



China's Views on the Unification of the Korean Peninsula and US–China Relations

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Abstract

China does not offer its views of Korean unification in any detail. This partly reflects China's continued support for a two Koreas policy. It is the only state that sustains meaningful relations with both South and North. But there are profound and growing asymmetries in China's political and economic links with Seoul and Pyongyang. The relationship with the ROK is an ever more important component in China's regional political, diplomatic, and economic strategies. But this has not led China to jettison its historic relationship with North Korea, though it is no longer an active alliance, even though the treaty still exists. China's frustrations with North Korean behavior, including actions that destabilize peace and stability on the peninsula, continue to mount. Pyongyang's continued pursuit of nuclear weapons and long-range missiles is also highly worrying to Beijing, and directly undermines Chinese political and security interests. China would clearly prefer to have a normal and more predictable relationship with North Korea, but Pyongyang's high degree of economic dependence on China

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has not been reciprocated by more accommodating behavior toward Beijing. The purge and execution of Jang Song-thaek, with whom China appeared to maintain reasonably close relations, undermines China's ties with Pyongyang even more, and Kim Jong-un appears to pay little attention to China's advice and expectations of restraint.

China therefore remains deeply conflicted and internally divided on the peninsular future in two fundamental respects: how fully to impose limits on its relationship with North Korea; and how fully to enter into discussions or active cooperation with the US and ROK to reduce the risks of a major peninsular crisis, triggered either by internal events in the North or by risk taking beyond North Korea's borders. There are also traditional constituencies in the Chinese Communist Party and People's Liberation Army that seek to retain relations with the North, in contrast to economic and diplomatic interests that view North Korea more as a burden than an asset. But even in the latter camp limitations and strategic suspicions in the US-China relationship constrain Beijing's willingness to cooperate fully with the US and ROK in discussing the peninsular future or in any contingency planning on the possibility of destabilizing change in Korea. These represent major tests of China's supposed commitment to "a new model of major power relations," which as yet remains more of a slogan and broad aspiration than a mechanism and means for lasting policy integration.

Full Text

The unification of the Korean Peninsula will among the transformative events in world politics in the 21st century. The abnormality of a divided Korea has long been apparent, but I do not propose in a short discussion paper to revisit the complicated history of this question. Nor is it possible

to predict with any certainty the circumstances or timing of unification. The central task in this paper will be to briefly explore how China's leaders view the prospect of unification, especially in the context of US–China relations, and how this might shape China's policy stances under conditions of a still divided peninsula. This issue bears in particular on the capacity and willingness of China to enhance cooperation with the US and ROK on issues related to North Korea.

The United States and China will be the world's dominant powers for many decades to come. At the same time, both Washington and Beijing see their vital interests very much at stake on the peninsula. The key issues are whether the policy trajectories of both major powers can be more closely aligned and whether strategic divergence can be avoided. This does not mean that Korea (whether united or divided) will inevitably be an arena for heightened rivalry or outright antagonism between the US and China. But it would be equally short sighted to preclude this possibility.

Moreover, the reality of a divided peninsula persists. North Korea is both dangerous and endangered, but its capacity for grim persistence and regime survival cannot be lightly dismissed. In his recent book, Victor Cha describes North Korea as the impossible state, but it is better characterized as the implausible state, with a continuous history that (barring abrupt collapse) will soon surpass seven decades. Despite its grievous economic failings, its acute militarization, the repeated condemnations of the international community, and the persistence of totalitarian rule under the Kim family regime, North Korea continues to defy the laws of economic and political gravity and seems determined to resist integration or absorption, either by China or the ROK.

North Korea thus remains the conspicuous strategic outlier in the world's most dynamic region, with the economic capacities of South Korea and

China's ever more extensive relations with the ROK outstripping those of and with the North by ever wider margins. Can a regime that depends on hereditary rule, mythological history, an autarkic national strategy and denial of wellbeing and basic rights for its citizens indefinitely remain in power? This is a fundamental question that confronts all of North Korea's neighbors as well as the United States. We therefore need to begin with China's relations with North Korea, which far exceed Pyongyang's ties with all other states.

