

China's Strategic Environment and External Relations in the Transition Period

Edited by Jung-Ho Bae and Jin-Ha Kim

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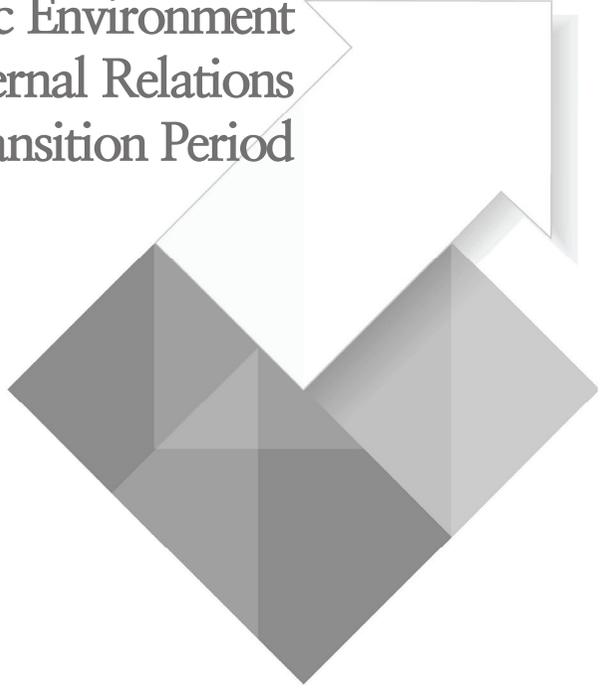
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China's Strategic Environment and External Relations in the Transition Period

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In the 21st century, with China's rise and the United States(U.S.)' relative decline, the U.S.-China relationship together with strategic environment in Northeast Asia is changing. China is expanding its influence from Northeast Asia to Southeast Asia and Central Asia. As a result, China is forming a new type of 'check and balance,' and 'cooperation and conflict' with the U.S. in Southeast Asia and Russia in Central Asia. Such changes in China's foreign relations policy and strategy as well as the strategic environment in Northeast Asia will have a higher possibility of influencing the unification on the Korean Peninsula. Therefore, it is necessary to precisely analyze the international situation surrounding the Korean Peninsula and to examine China's foreign relations with countries in Northeast Asia, Central Asia and Southeast Asia. This research provides the analysis of China's external relations policy in these three regions to understand the international circumstances surrounding the Korean Peninsula. The research aims to form the basis for the future unification diplomatic strategy.

The first part of this book explains China's major diplomatic relationships towards four East Asian countries: Japan, Russia, North Korea, and Taiwan. This chapter particularly provides a keen analysis of developments of each relationship and discusses how China initiates its diplomatic strategy and embodies its four major diplomatic relationships.

Next part analyzes China's aggressive foreign policy in Central Asia. This part suggests that China's active policies towards Central Asian countries during the past decade is due to the increased importance of the region to China for the following aspects: national security, geopolitical location, energy and

market. Considering the aforementioned factors, China's enhanced influence in the region and intensified relations with the neighboring countries are mainly examined.

The last part explores Southeast Asia's foreign policy in the context of the rise of the G2 rivalry, focusing on Cambodia, Vietnam, and Myanmar. This part emphasizes the importance of Southeast Asia for the U.S. and China from a geopolitical perspective. Then, it goes on how each nation formed and developed its relationship with the U.S. and China, what each country's national interest is, how they influence their foreign policies toward the two big giants, and how each country shape their policies in response to the conflictual and suspicious relationship between Washington and Beijing.

In sum, this study provides an in-depth analysis of China's overall diplomatic strategy. It is particularly significant for the policy-makers in South Korea and other countries to understand China's external relations in the transitional situation on the East Asian regional level as well as on the global level.

Keywords: Changes in East Asia's Strategic Environment, Strategy of Unification Diplomacy, China and Southeast Asia Relations, China and Central Asia Relations.

21세기에 들어 미국의 국력이 상대적으로 약화되고 중국이 부상함에 따라, 미중관계의 변화와 더불어 동아시아 전략환경이 변하고 있다. 중국은 동북아 지역에서의 영향력 확대는 물론 동남아 지역과 중앙아시아 지역에서의 영향력 확대를 추진하고 있다. 그 결과 동남아 지역에서는 미국과, 중앙아시아에서는 러시아와 견제와 균형, 갈등과 협력의 새로운 관계를 형성하고 있다. 이러한 중국의 대외관계, 대외전략 변화와 이로 인한 동아시아 전략환경의 변화는 한반도의 통일 환경에 중요한 영향을 미칠 가능성이 높다. 따라서 한반도를 둘러싼 국제정세를 정확하게 분석할 필요가 있으며, 통일을 위한 중국과의 협력 방안 마련을 위해서는 동북아, 중앙아시아, 동남아 지역에서의 중국의 대외관계에 대한 분석이 필수적이다. 본 연구에서는 동북아, 중앙아시아, 동남아 지역에서의 중국의 대외관계를 분석함으로써 한반도를 둘러싼 국제정세를 정확하게 이해하고 향후 대중 통일외교 전략 수립의 토대를 마련하고자 한다.

주제어: 동아시아 전략환경의 변화, 통일외교전략, 중국과 동남아, 중국과 중앙아시아

Introduction

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1. The rise of China and the change in the East Asian strategic environment

In the 21st century, the relative decline of the U.S., the rapid rise of China, and the emergence of new powers centering around BRICS have been ushering in a change in the international strategic environment at the global level. Such global transition situation at the global level has been affecting East Asia to no small degree.

Economic interdependence has increased due to the hike in the regional trade volume in East Asia. However, unlike in the EU, political and security cooperation in the region remained low-profile. Moreover, due to the lack of trust among regional states, East Asian international environment embodies instability, uncertainty, and mobility.

In such a situation, the rise of China as a new great power has been making a significant impact on the change in the East Asian strategic environment.

In particular, the U.S. views China's seek for new great power relations as an Asia balance policy, change in the East Asian strategic environment appears in the period of Obama-Xi.

More specifically, in order to enhance China's political status in the international society commensurate to the increase in its economic power, President Xi defined the future U.S.-China relations as 'a new model of major country relations' at the

U.S.-China summit meeting in June 2013. This implies China's strategic intention of constructing an international order and system that reflect China's vision and plan, rather than China becoming incorporated into the existing international order and system.

In response, the Obama administration checks China by strengthening strategic security alignments among allies and friends, while pursuing the Asia re-balancing strategy. That is, while improving a partnership with China, the U.S. simultaneously pursues a hedging strategy. With such U.S.-China relations of cooperation and checking providing an axis, the U.S. relates to Japan and Russia, other regional powers.

The U.S. has been strengthening U.S.-Japan alliance, through which it aims to develop a strategic burden sharing with Japan.

While strengthening U.S.-Japan alliance in response to U.S. re-balancing strategy, Japan has also been enhancing strategic cooperation with Australia and India. That is, Japan has been actively implementing a strategy of China encirclement based on U.S.-Japan alliance.

Russia has traditionally checked on U.S. hegemony in East Asia, which served as a ground for China-Russia strategic cooperation. After the annexation of Crimea from Ukraine, Russia has become more conflictual with the U.S. Hence, Russia strengthens its strategic cooperation with China all the more.

As such, in Northeast Asia, great power politics of 'U.S.-Japan

vs China and the U.S. vs China-Russia' have been evolving. And, a balancing structure of 'U.S.-Japan vs China' has been reflected in Southeast Asia.

On the other hand, the cooperative relationship between China and Russia shows its limitation in Central Asia, where Russia checks on China's power expansion.

In sum, East Asia's strategic environment has been changing, as China rises as a new great power.

2. Main purpose and significance of the research

The rise of China is expected to bring not only a change in the East Asian strategic environment but also a change of the international system to G2 or multipolarity.

Therefore, it is very important to understand precisely China's external relations in the transitional situation on the East Asian level as well as on the global level. In particular, it will help analyze international politics surrounding the Korean peninsula. That is the main purpose of this research.

With that purpose in mind, this book analyses China's external policies and relations in Northeast Asia, Central Asia and Southeast Asia.

3. Main contents of the research

The Chapter I of Part 1 analyzes China-Japan relations from

the perspective of Chinese foreign policy under the leadership of Xi Jinping. Xi Jinping's China seeks to shape a new U.S–China relationship while improving neighborhood diplomacy and strengthening its maritime power with the catchword of a great revival of Chinese nation. However, China has maintained a firm position on the territorial and historical issues with Japan and thus has yet to come up with a new plan to stabilize the strained relationship. For the betterment of the bilateral ties, there are three important points: the need to hold summit meeting on the basis of mutual trust, to continue economic cooperation and social exchanges, and to increase security dialogue with military exchanges.

The Chapter II of Part 1 analyzes China–Russia relations. There is a strong possibility of a strategic partnership between China and Russia in the coming years. What would be its impact on the region of Northeast Asia in general and the Korean Peninsula in particular? This chapter explores, how China–Russia relations have developed at the level of strategic partnership during the post Cold War era by way of analyzing their respective foreign policies toward each other. In addition, several constraints and problems on the forthcoming China–Russia partnership are also analyzed.

The Chapter III of Part 1 analyzes China–North Korea relations. Since the inauguration in 2013, Xi Jinping has been showing unprecedented policy behaviors in its relations with North

Korea. Right after the third nuclear test in February 2013, China has adopted three economic sanctions and strongly warned against possible fourth test. In July 2014, Xi Jinping visited Seoul, breaking the tradition of ‘visit Pyongyang first, then Seoul,’ long held by his predecessors. Such meaningful behaviors on the part of China have increased the expectations for a possible change in its policy toward the North. However, it would not be an overstatement to claim that China’s positions on its troubled neighbor have remained more or less the same. This is because there are several invariable principles China adheres to regarding North Korea. This chapter conducts a review on China’s policies toward the Korean peninsula and then analyzes China–North Korea relations in the 21st century in detail. Especially, it attempts to estimate whether Chinese sanctions against Pyongyang lead to a rift in the bilateral ties in terms of peculiarities of China’s relations with Pyongyang. Finally, it concludes with future prospects for China’s relations with the North.

The Chapter VI of Part 1 analyzes China–Taiwan relationship. This chapter analyzes the historical background of the cross-strait relationship and the interaction of persuasion logics of China and Taiwan. China often states its preference on peaceful unification while Taiwan does not seem to pursue independence. What Taiwan should fear, he argues, is not its military vulnerability but China’s coercive measures to compel unification with its exercise of mixed form of economic, diplomatic, political and

military influences. In this chapter, there are four implications from the cross-strait relationship for the inter-Korean relations: (1) the weaker is unlikely to agree to the stronger's terms; (2) the weaker is likely to act provocatively to deter the stronger's domination; (3) external actors can help avoid unwanted outcomes; (4) North Korean issues like Taiwan issue may be dealt with by external actors such as the U.S.

The Chapter V of Part 2 explains China's more active policies toward Central Asia in the last decade by discussing the increased importance of Central Asia to China in terms of national security (terrorism and religious extremism), geopolitical location, energy, and market. This chapter expects that China will increase its regional influence and tighten its relations with Central Asian countries mainly through exploiting the Shanghai Cooperation Organization and developing the "new silk road" diplomacy. The conclusion discusses four potential choices of the Republic of Korea (here by, South Korea or ROK) which sees China's rapid rise and gradual revisionism and its possible conflict with the U.S.; (1) balancing with the U.S.; (2) band-wagoning with China; (3) an equal-distance policy between China and the U.S.; and (4) a multilateral diplomatic and security network.

The Chapter VI of Part 2 analyzes the situation of China's power expansion in Central Asia; a region which has gained much attention in recent years. The chapter then analyzes Central Asian states' respective responses. China has deepened security

cooperation through the Shanghai Cooperation Organization (SCO), China's non-interference policy and Central Asian states' a multi-vector foreign policy. Considering Russia and China's recent trend of anti-American and anti-Western solidarity, there is a remote possibility for Russia to put a brake on China's expansion in the region. However, it appears that China and Russia's power race will intensify on the Eurasian continent, and Central Asia would be the main arena for their competition. It would not be an overstatement to conclude that Central Asian states' perception of China's recent expansion and their corresponding actions depend upon the bilateral relationship between China and Russia. So far, China is unrivaled by Russia in many aspects. China outpaces Russia in its population, economic and military power, and Russia is also struggling to recover its influence and former status not only within the SCO but in the overall Eurasian regions due to its poor domestic economy and economic sanctions from the West as a consequence of the recent Ukraine Crisis.

Part 3 analyzes Southeast Asia's foreign policy in the context of the rise of the G2 rivalry, particularly focused upon Vietnam, Cambodia and Myanmar. How have those countries formed their relationships with the U.S. and China? What have been their national interests driving policies towards the two big giants? How will the countries shape and reshape their policies in response to the intensifying rivalry between the two big

powers?

Chapter VII of Part 3 analyzes Cambodia's relations with the U.S. and China since the beginning of the 1990s. The chapter addresses the historical background of Cambodia's relations with the U.S. and China since independence, analyzing the effects of the Cold War geopolitics on these relationships. Then, the chapter examines China-Cambodian relations since 1993 within the context of China's rise by focusing on development assistance, trade, and investment and their impact on Cambodia's political and economic developments. Finally, the chapter analyzes U.S.-Cambodian relations since 1993 stressing three aspects: (1) troubled relations due to U.S. foreign policy objectives of promoting human rights and democracy; (2) collaboration within the context of the U.S. shifting geo-strategic interests; and (3) bilateral trade. This chapter concludes by contrasting the divergent norms between the Cambodian and U.S. governments with the shared norms between the Cambodian and Chinese governments based on the concept of a developmental authoritarianism.

Chapter VIII of Part 3 explores the prospects of Myanmar's foreign policy in the future and examines the impacts of domestic reforms on changing foreign relations and those of a new foreign policy on reforming internal politics. The word "conflict management" is recognized by international relations discipline as one of the most distinguished terminologies of the Cold War diplomacy. Literally, it combines optimistic explanation

of management with pessimistic description of conflict in order to restrain from the outbreak of total nuclear war between East Bloc headed by the former Soviet Union and West Bloc headed by the U.S. and its allies in international affairs. However, later, this term is widely characterized both in international and domestic affairs, especially when a country faced with internal disturbances or civil war. After the end of the Cold War, this term referred to internal issue, when different groups opposed the government or its policies within its national boundaries. Some civil conflicts had lasted for decades and took the form of protracted insurgencies issue. For more than six decades the insurgency issues in Myanmar by multi-ethnic armed insurgent groups based on ideological and ethnic differences went on but neither side had the ability to completely defeat the other. In fact, the primary purpose of conflict management is to arrest the escalation of violence and to make peace that would permit benefits to adversaries who are considering reconciliation and negotiation for making peace. In fact, the term 'peacemaking' is reserved for large, systemic, often factional conflicts in which no member of the community can avoid involvement, and in which no faction or segment can claim to be completely innocent of the problems. It is, therefore, necessary to observe the negotiation or compromise process of the respective Myanmar government in dealing with the insurgent groups since integrity of Myanmar became more pronounced in regional and international context

after 2010. From these aspects, this research attempts to answer the questions on what are the successive Myanmar governments' attempts to solve conflict with its armed ethnic insurgent groups with the intention to cease a decade-long internal conflict and to establish peace with such insurgent groups particularly through different channels of negotiations and mediation. It also attempts to explore what are the major limitations behind the efforts of conflict management and peacemaking based on "arms for peace" formula of Myanmar governments. Finally, it also traces how far such effort brings about effects on local community in terms of human security complex.

Chapter IX of Part 3 delves into the domestic political reform process in Myanmar. The year 2014 is an exciting year for Myanmar as the country is chairing the ASEAN for the first time seventeen years after its membership of the association. As ASEAN chair, Myanmar has set a theme that reads "Moving Forward in Unity to a Peaceful and Prosperous Community." Talking about chairmanship, Myanmar has two events; one was in 2006, relinquishing the chairmanship and another is 2014 present chairmanship that makes international community for great interest. After it declined to assume the ASEAN chairmanship in 2006, Myanmar has appeared diplomatically withdrawn from the association. However, when Myanmar transformed the country into democratic system with seven-step of road map with new government in 2011, she regained her prestige to

assume ASEAN chairmanship in 2014. As a chair of ASEAN, Myanmar has an opportunity to demonstrate its “independent” foreign policy and provide a path for the country’s future policy direction. Changing Myanmar to increase strategic options and new investments for economic development, Myanmar will continue to strengthen ties with China, the U.S., Japan and other western powers. Due to the reform process, the 2014 ASEAN chairmanship of Myanmar is one of a positive political image. The 24th and 25th ASEAN Summit was successfully held in May and November 2014. Such kind of activities demonstrates that Myanmar is no longer a hermit kingdom and now becomes a responsible member of the international community. This chapter will highlight the impact of reforms in Myanmar and how this paved the way for a new chapter with ASEAN. This book is organized into three parts. First part gives an overview of waves of reforms. Second part provides Myanmar in the early years of ASEAN membership. Third part presents new Myanmar and ASEAN chairmanship.

Chapter X of Part 3 argues that Vietnam can balance its relations with great powers based on historical lessons as it could successfully engage both the Soviet Union and China and managed to secure support from both of them notwithstanding serious problems between them during the Cold War. Since the end of the Cold War, Vietnamese foreign policy has gone a tremendous change from acting as a member of communist

block to following multilateralism. It appears that Vietnamese history is repeating. Like the past, today the country is located again at the crossfire with growing competition between the two big powers as the Soviet Union and China competed with each other for its influences during the Vietnam War. So the lesson that Vietnam has learned would be not to take sides in the big power competition but maintain a balance between them. One difference is that today Vietnam is a member of ASEAN that puts ASEAN position as a priority because ASEAN does not suggest a change of its political system (like the U.S.) and does not pursue an assertive policy toward neighboring countries (like China). Second, in order to dispel Chinese concerns about the 'Pivot to Asia,' the U.S. has to create a strategy of building confidence with China while strengthen its partnerships with allies and friends including Vietnam. For that the U.S. needs to acknowledge the reality of China's rising power and influence, lest Beijing should misread the 'Pivot to Asia' as a measure to contain China. Asian countries including Vietnam do not want to be forced to choosing between the two powers. Third, the U.S. needs to categorically clarify to its allies and partners that the 'Pivot to Asia' is not just about containing China, but for peace, progress and prosperity of the whole region. Asia-Pacific is a good place for both China and the U.S. to play a constructive role for all. Fourth, as far as China is concerned, it should follow a peaceful development policy, be transparent in its policies and

restrain from any threat of use of force. In terms of the disputes in the South China Sea, all states expect that China, as a rising power, will respect the DOC and work together with others to achieve a COC soon. Finally, the U.S. and China, as responsible powers, should play a constructive role in keeping East Asia peaceful and stable, and support ASEAN in constructing a security architecture conducive to the economic development of the region as a whole.

Part 1. Northeast Asia and China's External Relations

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I . Xi Jinping Administration's policy towards Japan: Will China and Japan go to war?

As the second and third largest economies in the world, China and Japan have a significant impact on the development and stability of global economy. At the same time, as close neighbors, whether or not the two countries can develop in a healthy relationship will affect the peace and stability of the entire Asian region. As significant as China-Japan relations are, the development of post-war relations has been tumultuous and difficult. Currently, differences and conflicts over historical and territorial issues have positioned the two countries against each other. New leaders in both countries have exacerbated differences between the two states rather than ameliorating conflicts created by their predecessors. In light of this situation, this chapter will set Xi Jinping's foreign policies as the basis for analyzing future developments of China's policy towards Japan under Xi Jinping.

1. An overview of Xi Jinping's foreign policy

In October 2012 and March 2013, China successfully achieved a head-of-state turnover and Xi Jinping became China's new leader following Hu Jintao, with collective party, military, and political powers. Under China's current political system, a change

Part1

Part2

Part3

in top leadership inevitably leads to a shift in the previous plan of governance. Having held his position for just over two years, Xi Jinping has proposed many new practices, spanning domestic politics and foreign relations. Xi Jinping's policy towards Japan demonstrates the adjustments reflected in his understanding of China's foreign policy.

a. Suggesting the “Chinese dream,” pursuing a great revival of the Chinese nation

On the morning of November 29, 2012, the newly appointed leader of China, Xi Jinping, proposed the notion of a “Chinese dream” during a visit of the National Museum.¹ Following this, Xi expanded on this concept during a speech delivered in the first meeting of the 12th People's National Congress and expounded on the Chinese dream in speeches made during visits to Russia, African nations, and international meetings. In the keynote speech delivered in Tanzania, Xi Jinping emphasized that the Chinese people are working towards the Chinese dream of realizing the great revival of the Chinese nation in the same way that African people are working towards realizing an African dream of united self-reliance, development, and revitalization. China and Africa must strengthen their unity and cooperation as

¹ “習近平：承前啓后繼往開來繼續朝着中華民族偉大復興目標奮勇前進，”『新華網』，2012年 11月 29日，<http://news.xinhuanet.com/politics/2012-11/29/c_113852724.htm>.

well as extend mutual support and cooperation in realizing these dreams.²

China is not alone in focusing on the Chinese dream and its impact on the world—many other countries are currently paying attention to this new concept. Then, what is the “Chinese dream?” Xi Jinping points out that “realizing the Chinese dream must follow the Chinese path which is a road of socialism with Chinese characteristics; realizing the Chinese dream must promote the Chinese spirit, which is a national spirit with patriotism at its core and a modern spirit with reform and innovation at its core; realizing the Chinese dream must aggregate Chinese power, which is the collective power of the Chinese people.”³ Xi Jinping listed “adhering to a road of socialism with Chinese characteristics” as the first item in realizing the Chinese dream, suggesting that China’s foreign policy under Xi will continue to emphasize patriotism and nationalism. The national tragedy caused by Japan’s invasion of China has been an important source of Chinese patriotism and nationalism; “anti-Japan” has been rendered as the Chinese national, self-reliant spirit in Chinese textbooks and has been an important aspect of the

2. “習近平總書記闡釋‘中國夢,’”『新華網』, 2013年 5月 8日, <http://news.xinhuanet.com/ziliao/2013-05/08/c_124669102.htm>.

3. Refer to Xinhua’s Speech During the First Meeting of the Twelfth People’s National Congress: “習近平: 在第十二屆全國人民代表大會第一次會議上的講話,”『新華網』, 2013年 3月 17日, <http://news.xinhuanet.com/2013lh/2013-03/17/c_115055434.htm>.

Chinese government's orthodox ideology. Xi Jinping's emphasis is on patriotism and nationalism indicates that the Chinese government will not adopt a low profile or compromise its stance on policies towards Japan. In his explanation of the "Chinese dream" Xi Jinping simultaneously emphasized that the "Chinese dream" is also a "World dream" based on global development, stability, and peace; however, its strong nationalistic character will inevitably affect China-Japan relations. Xi Jinping proposed, "in our realization of the Chinese dream, not only do we want to benefit Chinese people, but also benefit peoples of the world." But how does it "benefit the world?" More importantly, will it allow China's neighbors and nations with disputes with China to feel the assurance of "benefitting the world?" The "Chinese dream" does not offer a direct explanation.

b. Emphasizing maritime power

In November 2012, the 18th Chinese Communist Party Congress indicated a desire to create a strong maritime country by improving the capacity of maritime resources, developing a maritime economy, protecting maritime ecology, and resolutely safeguarding national maritime rights. In July 2013, during the Eighth Collective Learning of the Politburo, Xi Jinping stressed that building maritime power is an important part of the socialist cause with Chinese characteristics, and has an important

significance for sustaining healthy economic development, protecting national rights of sovereignty, safety, and development, as well as comprehensively building a prosperous society and realizing the great revival of the Chinese nation.

Xi Jinping's proposal of strengthening maritime power not only has practical and strategic significance, it also incorporates experiences and lessons gathered from history. This is demonstrated in several ways. First, the threats faced by China in modern times have mostly come from the sea, and military threats from the sea have repeatedly provided significant challenges for national security. Second, with China's rapid economic development, the country's dependence on overseas energy, minerals, and food has increased, meaning the global economy has an increasingly large impact on the Chinese, and overseas interests continue to be more important in Chinese foreign affairs. In order to ensure economic security, maintain China's influence on different regions in the world, and ensure the supply of overseas energy and mineral resources, building maritime power is a necessary strategy. Third, maritime threats have posed a significant challenge to national safety and sovereignty. China-Japan conflicts in the East Sea region over the ownership of the Diaoyu/Senkaku Islands, continental shelf division, and deep-sea oil and gas resources have threatened China's national security and territorial sovereignty and resulted in a worsening of the China-Japan relations. In the South China Sea region, China's

confrontations and conflicts with Vietnam, the Philippines, and other nations have also become significant factors influencing regional stability. Clearly, the strategy of maritime power is an important measure for China to protect national sovereignty and maritime rights and interests. Finally, building maritime power is an important step in establishing the marine economy as a pillar of the national economy. As Xi Jinping said, “[we must] improve the development of maritime resources; promote the transition to a high quality and efficient maritime economy; improve maritime development capabilities; expand the field of maritime development, and allow the maritime economy to become a new growth area. At the same time, [we must] provide more planning and guidance for the maritime industry; foster the growth of an emerging industry with maritime strategy; improve the maritime industry’s contribution to economic growth; and work towards shaping maritime industry into a pillar of the national economy.”⁴

Xi Jinping’s proposal of building maritime power has strategic importance: it stems from considerations of economic development and is an important initiative in protecting national sovereignty and maritime rights and interests. However, building maritime power creates a significant impact on neighboring nations, especially those such as Japan and the Philippines, who have

⁴ “中日舉行首次經濟高層對話 共話合作共贏協調發展,” 『中新網』, 2007年 12月 1日, <http://news.xinhuanet.com/politics/2007-12/01/content_7179828.htm>.

existing maritime territorial disputes with China and have played an active role in America's containment of China's first island chain. Although China's strategy of maritime power is not simply a strategy of naval power; sea power is the foundation and guarantee of protecting national sovereignty and maritime rights and interests, and should therefore be an important aspect in the strategy of building maritime power.

c. Improving neighborhood diplomacy, calling for the establishment of a common destiny

The 2013 Neighborhood Diplomacy Forum, held in Beijing from October 24th to October 25th, was an important meeting for the Chinese Communist Party's sculpting of new neighborhood diplomacy. During an important speech, China's leader, Xi Jinping, stressed, "neighborhood diplomacy is necessary in realizing the goal of 'Two One Hundred Years' and the Chinese dream of reviving the Chinese nation. Neighborhood diplomacy should be advanced in striving for a good surrounding environment, allowing our national development to benefit more of the neighboring nations and achieve collective development."⁵ The main responsibility of the meeting was to summarize lessons learned, assess the current situation, unify ideology, herald into

5. "習近平：讓命運共同体意識在周邊國家落地生根，"『新華網』，2012年 10月 25日，
<http://news.xinhuanet.com/2013-10/25/c_117878944.htm>.

the future, determine the diplomatic goals, basic plans, and the overall layout of neighborhood diplomacy for the next five to ten years, as well as clarify methods for resolving the biggest problems in neighborhood diplomacy.

Xi Jinping's proposal to improve neighborhood diplomacy and allow the idea of a collective destiny to take roots in neighboring nations inherits and expands upon China's foreign policy philosophy since 1949. In order to resolve the territorial disputes between China and neighboring nations, the Chinese government put forth the Five Principles of Peaceful Coexistence in the 1950s. In the following decades, the Five Principles of Peaceful Coexistence became an important principle for resolving China's conflicts with neighboring nations and the basic guideline in resolving the relationship between countries. Since then, China's neighborhood diplomacy has shown continuity; the 1997 15th CPC National Congress put forth the basic neighborhood diplomacy principles of neighborhood friendship, abeyance, and seeking common ground. The 2002 16th CPC National Congress expanded on the content of the neighborhood foreign diplomacy of the 15th Congress to include economic cooperation, incorporating viewing neighbors as friends and partners and strengthening regional cooperation into foreign diplomacy. However, since 2010, the accumulated conflicts surrounding China have erupted, especially following the U.S. strengthening of strategic investments and implementation of a strategic re-balancing in the Asia-Pacific

region, causing the situation faced by China's neighborhood diplomacy to worsen. This is manifested in the eruption of territory disputes; increased competition among great powers the surrounding regions; and the bottleneck faced by the development of East Asia's economic cooperation and integration. Under this background, timely adjusting China's neighborhood foreign policy and easing opposition between China and neighboring nations over territory disputes should be an implicit part of Xi Jinping's neighborhood foreign policy.

Even though the Chinese government has not explicitly stated what geographic "neighborhood" or the neighborhood foreign diplomacy mean, judging from previous governments' practice of neighborhood foreign diplomacy, "neighborhood" is not simply a geographic concept; it encompasses the majority of Asian, African, and Latin developing nations. To this end, during his visit to Central Asia, Xi Jinping advocated building a "Silk Road Economic Zone," and further advocated building a "21st Century Maritime Silk Road" during his visit to Southeast Asian neighbors, Indonesia and Malaysia in October. These proposals not only enriched the connotation of China's neighborhood foreign policy and promoted the expansion of neighborhood diplomacy, but also created a new cooperative mechanism for economic and cultural exchanges between China and Central Asia, Southeast Asia, the Middle East and Europe.

d. Shaping a new U.S.–China great power relation

Under China's diplomatic strategy, China–U.S. relations have always been a priority. Although China and the U.S. have different values when it comes to issues such as democracy and human rights, as the world's top two economies, the relationship between China and the U.S. not only affects bilateral relations but also concerns global development. Therefore, the traditional archetypical relationship of suspicion, confrontation, and conflict between an incumbent power and an emerging power is clearly unsuitable for the U.S. and China. These two countries must break the existing relationship model and foster a relationship of emerging powers to break the cycle of inevitable conflict between emerging and incumbent nations.

During the second round of Strategic and Economic Dialogues between China and the U.S. in May 2010, the State Councilor at the time, Dai Bingguo, proposed establishing a new great power relations between China and the U.S. Dai Bingguo proposed China and the U.S. should “initiate a great powers relationship that fosters the mutual respect, harmony, and cooperation among nations with varying social systems, cultural traditions, and development stages under the era of globalization.”⁶ This can be seen as China's first exploration of a new great–power relations

⁶ “中美新型大國關係的由來,” 『新華網』, 2013年 6月 6日, <http://news.xinhuanet.com/world/2013-06/06/c_116064614.htm>.

after becoming the second largest economy in the world. Following this, China's leaders have elaborated on the new U.S.-China great-power relations in various situations. In November 2012, the 18th CCP Progress Report clearly proposed building a new long-term, stable great-power relations, signaling the new great-power relations as an important aspect of China's diplomatic strategy.

After becoming China's leader, Xi Jinping continued to expand on the concept of a "new Sino-American great-power relations." Since becoming premier, Xi Jinping has had three summits with the U.S. President Barack Obama, in June and September of 2013 and March 2014. Building a new U.S.-China great-power relations has been a relevant issue at each of these summits. Xi Jinping's explanation for a "new U.S.-China great-power relations" is "without conflicts, without confrontations, with mutual respect and cooperation for common gains."⁷ This means that Xi Jinping wants to control and limit divisions and strategic disputes between China and the U.S. and to achieve the goal of long-term U.S.-China cooperation. But the question is: could China and Japan, similarly plagued by a "security dilemma" and historical disputes also build a "new great-power relations?" The Xi administration has yet to propose any specific diplomatic means to stabilize China-Japan relations. This shows that China's policy towards the U.S.

⁷ "中美新型大國關係," 『新華網』, 2013年 6月 7日, <http://news.xinhuanet.com/zilia/2013-06/07/c_124827138.htm>.

and its policy towards Japan have systematic differences. China's diplomatic focus of placing the U.S. over Japan in the past 20 years has not changed under Xi Jinping.

2. Xi Jinping's policy towards Japan: continuity and development

2012 marks the 40th anniversary of China–Japan diplomatic relations. However, conflict over the Diaoyu/Senkaku Islands has driven China–Japan relations to their lowest point. On September 11, 2012, Japan's Noda Cabinet decided to nationalize the Diaoyu/Senkaku Islands. To protest this, China normalized its Coast Guard's cruises in the waters of the Diaoyu/Senkaku Islands. Following Abe Shinzo's rise to office on December 26, 2012, and aggravated by the disputes over historical issues, China–Japan relations deteriorated from territorial and historical disputes to disputes over national interests and security.

With the Xi administration's refusal to resume high-level political contact with the Abe administration and the continued decrease in economic exchange, China–Japan relations show clear signs of a “political and economic freeze.” In the first half of 2014, Japanese investments in China dropped 47%, and bilateral trade is close to nonexistent. Even though the end of 2012 and the beginning of 2013 saw the successful turnover of leaders in both China and Japan, which provided an opportunity

to improve China–Japan relations, the bilateral relations did not recover from the chasm created by the nationalization of the Diaoyu/ Senkaku Islands. Japanese Prime Minister Abe Shinzo’s historical viewpoint further complicated China–Japan relations.

Facing the deterioration of China–Japan relations, the new Chinese premier, Xi Jinping’s policy towards Japan became the focus of attention. At the beginning of his term, Xi Jinping set a tough stance on issues of territory and sovereignty, emphasizing a foreign policy of “adhering to principles, official and public interactions, and complete comeback” towards Japan. Tensions remained over the Diaoyu/Senkaku Islands for both sides. In response to Abe’s tough stance towards China, the Xi administration began a “media and diplomatic war” towards Japan over historical issues. A total of forty–five Chinese ambassadors published fifty critical papers regarding Abe’s historical viewpoint. This large scale “media and diplomatic war” between China and Japan reflects their unprecedented opposition over both sides’ understanding of historical issues. Furthermore, this opposition has escalated from a national issue to a full–blown opposition over national beliefs and security interests.

On December 26, 2013, Japanese Prime Minister Abe visited the Yasukuni Shrine, which incited Chinese government’s strong protest. Immediately after, high–level Chinese diplomatic envoys voiced disapproval through press conferences, mainstream media, and interviews in their host countries. The most famous of these

is the debate in early 2014 on BBC between Chinese ambassador to Britain, Liu Xiaoming, and Japanese ambassador to Britain. During the debate, Liu Xiaoming refuted Japan's false claims regarding the Diaoyu/Senkaku Islands and severely criticized Abe's visit to the Yasukuni Shrine. In the six months following Abe's visit to the Yasukuni Shrine, a total of thirty-two Chinese ambassadors published critiques of Abe.⁸ In order to critique Japan's erroneous statements over the Diaoyu/Senkaku Islands and historical issues, the Chinese government publicized various historical archives and data. At the beginning of 2014, Jilin Province Archives publicized a large number of archives relating to Japan's invasion of China, including archives of Kanto Gendarmerie's command, Manchukuo Central Bank, and Manchukuo architectural drawings.

