Sino-North Korean Common Aid and Cooperation Friendship Treaty, China's relationship with North Korea has been considered by a delicate geopolitical Analysis and balance of strategic partnership. This treaty, often cited as a base of their alliance, underscores China's commitment to North Korea's security and stability. Moreover, the year 2024 marks the seventy-fifth anniversary of their bilateral relationship. It has acknowledged the "year of DPRK-China friendship," and Xi has called the year an opportunity to support "long-standing friendship, deepen planned mutual trust, and improve exchanges and cooperation." (Albert, 2024). However, China's role in the Korean Peninsula extends beyond mere diplomatic ties; it wields considerable economic influence as North Korea's largest trading partner, historical bilateral relations, similar ideological relations and a key source of investment and aid (Kim, 2019).

On the other hand, the US engagement in the Korean Peninsula is deeply deep-rooted in its post-World War II strategy of containing communism and promoting democratic values. The U.S.-South Korea alliance, forged in the awaken of the Korean War, remains a hub of America's security plan in the Asia-Pacific region. With nearly 30,000 troops placed in South Korea and a commitment to defend its ally against external aggression, the United States plays a crucial role in shaping the security landscape of the peninsula. The United States accesses the Korean Peninsula through a combination of military bases in South Korea, strategic alliances, supply

lines, joint military exercises, regional bases in Japan, and a strong naval presence. This comprehensive network confirms that the US can maintain its military and strategic interests in the region effectively. As China's economic power grows and its geopolitical ambitions expand, its influence in the Korean Peninsula has become increasingly pronounced. Through trade, investment, and diplomatic relations, China seeks to enhance its strategic position and reshape the regional order in its favor (Kim, 2019). This has raised concerns in Washington, where policymakers fear a diminishing American presence and waning influence in East Asia. This research seeks to unravel the complex dynamics of the Korean Peninsula conflict and its implications for global geopolitics. By examining the evolving roles of China and the United States, it aims to offer new insights into the complex network of power relations that define this acute region. Through challenging analysis and scholarly inquiry, it seeks to enlighten pathways toward peace, stability, and cooperation in Northeast Asia and beyond, charting a course for a more secure and prosperous future. The following are the research objectives:

1. To examine the extent of economic dominance of China in the Korean Peninsula through an analysis of trade volumes, investment patterns, and infrastructure projects, explaining the mechanisms through which China emphasizes its economic influence in the region
2. To assess the implications of the economic dominance of China for US economic hegemony in East Asia by evaluating the strategic responses of the United States and analyzing the evolving dynamics of regional power politics and economic associations
3. To identify potential areas of cooperation and association among the involved parties, such as joint economic projects or diplomatic initiatives, to promote regional stability and enhance economic prosperity in the Korean Peninsula and East Asia

Literature Review

The economic dynamics in the Korean Peninsula have had significant transformations over the past few decades, many times influenced by China's economic policies, and sometimes the United States also play a vital role in Korean Peninsula economic dynamics. These literature reviews aim to explore the various dimensions of China's economic effect in the Korean Peninsula and its implications for the United States' economic hegemony in the East Asia region.

China's economic effect on North Korea has been important due to the country's isolation and dependence on Chinese aid and trade, and also the neighboring country of China. Both countries are also bonded in historical bilateral relations, as well as the same communist ideology, and by occupying countries. Benjamin Katzeff Silberstein provides a comprehensive analysis of how North Korea's informal economy is intertwined with Chinese businesses in his article. Silberstein also highlights that China's investments and trade with North Korea have increased the economic influence in the region and also maintain the bilateral relations (Silberstein, 2018).

Chung Min Lee explores in his book "The Hermit King: The Dangerous Game of Kim Jong Un" the geopolitical implications of economic support of China to North Korea. Lee emphasizes that China's aid has not only sustained the economy of North Korea but also reinforced its strategic buffer against US influence in East Asia. This support allows North Korea to maintain its

provocative stance, stability, economy, social as well and political situation and standard in the country without collapsing (Li Z., 2020).

Ramon Pacheco Pardo and Rory Keane, in their article "South Korea's Changing Roles in Southeast Asia", examine the economic interdependence of South Korea with China. In South Korea, China's economic influence is established through trade, investments, economic as well as humanitarian aid provided by China and tourism. They argue that while South Korea benefits from Chinese investments, it also faces challenges such as economic pressure, as seen in the THAAD (Terminal High Altitude Area Defense) deployment controversy. The authors highlight how China's economic influence has been used to apply political pressure on South Korea for its national interests (Keane, 2020).