China as North Korea's Enabler

At present, China plays a decisive role in sustaining the North Korean economy, and hence the regime itself. Though the data are imperfect, perhaps 75 to 80 per cent of North Korea's foreign trade is conducted with China. The bulk of foreign investment in the North (predominantly in resource extraction, port development and closely related infrastructural commitments) emanates from China, with business enterprises and provincial authorities in China's northeastern region playing a decisive role. China is the primary source of energy, imported food stuffs and consumer goods (including luxury goods for the ruling elites) that enter the North. The yuan is the most widely traded foreign currency in the North, exceeding the role of the dollar and the euro.

At the same time, shadow North Korean businesses have expanded across major cities in China, enabling various forms of illicit commerce that UN Security Council sanctions (to which China has agreed to uphold) were designed to prevent. Ethnic Koreans in China's northeast and North Korean merchants operating along or near the Sino–North Korean border play an essential role in cross border transactions. Chinese ports perform an

equally important role in the North's maritime commerce and in sustaining the admittedly modest economic links between North Korea and the outside world. Efforts to develop special economic zones along the Chinese border (in which Jang Song-thaek and his subordinates were deeply involved) also depend heavily on funds from China. Last and by no means least, widespread reports of new construction in Pyongyang, a surge in vehicular traffic in the capital, and the emergence of a wealthy elite class in the North are all closely linked to financial and material assistance from China.

The surge in Chinese economic involvement in North Korea dates from the fall of 2009, when a high level Chinese government delegation led by Prime Minister Wen Jiabao visited Pyongyang. The delegation included representatives from numerous industrial ministries, economic planners and various scientific technical and educational sectors. The announced agreements artfully skirted the language of UNSC sanctions, which did not preclude regular commercial exchanges and the betterment of the lives of the North Korean people. (China had been a principal drafter of several of the sanction resolutions, and undoubtedly sought to include such permissive language.) Tellingly, Wen's visit occurred shortly after North Korea's second nuclear test, which had provoked widespread dissatisfaction in China with Pyongyang's actions.

Why did Beijing decide to appreciably heighten its support for Pyongyang when North Korean actions were being universally condemned? The impending political succession in Pyongyang offers the most credible explanation. In August 2008, Kim Jong-il suffered a major stroke. Though he made a sufficient recovery to resume activities toward the end of the year, his declining health finally compelled Kim to turn attention to succession arrangements. In retrospect, Kim Jong-un had long been his

father's designated choice, but Kim Jong-il was exceedingly reluctant to cede any power until physical limitations left him no choice. Moreover, young Kim lacked the twenty year apprenticeship that Kim Il-sung had provided Kim Jong-il. The elder Kim's near frenetic pace in his final two years (often accompanied by Kim Jong-un) was an effort to make up for lost time, and very likely accelerated his death in late 2011.

Leaders in Beijing probably calculated that the imminence of Kim's passing provided them a potential window into the North, and perhaps a foot in the door. From China's perspective, it was a risk worth taking. Some observers in the ROK assert that China was pursuing a larger strategic design to transform North Korea into the next Chinese province, but I remain skeptical of this argument. A more dependent relationship between China and North Korea did not equate with Chinese political and economic control. But China was convinced that economic dependence would result increased Chinese influence in Pyongyang and perhaps increased responsiveness on the part of the North Korean leadership. China probably concluded that a young, untested leader would largely follow the lead of his uncle Jang Song-thaek, with whom China's leaders appeared to enjoy a mutually beneficial relationship. Beijing also probably calculated that long suppressed pressures for economic development in North Korea would enable it to play a role that no other country could, thereby hoping to nudge Pyongyang toward developmentally oriented priorities as the elderly generation of Kim Jong-il loyalists passed from the scene.

Chinese officials may also have hoped that Pyongyang might begin to restrain its risky behavior and perhaps ultimately limit its goals in nuclear weapons development. Beijing's core priorities remained unchanged: a more reliable and responsive North Korea that would be attentive to Chinese interests and that would communicate more openly with leaders in Beijing.

Though the rank ordering of Chinese policy priorities occasionally varies, the “three noes” have persisted across time: no war, no instability, and no nuclear weapons. Enhanced trade and investment relations were the presumed sweetener for a vulnerable and grievously weakened North Korean economy. At the same time, if the North were to prove more amenable to commercial ties with the outside world (including provisions enabling Chinese use of its port facilities), this would also facilitate economic development in China’s northeastern provinces. The northeast had been granted higher priority in central planning since the mid-2000s, but continued to lag behind far more dynamic coastal regions to the south.