In July 2014, the Central Archives publicized "Japanese War Criminals' Confessions of the Invasion of China" online in order to use war criminals' written confessions to restore history. China's retaliation adhered to Chinese diplomatic reasons and interests in building a foundation for the China-Japan debate over historical issues. Japan's invasion of China brought great pain and suffering to the Chinese people. There were survivors who wanted to request post-war compensation from the Japanese government through legal means, but the Japanese government

⁸ "中國外交官密集發聲 32位大使發文批安倍,"『京華時報』, 2014年 1月 21日, <<http://japan.people.com.cn/n/2014/0112/c35469-24092250.html>>.

used the excuse that the Chinese government already gave up compensation during the establishment of diplomatic relations to deny civil litigation. The Chinese government had not actively pursued this out of consideration for China–Japan relations. However, this situation has clearly changed. On September 18, 2013, a victim of Japan’s invasion of China from Zhejiang, 81-year-old Pao Yongkang, initiated civil litigation in Zhejiang Provincial Court against the war atrocities committed during Japan’s invasion of China. This is the first time a victim of Japan’s invasion of China initiated litigation in Zhejiang and the first time a Chinese citizen brought a lawsuit on his own behalf against the Japanese government for atrocities committed during its invasion of China. In April 2014, the Shanghai Maritime Court detained three ships from Japan’s Mitsui Co. for lack of compensation⁹ and Mitsui Co. had no choice but to pay compensation. This is the first post-war case of detaining a Japanese company due to civil compensation litigation, hailed as the “First Case of Civil Compensation Claim against Japan.” The success of the case not only encouraged Chinese people’s claims against Japan, it also fought back the trend of reversing history within Japan. The Chinese government had ameliorated the compensation claims but Japan still believed them to be a signal of China’s hardline diplomacy.

⁹ “上海海事法院扣押日本商船合法有据,” 『人民网』, 2014年 4月 25日, <<http://legal.people.com.cn/n/2014/0425/c42510-24944021.html>>.

a. Adhering to core interests

In regards to the Diaoyu/Senkaku Islands, the Xi administration has a firm position: continue “regular cruises” to break Japan’s traditional control over the Diaoyu/Senkaku Islands and foster a situation of China–Japan joint management of the waters of the Diaoyu/Senkaku Islands.

During the Third Collective Learning of the Politburo at the beginning of 2013, Xi Jinping stated, “no foreign country can expect us to trade our core interests or swallow the bitter fruits that would injure the interests of our sovereignty, safety, and development.” Following this, at a forum for the purpose of improving maritime struggles and security cooperation, Deputy Chief of Staff, Qi Jianguo said, “the military and state have recently participated in effective strategic cooperation over maritime struggles, maritime safety, and protecting rights and stability as a result of national core interests and overall development … currently our national security threats have mostly come from the sea, the key of our development is also on the sea, maritime struggles impact national sovereignty and safety, as well as national construction and development.”¹⁰ The Xi administration has made great efforts to protect national core interests.

In the waters of the Diaoyu/Senkaku Islands, Chinese official

¹⁰. “戚建國：國家核心利益不能損主權不能丟領土不能少，”『新華網』，2013年2月4日，<http://news.xinhuanet.com/mil/2013-02/04/c_124321889.htm>.

cruises have been normalized and the use of UAV(Unmanned Aerial Vehicle) reconnaissance has been deployed; this series of actions has strengthened China's control of the Diaoyu/Senkaku Islands. On November 23, 2013, the Chinese Ministry of National Defense announced the delineation of an East China Sea Air Defense Identification Zone. China's delineation of an air defense identification zone in the East China Sea not only secures airspace safety, it also prevents Japan's use of an air defense identification zone to place strategic pressure on China. Since the U.S. transferred the jurisdiction of Japanese air defense identification zone to Japan in 1969, Japan has thrice unilaterally expanded the boundaries of the identification zone: once in 1972, again in 2010, and finally in 2013. Japan's air defense identification zone not only includes the Diaoyu/Senkaku Islands, but also the East China Sea oil and gas fields. In the Northwest, Japan's delineation of the air defense identification zone is only 50 kilometers off of the Russian coastline. After China's delineation of an air defense identification zone in 2013, Japan is considering expanding its identification zone to the Ogasawara Islands. Therefore, China's East China Sea Air Defense Identification Zone not only breaks the "air defense identification zone blockade" created by Japan against China, it also protects China's core interests. However, the delineation of the East China Sea Air Defense Identification Zone further exacerbated China-Japan relations. So far, the Abe administration has refused to acknowledge

China's East China Sea Air Defense Identification Zone.

b. Maintaining trade relations, expanding environmental and technological exchange

The Japanese government's "Island Purchase Incident" in 2012 has had a significant impact on China-Japan economic cooperation; the movement to "boycott Japanese products" has had an especially significant impact on the sale of Japanese products in China. In addition, investment and China-Japan trade have also been affected. According to Japanese JETRO's (Japan External Trade Organization) estimate, Japanese investment in China dropped by \$9.09 billion in 2013, a 33% decrease YoY. This sum reflects 6.8% of Japan's \$134.51 billion total foreign investments and is the first drop below \$10 billion in 10 years.¹¹ The trend has continued in 2014. According to China's Ministry of Commerce, in the first half of 2014, Japanese investment in China dropped 48.8% YoY.¹² The worsening of China-Japan trade relations has had as significant impact on China-Japan political and security relations. As a result of the "Island Purchase Incident," exchange between Chinese and Japanese officials above the ministry level

11. "2013年日本對華投資同比減少33%," 『中國貿易金融網』, 2014年 3月 5日, <<http://www.sinotf.com/GB/News/1003/2014-03-05/xMMDAwMDE3MDExMw.html>>.

12. "商務部：2014上半年日本對華投資同比下降48.8%," 『人民網』, 2014年 7月 15日, <<http://www.022net.com/2014/7-15/446051252861698.html>>.

have almost reached a standstill; the only remaining exchange is the “Trilateral Meeting of Ministries of the Environment.” However, Xi Jinping has historically showed personal enthusiasm for maintaining economic cooperation with Japan. In 2009, as vice-president, Xi Jinping attended the breakfast meeting of the Japanese Federation of Economic Organizations in Tokyo and gave a speech titled “Promoting China–Japan Economic Cooperation to a New Level.” Xi proposed four points for promoting economic cooperation between the two nations: (1) facilitate the recovery of trade development; (2) promote cooperation of sustainable development; (3) further high-tech cooperation; (4) actively promote cooperation among China, Japan, and Korea.¹³

The fifteenth “Trilateral Ministerial Meeting” was held in Kitakyushu, Japan in May 2013. The sixteenth “Trilateral Meeting of Ministries of the Environment” was held in Korean in April 2014. The meeting approved cooperation priorities for the next five years: nine items including improving air quality, protecting biodiversity, managing trans-boundary movements of electric waste, responding to climate change, and protecting rural environments. The “16th Joint Publication of Trilateral Ministries of the Environment” was also ratified at the meeting. At the same time, in the “Speech at the 69th Anniversary Celebration Forum Commemorating the Victory of Chinese People’s Anti-

13. “習近平為打造中日經貿合作新亮点提出四点建議,” 『中國新聞網』, 2009年 12月 15日, <<http://www.chinanews.com/gn/news/2009/12-15/2018754.shtml>>.

Japanese War and the Global Anti-Fascist War,”¹⁴ Xi Jinping emphasized the significance of maintaining long-term friendly China-Japan relations and a willingness to promote the long-term stable development of China-Japan relations on the basis of the Four Political Documents between China and Japan. However, political conflicts and security tensions between China and Japan inevitably damage bilateral economic relations.

c. Nationalism and Patriotism leading Xi Jinping’s policy towards Japan

Since Xi Jinping’s proposal of a Chinese dream that realizes the great revival of the Chinese nation, nationalism and patriotism have held significant positions in Xi’s diplomatic policies. Most notably, in order to incite Chinese people’s patriotism, Xi Jinping has strengthened his political stance and actively promoted and attended various revolution memorials. In February 2014, the Seventh Meeting of the 12th NPC Standing Committee ratified two decisions: to set September 3rd as the anniversary of the victory of Chinese People’s Anti-Japanese War and December 13th as a national memorial day for the victims of the Nanjing Massacre. In August 2014, the NPC ratified “Decision Regarding Veterans’ Memorial Day(Draft),” legally setting September 30th as

14. “習近平：在紀念中國人民抗日戰爭暨世界反法西斯戰爭勝利69周年座談會上的講話,” 『人民網』, 2014年 9月 4日, <<http://gs.people.com.cn/n/2014/0904/c183343-22208091.html>>.

Memorial Day. In addition to actively promoting the establishment of relevant revolution memorial days, party and state leaders attended various revolution memorials under Xi Jinping's leadership. Xi Jinping delivered a notable speech during the commemoration of the 77th anniversary of the "July 7 Incident of 1937" in 2014, marking the first time the highest official of the country has participated in official commemoration on the anniversary of the incident. On September 3, 2014, under Xi's leadership, party and state leaders attended the "Commemoration of the 69th Anniversary of the Victory of Chinese People's Anti-Japanese War and the Global Anti-Fascist War"; party and state leaders attended another landmark event in less than two months, demonstrating that the Xi administration's hardline policy towards Japan had risen to a new level. On September 30, 2014, party and state leaders attended the first Veterans' Memorial Day under Xi leadership. This series of actions conducted by the Chinese government in commemorating the history of the war tied China's current policy towards Japan to China's previous anti-Japan war. This certainly had the purpose of retaliating Abe's visit to the Yasukuni Shrine, but it also caused China's policy towards Japan to "look towards the past" rather than "look towards the future."

Part1

Part2

Part3

3. Comparing Xi Jinping's policy towards Japan with predecessor Hu Jintao's policy towards Japan

Although Xi Jinping is dealing with a more grim China-Japan relationship than Hu Jintao, it does not mean that China-Japan relations have reached a dead-end. The Koizumi government's visit to the Yasukuni Shrine had previously exacerbated political confrontations between China and Japan, but the two countries ultimately found a way to ease tensions in September 2006 under the first term of the Abe cabinet. Will the Xi and Abe governments make a historical move to restart the easing of China-Japan relations? The possibility cannot be denied, but it will be more difficult.

China's policy towards Japan during Hu Jintao's administration had three aspects: (1) establish mutual political trust, promote the building of a strategic relationship that's mutually beneficial; (2) increase economic cooperation, spur economic growth in China and Japan; (3) attempt to create a mechanism to resolve disputes over territory sovereignty.

First, after Abe became the prime minister of Japan in September 2006, before clarifying whether Abe had visited the Yasukuni Shrine, the Chinese government had invited Abe to visit China. After that, the heads of China and Japan met frequently in various international meetings. Following Abe's "Ice-Breaking Trip" to Beijing at the end of September 2006, in

April 2007, Chinese Premier Wen Jiabao, initiated an “Ice-Melting Trip” to Japan, further improving China-Japan relations. China’s Secretary of Defense and the Navy visited Japan on various occasions. In September 2007, Abe resigned due to health problems, but his successor, Prime Minister Fukuda, continued to actively promote visits between both countries’ leaders. In December 2007, Fukuda initiated a “Spring Welcoming Trip” to China; in May 2008, President Hu Jintao initiated a “Spring Warming Trip” to Japan. During his visit to Japan, Hu Jintao positively evaluated Japan’s peaceful postwar development. China and Japan published “United Declaration of China-Japan Push for a Mutually Beneficial Strategic Relationship.” The heads of China and Japan frequented visited each other, bringing the world back to the “honeymoon period” between China and Japan during the 1980s. After the Democratic Party of Japan rose to power, visits between the heads of China and Japan continued until the “Island Purchase Incident” of September 2012.

Second, under Hu Jintao, China actively pushed to further and expand China-Japan economic cooperation. (1) Create a mechanism for economic dialogue between China-Japan top officials. On December 1, 2007, China and Japan held the “First China-Japan High-Level Economic Dialogue” its main purpose was to: (a) exchange both countries’ economic development strategies and macroeconomic policies, deepen mutual understandings; (b) coordinate interdepartmental economic cooperation, discuss major

issues concerning both parties under cooperation; (c) strengthen policy communications regarding major regional and international economic problems, widen area of cooperation between the two countries.¹⁵ (2) Strengthen economic cooperation regarding environmental protection, energy, agriculture, and information technology. (3) Promote China-Japan economic cooperation regarding regional and international affairs.

Finally, China and Japan actively attempted to create a mechanism to resolve disputes over territory sovereignty. Towards the beginning of Hu Jintao's presidency, China and Japan actively attempted to establish a cooperative mechanism to resolve the pending East China Sea issues.¹⁶ During Wen Jiabao's visits to Japan in 2007, regarding the issue of East China Sea resource development, China and Japan reached a solution based on joint development. In June 2008, China and Japan agreed to set a joint development area in the East China Sea region. Even though the joint development plan received strong domestic opposition in China and Japan, China and Japan's attitude of resolving disputes through a cooperative mechanism should be recognized.

Looking back on the development of China-Japan relations

15. "中日舉行首次經濟高層對話 共話合作共贏協調發展,"『中網網』, 2007年 12月 1日, <http://news.xinhuanet.com/politics/2007-12/01/content_7179828.htm>.

16. East China Sea issues include issues over the ownership of the Diaoyu/Senkaku Islands, continental shelf division, and deep-sea oil and gas resources.

under the Hu administration, the Xi administration needs to work in the following three areas. First, mutual political trust is key; summit meeting is the core. Under President Hu, the heads of China and Japan met often, creating another “honeymoon period” for post-war China–Japan relations. Summit meetings not only deepen mutual trust, they also foster the development of mutual trust in various levels and areas.

Table I-1 Statistics of China–Japan Leadership Summits and Visits

	2006	2007	2008	2009	2010	2011	2012
Leadership Summits	1	6	8	7	4	4	1
Leadership Visits	1	2	5	2	2	2	1
Japanese Prime Minister	Abe	Abe → Fukuta	Fukuta → Aso	Aso → Hatoyama	Hatoyama → Kan	Kan → Noda	Noda → Abe
Chinese Leader	Hu/ Wen	Hu/ Wen	Hu/ Wen	Hu/ Wen	Hu/ Wen	Hu/ Wen	Hu/ Wen

Source: Based on the Chinese Foreign Ministry, Japanese Foreign Ministry, and various media reports.

Second, China and Japan should continue to maintain and strengthen economic and social exchange and cooperation. China-Japan economic cooperation witnessed comprehensive development under Hu Jintao. In 2007, mainland China replaced the U.S. as Japan's largest trade partner; China-Japan bilateral trade reached \$250 billion. In addition, China and Japan's cooperation over environmental protection, intellectual property, finance, and information technology increased rapidly. However, China and Japan are currently facing a potential slowdown in economic relations.

Third, increasing China-Japan military exchange and security dialogue is the stabilizer in managing the two countries' relations. Following improved mutual trust between the Chinese and Japanese governments, China-Japan exchange regarding military security can expand as well. In August 2007, Chinese Defense Minister, Cao Gangchuan, visited Japan, marking the first visit of the Chinese Defense Minister to Japan since 1998. In November of the same year, Chinese navy's "Shenzhen" Destroyer paid a friendly visit to Japan, marking the first visit of a Chinese naval ship to Japan in history, after more than 120 years following Northern Navy's visit during the Qing Dynasty. However, after September 2012, China-Japan military exchange and defense contact have almost completely stopped. In April 2014, the Chinese navy hosted a naval review in Qingdao and did not invite the Japanese navy to participate. Under the crisis

of continued confrontations between public ships from both sides in the waters of the Diaoyu/Senkaku Islands, there was no dialogue or contact between the two countries' defense departments; the danger of accidental military conflicts between the two parties and an escalation to partial war in the East China Sea region cannot be ruled out.

4. Conclusion: the future of Xi Jinping administration's policy towards Japan and its factors

Since Xi Jinping became the leader of China, Japanese domestic media and scholars have placed the descriptions of “Anti-Japanese and Adhering to a Hardline towards Japan” on Xi. China-Japan relations' development in the past couple of years seems to have fulfilled their prophecy. However, this simplistic interpretation is not stringent. At G20 Summit held in September, 2013, Xi and Abe spoke briefly in the VIP Lounge. Chinese reports regarding Xi-Abe's “Lounge Diplomacy” have been: Xi told Abe, “China is willing to continue promoting a mutual strategic China-Japan relationship based on the Four Political Documents between China and Japan. Japan should follow the spirit of facing up to history and looking forward to the future to correctly handle sensitive issues such as the Diaoyu/Senkaku Islands and history and search for a way to properly control conflict and resolve issues.”¹⁷ In the official statements, Xi Jinping did not completely

Part1

Part2

Part3

overthrow the mutually beneficial strategic relationship between China and Japan established under Hu Jintao. The door to future dialogue and cooperation between China and Japan is still open; the problem is restoring meetings between leaders. China's "Conditions" include the Abe government's correction of misconceptions regarding historical issues, recognition of territory disputes between China and Japan, and return to the foundation of the "Four Political Documents" signed by China and Japan. However, Abe demands a China-Japan summit without conditions. This causes China and Japan to be unable to return to the 2006 method of easing and stabilizing China-Japan relations.

Furthermore, the personalities of Chinese and Japanese leaders have created a major impediment to improving relations between the two countries. Since Xi Jinping became the leader of China, the Chinese diplomatic slogan of "keeping a low profile, making a difference" has changed significantly; "making a difference" has become increasingly important. Xi's distinctive personality is apparent in both internal affairs and foreign diplomacy; compared to a harmony-focused Hu Jintao, Xi's policy towards Japan has more hardline characteristics. In addition, there are many similarities between the personality traits of Xi and Abe; coming from political families, both are more bold and decisive in handling political affairs; an emphasis on patriotism and an interest in

17. "習近平向安倍闡明中方對中日關係的原則立場,"『新華網』, 2013年 9月 6日, <http://news.xinhuanet.com/world/2013-09/06/c_117249826.htm>.

military power cause both to prioritize loyalty towards family businesses and national histories. During his year in office, Xi repeatedly inspected border posts and warships and Abe also repeatedly boarded aircrafts and tanks and wore military uniforms, demonstrating both individuals' respect for military power. The similar personality traits of Chinese and Japanese leaders will likely determine the direction of China-Japan relations.

Finally, bilateral public opposition and dissatisfaction will likely be the least stable factor affecting China-Japan relations. According to the newest research reports, "the relationship between the two countries can be said to have reached its lowest point in ten years; national sentiments of the two countries are still relatively distant. Chinese response of having a "bad impression" or a "relatively bad impression" of Japan is as high as 86.8%. Japanese impression of China continues to deteriorate, the public response of "bad" and "relatively bad" impressions are as high as 93.0%, a 2.9% increase for last year's research results."¹⁸ Friendship between the peoples of both countries is the foundation and motivation for the development of long-term China-Japan relations; the deterioration of political relations should not prevent the public from developing friendly relations.

Furthermore, issues such as food security and air pollution could present new challenges to the development of China-Japan

¹⁸. "中日輿論調查：相互好感有升有降 前景不容樂觀," 『人民網』, 2014年 9月 28日, <<http://news.12371.cn/2014/09/28/ART11411857885700373.shtml>>.

relations. In Japan, compared to the ownership of the Diaoyu/Senkaku Islands, the safety of food from China and the issue of air pollution will more likely demand the attention of the Japanese people. Therefore, in addition to managing high-level politics, how to pay attention to low-level politics that are closely related to public interests, such as environmental protection and food safety, will be an important topic in China's future policies towards Japan.

In addition to the issues stated above, besides China and Japan's specific territory sovereignty disputes, issue of historical understanding, and issue of military security, conflict over national security strategies is the main point of contention between the two countries. Abe's slogan after rising to power is "recapture a powerful Japan"; this is similar to Xi Jinping's "Chinese dream of realizing the revival of a great Chinese nation." Both leaders have placed the countries' futures in the "glorious histories" of former times, awakening the people's patriotism using historical memories, for the purpose of promoting the implementation of national strategies. Under this background, how to coordinate long-term national interests with practical interests is an important question for the Xi administration to consider in its policy towards Japan.

II. China–Russia Relations

In the 21st century, the Northeast Asian region can be described by the gradual decline of the U.S., the continuous weakening of Japan, the gradual recovery and resurgence of Russia, and a rapid rising of China. International order in Northeast Asia is mainly based on the development of bilateral relations, rather than that of a regional multilateral cooperation, and is balanced by South Korea–U.S.–Japan tripartite alliance on one hand and North Korea–China–Russia on the other. Thus, the Northeast Asian regional order is being established by (1) the development of each bilateral relations among two Koreas and four major powers, and (2) the regional symmetrical structure of South Korea–U.S.–Japan tripartite alliance on one hand and North Korea–China–Russia on the other.

Now China can be regarded as the key state in comprehending the current rapidly changing regional order in Northeast Asia. At least, China is no longer a country that is rising at the regional level in Northeast Asia. In fact, in this Northeast Asian region, China has already become a hegemonic power almost as powerful as the U.S., while creating a G2 structure in international arena. In the macroscopic view, the Chinese government is now seriously considering how much hegemonic power it can wield in the Northeast Asian region against U.S. ‘Pivot to Asia’ policy.

In that case, should we understand the recent developments of China–Russia relations as China’s attempts to strengthen its hegemonic power in Northeast Asia? Meanwhile, for what purposes does Russia continue to develop its strategic partnership relations with China in the Northeast Asian region?

The recent changes of U.S.–China relations due to the rising of China as a G2 state and the continuous developing strategic partnership relations of China–Russia are crucially influencing the changes for the strategic environment in the region of Northeast Asia. This suggests that it is likely to, along with the sustained and changing strategic partnership relations of China–Russia, affect the future environment for Korean unification. This is because, it is highly likely that the two continental powers close to the Korean peninsula, namely Russia and China, are able to majorly affect either positively or negatively the ‘regional stability’ of the whole Northeast Asian region, including the Korean peninsula, through cooperation or competition(or conflict).

The current Northeast Asian region is experiencing dynamics between countries and regional structural system that are more complex and multilayered than those of any other region in the world. This demonstrates that such a situation of bilateral and multilateral relations in the Northeast Asian region makes it more difficult to maximize Korea’s national interests and to bring out a Korean peninsula unification environment made

favorable by the surrounding four powers through support and cooperation.

This chapter mainly explores how China–Russia relations have developed at the strategic partnership level in the post Cold War era while explaining Russia’s China policy and China’s Russia policy, respectively. The chapter also aims at analyzing the limitations and problems of the future partnership relations of China–Russia, which may work as a negative element for Korean unification in the near future.

1. The developments of China–Russia relations in Northeast Asia in the post–Cold War era

The two countries have reached an agreement to develop a ‘Strategic Partnership Relations’ in Beijing, China on April 1996.¹⁹ The two countries have developed their bilateral relations more seriously through strategic adjustment during 2004~2005. The current China–Russia relations under Putin and Xi Jinping are being evaluated as a record–high level of bilateral development.

The following two aspects deserve attention with respect to the development of China–Russia relations. Firstly, the Soviet Union(Russia)–China relations had seen a continuation of grave conflicts during the Cold War era, despite the fact that both

¹⁹ Since 1996, the summit between Russia and China has been continuing on a regular basis.

were ideological allies under the communist system.²⁰ Based on the concept and form of alliance, it seemed reasonable to expect an ideological alliance China–Russia relations under the communist ideology during the Cold War era. Meanwhile, at the same time, there should have been a bandwagon alliance where China bandwagons onto the powerful Soviet Union. However, except Stalinist stage(1949~1953) of the Cold War, it is difficult to say that the two countries maintained any form of substantial alliance during the Cold War era. In fact, paradoxically, the two countries’ ideological conflicts regarding the development of communism rose to the surface after the death of Stalin in mid 1950s. Moreover, since the latter half of 1950s, the two countries had experienced prolonged wartime conditions due to local wars. Although it seemed as though the two countries saw an improvement in their relations through the historic Gorbachev’s visit to China in May 1989, the Cold War came to an end with little progress on their diplomatic relations due to the Tiananmen Square Massacre and the sudden collapse of the Soviet Union.²¹

Secondly, despite the different political and economic systems, China–Russia has initiated ‘Partnership Relations’ in the post-

²⁰- For the Sino–Soviet conflicts during the Cold War, see Alfred D. Low, *The Sino–Soviet confrontation since Mao–Zedong: dispute, detente or conflict?* (Boulder : Social Science Monographs, 1987).

²¹- Ik Joong Youn, “The Developments of China–Russia Strategic Partnership Relations and their Energy Cooperation during the era of Medvedev,” *The Journal of Siberian and Far Eastern Studies*, Vol. 5 (2009), pp. 41~42. (In Korean)

Cold War era, and continues to develop and strengthen their bilateral relations up to now. As is generally known, the post-Cold War era that began in the early 1990s resulted in the formation of new international order and inter-countries relations. Among those, a notable feature is that unlike the previous Cold War era's structural framework of 'ideological allied relations,' the post Cold-War era saw a rapid shift towards a 'de-ideological partnership relations.' Especially, the development of Russia-China relations in the post-Cold War era created a new paragon and is appraised for its leading role in the development of a new international order and inter-country dynamics at the 'global level', 'regional level' and 'bilateral level.'²²

As a result, unlike the Northeast Asian region during the Cold War era that was rife with mutually confrontational alliances based on ideological competition like the Korean Peninsula, the region in the post-Cold War era is witnessing the formation of a new local dynamics that is complex and multi-layered, based on the post-Cold War partnership relations and new alliances with advanced concepts. This situation indicates that the basic dynamics of Northeast Asia is formed in the large frame of 'new alliance relations' between the U.S. and Japan, and 'strategic

²² For the comprehensive understanding of partnership relations, see Beom-shik Shin, "The understanding of Strategic Partnership through the China-Russia Cooperation : concept, reality, and limitations," *Korean Political Science Review*, Vol. 44, No. 2 (2010), pp. 135~160. (In Korean)

partnership relations' between Russia and China. As a result, an understanding of China–Russia relations is, along with an understanding of U.S.–China/U.S.–Japan relations, is crucial in understanding the inter–countries relations and regional dynamics in the rapidly changing Northeast Asian region.

2. The developments of China–Russia strategic partnership relations

The main developments of China–Russia relations in the Post–Cold War era are as follows:

- 1992: Yeltsin's visit to China that established friendly bilateral relations: Agreement to develop 'practical cooperative partnership relations'
- 1994: Jiang Zemin's visit to Russia that led to an agreement to develop '21st century constructive partnership relations'
- 1996: Yeltsin's visit to China that led to an agreement to develop '21st century strategic partnership relations'
- 2001: China–Russia signing of 'a good neighbor and friendship treaty'
- 2003: Russia's decision to make the Chinese Daqing the Siberian crude oil pipeline
- 2004: China–Russia settlement of border demarcation and

territorial dispute, and execution of joint military exercise

- 2005: China–Russia complete settlement of border issues and joint design of a New World Order
- 2006: The Year of Russia in China
- 2007: The Year of China in Russia
- 2011: Hu Jintao’s visit to Russia that agreed to develop ‘full-scale strategic partnership relations’
- 2014: Putin and Xi Jinping’s Shanghai talk that led to the settlement on gas supply price contract

In particular, the fact that both Russia and China signed the ‘Strategic Partnership Relations’ on April 1996 at the bilateral summit meeting in Beijing, China was a signal that the relations between the two countries were rapidly developing. Following the July 2001 ‘Good Neighbor and Friendship Treaty’ signed in Moscow by the Chinese leader Jiang Zemin and the Russian President Putin, after the mid-2000s strategic adjustment, the two countries have continuously developed a record-winning bilateral partnership relations up to the present. Such a bilateral relation is clearly shown in the frequent contact and mutual agreement in the summit of the two countries.

A noteworthy recent development in China–Russia relations is the settlement of the gas supply price and the signing of a \$40 billion gas supply contract at the end of May 2014 in Shanghai,

China by Russian President Putin and Chinese leader Xi, which had been on the discussion table of the two countries for the past decade. This is an energy cooperation that will greatly affect the future world energy market, and at the same time, also hugely affect the bilateral and multilateral energy cooperation in the Northeast Asian region. Around the same time, China proposed an ‘economic integration plan’²³ between Russia and China, and published ‘Anthology of Putin’ that was essentially a collection of quotations from Russian President Putin.²⁴ Thereafter, at the end of September 2014, Chinese leader Xi continually emphasized to Russia that the two countries “Jointly try to maintain the result of World War II and post-war international order,”²⁵ cooperate in the ‘railway’ sector, cooperate in integrating ‘standardized system of GPS,’ etc., experiencing a ‘New Honeymoon phase’ where they are virtually cooperating and developing relations in every sector possible.

The importance and intimacy of their bilateral relations is well-shown in the fact that the leaders of the two countries tend to select the other country as the first destination of their visit. For example, on October 2011, then Prime Minister Putin decided to visit China when he was nominated the next presidential candidate, reemphasizing the importance of its relations with

²³- *Chosun Ilbo*, May 26, 2014.

²⁴- *Chosun Ilbo*, June 19, 2014.

²⁵- *Chosun Ilbo*, September 24, 2014.

China. On May 2012, Putin visited China during his first overseas visit(which included former Soviet-bloc countries) after being reappointed as the 6th President of the Russian Federation, and President Putin also declared in the Chinese newspaper People's Daily, "there should not be any international issues discussed or executed without Russia and China's participation and mutual understanding."²⁶

On March 2013, after Xi Jinping officially took office as the leader of China, he chose Russia as his first overseas visit destination. Even before taking office, on January 2013, Xi had already emphasized that "the development of a full-scale strategic partnership relations between China and Russia is without a doubt the top priority of China's diplomacy,"²⁷ and on March 2013, during his visit to Russia, Xi once again declared, "China and Russia are each other's most important strategic partners." Thereafter, Xi once again chose Russia as the first overseas nation to visit in 2014, strengthening both the relationship with Russian President Putin and that between the two countries. Since taking office as the Chinese leader on March 2013, Xi has met with the Russian President Putin six times, elevating the relations of the two countries to the highest level of development in history.

Generally, due to the characteristics of the two countries' state

²⁶- *Chosun Ilbo*, June 6, 2012.

²⁷- *Chosun Ilbo*, March 19, 2013.

administrations, the role and influence of their leaders are much greater than those of the Western nations. If Putin wins the Russian presidential election of 2018 where he is expected to run as a candidate, he will have been president for four times, ruling Russia until 2024. Considering the current Russian state administration, it is very likely that he will indeed win his fourth presidential election. Likewise, if current Chinese leader Xi Jinping were to serve another five year term as the Chinese leader, as is customary in Chinese state administration, he would rule China until 2023. If such domestic political situation were realized, it is highly likely that China-Russia relations will continue until 2023 under Putin-Xi administrations. The continuation of the rule of the two leaders will be an important factor in the further development of their bilateral relations into a strategic partnership relation. As a result, 2014 holds a special significance in the establishment of a new system of 'New Honeymoon phase' in their bilateral relations.

3. Russia's policy toward China

From the start of the Putin administration in 2000 until present, Russia's ultimate diplomacy goal is to recover its status as a strong Russia and take on the role of a powerful nation in the international community.

Since the 2000s, the Russian government's general diplomatic

strategic goals regarding the Northeast Asian region are as follows. (1) Deter any rapid changes in the surrounding countries to guarantee the safety of the region; (2) Keep the U.S. and China's influence on the Northeast Asian region in check and maintain a balance of power in the region; (3) Foster good friendship with neighboring countries; (4) Incorporate itself into the dynamic Northeast Asian economy and energy community.

The third, Putin administration launched on May 2012 classifies CIS(Commonwealth of Independent States), the U.S., Europe, and China as the most important regions regarding its diplomatic policies.²⁸ Especially, China, a country with which Russia shares its borders, is not only an important country in Asian diplomacy, but also a crucial country in the pursuit of the Eurasian principle in the diplomacy towards Central Asia and CIS.

Under the current Putin administration, Russia's strategic diplomatic goals towards China are as following (1) Cope with the international order led by the U.S. in a joint manner; (2) Strengthen their complementary economic cooperation; (3) Secure demand for energy resources(a pending issue that is most practical and realistic for the two countries); (4) Active cooperation in the international community(ex; UN and the SCO, etc.).

Particularly, Putin has been pursuing 'New Eastern Policy' since his return to power as a result of several domestic and

²⁸. Since Putin has started his third presidency in May 2012, he has continuously emphasized the importance of CIS as the top priority in Russian diplomacy.

foreign factor.²⁹ Accordingly, the development of the Russian Far East is now seen as the most important national development strategy of the current Putin administration. The hosting of the September 2012 Vladivostok APEC Summit was a strong message of the Putin administration's new Eastern policies. There has been active discussion within Russia to make Vladivostok the third capital or the eastern capital of Russia. In this context, since taking office for another term on May 2012, Putin has established 'Ministry of Development for Far East' within the federal government, and is putting in a relatively much greater federal budget into it.

This demonstrates that Russia is well aware of the limits of trying to find elements that stimulated national development of economic growth and power in the previously important European region, and in order to find such elements, Russia had to turn to a new region in the East. Meanwhile, Putin's new Eastern policies admits that without the social and economic development of the Russian Far East, there is a limit to the role and status that Russia can employ as a regional power in the Asia-Pacific region. Thus, Russian Far East development is not only the development plan for a certain region within Russia, but also a 'national strategy

²⁹- For Russia's new Asian policy including the Korean peninsula under Putin's third presidency, see Юн Ик Джун, "Политическая стратегия В. Путина в Северо-Восточной Азии и на Корейском полуострове после возвращения на пост президента РФ," *Slavic Studies (Seoul, Korea)*, Vol. 28, No. 3 (2013), pp. 211~246.

for development' business that will influence the future of the Russian society. Such a 'New Eastern policy' is being accelerated due to the recent series of trends in the international energy market and the Ukraine crisis.

In this context, it has become even more important for the current Putin administration to develop the Far East region and cooperate with the neighboring countries in the Northeast Asian region. This suggests that Russia should cooperate much more actively than previous years for the development of its Far East region with neighboring countries in Northeast Asia.³⁰ As a result, such a political situation of the Putin administration is an important reason why Russia strengthens its cooperative partnership relations with China. In particular, Russia tries to cooperate with China not only for the energy resources, but also to create a new Northeast Asian order that enables a Russia to undertake a considerably active participatory role in the region. Thus, with respect of Russian diplomatic policies, the importance of China will continue to rise.

4. China's policy toward Russia

The ultimate objective of China's diplomatic policies is to

³⁰ For the detailed analysis of Russian Far East and the Korean peninsula, see Юн Ик Джун, "Новая политическая стратегия В. Путина на Дальнем Востоке и на Корейском полуострове: в поисках партнёра или инвестора?," *Известия Восточного института*, Vol. 1, No. 23 (2014), pp. 72~82.

restore its status in the international community to actively participate in the establishing of the global order. To this effect, the Chinese government tries to marketize its national power and pursue its foreign policy through ‘the theory of a peaceful rise.’ ‘The theory of a peaceful rise’ claims that China will perform its role and duties to the best of its ability as a responsible power in the international community, and will insist on a reasonable right to accomplish it. Accordingly, the Chinese diplomatic goals pursued by the Chinese government are as follows. (1) From the U.S.-centered to a surrounding nation-centered world(new multilateralism); (2) From incorporating the international community to accepting international responsibility; (3) From economic developmental contributions to promotion of comprehensive national interests, etc.