James Reilly provided in his book "China's Economic Statecraft: Co-optation, Cooperation and Coercion" a depth analysis of how China employs economic governance to achieve its geopolitical objectives in South Korea. His study exposes the dual nature of China's economic strategies, balancing between cooperation and pressure to maintain its regional economic influence. This approach lets China build economic ties while at the same time ensuring South Korea stays on guard from making any foreign policy that might anger the Beijing administration (Reilly, 2018).

The other respondent to the growing economic interest that China was gathering in the Korean Peninsula was the United States of America, through a combination of strategic associations and economic policies. Sherry Rigger brought the regional dimension of the US-China trade tensions into her examination, focusing on the consequences for the Korean Peninsula. She mentioned in her article that the U.S. counterbalance to China in the region is stronger economic relations, specifically with South Korea, by extending different types of aid and strongly laying emphasis on the realization of free trade agreements. This strategic response is intended to increase US allies and maintain its influence in the region (Rigger, 2020).

The changing power dynamics between two major superpowers in East Asia have led to new economic alliances, competition, tension and rivalries. David Shambaugh, in his book "China Goes Global: The Partial Power", provides an analysis of the growth of the People's Republic of China as a world economic power and what it portends for regional politics. The thriller argues that the means China is using in the Korean Peninsula should be understood as part of a spectrum of its strategies across the global board to challenge US hegemony. He states how the wider influence of China is trying to reshape the regional order and come up with a direct challenge to the interests of the US (Shambaugh).

The rise of China as an economic power creates significant challenges to US economic hegemony in the East Asia region. Michael R. Austin, in his book, "The End of the Asian Century: War, Stagnation, and the Risks to the World's Most Dynamic Region", discussed the strategic and economic risks that might be posed to the United States in maintaining influence in the region as well as challenges from China. In the same case, Austin indicates that the economic strategies of China in the East Asia region are developed in the context of reducing the United States' economic influence in the region, including its Silk Road Project. He fears that without strategic regulations, the US stands the risk of losing its long enjoyed influence in this strategic part of the world.

These literature reviews highlight the multifaceted nature of the economic influence of China in the Korean Peninsula in the East Asia region, and also its strategic implications for US hegemony, and the evolving power dynamics in East Asia. These complete literature reviews create research on the economic dynamics of the Korean Peninsula, cover the economic influence of China, the economic transformation of South Korea, the economic engagement of the United States, infrastructure development in North Korea, regional economic cooperation initiatives, and challenges and opportunities for economic cooperation in the Northeast Asia region. Even though the valuable insights provided by existing research on economic dynamics in the Korean Peninsula, a strong gap remains in understanding the “relationship of economic interdependence and security dynamics”. Many studies have focused on individual aspects such as the economic influence of China, the economic transformation of South Korea or regional economic cooperation initiatives, implications for US hegemony in the region. However, few have carefully examined the intersectionality of these factors and their collective impact on the broader geopolitical background of the region. The research, therefore, is an attempt to fill this lacuna by bringing in a complete analysis of the economic dynamics in the Korean Peninsula, bringing together the different views on China, United States influence in the region, strategic approaches, trade relations, and providing an argumentative understanding of the complex interplay of economic interests, geopolitics, and regional stability. By filling this gap, it is the intention of the paper to contribute toward a better understanding of the economic dimensions of the Korean Peninsula tension and further to put forward some suggestions for policymakers, scholars, and experts who may have a willingness to effort toward establishing peace and stability in Northeast Asia.

Methodology

This article's methodology is based on a qualitative approach; it utilizes a combination of secondary data sources to provide a comprehensive analysis of the economic dominance of China in the Korean Peninsula and its implications for US hegemony in the region. The collected secondary data involve reviewing academic publications, official websites, statements, newspapers, magazines, news articles, research papers, and internet publications related to various aspects of the US-China trade relationship, strategic competition, and the influence of the trade war on neighboring countries to the Korean Peninsula, as well as the Korean Peninsula Dispute. The extensive data collection process confirms access to a wide range of information sources for analysis. Moreover, literature reviews are conducted using existing scholarly articles to gather data associated with the US-China trade and official statistics for analysis. This process can help in understanding important indicators allied to the US-China trade and its impact on the Korean Peninsula, as well as regional stability. The policies and various approaches formulated to date regarding the Korean Peninsula Dispute between the US and China have also been kept under close analysis.

