Title: Different strategies of the US to cooperate with Taiwan and South Korea for the potential opponents

Introduction

In the international study, the focal point involves how countries ally with other countries to defend themselves. Some arguments claim that countries ally with other countries for countering their direct opponents, while other arguments indicate that the alliances are for balancing the regional power change.

In general, countries would like to use economic incentives to induce their allies to cooperate with them for reaching foreign policy goals. When their allies share the same policies with them, they will intensify the economic relationship with them. However, this tendency does not correlate with the case of Taiwan and South Korea.

For understanding more about the strategies used by the US, I will compare the economic interaction of these countries under different circumstances and use the US’s on their partners under different circumstances to show what strategies are used by the US governments and the reasons of it.

This article is divided into four parts. In the first section, I will review previous studies about the theories regarding cooperation. In the second section, I will briefly describe the situation of these two triangle relationships. I will include different aspects used to analyze these two triangle relationships, and considering the reality as well. The third part will focus on the statistical analysis of these two triangle relations, particularly on the economic interaction between these countries. The fourth part is the summary of this paper and the prospect for future research. Through the discussion of these two triangle relationships, I hope this paper can contribute to the understanding of the dynamic of the cooperation between the United States and its allies.
The strategies for the Alliance and positive inducement

While Taiwan is not an official ally with the US, the interaction between Taiwan and the US is similar to the US’s regional allies, such as Japan and Korea. The alliance between countries is the main issue discussed in International Relations for a very long time. Different theories also provide and argue about the possibility of cooperation in various ways; the cooperation between the US – South Korea and the US – Taiwan in terms of security issues can be properly addressed under this framework regardless of the difference of these two bilateral relations (Bush, 2016).

Countries may ally with other countries to defend themselves and ensure their security. For achieving this goal, countries will choose their allies with the rule of power balancing; they might seek other countries to fill the military gap between themselves and their opponents (Morgenthau, 1948). While some arguments claim that alliances may not only serve for short-term security purposes, countries, particularly stronger and geographical isolated countries, may ally other countries for the long-term defensive purpose. Stronger countries will ally with weaker countries in different regions to balance the powerful regional countries and intervene the regional international affairs when it is necessarily (Brooks, 1997). Stronger countries might also buck-passing some defensive responsibility to their weaker allies for shifting the burdens and striving for more time to deal with crises. (Mearsheimer, 2014). While when countries want to invite other countries to be their allies, they will be more likely to use concessions as bargaining chips to convince their potential allies, particularly when challengers are more powerful and less likely defeated alone (Johnson, 2015). With the breakdown of the Cold War and the diminished of the bipolar system, superpower countries started to intervene and extend the deterrence at the regional level (Danilovic, 2001). The probability of intervening in regional affairs depends on the threat generated by regional powerful countries. When the
regional powerful countries are more aggressive, the stronger parties are more likely to seek cooperation with their regional weaker allies and jointly intervene (Danilovic, 2002). Within this type of asymmetric alliances, stronger countries need the weaker allies for the defensive purpose, meanwhile, the weaker side can also receive benefits from bandwagons stronger allies such as the international prestige and economic interest (Walt, 1988; Morrow, 1991; Sweeney and Fritz, 2004). Nevertheless, the sustaining of this type of asymmetric alliance is hard to achieve if the stronger countries hold aggressive attitudes; the aggressive attitude of stronger countries may only lead the weaker allies to break up the alliances and seek other countries for security. The benefits of this type of asymmetric bandwagoning alliance formation make stronger countries to use positive inducement to address with their foreign relationships with other countries. Stronger countries can maintain their benign and building up their international images, meanwhile increasing the cost for their allies for abandoning or betraying them in the future (Schweller, 1994).