On entering the 2000s, the Chinese government has developed and propagandized various theories like “responsible power”, “new security keeper”, “peace keeper”, “balanced world,” etc. to justify its rapid rise.³¹

In general, the countries important for China’s diplomatic policies are classified to be the U.S., Russia, Europe, and Asia. Meanwhile, the issues most important for China’s diplomacy are ‘securing energy’ and ‘forming multilateral system.’ As a result, the major axes in China’s policies towards Russia are the

³¹- Young-nam, Cho, *China’s Politics in the era of Hu Jintao* (Seoul: Nanam, 2006), pp. 265~306.

cooperation in energy resources and the wary check of the U.S.'s unilateralism. Through its energy cooperation with Russia, China is creating a new regional order headed by itself in the Northeast Asian region; and through Russia and the SCO, Brics, etc., China is resisting the American unilateralism. The Chinese government's strategic diplomatic goals towards Russia can be summarized as follows. (1) Respond jointly to the U.S.-centered international order; (2) Strengthen complementary economic cooperation; (3) Secure the supply of energy resources; (4) Cooperate in the international community (for example; UN and the SCO, etc).

The Chinese government has been putting in more effort into improving its relations with Russia, and the importance of Russia in Chinese diplomacy has been increasing continuously. In particular, Russia is an important country for Chinese diplomacy in the context where China is trying to shift from the U.S.-centered to nearby countries-centered world, and to keep U.S. unilateralism in check, and to pursue complementary economic benefits. This situation is accelerating and gaining more attention in new dimensions under the current Xi administration.

5. Mutual Objectives of China–Russia Strategic Cooperation

It is a well-known fact that in the 1990s China–Russia partnership relations was primarily started to keep a joint check

on the U.S.'s 'unipolarity(or unilateralism)' in the post-Cold War international community. At the same time, they jointly support the creation of a multilateral international relations model and a more fair and democratic political and economic system, and active strengthening of roles of organizations like the UN in resolving potential international problems.

In the world energy market, the influence of the two countries China-Russia is enormous as the world's largest supplier and consumer. Since the 2001 announcement of Energy Security Doctrine under the George W. Bush administration, the major powers have adopted 'energy security'³² as the most important national strategy for national interest realization and national security. In 2003, China's Daching was decided as Russia's East Siberia Pacific Ocean(ESPO) pipeline after much competition between China and Japan. And on May 2014, the two countries finally signed a Siberia Oil Supply Contract priced at over \$40 billion. In energy security, which is considered one of the key issues in the international community since the 2000s, the two countries cooperate actively as an energy supplier and an energy consumer. The two countries try to keep U.S. unilateralism in check and cooperate actively in the energy issue, and it is highly

³²- For the discussion of energy security, see Ik Joong Youn and Yong-kwon Lee, "The Possibility of paradigm for Energy Security in Northeast Asia: focusing on the role and influence of Russia," *New Asia*, Vol. 12, No. 1 (2005), pp. 60~88. (In Korean)

likely that such cooperation will continue in the absence of an influential variable.

In the perspective of post-Cold War Russia, the cooperation with China is fundamentally a strengthening of Russia's status as an independent power in the international stage.³³ Specifically, Russia is attempting to objectively strengthen its influence in the international level through its cooperation with China, and to solidify its independent status in the advent of a multipolar world order. China, too, needs cooperation with Russia in the military and security sector in the global level. For this purpose, the two countries have led the way in establishing and organizing new international organizations in the 2000s like Shanghai Cooperation Organization(SCO), BRICS, Conference on Interaction and Confidence-Building Measures in Asia(CICA), etc. and have mutually cooperated in the international community.

Meanwhile, China and Russia have unconditionally supported the shared opposition towards the 'Western intervention in the domestic affairs of another country' and the struggled against each other's 'separatism.' In terms of political order, the two countries have many differences when compared to the Western countries, and such domestic elements serve as a mechanism to

³³- Alexander Lukin, "China and Russia Strategic Cooperation: Cooperation and Concern," Jung-Ho, Bae, *China's Rise, the Changing Northeast Asian Security Environment and the Korean Peninsula* (Seoul: Korea Institute for National Unification, 2011), p. 53.

strengthen the two countries' relations and cooperation in the international community. At least for a while, it is unlikely that Putin's Russia introduces democracy, and China also pursues policies that prioritize national development over the freedom and empowerment of its citizens. Moreover, as multi-ethnic federal states, both countries have responded sensitively regarding regional and ethnic separatism in places like Chechnya and Xinjiang Uygur. Thus, it seems like the China-Russia cooperation will serve as an important mechanism in stabilizing each other's domestic systems.

Both countries have jointly stood up against 'extremism' and 'terrorism' for the 'regional stability' needed for domestic political and economic development. Accordingly, the two countries have practiced joint military exercise, joint anti-terror training, joint military and police training, etc. in the Northeast Asian and other regions since mid 2000s. Such cooperation for regional stability is not only pursued on land, but also on water. If regional stability is not achieved in Northeast Asian region and Central Asian region, the two countries will have to deal with an immense economic and political loss.

6. The limitations and problems of China-Russia strategic partnership relations

Although China-Russia relations have formed a record-high strategic partnership relationship since the mid-2000s and continue

to develop this, the limitation and problems of their cooperative partnership have already been continuously brought up by domestic and overseas experts since the late 1990s. There could be a huge regional instability and other unexpected problems within the Northeast Asian region and the international order in the future if the strategic partnership relations between China and Russia do not continue. The potential problems between the two countries that we need to pay attention to are the following.

Firstly, although both countries are developing the best strategic partnership relations in history, both leaders have continuously clarified at home and abroad that they have no intention of improving their bilateral relations into an “allied relations.” For example, on April 2014, Russian President Putin claimed and reinforced, “Russia and China has no plans of forging any form of military or political alliance”, “alliance is a thing of the past.”³⁴ Perhaps such declarations by Putin was made keeping in mind the time when Russia no longer needs a strategic partnership relations with China. Under the characteristic that a partnership lacks mandatory restrictions or clauses, Putin’s Russia seems to be creating a situation in which they can easily liquify the strategic partnership relations with China depending on necessity. In other words, the two countries do not want to be uncomfortably tied down by an alliance relationship. China, too reemphasizes

³⁴- *Chosun Ilbo*, April 18, 2014.

that the clear characteristic of China–Russia relationship is that they won't form an alliance with Russia, they will not resist each other, and they won't target a third country.³⁵ In reality, as U.S. influence in the Northeast Asian region declines, there are questions whether it will be possible for the two countries to continue the strategic cooperative relationship between the two countries that began out of the unipolar order around the U.S.

Secondly, it is possible that China's national interests may collide with that of Russia in the Central Asian region in the future, with respect to military–security and political–economic sectors. Regarding the military–security sector, many have questioned whether it will be possible for the cooperative relations of the two countries to continue as usual after the U.S. and NATO pulled out of Afghanistan by the end of 2014. Until now, China–Russia relations have been closely related to U.S. hegemonic strategy in the Central Asian region. The two countries have cooperated in anti–terrorism and non–proliferation systems to avoid any conflicts with the U.S. At the same time, the two countries have responded jointly against the U.S. attempt to strengthen its influence in the Central Asian region, which is a neighboring region of both countries, who have a vested interest in, through organizations like the SCO. However, the pulling out of the U.S. and NATO powers from the Central Asian region,

³⁵– *Chosun Ilbo*, September 17, 2014.

which was the main issue of China–Russia joint cooperation, highly suggests that there could be a new change in China–Russia bilateral relationships in the East region. Even in the political–economic aspect, Russia is scheduled to establish a ‘Eurasian Economic Union’ in 2015 with nearby Central Asian countries, and at the same time, Putin administration prioritizes the expansion and maintenance of its political influence in the East region. Meanwhile, China is planning ‘New Silkroad Economic Cooperation’ in the East region, and is strengthening its economic cooperation with the East region countries. In the future, will Russia allow China’s strengthening cooperation with Central Asian countries in the economic sector and the expansion of China’s political role?

Thirdly, questions are being raised as to whether it will be possible for the cooperation between China and Russia regarding the issue of North Korea, which is a strategic location in Northeast Asia, in the case of North Korean Sudden Change in the Korean peninsula. Generally, Russia does not deny a united Korea that is not hostile towards Russia, but China wants a united Korea that is only friendly towards China, suggesting that the two countries have fundamentally different stances regarding the unification of the Korean peninsula. As is well known, China has been pursuing “Northeast Project” at the national level since the 2000s, and one of the main reasons is to utilize it as a means to resolve problems in case of North Korean

emergencies or Korean Peninsula emergencies. Will Russia be able to maintain strategic partnership relations with China in the case of North Korea or Korean Peninsula emergencies where China will adopt active actions and an important role? This problem is closely related to the main aspect of Russia's New Eastern Policy, the Russian Far East Development, so it is not possible to know what strategic decision Russia will ultimately make. In Russia's position, they may not want any negative impacts towards the Russian Far East Development from the Korea Peninsula emergencies, but there are realistic limits and restrictions to Russia aggressively intervening in the Korean Peninsula through military means or otherwise. But that does not mean that Russia can passively tolerate and accommodate China's active intervention and vested rights claim on a region so close to its border. Without prior consultations regarding this issue, it is highly possible the China-Russia bilateral relations may take on an aspect much unlike the cooperation they showed regarding other international issues.

Fourthly, Putin's Russia have pursued the resuming of relations and the strengthening of cooperation since the 2000s with countries that were formerly under the Soviet Union-North Korea, Vietnam, Cuba, Mongolia, etc. This is also one of the main diplomatic policies of the Putin administration. In the Southeast Asian region, Russia is rapidly pursuing cooperative relations with Vietnam that once shared a blood alliance with

the USSR.³⁶ Under the current situation where China and Vietnam have an uncomfortable relationship in the South China Sea, will China be able to understand Russia's position regarding the Russia-Vietnam cooperative relations? And what position would China have regarding the rapid improvement of relations between North Korea and Russia in the Northeast Asian region? On early October 2013, the foreign minister of North Korea was more preoccupied with visiting the U.S. and Russia first, instead of China. Can China, which effectively claims a vested interest in the North Korean region, tolerate the strengthening of relations between North Korea and Russia? What is certain is that if Russia-North Korea, Russia-Vietnam relations develops further in the future, there could be a new crack in the strategic partnership relations between China and Russia. If both countries want to continue to develop their strategic partnership relations in various regions around the world, they need to reach a reasonable compromise and agreement regarding North Korea and Vietnam before anything else.

To summarize, there is a possibility that Russia and China can collide regarding Central Asia, Northeast Asia, and Southeast Asia issues in the future. This is because the national strategies and objectives of the two countries in the regions are very different. In concrete terms, China aims to become a 'hegemonic

³⁶- Putin visited Vietnam before arriving to South Korea in November 2013.

power' in the Northeast Asian region, while Russia pursues a 'regional dominant power' that plays more roles. On the other hand, in Central Asian region, Russia aims to become a 'hegemonic power,' while China pursues a 'regional dominant power' that plays more roles. And in the Southeast Asian region, China aims to become a 'hegemonic power,' while Russia pursues a 'regional dominant power' that plays more roles. As a result, although the two countries both emphasize their 'strategic partnership relations,' in reality they seem to have a 'strategic rivalry relations' where their national strategies conflict in many regions all over the world.

Meanwhile, it is also important to see how Russia's dependence on China will be resolved throughout the years. Russia's over-dependence on China will highly likely to cause serious problems between the two countries in the future. The two countries have already reached a serious imbalance level like trade imbalance, energy dependence, etc. Russia's concern about its economic subordination to China has already become very serious. Like the opinion of the Russian scholar that the importance of China in Russia's politics is greater than the importance of Russia in China's politics,³⁷ Russia's excessive contact with China faces the risk of transforming Russia into a 'subordinate partner.' To

³⁷- Alexander Lukin, "China and Russia Strategic Cooperation: Cooperation and Concern," p. 54.

add, there is serious debate within Russia that the rapid development of China may get Russia into a terrible trouble. It is a matter of common knowledge that historically, no bilateral relationship can continue for an extended period of time if the two countries are not on equal levels.

Examining this in the historical-cultural context, it is also important to think about how they will overcome the serious 'ethnic dislike' between China and Russia in order to continue to develop their bilateral relations. For the cooperation between the two countries' at the government level to develop continuously, the attention and favorable impression at the citizenry level is absolutely necessary, however, the distrust and dislike between the citizenry of the two countries have not improved compared to the past. In this context, Russia is on guard regarding China's demographic expansion in the Far Eastern area due to Russia's plan to develop the Russian Far East. In reality, there have been various issues between the two countries like the conflict between Russian citizens and Chinese workers, capture of an illegal fishing boat, firing of fishing boats, etc.

Aside from that, the two countries have expressed substantial disagreements on many military and security aspects like nuclear issues, exports and imports of weapons, dispute over SCO leadership and direction. To add, it is still questionable how much the two projects of Russian Far East development and Chinese three Northeast province development can coexist in the

future under the Putin and Xi administrations.³⁸

As discussed above, there are various problems in China–Russia relations developing to become a so-called ‘special relationship.’ More than anything, there should be a historical bond or a common denominator but the fact is that only two decades ago, they had experienced a very bad historical relationship. In the Western world, the ‘British–American relations’ is considered a very special relationship. This is because, more than anything else, based on a common historical background where the two countries share a similar historical perspective. As a result, although China and Russia can continue to develop their strategic cooperative partnership relations as a result of necessity, it is very possible that the future holds many variables that may change their relationship. As a result, for the current China–Russia relations to develop further, there should be something beyond the strategic understanding that they have at present.³⁹

³⁸- Beom-shik, Shin, “The Developments of China–Russia Relations and Russia’s Security Policy toward China,” *Strategic Studies*, No. 59 (2013), p. 116.

³⁹- For the detailed analysis of this, see Seo Dong-joo, “The Idealism and Realism of China–Russia Partnership Relations,” *The Journal of Siberian and Far Eastern Studies*, Vol. 5 (2009), pp. 5~34.

III. North Korea–China Relations at a Transition

North Korea and China are experiencing a period of transition both at home and abroad. Internally, new governments and regimes have been launched with the appointment of new state leaders. In this context, both states have promoted new large scale policies while simultaneously demonstrating new diplomatic behavior. North Korea has held fast to its ‘Byungjin line’ as its foreign and domestic policy—a simultaneous pursuit of economic development and military modernization. To demonstrate its will, North Korea conducted its third nuclear test in February of 2013. China has focused its foreign and domestic policies on system reforms as part of its efforts to realize the rule of law. Externally, both China and North Korea are faced with Japan’s rapidly changing security policies as the Abe Shinzo administration’s ‘conservative swing’ and ‘state normalization’ plans have picked up momentum with the U.S. active promotion of its ‘rebalancing strategy.’ The rebalancing strategy is the U.S. expression of its strategic transition to strengthen U.S. security assurance towards its allies and friendly states in Asia, reflecting its ‘return to Asia’ foreign policy which commenced in 2009. Through such strategic re-adjustments in regional foreign security, the U.S. has expressed its intent to ‘manage’ the strategic interests that may be affected by China’s rise.

Part1

Part2

Part3

Since the inauguration of the Xi Jinping government in 2013, it has been showing unprecedented behavior in its relations with North Korea. After North Korea's third nuclear test in February 2013, China has adopted three economic sanctions and strongly responded to North Korea's ambitions for a fourth test. In July 2014, President Xi broke the long tradition of 'visit North Korea first, then South Korea,' held by his predecessors and visited South Korea before North Korea. All these behaviors are unprecedented. The behavior that China has shown to date has increased the expectation for the possibility of change in its North Korea policies or relations with North Korea. It is also a period which can be easily influenced.

However, it would not be an overstatement to claim that China's position on its North Korea policy or its relations with North Korea have remained more or less the same. This is because there are several invariable principles that China adheres to regarding its relations with North Korea. First, China has not changed its policy toward the Korean Peninsula nor its assessment on North Korea's strategic value. Second, as long as China and North Korea both maintain their 'party state system,' a system in which the party leads, their bilateral relations will be maintained in the traditional fashion whereby parties are in sole control of the relationship. In order for the two states to transition to a 'normal state relations,' 'party state system' must be disintegrated in either China or North Korea. Last, it is

because North Korea–China alliance continues to exist. Although China strongly denies its alliance relations with North Korea, such statement is not persuasive due to a clause granting military inferences in their pact of cooperation and friendship ratified in 1961. As a response, Chinese leaders have tried to deny such alliance relations through authoritative interpretations of the clause; however it is true that there are difficulties in denying their strong military ties.

This chapter will discuss how China’s policies on the Korean Peninsula and its relations should be understood. To this end it will first review China’s policies on the Korean Peninsula and then analyze in detail North Korea–China relations in the twenty first century. Under such framework of analysis, it will review whether China’s sanctions on North Korea will lead to a rift in bilateral relations by analyzing particularities in China’s relations with North Korea. Finally, it will conclude by analyzing the future prospects for China’s relations with North Korea.

1. China’s policies on the Korean Peninsula

China’s policies on the Korean Peninsula have been carried out as an extension of its good neighbor policy which was adopted in the 1980s. The content and objective is to develop good relations with neighboring states and seek and realize regional peace and stability, which is the prerequisite to China’s modernization. The strategic intention and aim of the policy is to diversify its

traditional policies toward its neighbor states based on the principles of “establishing partner relationships with neighboring states”, “maintaining friendly relations with neighboring states,” and “an amicable, tranquil, and prosperous neighborhood in the region(mulin, fulin, anlin).”⁴⁰ Therefore, in principle, China has maintained a position which actively supports South Korea and North Korea’s foreign postures regarding peace and stability on the Korean Peninsula as well as unification.⁴¹ In this context, there are three objectives for China’s policies on the Korean Peninsula. Firstly, it is to support the democratic, independent, and peaceful unification of the Korean Peninsula. The second objective is to maintain the peace and stability on the Peninsula. The third is to play a constructive role in promoting mutual

⁴⁰- Jian Xu, “Hepingjueqishizhongguo de zhanluejueze(China’s peaceful rise is a strategic choice),” *Xuji wen tianjiu(International relations problems)*, Section 2 (2004), pp. 4~5.

⁴¹- During the Cold War period, China actively supported North Korea’s unification policies and measures due for ideological and alliance reasons. In the post-Cold War era, Chinese experts state that China’s previous position on the issue is unscientific, and is the product of Cold-War thinking which lacks the logic and objectivity to hold the U.S. and former Soviet Union in check. See Jinzhi Liu, “Zhongguo dui chaoxian ban daoguoja de zhongce(China’s Policy toward the Korean Peninsula),” *Shijiejingjiyuzhengzhilun tan(World Economics and Politics Forum)*, Section 5 (2007), p. 79. However, in the twenty-first century, while still supporting its previous belief in an ‘independent, autonomous, and peaceful unification,’ China has shown support for former President Kim Dae-joong and President Park Geun-hye’s visions for unification. As an example, President Xi Jinping’s support for the Trust-building Process on the Korean Peninsula, which is in effect the fundamental essence of the Park administration’s unification vision, has been recorded in writing.

understanding in inter-Korean dialogue and ultimately establish an environment favorable for national solidarity and unification.⁴² However, after the ‘success’ of North Korea’s first nuclear test in 2006, China has substituted its third objective to the denuclearization of the Korean Peninsula.

With the end of the Cold War and establishment of diplomatic relations with South Korea in 1992 as well as the worsening of North Korea’s nuclear problem in the 21st century, it can be said that China’s policies and positions on the Korean Peninsula have gone beyond the Cold War way of thinking to be centered more on objective and pragmatic national interests. Hence, it is true that China’s policies or objectives for the Korean Peninsula have maintained its continuity. However, China’s practical efforts in approaching North Korea’s problems including nuclear issues and maintaining peace and stability on the Peninsula have been reflected in their changing strategies and tactics. China holds the diplomatic belief that strategies and tactics should be changed reflecting the changes of the times and environment. Such changes of the times and environment do not simply mean those concerning the Korean Peninsula but also included changes in state affairs. China has decided and promoted policies and strategies based on its position, status, and capacity based on circumstances

⁴² Jinzhi Liu, “Zhongguo dui chaoxian ban daoguojia de zhongce(China’s Policy toward the Korean Peninsula),” *Shijiejingjiyuzhengzhilun tan(World Economics and Politics Forum)*, Section 5 (2007), p. 78.

within and outside China as well as in the international system. In particular, when judging external circumstances, China has set policies and responded to external changes in consideration of its status, capacity, and its structural position. These considerations form the foundation of China's external and world view.

Indeed, in this context, China's strategies and tactics on Korean Peninsula policies have shown similar developments. Although in principle, China's policies on the Korean Peninsula are non-changing, there have been many changes in the strategies applied and used by China regarding its policy aims, which are maintaining peace and stability, as well as unification. The reasons and context for such changes lie in China's responses to the changes which occurred in the international circumstances, as well as to satisfy the changed conditions needed to maintain peace and stability on the Peninsula. In particular, there have been many changes in the international system and circumstances after the Cold War, along with the international environment and relations around the Peninsula. Internationally, China adopted doctrines of 'focusing on national-strength building and bidding its time(韜光養晦)' and 'striking some points to engage proactively in defense of its core interests(有所作為)' as basic strategies in its foreign postures in order to reach its foreign objectives. Also, a 'New Security Concept' was set as a basic principle and strategy to resolve international conflict or disputes.⁴³

Regionally, China's strategies for the Peninsula experienced

numerous changes. In particular, China has set strategies to prepare for circumstances amidst the establishment of diplomatic relations with South Korea and worsening of North Korea's security and economic situation. Although peace and stability are still the biggest proposition of China's policies on the Korean Peninsula, its strategic aim can be clearly displayed by its 'five-no's principles' toward North Korea.⁴⁴ In addition, while meeting the changed circumstances on the Korean Peninsula, China has also made some changes to its strategies to maintain peace and stability on the Peninsula. These strategic changes are the outcome of China's efforts to respond to changes in China's state affairs and external circumstances. They are also circumstantial

⁴³- Refer to China's 'New security perspective' which became official in 1999. Former President Jiang Zemin first explained China's new security perspective at a Consultative Conference on Disarmament held in Switzerland in March 26, 1999. The main content of the new security perspective can be summarized as 'mutual trust, mutual benefits, equality, and cooperation.' According to Jiang Zemin, 'mutual trust' is the foundation of the new security perspective; 'mutual benefit' is its objective; 'equality' is its guarantee; and 'cooperation' is its means. In other words, through the declaration of its new security perspective, China has expressed its belief that international problems will be resolved peacefully and based on equality, mutual security interests will be respected, and through multilateralism, trust will be enhanced. Jianmin Ni and Zishun Chen, *Zhongguoguoqizhanlue(China's International Strategy)* (Beijing: Renmin Chubanshe, 2003), p. 317.

⁴⁴- The so called 'five "no's" strategic interests' was raised by Samuel Kim. It refers to the strategic interests which can be realized in situations of no "instability," "collapse", "nukes", "refugees or defectors", or "conflict escalation." Samuel S. Kim, "Sino-North Korean Relations in the Post-Cold War World," Young Whan Kihl and Hong Nak Kim (eds.), *North Korea: The Politics of Regime Survival* (Armonk and New York: M.E. Sharpe, 2006), p. 186.

evidence of China's pragmatic foreign policy posture. China's strategies on the Peninsula have taken various shapes depending on the field and issue because it is based on pragmatism. Such strategic diversity has acted as a natural support for the legitimacy and justification of China's new foreign posture and behaviors.

As an example, a tactical change in diplomacy was evident in the establishment of diplomatic relations with South Korea in 1992. This was possible under the principle of 'division of economics and politics' which allowed China to make diplomatic ties with South Korea and overcome North Korea's opposition.⁴⁵ The biggest obstacle in this process was to reassure North Korea that diplomatic relations with South Korea will not harm its alliance with North Korea or its traditional friendly ties. China was able to do this by demonstrating that its relations with South Korea will develop in ways which separate politics

⁴⁵- The principle of 'separation of politics from economics' is one foreign strategy presented by China to justify and legitimize China's development of relations with states that have different ideologies. It is used to present ways to approach such states. Thus, by putting forward various means of approaching these states, China is acquiring the diplomatic justification to develop these relations in an open and active way. This approach is a diplomatic tactic to overcome the limitations that arise from differing ideologies. Politics is separated from economics when developing state relations in an asymmetrical way. It means to 'approach easy tasks first, difficult ones later(先易後難)', 'long-term tasks first, short-term ones later(先遠後近)' to eventually bring about political and economic unity. It is a tactic which aims to ultimately achieve symmetrical and full-scaled state relations. *People's Daily(Renminribao)*, November 21, 1987.

from the economic. It was able to legitimize and justify the principle by referring to the positive effects of ‘cross-recognition’ in maintaining peace and stability on the Peninsula—which it had opposed during the Cold War era—and emphasized the pragmatic nature of its diplomacy.

In addition, China has adhered to the principle of denuclearization as part of its policy line of maintaining peace and stability on the Peninsula. When China realized that the resolution of North Korea’s nuclear problem is the prerequisite to peace and stability, it began to show different voting behaviors in international organizations. After North Korea’s second nuclear crisis, for the first time, China agreed at an IAEA meeting to submit a resolution on North Korea’s nuclear problem to the United Nations Security Council.⁴⁶ Also, China’s votes on the UN resolutions following North Korea’s two nuclear tests demonstrate the validity of China’s principle of denuclearization on the Korean Peninsula. Afterwards, China has continued to maintain its position on UN resolutions every time North Korea conducted a nuclear test.

In terms of issues, it can be said that China’s basic strategy has been to take on a constructive role on agendas which can

⁴⁶ Hua Li, “Lengzhanhouchaoxianbandao de anquanjisheyuzhongguo de juece (Post-Cold War security mechanism on the Korean Peninsula and China’s role),” *Guizhoushi fan daxuebao(shehuikexuebao)*(*Guizhou Normal University Journal(Social Science Daily)*), Section 4 (2003), p. 36.

contribute to peace and stability on the Peninsula. As an example, at the Four-Party Talks, whose preparatory meetings were convened in 1997 to discuss establishing a peace agreement and system on the Peninsula, China has been an active participant and taken on a constructive role. In addition, regarding North Korea's nuclear development, China has made efforts to bring about a peaceful resolution. After the first nuclear crisis in 1993, China has put forth a principle of 'concerned-parties' and self-evaluates that China has played a constructive role in the process of dialogue and discussion among the parties directly involved. Such evaluation is different from that of South Korea. China states that at the time, North Korea's nuclear crisis involved North Korea and the U.S. and therefore did not require China's interference and that China contributed to facilitating discussions between North Korea and the U.S. In addition, after the second nuclear crisis in 2002, China confidently states that it has actively worked to peacefully resolve the crisis in August 2003. This assessment comes from China's involvement in the 'Three-Party Talks' between North Korea, China, and the U.S. held in Beijing in April 2003, which was considered to be the preparatory meeting for the Six-Party Talks, as well as the actual Six-Party Talks held in Beijing in August of the same year.

2. North Korea–China relations in the twenty first century

After Kim Jong-il officially assumed leadership in 1998, his first foreign state visit was to China in 2000. In September 2001, President Jiang Zemin was the first Chinese head of state to visit North Korea since the 1980s. Until his death in 2011, Kim Jong-il visited China on six occasions (2000, 2001, 2004, 2006, and twice in 2010). Also, as exchange between China and North Korea recovered in political, military, and economic fields, Chinese aid to North Korea also increased.

Although North Korea–U.S. relations were declared to be normalized in 1999, it faced another challenge after the second nuclear crisis following Assistant Secretary of State James Kelly's visit to Pyongyang in October 2002. When it became publically known that North Korea's nuclear development program was resumed in October 2002, China could not but accept the international community's pressure to take the role of an arbitrator. As a result, the Three Party Talks were held between the U.S., China, and North Korea in Beijing in April 2003, and in August, the Six-Party Talks were convened.

However, when the U.S. froze North Korea's foreign financial transactions in 2006 and decided to freeze North Korea's assets in the U.S., the Six-Party Talks came to a standstill. In April 2006, the U.S. imposed economic sanctions against North Korea,

and at the U.S. request, Macao's Bank Delta Asia also put sanctions on North Korea's financial transactions; severely testing PRC-DPRK relations. Afterward, Bank of China froze financial transactions with North Korea in its Beijing and Zhuhai branches, and local banks in China's Northeastern region also froze financial transactions with North Korea.

The aforementioned economic sanctions China imposed on North Korea doubled North Korea's distrust and discontent and also played a role in its missile and nuclear tests. China's cooperation with the U.S. on matters concerning North Korea on the international stage was perceived by the North as a betrayal; leading to the firm belief that its national security interests and national interests must be pursued by its own, independent efforts. As a result, it tested the Taepodong missile in July 2006, and a nuclear test in October. It was a particularly provocative incident for China in that the nuclear tests occurred without prior notice.

Though an unprecedented move, China expressed through the Foreign Ministry's spokesperson and criticized the test as a "brazen(悍然)" act, a wording that China often used in the past in criticizing the 'tyrannical' action of American imperialism. In addition, China agreed to let the international community discuss North Korea's provocative behavior in the United Nations and for the first time adopted the related UN resolution. Regarding the nuclear tests, China has made an unprecedented criticism

that ‘a penalty of any sort must be imposed’ and expressed its will and determination to participate in international sanctions in the future.⁴⁷ In addition, according to China’s reports, relevant department and division personnel has composed, operated, and established a special emergency response system in the foreign ministry to effectively address North Korea’s nuclear problem. Relevant personnel include those in departments of international affairs, arms control, the Americas, Eurasia, press, etc.⁴⁸

However, in consideration of internal and external circumstances surrounding North Korea, China has blocked the inclusion of a clause in the UN resolution that would put North Korea’s economy in a more dire state—providing North Korea with at least some relief. Allegedly, China has opposed including serious economic sanctions in the resolution or imposing further damage which could worsen economic conditions in North Korea or bring about an unpredicted crisis. Instead, in order to conduct a proper arbitrator role, state councilor, Tang Jiaxuan was sent to North Korea a few days after the nuclear test to discuss responsive measures with Kim Jong-il. North Korea promised that there will not be a second nuclear test and expressed its intention to return to the Six-Party Talks. For these reasons, China was able to take into consideration North Korea’s economic

⁴⁷- Refer to quotes by Chinese Ambassador to the UN Wang Guangya, *Choson Ilbo*, October 11, 2006.

⁴⁸- *DongA Ilbo*, October 12, 2006.

circumstances and prevent the inclusion of extreme measures in the UN resolution.

The following part will address the relations between North Korea and China during the period from Kim Jong-il's last visit to China up to present day. Key characteristics of the relations can be presented as follows.

Firstly, at Kim Jong-il's visit to Changchun in August 2010, his discussions with former President Hu Jintao focused on economic cooperation between North Korea and China. An important point about this meeting was that it was the first time Kim Jong-il publically stated that he will 'actively consider' President Hu Jintao's advice on reform and opening. It is also true that soon after the two states' relations were centered on economic cooperation, Kim Jong-il's informal visit to China during August 26~30, 2010 was in Changchun. North Korean authorities who accompanied Kim Jong-il included Kim Yong-chun, Defense Commission Deputy Chairman as well as the minister of People's Armed Forces, party secretary Tae Jong Su, Kang Sok Ju, the first Vice Foreign Minister, Jang Song-taek, Hong Sok Hyong, Kim Yong-il and Kim Yang-gon (party directors), senior secretaries of regional party committees Choe Ryonghae (North Hwanghae Province), Kim Pyong-hae (North Pyongan Province) and Pak To-chun (Jagang Province), etc. The list is composed of senior party authorities and local party authorities. At the time, the regional party authorities' accompaniment appeared abstruse;

however an agreement concluded on North Korea-China economic cooperation as well as reports on the ceremonies of the completion of construction plans revealed why they accompanied the visit to China. One reason why the discussion on economic cooperation gained momentum was that New Year's Address in 2010 unprecedentedly emphasized the development of light industry and agriculture, as well as the improvement of the people's lives.

Against such backdrop, Kim Jong-il's consecutive visits to China in May and August focused on discussions of economic cooperation. It is important to take note of the people who accompanied Kim Jong-il on his two trips. They include figures close to Jang Song-taek such as Ri Yong-ho (Politburo presidium member and Chief of the General Staff of the Korean People's Army), Choe Ryonghae (member of the WPK Secretariat and Central Military Commission, and Politburo alternate member), Hong Sok-hyong (Chief Secretary of the North Hamgyong KWP Provincial Committee, Politburo member, Director of KWP finance and planning), Tae Jong-su (Secretary of the secretariat, Chief Secretary of the South Hamgyong KWP Committee, KWP Secretary and Director of General Affairs), Kim Pyong-hae (Chief Secretary, North Pyongan KWP Provincial Committee, KWP Secretary and Director of Personnel), Pak To-chun (Chief Secretary, Chagang KWP Provincial Committee, Politburo alternate member), among others.

Secondly, after Kim Jong-il's visit to China in August 2010, the

two states concluded numerous economic cooperative agreements following a boost in their economic cooperation. In June 2010, North Korea leased the right to use Chongjin ports number three and four to China for fifteen years and named it Tumen pier. An agreement to repair a 170km railway connecting Tumen in China to North Korea's Namyang and Chongjin was also signed. Moreover, in December, China acquired development rights for Rajin ports number four to six as well as rights to use it for the next fifty years. It is also speculated that an investment agreement has been signed to construct highways and railways between Rajin and Quenhe.

In November 2010, the first guidance committee meeting on development cooperation between the Rajin-Sonbong Economic Special Zone and Hwang geumpyong/Wihwa island was held in Pyongyang. On August 26, 2011, Kim Jong-il stopped over in Heilungjiang in China on his return trip from Russia. Chinese State Councilor, Dai Bingguo was appointed by President Hu Jintao to receive Kim Jong-il on his informal short visit. He also accompanied Kim Jong-il's inspection of the Heilungjiang region. Through his discussions with Dai Bingguo, Kim Jong-il expressed his views on the aim of the denuclearization of the Peninsula, intention for unconditional return to the Six-Party Talks, and the intent of all parties implementation of the September 19th Joint Statement as well as his intent to protect the peace and stability of the Peninsula. Kim Jong-il's visit to Heilungjiang was scheduled

around mostly economic inspections such as bed factories, milk industry, as well as city planning exhibition halls. In 2011 June 7~9, 2011, the second guidance committee meeting was held on development cooperation between the Rajin-Sonbong Economic Special Zone and Hwang Geum Pyong/ Wihwa; co-hosted by Liaoning and Jilin region.

From October 23 to the 25, 2011, former Vice Premier Li Keqiang paid a formal visit to North Korea. During his visit, he met with Premier Choe Yong-rim on the 23rd and met Chairman of the Presidium of the Supreme People's Assembly Kim Yong-nam on the 24th. On the 25th, he had a meeting with Chairman of the National Defense Commission Kim Jong-il. The welcome dinner held afterwards was attended by Kim Jong-un, Ri Yong-ho, and Kang Sok-ju, among others. On October 31, 2011, Chairman Kim Jong-il invited Liu Hongcai, Chinese Ambassador to North Korea and held a meeting. The meeting was attended by Kim Jong-un, Ri Yong-ho, Kim Kyong-hee, Jang Song-taek, Kim Yong-il, and Kim Yang-gon.