Analysis

The Korean War took place during the initial years of the 1950s, the Cold War times, when the Western bloc, with the United States and the Eastern bloc, with the Soviet Union altogether went through intense competition. The flashpoint of tension and strategic interest in East Asia, the Korean Peninsula, continues to simmer because of the ongoing conflict between South Korea

and North Korea, with the participation of some major powers, particularly the United States and China. On June 25, 1950, North Korean forces, supported by the Soviet Union and China, occupied South Korea. The United Nations, with the United States as the principal force, came to the support of South Korea. The US supported South Korea because the United States and its allies were committed to containing the spread of communism. Supporting South Korea, which had a non-communist government, was in line with this policy. Conversely, North Korea was sponsored by the Soviet Union and later China, both communist states. The historical economic interactions between China and Korea date back to ancient times, with trade routes like the Silk Road playing an important role. Early exchanges included not just goods but also cultural and technological transfers. These interactions laid a solid foundation for the economic ties that would develop between China and Korea. The trade of ceramics, silk and spices was vital, as these goods were highly valued in both regions. This period saw the establishment of economic and social practices, as well as influencing both societies (Pruitt, 2004). Early trade interactions facilitated not only the movement of goods but also the exchange of ideas, interests and technologies, impacting Korean society significantly. The cultural and economic ties forged during this era were instrumental in shaping the economic landscape of Korea, setting the stage for future interactions and relations (Park H., 2011).

The Japanese colonial period, spanning from 1910 to 1945, marked a transformative era for Korea's economic, political and cultural landscape. The Japanese colonial administration prioritized the exploitation of Korean resources and labor for Japan's benefit, reshaping Korea's economic activities to help Japanese interests. Japanese policies fundamentally altered Korea's economic practices and structure (Seth, 2011). The Japanese exploitation led to economic underdevelopment and dependency, which had a long-term effect on the economic trajectory of Korea. The legacy of colonialism created a dependency structure that continued to affect Korea's economic policies and interactions with neighboring countries, including China (Lee S. A., 2018).

The Cold War era marked a significant shift in China's economic strategies, particularly under Mao Zedong's leadership. The economic policies implemented during Mao's tenure included radical reforms such as collectivization and the Great Leap Forward. These policies aimed to transform China into a socialist state but often led to economic instability and hardships. Mao's economic strategies were characterized by a focus on self-reliance and socialist principles, which influenced China's economic relations with its neighbors, including Korea. The period saw a strengthening of ties with North Korea as both countries pursued socialist policies and were required to counterbalance Western influence. The Sino-North Korean alliance, formalized through the Treaty of Friendship, Cooperation, and Mutual Assistance in 1961, represents an essential development in regional politics (House, 2021).

The post-World War II period saw the emergence of strong US-South Korean relations, which had an important impact on regional dynamics. The alliance was instrumental in shaping South Korea's post-war recovery and economic growth. The US-South Korean alliance provided economic aid and military support, which played a vital role in the economic growth of South Korea and its position in regional politics and gaining stability (Jones, 2017). The Deng Xiaoping era marked a transformative period in China's economic policies. Deng's economic reforms,

initiated in the late 1970s, shifted China from a centrally deliberate economy to a market-oriented one. The reforms led to increased trade and investment between China and Korea, contributing to Chgrowing regional influence of China and shaping Korea's economic strategies as well as target US Hegemony in East Asia China's economic opening had a profound impact on its relations with both North Korea and South Korea (Helen, 2021).

Economic influence of China on both North Korea as well as South Korea exposes diverse dynamics shaped by geopolitical and economic essentials. In North Korea, China serves as the regime's primary economic lifeline, providing essential investments, economic aid and humanitarian aid that sustains the isolated economy during international sanctions. This planned support also strengthens China's regional influence and stability in its northeastern region. In contrast, in South Korea, China's economic influence is characterized by forceful trade relations and strategic investments, particularly in advanced technological sectors like electronics and the automotive industries. The deepening economic interdependence emphasizes China playing a vital role as the largest powerful economic growth in the region, trading partner, providing aid and shaping bilateral ties amid broader geopolitical complexities with South Korea in the East Asia region. The economic influence of China in the Korean Peninsula is a multifaceted phenomenon that has evolved significantly over the past few decades. This influence manifests in various forms, including investment, trade and diplomatic engagements, impacting both North and South Korea in profound ways. These chances came at the disbursement of North Korea, as Chinese leaders slowly found that mutual economic interests with South Korea balanced long-standing ideological and personal links with North Korea (Synder, 2009).

