

# Asia-Pacific Security Studies

## *China and the Korean Peninsula:*

### *Beijing's Pyongyang Problem and Seoul Hope*



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#### Conclusions

China aims to nurture a Korea that would accommodate China on major issues, maintain friendly bilateral relations, refrain from disapproved security cooperation with China's adversaries, and contribute to China's economic growth.

Beijing and Seoul enjoy warming relations and great potential for economic cooperation. Based on current trends, the Chinese have reason to hope that in the long term Seoul will have a closer and stronger relationship with China than with the United States.

Pyongyang remains a troublesome ally for China, refusing Chinese advice to commit itself to the Chinese model of economic liberalization and integration with the global economy, and seeking improved security through risky confrontational tactics such as developing a nuclear weapons program.

Chinese strategists are more amenable than in the past to the idea of a united Korea under Seoul's control. The satisfactory and improving relationship with South Korea partly accounts for this, as does the growing conviction that China no longer needs a buffer state. Nevertheless, the Chinese generally fear the risks and uncertainties of the transition to a united Korea and are not inclined to campaign for a dramatic change in the status quo.

Since the beginning of the North Korean nuclear crisis, Beijing has moved from a passive to an active and constructive role and has increased pressure on Pyongyang to reach a settlement with the United States. China's position, nevertheless, is not identical to Washington's and never will be.

The consensus in the Chinese leadership is still opposed to overthrowing the Kim government. Publicly, Beijing does not support economic sanctions against North Korea and insists on concessions from the United States to address Pyongyang's security concerns. China interests in the crisis do not match those of the United States. Beyond the crisis, China could accept a reforming Kim regime in North Korea indefinitely and will not permanently acquiesce to U.S. troops based on the Peninsula.



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With the United States and other countries relying on the Chinese to play a crucial role in the resolution of the latest crisis over North Korea, foreign observers need a clear idea of China's objectives on the Korean Peninsula. In the abstract, a Korea that would best serve China's interests would consult with and accommodate Beijing on major foreign policy decisions, seek peaceful compromises with China in the event of bilateral disputes, refuse defense cooperation with countries unfriendly to China, and provide China with investment capital, high-technology goods and markets for Chinese exports. Needless to say, it would also refrain from creating political, economic or social problems for China (unlike contemporary North Korea). Ironically, although it is a formal U.S. ally and host to American military bases, South Korea is arguably closer to conforming to China's ideal than is North Korea. The South is prosperous, stable and a valuable economic partner to the Chinese. Seoul has cordial and improving relations with China, a trend that might be more certain than the continuation of South Korea's strong military cooperation with the United States beyond the resolution of North-South tensions. By contrast, China's alliance partner, North Korea, despite its heavy reliance on Chinese support, is a truculent, troublesome neighbor that has paid little heed to China's advice and threatens to drag Beijing into an unwanted conflict.

In both the past and the present, the Korean Peninsula has been a critical part of China's aspirations for a regional sphere of influence and a secure external environment. A Korea that is neutral or accommodating to China is a potential buffer state, particularly against Japan. Conversely, a Korea hostile to China or in league with an adversary is a potential security liability. Historically, Korea was a first-tier Chinese tributary state—i.e., a member of the group of countries that are geographically close to China and in which the degree of Chinese cultural and political influence has been relatively high. In the nineteenth century, China meddled in Korea's domestic politics and took control of Korea's foreign relations. Late in that century Korea became the proxy battleground in a clash between China and newly emergent Japan for leadership in Northeast Asia. The issue of influence over Korea led to the Sino-Japanese War of 1894–95. In the twentieth century, of course, China paid a huge price to maintain the survival of a separate North Korean state by dispatching “volunteer” troops during the Korean War. The Chinese suffered immense human and material losses (Westerners typically cite the figure of 900,000 Chinese casualties) at a time when Mao was struggling to consolidate Chinese Communist Party control of China and the country had barely begun to recover from the devastation of the Pacific War and the Chinese Civil War. These Chinese sacrifices during the Korean War deepened China's sense of holding an important stake in affairs on the Korean Peninsula.