The underlying logic explaining China’s North Korea strategy is comprehensible, but it has proved a very bad bet. Normal rules do not apply to North Korea. China moved rapidly to endorse Kim Jong-un as his father’s successor in late 2010, but China’s support was not reciprocated by North Korean restraint, as evidenced by the sinking of the *Cheonan* in May and the shelling of Yang Pyong-do in November. These provocations bore all the hallmarks of Kim Jong-un seeking to legitimate his power through heightened risk taking, much as his father had done in the Rangoon bombing of 1983. Even though there were oblique Chinese criticisms of North Korean actions and an intervention by foreign policy troubleshooter Dai Bingguo on a visit to Pyongyang in late 2010 to caution the North, young Kim saw no need to alter the essence of North Korean strategy or to heed China’s strategic advice.

Thus, the overall patterns of Chinese policy toward North Korea have persisted, largely independent of North Korean actions. China has continued to pursue a more normal, state to state relationship with North Korea as part of a continued two Koreas strategy, believing that this was the best means to preserve the status quo, protect Chinese interests, and

increase its influence in Pyongyang. The failure of these policy goals has been most fully revealed by the purge and execution of Jang Song–thaek, who was presumably the one channel of Chinese influence into upper leadership in Pyongyang. Jang is now deceased, and his closest followers (many of whom probably recognized that closer commercial and investment ties with China would benefit them personally) are now under suspicion or ousted from power. Kim Jong–un’s insistence on absolute loyalty from all subordinates and his continued defiance of China (including a third nuclear test and the prospect that more will follow) seems to leave China with very limited options. But this presumes that China’s acute risk aversion will persist, and that China is unprepared to explore the possibilities of a different relationship with Seoul and with Washington. Before considering that possibility, we need to consider China’s deeper anxieties about the future of the peninsula.

China’s Hopes and Fears

The conventional wisdom about China’s current foreign policy is that is increasingly nationalistic and intent on exploiting China’s presumed strategic advantage at the expense of neighboring states, notably through its maritime claims and the declaration of an Air Defense Identification Zone that overlaps with the zones of the ROK and Japan. Chinese external policies are widely characterized as “assertive.” But North Korea remains the conspicuous exception in Chinese external policy making. Though China’s leaders voice criticisms of the North and permit criticism of the North on social media (some of it quite scathing) it has yet to waver from its underlying declaratory support for North Korea, no matter what Pyongyang’s conduct. Its risk aversion in relation to North Korea seems

enduring, and profound. The question is why.

Several explanations seem possible. The first and most plausible explanation is that beneath the veneer of unanimity in Chinese policy circles there are underlying differences that the senior leadership cannot resolve. The entrenched power of different institutional constituencies enables various bureaucracies to cast “no” votes that inhibits meaningful policy change. Many observers, for example, highlight the continued power of “traditionalist” voices in the Party apparatus and in the PLA, who still draw attention to pre-1949 history and to the Korean War in particular. To these constituencies, a decision to jettison China’s historic ties with Pyongyang (no matter how much North Korea and China have diverged in patterns of development and in relations with the outside world) would dishonor revolutionary legacies and (even more important) place Chinese security interests at direct risk, since this raises the prospect of a democratic, unified peninsula aligned closely with the United States. More “modernist” conceptions of Chinese interest (presumably more evident in economic and diplomatic circles) challenge these beliefs, but appears to lack sufficient “clout” to successfully counter the historical legacy.

The modernist camp rejects the reasoning of more conservative policy circles. Though this latter school cannot dispute the strategic suspicions that seem increasingly operative between the United States and China, it sees opportunities to narrow these differences. It views North Korea as a long-term liability and burden to China, and from which China gains no meaningful strategic advantage. By this logic, North Korea has long since ceased to be a strategic asset for Beijing, and its actions directly challenge vital Chinese interests, beginning with peace, stability and denuclearization. Persistent claims that North Korea is a strategic buffer for China have the situation backwards: China’s continued economic and

political support for North Korea makes Beijing a strategic buffer for Pyongyang, not the other way around. At the same time, the specter of US forces on the Yalu still haunts more traditional circles in China, even though this proposition bears no relevance to contemporary defense strategy, even if one assumes the possibility of an antagonistic or quasi-antagonistic Sino-American relationship.