Positive inducement

Economic benefits are an attractive inducement for countries, even if this approach may increase the cost for countries that offer the benefits first; however, this may also allow stronger countries to build up the international order which is in accordance with their national interests. Stronger countries can try to exchange benefits with what their opponents want and start the bargain set with their opponents (Nincic, 2010). Also, stronger countries which offer the benefits first may adjust their offers depends on their opponents’ reactions, they may try to narrow down their offers if the opponents do not follow their expectation. Based on the weaker countries’ behaviors, offering first does not necessarily lead to the loss for the stronger countries (Kertzer and Brain, 2015). Moreover, even if this “taking back” looks like a loss or a failure for the stronger countries which offer the benefits, this “taking back” also enforces a
positive sanction, which may still pose damages to their opponents as the negative sanction, affecting their opponents substantially (Baldwin, 1971).

Moreover, the effect of the positive inducement may go beyond the expectation of the stronger countries. The positive inducement may not only pose positive sanctions on the opponents per se, but it may also pose the influences on other countries in the world that have similar features. The “catalytic model” mentioned by Nincic illustrates a good example of the influence of positive inducement beyond the targeted counties. In his article, he points out how the mechanism of catalytic model change other countries’ behaviors, and the function can also be shown in the case he used. Officials and leaders of other countries may try to mimic the targeted countries, changing the pattern to deal with stronger countries for obtaining benefits. The economic bloom up, and the prosperity may be particularly attractive for counties need financial aid and their potential opponents in the future (Nincic, 2010). Nincic’s model is interesting for examining if there is any spillover effect between two bilateral relationships. While the economic environment of Taiwan and South Korea are different, when leaders in these two countries observe the correlation of the military defense purpose and bilateral economic relationships, leaders may try to promote their economy by changing their attitude over the opponents and stand closer with the US.

Nevertheless, positive inducement can only be used when there are no emergent international crises. When the nations do not expect the possibility of wars is high, nations may also choose to delay the military competition. Instead, nations would focus more on economic capability (Brooks, 1997). Besides, when talking to positive inducement, we need to take domestic situations into consideration. Since the preference of their allies may affect the expectation of the reciprocity of positive inducement, the consensus of elites may affect the foreign policies of countries and may generate foreign policy opposite to the expectation of the
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allied countries (Schweller, 2004). Therefore, the strategy of positive inducement may vary depending on the preferences of the domestic elites.

The triangular relationship between the US, Taiwan, and China

Challenge from China

China has been regarded as the main opponent of the US for a very long time, and the challenges seem growing severer with time from the military to the economy as a whole.

Regarding the military, seeing merely from the military expenditures and other predictions, such as Gross Domestic Product (GDP) growth and iron and steel production (Mearsheimer, 2014), we might think that China is far from the most prominent opponent of the US on the military capability. Although the military expenditure growth of China has risen dramatically in recent years, the expenditure of the Chinese government is still half of that of the US. Even if taking the GDP as well as the iron and steel production into consideration for estimating the potential of China's military capability in the future, the result still shows that the US is more powerful than China on the total military capacity. From this perspective, China has not yet possessed sufficient power to challenge the US, nor can it endanger the status of the US over the global society (Wang, 2004).

However, the overall asymmetric power between the US and China will not relax the concern of military confrontation due to nuclear weapons. Nuclear weaponry is regarded as one of the most crucial factors for winning asymmetric wars because nuclear weaponry with second-strike power can easily destroy another country. It can change other countries’ positions under the international structure, and replacing the status quo immediately. Nevertheless, when calculating the cost and benefits of going into wars, nuclear-armed nations intend to use nuclear weapons as leverage for deterrence instead and developing the second-strikes capacity for
increasing their total military capability (Waltz, 1988). The Chinese government also understands the importance of nuclear weapons and the second-strike ability; therefore, in order to use deterrence successfully, they put great effort into developing their second-strike ability. The Chinese government has endeavored themselves on the development of long-range missiles; meanwhile, they also build up the movable underground arsenals in order to strengthen their second-strike ability. With these underground arsenals, the Chinese military can disguise the location of nuclear weapons, increasing the probability of misdirection by the opponents, hence increasing their second-strike ability (Navarro, 2016).

Except for the competition in the military realms between the US and China, the confrontation in the economic arena cannot be ignored. As mentioned before, the economic growth of nations can not only boom up the military capacity; it can also be regarded as the capacity of trading-off the long/short-term interests. While the competition in the economic realm between the US and China has intensified with time.