### **China and Korean Reunification**

Officially, China supports Korean unification as long as this occurs peacefully and through the efforts of the Korean people themselves. Outside analysts, however, have questioned the sincerity of this position. To publicly oppose reunification would offend Koreans on both sides of the 38<sup>th</sup> Parallel, and a divided Korea has clearly been advantageous in some ways for Beijing. The division has ensured a weak and preoccupied country on one of China's borders. In contrast, a united Korea would be a stronger state that might turn its attention to unpleasant issues such as Korean interest in incorporating parts of Chinese territory, including Baekdu Mountain and areas of Manchuria with heavily ethnic Korean populations. A North Korea hostile to the United States has precluded the possibility of U.S. military bases in a country bordering northeastern China, but this could change if Seoul, a formal American alliance partner, took over administration of the entire Peninsula. It was the specter of American forces permanently sta-

tioned close to the Chinese border that prompted Mao to intervene in the Korean War in 1950. For these reasons China has appeared content with the status quo of a divided Korea and has worked to reduce the chances of another Korean war rather than promoting reunification, *per se*.

To be sure, a divided Korea has disadvantages for China as well. Chief among these are periodic crises arising from tensions between North Korea and Seoul and/or Washington and the economic drain of continuous Chinese life support for Beijing's under-productive neighbor.

In recent years, more Chinese thinkers have apparently come to accept the notion that a united Korea under Seoul's control would be at least as favorable to Chinese interests as the status quo. The desire for a buffer state is obsolete since China is no longer in serious danger of a military invasion. Furthermore, Beijing has good relations with the South Korean government. This view is more likely to be found among younger rather than older Chinese strategists. In general, however, the Chinese place the greatest value on stability in the region, which has made them reluctant to push for a change on the Peninsula. Even those Chinese who seek a unified, Seoul-dominated Korea fear the uncertainties and disorder associated with this outcome and would prefer that it take place gradually and well into the future.

### **Beijing's Relations with South Korea**

Beijing and Seoul have cultivated a constructive, even warm relationship that both countries highly value. Trade between South Korea and China has greatly increased since the two countries normalized their relations in 1992, reaching \$44 billion in 2002 and projected to surpass \$50 billion in 2004. In 2003, the growth of the ROK's trade with the People's Republic of China (PRC) outpaced U.S.-ROK trade for the first time. South Korea is China's fifth-largest export market. China is the top destination for South Korean investment capital. Bilateral social contact is also substantial, with nearly two million Chinese traveling to South Korea annually and more than 22,000 South Korean students studying in Chinese universities.

Overall, South Korea is so much stronger than North Korea that the South would presumably dominate the affairs of a united Korea into the foreseeable future. As China gains confidence that its relationship with South Korea is strong and that Seoul would not be inclined in the future to challenge important Chinese national interests, the risks to China of Korean reunification decrease.

There is little doubt that China ultimately hopes for the removal of U.S. military bases from South Korea. Opposition to any country maintaining foreign military bases is one of China's publicly promulgated principles of international relations. Furthermore, a permanent American military presence in East Asia restricts Chinese regional leadership, relative influence, and freedom of action. China's outlook on this issue, however, is complicated by inter-Korean tensions and by the fear of a possible strategic resurgence by a militarily independent Japan. Thus, Chinese officials and analysts have not consistently insisted on an immediate withdrawal of U.S. forces from South Korea or Japan.

It is reasonable to assume that an unstated goal of Chinese diplomacy is to separate South Korea from the U.S.-Japan bloc and draw Seoul closer to China. Throughout the crisis over North Korea's nuclear weapons program, Beijing has argued that China and South Korea share a commitment to a peaceful resolution, while the United States and Japan seek to pressure Pyongyang into accepting their demands. In late 2003, South Korea's position on the North Korean crisis was virtually the same as China's: no war, no sanctions, and the United States must make concessions.

### **Beijing's Troublesome Neighbor**

In the post-Mao era, China's attitude toward North Korea has exhibited several prominent characteristics. First, the Chinese have been largely sympathetic to Pyongyang's security concerns. Americans tend to view North Korea as an aggressive country that has threatened the South with invasion since the Korean War and has only been deterred by the presence of U.S. forces on the Peninsula. Chinese, however, generally view North Korea as an insecure state that is understandably alarmed by American military might, joint U.S.-South Korean military exercises, and unfriendly statements from American politicians. Most recently, President George W. Bush's "axis of evil" speech in January 2002 identified North Korea as one of three regimes that "pose a grave and growing danger" to the United States or U.S. allies. The 1961 China-Korean Treaty of Friendship and Mutual Cooperation makes Pyongyang China's only formal military ally, although since the 1990s Chinese leaders have made clear that despite their mutual defense treaty, North Korea should not expect China to automatically intervene in the case of a war on the Peninsula.

