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Korea as Viewed from China

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The Korean Peninsula constitutes an enduring focus of Chinese political, economic, and security interests. Concerns about foreign influence in Korea have prompted Chinese involvement in two major wars, the Sino-Japanese war in 1895 and the Korean War in 1950, with significant long-term consequences for China's territorial integrity and internal political development. Defeat in the Sino-Japanese war cost China control of Taiwan and influence in Korea, as both territories eventually became Japanese colonies. China's involvement in the Korean War strengthened the U.S. commitment to the Republic of China and resulted in the continued separation of the island of Taiwan from mainland China.

These historical interests are still relevant today. Instability in Korea has the potential to damage the security environment in Northeast Asia, with significant implications for China's security and economic development. North Korea's nuclear weapons development could prompt a military conflict or proliferation of nuclear weapons in Northeast Asia that would directly affect China's security. Even if the current nuclear crisis is managed successfully, a collapse of the North Korean regime could produce a flood of refugees and local instability that would affect the stability and economies of China's northeastern provinces. Although North Korea is a net drain on China's economy, South Korea plays an increasingly important positive role in China's economic development. This includes not only robust bilateral trade relations but also contributions from South Korean investment and technology. In addition, Korea plays an important role in Sino-U.S. relations, giving China's Korea policy a global dimension.

To assess Chinese policy priorities and calculations regarding the Korean Peninsula, I will first examine changing Chinese assessments of North and South Korea over the last twenty years. These assessments illuminate the range of Chinese interests at stake on the peninsula and illustrate how broader changes in Chinese domestic and foreign policy have influenced Chinese thinking about Korea. The next section reviews Chinese short-term interests in Korea, with particular attention to China's efforts to avoid worst-case outcomes such as an overtly nuclear North Korea, a North Korean collapse, or a military conflict. The chapter concludes by exploring China's long-term interests on the Korean Peninsula and how Korean reunification might affect those interests. There is significant divergence among Chinese analysts on these issues, partly because the nature and intensity of Chinese interests in Korea depend heavily on analytical assumptions about the timing and process of reunification, the future security environment in Asia, and the state of Sino-U.S. relations. Although cooperation between the United States and China in managing the nuclear crisis has been relatively successful to date, over the long run many Chinese analysts expect Korea and the U.S. military presence in Asia to become a source of conflict in Sino-U.S. relations.

RELATIVE VALUE OF NORTH AND SOUTH KOREA

Chinese assessments of the relative value of North and South Korea have shifted significantly in South Korea's favor over the last twenty years. A major reason is the impact of Deng Xiaoping's policy of *gaige kaifang* (reform and opening up). Market-oriented economic reforms not only sparked China's remarkable period of sustained economic growth but also moved China away from Marxist-Leninist orthodoxy. The high priority that Chinese leaders placed on economic development had significant foreign policy implications. Deng's assessment that the international situation was basically peaceful supported improved relations with capitalist neighbors and an emphasis on maintaining a stable regional environment that would assist Chinese economic development. The shift away from ideological solidarity toward a more pragmatic foreign policy reduced barriers to establishing relations with South Korea and raised South Korea's potential value as an economic partner.

Nevertheless, moving from recognition of North Korea as the sole legitimate government of Korea to dual recognition of "two Koreas" was a delicate matter for the Chinese government. The DPRK was China's only formal ally. Its ideological importance as a fellow socialist country increased after Chinese leaders used force to suppress the Tiananmen protests in June 1989 and as communism collapsed in Eastern Europe later that year. North Korea was the only country to provide public support for China's Tiananmen crackdown. In response to these conflicting considerations, Beijing

adopted a cautious policy that followed the Soviet Union's lead in supporting the admission of both Koreas into the United Nations in 1991. After making efforts to cushion the negative impact on relations with Pyongyang, China established formal diplomatic relations with Seoul in 1992.[1]

The priority placed on stability and economic development in Chinese foreign policy eased this delicate transition, but Chinese leaders were also concerned with two important ideological issues: (1) whether joint recognition of North Korea and South Korea would have negative implications for Chinese reunification with Taiwan; and (2) the perceived link between North Korea's survival as a communist country and the legitimacy of the Chinese Communist Party. In contrast to the competition between the People's Republic of China (PRC) and the Republic of China (ROC) for diplomatic recognition by other governments, both North and South Korea had permitted dual recognition by other countries. The governments (and people) in both Koreas strongly supported the goal of reunification. China's efforts to delink Korea from the China-Taiwan case were strengthened by its success in the immediate post–Cold War period in establishing relations with the former Soviet states and in persuading countries such as South Africa to accept the "one-China principle" and to switch diplomatic recognition to the PRC. China has largely achieved its desired objective. Successful Korean reunification would boost China's efforts to achieve peaceful reunification with Taiwan, but the status quo on the Korean Peninsula is not viewed as a precedent for dual recognition or for Taiwan's admission into the United Nations.[2]

Similarly, while North Korea's survival as a communist state mattered very much to Beijing in the early 1990s, China's economic success and gradual political evolution have greatly reduced North Korea's relevance to the Chinese regime's domestic and international legitimacy. The result has been a reduction of North Korea's ideological importance to China.[3]

In recent years, China's diplomatic strategy has increased the emphasis placed on China's neighbors in Asia. South Korea has played an important role in regional initiatives such as ASEAN + 3, while North Korea's inability to make contributions to regional initiatives has reduced its importance in China's regional diplomacy. China's emphasis on a positive international image and its desired role as a "responsible great power" have also made its ties with a North Korean regime that regularly violates international norms (for example, via ballistic missile sales and counterfeiting and drug-smuggling activities) something of an embarrassment. North Korea's nuclear and missile programs also serve as continued, if unwanted, reminders of the legacy of China's past proliferation behavior, which contributed significantly to North Korea's ballistic missile program and supported Pakistan's development of nuclear weapons.