China now is the second-largest economy in the world; although the GDP per capita of China is still low, the US has confronted China in the international economic forums several times. The US would like to upgrade its economic cooperation and normalized the visits of high-level representatives with China from George W. Bush to Obama administrations. However, the concerns about the economic cooperation between the US and China were not eliminated by the deepening cooperation. The issues of trade deficit, open market, and intellectual property rights hampered the cooperation between the US and China, while the imbalance global economic burden on the US also made the US dissatisfy with the Chinese government and endanger the US’ economy (Yeh and Chen, 2017). As Vuving (2012) points out, the domestic economic and social imbalance may drag down the rate of economic growth; however, the collapse of the economy in China is not foreseeable shortly, while China may
surpass the US, becoming the top one economics in the world. The disagreements deriving from the economic interactions with China are one of the concerns of the US governments.

**The shared security concern of the US and Taiwan**

Taiwan and the US share national interests in various ways. From the Taiwan aspect, Taiwan embraces the democratic value as the US; however, with the growing power of China, the democratic value Taiwanese people enjoy are endangered. Chinese government using its economic power and the recognized international status to isolate Taiwan from the global society, cutting off the diplomatic relations of Taiwan and excluding Taiwan from the participation of international organizations. Meanwhile, China also speeded up economic cooperation with Taiwan for political integration. With the increasing Taiwanese identify themselves as Taiwanese rather than Chinese and recognize the rising China as a threat; Taiwan, therefore, shares the common goals with the US, choosing to strengthen the security relationship with the US (Weng, 2017; Wesley, 2015).

From the US aspect, the location of Taiwan may benefit the US in terms of defensive purposes. The location of Taiwan is critical; Taiwan lies in the middle of the west coast of China and the First Island Chain. If Taiwan becomes part of China, the Chinese government can access the Pacific Ocean easier, turning part of the Pacific Ocean as their territorial sea, and then keeping strengthening its navy. Allowing Taiwan becoming part of China implies the development of a stronger China. Meanwhile, it also means the US losing a buffer zone between the US and China. It is expectable that the confrontation between China and the US will be more direct and fierce.

Therefore, for keeping the cooperation with Taiwan, the US Congress passed the Taiwan Relation Act, promising to provide and help to maintain sufficient armed force for the
self-defense of Taiwan. The US governments understand and recognize the role of Taiwan in
term of the shared interests between these two nations.

**The dynamic of the triangular relations**

However, like what Schweller (2004) mentions, the domestic situation may affect the
relationship between nations; the relationship between Taiwan and the US also fluctuated
depends on the leaders and social support.

The US maintains its position by insisting One-China Policy, and the US governments
commonly pursue their national interests under this framework which affects how the US
establishes its Taiwan policies. The US, Taiwan, and China, therefore, form a triangular
relationship with each other.

As Lin (2009) argues, different foreign policies chosen by different Taiwanese
government may affect how the US and China interact with each other. He argues that when
Taiwanese leaders taking a more radical independence route, as President Chen did, the shared
interests between China and the US will increase since both of them prefer the status quo. This
shared interest promotes the cooperation between the US and China for preventing Taiwan
from independence. On the opposite, when the Taiwanese government chooses to cooperate
with China eagerly, as President Ma’s choice, China instead occupies in the advantage position,
and the US will choose to give more incentives to Taiwan for maintaining the status quo.
Hickey’s (2015) argument seems also proves this theory; he argues that due to President Chen’s
independent slogan for his second term presidential election, the Bush administration had no
choice but to clarify its “One-China Policy” again. On the other hand, since President Ma’s
cooperation with China, the trade volumes, as well as armed sales between Taiwan and the US,
increased.
However, according to the surveys conducted about the public opinions of the triangular relations, the high-level official strategic interactions seem not to reflect the voice of Taiwanese citizens. The public opinions regarding the US and China relations are divided along with the recognition of the identity, and the citizens who identify themselves as Taiwanese are increasing with time (Wang, 2013). The dynamic change of Taiwan civil society may affect the triangular relationship in the future, how the closer Taiwan and the US relationships affect this triangular relationship is interesting and worthy for further discussion.