China is trying to build stronger relationships with both North Korea as well as South Korea to increase its influence over the Korean Peninsula. This includes trying to play a bigger role in determining the North Korean nuclear issue and making the United States seem less significant in the region. Chinese President Xi Jinping likely sees a chance to achieve these goals because U.S.-North Korea nuclear talks are at an end, and there have been major disagreements between South Korea and the US during the Trump and Moon administrations (H.Pak, 2020).



Figure 1: The Map of the Korean Peninsula and China (Loprespub, 2020).

China is incontrovertibly largest trading partner of South Korea, with bilateral trade volumes reflecting a deep economic interdependence. In 2020, trade between China and South Korea surged to approximately \$241 billion, underscoring the critical role of the Chinese market in South Korea's export-oriented economy (Hyun, 2021). This economic relationship has evolved significantly since diplomatic normalization in 1992, focused on balancing economic strengths and the mutual benefit of market access. Key sectors driving this trade include electronics, automobiles, and petrochemicals, where South Korean companies like Samsung, Hyundai, and LG (Lucky Goldstar) have established robust manufacturing bases in China. These investments not only cater to China's burgeoning consumer market but also improve production costs and supply chain efficiency (Jinwoo P., 2019). The tourism sector has also been essential in enhancing bilateral economic ties. Before the COVID-19 pandemic, Chinese tourists constituted a substantial portion of South Korea's international visitors, stimulating growth in trade, hospitality, and entertainment sectors (Sangmi, 2020)

In contrast, the economic relationship of North Korea with China is shaped by political and strategic imperatives. China remains the primary trade partner of North Korea, and economic support, particularly crucial given the international isolation of North Korea and economic

sanctions. Trade between China and North Korea, although significantly smaller in the entire economy compared to South Korea, is vital for the regime's survival. In 2019, trade volumes amounted to approximately \$2.8 billion, comprising essential imports of food, fuel, and machinery from China, and exports of minerals, textiles, and seafood from North Korea (Li, 2020). This trade relationship not only supports North Korea's economy but also assists China's strategic interests by maintaining stability on its northeastern border and influencing Pyongyang's policy decisions. Chinese investments in North Korea focus on resource concept and infrastructure development, enhancing economic connectivity and supporting the regime's strategic objectives (Helen, 2021).

China's rise as a global power is one of the most important events in recent history. As China's political and economic influence grows, its connections with other major

Economies will shape global values, organizations, and policies, changing the international political economy. The author introduces the idea of "Sino-capitalism," a unique form of capitalism influenced by China's reemergence. Unlike Anglo-American capitalism, which relies on legal codes and transparent rules, Sino-capitalism depends more on informal business networks and the strong role of the Chinese state in promoting economic growth. This system values state control and social standards of trade, stability, and hierarchy over free markets. China uses efforts to internationalize its currency, the Yuan, to show how Sino-capitalism operates on a global scale. Instead of making a fixed calculation about China's future role internationally, the author argues that China's approach in the global economy mirrors its domestic system: state guidance, flexible business networks, and global integration. Sino-capitalism is an emerging global economic system centered on China, creating a mix of mutual dependence, cooperation, competition, and tension with the still dominant Anglo-American capitalism (McNally, 2012).

China's mechanisms for declaring economic dominance over the Korean Peninsula reflect its broader geopolitical ambitions in East Asia. By leveraging trade policies, investment strategies, financial initiatives, and infrastructure development, China strengthens its economic influence and strategic position, shaping regional dynamics and geopolitical alignments. In South Korea, China's economic dominance requires it to balance economic benefits with strategic alliances, particularly with the United States. Issues such as the deployment of the THAAD missile defense system highlight the complexities of managing economic ties among security concerns (Jihye, 2018). For North Korea, China's economic support through trade, investment, and aid is crucial for maintaining stability and justifying the impact of international sanctions. China's economic engagement serves strategic interests, including regional stability and preventing potential crises along its northeastern border (Andrei, 2013).

"Control oil and you control nations; control food and you control the people." In today's globalised world, it might be said, "Control technology and trade routes, and you control the future." (1970s)

This statement highlights the critical position of economic and technological dominance in maintaining geopolitical power, a competitiveness in which the United States and China are now deeply involved.

The US has followed stronger diplomatic relations through bilateral agreements with South Korea. For instance, the US-South Korea summit in May 2021 repeated the US assurance to the

association and addressed economic cooperation to counter China's influence. The strategic document by the Biden Administration defined the importance of the alliance in countering Chinese influence in the region. This is a broader strategy to strengthen treaties with traditional partners to present a united front against China's growing economic influence.