Revelations that Pakistani scientists were involved in a covert proliferation network supplying uranium enrichment technology to a number of countries (including North Korea) were embarrassing, because the Pakistani network was also supplying countries with a nuclear weapons design of Chinese origin.[4] These revelations undercut China's significant efforts over the last decade to improve its compliance with nonproliferation norms and to promote an image as a responsible great power on proliferation issues.

Changing Chinese priorities are the principal cause of shifts in the relative value of North and South Korea, but the pattern of China's relations with the two Koreas also matters. North Korea has been a difficult and demanding diplomatic partner,[5] while Beijing's relations with Seoul have strengthened remarkably in the economic, political, and security realms. Providing economic assistance to keep the North Korean regime afloat has clearly become a drain upon the Chinese economy. Although it is difficult to estimate the precise value of Chinese assistance, China reportedly provides about 40 percent of North Korea's food imports and 90 percent of North Korea's imported oil. Moreover, to keep North Korea engaged in the Six-Party-Talk process, China has increased its economic assistance.[6] Chinese officials express frustration at North Korea's reluctance to adopt economic reforms modeled on China's successful experience. During official visits, they have made a point of taking Kim Jong Il and other North Korean officials to sites they visited years ago, to demonstrate the extent of China's economic success. Yet even as North Korea has moved forward with market-oriented economic reforms, it has stressed that it is following its own path rather than the Chinese model. Chinese analysts also regard North Korea as unappreciative of the considerable sacrifices China has made on Pyongyang's behalf. One expert has noted that Chinese military officers who visited North Korea to commemorate the fiftieth anniversary of China's intervention in Korea were shocked by how little recognition China's military actions received in Korean memorials.

In private discussions, Chinese officials and analysts are highly critical of North Korea's use of threatening and provocative behavior that exacerbates regional security tensions. Although many feel that this behavior stems largely from North Korea's weakness and profound sense of insecurity, North Korean actions have had negative consequences for China's security. Besides creating regional instability and the possibility of a military conflict on China's border, North Korea's provocative behavior has strengthened the U.S.-Japan security alliance and has prompted efforts to loosen restrictions on the Japanese military. North Korea's 1998 Taepo-dong 1 test caused Japan to increase security cooperation with the United States on ballistic missile defense, and North Korea's nuclear weapons programs have prompted discussion in

Japan and South Korea about developing offensive weapons to deter or respond to North Korean attacks.

North Korea's behavior contrasts markedly with improvements in PRC relations with South Korea.[7] High-level visits between South Korean and Chinese leaders have become routine; in 1999 the two militaries began an ongoing series of visits by senior military officers and defense officials.[8] The economic relationship has deepened to the point where China is now South Korea's top trading partner and the leading site for South Korean foreign direct investment. Although PRC officials have expressed concerns about China's bilateral trade deficit with South Korea, they are generally happy with the economic relationship. Moreover, cultural and tourism ties are also expanding, as Seoul becomes a destination for Chinese tourists and an increasing number of South Korean students come to China to learn Chinese and to enroll in Chinese universities. Chinese professors report that about 80 percent of their foreign students now come from South Korea.[9] Although disputes over the Koguryo dynasty have the potential to dampen positive South Korean attitudes toward China,[10] overall relations are running smoothly in most areas. Chinese analysts boast privately that South Korea now has better relations with China than it does with the United States.[11]

A convergence in South Korean and Chinese preferences on reunification and on strategies for dealing with North Korea has also contributed to China's tilt toward Seoul. As South Korean assessments on the impact of German unification on the West German economy appeared in the early 1990s, South Korean elite preferences shifted from seeking a speedy collapse of the North Korean regime toward an extended reunification process to ease the transition costs. This partly reflected concerns about the high economic costs of reunification, which would be aggravated by North Korea's economic backwardness and the lower level of the South Korean economy compared to West Germany. It also reflected increasing South Korean concerns about the social impact of North Korean refugees who might head south in the event of a regime collapse.[12] This change in elite preferences has underpinned the efforts of former South Korean President Kim Dae Jung's Sunshine Policy and incumbent President Roh Moo Hyun's Policy of Peace and Prosperity toward the North. Generational changes that are giving the 386 generation increasing influence also support efforts to engage North Korea economically and politically.[13] These shifts in the South Korean polity and in South Korean policy toward the North have brought Chinese and South Korean preferences about the reunification process into closer alignment. South Korea has taken advantage of opportunities to strengthen relations with China to pursue its economic interests and advance its reunification agenda. In contrast, these changes have increased tensions in South Korea's relations with the United States.

SHORT-TERM CHINESE POLICIES TOWARD KOREA

There have been repeated political and diplomatic efforts to stabilize the Korean Peninsula and achieve reconciliation between Pyongyang and Seoul over the past fifteen years, but all have proven false starts. These include the agreements between North and South Korea in the early 1990s (including an agreement on the denuclearization of the Korean Peninsula); the Agreed Framework signed by North Korea and the United States in 1994; the Four-Party Talks undertaken in the late 1990s; and Kim Dae Jung's summit meeting with Kim Jong Il in Pyongyang in 2000. (Japanese Prime Minister Koizumi's visits to Pyongyang in 2002 and 2004 also belong on this list of abortive efforts.) All these initiatives eventually fizzled, often due to North Korean reluctance to implement agreements or reciprocate positive gestures.[14]

Chinese analysts have regularly expressed hope that diplomatic efforts could stabilize the peninsula and help the two Koreas achieve normal relations, while usually also expressing concerns about the implications of various diplomatic possibilities for China's long-term interests.[15] Yet in the words of Ralph Cossa, North Korea has never failed to miss an opportunity to miss an opportunity. This dismal history and North Korea's track record of diplomatic brinksmanship color Chinese perceptions of the present nuclear crisis. But Chinese analysts also blame the United States for the failure of diplomacy to achieve a major breakthrough, with some analysts suggesting that continued tensions on the Korean Peninsula serve U.S. strategic interests by providing a justification for U.S. bases in South Korea and Japan.[16]

Since North Korea's reported October 2002 admission to U.S. diplomats that it possessed a secret highly enriched uranium program, the North Korean nuclear crisis has been the focal point of Chinese diplomacy toward the Korean Peninsula. North Korea's admission (which Pyongyang subsequently denied) and its actions to escalate the nuclear crisis forced China to deal directly with the issue of nuclear weapons on the Korean Peninsula.[17] Most Chinese activity focused on the short-term task of managing the nuclear crisis to prevent damage to Chinese interests. Beijing thus has both a major substantive interest in the outcome and a procedural interest in managing the crisis.