The triangular relationship between the US, South Korea versus North Korea

The shared interests of the US and South Korea

North Korea has experienced several strategic changes after 1980 when South Korea start to becoming more democratized. North Korea had relied on the Soviet Union for surviving and deterring after the Korea War; however, with the gradually weakening economic situation in the Soviet Union, North Korea started to find out other solutions for its survival. Nevertheless, nuclear weapons become one of the options for Kim regimes to sustain (Weathersby, 2005). North Korea then obtains reverent technology and has contentiously developed their nuclear weapon from 1990 and conducting its first nuclear threat in 2006, which posing threats to the United States on both the regional level as well as international level. The nuclear weapons in North Korea make the Japanese government worried about their security and may motivate Japan to develop nuclear weapons to ensure their security. This tendency may cause instability in East Asia, and endanger the influence in East Asia (Sokolski, 2016; Pritchard, Tilelli Jr., and Snyder, 2010: 6).

For dealing with nuclear development, Obama administrations not only using verbal naming and shaming to discourage North Korea, but it is also using sanction on North Korea
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to prevent the development economically. Meanwhile, although the US government launched several strategies for preventing North Korea kept developing Nuclear Weapons, it also tries to engaged North Korea back to the negotiations and six-parties talk (Pritchard, Tilelli Jr., and Snyder, 2010).

The diverge preference of the South Korean government

Even if South Korea and the US has the military agreement and are the military allies since 1953, their national interests over the North Korean nuclear issue were fluctuating with the attitudes of presidents of South Korea. In other words, the leadership change of South Korea also leads to foreign policy changes in South Korea after democratization.

After the democratization, several South Korea presidents, such as Kim Dae-Jung and Roh Moo-hyun, both prefer the engagement policies on the North Korea issue. The main guide for these two presidents to maintain their policies on North Korea is Sunshine Policy. This policy does not see the elimination of military threats from North Korea as the priority; instead, this policy regarded the economic and civil society development as the priority. This policy assumes that the military threats from North Korean can be eased when the economic and civil society relationship with North Korea is improved. Nevertheless, under these two presidential terms, they put their primary focus on the economic cooperation; meanwhile, they also try to improve and reconnect the two civil societies, holding several events, such as family reunite, for promoting the closeness of these two societies (Pritchard, Tilelli Jr., and Snyder, 2010).

However, this approach was not supported by the US government, which thinks that easing the military threats from North Korea should be the priority for the Korean Peninsula. The summit between President Bush and Kim neither reach the consensus nor creating an alleviative atmosphere between these two countries. President Bush named North Korea as a member of the "axis of evil," making the engagement between South Koran and North Korea
more difficult. While during the process of denuclearization within the presidencies of Kim and Roh, it also invoked the anti-US sentiment with South Korea, which also hindered the cooperation between the US and South Korea over other realms (Fontaine and Springut, 2009).

This divergence between the US and South Korea is mitigated with the inauguration of President Lee Myung-Bak in 2008. President Lee promises to revitalize the economy while he also held harsh strategies on the North Korean issue. He insists that North Korea also needs to carry out the plan of denuclearization in advanced. Moreover, he shamed North Korea by inviting the exclusive third-party investigation team for the Cheonan Sinking Incident during his presidency. The attitude President Lee held was different from previous presidents and aligned with the priority of the US government. President Lee made the relationship between the US and South Korea closer, pushing away North Korea from South Korea and making North Korea more isolated (Pritchard, Tilelli Jr., and Snyder, 2010).

While the attitude President Lee held did not last longer than his presidential term, the following President of South Korea Park Geun-Hye changed the foreign policy again and deviated far from the US this time. However, the relationship between the US and South Korea was not affected merely by North Korea; China was also included as a factor for the relationship between the US and South Korea due to President Park's personal experience.