The US has stimulated the Quadrilateral Security Dialogue (Quad) with Japan, India, and Australia, giving emphasis to a free and open Indo-Pacific trade. This initiative has expanded to include economic and technological collaboration, humanitarian aid, and directly challenging China's regional dominance. This strategic grouping promotes democratic values and counters China's economic influence policies in the Indo-Pacific (Smith, 2020). This strategy emphasizes the importance of maintaining a rules-based order and free navigation in the Indo-Pacific region and gaining influence. It is a response to China's naval rights and economic activities under the Belt and Road Initiative (BRI). It is necessary for the US to maintain the international laws on the strategic and economic importance of this region (Koh, 2021).

The organization of the THAAD system in South Korea is an important move to counter potential threats from China and North Korea in the region. This deployment has faced Chinese economic retaliation against South Korean businesses in East Asia. To show the ability of China to use economic means for political purposes and the complex interaction between security measures and economic significance (Swaine, 2017). The US Navy frequently conducts Freedom of Navigation Operations (FONOPs) in the South China Sea to challenge the territorial rights of China. These operations are critical in maintaining open sea lanes and demonstrating the US military's commitment to the region. These operations underscore the US's commitment to international law and the freedom of navigation in contested waters (O'Rourke, 2020). The US conducts regular joint military movements with South Korea and Japan to ensure arrangements and show strength. These exercises serve as a deterrence against potential Chinese aggression in the region. The US want to maintain their position and deter the Hegemony of the other Powers. These exercises include large-scale exercises, cyber warfare drills, and missile defense simulations, reflecting the complex nature of modern military threats (Green, 2017).

South Korea has been carefully balancing its economic ties with China, and also its largest trading partner, and its security alliance with the US. This dual strategy is plain in its responses to Chinese economic pressures and its participation in US-led security efforts. South Korea tries to maintain dual relations like relations with both countries: with China as well as with the US, for the maintenance of their stability and national interests. South Korea's economic dependence on China for investment and economic trade is put side by side with its dependence on the US for security guarantees, creating a delicate balancing act (Revere, 2021). Japan has navigated its relations with both countries by enhancing its security cooperation with the US while engaging economically with China. The Open-minded Agreement for Trans-Pacific Partnership (CPTPP) is a key component of Japan's strategy to expand its economic partnerships with China. As a South Korean country, Japan also uses the same strategy to form economic partnership ties with China as well as the US for their national interest, security and stability. Japan's strategic approach to maintaining influence involves using its economic and security policies to balance relations with major powers (Calder, 2017).

The Regional Comprehensive Economic Partnership (RCEP), signed in November 2020, is the largest trade agreement in the world, with 15 countries, including China. The absence of the US in this bloc underscores the shifting economic power dynamics in East Asia. RCEP's focus on reducing tariffs and consistent trade rules is expected to enhance regional economic integration and China's centrality in the regional supply chain. It plays an important role in the shifting of power from the United States to China in the East Asia region and helps China in its Regional hegemonic position (Plummer, 2020). The ASEAN has emerged as an important player in regional power politics and geopolitical dynamics. ASEAN's importance in regional economic and security frameworks has been a vital advantage for its member states in directing the US-China economic influence competition in the region. ASEAN can play a role in promoting regional stability, which has been instrumental in managing the geopolitical tensions and maintaining stability in the region (Miller, 2017).

The Taiwan Strait remains a crisis, with increasing Chinese military activities and US arms deals to Taiwan. This situation stands a significant risk of conflict and impacts broader regional security, stability, and dynamics, exploring the complexities of cross-strait relations and the impending conflict. The US commitment to Taiwan's defense and the declaration of sovereignty of China over Taiwan contribute to the difficulty of cross-strait relations (Mastro, 2019).

East Asian economies, including South Korea and Japan, have large trade with China. In 2020, China's trade with ASEAN countries decreased its trade with the US and the EU, indicating deep economic ties. This economic interdependence complicates efforts to distinguish from China, as regional economies are heavily integrated into Chinese-led supply chains, which bring change in regional power in East Asia. (Koh, 2021). BRI has invested in infrastructure projects across Asia, Africa, and Europe. This initiative has increased China's influence over participating countries through debt diplomacy. The strategic employment of BRI projects enhances China's influence in critical regions and secures vital trade routes and resources, which may play a crucial role in the formation of China's Hegemony in East Asia and decrease the influence of the US in this region (Hillman, 2020).