China's short-term concerns about the Korean nuclear issue have focused mainly on outcomes to be avoided. The worst scenario would be a nuclear domino effect, where an overt North Korean nuclear weapons capability compels Japan, South Korea, and perhaps even Taiwan to go nuclear. This would profoundly alter the security environment in Northeast Asia and likely prompt the United States to accelerate deployment of ballistic-missile defenses in the region. From China's perspective, a North Korean collapse would be almost as bad. China would lose a security buffer, have only a

limited ability to influence future security arrangements on the peninsula, and be forced to deal with the economic burden of refugees fleeing a collapsing North Korean regime. In a worst-case scenario, South Korea might inherit the North's nuclear arsenal, and U.S. forces based in a reunified Korea could have direct access to China's border.

China also worries that the United States might use force to try to resolve the nuclear crisis. A major war on the peninsula would have profound strategic, economic, environmental, and humanitarian consequences for China. Even if weapons of mass destruction were not used, the economic damage would be tremendous, and the potential for serious environmental degradation would be equally great. A limited U.S. strike against North Korean nuclear facilities would also set troubling precedents in terms both of the U.S. use of force without authorization from the United Nations Security Council and of the U.S. use of force along China's borders. This point highlights Beijing's preferences for a peaceful outcome, avoidance of the use of force, and a process that gives China a larger voice in future security arrangements on the Korean Peninsula.

The nuclear crisis has persisted for over three years, but it appears to be moving more toward China's preferred approach to addressing the crisis. However, China's activism on this issue raises the stakes for Beijing if diplomacy should ultimately fail. China's initial response to the nuclear crisis followed a familiar pattern, with Foreign Ministry statements calling for a nuclear-free Korean Peninsula, maintaining peace and stability, solving the problem through dialogue, and preserving the Agreed Framework. Beijing's statements adopted an even-handed tone toward the United States and North Korea, expressing concern about the North Korean nuclear program but also calling on the two sides to normalize their relations through "constructive and equal" dialogue. China also supported North Korea's position that a solution required direct talks between the United States and North Korea.

However, as the crisis intensified, Beijing was forced to play a more active diplomatic role. North Korea escalated its confrontation with the United States by withdrawing from the Nuclear Nonproliferation Treaty (NPT), expelling International Atomic Energy Agency (IAEA) inspectors, restarting a mothballed nuclear reactor, and reprocessing eight thousand spent nuclear fuel rods to produce plutonium that could be used to build additional nuclear weapons. In response to these developments, Chinese statements about the importance of a nuclear-free Korean Peninsula became more insistent. There were numerous meetings between Chinese leaders and senior U.S., North Korean, Japanese, and Russian officials; actions to limit the United Nations Security Council's deliberations on the nuclear crisis (in particular, to prevent imposition of

economic sanctions); and active efforts to encourage the United States and North Korea to begin direct negotiations.

China initially offered to host bilateral talks in Beijing. When the two sides deadlocked over the format of the talks (with Pyongyang insisting on bilateral talks and Washington insisting on a multilateral format), China brokered a compromise trilateral format and actively participated in the April 2003 talks in Beijing. China also temporarily cut off the flow of oil to North Korea and sent a senior envoy to urge Pyongyang to compromise on the format of the talks, while steadfastly refusing to endorse multilateral economic sanctions against Pyongyang. China's diplomatic efforts led to a series of six-party talks in Beijing. Three rounds were held in August 2003, February 2004, and June 2004. A fourth round was initially scheduled for September 2004, but Pyongyang refused to return to the talks. In February 2005, the DPRK declared that it possessed an unspecified number of nuclear weapons. Following repeated Chinese importuning, North Korea rejoined the talks in July 2005, and a follow-on round in September 2005 produced a declaration of principles (based on a Chinese draft agreement) obligating all six parties to pursue denuclearization of the peninsula (this included North Korea's return to the NPT and IAEA) and normalization of U.S.-DPRK and Japan-DPRK relations. A primary Chinese objective was to establish a diplomatic process that would avert negative outcomes and prevent the situation from spinning out of control. Chinese diplomats believe they have accomplished this minimal goal by creating and sustaining the Six-Party Talks.

Although China initially accommodated U.S. demands for a multilateral process, Chinese officials and analysts believe that the fundamental conflict remains between the United States and North Korea. In private conversations during 2003 and 2004, Chinese officials expressed frustration with both Washington and Pyongyang and noted that they had made considerable efforts to get North Korea to participate in the Six-Party Talks and to keep Pyongyang at the negotiating table.[18] Many remain sympathetic to North Korea's security concerns and view Pyongyang's nuclear weapons program as a rational response to its weak and insecure position. They contend that North Korea's security concerns must be meaningfully addressed if Pyongyang is to be persuaded to give up its nuclear weapons. Chinese officials and analysts claim that Beijing does not have a good understanding of North Korean nuclear capabilities and have expressed doubts about the existence and extent of a North Korean uranium enrichment program. Most Chinese officials and analysts agree that Kim Jong Il's primary objective is regime survival and note that U.S. statements about regime change are viewed as serious threats in Pyongyang. Chinese officials emphasize their belief that pressure and

military threats will only cause Pyongyang to become more stubborn and might even cause North Korea to lash out militarily.