President Park personally adores Chinese culture and languages; nevertheless, for her, promoting the South Korea-China relationship also served a specific political purpose. She thought that since the US policy on North Korea is not accordant with the South Korea government, relying on China to discourage North Korea may be an alternative choice for South Korea. The Chinese government does not push hard on the denuclearization of North Korea; meanwhile, it also did not hope North Korea exercised the military operations frequently, which may be a proper partner to cooperate on the North Korean nuclear issue. For cooperating with the Chinese government, she even delayed the deployment of the THAAD
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by showing her intention of cooperation and igniting the US at the same time (Tsai, 2017).

President Park’s foreign policy undouble not aligned with the US government’s preference.

Like what happened in Taiwan domestic society, after the democratization, the president and elites of South Korea also changed several times; different presidents and elites have different preferences and promote different policies over the North Korea issue. Meanwhile, the US and South Korea still remain the formal alliance relationship and seeing North Korea as the threats which may endanger the security of them.

The Difference between China and North Korea

Although both China and North Korea are the opponents of the US governments, these two opponents still have dissimilarities; one is their economic capacities, and another is their international positions.

Regarding China, after the Reform and Opening of China, its economic capability has kept growing up and becoming the second-largest economy in the world. During the Chinese economic development, a lot of US companies also set up their factories in China to make their products more competitive; the economic interdependent of these two nations has been nevertheless formed and deepen with time. However, there is no such economic interdependence between the US and North Korea. North Korea has kept relying on support from the Soviet Union for the past several decades; therefore, when the Soviet Union could not keep supply the economic demand of North Korea, its economic situation grew worse. Unlike China, North Korea did not follow up the step of economic reform; instead, it has kept relying on the support from China and tried to develop the nuclear weapons as the alternative to pursue its security and exchange those technologies for food (Park, Seliger, and Kim, 2007). In contrast, North Korea is isolated from the global economic market; it has been list on the US’s economic sanction list due to the nuclear test. Although it has temporary economic relationship
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with South Korea, its economic power is far from a threat to the US or South Korea, nor did it to its neighbor countries.

In addition, China had enjoyed the international reorganization from 1992, after the US becomes the first country to build up a formal diplomatic relationship with it. After that, several countries in this world also followed the step of the US, building up a formal diplomatic relationship with it. Since the change of the recognized regime, it also substitutes the status in the UN, enjoying the veto power on plenty of international issues. In contrast, although North Korea is also one of the members in the UN, it does not enjoy as much as powers in it; neither is it recognized by most of the nations in the world. There are only twenty-four countries set up ambassadors in Pyongyang, and North Korea only set up their ambassadors in forty-seven countries in the world.

Research Design

Although positive inducement can also be a consistent strategy used by the US government on South Korea and Taiwan, this paper will only focus on the time after the democratization of Taiwan and South Korea. There are two considerations for limiting time extension on this issue. Since one of the focuses on this paper is about the influence of divergent leadership change, looking back to the autocratic era may not be helpful. During the autocratic era, these two autocratic regimes were highly consistent in terms of their foreign policies. The South Korean government before democratization saw North Korea as an enemy, and almost never intend to engage North Korea for the unification. While in Taiwan, independence was never a choice for the Kuomintang (KMT) government. KMT governments might have different preferences over their China policies, such as attack back or engagement; they are consistent seeing Taiwan as part of China. Meanwhile, the US government had started to
changed its foreign policies in East Asia after the collapse of the Soviet Union, when it was almost the same time as the democratization of Taiwan and South Korea.

Also, China and North Korea have become threats for the US around the 1980s. China did not possess nuclear weapons until 1964 and did not change its economic policies until 1972, and the threats are not growing fierce until recently. The development of nuclear weapons of North Korea could also be traced back to the 1960s; however, their first nuclear test was around the 2000s. The threats from China and North Korea for the US are not as tense as today, which may change the use of positive inducement of the US governments. Therefore, this paper only focuses the time after the democratization of South Korea and Taiwan, hoping to capture the difference usages of positive inducement over Taiwan and South Korea more accurate.

Regarding the different development processes of democratization in South Korea and Taiwan, when the first elections were held at different times in these two societies, this paper will still include the data from 1988 for South Korea and the data from 1995 for Taiwan until 2015.