On November 9, 2011, Cabinet Member and Ministry of Public Security Meng Jianzhu visited North Korea and had a meeting with Ri Tae-chol, North Korea's commander of the Interior Force and the first deputy minister of the Ministry of People's Security. At the meeting, both parties confirmed their shared views regarding cooperation of law enforcement for the purpose of safety cooperation. They also agreed to share efforts to

strengthen cooperation relations of the two departments. On November 15, at the Ministry of the People's Armed Forces' invitation, a delegation of China's People's Liberation Army's senior officials led by Li Jinai, member of the Central Military Commission(CMC) and director of the General Political Department paid a friendly visit to North Korea(November 15~18). On November 18, former Vice President Xi Jinping met with a youth delegation of the Democratic People's Republic of Korea, led by Ri Yong Chol, former first secretary of the Kim Il-sung Socialist Youth League. At the meeting, he commented that the next generation should realize the historical importance of the friendly relations between the two states and work to succeed such relations. He also emphasized that under the interest of the two leaders, China and North Korea have entered a new stage of bilateral cooperation.

By March 17, 2012, North Korea had already proclaimed the Rason Economic and Trade Zone Law and Hwang geumpyong/Wihwa Islands Trade Zone law which had passed the deliberation process at the North Korean Supreme People's Assembly. On May 28~31, 2012, a delegation from China's State Administration for Industry and Commerce led by Fu Shuang Jian visited North Korea and discussed North Korea's trademarks, industrial planning, and geographical indication. As a result of the meeting, the two parties signed a joint memorandum of understanding regarding the training of talented individuals, problems in information

exchange and mutual exchange. On July 13, 2012, China Development Bank and China Capital Enterprises Association(Chinese Chamber of Commerce in North Korea) in North Korea held a joint cooperative meeting in Dandong. President of the Chinese Chamber of Commerce in North Korea, Liang Rong Jun and people from the embassies in North Korea participated at the meeting. They discussed ways to accelerate development in economic cooperation and exchanged opinions on cooperative measures between corporations and the Chinese Development Bank. On August 14, 2012, the third conference on the co-development and co-management of the Rason Economic and Trade Zone and Hwang geumpyong/Wihwa Islands Trade Zone was held in Beijing. Participants included Chinese Minister of Commerce Chen Deming and North Korean Chief of the Central Administrative Department of the WPK Jang Song-taek.

The two parties discussed relevant plans, expediting facility construction, human resources, planning specific enactments, amendment of legal rules, east of customs, communications, agricultural cooperation and other specific issues; and made considerable progress. North Korea revised its Rason Economic and Trade Zone Law and enacted the Hwang geumpyong/Wihwa Islands Trade Zone law. During the conference, the two parties declared the establishment of a 'Management Committee for the Rason Economic and Trade Zone' as well as a 'Management Committee for the Hwang geumpyong/Wihwa Islands Trade

Zone.’ They also concluded an agreement on discussions of the two management committees, economic and technology cooperative arrangement, agricultural cooperation, power transmission of the Rason area, local construction, and other specific plans. Through the meeting, the two parties shared their expectations for the Rason region to grow as North Korea’s manufacture base as well as the center of international trade in Northeast Asia as well as a hub of tourism. They also expressed their anticipation for the Hwang geumpyong/Wihwa Islands region to grow into a new knowledge concentrated economic zone for industries concerning information, travel and culture, manufacture, and modern agriculture.

In addition, former President Hu Jintao met with Jang Song-taek. Participants from the Chinese party included Deputy Head of International Liaison Department of the Communist Party of China Wang Jiarui, Chairman of the National Development and Reform Commission Zhang Ping, Minister of Finance XieXu ren, Minister of Commerce, Chen Deming, Liaoning Province party secretary Wang Min, Secretary of the CPC Jilin Provincial Committee Sun Zhengcai, Vice Minister of Foreign Affairs Jiang Ze Jun, among others. On the same day Wen Jiabao also held a meeting with Jang Song-taek. During the meeting, former Premier Wen Jiabao stated that in order for the two states’ economic cooperation to develop a step further, cooperation must focus on the two economic zones. To this end, he explained that

cooperation must be strengthened on the following fields. First, the two governments must strengthen leadership plans for cooperation and complete legislations on relevant laws. Second, close communication and cooperation must be maintained as well as keen participation in the concerned regions. Third, market mechanisms must be utilized to create favorable conditions for land, tax, etc. Fourth, corporation investment must be actively promoted and assistance must be provided to address problems and obstacles. Fifth, improvements in customs and quality management must be made to strengthen the ease of cooperation.

On September 17, 2012, the ‘Committee for North Korea–China Co-development and Co-management of the Hwang geumpyong Economic Zone’ held a ground breaking ceremony officially declaring development projects in the Hwang geumpyong economic zone. Deputy governor of Liaoning and on North Korea’s side, Hong Gil-nam, Vice Chairman of the North Pyongan Provincial People’s Committee took part in the event. On September 26, an investment briefing session was held in Beijing regarding North Korea–China economic zones(Rason Economic and Trade Zone and Hwang geumpyong/Wihwa Islands Trade Zone). Chinese participants included Vice Minister of Commerce Chen Jian, Deputy Governor of Liaoning Province Bing Zhigang, Deputy Governor of Jilin Chen Wei-kan. North Korean participants included Vice Chairman of the North Korea Joint Venture Investment Committee Ri Chol-sok. In the congratulatory speech,

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Vice Minister of Commerce Chen Jian emphasized that the two economic zones are very important projects which former President Hu Jintao and Kim Jong-il perceive to be important strategic measures capable of consolidating mutually friendly and cooperative relations. He also stated that the projects are the subjects of interests of both states' leaders which were able to bear fruit through determination and mutual efforts. In addition, he commented that China has ratified laws, regulations, systems, and plans which North Korea legislated.

Third, North Korea-China economic relations became somewhat estranged after the death of Kim Jong-il in November 2011. The most notable evidence is that high-level talks between China and North Korea ceased after November 2012. North Korea-China high-level talks had been held in Pyongyang and Beijing in August 2012. Although the July meeting was held in the third country, First Deputy Director of the Central Committee Pak Pong-ju met with Foreign Minister Jang Jiechi. The last senior delegation to visit Pyongyang was August 2, 2012 with the Head of International Liaison Department of the Communist Party of China, Wang Jiarui, who at the time had a meeting with first chairman of the National Defense Commission of North Korea Kim Jong-un. The last Chinese senior personnel to visit Pyongyang was on November 29 with Li Jianguo, member of the Communist Party of China's Political Bureau as well as vice chairman and secretary general of National People's Congress.

The meeting discussed the 18th National Congress of the CPC. The last senior personnel from North Korea to visit China were held last August. However, as is well known, there has not been another high-level talk between the two states since then.

It is true that there have been many changes to China's North Korea strategy since the launch of the Xi administration. This results from factors such as dramatic changes in China's geopolitical security environment as well as the continuous provocations, particularly nuclear provocations and tests committed by the Kim Jong-un regime. Since its launch in 2012, the Kim Jong-un regime has carried out numerous missile tests and had been the main cause of worsening security circumstances in the Northeast Asian region since carrying out its third nuclear test in February 2013. It has launched missiles from early 2014 to March and at one point there were dangers of the missile hitting Chinese civil aircraft. Also, North Korea has continuously fired ammunition to South Korea's west coast. In addition to such physical provocations, North Korea has ceaselessly criticized the South Korean leader and government. In such situations of continuous verbal and physical provocation, President Xi made the decision to visit South Korea before North Korea in July.

Evidence for changes in China's North Korea policy after the launch of the Xi administration can be found in China's adoption of economic sanctions against North Korea, visiting South Korea before the North, statements of warning regarding North Korea's

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fourth nuclear test, etc. To begin, after North Korea's third nuclear test in February 12, 2013, China adopted three measures for economic sanctions against North Korea. China's Ministry of Transportation authorized relevant bodies to implement the resolution adopted at the UN Security Council on March 7, 2013. In addition, it showed initial movements of posting them on relevant institutions' websites. In May 2013, sanctions were imposed on the Korean Foreign Trade Bank, which is the foreign exchange bank for Bank of China and North Korea. In addition on September 23, 2013, China's Ministry of Commerce along with the Ministry of Industry Information, Customs Administration, and State Atomic Energy Agency posted on their respective websites a list of 900 items that were being sanctioned. These items ran across four sectors including nuclear and missile, chemistry and biology, and supplementary items—so called 'items and technology for both civilians and military usage banned from North Korean export.' The entire list of publically posted, showing China's determination and resolve for North Korean sanctions.

Regarding its unprecedented sanctions, the Chinese Communist Party announced its principles for its measures against North Korea's nukes through the Chinese Global Times(環球時報). It stated that Chinese sanctions against North Korea are adopted in the following cases: (1) When the security environment of China's Northeastern region is threatened; (2) When China's

‘spatial interests’ are threatened; (3) When although China cannot be led, it also cannot lead; and (4) When China is able to implement sanctions within the scope which it is allowed.⁴⁹

It is true that President Xi’s decision to visit South Korea before visiting North Korea indicates a change in its former state–visit strategy. However, it is also true that more observation is needed to determine whether such behavior by China’s leader will be consistent in the future, rather than being temporary or sporadic. However, it is undeniable that President Xi’s decision is at any rate a result of strategic choice. To support this claim, one can look to the numerous efforts made by China to persuade Kim Jong–un to visit China, prior to President Xi’s decision. To underestimate the implication of such fact is premature and unadvisable. According to press reports, China’s invitations occurred on at least five occasions. In August 2010 former President Hu reportedly invited Kim Jong–un when there were ‘rumors’ of his accompaniment when Kim Jong–il visited China. Invitations were also passed along in April 2012, when Kim Yong–il, WPK Secretary for international affairs visited China, as well as in July of the same year when Wang Jiarui, Head of International Liaison Department of the Communist Party of China visited North Korea. Discussions were held on exchange of state leader visits when Choe Ryonghae special envoy of WPK’s First

⁴⁹– *Huanqiu Shibao* (*Global Times*), February 17, 2013.

Secretary Kim Jong-un and member of the Politburo Presidium of the WPK visited China on May 24, 2013. Most recently, it has been reported that China's invitation was passed to North Korea when Chinese Vice Foreign Minister Liu Zhenmin visited North Korea in February of this year.

After North Korea's third nuclear test, China has been putting efforts to deter North Korea's fourth nuclear test through various measures. The most recent of these diplomatic efforts were noted when Chinese Vice Foreign Minister Liu Zhenmin visited North Korea in February 17, 2014. At the same period, Chinese Foreign Minister Wang Yi strongly expressed his opposition at both home and abroad. China has also directly expressed its opposing views when greeting North Korean senior level personnel from the Ministry of Foreign Affairs during their visit to China. In addition, Foreign Minister Yang Yi told the U.S. Secretary of State John Kerry that he had delivered his strong opposition to North Korea during his visit to China last February.

3. Particularities in North Korea–China relations

Given the developments in recent North Korea–China relations, one cannot but be puzzled about many aspects of the relations. Firstly, what is the importance of North Korea for China? Why Beijing continues to provide aid to Pyongyang? Indeed, the

answer can be quite simple. China wants to prevent North Korea's collapse. However, there is no clear answer to why China is continuing to trade, invest, and grant aid to North Korea, despite its agreement to economic sanctions. In addition, why China is tolerant, regarding North Korea's nuclear program when its objective of foreign policy is to create and maintain a stable and peaceful international environment for its economic growth? Does China not consider North Korea's nukes to be a threat to its national security? One principle that China has adhered to is the principle of non-alignment. Nevertheless, why does China consider North Korea-China relations to be an exception?

In the field of trade, China, as a member of the WTO, has been granting North Korea with favorable treatments. Is this not a violation of WTO norms and regulations? From 2003, Beijing has emphasized that North Korea-China relations are not 'special' but one of 'normal state relations.' However, why is China unable to overcome such specificity of North Korea-China relations? Another point of interest is that aspects of North Korea-China alliance cannot be explained in standard terms. Chinese troops are not stationed in North Korea and there are no joint military exercises between the two states. In addition, based on available sources, there are no records of weapons sales to North Korea since the end of the Cold War. Nevertheless, North Korea-China alliance is still valid and capable of exercising

an effective deterrence. How can such circumstances be understood? The answers to these questions can be boiled down to the issue of what North Korea means to China.

To begin with, North Korea is China's only ally. Regardless of the form of North Korea–China alliance, as long as “the North Korea–China Mutual Aid and Cooperation Friendship Treaty of 1961” is maintained, the ‘specificity’ of North Korea–China relations will be maintained. China has already clarified its position, regarding automatic intervention in an emergency when this was a heated topic of debate in 1990s. If North Korea attacks first, China will not intervene and will not be obligated to do so. However, if North Korea faces an external intrusion, China explained that it will come to a decision after careful circumspection. One point of caution is the perception of ‘intrusion’ that China and North Korea have. In other words, it is necessary to contemplate the definition of ‘intrusion.’

After the conclusion of the North Korea–China treaty in 1961, the two states’ leaders have used the terms ‘intrusion’ and ‘invasion’ indiscriminately in their discussions and in the process have come to expand the concepts. By definition, ‘intrusion’ means ‘entering another country with no good reason,’ and ‘invasion’ means the ‘encroachment of another territory, rights, property, or status.’ In other words, from the perspective of security strategy, the term ‘invasion’ includes the encroachment of territorial land, waters, airspace. In this case, the conceptual scope of South

Korean or U.S. military's stationing in North Korea can be limited. Thus, in an emergency situation in North Korea, the issue of South Korean, the U.S., or other allied forces' interference is not so simple. The historical context behind North Korea and China's expansive interpretation of 'invasion' includes U.S. interference in the Vietnam War in early 1960s, concerns of the ROK-U.S.-Japan alliance after normalizations of the ROK-Japan relations in 1964, and the USS Pueblo incident in 1969, among others.

Second is the strategic value of North Korea as a buffer state. Although this argument may be somewhat of a cliché, it cannot be ignored. However, this argument does not simply claim that just because U.S. military are station in South Korea, North Korea-China alliance needs to be maintained. After China's opening and reform, it has sought to maintain peace and stability though a balance of power. This is why China is satisfied with the status quo and promoting policies and strategies to maintain it.

Placing such logic in the context of the Korean Peninsula, as long as the ROK-U.S. and U.S.-Japan alliances are maintained, North Korea-China alliance will also be maintained. It can be understood that the balance of power and status quo will be maintained when the U.S. and China hold on to their respective alliances. Therefore, if there is no counterstrategy based on such China's principles, prospect for Korean unification is dim. In other words, in terms of Korean unification, China's concern

regarding the presence of U.S. troops on the north of the Peninsula is not merely a material concern, but concerns of it is regional status and security uncertainties due to changes in the balance of power. For China, an important proposition is that regional power structure and the 'status quo' is maintained even after Korean unification.

Third, North Korea is a special ally that China cannot yet afford to lose. China is publically carrying out efforts to transform North Korea-China relations into one of normal state relations. Nevertheless, in speeches made by the two states' leaders during their meetings or state visits, they still state that 'traditional friendly relations must be inherited generation after generation.' In fact, it appears that efforts to do so are being strengthened by China. It is common knowledge that before North Korea's successor inherits power, the successor visits Beijing and receives confirmation. However, in North Korea's case, this has only occurred once. On the other hand, it is interesting to note what North Korea's former leaders have done in the past. Recent Chinese leaders have made North Korea their first formal state-visit when their status as successor is confirmed. In other words, upon their entry into the political stage in the Communist Party and their leadership status becomes official; their first foreign visits are to North Korea.

When it became publically known that Xi Jinping would be China's next leader, he visited North Korea after his entrance onto

the political stage in 2008.⁵⁰ Likewise, when it was confirmed that Hu Jintao would assume leadership in 1993, he visited Pyongyang. In the case of Jiang Zemin, his abrupt leadership succession following the Tiananmen Incident meant that he lacked a period of leadership training. Nevertheless, after his appointment as state leader, Jiang's first official foreign state visit was to North Korea. The reason why Chinese leaders visit North Korea during their period of leadership training is probably to allow the leaders to realize the importance and value of North Korea–China alliance. The meaning and value of North Korea–China alliance may not be particularly deep rooted for Hu Jintao or Xi Jinping who were not from the revolution era nor the Korean War era. It may therefore not be as realistic to them. This may be a point of concern for the elder generation of China's leadership or the Communist Party. Therefore, such visits can be interpreted as a form of 'field study' for North Korea–China relations. In this context, the Chinese Communist Party may place a bigger strategic meaning and security value to North Korea–China alliance than is commonly thought. This is because until now the common belief was that the shared consensus regarding the meaning and value of China–North Korea relations between the next generation of Chinese leaders and North Korea's leadership is on the decline.

⁵⁰- *Wangyishinwen(NetEase News)*, June 17, 2008.

In these ways, China's government and military have maintained a tradition of emphasizing the importance of North Korea. Given the current dynamics surrounding the Korean Peninsula, China's alliance with North Korea complies with its national interests and diplomatic objectives. In addition, in order for North Korea to survive and function as a state, China's support is a necessity. In this sense, North Korea-China relations gain more meaning as a means of fulfilling mutual strategic interests.

It is notable that military exchanges between China and North Korea are greatly influenced by changes occurring from both domestic and international. After normalization of relations in 1999, the two states experienced a lull year of military exchanges. After Kim Jong-il's visit to China in 2000, exchanges began to expand. Between 2000 and 2001, numerous Chinese personnel visited Pyongyang in many occasions. After 2002, mutual visits have been relatively balanced. After North Korea's first nuclear test in 2006, military exchanges came to a decline. However, it is notable that exchanges became normalized after 2008. After 2008, visits by North Korean personnel to China increased dramatically and their backgrounds also appeared to be more diverse than before. During 2006 to 2008, exchanges slowed again due to North Korea's nuclear tests and missile launches. However, after official exchanges continued again in 2008, it is notable that North Korea dispatched its air force commander to China who expressed her hopes to carry out exchanges with Chinese air force.

Since 2004, North Korea has expressed that it wants China to always be on “North Korea’s side” as indication of security verification. Since 2008, mutual military exchanges have expanded in scope; it appears that North Korea has taken an active role in seeking China’s cooperation in the navy and air force. Regarding the dominant figures in military exchanges, it is notable that personnel from the Ministry of People’s Armed Forces hold significant authority and are in charge of exchanging, discussing, and negotiating with China.

4. Rift in North Korea–China relations?:

North Korea’s nuclear test and China’s sanctions

A degree of strategic change can be detected in China’s North Korea policy following North Korea’s nuclear tests. The necessity of these strategic changes has recently been reported through editorials on the *Global Times*. Although the *Global Times* has a somewhat biased perspective, it is in name and virtue, a sister paper of the *People’s Daily* as well as an official organ of the Communist Party. Thus, compared to other analyses, their editorials provide meaningful insights that portray the Communist Party’s perspective, position, and discourse. The following are changes in China’s perception of its North Korea strategy based on the editorials.

To begin, China perceives North Korea’s nukes to be a

significant threat to its national interests. As such a discourse is emerging on the necessity of an effective response. Recent editorial on the Global Times states that regarding North Korea's nuclear issue, the biggest threat to China is North Korea's development of nuclear missiles. It perceives efforts to develop nuclear-tipped missiles to be a bigger threat than mere possession of nuclear weapons. Therefore, China wants the resolution of North Korea's nuclear issue and adheres to its principle of a denuclearized Peninsula. It also strongly determined to resolve the nuclear issue in a peaceful manner. For that matter, China is of the position that as long as North Korea's nukes threaten China's 'spatial interests,' China will put efforts to resolve North Korea's nuclear issue. In particular, it can be presumed that China will not wait for North Korea to develop nuclear-tipped missiles.

Second, reprisal against North Korea's nuclear tests also complies with China's national interests. No other state that understands North Korea's economic difficulties and challenges better than China and this is why China assumes the role of a mediator every time the UN discusses sanctions after North Korea's nuclear tests. However, speculations of a fourth nuclear test, despite China's multiple efforts, have led China to change its position. China is in the process of developing a discourse outlining the justification and necessity of punishing North Korea for its nuclear ambitions. According to an editorial in the

Global Times, although the degree of punishment cannot be on par with that of South Korea, the U.S., or Japan, it argues that more severe punishment is needed compared to the past. In addition, it argues that punishment should be carried out in the form of reduced aid. It can be said this was the context which led to a halt in senior-level exchanges and meetings between North Korea and China. As long as senior-level exchanges and meetings focused on economic cooperation, the discontinuation of such exchanges indicate that there is nothing further to discuss in terms of economic cooperation, including aid. In addition, the editorial commented that China's punishment must be a 'warning message between two friends,' and that 'North Korea must realize that this is their marginal line.'

Third is the change in China's strategy that although China cannot lead the resolution of North Korea's nuclear issue, it will not be led by it. This means that although China cannot control the ROK, the U.S. and Japan in imposing economic sanctions, it will not stand in the same bloc and pressure or sanction North Korea. Therefore, China's basic position is that it cannot but oppose the inclusion of critical clauses regarding the North Korean regime in UN resolutions. In this context, China's sanctions against North Korea will be carried out on its own accord. Although China opposes North Korea's nukes, its basic position is that it cannot change North Korea's behavior overnight. China's position is that it will carry out sanctions to

the best of its capacity. Preconditions to China's independent actions include that North Korea does not pollute China's northeastern regions in its process of nuclear possession; that the ROK, U.S., and Japan do not militarily attack North Korea and that Japan and South Korea do not pursue nuclear weapons; and that hostile relations between North Korea and the ROK, the U.S., and Japan are not facilitated by China. In addition, China is of the view that the carrying out the aforementioned conditions does not obligate China to aid the ROK, the U.S., and Japan in isolating North Korea. In other words, China justifies its position that it will impose sanctions to the extent that its capacity allows. China perceives that it is unreasonable and unfair for the ROK, the U.S., and Japan to request China to change when they themselves refuse to do so.

5. Conclusion: prospects for North Korea–China relations

There will not be major changes in policies concerning the Peninsula or North Korea under the Xi administration. Rather, the period will be marked by consistency and continuity. This results primarily from the maintenance of the regional order, or the balance of power, in Northeast Asia particularly around the Korean Peninsula. Northeast Asia's balance of power is composed of alliance systems made up of states in Northeast Asia, including

the Peninsula. Thus, regional balance of power is maintained by the ROK-U.S., U.S.-Japan, and North Korea-China alliances in the shape of a triangular formation. In such circumstance, North Korea-China alliance is a very important factor for China's strategic security interests while simultaneously a critical factor maintaining order in the Northeast Asian region. For China, maintaining such North Korea-China relations is a means to realize peace and stability in the region. Therefore, if peace and stability in the region is possible through the status quo, the necessity of North Korea-China alliance to respond to South Korea-U.S. and U.S.-Japan alliances becomes a compelling argument.

Second, based on the status quo argument, China cannot give up its alliance with North Korea. Regardless of North Korea's numerous military provocations, China has to defend North Korea to a certain extent. This is the burden and responsibility China must justify. Nevertheless, China criticized North Korea's nuclear tests in 2006, 2009, and 2013, and also agreed to sign the UN economic sanctions because its provocations violated the denuclearization principle as well as threatened China's policy of peace and stability on the Peninsula. However, China does not consider other provocations to be violations of its foreign policy principles on the Peninsula because it applies a causal relationship based on North Korea's stance. In this context, as long as North Korea is willing to maintain its alliance with China under China's principles for the Peninsula(peace and

stability on the Peninsula, independent unification of the Peninsula, denuclearization, etc), then North Korea–China alliance will have no reason to falter.

Lastly, North Korea–China relations are still maintained through the party level, rather than at the state level. Because North Korea–China relations are often understood at the state–level, one can be easily misled by China’s intentions to transform its state–relations with North Korea. Even if, as reported by the media, North Korea–China relations are superficially transformed into normal state relations, the operating mechanisms are still at the party–level and the actors are still the two states’ respective Communist and Labor parties. In particular, North Korea and China both maintain ‘party–state’ systems and as long as the Labor Party and Communist Party remain the respective states’ only party, the fundamental basics of bilateral relations will be maintained between the two parties—whatever state–character North Korea–China relations may adopt. Therefore, one cannot overlook the political reality concerning the two states and governments’ inevitability in implementing the decisions made by the respective parties.

Given the fact that North Korea–China relations are carried out under the leadership and guidance of the respective parties, as long as the general principle of the parties’ is to maintain North Korea–China alliance, such relations much be understood in the framework of alliance relations under the premise that it

is comprehended at the party-level. Of course, strategic and tactical changes may occur at times. However, it would be erroneous to take these changes as fundamental changes in policies or party positions. The aim and direction of China's policies on North Korea are strictly based on its national interests and objective grounds. Although it would not be an exaggeration to state that it has moved beyond an ideological-centric structure, North Korea-China relations remain an exception because the two states maintain their respective party state systems. In other words, relations between the two states are managed and maintained at the party-level and carried out in a 'party-to-party' framework. Such relations cannot be led even by the governments' foreign affairs authorities. This is a testament to the 'special relations' that has been traditionally held by the two states even to this day.

The keynote of China's policy on North Korea has been consistent and continuous. It is merely the strategies and tactics which have changed. South Korea's policy on China as well as its strategies must be formulated with this reality in mind. To this end, it is critical to expand South Korea-China strategic dialogue. It appears that a generation change is occurring in expert groups capable of forming policy advice among Chinese academics and policy research institutions. Recently, young policy planners in the Ministry of Foreign Affairs and the Party's Department of International Liaison, who are in charge of North

Korean affairs, have been adopting a more pragmatic perception. In addition, it is undeniable that more and more people in the State Council believe North Korea–China relations need to transition into normal state relations based on national interests.

However, when South Korea discusses North Korea issues with China, it is important not to be blinded by the Chinese government's way of thinking. Although China's influence on North Korea may be somewhat limited, as long as its special relations with North Korea is maintained via various channels including government and military, South Korea must work to strengthen cooperation and communication with China. By actively making use of such trend, South Korea should not only enhance the level of strategic talks with China, but also work to strengthen relations with experts with whom productive discussions will be made possible.

IV. China–Taiwan Relations⁵¹

Korea, China, Vietnam and Germany were the four countries that emerged from World War II divided. The two Vietnam became one in 1976 after North Vietnam defeated South Vietnam militarily. The two Germanies became one in 1990 after the collapse of East Germany and the rest of the Soviet bloc. On the Korean peninsula, both Koreas aspire for unification, but how and when it will happen remains very unclear, but there is a broad consensus that at the end of the day the Republic of Korea, the South, will rule the Peninsula.

Even more uncertain is what will happen to the division between the Republic of China(ROC) on Taiwan and the People's Republic of China(PRC) on the mainland, and how unification will occur if it is to occur. The aspiration for unification on the mainland is strong, and the expectation there is that it will occur according to the PRC's formula of one country, two systems. On Taiwan, opinion is very much divided. A significant share of the population believes that Taiwan should be a separate country. A majority hopes for the preservation of the status quo. Even

⁵¹- This essay is based on the findings and interpretations of my previous writings on China–Taiwan relations: Richard Bush, *Untying the Knot: Making Peace in the Taiwan Strait* (Washington, D.C.: Brookings Institution Press, 2005).

those Taiwan citizens who would accept unification at some point reject Beijing's approach. Hence, if any unification occurs, how it would happen is quite opaque. A military solution seems unlikely, and the PRC regularly reaffirms its peaceful intentions. A negotiated solution seems implausible as long as the two sides stick to the positions to which they have held for thirty years. Is there an intermediate option? This chapter explores the background of the division across the Taiwan Strait: its past evolution, current state of play, and the near-term and mid-term possibilities.

1. Background

Taiwan's relationship to the mainland China has been long and complex. The island was incorporated into the imperial Chinese system in 1681 but was more ignored than ruled. The Qing dynasty ceded Taiwan to Meiji Japan in 1895, which ruled it for fifty years and fostered significant economic development. Pursuant to the Cairo and Potsdam Declarations but pending a formal peace treaty, the Republic of China government under Chiang Kai-shek accepted the Japanese surrender. That government then imposed an increasingly repressive regime on the long-time residents, who were largely ethnic Chinese. When Mao Zedong's communists defeated Chiang's armies in 1949 and the ROC government retreated to Taiwan, the expectation was

that the fall of the island and the ROC was a matter of time. But the North Korean invasion of South Korea led the new People's Republic of China government to put off a quick invasion of Taiwan. Thereafter, U.S. security guarantee and defense assistance to Taiwan deterred any serious action by Beijing. Cross-Strait relations remained frozen in all respects until the 1980s. The two governments disagreed on most matters but each believed that Taiwan was a part of Chinese territory and it should reunify China.

Three trends changed this status quo. The first was in economic relations. China needed external investment to stimulate the Chinese economy and stabilize its political system, and companies in both Hong Kong and Taiwan were the prime candidates to provide it. Taiwan entrepreneurs were increasingly eager to have access to China, not only because it might become a big consumer market but also because of rising wage rates on the island and the U.S. pressure to appreciate Taiwan's currency. The ROC government accommodated to this desire, and there thus began an economic migration that has made Taiwan companies important players in the mainland economy. Between 2006 and 2012, China, including Hong Kong, consumed on average around 39% of Taiwan's exports(the U.S. takes only 12%).⁵² Not a small number of people in Taiwan have worried

⁵²- Mainland Affairs Council, "Table 1 Trade between Taiwan and Mainland China," *Cross-Strait Economic Statistics Monthly*, No. 238 (February 21,

about excessive economic dependence on China, but stopping the trend was impossible.

At first, it seemed that economic interaction could produce political reconciliation. The first senior-level, semi-official meetings occurred in Singapore in April 1993, facilitated by mutual acceptance of an ambiguous formula later called the “1992 consensus.” China’s leaders became more confident that time was on their side and that ultimately Taiwan would accept its formula for unification. But the second trend replaced Beijing’s confidence with alarm.

That trend was Taiwan’s democratization, which began in 1986 and culminated in the presidential election of 1996. Chiang Ching-kuo, the leader of the ruling Kuomintang, had the counter-intuitive insight that perhaps the regime could govern more effectively by opening up the political system rather than through continued tight control. He also recognized that democracy would give Taiwan a new, values basis for American support. Lee Teng-hui, Chiang’s successor, completed the democratization process that he had begun.

For Beijing, an open and democratic Taiwan was problematic. It meant that native Taiwanese like Lee Teng-hui, who didn’t identify with the mainland as much as mainlander leaders like Chiang Ching-kuo did, would henceforth dominate Taiwan politics.

2013), <<http://www.mac.gov.tw/public/Attachment/322015413549.pdf>>.

It also permitted public discussion of ideas that had been previously taboo. First and foremost of these was the proposal of the opposition Democratic Progressive Party that Taiwan should be an independent country rather than a part of China that was awaiting national unification. Democratization was also problematic for China by transforming the context in which Taiwan might negotiate with Beijing. At least metaphorically, Taiwan voters would have a seat at the negotiating table, and most of them opposed China's one country, two systems formula for unification. The opposition DPP was still a minority, but in Beijing's eyes a negative trend had begun.

The third new trend was the end of the Cold War. Specifically the fall of the Soviet Union caused the collapse of the international arms market. Defense contractors everywhere were in trouble and looking for markets. China saw an opportunity to buy Soviet weapons systems and so modernize its arsenal much faster than was possible through indigenous development. Taiwan saw a similar opportunity with the U.S. and a few European countries.

The U.S. did not cause any of these trends, but it welcomed the first two: improvements in cross-Strait relations and democracy on Taiwan. In general, it welcomed the end of the Cold War but not all of its consequences. A major consequence: the break-up of the former Yugoslavia. A minor one: the buyer's market in arms led the first Bush administration to approve the sale of F-16s to Taiwan, which was a significant upgrade in

quality and quantity. It did so both because China's capabilities were increasing and because of domestic pressure. That China was still in global isolation because of Tiananmen was also at play. But approval of the sale deepened the post-Tiananmen deterioration in the U.S.-China relations.

Things went from bad to worse for Beijing in the mid-1990s when Lee Teng-hui sought a second full term in Taiwan's first presidential contest by direct elections. The public wanted Taiwan to break out from China's diplomatic quarantine, so Lee engineered a visit to the U.S. To appeal to the Taiwanese majority, he emphasized identity politics. And he saw the value of playing upon the public's fears of China. In response, China therefore engaged in coercive diplomacy, including conducting missile exercises in the days before the election in March 1996. Thereafter, Lee continued to emphasize, as he saw it, the ROC's status as a sovereign entity. But Beijing concluded that his statements and actions indicated that he sought Taiwan Independence.⁵³

Chen Shui-bian, a leader of the DPP, won the presidency in 2000 by mounting a centrist electoral campaign. His victory deepened China's sense of vulnerability. Early on, it concluded

⁵³-My own view is that Lee, at least during his presidency, was not pursuing de jure independence at all but was in laying out his own concept of unification. But for China, Lee's concept was inconsistent with one country, two systems, and incompatible with the PRC as a unitary state, and therefore unacceptable on both grounds.

that Chen sought an independent Taiwan when in fact he hoped to find a way to coexist with China. To keep his party in power in 2004 and 2008, he shifted, aligning with his party's pro-independence base—playing up identity politics, baiting China, and proposing provocative initiatives. China's reactions deepened Taiwan's sense of vulnerability. It was a situation of mutual fear.

Taiwan's actions and China's response also alarmed the U.S. It feared that a negative cross-Strait spiral might lead to a conflict in which it would have to intervene. So the Clinton Administration and the second Bush Administration pursued an approach of “dual deterrence”: simultaneously warning Beijing and Taipei against provocative actions and reassuring each of U.S. intentions.

2. Since 2008

The March 2008 presidential elections were a turning point in Taiwan politics. Many voters were uncertain about their economic future and rattled by the yo-yo of tensions with China. Both the PRC and the Kuomintang worked to present an alternative path to confrontation. First, the PRC President Hu Jintao laid out in some detail the benefits that would flow to Taiwan if it eschewed the road of Taiwan independence. Then Ma Ying-jeou, the Kuomintang's candidate, campaigned on the idea that Taiwan could better maintain its freedom, prosperity, security, and

Part1

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dignity by engaging China, not provoking it. On election day, he got 58% of the vote.

Ma Ying-jeou moved quickly to carry out his campaign proposals. He first reassured Beijing about his intentions while president by pledging there would be no move to independence during his presidency. He accepted the so-called “1992 Consensus,” a formula that the two sides had worked out for the April 1993 meeting noted above.⁵⁴ The two sides agreed that they would focus first on “easy task,” mainly economic issues before moving to harder ones in the political and security arenas. Between 2008 and 2011, they rapidly concluded a series of agreements, mostly economic in nature, to remove the obstacles between them and to expand areas of mutual cooperation. The initial accords removed obstacles to normal interactions between the two sides. More ambitious was crafting a process of economic liberalization, the centerpiece of which was the Economic Cooperation Framework Agreement (ECFA), signed in June 2010. ECFA’s ultimate objective was the creation of a free trade area between the Taiwan Strait.

Nothing in this process was easy. Each successive negotiation became more difficult than the one before because the issues were more difficult and affected more domestic interests. In the summer of 2009, Beijing got impatient about moving from

⁵⁴- To reassure the Taiwan public, he also called for no unification and no war.

economic issues to political ones and only backed off when Taipei signaled that the political climate was not right. On the one hand, Ma Ying-jeou had low approval ratings because of some mistakes by his administration. On the other, the opposition DPP emphasized the downside of the Mainland engagement. It charged that the benefits were going only to the wealthy while average citizens suffered. It also asserted that Ma Ying-jeou had started Taiwan down the slippery slope towards unification, selling out Taiwan's sovereignty in the process.