Most Chinese analysts believe North Korea must eventually adopt economic reforms if the regime is to survive. Although reforms will trigger new pressures on the North Korean system, Chinese analysts are more optimistic than most Western observers that economic reforms are possible without bringing down the regime. Chinese observers have long argued that the North Korean regime is unlikely to collapse because Kim Jong Il is in firm control and the population is able to endure tremendous suffering.[19] Some recent assessments are slightly more pessimistic about the regime's long-term prospects, but most Chinese analysts do not expect North Korea to collapse any time soon. Unlike the United States, both the South Korean and Chinese governments want to avoid this outcome if possible. Chinese concerns center around the domestic economic and social impact of refugee flows, but analysts also worry that a sudden collapse would limit Beijing's ability to influence future security arrangements on the Korean Peninsula.

Although a few Chinese analysts have argued that Beijing should abandon Pyongyang, the Chinese government has continued to emphasize the need for a diplomatic solution that avoids the use of force and that does not cause the North Korean regime to collapse. Some Chinese officials view Washington's previous unwillingness to engage in bilateral negotiations with Pyongyang as a sign that Washington was not really serious about a diplomatic solution. But evidence of increased U.S. flexibility (including extensive bilateral meetings between American and North Korean officials at the resumed Six-Party Talks of 2005) have validated Beijing's policy stance. As noted previously, the declaration signed in the September 2005 round of the Six-Party Talks was prepared by Chinese representatives. Chinese officials reportedly told American negotiators that there was no possibility of gaining North Korean concurrence with a statement of principles if the United States did not commit to explicit security assurances and prospective energy and economic assistance to Pyongyang, with the United States ultimately deciding that an imperfect agreement was preferable to none at all.[20] The declaration can best be described as skeletal, leaving a host of hugely contentious issues still unresolved.

Chinese officials acknowledge that the negotiations will be protracted and very difficult, but Beijing sees increased possibilities of a diplomatic solution along the lines that it has consistently proposed to both Washington and Pyongyang. As viewed by China, the Bush administration has diverged significantly from its previous hints on the need for regime change in Pyongyang, including earlier intimations that North Korea could be the next target for U.S. military action after Iraq.[21] These shifts in U.S.

policy, in turn, have enabled Beijing to induce North Korea both to resume its participation in the talks and assent (at least on paper) to ultimately yielding its nuclear weapons capabilities. Chinese officials believe that a diplomatic solution will ultimately require the United States to address Pyongyang's legitimate security concerns. For Beijing, reassuring Pyongyang is a necessary part of any settlement of the crisis.

Despite the close communication between Chinese and American officials, the essence of Washington's diplomatic strategy still diverges significantly from China's expressed preferences. The United States has tried to focus international attention on North Korea's actions in order to pressure Pyongyang to give up its nuclear programs. The U.S. emphasis on "not rewarding bad behavior" and "not giving in to blackmail" has allowed various factions in the administration to agree on a common tactical approach. For those who believe a negotiated solution may be possible, downplaying the urgency of the situation and exhibiting patience are important means of reducing North Korea's leverage. By insisting on a multilateral forum for talks and extensive North Korean concessions before the United States and others will provide major compensation to the DPRK. American officials believe that the United States can increase its own negotiating leverage. In this view, international economic, political, and military pressure will eventually make Pyongyang realize it has no alternative to giving up its nuclear weapons. For those who believe regime change in North Korea is necessary, maximizing international pressure against Pyongyang and setting an extremely high bar for the start of serious negotiations provides a means to frustrate what they believe would likely be an inherently flawed agreement and advance their larger goals.[22] The increased negotiating flexibility given to Assistant Secretary of State Christopher Hill in the additional rounds of talks in July and September 2005 suggests a greater U.S. emphasis on trying to reach a negotiated settlement of the issue.[23]

China has played the unfamiliar role of mediator and facilitator at the Six-Party Talks, pressing both the United States and North Korea to make the concessions necessary for a negotiated solution. At times, this has involved Chinese pressure on both countries to participate in the talks and to put a serious offer on the table. At other times, it has involved side payments to Pyongyang, in the form of additional food and energy aid, to continue participation in the talks. Despite impatience with Pyongyang's negotiating tactics, Chinese officials appear to believe that China must reassure North Korean leaders that they can maintain regime and national security even if they give up their nuclear weapons. China has taken various actions to demonstrate that it will protect North Korean interests and not force Pyongyang to sign a deal that damages its security. These include preventing strong UN Security Council actions in response to Pyongyang's withdrawal from the NPT, commitments to continue providing food and

energy assistance, statements acknowledging the legitimacy of North Korea's desire for a security guarantee, and a willingness to press the United States to respond to North Korean concerns.

Despite these efforts to reinforce China's pivotal role at the talks, Chinese officials and analysts emphasize that the United States and China share the common goal of a Korean Peninsula free of nuclear weapons. But China does not attach the same degree of urgency to this objective as the United States. Beijing wants to eliminate North Korea's nuclear weapons, but Chinese officials want to achieve this objective while maintaining stability on the Korean Peninsula and by providing North Korea clear indications of what it would gain by forgoing the nuclear option. This makes Beijing reluctant to adopt measures to unduly pressure Pyongyang, a position shared by South Korea. Chinese officials argue that the Six-Party Talks represent the best hope of resolving the issue, in that they involve the relevant parties in an ongoing process that avoids worst-case outcomes. However, China deems the United States and North Korea as the key players, with Washington and Pyongyang ultimately needing to address each other's concerns if there is to be a negotiated settlement.

Some Chinese analysts argue that the Bush administration's need to keep the North Korean nuclear issue under control gives China leverage to push the United States for concessions on Taiwan. While China has clearly used cooperation in managing the nuclear crisis as a tool to improve relations with the United States, it has refrained from demanding explicit quid pro quos. Instead, Chinese diplomats typically employ more subtle arguments that U.S. actions such as arms sales cast doubt on U.S. sincerity on the Taiwan issue and reduce Chinese incentives to work hard to resolve the North Korean nuclear issue.