Huawei's dominance in 5G technology has posed a significant challenge to global telecommunications and has become a crucial point in the broader technological competition between China and the United States. The US has been actively promoting its allies to ban Huawei from their 5G networks, citing security concerns related to potential espionage and the vulnerability of critical infrastructure. This promotional effort emphasizes the strategic importance that the US places on controlling and securing technological advancements. Segal explains that the competition extends beyond 5G technology to include other innovative fields such as artificial intelligence (AI), quantum computing, and other advanced technologies. These areas are vital because leadership in innovation in these areas translates into significant strategic advantages (Segal, 2020). For instance, advancements in Artificial Intelligence can lead to superior military applications, improved cyber security capabilities, and dominance in data analytics, which are dangerous for economic and national security as well. Quantum computing represents another leading edge where the race for supremacy is powerful. Quantum computers have the potential to solve complex problems at extraordinary speeds, breaking current

encryption standards and revolutionizing various industries, including materials science, pharmaceuticals, finance, etc.

The leadership of China in the Asian Infrastructure Investment Bank (AIIB), with over 100 member countries, challenges the Bretton Woods institutions ruled by the US. AIIB's projects often align with BRI, extending China's economic influence. AIIB's focus on infrastructure development in emerging markets increases China's soft power and diplomatic influence (Dollar, 2020). BRI's expansive network of infrastructure projects has created a new economic geography, linking China with multiple regions through trade and investment passageways. BRI's strategic implications are profound, as it shifts economic and political alignments in favor of China (Hillman, 2020).

The US's strategic responses to the economic dominance of China in the Korean Peninsula and broader East Asia involve a multifaceted approach, including diplomatic, military, and economic measures. However, the evolving regional dynamics and the challenges posed by China's growing influence present significant obstacles to US economic hegemony in the region. China uses different strategies like BRL, ASEANs, EEZs, CPTPP, RCEP, Trade policies with South Korea, North Korea, Japan, etc., to gain Hegemonic power in East Asia while deterring the Power of the US. In the Response US also applied some strategies like FONOPs, etc., but it seems like China is successful in gaining Hegemonic Power in East Asia from the above data and information.

China and the United States enter into a Global Hegemony. Some scholars claim that a new Cold War has inwards between the two great powers. The competition between the US and China has been established in at minimum four fields: economic trade, high technology, territorial sea and ideology. The Chinese government set two anniversary goals: First, China focus on "to build a judiciously successful society in all aspects" with an emphasis on targeted poverty reduction measures by 2021. While the second is China's focus to "build a modern communist country that is successful, democratic, strong, culturally advanced and pleasant" by 2049. The US stood against the "return of a new rival" after the collapse of the Soviet Union in the early 1990s. The U.S policy limit against China includes, the Obama Administration's "Pivot to Asia" or "Asia rebalancing", The Trump Administration's "Indo-Pacific Strategy", and the Biden Administration's plan for "the Quad Plus", Expansion of the "Group of Seven (G7)" and organizing a global Summit for Democracy. This situation put South Korea in a disastrous condition. It finds itself in two opposite dilemmas, stuck in the middle of a power struggle between superpowers as well as an intimidating relationship between powerful neighboring countries (Lee J. B., 2021). China views North Korea as a strategic buffer against the US-allied South Korea and has maintained this buffer while seeking to prevent disruptive actions by North Korea. Economically, China remains largest trading partner of North Korea and has continued to invest in its economy despite international sanctions. Simultaneously, China's economic influence over South Korea has grown, making it a serious trading partner (Wook, 2020). Security concerns have also played an important role in Xi's policy. China supports the denuclearization of the Korean Peninsula and has actively participated in UN sanctions, although its application has been dissenting. The organization of the United States THAAD (Terminal High Altitude Area Defense) missile defense structure in South Korea has been a point of conflict, with Xi's administration viewing it as disrupting and using diplomatic pressure against it (Lukin, 2019).

US-China competition, the Korean Peninsula is an essential condition where this competition is revealed. Xi's administration sought to limit US influence while increasing China's strategic reach, engaging in multilateral frameworks and promoting its interests like the Belt and Road Initiative (BRI) to enhance regional connectivity and economic arrangement. China's policy on the Korean Peninsula also faces challenges and criticisms, particularly regarding the varying implementation of sanctions on North Korea.

Korea and human rights issues related to North Korean rebels. Even though these challenges, Xi's pragmatic approach aims to balance economic engagement, trade relation, strategic interests, and regional stability, securing China's influence in the region and addressing the complex dynamics of East Asian geopolitics (Sutter, 2016).