This view, while understandable, was not accurate. Although Ma probably shares his party's long-term goal of "ultimate unification," he also believes that the terms and conditions must be right and that a broad majority of the Taiwan public believes that the terms are right. A reason for that caution is that unification, whatever the terms, probably will require amendments to the ROC constitution. That in turn requires a three-fourths vote in the legislature and approval in a public referendum by fifty percent of all registered voters—a very high bar. When, during Ma's presidency, there were even hints of movement toward unification, there was a strong negative public reaction. So the goal of Ma's mainland policy was to stabilize Beijing-Taipei relations after a long period of turmoil rather than trying to resolve the fundamental dispute between the two sides. Stabilization might lead to resolution, of course, but only if Taiwan chose to go there.

In the 2012 presidential campaign, the DPP again pushed its anti-Ma and anti-ECFA arguments, warning that Taiwan was on a slippery slope. Ma argued that his policies had brought an improvement in economic performance and that a DPP victory would put those benefits at risk. Ma got the better of the argument and won re-election by a safe margin. Still, Taiwan remains a deeply divided polity.

Just as cross-Strait relations improved under Ma Ying-jeou, so did the U.S.-Taiwan ties. Washington both approved of the results of Ma's policies and improved bilateral ties. The conduct of relations improved considerably. The Obama Administration approved both visa-waiver treatment for Taiwan visitors to America and \$13 billion in arms sales, a record for one, four-year term. After a couple of false starts, the Ma Administration removed obstacles to discussions of bilateral economic liberalization. This reflected a linkage in American policy: the U.S. relations with Taiwan are a function of Taiwan's policies towards China.

During Ma's second term, even cross-Strait stabilization became hard. One reason was on display in the negotiations with Beijing concerning Ma's sensible but modest initiative to allow each side's semi-official cross-Strait organizations⁵⁵ to open branch offices in the other's capital city. The talks got hung up on the question of whether officers in the SEF's office

⁵⁵- Taiwan's Straits Exchange Foundation(SEF) and the Mainland's Association for Relations Across the Taiwan Strait.

on the mainland could visit Taiwan residents who had been detained by the mainland law-enforcement authorities. Taipei insisted that it had to be able to help its citizens in trouble. Beijing objected because this service looked a lot like the consular function that embassies perform, thus suggesting that Taiwan was a sovereign entity. Deep differences on that question have been the key obstacle to resolving the basic cross-Strait dispute, but they also intrude into the stabilization effort.

A second reason for the slow-down in cross-Strait stabilization was domestic politics on Taiwan. Even in the economic sphere, easy issues were destined to become hard. For example, the Service Trade Agreement, which was signed in June 2013, would open parts of the Taiwan market to mainland service providers, thus threatening their Taiwan competitors. At the same time, some Taiwan service sectors doubted that they would be able to take advantage of the market openings on the mainland side.⁵⁶ To make matters worse for the Ma Administration, which probably could have done a better job selling the agreement to the public, the DPP chose to fight the agreement in the Legislature rather than allow it to go through.⁵⁷ The DPP, knowing that it could not defeat the agreement if it came to a vote in the

⁵⁶- This was particularly a concern of small and medium enterprises.

⁵⁷- This approach was different from the one the DPP eventually adopted regarding the initial ECFA pact in 2010. The party initially said that it would revisit that agreement if it returned to power in 2012. Once it saw how popular ECFA was, it dropped that threat.

Legislative Yuan, chose to block its consideration at every turn. When in mid-March 2014, the KMT caucus grew frustrated and tried to abandon article-by-article review and move directly for a vote on the agreement, the DPP legislators seized control of the legislature. They were soon joined by students from various Taiwan universities who called themselves the “Sun flower Movement.” After several weeks, the Legislative Yuan returned to something like normal but passage of the agreement was even less likely than when the crisis began.

The Service Trade Agreement was only the most recent battle in a long war. That was a general conflict over how to cope with an increasingly powerful China, which has been the central issue of Taiwan politics for two decades. It is a debate that has evoked rival policy approaches (the proper mix of engagement and resistance) and contending definitions of national identity (Chinese? Taiwanese? Some sort of mixture?).

The Sunflower Movement was one example of a new phenomenon in Taiwan politics: the emergence of new, activist social movements that are intensely dedicated to a specific cause and use social media to mobilize followers. These movements lack confidence in the vision of Taiwan’s political leaders and in the effectiveness of the island’s political institutions to provide effective and accountable governance. The mass media provides these movements with disproportionate coverage. This phenomenon is not totally new, of course. There were social movements on

the island in the 1980s and early 1990s. Thereafter, political parties and elections channeled public sentiment. Towards the new movements, parties have an ambivalent perspective. The Kuomintang appears not to know how to cope with them. The DPP has tried to co-opt them for its own purposes. Indeed, the Sunflower occupation of the Legislative Yuan would not have happened without the DPP's enabling actions.

3. Prospects for New Progress in China–Taiwan Relations

The progress that occurred after 2008 was the picking of “low-hanging fruit.” The two sides purposefully picked “easy” issues on which to conclude agreements. All of these accords were areas on which mutual benefits were possible, thus receiving the support of a majority of the Taiwan public. If even economic issues were becoming “hard” by 2013, political issues were much more difficult. Whether talks on the latter would ever occur has been the key indicator of how far cross–Strait progress would go.

During Ma's first term, Beijing tried on one occasion to push for political talks, but the opposition in Taiwan was quick and strong. Two obstacles that block the two sides from tackling political issues are truly formidable. The first is Taiwan public opinion, which remains unconvinced that the island would benefit from political agreements as it did from most economic agreements.

Part1

Part2

Part3

The Ma Administration made the cross–Strait progress it did in the first term because the balance of sentiment in society favored his policies. Roughly speaking, 55% approved of them to some degree, while 45% was skeptical or outright opposed. This was the margin in the 2012 presidential elections by which conservative candidates bested their rivals on the left. But, it is important to emphasize, that this balance of sentiment applies only to cross–Strait economic policy. Although it is hard to say what the margin is on the political side, but those who constitute the majority certainly oppose talks. Thus, when there were hints both before and after the 2012 elections that political talks might be in the offing, there was a public panic, to the point that Ma had to promise a role for the legislature and the public in approving any agreement.

The second obstacle is a serious conceptual gap between the two sides on political talks. A central issue in any cross–Strait political negotiation will be the status of Taiwan and its government within the framework of one China. Is it a sovereign entity, as most on the island believe, or is it merely a regional authority that lacks any sovereign character(as Beijing asserts)? Essentially, this is the question of the Republic of China, on which each side of the Strait has its own answer. For talks to succeed, there would need to be at least a provisional consensus between Beijing and Taipei, and a public education campaign to prepare the Taiwan public since the issues involved are esoteric to say

the least. So far, there have been no government-to-government discussions of the Republic of China matter, only Track Two exchanges between scholars of each side. These have served only to make the conceptual differences more explicit rather than bridge any gaps.

Recall the distinction aforementioned between stabilizing cross-Strait relations and resolving the fundamental dispute between the PRC and ROC. One of the reasons that political talks are so difficult for each side is that what might be agreed for the purpose of stabilization about the status of Taiwan within the context of one-China is likely to define the point of departure for any negotiations to resolve the fundamental issue. Neither side will wish to make a concession now that would be acceptable to the other side, if it fears, correctly or incorrectly, that it will put it in a weak position later. As the weaker party and a democracy, Taiwan is particularly prone to such fears.

The question for the near-term future is how the results of the 2016 presidential election will reshape Taiwan's cross-Strait policy and Beijing's response. A victory for the Kuomintang candidate (Ma is term-limited from running) would no doubt result in continuity of basic policy, which would be somewhat reassuring to Beijing. The result would indicate that the 45~55% balance of sentiment was holding. Ma's successor would likely reaffirm his commitment to the 1992 consensus as the political basis for cross-Strait interaction and cooperation and to

not pursue de jure independence. Yet even under this new KMT president, the chances for movement towards political talks would remain low. The factors that made it an on-starter in the Ma period—public opposition and the conceptual gap, regarding the ROC would remain. At least some on the mainland would conclude that the ultimate outcome of this incremental process of stabilization would not be realization of Beijing's goal of unification but a permanent preservation of the status quo in effect, peaceful separation. Still, Beijing would be unlikely to upset the current status quo.

If the DPP candidate were to win in 2016, it would be a different story. Clearly, the DPP will regain power at some point, if only because the public dissatisfactions with the Ma Administration's performance accumulate to the point that it becomes difficult for any KMT candidate to win. The question is when, not if, the DPP comes back to power.

If the answer to that question is 2016, then the next question would be why the DPP candidate won. The outcome of Taiwan presidential elections are a function of four factors: the quality of the candidates, the financial resources available to each side, the organizational and messaging ability of each camp to get its loyal supporters to go to the polls and get the votes of independent voters, and which side better defines the issues of the campaign. In 2012, when Maran against TsaiIng-wen, the two sides were more or less equal on the first three factors, with

the KMT perhaps doing a better job on fund-raising and the DPP excelling in mobilization. What made the difference was Ma's ability to set the agenda and encourage voters to fear that a defeat for Ma would wipe out the benefits of his cross-Strait policies. For 2016, it is quite conceivable that the KMT and DPP are again more or less capable in their candidates, fund-raising, and mobilization and the DPP succeeds in setting an agenda that focuses on the KMT's domestic performance and minimizes the salience of the mainland policy. To put it differently, the DPP would win the presidency without changing the balance of sentiment concerning cross-Strait policy in its favor.

What about Beijing's reaction to a DPP victory? Chinese leaders would no doubt worry that the result reflected a change in sentiment and that the new president would, like Chen Shui-bian, pursue policies that it concluded were a challenge to China's fundamental interests. Beijing would then have to formulate a response that would deter such antithetical policies and seek, over time, to reverse the negative trend in the balance of sentiment. This will be a matter both of facts and perceptions of facts. If the election agenda is domestic in focus, then it is harder to make the case that the balance of sentiment has changed. But the situation is likely to be more complex. In 2012, Ma was able to foster fear about the consequences of a DPP victory; in 2016, the DPP may be able to make the case is what voters should most fear is further integration with China. Thus,

subjective perceptions will come into play. Also, complex would be any assessment of a new DPP's president's policies and their impact on the PRC interests. That Beijing would make an accurate and objective assessment should not be taken for granted.

Can the DPP candidate do enough to reassure Beijing about her/his policies? China would certainly like it to do so, and the DPP has worked since 2012 to display goodwill and take advantages of opportunities to engage mainland interlocutors. It has an interest in dissuading Beijing from setting any conditions on post-election engagement, and to persuade the Taiwan public that its victory would not destroy what benefits Taiwan has gained from cross-Strait economic relations since 2008. Beijing, however, has sought to influence the outcome of Taiwan presidential elections by making clear that it will engage Taiwan leaders only if they are willing to establish a political foundation for that engagement. It has maintained this "strategic clarity" since 2004. For the 2012 election, its standard for judging Ma Ying-jeou and Tsai Ing-wen was whether they "opposed Taiwan independence and adhered to the 1992 Consensus" (Ma did and Tsai didn't). The core of that standard is a commitment to one China, of which Taiwan is a part. For 2016, Beijing might conceivably change the words of its standard but the core will remain. The problem for the DPP's candidate will not only be that he or she opposes the standard on substantive grounds but

also that he or she must oppose it on political grounds. The mainstream view within the DPP is that Taiwan is not a part of China, and that its candidate should not make the commitments that Ma has made to Beijing.⁵⁸ The DPP candidate for 2016 will probably not publicly advocate Taiwan Independence, but he or she will not abandon it. The candidate may test out circumlocutions for the 1992 Consensus; but politically cannot endorse it by name, and may be forced during the campaign to reject it (as Tsai did in 2012).

It is still early days on who the DPP candidate will be, much less how the candidate will handle the question of policy towards Beijing. After the 2012 election, party chairman Su Chen-chang set up a deliberative process to consider changes in China policy that might be more acceptable to the Taiwan public, Beijing, and Washington, but there was no definitive result. Then in May, Tsai replaced Su as chair and she will no doubt have her own approach. In the end, however, Beijing may judge the prospects for a new DPP administration not on its policy statements but on its assessment of the underlying intentions. In addition, the DPP's role in stalling, if not burying, the Service Trade Agreement may be more telling than whatever the candidate might say.

It is possible that the DPP candidate could avoid statements during the campaign that would lock in a hostile policy from

⁵⁸ Even though President Ma's treatment of the 1992 consensus is not necessarily acceptable to the Mainland because his "One China" is the ROC.

Beijing, and then provide the reassurance after the election has taken place. Chen Shui-bian tried to do that in his inaugural address of 2000. If that is the scenario, it will still be difficult for the new DPP president to find a formula that is both reassuring enough for the mainland and acceptable to the party faithful. Beijing will reserve the right to interpret what any post-election statement means. Having signaled to the Taiwan public that its own policies toward the island will be a function of the basic stance of Taiwan's elected leader, it will be hard pressed not to inflict some kind of punishment on the voters for having picked the wrong candidate. It may not cancel the agreements that the Ma Administration negotiated but it may complicate their implementation. More likely are actions in the international sphere to undermine Taiwan's position, both in institutions like the World Health Assembly and the International Civil Aviation Organization and with countries with which Taiwan has diplomatic relations. Steps in both arenas would have immediate repercussions in the island's politics.

4. What Taiwan Should Fear

On the face of it, Taiwan has much to fear. The fundamental objective of the PRC regime is to formally incorporate Taiwan into the People's Republic of China and terminate the regime of the Republic of China, for reasons of national pride and regional

strategy. Beijing's growing advantage over Taiwan in terms of both military capability and international political influence has objectively increased the island's vulnerability. Yet this is a fundamentally political dispute with a military aspect. Whether or not Beijing would ever use its capabilities to achieve its unification objective would be a function of underlying political factors. Since 1979, Beijing's stated preference has been to use peaceful, that is political, means to induce Taiwan to concede. China's build-up of military capabilities really began in earnest to deter political initiatives that Beijing feared Taiwan's leaders might undertake that would challenge China's fundamental interests (independence).

Since 2008, the threat of Chinese military action has receded because Ma Ying-jeou successfully reassured Beijing that he would not pursue independence. That allowed the two sides to expand areas of cooperation. Their mode of interaction was one of "mutual persuasion" rather than provocation or coercion. Mutual persuasion requires that each side know its goals; communicate clearly what it needs from its interaction with the other; have a clear understanding of the other's goals; avoid misunderstanding; have a coherent and relatively unified formulation of its position; be willing to explore points of substantive overlap and convergence; and protect political flanks at home and coordinate politics and negotiations. All of this is extremely complicated, of course, but each has seen the value of this approach. As the smaller party,

Taiwan has a greater interest in a continuation of mutual persuasion. What it should fear is that Beijing would abandon this approach and resort to something else.

That “something else” is probably not the use or threat of force, the imposition of economic sanctions, or the explicit mobilization of “China-friendly” sectors in Taiwan to manipulate the political system in China’s favor. Each of these steps entails a significant degree of risk. They will not necessarily succeed and might lead to an outcome that is worse than not acting.

More likely, Beijing might choose to abandon mutual persuasion and exploit the growing power asymmetry between it and Taiwan. In effect, it would engage in a campaign of pressure and intimidation. It would take advantage of Taiwan’s need to sustain economic prosperity through globalization, its relative diplomatic isolation, its latent doubts about U.S. support, its desire for peace, and the dysfunction of Taiwan’s political system. It would not employ just one kind of leverage, but exert pressure along several different dimensions of its power at the same time (economic, diplomatic, political, military). China’s hope would be that Taiwan’s leaders and public would ultimately conclude that its situation is hopeless and then capitulate. In that contingency, actual economic sanctions or threats of force would never be necessary, because the mere fact of its military and economic power would shape the calculus of Taiwan’s decision-makers. As Chas Freeman has written, “When Beijing judges that the moment is ripe, it will know how

to use inducements as well as implied threats to help Taiwanese rationalize agreement to a long-term cross-Strait accommodation that meets the requirements of Chinese nationalism . . . China's endgame with Taiwan envisages its eventual preemptive capitulation to the inexorable in response to an offer Taiwan cannot refuse."⁵⁹

This is the logic of Sun Zi, who asserted that winning without fighting is far preferable to winning through fighting. If, hypothetically, Beijing were to develop a playbook based on Sun Zi's logic, what would it look like? How would it use its various assets in order to contest Taiwan initiatives, exploit its vulnerabilities, and cumulatively guide the island's leaders and people to the conclusion that it has no choice but to accept the offer that cannot be refused?

My guess is that some of the following items would probably make the list:

- Increase Taiwan's economic dependence on the PRC economy and so raise the costs of any political challenge.
- Demonize those on Taiwan who seek de jure independence as unpatriotic and dangerous.
- Foster the view that unification is inevitable.
- Point out the success of Hong Kong in preserving the

⁵⁹-Chas W. Freeman, Jr., "The Taiwan Problem and China's Strategy for Resolving It," *the Center for Naval Analysis*, September 14, 2011, <www.mepc.org/articles-commentary/speeches/taiwan-problem-and-chinas-strategy-resolving-it>.

territory's way of life without significant cost.

- Show no flexibility on China's fundamental approach to resolving the fundamental dispute, while suggesting that there is flexibility on details.
- Oppose any significant expansion of Taiwan's participation in the international community but grant token concessions.
- Oppose overt moves toward Taiwan independence through political and diplomatic means if necessary and by displays and use of force if necessary.
- Constrain arms sales and other forms of U.S. support for Taiwan's security and get American help in blocking Taiwan Independence.

In fact, China has done all of these things to a modest degree already; it would only intensify and concentrate them.

It is quite premature to conclude *prima facie* that China is likely to choose to use its growing capabilities to compel its ultimate objective of unification through pressure and intimidation. China's military posture appears still to be a significant function of what it fears—independence—and of the need to maintain the capacity to deter that outcome. Beijing can cling to a Marxist confidence that as economic interdependence grows, political views on Taiwan will become more China friendly. It can continue to meddle mildly in Taiwan domestic politics. And it can assume that time is on its side and that the “shadow of the

future” over Taiwan will continue to darken.

What are the circumstances under which China may be tempted to abandon a stance of strategic patience and the paradigm of mutual persuasion to actively press Taiwan to recognize the need to resolve the fundamental dispute? Several come to mind:

- If it concludes Taiwan will always avoid political negotiations, even under continued KMT rule.
- If it decides that the unification window is closing or that a serious Taiwan independence window is opening.
- If it overestimates the benefits of pressure and underestimates both the resistance such an approach would provoke on Taiwan and other costs.
- If it believes that the political forces on Taiwan in favor of final resolution are much stronger than those actively against, and that people in the middle no longer see any value of resisting.

For Beijing to come to any of these conclusions is complicated, and there is a danger that it will miscalculate, both about the need to increase pressure and the benefits it will yield. Yet, because the PRC system has been prone to misperceptions concerning Taiwan and other actors in the past, the possibility of an intimidation campaign cannot be ruled out. If in this case China were to over-estimate the prospects for success but then

face unexpected resistance from Taiwan, it would have to consider carrying out the threats implied in a pressure policy.

5. Can China and Taiwan Avoid the Worst?

If Taiwan wishes to preserve the mode of mutual persuasion as the best way to protect its fundamental interests; and if it wishes to avoid China's undertaking a campaign of pressure and intimidation, it must make it less vulnerable by strengthening itself. Five areas seem most important.

The first is economic: how to sustain Taiwan's competitiveness as the Chinese economy modernizes. This is not a problem unique to Taiwan; South Korea and Japan face the same problem. The objective here should be to transition to an economy that is powered by knowledge and innovation. The pressing task is to reform the education system so that it creates the human capital that a new Taiwan economy requires. It also requires ending regulations that stifle entrepreneurship. Externally, Taiwan, having become more integrated with the Chinese economy and undertaken the liberalization embodied in ECFA, now needs to expand and liberalize its economic relation with its other major trading partners, including the U.S., Japan, South Korea, and the European Union. These liberalization efforts will stimulate structural reform within Taiwan in the direction of an innovation-intensive economy.

Second, Taiwan needs to strengthen its understanding on a

society-wide basis of its negotiating bottom line with the mainland, that the ROC is a sovereign entity. The issue of sovereignty has been the main obstacle to improving political relations and resolving the fundamental cross-Strait dispute. But the meaning of that concept is fairly superficial. It certainly has an international dimension, but also a cross-Strait and internal dimension. Without a clearer understanding of sovereignty, neither Taiwan leaders nor citizens will not know what aspects are trivial and can be conceded to Beijing and which must be defended until the bitter end.

Third, Taiwan needs to strengthen itself diplomatically, and that means primarily relations with Washington. The U.S. remains Taiwan's sole protector, so it cannot afford to have a bad relationship with America. Ties with the U.S. have been good during the Ma Administration but were not before that.

Fourth, Taiwan needs to strengthen itself militarily. This refers not just to defense hardware(weapons) systems but also defense software(military institutions and human resources). On the issue of hardware, Taipei must ensure that it uses scarce defense dollars in support of a defense strategy appropriate to its changing threat environment. As the PLA gets stronger, advanced fighter aircraft may not be the most cost-effective way of deterring mainland adventurism.

Finally, Taiwan needs to strengthen its political system, through which all these measures will be processed. Some

elements of the political system appear to do a decent job in reflecting the people's will. The electoral system is a case in point. But other elements do not. The Legislative Yuan is beset by conflicts of interest, lack of specialization, a tolerance of behavior outside of institutional norms, and mechanisms that privilege minority power over majority rule. The media focuses on the scandalous and the sensational, with little attention to the serious challenges that face Taiwan. The island's people are not well served by the political system's dysfunction, and that makes more likely the emergence of protest movements.

Is there anything that China might do that would both be attractive to the Taiwan political elite and public and advance its fundamental goals? The main thing would be to address seriously and creatively the issue of the Republic of China (that is, Taiwan's claim that it is a sovereign entity). If Beijing is to move from stabilization to resolution through mutual persuasion, which, objectively, it is in its interest to do, it cannot avoid the issue of the ROC. Second, it could take a more accommodating position on Taiwan's international space, particularly its participation in liberalization arrangements with its major trading partners. To restrict that participation will only undermine Taiwan's prosperity and foster public resentment.

6. Implications for the Korean Peninsula

Although the Korean Peninsula and the Taiwan Strait are the two remaining cases of postwar division, each has its own unique character and there are not too many implications of one case for the other. But a couple of Taiwan implications for the Korean case come to mind.

First of all, in a divided country situation, the weaker party will find it very hard to agree to the stronger party's terms. Thus, Taiwan feels vulnerable simply because of the power asymmetry and is understandably cautious about making concessions to Beijing, in fear that any near-term accommodation will increase, rather than reduce, vulnerability and weaken its negotiating position over the long term. In this situation, even if the stronger party sincerely is willing to engage the weaker, the latter may worry more about the dangers rather than the opportunities. It should not be a surprise, therefore, that North Korea was quite wary of South Korean President Kim Dae Jung's Sunshine Policy.

Second, in a situation of division, the weaker party will be tempted to act provocatively in order, in its mind, to deter domination by the stronger party. Such behavior is liable to make interactions tenser and raise fears on the part of the stronger party that the weaker may try to challenge its fundamental interests in some way. Thus, Taiwan engaged in what the mainland regarded as threatening provocations from 1995 to

2008, while North Korea regards them as a key part of its statecraft toolkit.

Third, for both the stronger and weaker parties, having external support can be very helpful in avoiding unacceptable outcomes. On this point, inter-Korean and cross-Strait relations are very different. China supports North Korea selectively, but the U.S. support of South Korea is far more robust. Taiwan has substantial American backing but China has no-one.

Finally, there is the question of whether there is a linkage of the North Korea and Taiwan issues. U.S. officials and scholars sometimes hear the suggestion from Chinese scholars(not officials) that if the U.S. would only have a more the PRC-friendly approach to Taiwan, China would adopt a more the U.S.-friendly stance towards North Korea. That suggestion ignores the fact that Washington views the two issues on their own terms, and has never been willing to trade one off against the other. Not only would it be inappropriate for the U.S. to negotiate Taiwan's fate over the heads of its elected government and its people, but it would also raise questions about its credibility to stand firm on other sensitive issues.

7. Conclusion

It is sometimes said that Taiwan is already trapped in China's orbit, with no way to escape. The only question then is how fast

that orbit will shrink and disappear. “Orbit” is an interesting metaphor because it implies a balance of centripetal and centrifugal forces. The main centripetal factor is the incentive Taiwan has to integrate deeply into the Chinese economy and reap the benefits of that integration. The main centrifugal force is the fear of people on Taiwan, stronger among some parts of the population than in others, that China goals are contrary to the island’s best interests and sense of itself. Among the 45% of the public who support the DPP and other like-minded parties, that fear is very strong.

China’s centripetal force will likely grow as China’s “comprehensive national power,” including military power grows. The issue then is whether and how Beijing might choose to give full play to that growing power. As suggested above, no-one can rule out the possibility that Beijing ever seeks to coerce Taiwan to surrender, it is unlikely to be solely through military means, but through a multifaceted effort that has economic, diplomatic, political, psychological, and the threat of military action. What is more certain is that a Taiwan that is intimidated into submission would not be a happy and accommodating Taiwan. The question for Taiwan, therefore, is whether it is willing and able to strengthen itself so that China would not even try to compel an increase in centripetal force. The question for Beijing is whether it would be willing to increase the centripetal force acting on Taiwan through attraction rather than compellence.

Part 2. Central Asia and China's External Relations

KOREA INSTITUTE FOR NATIONAL UNIFICATION



V. China's Policy towards Central Asia under the Xi Jinping Leadership

On April 16, 2013, in the congress hearing held by the Committee of Foreign Affairs on the topic of China–Central Asia relations,⁶⁰ the Republican congress woman and committee chair Dana Rohrabacher has pointed out that with significant capital export, especially in terms of investments by state owned enterprises, China may start influencing the political development of Central Asia after controlling the regional economy in the future. At the address, Director John J. Tkacik and Senior Fellow of Future Asia Project in International Assessment and Strategy Center, also foreboded that “Future Asia will not look like today’s Asia; Eurasia in ten years in 2023 will be a Chinese domination and China is now being helped along by a strategic alignment with the Russian Federation.”⁶¹

In fact, China is currently the largest regional investor and trading partner of Central Asia. Not only has China placed large investment and cooperation plans in petroleum, natural gas and railway infrastructure in this region, apparel and electronic

⁶⁰-Committee on Foreign Affairs, “*China’s rapid political and economic advances in Central Asia and Russia*,” April 16, 2013, Hearing before Subcommittee on Europe, *Eurasia and Emerging Threats*, No. 113~122, <<http://www.gpo.gov/fdsys/pkg/CHRG-113hhr80462/pdf/CHRG-113hhr80462.pdf>>.

⁶¹- *Ibid.*, p. 12.

products that are “made in China” overflow the market here. Beside export, it also imports large amounts of industrial material from Central Asia such as metal, coal and wood. For example, Chinese trade with Kazakhstan grew from \$370 million in 1992 to \$28.6 billion in 2013. In the period 2005~2011, China’s total investment in Kazakhstan reached \$12.3 billion,⁶² with a focus on energy and petroleum. As a result, financial capital from Russia seems to just be a weak contender in the face of China.

Within six months of above hearing, in 2013, China’s President Xi Jinping carried out his official visits to Turkmenistan, Kazakhstan, Uzbekistan and Kyrgyzstan from September 3 to 13. The trip marked Xi’s third formal visit abroad since stepping up to the throne in March. According to China’s official media, Xi’s first two trips abroad were meant to “strengthen strategic cooperation with Russia in all aspects; assess possibilities for the establishment of new great power relations with the U.S.; increase the pace of cooperation with other BRIC countries; and continue friendly cooperation with African and Latin American countries.” Xi’s third trip was meant to “advance solutions for challenges facing the world economy, deepen cooperation in the Shanghai Cooperation Organization(SCO) and increase the level

⁶²- Wencui Liu and Jinping Yan, “zhongguo dui hasake zhijie touzi xianzhuang yu wenti jixi(An Analysis of the Status and Problems of China’s Direct Investment in Kazakhstan),” *Russian, Central Asian & East European Market*, No. 1 (2014), pp. 90~100.

of cooperation with Central Asian countries.” The trip also served as “another important step in establishing China’s all around foreign policy strategy.”⁶³ Regardless of the criticisms of Chinese leader’s excessive ideological and moral preaching, Xi’s four-point proposal at SCO Summit is worth reconsidering. In particular, the third point of the proposal merits attention, as it called for “[an] Agreement on the Facilitation of International Road Transport as soon as possible, the establishment of transport corridors connecting the Baltic Sea and the Pacific Ocean and [the] linking of Central Asia with the Indian Ocean and the Persian Gulf.” Xi’s call warrants consideration, as it touched on fundamental concerns in China’s geopolitical thinking.

Regarding the growing bond between China and Central Asia in recent years, questions that have come about include: what’s the core of China’s policy towards Central Asia? What is reflected in terms of grand strategy? What geopolitical consequences are implied? How might other countries respond? This article attempts to approach the questions in terms of Chinese interests in developing relations with Central Asia and seeks to deduce Beijing’s strategic plans and geopolitical development in the future.

⁶³. “Xi Jinping ren zhongguo guojiazhuxi yilai disanci chufang qianzhan (Prospects of Xi Jinping’s Third State Visit as President of the People’s Republic of China),” *Xinhua.Net*, August 26 2013, <http://news.xinhuanet.com/politics/2013-08/26/c_117100379.htm>.

1. China's Interests in Central Asia

Although China–Central Asia relations began as early as 200 BC actually, with China going as far as designating here as a protectorate under the Han, Tang and Qing dynasties, relations were severed with the incursion of Russian influence into Central Asia in the beginning of the 19th century. In 1864, China and Russia formally agreed on boundaries around here and thereafter, the former fell into a lapse of turmoil due to the downfall of the Qing dynasty. Nevertheless, following the end of the Cold War, in the face of a regional power vacuum opened up by Soviet Union's collapse, China reinitiated a new stage in bilateral relations with Central Asia.

On December 27, 1991, China recognized the independence of the five new countries of Central Asia and within the span of five days from January 2 to 6, 1992, formal diplomatic relations were established between China and Uzbekistan, Kazakhstan, Tajikistan, Kyrgyzstan and Turkmenistan.⁶⁴ Geographic proximity facilitated increasing trade between China and these countries. However, China's policy aims in Central Asia in the 1990s were relatively conservative and could be summed up in four points. First, with security on the western front set as a priority, China made an effort to establish friendly relations with these new

⁶⁴ Zhuangzhi Sun, *Zhongya Xinggeju yu Diqu Anquan* (*New Geopolitics in Central Asia and Regional Security*) (Beijing: China Social Science Press, 2001), p. 207.

neighbors; second, China sought to resolve remaining boundary issues with the countries of Central Asia on equal and reasonable terms; third, China sought their support on the questions of Taiwan and East Turkistan; fourth, extending from increased interactions with Central Asia, China sought to discover the diplomatic openings for it to walk out of the shadow of Tiananmen. On their respective trips to Central Asia in 1994 and 2000, both Chinese Premier Li Peng and President Jiang Zemin emphasized the establishment of “a fair and just international relations.”

Despite the fact that China’s interactions with Central Asia were hindered by political instability and the lack of economic luster of countries in the region and China’s own limits in foreign direct investment, Beijing began to rise its emphasis towards Central Asia after the signing of an oil and natural gas cooperation agreement with Kazakhstan in 1997. Beginning at the turn of the millennium, China pushed relations with Central Asia into another stage of increased development. As the record of bilateral partnerships and high level leadership exchanges demonstrate(see tables V-1 and V-2), besides 2003, Chinese leaders(just president or premier) visited this region every year and successively established strategic partnerships with the five states of Central Asia.⁶⁵ Clearly, both of them seemed to enjoy positive interactions in the new century.

⁶⁵- Although the definition of “strategic partnership” remains unclear, only 42 countries in the world enjoy such a relationship with China.

Table V-1 China's Leadership Visits to Central Asia, 2000~2014

Date	Leader	Main Content
2000.07.05~07	Jiang Zemin	Visit Tajikistan and Turkmenistan; attend Shanghai-5 Summit
2000.07.28~30	Hu Jintao	Visit Kazakhstan
2001.09.12~15	Zhu Rongji	Visit Kazakhstan; attend SCO First Head of Government Council(HGC)
2002.06.04~06	Jiang Zemin	Visit Kazakhstan; attend CICA Summit
2004.06.15~18	Hu Jintao	Visit Uzbekistan; attend SCO Summit
2004.09.22~25	Wen Jiabao	Visit Kyrgyzstan; attend SCO-HGC
2005.07.04~07	Hu Jintao	Visit Kazakhstan; attend SCO Summit
2006.01.09~13	Zeng Qinghong	Visit Kazakhstan
2006.09.14~15	Wen Jiabao	Visit Tajikistan; attend SCO-HGC
2007.08.14~18	Hu Jintao	Visit Kyrgyzstan and Kazakhstan; attend SCO Summit
2007.12.02~04	Wen Jiabao	Visit Uzbekistan and Turkmenistan; attend SCO-HGC
2008.08.25~28	Hu Jintao	Visit Tajikistan and Turkmenistan; attend SCO Summit
2008.10.30~31	Wen Jiabao	Visit Kazakhstan
2009.12.12~14	Hu Jintao	Visit Kazakhstan and Turkmenistan; attend SCO Summit
2010.06.11~13	Hu Jintao	Visit Uzbekistan and Kazakhstan; attend SCO Summit
2010.11.25~26	Wen Jiabao	Visit Tajikistan; attend SCO-HGC
2011.06.19~20	Hu Jintao	Visit Kazakhstan; attend SCO Summit
2012.12.04~06	Wen Jiabao	Visit Kyrgyzstan; attend SCO-HGC
2013.09.03~13	Xi Jinping	Visit Turkmenistan, Kazakhstan, Uzbekistan and Kyrgyzstan; attend SCO Summit
2013.11.28~29	Li Keqiang	Visit Uzbekistan; join SCO-HGC
2014.09.11~14	Xi Jinping	Visit Tajikistan; attend SCO Summit

* SCO: Shanghai Cooperation Organization.