Although some Chinese analysts hope the Six-Party Talks will evolve into an enduring security arrangement, Chinese government officials are more focused on the operational issues involved in getting an agreement. A security structure based on the Six-Party Talks might (or might not) be useful in implementing and protecting a nuclear agreement. Such a structure's potential value for this purpose would be the main consideration. One official has noted that ASEAN countries had concerns about an Asian security framework that did not include them. When asked about China's response if diplomatic efforts to resolve the nuclear crisis failed, Chinese officials and analysts essentially replied that failure was not an option. Conversations with Chinese analysts suggest that China will try to keep the talks going, even if this requires a lengthy recess, so that a breakdown in the six-party process does not provide the United States or North Korea an opportunity to withdraw from the diplomatic process.[24]

Four outcomes of the Six-Party Talks seem possible: (1) a diplomatic settlement that permanently resolves the North Korea nuclear issue; (2) a partial settlement that contains the issue by limiting North Korean nuclear capability; (3) an interim settlement (such as a nuclear freeze) that postpones the issue; or (4) a breakdown of talks without an agreement. China would prefer a settlement that permanently removes North Korea's nuclear weapons capability, improves North Korean relations with the United States and Japan, and supports North Korean economic reforms.[25] However, China appears willing to live with a more limited agreement that resolves the immediate crisis without fully eliminating North Korea's nuclear potential.[26] Chinese officials privately indicate that once the right deal is on the table, China is willing to press North Korea to accept an agreement to resolve the crisis.

If the talks ultimately break down without an agreement, China would likely seek to contain the situation and avoid potential worst-case outcomes. One component of this policy would involve efforts to prevent the United States from toppling the North Korean regime or using force against North Korean nuclear facilities. China would appeal to South Korea and Japan to oppose an aggressive U.S. policy and would probably be willing to use its Security Council veto to prevent a resolution authorizing sanctions or the use of force. While this would inevitably create tension in Sino-U.S. relations, China would try to persuade the United States that its best course of action would be to deter North Korea from using nuclear weapons rather than taking risky actions to try to eliminate North Korean nuclear capabilities.

The other leg of Chinese policy would involve efforts to keep any North Korean nuclear weapons capability limited and ambiguous. China would likely discourage North Korea from operationally deploying nuclear weapons or conducting a nuclear test to demonstrate its weapons capability. China might also press North Korea for formal statements or commitments that it would not export fissile material or nuclear technology. Beijing's objective would be to limit the proliferation consequences of a nuclear North Korea in Japan and South Korea.[27] In this scenario, China would be operating in damage-control mode, with the objective of preventing Japan and South Korea from developing nuclear weapons of their own. China would probably reluctantly accept U.S. efforts to strengthen alliance relations with Japan and South Korea if it concluded that the alternative was for those countries to go nuclear. If South Korea or Japan acquired nuclear weapons, this would be regarded in Beijing as a dramatic deterioration in China's security environment and might prompt a fundamental reevaluation of Chinese security policy.

While Beijing may have been forced to become more actively involved in the Korean nuclear crisis to avoid worst-case outcomes, Chinese leaders have played their cards

shrewdly. China's position on how to deal with North Korea is closely aligned with South Korea's, which has helped China strengthen relations with Seoul. China has positioned itself as a diplomatic middleman in the negotiations between Washington and Pyongyang and has shown a willingness to pressure each side to come to the negotiating table prepared to address the other's concerns.

If a negotiated settlement is ultimately reached, Beijing will receive much of the credit (including from U.S. allies South Korea and Japan). Conversely, if talks break down, Washington will be blamed for its intransigence and Beijing will be excused for having made a good-faith effort to broker an agreement. But it is equally possible that U.S. officials would hold China at least partly responsible for a failed negotiation, given Beijing's evident unwillingness to heighten pressure on Pyongyang or to limit its economic assistance to the DPRK. Despite the clear political risks for China if the talks should ultimately fail, Beijing sees few credible alternatives to diligent, patient diplomacy. China's fundamental interests are still best served by an agreement that eliminates North Korea's nuclear weapons and places North Korea on a reformist path. Otherwise, North Korea will remain a country on the edge, with the potential to trigger a destabilizing crisis in Northeast Asia at any time.

CHINESE LONG-TERM INTERESTS IN KOREA

Most Chinese analysts believe that an active role in promoting the Six-Party Talks serves China's immediate interests. However, there is less agreement about the best way to pursue longer-term Chinese interests on the Korean Peninsula. Analysts have a range of views on how the timing of Korean reunification; the future U.S. military presence in Asia; and a unified Korea's regional, political, and security role might affect Chinese interests. This is partly because views on these issues depend heavily on assumptions about key variables, such as the timing and manner of Korean unification, how a unified Korea would behave, China's future role within Asia, and the nature of Sino-U.S. relations.

One crucial uncertainty is the timing and manner of Korean unification. China's official position is that reunification is a matter for North and South Korea to decide between themselves. Given the strong national identity of Korean people on both sides of the DMZ, Chinese analysts increasingly regard Korean unification as inevitable. The timing, however, is much less certain. Many analysts expect unification to occur in the next ten to fifteen years.[28] Chinese analysts appear to believe that a gradual process of unification will reduce the risks of transition and give Beijing more opportunity to protect China's territorial integrity, remove weapons of mass destruction from the Korean Peninsula, and influence future security arrangements in Korea. They expect China to play a constructive role in Korean reunification and to have a significant voice in the

security alignment and political orientation of a reunified Korea.[29] But uncertainty about the "when" and "how" of Korean unification creates uncertainty about China's ability to advance its long-term interests during the unification process.