Due to the limited dataset, this paper will use ANOVA to test the variation between different ruling parties. The ruling parties of Taiwan and South Korea are divided into four categories. The party in Taiwan enjoy the same foreign preferences with the US is coded as one, while the party in Taiwan sharing different preference with the US is coded as two. Meanwhile, the leaders who were more willing to follow the preference of the US are coded as there, and the leaders who less aligned with the US’s preference are coded as four.

While for the domestic leaders in South Korea and Taiwan might have the consistency of foreign policies over the parties, I subjectively divide these presidents into these four groups. In Taiwan’s case, I divide presidents by their belonging parties; I see the Presidents from KMT have less preference with the US, while the Presidents from Democratic Progressive Party are more aligned with the US’s preference on the foreign policies over the China issue. In South Korea’s case, the preference of the Presidents cannot easily be separated by their belonging
party, since creating new parties is typical for the presidential election, and the preference of Park was not even aligned with her political attitude, I therefore arbitrarily separate South Korea Presidents into those two categories. I count President Roh, Kim, and Park as the leaders who were deviated from the US’s preference on the North Korea issues, and I code other Presidents are the democratization of South Korea as three.

For understanding how the US uses positive inducement under different domestic political situations in South Korea and Taiwan, this paper will use Foreign Direct Investment (FDI) and trade as the main proxies. FDI and trade are the two regarded as the proxies of the amity between nations. Nations prefer to choose countries that are trustworthy to be their trading and investing partners. It is also the proxies of the economic incentives which can show the intention of these countries. Using FDI and trade can allow us to understand the US’s intention of economic cooperation with these two countries.

For investigating the trading situation between the US, Taiwan, and South Korea, I will use the dataset Dyadic Trade Dataset Version four from Correlation of War. This dataset includes the data from 1988 for the dyadic relationship between the US and South Korea, and it also contains the dyadic relationship between the US and Taiwan from 1998, which is around the time of the democratization of these two countries. The variable smoothedtotrade in this dataset means the total trade values of the pair countries, which is also the value this paper uses for the trade. Since the economic growth of these two countries is different after democratization, for capturing my theories more precisely, I divide trade by their GDP per capita, respectively.

For the data of FDI, I use the dataset from the World Bank. World Bank has the dataset contains the bilateral outflows of the US FDI. From this dataset, I can have the FDI data of these two bilateral relations with the same standard. However, this dataset only includes the data from 2001 to 2012. I also use the data from SELECTUSA, a website which contains the
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data of FDI from 2014 to 2018, and I will use the data from 2012 to generate the data for 2013 for substitution.

Results

Table 1

One-Way Analysis of Variance of Party Change by Trade Value

<table>
<thead>
<tr>
<th>Partial SS</th>
<th>df</th>
<th>MS</th>
<th>F</th>
<th>Prob&gt; f</th>
</tr>
</thead>
<tbody>
<tr>
<td>tradeGDP</td>
<td>220.25816</td>
<td>3</td>
<td>73.41</td>
<td>171.64</td>
</tr>
<tr>
<td>Party</td>
<td>220.25816</td>
<td>3</td>
<td>73.41</td>
<td>171.64</td>
</tr>
<tr>
<td>Variation</td>
<td>17.110558</td>
<td>40</td>
<td>0.42</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>237.36871</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2

One-Way Analysis of Variance of Party Change by FDI

<table>
<thead>
<tr>
<th>Partial SS</th>
<th>df</th>
<th>MS</th>
<th>F</th>
<th>Prob&gt; f</th>
</tr>
</thead>
<tbody>
<tr>
<td>FDI (Model)</td>
<td>18536187</td>
<td>3</td>
<td>73.41</td>
<td>4.27</td>
</tr>
<tr>
<td>Party</td>
<td>18536187</td>
<td>3</td>
<td>73.41</td>
<td>4.27</td>
</tr>
<tr>
<td>Variation</td>
<td>34755683</td>
<td>27</td>
<td>0.42</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>53291871</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From the result of the ANOVA tests, the FDI and trade volumes indeed vary depending on the party change. The FDI from the US may vary with the leader changes in both South Korea and Taiwan.
When presenting the data with figures, the results show more details of differentiation. Figure one shows trade volumes of South Korea and Taiwan with the US without dividing their GDP, and figure two is trade volumes of these two bilateral relations while dividing trade volumes with their GDP. From figure one, we can conclude that the trade volumes between the US and South Korea were slow down when President Kim and Roh ran the office from 1998 to 2008, while the figure two trade-to-GDP ratios tell the different story. When President Kim and Roh were running the office, the trade volumes between South Korea and the US were intense compared to the total economic situation of South Korea during those years. While although trading volumes had kept growing up after 2008 in general, when comparing to South Korea's economic growth, the trade volumes are instead decreasing.