Table V-2 Evolution of China and Central Asia Partnership, 2000~2013

Year	Country	Name of Partnership
2000	Tajikistan	Friendly and Cooperative Partnership
2004	Uzbekistan	Friendly and Cooperative Partnership
2005	Kazakhstan	Strategic Partnership
2011	Kazakhstan	Comprehensive Strategic Partnership
2012	Uzbekistan	Strategic Partnership
2013	Tajikistan	Strategic Partnership
2013	Turkmenistan	Strategic Partnership
2013	Kyrgyzstan	Strategic Partnership

It is clear that China has engaged Central Asia with active policies in the past decade. By establishing the development of energy cooperation as a priority, China sought to diversify its sources of oil import, indirectly facilitate economic development of the Great Western Development, and expand security cooperation between states and under the framework of the Shanghai Five. To these ends, Beijing actively exchanged visits with the regional leaders and achieved progress on border issues.⁶⁶ Furthermore, although China seems to set itself apart from Russia and the U.S. and demonstrates no direct intention

⁶⁶- Zhuangzhi Sun, "xinanquanguan yu shanghai hezuo zuzhi shijian(New Security Concept and Realization of the Shanghai Cooperation Organization)," Guangcheng Xing (eds.), *2006 Nian: Eluosi Dongou Zhongya Guojia Fazhan Baogao(2006: Development Report on Russia, East Europe and Central Asian Countries)* (Beijing: Social Science Academic Press, 2007), p. 53.

to expand its influence in Central Asia, with its continued economic growth and rising international status, Beijing may find it difficult to acquit its role as a key player here. In particular, recent years saw the inundation of Central Asia with Chinese goods and the movement of hundreds of border crossing cargo trucks bounded for Central Asia everyday. The phenomenon not only speaks for China's ever increasing regional influence, it also provides Beijing with the opportunity to further consider its actual interests in Central Asia, including: national security, geopolitics, energy strategy, and economic interest.

a. National Security: the Challenge of Separatist Movement

Chinese security on the western front is traditionally influenced by geopolitical developments centered on Central Asia. Due to the traditional emphasis on the southeast rather than the northwest, China's western frontier remained constantly as a strategic vacuum susceptible to foreign invasion. Therefore, for China, a great concern in national security has always been to prevent history from repeating.⁶⁷ Second, in terms of geographic location, Central Asia lies close to centers of terrorism and religious extremism. Following the independence of Islamic countries in the region, many of them became part of the basket for terrorism

⁶⁷- Pusheng Miao and Wujiang Tian (eds.), *Xinjiang Shigang(History of Xinjiang)* (Urumqi: Xinjiang People's Publishing House, 2004).

and religious fundamentalism as a result of political instability. For China, the suppression of separatist movements in East Turkistan(Sherqiy Türkistan) is critical for security in peripheral regions along its northwestern border.⁶⁸ With the continued spread of international terrorism in the 1990s, the threat of East Turkistan increased as well. In short, the link between Chinese security and Central Asia is well established as the region serves as one of the most important bases of East Turkistan and a key channel for connection with international terrorism in other parts of the world(see table V-3).

Table V-3 Main Terrorist Attacks in Xinjiang, 1990~2014

Time	Site	Event
1990.04.05	Baren	Riot and demanded to stop immigration of Han Chinese
1997.02.05	Yining	Demonstrations by protests and then crushed by PLA
2008.08.04	Kashgar	Terrorist attack perpetrated by Uyghur separatist movement
2009.07.05	Urumqi	Violent riots by Uyghurs for attacking Hans
2011.07.18	Hotan	Bomb-and-knife attacks aiming local government
2011.07.30	Kashgar	Bomb-and-knife attacks to mass people
2011.12.28	Pishan	Uyghurs cross border for jihadist training kidnap
2012.02.28	Yecheng	Religious extremist attacked pedestrians with axes and knives
2012.06.29	Hotan	Uyghurs hijack aircraft Tianjin Airline Flight 7554
2013.04.23	Bachu	Ethnic clashes occurred between social workers and police

⁶⁸- State Council Information Office PRC, “dongtjujesitan wenti de youlai(Origin of the East Turkmenistan Problem),” *Xinjiang de Lishi yu Fazhan Baipishu (Whitepaper on Xinjiang’s History and Development)*, May 26, 2003.

Time	Site	Event
2013.06.26	Shanshan	Terrorists in Lukqun killed policemen and civilians
2013.11.16	Bachu	Bomb-and-knife attacks aiming police station
2014.04.30	Urumqi	Knife attack and bombing occurred in railway station
2014.07.28	Yarkant	Bomb-and-knife attacks aiming police station

More importantly, compared to approximately 200 cases of terrorist attacks in Xinjiang in the decade in 1990~2000, the number of violent movements and conflicts has clearly increased since 2008, with over 190 cases in 2012 alone. In 2013, after the most severe outbreak of disturbance in half a century that attracted Beijing's attention, another large scale attack occurred during the Conference on Interaction and Conference Building Measures in Asia(CICA) in Shanghai in 2014. The incident further increased the necessity for China to seek support from Central Asian in jointly tackling terrorist and extremist movements.

b. Geopolitics: Response to U.S. Containment

Central Asia occupies an vital position in global geopolitics. Located in the hinterland of the Eurasian continent, here is the site of what H. J. Mackinder designated as the “geographical pivot” or “heartland.”⁶⁹ The possession of an abundance of

⁶⁹- Halford J. Mackinder, “The Geographical Pivot of History,” *The Geographical Journal*, Vol. 23, No. 4 (1904), pp. 421~437; see also Geoffrey Sloan, “Sir Halford J. Mackinder: The Heartland Theory Then and Now” *Journal of Strategic Studies*, Vol. 22, No. 2 (1999), pp. 15~38.

strategic resources such as oil adds to its importance as a new geopolitical battlefield in the new century.

In Beijing's grand strategy, its basic attitude towards Central Asia is to prevent this region from serving as a strategic base for others to contain China's rise. China's position was challenged by the entry of Washington into the region in the aftermath of the Cold War. Immense pressure mounted on China's border strategy as the U.S. not only sought to control the "world island(Eurasia)" through Central Asia,⁷⁰ but also completed the strategic connection between East, Southeast, South and Central Asia through the stationing of the U.S. troops in Afghanistan and Iraq as part of the anti-terrorist campaign following 9/11.⁷¹

As Washington's strategic thinking towards the Asia Pacific will no doubt revolve around China's rise in the new century—a fact proven by the Obama administration's clear emphasis on strategic guidelines in Asia—China is forced to respond.⁷² As the

⁷⁰-Emre Iseri, "The U.S. Grand Strategy and the Eurasian Heartland in the Twenty-First Century," *Geopolitics*, Vol. 14, No. 1 (2009), pp. 26~46; see also Joseph E. Fallon, "U.S. Geopolitics: Afghanistan and the Containment of China," *Small Wars Journal*, August 12, 2013, <<http://smallwarsjournal.com/jrnl/art/us-geopolitics-afghanistan-and-the-containment-of-china>>.

⁷¹-Michael Renner, "Iraq and the Oil Connection," *World Watch Institute (Washington, D.C.)* (December 18, 2002); Ehsan Ahrari, "The Strategic Future of Central Asia: A View from Washington," *Journal of International Affairs*, Vol. 56, No. 2 (2003), pp. 163~164.

⁷²-Rommel C. Banlaoi, "Southeast Asian Perspectives on the Rise of China: Regional Security after 9/11." *Parameters*, (Summer 2003), pp. 98~107; Elizabeth Economy, *China's Rise in Southeast Asia: Implications for Japan and the U.S.* (New York: Council on Foreign Relations, 2005); Evelyn Goh,

U.S. continues to contain the potential for conflict in China's rise, Beijing not only seeks to maintain stability and neutrality through strategic arrangements in Central Asia, it also hopes to consolidate bilateral relations through institutions such as the SCO and transport networks and counter geostrategic pressure incurred by Washington.⁷³ As Ariel Cohen points out, "politically, China regards the SCO as a mean of creating a new Eurasian order to reduce the U.S. military power ... actually, China has replaced the U.S. as a significant source of trade, investment and consumer goods to Central Asia."⁷⁴ Whether China can achieve regional dominance in Central Asia through economic means and perhaps compete for global dominance with the West in the future warrants further observation.

c. Energy Strategy: Deepen Industrialization

Since becoming a net importer of oil in 1993, continued economic development has made China increasingly dependent on the global energy market. China's transformation into a large energy

"Southeast Asian Perspectives on the China Challenge." *Journal of Strategic Studies*, Vol. 30, No. 4 (2007), pp. 809~832; Hillary Clinton, "America's Pacific Century," *Foreign Policy*, (November 2011), <http://www.foreignpolicy.com/articles/2011/10/11/americas_pacific_century>.

⁷³- Thrassy N. Marketos, *China's Energy Geopolitics: The Shanghai Cooperation Organization and Central Asia* (New York: Routledge, 2010), p. 5.

⁷⁴- Ariel Cohen, "The Dragon Looks West: China and the Shanghai Cooperation Organization," *Heritage Lectures*, No. 961 (September 7, 2006), <http://s3.amazonaws.com/thf_media/2006/pdf/hl961.pdf>.

consumer has predictions for its import demand for oil to grow by 3.3% per annum. It is worth noting that the Middle East continues to serve as China's main supplier and the latter relies on maritime shipping for oil, with 85% of its energy transport going through the Indian Ocean, Strait of Malacca and South China Sea.⁷⁵ Correspondingly, not only has the U.S. established bases in Singapore, which watches over the Strait of Malacca, India has followed the U.S.'s footsteps, sought to gain further control of the Indian Ocean and establish the country as a regional power.⁷⁶ In light of growing challenges, Central Asia plays an key role in China's energy policy, whether in terms of diversifying China's source of energy import or providing secure energy supplies through the continent. Table 4 demonstrates China's active pursuit of energy cooperation with Central Asia.⁷⁷

⁷⁵- Michael Chambers, "China's Military Rise to Great Power Status," Evelyn Gon and Sheldon W. Simon, (eds.), *China, the U.S., and Southeast Asia: Contending Perspectives on Politics, Security, and Economics* (New York: Routledge, 2008), pp. 172~175.

⁷⁶- Xinhua Liu, "zhongguo de shiyou anquan ji qi zhanlue xuanze(China's Oil Security and Strategic Choice)," *Contemporary International Relations*, No. 12 (2002), p. 37.

⁷⁷- Tung-Chieh Tsai, *Dangdai Zhongguo Waijiao Zhengce (China's New Diplomacy: Interpreting Its Connotation and Tendency)* (Taipei: Wunan Books, 2011), pp. 154~155; Guo Xuetang, "Energy Security in Central Eurasia," *China and Eurasia Forum Quarterly*, Vol. 4, No. 4 (2006) p. 130.

Table V-4 Energy Cooperation between China and Central Asia

Country	Year	Main Developments
Kazakhstan	1997	- Signed the Agreement on Cooperation in the Oil and Gas Sector - China acquired control of Kumkol, the second largest oil field in Kazakhstan - China National Petroleum Corporation(CNPC) acquired 60.3% of share holding of the Aktyubinsk Oil Company
	2001	- Jointly established the Kazakhstan-China Pipeline Company (Kazakhstan-China Pipeline LLP)
	2003	- CNPC acquired another 25.12% of share holding of the Aktyubinsk Oil Company
	2004	- Commenced second stage of China-Kazakhstan pipeline project - Signed the Framework Agreement of Full Scale Cooperation development in the Field of Oil and Gas
	2005	- Commenced third stage of China-Kazakhstan pipeline project - CNPC acquired all share holding of the Canada based Petro Kazakhstan(PK) Incorporation
	2009	- Energy cooperation agreement signed between the sovereign funds of China and Kazakhstan
	2011	- Signed bilateral agreement for China to provide Kazakhstan with \$17 billion in loans and Kazakhstan to provide 55,000 tons of uranium in return
	2013	- Completed first stage of the second phase of the China-Kazakhstan project - CNPC acquired 8.33% of share holding of the Kashagan oil field in Kazakhstan's part of the Caspian Sea
Turkmenistan	1994	- CNPC and Turkmenistan signed a protocol of intent on cooperation in the development of oil and gas industry
	2000	- CNPC and Turkmenistan signed a memorandum of understanding(MOU) to cooperate on oil and natural gas
	2006	- CNPC and Turkmenistan state company embarked on joint exploration of natural gas fields

Country	Year	Main Developments
Turkmenistan	2007	- Turkmenistan became the largest source of natural gas import for China
	2009	- Joint development of natural gas deposits in the right bank of the Amu Darya river is the largest natural gas project between China and Turkmenistan to date and the only project Turkmenistan has granted a continental development license.
	2013	- Completion of gas field projects under the supervision of the CNPC
Uzbekistan	2005	- Signed agreement on energy and anti-terrorist cooperation
	2006	- Along with Korean and Malaysian oil companies, CNPC and Uzbekistan National Holding Company(NHC) signed a joint agreement to explore oil in the Aral Sea area.
	2010	- Signed MOU to expand cooperation in the field of natural gas
	2011	- Commencement of C-line Uzbek section of the Central Asia-China natural gas pipeline project
	2013	- CNPC and Uzbekistan NHC established joint working groups
Tajikistan	2006	- Signed agreement to establish oil pipelines
	2014	- CNPC and Tajikistan signed an agreement on jointly establishing a natural gas pipeline company

* CNPC: China National Petroleum Corporation, China's largest oil and gas producer and supplier.

Obviously, China's main partner of pursuit in Central Asia is Kazakhstan. (Table 1-1) shows that except for 2003~2004, China's leadership has visited Kazakhstan annually since the turn of the century. Currently, Chinese companies are responsible for approximately 20~30% of all oil excavation in Kazakhstan. In response, the U.S. has made an effort to dissuade international

Part1

Part2

Part3

financial institutions from supporting China while joining hands with oil companies from the U.K. in constructing an alternative pipeline that leads to the Caspian Sea. At the same time, Russia plans to establish another Organization of Petroleum Exporting Countries(OPEC) with oil producing states that neighbor the Caspian Sea.⁷⁸

However, energy cooperation and natural gas pipeline projects between China and Kazakhstan continue to move with great speed. In an effort to strengthen bilateral relations, China went as far as purchasing large amounts of crops, produce and meat products from Kazakhstan and assisting the latter in developing sectors such as telecommunication, mechanical production and chemical engineering. Although the result of great power competition over energy in Central Asia, it is worth noting that China may out run the others due to its geographic advantage. In particular, after the Central Asia Regional Economic Cooperation (CAREC) approved the Comprehensive Action Plan in 2006, China and CAREC sector committees agreed on sectoral strategies and action plans for transport and trade facilitation and trade and energy policies in 2008.⁷⁹ Besides cooperation through CAREC, in the first SCO energy ministers meeting in

⁷⁸- Jan H. Kalicki, "Caspian Energy at the Crossroad," *Foreign Affairs*, Vol. 80, No. 5 (2001), pp. 120~134.

⁷⁹- Johannes F. Linn, "Regional Cooperation in Central Asia: Another Step Forward with CAREC," *Brookings*, December 10, 2008, <<http://www.brookings.edu/research/opinions/2008/12/10-carec-linn>>.

2007, China and the countries of Central Asia also made active proposals to establish a regional energy strategy and energy organization.

d. Economic Development: Focus on New Market

As Central Asia is one of many regions in the world that lies far away from the sea, geography has severely limited the regional economic development. Traditionally, besides depending on a sea line of communication that goes through Russia, Central Asian countries are limited to a communication lane that passes through Turkmenistan and leads to sea ports in the southern part of Iran. Thanks to the rise of China in recent years, entering into the Pacific through ports in Eastern China has become another option. As China is also dependent on Central Asia for the Great Western Development project,⁸⁰ common economic interests have surfaced between them. Over the past few years, China has poured great investment into Central Asia and the Caspian region, especially in Kazakhstan and Turkmenistan, for the development of oil pipeline between Kazakhstan and China and gas pipeline between Turkmenistan and China(also known as the Central Asia-China gas pipeline).⁸¹ Coupled with China's

⁸⁰- Hongmei Yang, "zhongguo zai zhongya de waijiao zhengce jixi(Analysis of China's Foreign Policy in Central Asia)," *Journal of Petroleum Educational Institute of Xinjiang*, No. 1 (2005), p. 13.

⁸¹- Christina Lin, "The Caspian Sea: China's Silk Road Strategy Converges with

turn towards a “walkout(zouchuqu)” strategy economically, the value of Central Asia as an important emerging market stands out.⁸²

2. China’s Contemporary Strategy towards Central Asia

While China continues to lack a formal and detailed national strategy report and tangible statements regarding the role of different regions in China’s foreign policy, in a region such as Central Asia, one faces the daunting task of describing Beijing’s regional strategy clearly. However, as far back as the late Qing dynasty, Zuo Zongtang, chief commander of the 1875~1877 war in Xinjiang, pointed out the critical role of Central Asia in China’s national security by stating that “Xinjiang is important so we protect Mongolia; and to guard Mongolia is to defend the capital.”

Today, even though the countries of Central Asia have little to challenge China with,⁸³ the previous discussion hints at the

Damascus,” *China Brief*, Vol. 10, No. 17 (2010), <http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews%5Btt_news%5D=36771&tx_ttnews%5BbackPid%5D=414&no_cache=1#.U6Up5ZwVGUk>.

⁸²- Fabio Indeo, “The Rise of China in Central Asia,” *Heartland: Eurasian Review of Geopolitics*, (August 20, 2012), <<http://temi.repubblica.it/limes-heartland/the-rise-of-china-in-central-asia/1928>>.

⁸³- Huasheng Zhao, *Zhongguo de Zhongya Waijiao(China’s Central Asian Diplomacy)* (Beijing: Current Affairs Press, 2008), pp. 93~94.

fact that China cannot neglect the strategic implications of Central Asia. At least for reducing potential risks or even establishing a more progressive strategic space, in the foreseeable future, China may have two aims in Central Asia. First, it may focus on rising its regional influence by the SCO as the foundation and the Eurasian land bridge as the framework for consolidation. Second, Beijing will continue to expend efforts to enhance cooperation with Central and Southeast Asian states in what is known as the “new silk road” diplomacy.⁸⁴

a. Main Platform: the SCO and Its Implications

With the emergence of a power vacuum in Central Asia after the disintegration of the Soviet Union and the end of the Cold War, in the eyes of great powers outside the region, Central Asia was the only region on Eurasia that possessed high strategic potential waiting to be uncovered. With Russia redirecting its attention to Far East in the new century, and the U.S. penetrating Central Asia through its anti-terrorist campaign since 2001,⁸⁵ heightened competition between Moscow and Washington not only compressed Beijing’s policy space but also forced the latter

⁸⁴- Justyna Szczudlik-Tatar, “China’s New Silk Road Diplomacy,” *PISM Policy Paper*, No. 34, (82) (December 2013), <http://www.pism.pl/files/?id_plik=15818>.

⁸⁵- Vladimir Putin, “Rossiya: novye vostochnye perspektivy,” *President of Russia*, November 9, 2000, <http://archive.kremlin.ru/appears/2000/11/09/0302_type63382_28426.shtml>.

to strengthen its policy planning. The SCO is the outcome of active planning by China.⁸⁶ In a sense, the SCO is the first and only international organization to date that China has voluntarily initiated.⁸⁷

In fact, while China successively established relations with the countries of Central Asia, relations between China and Russia speared ahead as well after Boris Yeltsin entered office. In order to strengthen activity and influence in Central Asia, China and Russia, together with Kazakhstan, Kyrgyzstan and Tajikistan, signed the Treaty on Deepening Military Trust in Border Regions (1996) and the Treaty on Reduction of Military Forces in Border Regions(1997) successively and initiated the institutionalization of the so-called “Shanghai Five.” Between 1998 and 2000, with the gradual expansion of multilateral meetings from discussions on strengthening border trust to cooperation in politics, security, diplomacy, economics and humanities, along with Uzbekistan,

⁸⁶-Guang Pan, “The SCO’s Success in Security Architecture,” Ron Huisken (eds.), *The Architecture of Security in the Asia Pacific* (Canberra: Australia National University, 2009), pp. 33~44.

⁸⁷-Yu Zheng, *Zhongmei zai Zhongya: Hezuo yu Jingzheng(Cooperation and Competition: China, Russia and U.S. in Central Asia)* (Beijing: Social Science Academic Press, 2007), p. 408; Guangcheng Xing and Zhuangzhi Sun (eds.), *Shanghai Hezuo Zuzhi Yanjiu(Shanghai Cooperation Organization)* (Changchun: Changchun Press, 2007), pp. 148~153; Yinhong Shi, “Great Power Politics in Central Asia Today: A Chinese Assessment,” Elizabeth Van Wie Davis and Rouben Azizian (eds.), *Islam, Oil, and Geopolitics: Central Asia after September 11* (Lanham, Maryland: Rowman and Littlefield, 2007), p. 167.

the “Shanghai Six” jointly established the Shanghai Cooperation Organization in 2001 and agreed to annual summit meetings in order to deepen cooperation (see table V-5 for the achievement of past summits).⁸⁸ The SCO was a major step in pushing forward institutionalization.

Table V-5 SCO Summit Meetings since 2001

Date	Location	Main Achievements
2001.06.15	Shanghai	- Adopted the Declaration on the Establishment of the Shanghai Cooperation Organization and the Shanghai Convention on Combating Terrorism, Separatism and Extremism.
2002.06.07	St. Petersburg	- Signed the Charter of the SCO and the Agreement on Anti-terrorism Agency in the Region.
2003.05.29	Moscow	- Signed the Treaty for Budget Making and Implementation Approved Provisions on Member States Retaining Permanent Representative Status in the SCO Secretariat, emblem of the SCO and candidate for the secretary general of the SCO.
2004.06.17	Tashkent	- Signed the Convention on SCO Privilege and Exemption and Agreements on Combating the Trafficking of Illegal Narcotics. - Approved Provisions on Observer Status. - Established the Shanghai Cooperation Organization Day Granted observer status to Mongolia.

⁸⁸ Regarding the development of the SCO, see: China Institute of Contemporary International Relations ed., *Shanghai Hezuo Zuzhi: Xin Anquanguan yu Xin Jizhi (Shanghai Cooperation Organization: New Security Concept and New Mechanisms)* (Beijing: Current Affairs Press, 2002); see also Chien Peng Chung, “China and the Institutionalization of the Shanghai Cooperation Organization,” *Problems of Post-Communism*, Vol. 53, No. 5 (2006), pp. 3~14.

Date	Location	Main Achievements
2005.07.07	Astana	<ul style="list-style-type: none"> - Approved the Concept of Cooperation on Fighting Terrorism, Separatism and Extremism, and Provisions on Member States Retaining Permanent Representative Status in SCO Anti-terrorism Agencies. - Granted observation status to Pakistan, Iran and India.
2006.06.15	Shanghai	<ul style="list-style-type: none"> - Signed the Declaration on the Fifth Anniversary; the Resolution on Fighting Terrorism, Separatism and Extremism from 2007 to 2009; the Agreement on Joint Anti-Terrorism Actions among Member Countries; the Agreement on Cutting Off the Infiltration Channels of Terrorists, Separatists and Extremists; and the Agreement on Inter-governmental Education Cooperation.
2007.08.16	Bishkek	<ul style="list-style-type: none"> - Turkmenistan, Iran, Afghanistan, Mongolia, Pakistan and India participate under observer status for the first time, making the event the biggest since the establishment of the SCO. - Approved the Treaty on Long-term Good-neighborliness, Friendship and Cooperation.
2008.08.28	Dushanbe	<ul style="list-style-type: none"> - Signed Joint Communiqué of the Head of States Secretariat and Agreement on Provisions on Dialogue Partner Status.
2009.06.16	Yekaterinburg	<ul style="list-style-type: none"> - Approved the Agreement on Provisions on Dialogue Partner Status. - Granted dialogue partner status to Belarus and Sri Lanka.
2010.06.11	Tashkent	<ul style="list-style-type: none"> - Approved the procedure of admitting new members.
2011.06.15	Astana	<ul style="list-style-type: none"> - Approved the Antidrug Strategy for 2011-2016. - Signed the Astana Declaration of the Organization's 10th anniversary, the agreement on intergovernmental cooperation on sanitation and the MOU between the SCO Secretariat and the UN Office on Drugs and Crime.

Date	Location	Main Achievements
2012.06.06	Beijing	<ul style="list-style-type: none"> - Signed the Declaration on Building a Region with Lasting Peace and Common Prosperity; the Strategic Plan for the Medium-Term Development of the SCO; the SCO Regulations on Political and Diplomatic Measures and Mechanism of Response to Events Jeopardizing Regional Peace, Security and Stability; and the Resolution on Fighting Terrorism, Separatism and Extremism from 2013 to 2015. - Granted observation member status to Afghanistan and dialogue partner status to Turkey.
2013.09.13	Bishkek	<ul style="list-style-type: none"> - Adopted the Treaty on Long-term Good-neighborliness, Friendship and Cooperation. - Signed an agreement on science and technology cooperation.
2014.09.11	Dushanbe	<ul style="list-style-type: none"> - Reached a consensus on fighting against separatism, extremism and terrorism, as well as on safeguarding regional peace and security therefore Afghanistan will be focal point.

The following sums up the main achievements of the SCO:

- (1) Regular Prime Ministers(PMs) Meetings: PMs from the SCO member states agreed upon a memorandum on initiating regional economic cooperation, facilitating trade and investment, and formally announced the initiation of regular meetings for the aim of realizing confirmed priorities.
- (2) Spillover from security to economic cooperation: besides the advancement of security cooperation centered on the “three evil forces (terrorism, separatism and extremism),” the SCO initiated a agreement in 2003 for multilateral

trade that aimed at realizing the free flow of goods, capital, services and skills and technology in twenty years. The agreement represented a step in expanding the scope of cooperation from security to economics. On the occasion of the PM meeting in 2005, SCO members reiterated earlier pledges to expand economic ties in Central Eurasia and confirmed the ambitious goal of becoming a major global actor.⁸⁹ According to IMF figures, the total GDP of SCO members increased from \$2.1 trillion in 2003 to \$10.5 trillion in 2012, an increase of approximately 1.9 times more than the global mean in the same period.⁹⁰ Although economic growth is hinged upon the different levels of development among members and the global economic atmosphere, positive developments are expected for the near future.⁹¹

- (3) Deepening of security cooperation: Security was the primary concern that motivated the establishment of the SCO and the emphasis of multilateral cooperation. As table I-6 shows,

⁸⁹- Sergei Blagov, "Shanghai Cooperation Organization Eyes Economic, Security Cooperation," *Eurasia Daily Monitor*, October 31, 2005, <http://www.jamestown.org/edm/article.php?article_id=2370411>.

⁹⁰- IMF, *World Economic Outlook Database*, <<http://www.imf.org/external/pubs/ft/weo/2013/01/weodata/index.aspx>>.

⁹¹- Huaqin Liu, "shenhua shanghai hezuo zuzhi quyue jingji hequo de gouxiang (The Concept of Deepening Regional Economic Cooperation through the Shanghai Cooperation Organization)," *Russian, Central Asian & East European Market*, No. 1 (2014), pp. 31~37.

SCO members have continued to strengthen cooperation through bilateral and multilateral military exercises. In addition, in October 2007, the SCO signed an agreement with the Collective Security Treaty Organization(CSTO) to broaden cooperation on issues spanning security, crime and drug trafficking.⁹² It is clear that security cooperation is moving towards institutionalization and consolidation.

- (4) Expansion of membership: Although the makeup of the six members of the organization remains unchanged, the SCO continues to provide Mongolia(2004), Pakistan, Iran, India (2005) and Afghanistan(2012) with observer status, and accepts Belarus, Sri Lanka(2009) and Turkey(2012) as dialogue partners. Clearly, the SCO is expanding its influence in South and West Asia. After receiving United Nations observer status in 2004, SCO Secretariat achieved a MOU with the Commonwealth of Independent States(CIS) and the ASEAN Secretariat respectively in 2005, signs of the organization's gradual increase in regional influence.

⁹²- CSTO is an intergovernmental military alliance which was signed in 1992 by six post-Soviet states belonging to the Commonwealth of Independent States (Russia, Armenia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan). Three other post-Soviet states(Azerbaijan, Belarus, and Georgia) signed the next year and the treaty took effect in 1994. Five years later, six of the nine—all but Azerbaijan, Georgia, and Uzbekistan—agreed to renew the treaty for five more years, and in 2002 those six formally agreed to create the Collective Security Treaty Organization as a military alliance. Uzbekistan rejoined the CSTO in 2005 but withdrew in 2012.

Table V-6 Joint Military Exercises by China and SCO Member States

Date	Operation Name	Content
2002.10	China-Kyrgyzstan anti-terrorist military exercise	- Held at the border of China and Kyrgyzstan. - First bilateral exercise held jointly under SCO framework. - First time China held joint exercise with another state with real simulation.
2003.08	SCO joint anti-terrorist and military exercise	- Codename "Coalition-2003" - First multilateral anti-terrorist exercise under the SCO - First time Chinese troops were involved in a large scale multilateral anti-terrorist exercise.
2005.08	China-Russia joint military exercise	- Codename "Peace Mission 2005" - Attended by defense ministers from SCO member states and military observers from observer states.
2006.08	China-Kazakhstan joint anti-terrorist and military exercise	- Codename "Tianshan" - Held respectively in Kazakhstan and Xinjiang. - First time joint anti-terrorist exercise held between China and Kazakhstan under SCO framework.
2006.09	China-Tajikistan joint anti-terrorist and military exercise	- Codename "Coordination 2006" - Held in the vicinities of Dushanbe Involvement of Chinese and Tajikistan special forces.
2007.08	SCO joint anti-terrorist exercise	- Codename "Peace Mission 2007" - Held in Urumqi, China and Chelyabinsk, Russia.
2007.09	China-Russia joint anti-terrorist exercise	- Codename "Cooperation 2007" - Held in Moscow.
2009.07	China-Russia anti-terrorist exercise	- Codename "Peace Mission 2009" - Held in Shenyang, China.
2010.09	SCO joint anti-terrorist exercise	- Codename "Peace Mission 2010" - Held at Matyburak training area in southern Kazakhstan.

Date	Operation Name	Content
2012.06	SCO joint anti-terrorism exercise	- Codename "Peace Mission 2012" - Held at Chorukh-Dayron training range in northern Tajikistan.
2013.07	China-Russia joint anti-terrorist and military exercise	- Codename "Peace Mission 2013" - Held in Chelyabinsk, Russia. - Biggest anti-terrorist land exercise to date held by the two countries.

In short, as Russian Foreign Minister Sergey Lavrov stated, "the SCO is working to establish a rational and just world order ... it provides us with a unique opportunity to take part in the process of forming a fundamentally new model of geopolitical integration."⁹³ Even though the level of cooperation remains limited at the moment, the SCO possesses considerable potential, as the organization harbors a region that exceeds EU, North America and ASEAN in both territory⁹⁴ and population.⁹⁵ The SCO can be expected to grow into colossal size when South Asian countries enter the organization. As some observers suggest, "Russia, India and China are the largest continental countries of Eurasia and Eurasia is the main continent of the world ... initiative in world politics is objectively moving from great naval

⁹³- Rick Rozoff, "The Shanghai Cooperation Organization: Prospects For A Multipolar World," *Global Research*, May 22, 2009, <<http://www.globalresearch.ca/the-shanghai-cooperation-organization-prospects-for-a-multipolar-world/13707>>.

⁹⁴- 60% of Eurasia continent.

⁹⁵- Approximately 25% of global population.

powers such as Britain and the United States to the continental countries.”⁹⁶

b. Route Diplomacy: The New Silk Road Project

It is worth noting that despite the important role China plays in the SCO, the connection between the SCO and China’s Central Asian policy can be difficult to make sometimes. On the one hand, traditional wisdom regards Central Asia as under the influence of China and Russia or a “dual leadership” model, on the other hand, China has traditionally taken a conservative stance in multilateral institutions. In recent years, however, China has clearly become more active in foreign policy.

In the 2013 SCO Summit, Xi Jinping raised a four-point proposal.⁹⁷ First, China and SCO members should seek to realize the “Shanghai Spirit” based on equality, consultation, mutual understanding and mutual accommodation. Second, all members should jointly safeguard regional security and stability, establish a comprehensive center to deal with security threats and challenges,

⁹⁶- Even the possible accession of Iran was also discussed earlier. See “SCO Membership Precursor to Russia-India-China Alliance,” *Russia & India Report*, October 10, 2013, <http://in.rbth.com/world/2013/10/10/sco_membership_precursor_to_russia-india-china_alliance_30051.html>.

⁹⁷- “Xi Jinping Delivers Speech at SCO Summit, and Raises Four-Point Proposal,” *Ministry of Foreign Affairs of the People’s Republic of China*, September 13, 2013, <http://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpfwzysiesgjtfhshzzfh_665686/t1077762.shtml>.

and jointly support Afghanistan's national reconciliation process. Third, signing of the Agreement on the Facilitation of International Road Transport should be accomplished as soon as possible. The agreement would serve as the foundation for building transport corridors that connect the Baltic Sea and the Pacific Ocean and link Central Asia with the Indian Ocean and Persian Gulf. Finally, countries should strengthen people-to-people communication and non-governmental exchange that shall ground the development of the SCO in the solid foundation of public opinion and society.

Just one week before introducing previous proposal, Xi has suggested the establishment of a "Silk Road Economic Belt" between China and Central Asia.⁹⁸ Following that, in early 2014, state-owned Xinhua News Agency unveiled a new column titled "New Silk Road, New dreams" that is aimed at "rediscovering the historical and cultural meaning of the Silk Road and spreading awareness of China's friendly policies towards neighboring countries."⁹⁹ In June 2014, Xi further called on China and Arab states to make joint efforts towards negotiations and cooperation in establishing the "One Belt and One Road."¹⁰⁰

⁹⁸. "President Xi Proposes to Build the Silk Road Economic Belt," *CCTV.Com*, September 7, 2013, <<http://english.cntv.cn/program/china24/20130907/103428.shtml>>.

⁹⁹. See "xinsilu xinmengxiang(New Silk Road, New Dream)," *Xinhua.Net*, <<http://www.xinhuanet.com/world/newsilkway/index.htm>>.

¹⁰⁰. "Chinese President Urges Joint Efforts in Building Silk Road Economic Belt," *CCTV.Com*, June 5, 2014, <<http://english.cntv.cn/2014/06/05/ARTI1401957963371298.shtml>>.

Regardless of Beijing's real strategic motives in Central Asia, we can draw at least a pair of conclusions on China's policy in the region. First, by extending development into and beyond its western borders, Beijing seeks to correct its domestic problem of disparity between the east and the west while stretching its influence to encompass all of Asia.¹⁰¹ Second, amidst Washington and Moscow's strategic competition in Central Asia, Beijing also seeks to establish a strategic base for itself. As many observers point out, "China should make haste to invest in the establishment of a network of strategic channels that shall effectively reduce the country's vulnerability in having energy supplies cutoff at sea and dependence on strategic channels in the West Pacific."¹⁰² In recent years, China has actually participated in transnational transportation and infrastructure projects in neighboring regions with great vigor. The New Silk Road represents how active of Chinese policy in Central Asia.¹⁰³

It is worth pointing out that although the U.S. Secretary of State Hillary Clinton formally proposed the initiative for establishing a new Silk Road a web of economic and transit connections across

¹⁰¹- Tung-chieh Tsai, *Dangdai Zhongguo Waijiao Zhengce(China's New Diplomacy: Interpreting Its Connotation and Tendency)* (Taipei: Wunan Books, 2011), p. 166.

¹⁰²- Honghua Men and Yuning Gao, "nenyuan anquan: guojia anquan de xin tiaozhan(Energy Security: the New Challenge in National Security)," *Renmin Net*, June 8, 2004, <<http://www.people.com.cn/BIG5/jingji/1045/2554335.html>>.

¹⁰³- Jundu Xue and Guangcheng Xing (eds.), *Zhongguo yu Zhongya(China and Central Asia)* (Beijing: Social Science Academic Press, 1999), pp. 154~170.