These long-term interests include concerns about the impact of developments in Korea on China's internal and external security. One set of internal security concerns focuses on the impact of North Korean refugees on China's northeastern provinces of Jilin, Liaoning, and Heilongjiang. Estimates of the number of North Korean refugees that have fled across the border range from one hundred to two hundred thousand. Some press reports also suggest that North Korea is using refugees as cover for intelligence operations in China.[30] Famine or collapse of the regime could prompt hundreds of thousands of additional refugees to flee across the border, posing a difficult economic and security burden for China. In 2003, to better prepare for future contingencies, China replaced its existing border guards with People's Liberation Army (PLA) units to improve its ability to control the border.[31]

Another set of internal security issues involves China's ethnic Korean minority. An estimated two million ethnic Koreans live in China, mainly in the Yanbian Korean Autonomous Prefecture in Jilin Province.[32] Chinese officials worry about the loyalty of these citizens and remain concerned about the potential for ethnic Koreans to engage in separatist activities. China has complained about South Korean laws that seek to give special status to ethnic Koreans living outside Korea.[33] These concerns prompted China to delay permission for a South Korean consulate in Shenyang for seven years. Chinese analysts worry that a nationalistic Korea that no longer needs Chinese goodwill to achieve unification might eventually assert claims to Chinese territory in Manchuria. These concerns are an underlying factor in the dispute between China and South Korea over whether the Koguryo Dynasty belongs to Chinese or Korean history.

China will continue to be concerned about threats to its external security and about how events on the Korean Peninsula could affect regional stability. So long as North Korea has hostile relations with its neighbors and with the United States, there is always the potential for a major military conflict on China's borders. Korean reunification is likely to create some new security concerns for China, but it will also remove a major source of regional instability. Another long-term external security issue involves physical threats to Chinese territory through Korea. Although some Chinese analysts believe North Korea still has strategic value as a buffer, most appear to view a North Korean buffer state as an outmoded concept, given China's excellent relations with South Korea.[34] However, this geopolitical concern has more salience when Chinese analysts consider the possibility of U.S. troops being based in a unified Korea, especially if they were based close to the Chinese border.

Another external security issue involves efforts to remove all weapons of mass destruction from the Korean Peninsula, a task that extends far beyond the current nuclear crisis. In addition to its nuclear weapons programs, North Korea is believed to have extensive chemical and biological weapon stockpiles.[35] In the event of a North Korean collapse, China (like the United States) would have a strong interest in ensuring that North Korean WMD stocks were secured and destroyed. Even if reunification occurs in a more gradual manner, China will likely seek to ensure that a reunified Korea will give up its nuclear weapons capability and allow international inspections to verify that the program is completely dismantled.

As China strives for increased regional influence within Asia, one concern will be the orientation and foreign policy behavior of a unified Korea. Chinese analysts have explored a variety of possible futures for a reunified Korea, including the idea of a "neutralized" Korea that would not take sides between the United States and China.[36] China's ability to limit the future sovereignty of a unified Korea in unification diplomacy is questionable, as is the relevance of "neutrality" in the post–Cold War era. In any case, reunification is likely to cause Korean leaders to focus on internal issues for at least ten to fifteen years. Improvements in Chinese relations with Seoul (and recent difficulties in U.S.-Korean relations) have given China increased confidence that a unified Korea is likely to be friendly to Beijing. China's regional ambitions, and the demands that those ambitions place on Korea, are likely to be an equally important determinant of the state of future Sino-Korean relations.

One of the key uncertainties in Chinese thinking about a future Korea is the mixture of cooperation and competition in future Chinese relations with the United States. Unexpected improvements in Sino-U.S. relations over the last four years have not eased Chinese concerns about the future.[37] Chinese analysts hope that the United States will accept China's "peaceful rise," but their realist orientation leads many to expect increasingly conflictual relations with the United States as China's power increases.[38] In particular, many expect China and the United States to compete for influence in Asia. The potential for the United States and China to become strategic rivals colors Chinese concerns about the U.S. military presence in Asia and about future U.S. relations with Korea. As a result, many Chinese analysts see Korea as a future competition ground between the United States and China.[39]

The "North Korean threat" has played an important role as a geopolitical buffer that has muted concerns in Japan and the United States about rising Chinese power and about China's future strategic role. Japanese military reforms and modernization programs use the threat from North Korea as a planning tool that is less controversial than making explicit reference to China's growing capabilities. Similarly, the United

States has emphasized the threat posed by North Korean ballistic missiles to justify its development and deployment of ballistic missile defenses. North Korea's role as a geopolitical buffer that eases security tensions between China and Japan and between China and the United States would obviously disappear after Korean unification. Security concerns may therefore take on a more prominent role in these bilateral relations after unification.

Although China opposes alliances and foreign bases as a matter of principle, Chinese analysts have long acknowledged privately that the U.S. military presence in Asia serves Chinese security interests. In recent years, Chinese officials have made public and private statements to reassure the United States that China does not seek to push the U.S. military out of Asia. Chinese analysts emphasize that Chinese attitudes toward the U.S. military presence in Asia depend on whether U.S. forces are aimed against China or Chinese interests. Chinese officials are especially concerned that U.S. forces and alliances could be used to intervene in a conflict over Taiwan. These attitudes will color Chinese perceptions about a possible U.S. military presence in a unified Korea.

Changes in U.S. military deployments in Asia are likely to exacerbate these Chinese concerns. Although the United States has announced plans to reduce the number of forces deployed in South Korea, Chinese analysts note that the United States is also making efforts to increase its combat power in the Pacific by deploying additional forces to Guam. Some see this as an indication of a shift in U.S. strategic priorities that raises the strategic importance of the Asia-Pacific region. Moreover, the thrust of U.S. global military transformation efforts is to increase the flexibility of U.S. forces and their ability to respond to unexpected regional contingencies. As a result, Chinese fears that U.S. forces in the region might be used to intervene in a Taiwan conflict are likely to intensify. Korean reunification will aggravate these concerns, since a conflict with China over Taiwan would become the most likely regional contingency to require U.S. forces.

Thus, China is highly likely to seek to limit a U.S. military presence in a unified Korea. At a minimum, this would involve efforts to prevent U.S. troops from being based in North Korean territory near China's border. At most, it would involve efforts to pressure Korea to remove all U.S. troops from its territory on the grounds that reunification made their presence unnecessary. The stakes for both countries will be high, since the U.S. military presence in Japan has been justified mainly in terms of the threat posed by North Korea. If U.S. forces leave South Korea after unification, domestic pressures in Japan to reduce the U.S. military presence are likely to increase. It would be awkward politically for Japan to be the sole Asian country hosting large numbers of American troops. Since the regional security stakes will be high for both the United States and China, this issue is likely to be extremely contentious.