Second, the Chinese have encouraged North Korea to address the obstacles inhibiting economic development. For more than a decade Beijing has urged Pyongyang to follow the path China blazed in the 1980s: liberalizing the economy and welcoming international trade and investment while maintaining an authoritarian political system under the control of a dominant party in close partnership with the military. While Kim Jong Il has visited economically vibrant areas of China and has demonstrated some interest in emulating the PRC's successes, the Chinese are clearly disappointed with the Kim regime's willingness to undertake meaningful economic reforms, as Pyongyang's initiatives up to now have been slow in coming and very limited in scope. In recent years Chinese officials and commentators have increasingly described the North Korean government as out of sync with the rest of East Asia and excessively focused on military preparations at the expense of economic development.

Third, despite frustration with Pyongyang's economic underachievement, Beijing has handled North Korea with great care, forbearing from applying strong pressure and keeping up the appearance in public of consistent support for the North Korean regime. This gentle treatment stems from Chinese fear of alienating North Korea and contributing to destabilization that might result in a collapse of the regime. The consequences of such a collapse are daunting. China would be expected to help pay the costs of relief, cleanup and recovery in northern Korea. Waves of North Korean refugees attempting to enter China would force Beijing to either assume the responsibility of caring for them (risking a further Koreanization of Manchuria) or suffer international disrepute for forcibly turning them away. Former elements of the North Korean military might descend into banditry and operate on the Chinese side of the border. Beijing would likely face a reduction of South Korean investment in China, as much of the available capital would be diverted toward reconstruction in the former North Korea. Armed conflict on the Peninsula might be associated with a collapse of the Pyongyang government, either as a cause or a result, with the possibility of forcing a military reaction from China. This could easily bring on an undesirable increase in tensions between China and South Korea or the United States. And this is to say nothing of the uncertainty surrounding China's future relationship with a united Korea. It is therefore understandable that the PRC has favored reform by the Kim government rather than regime change.

### **China and the Current Crisis**

Until recently the Chinese leadership apparently believed the status quo—with its persistent political tension and the economic costs of supporting North Korea while waiting for possible reforms—was preferable to a regime change, which would carry

the risk of catastrophic economic and political costs to the PRC. Chinese thinking about North Korea, however, has clearly evolved during the last year.

Official Chinese statements about the North Korean nuclear weapons crisis place at least part of the blame for heightened tensions on Pyongyang. The Chinese government has openly opposed Pyongyang's withdrawal from the Nuclear Nonproliferation Treaty and repeatedly called for a nuclear-free Korean Peninsula. China cut off its supply of oil to North Korea for three days in March 2003, ostensibly for technical reasons. Reports in September 2003 said China sent 150,000 troops to guard its border with North Korea. Many observers speculated that Beijing intended these acts to be diplomatic signals to pressure Pyongyang to move toward reaching an agreement to halt its nuclear weapons program. Privately, many Chinese analysts argue that North Korea has become more of a liability than an asset to China, and that regime change there would suit China's interests.

Nevertheless, support for regime change in North Korea has not become part of China's official policy position, which in late 2003 consists of the following points: maintain peace on the Peninsula; resolve the crisis through dialogue rather than military pressure or sanctions; and oppose nuclear weapons in either North or South Korea. The Chinese argue that because of North Korea's minimal integration with the international economy and the relative invulnerability of the Pyongyang regime to effective pressure from the discontented North Korean masses, coercive economic sanctions would not succeed in stopping the North's nuclear weapons program. It is also very likely, however, that the Chinese fear a near or complete cutoff of foreign assistance to North Korea, including cessation of supplies from China, *would* lead to a collapse of the Pyongyang government. Beijing is not yet ready to accept the risks of such a collapse, even if Chinese strategists have moved toward greater willingness to think seriously about this alternative.

If Beijing's attitude toward Pyongyang has soured, the Chinese position on how to resolve the crisis has also changed. Initially, the Chinese government said this was principally an issue between North Korea and the United States, and it was most appropriate for those two countries to reach a settlement through bilateral negotiations. Beijing seemed reluctant to take a leading role in resolving the crisis, leading even some Chinese security analysts to privately complain that China was behaving too passively for an aspiring great power. Two realizations, however, moved China to exercise more leadership in managing the crisis. First, the Chinese saw that North Korea was moving quickly from a nuclear program toward actually building nuclear weapons. Second, the inability of the Americans and the North Koreans to work out a compromise on their own raised the prospect that without Chinese intervention, the crisis could lead to a military conflict on the Peninsula. Consequently, after a flurry of discussions by Chinese diplomats with officials in the United States, North Korea, South Korea, Japan and Russia, China secured the assent of these five countries to participate in talks on the crisis, held in Beijing in August 2003.

