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**“The hegemonic competition of China vs. the US:
Possible outcome and implications for the world”**

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Main Points of brief remarks

- Needless to say, the future peace and prosperity of the world depends on the whole process of the hegemonic competition of China vs. the US and its outcome.
- The competition has just begun to accelerate and became more apparent from various Chinese initiatives including “One-belt, One-road” and globally declared national goal of attaining the “Chinese Dream” and the US and its allies’ reactions to those initiatives.
- It is my view that the competition will be a prolonged and intensifying process rather than it will end up suddenly with a disastrous war in near future. In short, I personally do not see two countries trapped into the “Thucydides Trap” any time soon.

- My view is based on two simple facts; first, two countries' unprecedentedly interdependent economic relations, and second, both hard and soft power gaps existing between the two powers will be hard for china to close within a couple of decades at most.
- Although the probability of the US and China falling into the Thucydides Trap, both powers must make special efforts to minimize the risk of the trap. The US political leaders and policy makers are well advised not to exaggerate the Chinese threats for arousing public overreactions.
- Simultaneously, China might try to take advantages of the foreign pressure, for example, coming from the current trade war for its own national interests. For China to escape from "Middle-income Trap", it needs to accelerate its own economic reforms, market liberalization, and structural adjustments, sooner than later. Japan and Korea's past experiences of both successes and failures in this regard might be useful.
- The prolonged intensifying hegemonic competition between two global powers implies that the world, in the meantime, may have to suffer from the "Kindleberger Trap" instead. As late US economist Charles Kindleberger pointed to the lack of world leadership or what I call "global leadership deficit" causing the Great Depression of the 1930s and eventually leading to the World War II.
- The most critical outcome of the global leadership deficit is the insufficient supply of global public goods, most importantly, free trade regime and a stable global financial system. In fact, the 3 Northeast Asian countries, Japan, first and then followed by Korea, and China itself later, benefitted the most from the post-World War II rule-based

liberal world order. From this very perspective, one might go as far as to say that the Northeast Asian 3 countries have moral obligations as well playing “responsible stakeholders” role for collectively contributing to closing global leadership gap.

- Towards this end, above all, peoples, political leaders of 3 countries in particular will have to make concerted special efforts to grow out of their negative historical legacy. They, all, have to learn from the Europeans in this regard.