CONCLUSION

China's interests on the Korean Peninsula have changed significantly over the last twenty years. China's emphasis on economic development has heightened the importance of South Korea relative to the North and has facilitated strong economic and political ties between Beijing and Seoul. North Korea is now viewed as a problem to be managed rather than as an ally or strategic asset. Nevertheless, China has tried to make the most of its advantageous position as a country with good relations with both North and South Korea. To avoid negative outcomes, China was forced to become more active in efforts to resolve the nuclear crisis, but it has worked hard to establish a process that will discourage extreme actions and contribute to a diplomatic solution. Chinese officials are cautiously optimistic that they will eventually be able to broker a deal that resolves the crisis. However, China places a high priority on maintaining stability and appears willing to live with an agreement that resolves the immediate crisis without fully eliminating North Korea's nuclear potential.

There is less agreement among Chinese analysts about strategies for pursuing longer-term Chinese interests on the Korean Peninsula. This reflects uncertainties about key variables such as the timing and manner of Korean unification, how a unified Korea would behave, China's future role within Asia, and the nature of Sino-U.S. relations. Chinese elites hope that good relations with South Korea mean that a unified Korea will have friendly relations with China. However, Korean unification would end North Korea's role as a geopolitical buffer between the United States and China, turning the future U.S. military presence in Asia (and U.S. military ties with a unified Korea) into contentious issues in which U.S. and Chinese interests are likely to conflict. While cooperation between the United States and China in managing the nuclear crisis has been relatively good, over the long run Korea is likely to become a source of conflict in Sino-U.S. relations. At the same time, the overall state of Sino-U.S. relations will influence the importance each country places on its security interests in Korea and the mix of competition and cooperation in both U.S. and Chinese diplomacy toward the Korean Peninsula.

NOTES

The views expressed in this paper are those of the author and do not reflect the official policy or position of the National Defense University, the Department of Defense, or the U.S. government.

1. The story of China's diplomacy in recognizing South Korea is told in Samuel S. Kim, "The Making of China's Korea Policy in the Age of Reform," in *The Making of Chinese Foreign and Security Policy in the Era of*

Reform, ed. David M. Lampton (Stanford, Calif.: Stanford University Press, 2001), pp. 371–408. Also see Xiaoxiong Yi, "China's Korea Policy: From 'One Korea' to 'Two Koreas,'" *Asian Affairs, An American Review* 22, no. 2 (Summer 1995), pp. 119–40.

2. However, Chinese officials and analysts are still attentive to potential implications that developments in Korea might have for Taiwan. For example, Chinese officials quickly noted that the summit diplomacy that produced Kim Dae Jung's June 2000 visit to Pyongyang was not an appropriate model for rapprochement with Taiwan.

3. If North Korean economic reforms were explicitly patterned on the Chinese model, this might create a new Chinese ideological stake in the success of North Korean reforms. However, North Korea has been reluctant to give China any public credit for inspiring its economic reform efforts.

4. Joby Warrick and Peter Slevin, "Libyan Arms Designs Traced Back to China: Pakistanis Resold Chinese-Provided Plans," *Washington Post,* 15 February 2004, p. A1.

5. You Ji, "China and North Korea: A Fragile Relationship of Strategic Convenience," *Journal of Contemporary China* 10, no. 28 (2001), pp. 387–98.

6. Author's interviews with Chinese officials, July 2004.

7. Victor D. Cha, "Engaging China: Seoul-Beijing *Détente* and Korean Security," *Survival* 41, no. 1 (Spring 1999), pp. 73–98.

8. The chronology in CSIS Pacific Forum's *Comparative Connections* and the quarterly articles on Sino-Korean relations by Scott Snyder are excellent sources for details on these exchanges. See www.csis.org/pacfor/ccejournal.html#csk.

9. Author's interviews with Chinese scholars, July 2004.

10. See David Scofield, "China Puts Korean Spat on the Map," *Asia Times*, 19 August 2004, www.atimes.com/atimes/Korea/FH19Dg01.html.

11. On South Korean views, see Derek J. Mitchell, *Strategy and Sentiment: South Korean Views of the United States and the U.S.-ROK Alliance* (Washington, D.C.: Center for Strategic and International Studies, 2004), www.csis.org/isp/0406mitchell.pdf.

12. South Korean economists are doing detailed studies about how to adopt reforms that will keep North Koreans from heading south in massive numbers after reunification. Some ideas involve fanciful schemes to employ hundreds of thousands of North Korean workers in Russian factories built with South Korean investment.

13. See "South Korea's New Generation: Politics & Social Change," Asian Perspectives Seminar Series, Washington, D.C., 5 May 2003, asiafoundation.org/pdf/southkorea_newgeneration.pdf; and Gordon Fairclough, "Generation Why? The 386ers of Korea Question Old Rules," *Wall Street Journal,* 14 April 2004, p. A1.

14. To be fair, the United States also deserves some blame for the breakdown of the Agreed Framework.

15. See Jia Hao and Zhuang Qubing, "China's Policy toward the Korean Peninsula," *Asian Survey* 32, no. 12 (December 1992), pp. 1137–56; Banning Garrett and Bonnie Glaser, "Looking Across the Yalu: Chinese Assessments of North Korea," *Asian Survey* 35, no. 6 (June 1995), pp. 528–45; and Xiaoming Zhang, "China's Relations with the Korean Peninsula: A Chinese View," *Korea Observer* 32, no. 4 (Winter 2001), pp. 481–500.

16. See Xu Weidi, "Chaoxianbandao heweiji de huajie yu bandao zuochu lengzhan" [Defusing the Nuclear Crisis and Moving the Korean Peninsula away from the Cold War], *Shijie Jingji yu Zhengzhi* [World Economics and Politics], no. 9 (September 2003), pp. 59–64, translation available as FBIS CPP20030925000192, 14 September 2003.