South and Central Asia based around a hub in Afghanistan in July 2011 in order to improve the Afghan economy and the economic prospect of the region,¹⁰⁴ as early as 1994, Chinese Premier Li Peng made the statement that “we(China) are willing to join hands with the countries of Central Asia … in contributing respective efforts towards the establishment of the new Silk Road.”¹⁰⁵

In 1998, at the International Conference on the Restoration of the Historic Silk Road, participants adopted a multilateral agreement (Baku Declaration) on the establishment of a Transport Corridor Europe–Caucasus–Asia(TRACECA). In the same year, China actively called for the establishment of the 600km China–Kirghizia–Uzbekistan international railroad, a project that would provide an interface for the TRACECA. Near the end of 2000, China further established the New Eurasian Land Bridge International Coordination Mechanism under the joint auspices of the Ministry of Commerce, the Ministry of Foreign Affairs, the National Development and Reform Commission, the National Commerce Commission, the Ministry of Finance and the Ministry of Science and Technology. The land bridge project currently involves sixteen commissions under the PRC State Council.

¹⁰⁴- Robert D. Hormats, “The U.S.’ New Silk Road Strategy: What is it? Where is it Headed?,” *U.S. Department of State*, September 29, 2011, <<http://www.state.gov/e/rls/rmk/2011/174800.htm>>.

¹⁰⁵- *People’s Daily*, April 20, 1994.

In 2004, China completed construction of the 4,395km long highway connecting Lianyung Port(Jiangsu) with Khorgas (Xinjiang). Beijing's successive efforts established the necessary infrastructure for personnel and commercial exchange between China and Central Asia. In 2010, China, Kyrgyzstan, Tajikistan, Afghanistan, and Iran signed an initial agreement on the establishment of the China-Iran railway, a route that will span 2,300km. This railway is set to depart from Xinjiang and break off into the southern and western lines in Iran, with the former reaching the Persian Gulf and the latter connecting Turkey and Europe. Once complete, the China-Iran railway is expected to rewrite the geopolitical landscape from Central to West Asia.

In 2011, Beijing further announced the establishment of two routes connecting China and Europe. The "Yuxinou Rail Line" spans approximately 11,000km and goes through Central Asia, Russia, Eastern Europe and Germany while a second freight route travels 10,214km between Zhengzhou, China and Hamburg, Germany.¹⁰⁶ Both routes reach Germany via Kazakhstan, Russia, Belarus and Poland. Furthermore, China has raised its railway construction budget in 2014 to ¥800 billion, up from ¥630 billion in 2013. In short, the above results correspond to China's long term policy planning over the Eurasian Land Bridge or the New

¹⁰⁶- C. Raja Mohan, "The Great Game Folio: China's Railroads," *The Indian Express*, April 2, 2014, <<http://indianexpress.com/article/opinion/columns/the-great-game-folio-chinas-railroads/>>.

Silk Road and provide the infrastructural foundation for Beijing to carry out its regional strategy. An understanding of Chinese efforts thus far provides the starting point for observing China's Central Asian policy in the next stage.

3. Prospects of China's regional policy and its implications for the Korean Peninsula

Overall, China is likely to follow in the footsteps of Britain, Russia and the U.S. and become the next great power to extend its influence into Central Asia since the decline of the Qing two centuries ago.¹⁰⁷ In terms of strategic implications, the following approaches may provide some insights.

a. China's Challenge against the Global Status Quo

From the perspective of grand strategy, under the continued strengthening of containment from the U.S.-Japan alliance, China needs to seek strategic breakthroughs in other regions. Besides increased consolidation of political and economic interactions with Central Asia and the effective exploitation of the SCO, China also needs to strengthen its cooperation with Russia to balance against U.S. influence.¹⁰⁸ Moreover, Russian President

¹⁰⁷- Benjamin Carlson, "China's New Great Game," *Global Post*, September 1, 2013, <<http://www.globalpost.com/dispatch/news/regions/asia-pacific/china/130911/china-new-great-game-China-central-asia>>.

Vladimir Putin for his aggressive actions in Ukraine is that this is driving Russia and China closer together in an anti-American axis.¹⁰⁹ Thus far, Russian and Chinese interests in Central Asia have converged, and nontraditional security concerns such as Islamic extremism have quiet brought the two countries together. On the other hand, as the risk of energy security and consumption increased massively with China's economic rise, Beijing also needs to curry the favor of Central Asia and establish an alternative energy shipping channel on land as a diversion from the potential severance of maritime routes.¹¹⁰ In a sense, China's strengthening of its strategy and policy towards Central Asia seems reasonable. With the improvement of transcontinental railway networks, in the foreseeable future, China may have the opportunity of realizing Central Asia's traditional function as a hub on the Eurasian continent.

Correspondingly, Xi not only decided to call on Central Asia on his third official trip abroad, but in SCO Summit, this China's newly incumbent president also repeatedly voiced Beijing's determination

¹⁰⁸- "Rising China, Sinking Russia," *The Economist*, September 14, 2013, <<http://www.economist.com/news/asia/21586304-vast-region-chinas-economic-clout-more-match-russias-rising-china-sinking>>.

¹⁰⁹- Virginia Marantidou and Ralph Cossa, "China and Russia's Great Game in Central Asia," *The National Interest*, October 1, 2014, <<http://nationalinterest.org/blog/the-buzz/china-russias-great-game-central-asia-11385>>.

¹¹⁰- Cheng-xin Ouyang, Di Yuan, *Nengyuan yu Zhongguodalu Lienwai Youqi Tonglu Zhi Kaifa: Zhongya yu Gaojiasuo (Geopolitics, Energy and Development of China's Pipeline Transport Linkages: Central Asia and Caucuses)* (Taipei: Chung-Hua Institute of Economic Research Press, 2012), pp. 9~11.

to establish and realize the concept of the New Silk Road. Through the signing of the Agreement on the Facilitation of International Road Transport, China hopes to achieve institutional protection for the transportation and shipping corridor from Central Asia to the Indian Ocean and Persian Gulf. Meanwhile, as table V-1 shows, between 2011 and 2013, China subsequently elevated its relationship with Kazakhstan, Uzbekistan, Tajikistan and Turkmenistan into strategic partnerships. Coupled with the establishment of strategic partnerships with Turkey in 2010 and Belarus in 2013, security of the corridor connecting Central Asia and the New Silk Road seems to be an obvious foreign policy goal. However, in the next stage, can China realize its strategic plans? Can the SCO help China to become a normative power in the region?¹¹¹ Will multilateral connections between China, Russia and Central Asia increase the status of Eurasia and transform the global geo-strategic landscape dominated by maritime power over the past two centuries? The above are all important questions worth considering.

For China, the 2014 CICA Summit is an opportunity to showcase itself as a major power at the heart of a number of international forums, as well as a moment when Xi can offer a glimpse into his vision for China's foreign policy. Furthermore, Xi's vision

¹¹¹-Emilian Kavalski, *Central Asia and the Rise of Normative Powers: Contextualizing the Security Governance of the European Union, China, and India* (New York: Bloomsbury, 2012), pp. 100~124.

needs to be understood in the context of China's strategic concerns that spans four trade corridors: the Silk Road economic belt (through Central Asia); the China-Pakistan Economic Corridor; the Bangladesh-China-India-Myanmar Forum for Regional Cooperation; and the Maritime Silk Road. In the near future, one can expect foreign policy under Xi to be one in which China will play an increasingly proactive role founded on pragmatic economic relations.¹¹² India has currently an observer status with the SCO submitted an application for full membership on behalf of India at the SCO Heads of State Summit 2014 meeting in Tajikistan. In fact, China and India growing interests in Central Asia disrupt the traditional Russian-U.S. "Great Game" at the heart of the old continent. Though for the moment India is unable to equally compete against the Chinese presence in post-Soviet Central Asia, New Delhi is well established in Afghanistan and has begun to cast its eyes more markedly toward the north to the shores of the Caspian Sea.¹¹³

¹¹²-Raffaello Pantucci and Li Lifan, "China Relishes Its New Role Fostering Regional Cooperation," *South China Morning Post*, May 19, 2014.

¹¹³-Mariene Laruelle, Sebastien Peyrouse, Jean-Francois Huchet, and Bayram Balci, (eds.), *China and India in Central Asia: A New "Great Game"?* (London: Palgrave Macmillan, 2010).

b. China's Rise and Its Implications for the Korean Peninsula

Due to its geographic locale, the Korean Peninsula has historically played the role of a bridge connecting continental and maritime forces. Before Europe's commencement of the Era of Sea Power since the 15th century and then absorption of East Asia into the global chessboard in the 19th century, as the West Pacific lacked an entity with sufficient capacity to dominate the region, the Korean Peninsula was once as a peripheral region under the Eurasian system. However, Japan's rise in the late 19th century and the U.S. emergence as a global hegemony in the 20th century overturned the traditional geopolitical structure that leaned towards continental power in East Asia, and provided the Korean Peninsula for the first time in history with the significant role of a regional hub. The peninsula's role as a hub is a strategic reality that has been maintained throughout the Cold War years.

Although U.S. hegemony seems to hint at the inclining lean towards maritime power in East Asia, facts suggest that under America's geo-strategic arrangement that emphasized the Atlantic over the Pacific, resource limitations caused the U.S. to use the first island chain as a strategic barrier and maintain slight advantages in the region. With China's rise, U.S. advantage nonetheless meets the pressure to re-adjust. In contrast with a strategic landscape of multilateral interactions filled with

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uncertainties in the 1990s, developments towards U.S.–China competition seems to dominate East Asia in the 2000s.

Regarding more recent developments, many countries are undoubtedly more concerned with the implications of China's rise, the potential for power transition between China and the U.S.,¹¹⁴ and China's gradual revisionism that breaks away from its former emphasis on the status quo.¹¹⁵ Regardless of whether China's foreign policy will become more active in the near future, not only did China become the spotlight of attention in G20 Summit of 2009, just in early 2014, the World Bank also pointed to the possibility of China's overtaking the U.S. as the No. 1 market in the world.¹¹⁶ If one takes into account China's active planning in Eurasia, the regional balance of power in East Asia may confront pressures to adjust within the next decade.

For the Korean Peninsula, potential transformations in the region imply that since the 1890s and the 1950s, the peninsula

¹¹⁴- Shu-fan Ding, "meizhong jinghe xia de yatai wending fazhan(Asia Pacific's Stable Development under U.S.–China Congagement)," in Chi-chen Chiang, *Qiangquan Guanxi yu Yatai Quyu Fazhan(Great Power Relations and Developments in the Asia Pacific)* (Taipei: Chinese Taipei APEC Study Center, 2007), p. 12.

¹¹⁵- Alastair Johnston, "Is China a Status Quo Power?" *International Security*, Vol. 27, No. 4 (2003), pp. 5~56.

¹¹⁶- The U.S. has been the global leader since overtaking the UK in 1872. Most economists previously thought China would pull ahead in 2019. see "China Poised to Pass U.S. as World's Leading Economic Power This Year," *Financial Times*, May 30, 2014, <<http://www.ft.com/cms/s/0/d79ffff8-cfb7-11e3-9b2b-00144feabdc0.html#axzz35NB8GItT>>.

now stands again for the third time in history at the crossroad of regional structural shift. Once again, South Korea is left to decide between maritime and continental power. However, perhaps more importantly, in contrast with the absence of choices in its previous encounters, the Korean Peninsula is endowed with an unprecedented opportunity to choose amidst the complicated international and regional system. South Korea has four potential choices:

- (1) Maintain its alliance with the U.S.: Before real transformations occur to the status quo, this is the most natural(or safe) choice that corresponds with tendencies in decision making. However, the problem is that tendencies may impede the capability to manage crises and effectively deal with unexpected situations.
- (2) Turn towards China: Another choice is to turn towards China ahead of time. The challenge continues to be the fact that as a middle power supported by the U.S. Korea may not have the freedom to choose.
- (3) Temporarily maintain an equal-distance policy between China and the U.S.: The third choice is to move between the great powers and establish Korea as a hinge with leverage. Although this may look like a safe choice, the problem may be the potential blurring of identity in terms of strategy. A hinge needs to be supported with a high

level of rationality and stability a present challenge for democracies.

- (4) Establish a multilateral diplomatic and security network:
The above choices are basically based on traditional thinking, or in other words, focus on the distribution of power and bilateralism. However, the structure of complex interdependence under globalization offers another possibility. If a state possesses a sufficient number of strategic linkages, it may choose to enter more network nodes and accumulate more tokens for negotiation. For South Korea, the complicated and unstable structure of the emerging Eurasian plate offers further possibilities that may be worthy for consideration.

VI. Central Asian States' Responses to China's Expansion of Power

After 2010, China has emerged as the most important external actor in Central Asia. Some experts in international relations analyze the relative change in China's status as a matter of coincidence. In other words, China's status is not the result of the Chinese government's efforts, but rather has to do with the international environment surrounding the Central Asian region as well as its overall economic growth.¹¹⁷ Yet, others are eager to argue that Chinese expansion is part of the shrewd diplomatic strategy set forth by the central government. Nevertheless, it should be noted that the regional strategy of the U.S., NATO, and Russia to put Central Asia under their spheres of influence is facing a challenge. Russia used to rule the region for one hundred and fifty years after its colonization of Central Asia in the 1860s which subsisted as the Soviet Union, but at present, has lost much of its influence over the region. In addition, the U.S. and the West—which had paved their way into Central Asia after the September 11 terrorist attacks in 2001 by waging

¹¹⁷- Seungsoo Hyun, "Central Asia and China: current state and future prospects," *EMERICs Russia and Eurasia*, March 2013, <<http://www.emerics.org/mobile/column.do?action=detail&systemcode=04&brdctsn=112224>> (accessed August 1, 2014).

war on Afghanistan—were too preoccupied with detaining Russia and thereby failed to detect a crucial shift in Eurasian geopolitics. The structure of the post-Soviet space between Aktobe in Kazakhstan to Vakhish in Tajikistan had been experiencing a thorough transformation.

Until now, China's official foreign policy towards Central Asia had been promoted quietly and cautiously. China stressed that it was necessary to develop the economy of the Xinjiang Uyghur Autonomous Region and therefore linked it to the regional development of Central Asia. However, recently, China has been carrying out a much broader plan; the construction of the Eurasian Land Bridge which will directly link East Asia to Western Europe. Some view the recent Chinese projects to establish core infrastructure in Central Asia to be relevant to the construction of the land bridge. Others see China entering Central Asia through a multilateral channel, namely, the SCO. However, those who argue that the structural substantiality of the organization pale in comparison to its symbolic significance insist that it is necessary to take note of the spread of small scale Chinese groups all over Central Asia. The small scale businesses transcending borderlines, and the students and teachers of Confucius Institutes established all over the region, are supposedly the vanguards of long-term Chinese investment and expansion.¹¹⁸

¹¹⁸. *Ibid.*

Previous research tends to focus specifically on the regional strategies of superpowers such as Russia, China, and the U.S., and seldom looked to the response of the five “stan” countries of Central Asia to them. As an example, most studies on the SCO tend to focus on the interests and regional strategies of China and Russia, but glossed over the responses and policies of Central Asian countries. This is due to a lack of interest in the Central Asian countries, but it can also be interpreted that the studies regarded the fate of Central Asian countries to be in the hands of surrounding superpowers. Also, many studies disregard data from Central Asia to be unreliable and shallow to allow meaningful analysis.

Under current circumstances, this chapter aims to shed light on the response of the Central Asian states towards Chinese expansion. The first section of the chapter will examine the geopolitical structural change that Central Asia experienced during the last twenty-five years of independence in the post-Soviet era, then the emergence of China as a new external actor. The second section will focus on three core issues in China–Central Asia relations. These issues each correspond to fields of national security, economics, and social structure. Followed will be the third section, which will analyze the responses of the respective states towards Chinese expansion. The five Central Asian states share many historical and geopolitical elements, but the differences in geographical conditions, levels of economic development, and

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dynamics of domestic politics naturally led them to interact with China in their own unique ways. This section will also analyze the response strategy of the five states which could allow some insight into future prospects.

1. Geopolitics of Central Asia and China

With the fall of the Soviet Union, the five Central Asian states stepped onto the stage of international politics and had to go through unprecedented challenges of establishing a nation state and transitioning to a capitalist market economy. Kazakhstan managed economic growth by utilizing rich natural resources such as oil and natural gas; and President Nursultan Nazarbayev's leadership is recognized to have contributed to heightening Kazakhstan's national status. Uzbekistan falls behind Kazakhstan in terms of natural resource reserves or level of economic growth, but its role in the region as an important pillar of Islamic culture is noted, not to mention that it has the largest population out of the five "stan" countries, which suggests possibilities for future development.

On the other hand, Kyrgyzstan and Tajikistan has not gained much attention from the international community due to their lack of resources and falling economic standards. There are many difficulties for Kyrgyzstan to run the country without outside help due to continuous political upheavals. In the case of

Tajikistan, five years(1992~1997) of civil war burdens its internal affairs. Turkmenistan is on its way to opening up to the international community after a regime change from Saparmurat Niyazov, whose governing philosophy took on a personality cult and made Turkmenistan a closed and deformed state. The influence that Turkmenistan—which possesses the world’s fourth largest natural gas reserves—will have on Eurasia’s energy flow is tremendous.

To sum up, Central Asian countries went through the post-Soviet era by embarking separate paths of development, each depending on their respective natural conditions, political leadership, and domestic dynamics. However, the experience that these five states shared with each other—the relic of Soviet rule—is yet engraved deeply into the system, political culture, and awareness of their respective citizens. The last twenty-five years was in fact a time to finding answers to how Central Asia will be able to adapt to the post-Soviet international community. In this process, the relationship between Russia, China, and the U.S. was one of the key factors in attempting to determine the development path of the Central Asian states.

These external factor not only due to the geo-economic fact that some of the five nations are reserves for oil and gas, but also due to the fundamental change in international security and Central Asian geopolitics since the year of 2001. The early half of the 2000s was when the West, mainly the U.S. and the EU, were expanding their influence in Central Asia while keeping

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Russia checked amidst its post-Soviet deterioration with national bankruptcy and confusion in internal affairs. In the latter half however, China emerged as a new and powerful player.

Actually, China-Central Asia relations had been strictly limited when Central Asian states existed as Soviet republics during the Cold War. Although Kazakhstan, Kyrgyzstan and Tajikistan were neighboring China, the official channel of diplomacy had always been Moscow, and these states seldom made individual contact with China.

The situation changed as China had to treat each Central Asian states as independent nations and set new borderlines after the Soviet break-up. What China was most concerned with was the possibility that its Western periphery could become a potential threat to national security. This was directly linked to the northwestern security dilemma of the Xinjiang Uyghur Autonomous Region; ever since the Soviet Army retreated from Afghanistan, there was a high possibility that the instability of Afghan affairs could take a form of Islamic fundamentalism and spread across Central Asia and make its way to China. The Uyghurs residing in the autonomous region had ethnic and sentimental connectivity with the Turks of Central Asia, and also shared the religious identity as Muslims. Thus, if the Uyghurs who wanted independence from China joined forces with Islamic fundamentalists in Afghanistan or Central Asia, China's periphery could be threatened. In fact, a series of riots and protests arose in Xinjiang during 1989 to

1993 which brought tensions to the Chinese government.

The Tajikistan Civil War that incidentally occurred with the fall of the Soviet Union was another case suggesting the dangers in Islamic fundamentalism. The Tajikistan Civil War, which occurred in 1992 and continued for five years, was a war between the Islamic Renaissance Party which tried to establish a Muslim government and secularists committed to the former communist ideals. Fifty to hundred thousand people lost their lives, and more than one million became refugees.

In April 1996, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan gathered under China's lead to organize the Shanghai Five. At the background of this organization was the necessity for concerted efforts to stop the spread of Islamic fundamentalism and terrorism. However, China's intention to close the deal on borderlines with Central Asian countries also played a role. As will be described in the latter part of this chapter, finalizing the borderline with China was met with strong opposition from some countries and became one of the important reasons for the spread of anti-Chinese sentiment in the region.

The upsurge of Chinese interest in Central Asia in the 2000s is not, of course, strictly irrelevant to the Chinese development strategy which requires energy sources and the plan for economic growth in Xinjiang. In order to carry out these strategies smoothly, it was crucial to expand influence in adjacent regions. In order to cooperate with the Central Asian states which had been referred

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as the backyard of the Soviet Union in the past, China had to negotiate with Russia and take a very cautious approach. Roughly until the beginning of the 2000s, China had to be satisfied with security cooperation through the SCO and limited economic cooperation through bilateral engagements with the Central Asian states, trying not to step on Russia's toes. However, it was right at this point that Central Asia was being dragged into the center of a huge geopolitical transformation.

The pivotal incident which enhanced the geopolitical status of Central Asia occurred with NATO's attack of Afghanistan under the U.S. lead after the September 11 terrorist attacks in 2001. The Western forces needed absolute cooperation from Central Asian states in order to carry out the war in Afghanistan, and the Central Asian states cooperated in multiple ways such as opening airspace, supplying fuel for NATO's military establishments, and renting out space for military base. In exchange, Central Asian states were granted economic support. The U.S. also intensified security cooperation; they established and trained Special Forces in Kyrgyzstan and intervened in the foundation of another in Tajikistan. The Karshi-Khanabad Air Base in Uzbekistan and the Manas in Kyrgyzstan served as supply bases for the American army in the conduct of operation in Afghanistan.

However, the Uzbekistan Government closed down the Karshi-Khanabad Air Base which had been used by the U.S. army when the U.S. and other Western states pressured the Islam

Karimov regime on humanitarian issues after the breakout of Andijan Massacre in May 2005.¹¹⁹ Moreover, as the two regime changes of Kyrgyzstan in 2005 and 2010 called out for the U.S. or Western NGOs' interference, the mistrust of Central Asian governments towards the U.S. reached its peak. When the U.S. failed to grant the economic subsidies as was promised, U.S.–Central Asian relations started to cool off.

Stuck between Russia—with the Putin administration's aspirations of a second heyday in Central Asia—and the U.S., pressure on local governments for democracy and human rights with economic sanctions, Central Asian states needed a new geopolitical patron. Their attention which had been directed to the north and the west finally slid to the east: China. As China's developmental strategy clicked with diplomatic need of Central Asian states, China came to emerge as a new player in the region.

¹¹⁹- The Andijan massacre refers to the incident in May 2005 when the military fired into a crowd of protesters in the eastern city of Uzbekistan, causing several hundred deaths. The details of the incident have not been identified and the Uzbek government claims that it was an attempt by Islamic fundamentalists to overthrow the government and thus their attack on the protesters is justified. On the other hand, a number of Western conspiracy theories suggest that the Uzbek government has instigated the protests through its secret military agency.

2. Three key issues in China–Central Asian relations

a. Intensified Security Cooperation through the SCO

Established in June 2001, the SCO is an advanced version of the Shanghai Five. It is distinguished from regional organizations which are composed of former Soviet states, or those self-constructed by Central Asian States. The SCO is characterized by Russia and China's leadership, two states which have played essential roles in Eurasia.

There are various explanations on how the SCO, which did not attract much initial attention, came to grow as an important international organization with functionalist character. The first is to see the SCO's development as part of China's foreign policy. China finalized its borders with Central Asian countries to maintain a friendly, cooperative relationship, and China is making use of the SCO as the hub of its Central Asia-directed diplomacy. The second is to view it as China's domestic policy of using the SCO to promote the development of the Xinjiang Uyghur Autonomous Region and guarantee its political and economic security. The third is the explanation that Russia is using the SCO's framework to promote China–Central Asia cooperation. Finally, the fourth is a dominantly western viewpoint which sees the SCO as a political and military alliance led by China and Russia to counter Western profits in Eurasia.¹²⁰

However, despite its cooperative mechanism, when examining

the SCO from the standpoint of the Central Asian states, it is possible to discover just as much negative aspects of the organization. Above all, there is an actual concern that although China's aims of the SCO will meet its interests, it will come at the expense of Central Asian states' independence, and exacerbate their economic vulnerability. An assessment of the SCO from the Central Asian viewpoint will yield the following observations.

Firstly, given that the SCO had clearly defined the fields and aims of cooperation in its early stages, it had an optimistic beginning which could well extend to other fields of cooperation such as economics. The field of cooperation in its initial stages was security, more specifically, responding to Islamic fundamentalism, determining the borderline, and responding to American expansion in Central Asia; and member states of the SCO shared a common vision. In the mid-1990s, before the SCO was founded, Kazakhstan, Kyrgyzstan, and Tajikistan among the five Central Asian states were already cooperating with Russia and China to solve territorial issues and respond to trans-border crimes as well as Islamic fundamentalists. This was the Shanghai Five. The organization was an initial step at constructive cooperation in efforts to extend the Central Asian framework to China and Russia, and the specific outcome of expanding mutual trust. The Shanghai Spirit, as it was set by the organization as the foundation of

¹²⁰ ティムール・ダダバエフ, 『中央アジアの国際関係』(東京: 東京大学出版会, 2014), p. 203.

cooperation, referred to “mutual trust, mutual benefit, equality, negotiation, respect for other cultures, and pursuit of mutual development.” This approach was directed to establish an equal, mutually benefitting relationship which would consider the benefit of fellow members and handle all problems through peaceful means of dialogue. This principle was functioned as blocking possibilities for stronger members like Russia and China to overrule the economic and political decisions which go against the weaker members’ intentions; it was a form of defensive mechanism for Central Asian countries.¹²¹

The establishment of the SCO in 2001 followed the footsteps of the Shanghai Spirit. However, although the principle helped to restrain obvious diplomatic pressure against a particular member, it fell short of the mission to let the Central Asian countries—despite facing various challenges such as economic development—stand on equal grounds to superpowers like Russia and China. The “stan” nations themselves are well aware of their vulnerabilities. To reflect this, there has been occasional coverage by the Central Asian media which question whether the SCO Declaration or reports actually guarantee the independence of all member states.

Secondly, it is important to note the anti-imperialist agenda that the SCO sets forth. The SCO strongly opposes the presence of a foreign army in Central Asia. In particular, the SCO has

¹²¹- ティムール・ダダバエフ, 『中央アジアの国際関係』, pp. 204~205.

announced a statement in 2005 which strongly demanded that foreign armies pull out of Central Asia. This had been directed towards U.S. military operations in Afghanistan. Central Asia, China, and Russia do support the stabilization of Afghanistan, but expressed concerns in continued the U.S. military presence in the region. What these countries fear is the possibility that the U.S. will force their democratic ideals and the western path of political and economic development, and attempt to educate the locals. The American role in the Kyrgyzstan Tulip Revolution in March 2005¹²² and the political pressure that the U.S. imposed on the Karimov regime for the Andijan Massacre served as evidence for Central Asian states' concern over American interference in domestic affairs.

Unlike the West, China has repetitively emphasized that it has no intention to dispatch its army to Central Asia under any security threat.¹²³ At SCO summit meetings, it is often stressed that “differences in the model of development which were formed by differences in cultural traditions, political and societal system, and historical process should not act as an excuse for interfering in a fellow nation’s internal affairs.” However, it is unknown whether China will be able to adhere to the principle

¹²²- The Tulip Revolution is also called the Lemon Revolution. It refers to the democratic movements which took place in Kyrgyzstan against the 14 year ruling Askar Akavey regime’s electoral fraud.

¹²³- International Crisis Group, “China’s Central Asia Problem,” *Asia Report*, No. 244 (February 27, 2013), p. 6.

when the International Security Assistant Force (ISAF) finally pulls out of Afghanistan at the end of 2014, or if the post-2014 situation will require China to take on a security role. It is difficult to imagine that the Chinese government will stay quiet if indeed, the security of the Chinese people or the Chinese enterprises which are increasing in Central Asia become threatened. Since China also realizes that most of the Central Asian states prefer their system of long-term dictatorship which can be volatile depending on circumstances, some speculate that China could support these authoritarian regimes and cooperate with them as to maintain their one-party authoritarian regimes, similar to China.

Thirdly, some view that the SCO's call to pull out foreign military bases from Central Asia and their refusal to permit construction of new bases is China's warning to Russia, which is trying to expand its regional military influence.¹²⁴ It has been generally acknowledged that China approves the traditional control that Russia exercises over the region.¹²⁵ However, it is also true

¹²⁴- ティムール・ダダバエフ, 『中央アジアの国際関係』, pp. 211~212; Actually, even in the 2000s the SCO is mainly focused on addressing specific aspects of security such as trade, combating terrorism, narcotics. For this reason, it has not received widespread attention from the international community. Various agendas adopted by the SCO were recognized mostly only on paper and was nothing more than mere declarations. Some analysts view that this is due to the competition between China and Russia, which has made it difficult for cooperation among member states. Kazakhstan's diplomat at the time described the relations within the SCO as "a dance of Mongoose and cobra." International Crisis Group, "China's Central Asia Problem," p. 5.

¹²⁵- *Ibid.*, p. 7.

that China's adherence to the principle of non-intervention in domestic affairs was making Russia uneasy. China's anti-imperialist message delivered through the SCO and in bilateral relations is welcomed by Central Asian states, but is a dilemma for Russia who would like their traditional dominance in the region to be respected.

One example demonstrates Russia's dilemma regarding this issue. In August 2008, Georgia(Gruzia in Russian)—a former constituent of the Soviet Union, which often antagonized Russia after their independence—was militarily attacked by Russia. Russia had interfered when South Ossetia was invaded by Georgia's new president Mikheil Saakashvili after attempting to gain independence. Under the cause of protecting Russians in South Ossetia and Abkhazia—the two conflict areas demanding independence from Georgia—Russia commanded eight days of war to repel the Georgian army and in effect, grant the independence of the two regions. Indeed, the two regions are not internationally recognized sovereign nations. However, Russia recognized their independence and severed diplomatic ties with Georgia. The problem was that Dmitry Medvedev, the then president of Russia, was perplexed by the response of the member states of the SCO in the annual summit held in Dushanbe right after the war. China and Central Asian member states opposed Russian action and refused to approve the independence of South Ossetia and Abkhazia. Hu Jintao, the then head of the Chinese government, explained the

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reasons to Medvedev as the following: “all member states of the SCO possess potential conflict regions. Thus, if a nation approves the independence of Caucasus, the nation is refusing to accept the integrity of its territory.”¹²⁶ China, with the issue of Xinjiang Uyghur and Tibet, and respective governments of Central Asia with potential territorial conflicts, could not possibly approve the legitimacy of the Caucasian separation.¹²⁷

In current circumstances where all Central Asian states support the principle of non-intervention, it is apparent that Russia is faced with limitations in exercising influence over the region through military force. Furthermore, amidst the controversy surrounding Western criticism on human rights, China’s consistent support for Central Asian governments paired with China’s strong opposition to external intervention serves as factors expediting Central Asian states’ movement towards China and enhancing the cohesion of the SCO.

When the SCO was established, it could be inferred that early cooperation goals of the Shanghai Five—borderline definition and response to terrorism and Islamic fundamentalism—have been

¹²⁶ “Смежники подвели. Дмитрий Медведев не получил поддержки да же в ШОС,” *Коммерсант*, August 29, 2008.

¹²⁷ Although President Medvedev was baffled by Hu Jintao’s explanation and SCO member states’ hostile response, he commented that he understood the views of the member states and their decision was correct. see “Пресс-конференция по итогам заседания совета коллективной безопасности ОД КБ,” September 5, 2008, <<http://kremlin.ru/transcripts/1309>> (Retrieved September 22, 2014).

accomplished. The next goal of the SCO is to spread the scope of cooperation to economic fields and develop Central Asian infrastructure such as the construction of transportation corridors and new pipeline routes. As cooperation agendas broaden from security to the economy, the SCO is developing into something more than a security forum—a multilateral organization for economic cooperation. As experts point out, “there is a high chance that the SCO will become a powerful regional actor if it expands to address economic and social issues as well as security issues.”¹²⁸

b. China’s Resource Diplomacy and Support for Central Asian Development

Since the 1990s, China’s loan and investment in Central Asian countries as well as trade volume have increased at a great speed; from \$527 million of total amount of trade in 1992 to \$46 billion in 2012. Except for Uzbekistan, now China is the number one trade partner with all four “stan” countries in Central Asia.¹²⁹ As of 2005, there are approximately 1,000 Chinese companies in Central Asia. Regarding economic cooperation in the region, China focuses on the abundant petroleum of Kazakhstan and

¹²⁸-Fazal Ur-rahman, “SCO: Problems of enhancing economic cooperation,” *Eurasia Critic*, 2008, <<http://www.eurasiacritic.com/articles/sco-problems-enhancing-economic-cooperation>> (accessed August 10, 2014).

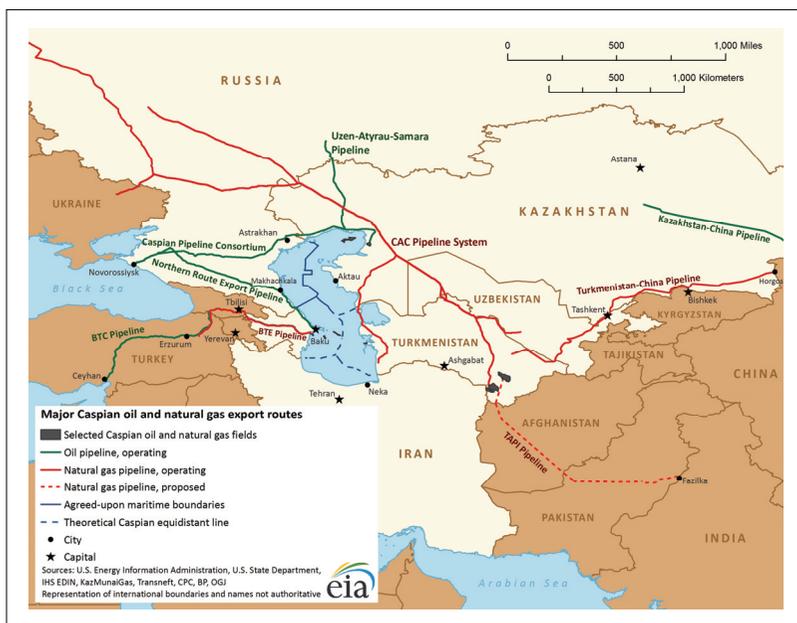
¹²⁹-“Rising China, sinking Russia,” *The Economist*, September 14, 2013.

Turkmenistan, which are major exporters of natural gas. The size of economic cooperation with Uzbekistan has grown gradually while China has offered a considerable amount of investment and loan to resource-poor countries like Kyrgyzstan and Tajikistan.

There have been two factors behind China's interest in cultivating economic relation with Central Asia. First, natural resources such as natural gas and petroleum produced in this area are essential to maintaining China's domestic economy.¹³⁰ In 1997, China made the first economic cooperation agreement with Kazakhstan mainly in order to develop oil and gas fields in Kazakhstan and build a pipeline connecting the two countries to import these resources to China. Opened in December 2009, the 7,000km natural gas pipeline is the economic monument of China's diplomacy, which starts from Samantepe and goes through Uzbekistan to Atasu, Kazakhstan, and Urumchi, Xinjiang Uyghur Autonomous Region, delivering 40 billion cubic meters of natural gas every year.

¹³⁰- China's diplomacy for acquisition of resources has switched into aggressive policy since 2000, during which it encouraged and supported Chinese businesses to extend their operations overseas and invest in foreign countries, abolishing most of the measures to limit this.

Figure VI-1 Oil and gas pipelines in Central Asia



* Source: <<http://www.eia.gov/countries/regions-topics.cfm?fips=csr>>.