To a modernist coalition, the world has changed in profound ways, and China should no longer be saddled with a dwindling, demanding (if still very dangerous) regime in Pyongyang. North Korea today retains major echoes of China's own isolation, backwardness, and nihilistic policies of the 1950s and 1960s, and few in Beijing (even in traditional circles) want any of this. Twenty years ago, China and the ROK had only just established diplomatic relations, yet today bilateral trade exceeds \$250 billion, with projections of \$300 billion by 2015. By contrast, China's trade with North Korea amounts to little more than \$6 billion. President Park Geun-hye has been warmly received on a state visit to Beijing; Kim Jong-un has not received a comparable invitation, and it is not even certain he seeks one. With which Korea do China's true long term interests belong? The answer seems obvious.

But deeper questions persist about how to get from here to there. In this respect, the lines of policy debate in Beijing are somewhat blurred, and the differences between different schools of thought may not be that great. There is a keen and understandable worry about what a severe crisis on the peninsula would entail for Chinese interests. Beijing's repeated references to a "three noes" policy convey its unease about any acute disequilibrium, no matter what its source or manifestations. The dangers and uncertainties in Korea should be deeply worrying to Seoul, Beijing, and Washington. But China's continued unwillingness to venture far in discussions with either

the US or ROK on possible contingencies on the peninsula is very much a limiting factor. In essence, it reaffirms China's support for the status quo, no matter how untenable and potentially risky this might prove in a longer run sense.

By adhering to a default option position, China remains unable or unwilling to resolve the underlying contradictions in its North Korea policy. China repeatedly warns that it will not allow trouble on China's doorstep, but it does. As in so many areas of contemporary China, the inability of the leaders to bridge and resolve competing policy directions leaves a void that could readily compound the longer-term risks. A "no decision" policy, perforce, becomes a decision: Beijing is deciding by not deciding. Despite China's clear desire to be taken seriously, its inability to make up its mind in Korea or to acknowledge the continued failure in its efforts to induce gradual change in North Korea prevents the kind of candid discussions that are urgently needed on the part of the ROK, China, and the US.

At the same time, Chinese elites persist in their continued wariness toward relations with the United States. China's leaders profess their desire to pursue a "new model of major power relations" that would presumably enable sustained development of non-adversarial relations between Washington and Beijing, and the avoidance of the "Thucydides trap." The Korean peninsula ought to represent a compelling case of where deep strategic discussions are needed and where crisis management tools can be built. If a new model of major power relations cannot be built on the peninsula, and with the ROK fully involved in this process, where can it be built?

Chinese officials seldom raise the issue of peninsular unification, preferring to reiterate their calls for peace, stability, and denuclearization. But what if the goals do not prove sustainable? Speaking to the ROK

National Assembly in 2005, then President Hu Jintao stated that “China would support a reunified Korea as a peaceful independent nation.” His pledge raises more questions than it answers. Did this imply that China could only accept a non-aligned Korea without US troops on the peninsula, irrespective of security conditions on the peninsula or in the region? Would a US–ROK alliance (especially under unification) be seen by Beijing as aimed at against China, regardless of stated purposes, doctrines, and operational practices? Even in the face of major North Korean provocations, China often sharply criticizes US actions to reaffirm the defense and deterrence responsibilities that are inherent in the US–ROK alliance. If China objects to alliances as artifacts of the Cold War that have outlived their usefulness, what would China propose to supplant it? For such fundamental issues, we have only questions and no answers.

The strategic challenges in Korea thus seem clear. There is a need to pursue long-term understandings among Seoul, Beijing, and Washington on limiting the risks and avoiding misperceptions and miscalculations. But there is an equal need to clarify China’s longer term objectives on the peninsula, both at present and over the longer term. The goal should be no less than endeavoring to shift the center of gravity in China’s strategic calculations, hoping that Beijing will not see unification as an inherent risk to its vital security interests but instead the basis on which genuine long-term peace can be built. For this endeavor, the work has barely begun.