### **Conclusions**

The question of the impact of Korean reunification on Chinese interests has two dimensions. The first is the nature of the transition, which would likely involve at least some turmoil and instability, and perhaps a great deal. The second is the character of the relationship China could expect to have with a united Korea. In the past, most Chinese strategists agreed that the dangers and uncertainties in both dimensions made the status quo preferable. But the improved Sino-South Korean relationship and the increasing troubles stemming from the Pyongyang regime have sparked a reassessment of these issues in China. Some (but by no means all) Chinese analysts now argue that China would be better off

with a united Korea than with today's divided Korea, although they remain concerned about the short-term costs of a collapse of the North Korean government.

The Chinese attitude toward North Korea has recently moved somewhat closer to the mainstream American outlook. Significant differences remain, however, and Americans should not be overly optimistic about China's willingness or ability to solve the crisis in accordance with U.S. wishes.

Although Beijing opposes nuclear weapons on the Peninsula, unlike the United States, neither China nor its allies are directly threatened by North Korean nuclear weapons. The question, then, is how high a price China would be willing to pay to achieve its preference for a nuclear-free Korea. There is a chance Pyongyang's nuclear breakout could lead to proliferation among other countries such as South Korea, Japan or even Taiwan, which China would not welcome (nor would the United States). Chinese fear of this development, however, should not be overestimated. Some Chinese analysts point out that Seoul does not believe the North would use nuclear weapons against fellow Koreans, so the South Koreans would not feel compelled to match Pyongyang's proliferation; Japan would not give up its comfortable position under the U.S. nuclear umbrella for an independent nuclear weapons capability; and fielding nuclear weapons would make no strategic sense for Taiwan. North Korean nuclear weapons are a problem for China mostly because they are a problem for the United States, and thus could spark a conflict on China's border. But Americans should understand that China's compulsion to disarm the North Koreans is not as great as that of the United States.

Nor does China have as great a fear as does the United States of being targeted by a non-state organization that might in theory acquire nuclear material or technology from the North Koreans. Some Americans believe China is able to dictate policy to Pyongyang, if for no other reason than North Korea's dependence on China for much of its food and energy supplies. Given this dependence, China ought to be able to force North Korea to meet any demand by threatening to cut off these vital supplies. It may follow from this line of reasoning, then, that North Korean failure to meet U.S. demands for a resolution of the nuclear weapons crisis indicates the Chinese are not interested in denuclearizing North Korea. This, however, is an unrealistically high burden to place on Beijing. First, the Chinese are careful not to pressure

Pyongyang too hard for fear of triggering a collapse of the North Korean state, with all the problems this would entail for China. Second, despite the "as close as lips and teeth" rhetoric since the Korean War, Sino-North Korean relations have been severely strained on several past occasions. Pyongyang has shown it is not afraid to snub the Chinese if they are insufficiently supportive of North Korean interests. The Chinese realize that if they are too pushy they could lose all their influence with Kim's regime.

Furthermore, many Chinese would have difficulty accepting cooperation between their government and the United States—a country so widely suspected of seeking to repress China and dominate Asia—against North Korea, a country for which so many Chinese spilled their blood in the common cause of opposing American encroachment. Opinion polls suggest Chinese overwhelmingly side with North Korea rather than the United States in the current dispute, even if most Chinese are also against getting involved in another Korean war.

Given China's lingering sympathy for North Korea's insecurity and Chinese suspicion of the United States, Washington must accommodate Beijing's demand that the Americans address North Korean security concerns to have a chance at obtaining full Chinese cooperation. It bodes well for the process that during a meeting in Bangkok in October 2003, President Bush reportedly told Chinese President Hu Jintao that Washington is willing to offer Pyongyang some kind of security short of a formal non-aggression treaty.

China's experience with the recent North Korean crisis may lead to long-term changes not only in Beijing's relations with the Korean Peninsula, but also in China's general foreign policy orientation. Former paramount leader Deng Xiaoping's counsel was that during this period of domestic economic buildup and consolidation, China should avoid taking the lead in international issues (hence, for example, Beijing's preference for abstaining rather than using its veto power in votes by the UN Security Council). China began the crisis by taking such a posture, but was eventually forced to take a more active role as mediator to attempt to steer the crisis away from an outcome that would have been unfavorable to China. The North Korean crisis has thus pushed China to take another step toward great power status, which includes a willingness to take responsibility for the management of international security affairs.



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