Conclusion

In conclusion, navigation in the evolving geopolitical background of the East Asia region calls for many approaches that will combine economic engagement, strategic partnerships, economic influence by the two major power countries, and regional security cooperation. The US can offset the rising economic influence of China in the East Asia region and foster its interests in Northeast Asia through building economic partnerships, advancing regional security, and dealing with common challenges. The economic influence of China in the Korean Peninsula has implications for US hegemony in the region. Throughout this research, we have explored various facts of the economic strategies of China, their impacts on South Korea as well as North Korea, and the strategic responses to the US to maintain its influence in the region. This research also highlights the Korean peninsula's strategic importance, emphasizing its role as a crucial point of conflict among major powers, particularly the United States and China. It examines the historical contexts that have shaped the current geopolitical landscape, underscoring the longstanding competitions and alliances that influence regional stability. The role of China as North Korea's largest trading partner and a significant economic player in South Korea is explored, highlighting the complex nature of its economic engagement. This economic entrenchment is located within the broader context of China's geopolitical determinations, showing how economic influence serves as a tool for strategic setting and regional dominance. On the other hand, this research observes the United States' historical and ongoing involvement in the Korean Peninsula. Rooted in post-World War 2 strategies to control communism and promote democratic values, the US and South Korea alliance remains a foundation of American security policy in the Asia Pacific region. The presence of US troops and the commitment to defend South Korea against external aggression underscore the strategic importance of the peninsula for American interests. The literature reviews of research create key scholarly contributions, providing a comprehensive overview of the economic and geopolitical dynamics at play. It also highlights the interconnection of economic interdependence and security dynamics, examining the difficult interactions that define the stability of the region. By finding gaps in the existing research, this research sets the platform for the analysis, emphasizing the need for a full understanding of the interplay between economic and geopolitical factors in the East Asia region.

This article has provided an in-depth examination of the economic influence of China in the Korean Peninsula, explaining its influence in both North and South Korea. By complete analysis of trade volumes, investment patterns, and infrastructure projects, we have seen how China has strategically placed itself as an essential economic partner for both North Korea and South Korea, and gained a hegemonic position in the East Asia region.

Recommendation

The following recommendations are provided for regional stability:

- Strengthen customary strategic discourse among East Asian nations, including China, South Korea, North Korea, Japan, and the US, to resolve local issues and establish common comprehension.
- Strengthen existing territorial organizations and components for compromise to address debates and forestall development.
- Advance comprehensive financial structures that benefit every single participating country, guaranteeing adjusted and unbiased development.
- Support the production of an adjusted and straightforward economic alliance that promotes regulatory relationships and decreases tensions.
- Advance joint security drives, like oceanic security participation and counter-psychological oppression activities, to fabricate trust and upgrade the country's strength.
- Implement certainty-building measures, for example, decency in financial strategies, straightforwardness in military exercises and open communication channels, to decrease the risk of misunderstandings and clashes.
- Give sympathetic guidance and advancement help to North Korea and other weak areas to address financial conflicts and work on day-to-day environments.
- Put resources into limiting building programs that improve the financial and legislative capacities of local nations, advancing reasonable turn of events and stability.
- Support social, instructive, and logical trades among East Asian nations to encourage shared understanding and respect.
- Foster youth commitment programs that advance multifaceted figuring out, discourse and participation, sustaining the up-and-coming age of territorial inventors.
- Use the Relationship of Southeast Asian Countries (ASEAN) and other regional bodies to work with discourse and collaboration on monetary, security, political and natural issues.
- Support determinations pointed toward invigorating local resolution, like the Territorial Complete Financial Organization (RCEP), to advance monetary participation and relationship and security.
- Advance local participation on ecological issues, for example, climate change, contamination, and strengthen the administrators, to guarantee sustainable turn of events.
- Advocate for reasonable monetary practices that offset financial development with ecological and social worries, encouraging long-term local hardness.
- Upgrade territorial collaboration on network safety to safeguard the basic foundation and battle digital dangers.
- Strengthen joint efforts on general medical problems, like epidemic mindfulness and reaction, to guarantee territorial flexibility against security emergencies.

- Stimulating financial ties through economic deals like the CPTPP and respective assumption settlements can grow the US economic impact in East Asia and advance possible turn of events.
- Put resources into innovative work in emerging advances, for example, computer-based intelligence and quantum computing keep up with the US mechanical authority and significance.
- Develop military coalitions and security organizations to stop possible dangers and keep up with sea security in the Indo-Pacific region.

Applying these suggestions can assist with promoting territorial strength by tending to economic conflicts, improving security collaboration, advancing common comprehension, and ensuring reasonable turn of events. This approach means to construct a strength East Asia, decreasing pressures and advancing harmony.