17. For a useful analysis of the U.S. and North Korean paths to the nuclear crisis, see Jonathan D. Pollack, "The United States, North Korea, and the End of the Agreed Framework," *Naval War College Review* 56, no. 3 (Summer 2003), pp. 11–49.

18. Author's interviews, October 2003 and July 2004.

19. Eric A. McVadon, "China's Goals and Strategies for the Korean Peninsula," in *Planning for a Peaceful Korea,* ed. Henry D. Sokolski (Carlisle, Penna.: Strategic Studies Institute, Army War College, February 2001), pp. 160–64.

20. Joseph Kahn and David E. Sanger, "U.S.-Korean Deal on Arms Leaves Key Points Open," *New York Times,* 20 September 2005.

21. See, for example, the remarks of an American intelligence official cited in Seymour M. Hersh, "The Cold Test: What the Administration Knew about Pakistan and the North Korean Nuclear Program," *New Yorker*, 27 January 2003; and leaks about a new U.S. war plan aimed at destabilizing North Korea, cited in Bruce B. Auster, Kevin

Whitelaw, and Thomas Omestad, "Upping the Ante for Kim Jong Il," *U.S. News & World Report* 135, no. 2 (21 July 2003), p. 21.

22. For analyses of U.S. policy toward the Korean nuclear crisis, see Sebastian Harnisch, "U.S.-North Korean Relations under the Bush Administration," *Asian Survey* 42, no. 6 (November/December 2002), pp. 863–74; and Daniel A. Pinkston and Phillip C. Saunders, "Seeing North Korea Clearly: Barriers to a Better U.S. Korea Policy," *Survival* 45, no. 3 (August 2003), pp. 79–102, cns.miis.edu/research/korea/450079.pdf.

23. See Joseph Kahn, "North Korea Signs Nuclear Accord," *New York Times*, 19 September 2005.

24. Author's interviews, July 2004 and July 2005.

25. See David Shambaugh, "China and the Korean Peninsula: Playing for the Long Term," *Washington Quarterly* 26, no. 2 (Spring 2003), pp. 43–56, www.twq.com/03spring/docs/03spring_shambaugh.pdf.

26. China's position on North Korea's right to "peaceful uses" of nuclear energy captures this nuance. Chinese officials at a 2004 U.S.-China arms control conference argued that North Korea had the right to peaceful uses of nuclear energy, while the United States wants to dismantle all North Korean nuclear programs because it sees them all as potential nuclear weapons programs. Peaceful use is an obstacle in the Six-Party Talks, and something that can be discussed in the working group meetings. China feels North Korea should freeze all its nuclear activities first; international inspectors could then decide what should be dismantled and what North Korea could keep under an international inspection regime. China thinks North Korea should have a right to peaceful use only within the NPT framework.

27. For analysis on how to contain the proliferation and regional security consequences of North Korean nuclear weapons if the Six-Party Talks fail, see Phillip C. Saunders, "Responses to a Nuclear North Korea," *KNDU Journal* 8, no. 2 (December 2003), pp. 47–76.

28. For a discussion of Chinese perspectives on unification, see McVadon, "China's Goals and Strategies for the Korean Peninsula," pp. 164–66; and Xiaoxiong Yi, "Ten Years of China-South Korea Relations and Beijing's View on Korean Reunification," *Journal of East Asian Affairs* 16, no. 2 (Fall/Winter 2002), pp. 315–51.

29. For an example, see Zhang Liangui, "China Supports Korean Reunification, Plays Active Neutral Role in Mediating Disputes on Peninsula," *Dangdai Yatai* [Contemporary Asia], in FBIS CPP20040720000203, 15 May 2004.

30. See "DPRK Defector Describes SSD Operations in DPRK-PRC Border Region," FBIS KPP20030423000063, 20 July 2002.

31. One Chinese analyst noted that one reason for the shift was that existing border guards had been based in the area for years and had become involved in smuggling and illegal immigration activities.

32. Available at www.travelchinaguide.com/intro/nationality/korean.

33. South Korea responded to Chinese concerns by drafting the law to exclude Koreans who lived outside Korea in 1948, but a Korean court recently ruled this provision unconstitutional.

34. Author's interviews, July 2004; and McVadon, "China's Goals and Strategies for the Korean Peninsula."

35. For an overview of North Korean WMD capabilities, see "North Korea Profile," www.nti.org/e_research/profiles/NK/index.html.

36. See Tang Shiping, "A Neutral Reunified Korea: A Chinese View," *Journal of East Asian Affairs* 13, no. 2 (Fall/Winter 1999), pp. 464–83; and Xiaoxiong Yi, "A Neutralized Korea? The North-South Rapprochement and China's Korea Policy," *Korea Journal of Defense Analysis* 12, no. 2 (Winter 2000), pp. 71–118.

37. See Jonathan D. Pollack, ed., *Strategic Surprise? U.S.-China Relations in the Early Twenty-first Century* (Newport, R.I.: Naval War College Press, 2003).

38. For an overview of Chinese thinking about the United States, see Phillip C. Saunders, "China's America Watchers: Changing Attitudes toward the United States," *China Quarterly*, no. 161 (March 2000), pp. 41–65; and Denny Roy, "China's Reaction to American Predominance," *Survival* 45, no. 3 (Autumn 2003), pp. 57–78.

39. See Scott Snyder, "The Rise of U.S.-China Rivalry and Its Implications for the Korean Peninsula," in *Korean Security Dynamics in Transition,* ed. Kyung-Ae Park and Dalchoong Kim (New York: Palgrave, 2001), pp. 119–31; and Eric A. McVadon, "China and North Korea: From 'Close as Lips to Teeth' to Taking No Lip," remarks at U.S. State Department Bureau of Intelligence and Research Workshop, China and North Korea, Washington, D.C., 5 March 2004.