While looking to the bilateral relationship with Taiwan and the US, the situation is trickier. The overall trade volumes between these two countries are slightly increasing, nevertheless after dividing the trade volumes by its GDP, the economic relationship instead of maintaining at the same level and did not change over time. The economic relationship of Taiwan and the US does not fluctuate with the leader change when taking trade volumes to GDP into account. Moreover, these two bilateral economic relations show the trend of US trade is similar in South Korea and Taiwan over time, which is out of the expectation of this research. This trend tells the intense economic interaction of President Ma is not the result of the triangular relations of Taiwan-the US-China, but a shifted focus of the US to East Asia.
When looking into the Foreign Direct Investment (FDI), the fluctuations of these two bilateral relationships present do not follow the same trend. The FDI to South Korea went up after President Roh became the president in 2003, while the FDI to South Korea dropped again in the following years. When President Lee became the new president in 2008, the FDI from the US to South Korea nevertheless keep going up and only slightly drop during the presidency comparing to the previous presidencies. Regarding Taiwan, although the FDI from the US did decrease around 2003 and 2004, it instead increased again after President Chen was elected to his second term. In contrast, the FDI from the US dropped hugely after 2008 President Ma was elected into his presidency.

From the comparison of the trade volumes, trade-to-GDP ratio, and FDI, we can know that these two bilateral relations do affect by the domestic political situation of South Korea and Taiwan. When the leaders of South Korea share the same national preference with the US, the US is more likely to use economic cooperation to support the leaders. While when the new
leader is elected, the US government may adjust its policy with new leaders' intentions; the US might slow down the economic cooperation with new leaders when its national security preference was not aligned with the new leaders, which generate a similar effect of sanction. Regarding the case in Taiwan, the FDI from the US to Taiwan is more aligned with the positive inducement theory, while this effect is not salient over the trade realms. Even if the changing trade volumes slightly different, the differences between different presidential do not as vary as South Korea, and the trade-to-GDO ration did not fluctuate with president changes in the past. While from the results showed, there is no spillover effect between Taiwan and South Korea.

**Conclusion**

From the result of ANOVA tests and the ratio changes of trade volumes, we can see that when stronger countries would like to build up a long-term alliance relationship for defensive purposes, they will use the economy as a tool to promote their relationships. When the leaders of allied countries share the same preference with them, they will strengthen the bilateral relationships, while when the leaders of the allied countries do not have the policy preferences, they may reduce the economic cooperation with each other, creating similar effects of sanctions. While the complaint about the economic depression was believed why President Lee could be elected into office. Both of his slogan for the campaign and the result of the election showed the desire for economic recovery from South Korean citizens (Woo, 2018)

For further understanding this difference between these two triangular relations, it might be helpful to investigate the effect of economic interdependent between Taiwan, the US, and China on the bilateral economic relations with Taiwan and the US. Since there is no such overlapping-economy problem within the triangular relations of the US, South Korea, and
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North Korea. While it might also be interesting to see whether the national identity may affect the US’s willingness to use positive inducement, the divergent of the national identity is severer in Taiwan rather than in South Korea.

Although this paper shows the different features of these two bilateral relations and illustrate the effect of positive inducements, there are still plenty of shortages that require further discussions. The alliance of the US and other East Asian countries is unique than other regions; unlike other regions, different East Asian countries tend not to allies with other countries in East Asian countries, which limits the capability of testifying. For further study the positive inducement, to collect more cases and generalize the effect of positive inducement in the rest of US alliance might be helpful.
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Reference