References

- Albert, C. F. (2024). *The China-North Korea Relationship: Rethinking comprehensive national security*. North-East Asian Voice.
- Andrei, L. (2013). *The Real North Korea: Life and Politics in the Failed Stalinist Utopia*. Polity Press.
- Calder, K. E. (2017). *Circles of Compensation: Economic Growth and the Globalization of Japan*. Stanford University Press.
- Green, M. J. (2017). Countering Coercion in Maritime Asia: The Theory and Practice of Gray Zone Deterrence. *Center for Strategic and international studies*, 31(04). Retrieved June 26, 2024, from <https://doi.org/101177/19782015627011404>
- Helen, S. (2021). China's Economic engagement with North Korea: challenges and Opportunities. *Pacific Affairs*, 32,41-63.
- Hillman, J. E. (2020). *The Emperor's New Road: China and the Project of the Century*. Yale University Press.
- House, T. W. (2021). U.S.-Republic of Korea Leaders' Joint Statement. *Journal of Peace Research*, 57(4). Retrieved June 27, 2024, from <https://doi.org/110.1179/002333316674418>
- Hyun, K. (2021). South Korea's Economic Relations with China: A Shift in Dependency. *East Asian Economic Review*.
- Jihye, C. (2018). The THAAD Dilemma: Security and Economic Trade-offs in South Korea-China Relations. *Asian Perspective*.
- Jinwoo, p. (2019). Corporate Strategies in the Chinese Market: The Case of Samsung. *Journal of Business Research*, 32(5).
- Kang, D. C. (2017). *American Grand Strategy and East Asian Security in the Twenty-First Century*. The Cambridge University Press.
- Keane, R. P. (2020). South Korea's Changing Roles in Southeast Asia. *Journal of Geopolitical Studies*.
- Kim, H. A. (2019). Challenges and Opportunities for Economic Cooperation in the Korean Peninsula: A Comprehensive Analysis. *Journal of Economic Cooperation and Development*.

- Koh, D. (2021). China-ASEAN Trade: The Past 30 Years and Future Prospects. *China Briefing*.
- Lee, J.-B. (2021). US-China Rivalry for Hegemony and South Korea's Way. *The Journal of East Asian Affairs*.
- Lee, S. A. (2018). Regional Economic Cooperation Initiatives in Northeast Asia: Opportunities and Challenges For Peacebuilding in the Korean Peninsula. *Journal of Peace Research*.
- Li, Z. (2020lan). China-North Korea Economic Relations: Sanctions and Adaptation. *International Affairs*.
- Mastro, O. S. (2019). *The Costs of Conversation: Obstacles to Peace Talks in Wartime*. Cornell University Press.
- McNally, C. A. (2012). Sino-Capitalism: China's Reemergence and the International Political Economy. *World Politics*, 22(59), 671-834.
- Miller, T. (2017). *China's Asian Dream: Empire Building along the New Silk Road*. Zed Books.
- O'Rourke, R. (2020). Maritime Territorial and Exclusive Economic Zone (EEZ) Disputes Involving China: Issues for Congress. *Congressional Research Service*, 51(6), 936-998.
- Park, H. A. (2019). South Korea's Economic Transformation from War-Torn Nation to Global Economic Powerhouse. *Asian Economic Journal*, 31(05). Retrieved April 28, 2024, from <http://www.paceforum.org/wp-content/uploads/2019/v01011.pdf>
- Plummer, P. A. (2020). RCEP: A New Trade Agreement that will Shape Global Economics and Politics. *Brookings Institution*, 21(57). 501-678.
- Revere, E. J. (2021). The U.S.-ROK Alliance and the U.S.-China Strategic Rivalry. *Brooking Institutions*.
- Rigger, S. (2020). The China-U.S. Trade War and Future Economic Relations. *Journal of International Affairs*. Retrieved August 8, 2024, from <http://www.paceforum.org.041198076656>
- Sangmi, L. (2020). Tourism and Economic Interdependence between China and South Korea. *Journal of Travel Research*.
- Segal, A. (2020). Seizing Core Technologies: China Responds to U.S. Tech Crackdown. *Council on Foreign Relations*.
- Smith, J. M. (2020). The Quad 2.0: A Foundation for a Free and Open Indo-Pacific. *The Heritage Foundation*.
- Swaine, M. D. (2017). Chinese Views on South Korea's Deployment of THAAD. *Camogie Endowment for International Peace*.
- Wook, Y. (2020). China's Economic Influence on South Korea: New Dynamics and Directions. *Journal of East Asian Affairs*.