Another reason why China seeks business exchange with Central Asian route countries is to develop the Xinjiang Uyghur Autonomous Region as a series of China Western Development Project led by the PRC government, which is expected not only to consolidate the regional security of the western part of the country but also expected to contribute to China's position as an Eurasian superpower. Chinese leadership is determined that maintaining the security of Central Asia will lead to China's economic stability as well as secure the Xinjiang region. Kyrgyzstan's political instability in 2010, for example, brought

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negative impacts on Xinjiang's export performance to Uzbekistan and Kazakhstan as well as Kyrgyzstan. Also, in 2009, exports decreased due to riots which broke out in the Xinjiang region.¹³¹ Since the 2000s, various construction projects have been under way to connect Xinjiang Uyghur and Central Asia with roads and pipelines.

China's strategic drive to expand economic cooperation with Central Asia has been initiated in the multilateral framework of the SCO. In the process, Kazakhstan and Tajikistan are outstanding examples of China's investment and development aid.¹³² China is investing a great amount of money in constructing infrastructure, especially highways, oil and gas pipelines, railroads and power transmission lines.

China's entry into Central Asia has some implications from the perspective of the "stans." First, Central Asian states' cooperation with China promotes the de-Sovietization and de-colonization of the Central Asian region. As is well known, the development of Central Asia in the Soviet era was led by Russia. Their aim was to establish a unitary economic bloc by interlinking the two markets of Russia and Central Asia in order to bring about the prosperity of both regions.

¹³¹- International Crisis Group, "China's Central Asia Problem," p. 7.

¹³²- China offered the development loan package of \$900 million in total to the SCO members. Tajikistan received \$600 million and the rest of the money went to Kyrgyzstan. see *Ibid.*, p. 12.

After the collapse of the Soviet Union, however, the “stans” began to regard the Soviet-led modernization policy as a form of colonization rather than economic development, which reflects their victim mentality that they were denied the opportunity to access other economies outside the Soviet bloc.¹³³ Therefore, these states began to consider China, the newly emerging major economic partner, helpful and positive. Notably China’s role in the development of transportation and energy is a vital interest to the Central Asian countries.

Second, China’s developmental model is a meaningful alternative to Western or Russian-style economic growth strategies. The newly independent Central Asian states chose to allow the government to control and manage their politics and economy, inheriting the Soviet model of governance. This indicates their rejection of Western democracy and the free market principle. On the other hand, China has adopted a model of development that compromises the Russian and Western models. It enables the private sector to take part in the economy but still within the central government’s guidance. The SCO protects Central Asian governments from external critics by clearly stating that models of social development should not be ‘exported.’¹³⁴

Third, in the process of aiding and investing in economic projects, the Chinese government and enterprises would often

¹³³- ティムール・ダダバエフ, 『中央アジアの国際関係』, p. 211.

¹³⁴- *Ibid.*, p. 211.

attain their demands by utilizing their connections to the leaderships in Central Asia. Such has been noted by interviews with Central Asian dignitaries conducted by Crisis Group. At times, problems would occur when lower officials do not have a desirable relationship with their Chinese counterparts and this would lead to meager accomplishments. Consequently, prior consultation between Chinese business and local officials is critical for projects, the process of which may even entail corruption.¹³⁵

Fourth, although China's initiative for the resurrection of the Silk Road is greatly attractive in economic terms, it is also buying the anxiety of Central Asian states. The cooperative initiative, which will expedite the development of transportation infrastructure and trade expansion, is supported by the currency swap agreement. Central Asian governments are reluctant to oppose China's plan because of its economic appeal. Experts, however, point out that the fruits of the SCO's initiative will be asymmetrically in favor of China; China will take advantage of resources and territories and expand its consumer goods market throughout Central Asia while the "stans," with lower economic capacities, have little possibility of growing incomes and improving local production. The political and financial world in Central Asia is concerned with such structure of economic exchange.

¹³⁵- International Crisis Group, "China's Central Asia Problem," p. 13.

c. Increase in Chinese Labor Immigration and Anti-Chinese Sentiment

It appears that the report on anti-Chinese sentiment in Central Asia is covered by Western or Russian media more often than by the local press. Though the antipathy against China is not widespread in the area, there is growing apprehension about China's rapid expansion. In some cases, local politicians and businessmen mentioned the threat of a PRC-led cooperation projects towards the local economy in the media. One example is the discontent and protests of the locals after Chinese goods overflowed the markets since 2002. There were locals' protests in the Kyrgyz markets of Dordoy in 2002 and Kara-Suu in 2004 where people demanded that the authorities should not provide the Chinese with privileged spaces for their business. In 2006, the Kazakh parliament was confronted with a similar outcry. Members of Nur Otan, the ruling party of Kazakhstan, claimed that the rate of Chinese corporations' participation in energy-related projects should be limited to less than 40%, for fear that national interests could be endangered by the excessive participation of Chinese shareholders.

Another reason behind the anti-China sentiment was the unequal demarcation of the borders among the Central Asian countries and China. Before the borders were confirmed, there were public opinions against the unfair cession of territories and China's expansionistic policy. When the Shanghai Five was

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formed, each agreement on the borders and territories of China between Kyrgyz, Tajik and Kazakh governments caused widespread apprehension concerning their territorial sovereignty. The residents whose lands were incorporated to China and Tajik farmers who thought that their country lost its territory resisted the Tajik government's decision. The Tajikistan parliament also accused the president of harming their national interests.

Moreover, the growing flow of Han Chinese immigration recently became a source of antagonism toward China. Though there is a lack of accurate statistics of Chinese immigrant laborers in Central Asia, there was a triple increase in the Chinese population from 30,000 in 2007 to 82,000 in 2010 according to Tajikistan's official estimation. The estimate from the Kazakh authorities shows 0.3 million Chinese in the country. Both governments' statistics, of course, do not count the number of the illegal immigrants. Kyrgyz people reacted against the rapidly increasing Chinese immigrants, leading to a law enactment, which limited the number of foreign laborers in 2007 with the actual intention to restrict the flow of the Chinese population in Kyrgyzstan's domestic economy. Especially the operations led by Chinese businesses in Central Asia brought Chinese labor rather than used local labor force, igniting strong opposition among local people who suffered from high unemployment rates.

Not all Chinese laborers working in Central Asia are content with the situation. Some businessmen complain about the serious

corruption in local operations. According to interviews from Crisis Group, Chinese workers said that they had to bear discrimination against Chinese and live under harsh labor conditions in Kazakh society. Some witnessed that in Western region of Kazakhstan with high density of oil fields, corrupt local officials often force Chinese businessmen and laborers to give them bribes while local Kazakhs were angry at Chinese laborers who were involved in corruption.¹³⁶

In this regard, it is notable that the rift between political elites and common people towards Chinese projects and the SCO in Central Asia is growing. Leadership in Central Asian states typically considers China's economic operations to be beneficial to their interests. The public, however, tend to think that these projects benefit only the highest crust of society, far from improving the living conditions of the residents. The two major economic cliques in Kazakhstan, Eurasia Group and Kazakhmys, are now lobbying for the expansion of China's position in Kazakhstan market. It is said that the former mayor of Bishkek, a statesman and a friend of the president, dominated trade channel to China and lobbied for China-related projects.¹³⁷

China has not yet shown considerable reaction to the anti-China sentiment issue, which is likely to further spread in the region. It is possible that the Confucius Institute could be a

¹³⁶ *Ibid.*, p. 15.

¹³⁷ ティムール・ダダバエフ, 『中央アジアの国際関係』, pp. 207~208.

catalyst for worsening Central Asia's antipathy against China, despite the Chinese government's efforts to establish them as a part of the SCO's plan to strengthen mutual trust among China and Central Asian states. These institutes are meant to help Chinese enterprises work as well as facilitate the penetration of Chinese culture and language in the region.¹³⁸

3. Central Asian states' responses to China's expansion of power

a. Kazakhstan: A Multi-vector Diplomacy in Response to China

Kazakhstan has been known to be the most Russia-friendly; given that the proportion of Kazakh population within the Republic account only for 60% and that the nationality of nomad Kazakhs had been formed under the strong influence of imperial and Soviet Russia since the 18th century. Kazakhstan is also a member of the Russia-Belarus-Kazakhstan Custom Union and its advanced version of Eurasian Economic Union, which was ambitiously pushed forth by the Putin regime.¹³⁹

¹³⁸- The University of SCO is a similar example, which was proposed by Putin at the Bishkek Summit Talk in 2007 to research energy, environment, IT, region studies, etc. Central Asian governments expect the SCO University to maintain balance against China's cultural expansion. Uzbekistan, however, expressed its apprehension of the SCO treaty on educational cooperation in 2006. That was because the idea of making a common education center for SCO could lead to Russia's cultural invasion.

¹³⁹- Shlapentokh, an American expert in Central Asian issues, analyzes that the

Recently the Kazakhstan government is at a discord with Russia on the diplomatic stage. Experts analyze that it reflects president Nazarbayev's intention to break out of its political and economic dependence on Russia. For him, Russia is simple one of the many partners which can help Kazakhstan's interests and that although they may cooperate on certain fields, they may also compete in others.

One example of Kazakhstan's multi-vector diplomacy concerns the issue of energy. If the period up to mid 2000s was a time for competition for Kazakhstan's energy resources was between the U.S. and EU against Russia, the geopolitics of pipelines became more complicated with China's emergence as a new actor. Some analyses show that Western-Russian competition for natural resources has ironically given China a new chance to penetrate Kazakhstan's energy market.¹⁴⁰ China, unlike the West and Russia, does not propose difficult requirements or exclusive conditions for resource development. In addition, it is generously investing in transportation infrastructure such as railroads in exchange for acquiring resources. The strategic diversification of the resource market enables Kazakhstan to

reason why Kazakhstan is participating most actively in Russia-led Eurasian Economy Union is its intention to export oil to Europe through the pipelines built under the Soviet Union. Dmitry Shlapentokh, "Kazakhstan Drifts to China Amid Tension with Russia," <<http://www.cacianalyst.org/publications/analytical-articles/item/12888-kazakhstan-drifts-to-china-amid-tension-with-russia.html>> (Retrieved October 2, 2014).

¹⁴⁰- *Ibid.*

move away from its dependence on a single power and seek national interests under the superpowers' mutual competition.

Since the early 1990s, when China became interested in Kazakhstan's energy, the newly independent state had just switched to capitalism and privatization, and therefore permitted China to purchase Kazakhstan's energy enterprises. Both governments reached an agreement to build a pipeline to export petroleum produced in Eastern Kazakhstan to China, which was completed in December 2005.¹⁴¹

In September 2013, China and Kazakhstan concluded additional contracts regarding gas and oil, and stated that the two countries had entered a new era of strategic cooperative relations. Nazarbayev proposed that local currencies be received in the China-Kazakhstan trade, and the Kazakhstan government announced an ambitious railroad construction plan to transport crude oil to China.

Experts say that Nazarbayev chose China as a means to stop its political and economic subordinate relationship with Russia. From China's standpoint, given its rapidly growing demand for

¹⁴¹- China-Kazakhstan petroleum pipeline is the first transnational pipeline of China which starts from a Southern Kazakh region of Kenkiyak and connect it with Dushanz in Chinese boundary via Alashankou in the borderland. The total length of the pipeline is amount to 2,558km. Its transport capacity is 0.2 million b/d, which will be increase to 40 b/d if the construction to extend the pipeline finished. Meanwhile, China reportedly tries to purchase shares of Caspian Sea's oil field in Kashagan. Youngdeok, Park, et al., *The current situation of China's overseas oil and gas development projects and cooperation strategy for overseas resources development between Korea and China* (Seoul: KIEP, 2013), p. 48.

energy, economic cooperation with Kazakhstan is desperately needed to secure a stable source of energy. Thus, the interests of both states were met.

On the other hand, resource cooperation between Russia and Kazakhstan is experiencing a crisis. In January 2013, Kazakhstan restricted the import of Russian oil products, and then took a series of measures unfavorable to Russia such as imposing embargoes on Russian gasoline in the following April. The Russian government expected Kazakhstan's measures to fail and ultimately be forced to rely on Russia. However, Kazakhstan chose to work with China as an alternative market for its crude oil. In addition, Kazakhstan demanded an increase in the gas price which exported to Russia and pressured Russia by stating if negotiations are not successful it will switch its sales line to China. In June 2013, Kazakhstan sold its oil field of approximately \$5 billion in total, which is assessed as one of the largest sources of petroleum, to the CNPC, a Chinese state-run oil company. Despite Russia's warning that this change will trigger a gas shortage in Kazakhstan, Kazakhstan continues the restrictive measures on resource cooperation with Russia.

In terms of Kazakhstan's foreign strategy, it seems that Russia is regarded as both a military security partner as well as a geopolitical patron in case of conflict against China or Islamic terrorists. The Nazarbayev regime participates in Russia-led Eurasian Union Initiative; but at the same time, it is greatly

keen on making sure such participation does not subordinate Kazakhstan to Russia's politics or economy.

It appears certain that in the meantime, the cooperative partnership between Kazakhstan and China will expand. As both investor and a provider of new markets and trade route, China can contribute to Kazakhstan's development. Although some predict that Kazakhstan would have no choice but to rely on Russia's power if any security threat occurs through military or geopolitical variables, the scope of economic cooperation between Kazakhstan and China will certainly expand, given that stable security conditions are maintained.

At present, anti-Chinese sentiment among Kazakhs is not at a dangerous level. A Kazakh nationalist group, nevertheless, accused its government of giving away its land and resources to China. They are prosecuted to be sentenced to serve time in prison by the Kazakh government, emphasizing that nationalists' claims are unfounded.¹⁴² There are other controversies concerning underground resources and water. When China began to participate in the carbohydrate mining project, a new source of energy in Kazakhstan, native Kazakhs were concerned about China's exploitation. Irtysh and Ili rivers, which both countries share, are

¹⁴² "Прокуратурой Алматы пресечена деятельность экстремистской группы пшировки 'Арман,' разжигавшей антикитайские настроения," *Centrasia.ru*, May 17, 2010, <<http://www.centrasia.ru/newsA.php?Month=5&Day=17&Year=2010>> (accessed October 1, 2014).

essential sources of irrigation and drinking water. Kazakhs are complaining that China drains much more water through the Irtysh–Karamai–Urunchi canal than the Irtysh–Karaganda canal of Kazakhstan. Since the 1990s, China’s excessive irrigation has caused an ecological crisis, threatening to dry up Lake Balkhash, from which the Ili River flows.¹⁴³ Despite an agreement by the two governments outlining the common use of water resources, this issue is still a matter of contention among local residents.

b. Uzbekistan: Independent Policy towards China

Compared to other states in Central Asia, Uzbekistan is well known for its distinctively different foreign behavior.¹⁴⁴ Uzbekistan reacted most sensitively to geopolitical changes after the September 11 terrorist attacks because it had been under the historical and cultural influence of Islam. After the collapse of the Soviet Union, it had confronted Islamic fundamentalist movement around the Fergana region. The fear of increasing Islamic radicals compelled the Uzbekistan government to take part in the Shanghai Five.

¹⁴³- Андрей Сушенцов, “Экономическая экспансия Китая в Центральной Азии,” *Внешняя политика*, March 19, 2014, <<http://www.foreignpolicy.ru/analyses/ekonomicheskaya-ekspansiya-kitaya-v-tsentralnoy-azii/>> (accessed September 21, 2014).

¹⁴⁴- Bogaturov, Russian professor at MGIMO pointed out that the Uzbekistan’s diplomacy is characterized as avoidance of affiliation with or dependence on a single country to switch its ally regularly, Forming an alliance with free, independent manners. А. Д. Богатуров (ред.), *Международные отношения в Центральной Азии: события и док.* (М.: Аспект Пресс, 2011), p. 353.

It was after joining the Shanghai Five that Uzbekistan began to expand the scope of cooperation and exchange with China. However, when the U.S. and NATO began attacking Afghanistan with the war in Afghanistan, the U.S. armed forces leased the Uzbek air base of Karshi-Khanabad. This deepened Uzbekistan's relations with the U.S. and naturally became somewhat estranged from Russia and China. The U.S. considered Uzbekistan an essential partner in Central Asia.¹⁴⁵

The change in regional circumstances compelled China to establish the SCO to augment its diplomatic influence on Central Asian countries. Some Chinese experts warned that China could lose its national interests in Uzbekistan, saying that Uzbekistan's geopolitical, strategic importance deserves more attention.¹⁴⁶ During this period, China stayed somewhat reserved in its diplomatic policy towards Uzbekistan, dealing with political issues in the framework of the SCO.

In 2004, relations between Uzbekistan and China took a new turn. When European banks tried to reevaluate Uzbekistan's credit rating on the pretext of economic and political reforms and Washington brought forward Uzbekistan's human rights issue, Tashkent decided to turn to China. This is also around the

¹⁴⁵- В. Лашинс (ред.), *Центральная Азия: внешний взгляд: междунар. по литика с центрально-азиатской точки зрения* (Бишкек: Фондим. Ф. Эберга, 2008), p. 553.

¹⁴⁶- 董曉陽, 吳宏偉, “9·11’之后烏茲別克斯坦形勢及其對美軍進入的態度,” 中國社會科學院國際合作局 (2002.10.15).

same time when Uzbekistan and China began a series of high level talks regarding political issues. In that sense, it can be said that a new phase of mutual cooperation within the framework of the SCO was initiated this year,¹⁴⁷ along with the influx of Chinese investment into the Uzbek economy.

The bloodshed incident in Andijan in 2005 served as a momentum for the Uzbek government to strengthen its relations with China as an alternative to the U.S.¹⁴⁸ The West demanded a resolution of the Andijan incident and human rights problems. When the EU and the U.S. launched the restriction on weapons export to Uzbekistan, the Karimov regime decided to close down the Karshi-Khanabad Air Base where the U.S. armed forces were positioned. In June, Uzbekistan demonstrated an unprecedented level of participation in the SCO summit talks in Astana.¹⁴⁹

President Karimov's official visit to China in late May 2005 launched a new stage of relations between Uzbekistan and China.

¹⁴⁷- М. Рахимов, "Этапы развития ШОС и перспективы гуманитарного сотрудничества," *Информационно-аналитический центр*, September 3, 2008, <<http://www.ia-centr.ru/expert/2052>> (accessed September 13, 2014).

¹⁴⁸- В. Лашинс (ред.), *Центральная Азия: внешний взгляд: междунар. политика с центрально-азиатской точки зрения*, p. 484.

¹⁴⁹- *Ibid.*, p. 472. The military cooperation between Uzbekistan and the U.S., nonetheless, did not come to cease fundamentally. The U.S. continued to provide the Uzbek forces with advanced technical training while the Uzbekistan government allowed the U.S. armed forces to use Navoi Airport as a military base for transporting non-war supplies. "Узбекистан и США обсудили вопросы перераспределения военной техники из Афганистана," *Ca-News.org*, November 28, 2011, <<http://ca-news.org/news:840201/>> (Retrieved September 24, 2014).

The two parties concluded numerous contracts and the Treaty on Friendly and Cooperative Partnership between Uzbekistan and China included a clause which banned drawing a third-party state into their territory which would compromise the other's sovereignty. They also discussed threats to regional security, military cooperation and mutual support on the international stage.

Until 2002, trade between China and Uzbekistan remained at a low level but started to increase from 2003.¹⁵⁰ When Uzbekistan began to receive loans from China, the two states' economic relations became more active. After Karimov's visit to China in May 2005, Chinese businesses had the opportunity to enter the Uzbek market. As of late 2005, there were already more than 100 Chinese enterprises directly investing in Uzbekistan with the total amount of ¥30 million. Prime Minister Wen Jiabao's visit to Uzbekistan in November 2007 was said to have contributed to additional increases in China-Uzbekistan trade. When Karimov visited China again in April 2011, two countries concluded a

¹⁵⁰ The Uzbek authorities took a strict embargo on trans-border trade until the mid-2000s. When Chinese products in a large stock flow into the private market in Uzbekistan through Karasu, the largest wholesale center in Central Asia, located on the border between Uzbekistan and Kyrgyzstan, the authorities took restrictive measures, as license permit or ban on direct purchase from wholesales or brokers, aggravated the local Uzbek's complaint. Some analyzes that such an excessive embargo caused the Andijan incident, considering the serious situation of unemployment among the residents. С. В. Жуков, Резникова, О. Б., *Центральная Азия и Кита й : экономическое взаимодействие в условиях глобализации*. (М.: ИМЭМО РАН, 2009), p. 66.

cooperative agreement on economy and energy of the volume worth more than \$5 billion.¹⁵¹

Energy cooperation began to expand from 2003 and the first basic agreement outlining cooperation between the CNPC and Uzbekneftegaz was concluded in the mid-2004. The 2005 investment treaty packet included that China would invest \$0.6 billion into Uzbekistan's oil and gas. In addition, based on the agreement, the CNPC would explore and extract oil and gas in twenty-three oil fields in Uzbekistan; and to this end, the UzChina National Petroleum Corporation would be established.¹⁵²

The launch of the Obama administration in 2009 revised its strategy towards Afghanistan and tried to recover their relationship with Uzbekistan. In response, Uzbekistan government provided the U.S. with the Navoi Airport to deploy U.S. forces. In addition, when U.S. relationship with Pakistan worsened in 2011, the role of Uzbekistan increased, as it was in control of the northern network of transportation; and thus the Karimov administration was able to increase its leverage. As NATO's withdrawal from Afghanistan in late 2014 loom over the horizon,

¹⁵¹- "Узбекистан-Китай : плодотворное сотрудничество все более укрепляется," интервью Чрезвычайного и Полномочного Посла КНР в Республике Узбекистан Чжан Сяо, Общество дружбы «Узбекистан-Китай », December 29, 2011, <<http://www.china-uz-friendship.com/index.php/besedi-s-diplomatami/134-uzbekistan-kitaj-plodotvornoe-sotrudnichestvo-vse-bolee-ukreplaetsya>> (accessed September 11, 2014).

¹⁵²- К. Сыроежкин, *Казахстан-Китай : от приграничной торговли к стратегическому партнерству*, Кн. 2 (Алматы: КИСИ, 2010), p. 99.

Uzbekistan's importance to the U.S. is also growing.¹⁵³ The Karimov administration has been able to maintain its balanced diplomacy between the two superpowers; while it strengthens its relations with the West, it is also maintaining its close relations with China. Analysts say that Karimov has chosen the lesser of the two evils to prevent Uzbekistan's foreign posture from becoming inclined towards Russia.¹⁵⁴

Despite the seemingly unfavorable circumstances, Beijing was able to take advantage of the situation. It announced its strategic partnership with Karimov, who participated in the SCO summit talks, and highlighted their close cooperation in regional security just before the 18th National Congress of the Communist party of China in 2012. This measure suggests that China is intending to strengthen its role in Central Asia's security in circumstances where post-2014 Afghan issues are emerging as a critical security factor.

The problem of Chinese labor immigrants in Uzbekistan is not serious yet. In addition, although the settlement of illegal immigrants in Uzbekistan has often been pointed out, it appears that their number is not substantial. Though some Uzbeks living in China come into Uzbekistan, the strict inspection of the

¹⁵³- The U.S. Congress agreed to reembarc on exporting the weapons to Uzbekistan in September 2012. see А. Малашенко, "Узбекистан: каких времен ждать?," *Московский центр Карнеги*, брифинг вып. 5 (2012), p. 6.

¹⁵⁴- К. Сыроежкин, *Казахстан-Китай: от приграничной торговли к стратегическому партнерству*, Кн. 2, p. 53.

Chinese authorities and high rate of unemployment in Uzbek discourage labor migration between the two countries.¹⁵⁵ The inflow of cheaper Chinese fiber products which negatively impacts Uzbekistan's fiber industry, which is its strategic export product, is the cause behind the anti-China sentiment in Uzbekistan.¹⁵⁶

c. Kyrgyzstan: Geopolitical Dilemma and the Spread of Anti-Chinese Sentiment

At the Chinese government's proposal, China and Kyrgyzstan began negotiation in 1992 and readjusted the borderlines through two treaties of 1996 and 1999. As a consequence, about 12,500 hectare of land from the Soviet-era borderlines came to be under China's control. Furthermore, certain areas of the Khan Tengri Mountain were settled under Kyrgyzstan's jurisdiction while the disputed Uzengi-Kush region (located in the Southern part of Issyk-kul) was conceded to China. There were both domestic and international opinions that China lacked legitimacy in claiming sovereignty over the region, but it is assumed that Kyrgyzstan chose to yield the rights to prevent border disputes beforehand.

China has emerged as one of the largest investors in Kyrgyzstan. China's particular interest in Kyrgyzstan among other Central

¹⁵⁵- А. Малашенко, "Узбекистан: каких перемен ждать?," р. 4.

¹⁵⁶- К. Б. Ташматова, "Экономическое и культурное сотрудничество Узбекистана и других государств Центральной Азии с Китайской Народной Республикой (1991~2011 гг.)," автореф. дис. канд. ист. наук, АН Респ. Узбекистан, Ин-т истории. (Ташкент, 2012), р. 20.

Asian countries is rather recent, which gives the impression that their investment and the form of financial aid for various projects have been carried out with haste. As a result, it is safe to say that the biggest projects in Kyrgyzstani history are under progress mostly with China's assistance. In particular, the construction of the East–West highway which leads to Issyk–Kul' via Džhalal–Abad and Naryn, installation of power cables that connect Datka and Kemin, and reconstruction of a thermoelectric power plant in the capital city, Bishkek are funded by China.

Moreover, the two countries have cooperated in sectors in which Kyrgyzstan provides its energy resources to China, for example, gas and renewable energy development, and construction of gas pipeline which connects the two countries. The Kyrgyz President, Almazbek Atambayev and Chinese General Secretary Xi Jinping concluded a joint statement at the summit meeting held in Shanghai in May, 2014, which stipulates that, based on the agreement reached in 2013, the two countries provide institutional measures to guarantee long–term, safe, and stable management of the gas pipelines. Another thing to note is that the statement clarifies Kyrgyzstan, as a sign of gratitude to China's generosity, recognizes the Government of the People's Republic of China as the sole legal government representing the whole China and Taiwan as an inalienable part of the Chinese territory.

However, some have raised concerns regarding the same phrase in the statement. The phrase conflicted with the article

that “Kyrgyzstan and People’s Republic of China will not join any alliance or group that harms each other’s sovereignty, security and territorial integrity, nor sign any agreement of such kind with the third country.” It is a known fact that Kyrgyzstan is a member nation of Russia-led multilateral ‘Collective Security Treaty Organization(CSTO)’ and that it wishes to join the Eurasian Economic Union of which Kazakhstan and Belarus are members. This suggests that it is inappropriate for Kyrgyzstan to mention its nonalignment policies.¹⁵⁷

The problem reflects aptly Kyrgyzstan’s geopolitical dilemma. In 2001, Kyrgyzstan had provided the Transit Center at Manas, near Bishkek, to support U.S. and NATO military operations in the ongoing war in Afghanistan. However, in 2009, Russian financial assistance of \$450 million and loan package to the Kyrgyz government was offered on the condition that the base was closed. Former President Kurmanbek Bakiyev failed to abide by the condition by entering into another negotiation with the U.S., which outraged the Russian government. The amount of information suggesting Russia’s intervention in the domestic opposition protest in April 2010, followed by the ousting of Bakiyev is not insignificant.¹⁵⁸

¹⁵⁷- “Кытай ский вектор Кыргызстана.” *Радио Азаттык*, May 20, 2014, <<http://rus.azattyk.org/content/article/25390914.html>> (accessed October 1, 2014).

¹⁵⁸- Alexander Cooley, *Great Games, Local Rules: The New Great Power Contest in Central Asia* (New York: Oxford University Press, 2012), pp. 123~131.

The experience of political upheaval as a result of the hegemonic race between the U.S. and Russia implies that it is necessary for Kyrgyzstan to prepare for appropriate measures and cope with possible tensions between China and Russia. However, international relations experts in Kyrgyzstan argue that security-related provisions are only intended as mere formality because most Central Asian countries are also members of the SCO and CSTO, and China does not see the CSTO as a threat to its security.¹⁵⁹

Despite the sufficient grounds for such argument, China is highly likely to be disadvantaged if Kyrgyzstan joins the Eurasian Economic Union and enters the Customs Union with Russia and Kazakhstan. Also, Russia and Kazakhstan will be influenced by the problems in Chinese products' distribution channels since the biggest wholesale markets for Chinese products, Dordoi market of Bishkek and Kara-Suu market of Osh, are located within Kyrgyzstan's territory.¹⁶⁰

Meanwhile, there are escalating concerns in Kyrgyzstan regarding the expansion of Chinese economic power, especially when considering the relatively smaller size of Kyrgyzstan's economy and recent political turmoil. Experts assume Kyrgyzstan to be displaying the highest anti-Chinese fever among the other Central Asian countries.¹⁶¹ Also, Kyrgyzstan has suffered from

¹⁵⁹- "Китай ский вектор Кыргызстана."

¹⁶⁰- *Ibid.*

¹⁶¹- Recent interview of Chinese ambassador in Kyrgyzstan commented that in

frequent disputes between local residents and foreign corporations surrounding mining concessions, and subsequent attacks on Chinese firms or development sites.¹⁶² As exemplified by the Naryn case, local residents who have benefited from illegal gold-mining claim to have been both economically and culturally hurt from the entrance of Chinese firms in the region, and a report suggests that they have grown antagonistic towards China.¹⁶³ In August 2011, about 300 Kyrgyz workers held a rally in front of the Solton Sory mining site owned by China and staged protests, demanding improvements in working conditions and treatments. They also physically assaulted Chinese staff and local police officers.¹⁶⁴

exchange for China's investment and trade, China will have access to Kyrgyzstan's resources and that there have been negative views regarding such arrangement within Kyrgyzstan.

¹⁶²- "Operations halted at Kyrgyz gold mine after mass scuffles," *RFE/RL*, October 24, 2012, <<http://www.rferl.org/content/operations-halted-at-kyrgyz-gold-mine-after-mass-scuffles/24749456.html>> (Retrieved October 2, 2014).

¹⁶³- "Kyrgyzstan: Chinese respond to latest mine attack," *EurasiaNet.org*, October 30, 2012, <<http://www.eurasianet.org/node/66121>> (Retrieved October 2, 2014).

¹⁶⁴- "Kyrgyzstan: Bishkek missing out on gold bonanza," *EurasiaNet.org*, September 12, 2011, <<http://www.eurasianet.org/node/64161>> (Retrieved October 2, 2014); After Kyrgyzstan's independence, China has shown particular sensitivity towards the issues of Uyghurs; mostly due to the Muslim affinity between Kyrgyzstanis and Uyghurs. Daniyar Usenov, prime minister of Kyrgyzstan elected in 2009 commented during an interview with the press that the influx of Uyghur immigrants in Kyrgyzstan may turn Kyrgyzstan into 'Uyghurstan.' see "The critical geopolitics of the Uzbekistan-Kyrgyzstan Ferghana Valley boundary dispute, 1999~2000," *Political Geography*, No. 23 (2004), pp. 731~764.

d. Tajikistan: Post–2014 Security and China’s Development Assistance

After the collapse of the Soviet Union, Tajikistan also had to resolve borderline disputes with China. Tajikistan’s borders stretch 430km, covering the Pamir plateau. The borders were determined by the treaty between Imperial Russia and the Qing dynasty in the 18th century. Disputes arose when three regions which remained untouched until Tajikistan’s independence became controversial tasks to be addressed in order for Tajikistan to form normal diplomatic relations with China. The Uz–Bel’ Pass of East Pamir, Karazak Pass and Markansu valley were the three conflicted areas where China and Russia maintained respective territorial claims during the Soviet era. Even after independence, Tajikistan delayed its negotiation with China due to the outbreak of a five–year long civil war. Territorial sovereignty over two of the disputed regions were recognized in 1991,¹⁶⁵ and the settlement of Uz–Bel’ Pass was postponed until it was finally given to China in May 2005.¹⁶⁶

¹⁶⁵- Tajikistan assumed jurisdiction of KarazakPass, and jurisdiction of the Markansuvalley was given to China.

¹⁶⁶- However, the final treaty was confirmed in January 2011 after it was approved by Tajikistan’s House of Representatives. This is because there were protests within Tajikistan after 1,000 km² out of the 28,000km² in the Pamir region was transferred to China’s jurisdiction. In particular, local residents were aggressively vocal about the confirmation of national borders. Particularly, local residents in the Gorno–Badakhshan autonomous provinces were unyielding. They stated that the treaty will cease the pastures in the

After borders demarcations were concluded, China started building diplomatic relations with Tajikistan. Along with other Central Asian countries, China, since the 21st century, has boosted economic cooperation by increasing investment in Tajikistan's infrastructure, rare metal and energy industry, and is now gradually seeking cooperation in security and politics sectors. Actually, in terms of potential for economic development, Tajikistan falls behind when compared to Kazakhstan and Turkmenistan, due to their respective petroleum and Turkmenistan's natural gas repository. This is because Tajikistan lacks natural resources and also because the majority of the land is mountainous. Despite such geographic environment, China is eager to cooperate with Tajikistan, which has been unnoticed by many big power nations. This demonstrates that China regards its security to be linked to that of Tajikistan's.

In terms of Eurasian security, Tajikistan possesses strategic importance since it shares borders with Afghanistan and in this respect, China's diplomatic effort in Tajikistan has centered on political and security cooperation in the context of post-2014. Illicit drug proliferation from Afghanistan and Islamic fundamentalism are in fact the most serious threats to China and Tajikistan.

region, which is directly linked to their survival. They also stated that the treaty will give the Rangkul mines to China. In effect, the treaty will not only cede 1 percent of Tajikistan's territory to China, but is against clause 81 of the constitution. They criticized the government for approving the treaty without obtaining the consent of the local council in Khorog.

China has repeatedly expressed its intention to cooperate with Tajikistan for narcotics control within the SCO framework.

Also, Russian border guards have withdrawn from Tajikistan from 2004 to 2005 and the duty was subsequently transferred to Tajikistan guards, which has raised security concerns in Tajikistan-Afghanistan and China-Tajikistan border regions. For this reason, China has reinforced its financial aid to Tajik Army and granted \$10 million to Tajikistan Defense Ministry.

Given the strong likelihood of NATO's exit from Afghanistan, China-Tajikistan security cooperation has become more active with increasing bilateral meetings and China's military assistance to Tajikistan. In November 2012, the respective Ministers of Home Affairs signed a memorandum on border defense cooperation. In addition, Chinese troops participated in the SCO Joint Anti-Terrorism 'Peace Mission 2012' on Tajikistani territory. This military training was to prepare for military operations in mountainous areas and to cope with the changes in Central Asia's security environment in the post-2014 period. There are cautious expectations for the SCO to fill the security vacuum in this region after the U.S.' and NATO's exit from Afghanistan.

Meanwhile, bilateral economic relations have moved away from unstable exchange basis of goods in the 1990s and experienced rapid growth in the 21st century. From China's point of view, their financial assistance has helped settle the rough transport routes which have been the biggest trade barrier. Thus, products

are no longer transported via neighboring countries such as Kazakhstan, Kyrgyzstan and Uzbekistan, but directly sent to Tajikistan. The opening of the highway connecting Tashkurgan and Khorog, although far from perfect, has been a turning point in the China–Tajikistan trade history.¹⁶⁷ In 2006, Chinese Export–Import Bank provided Tajikistan with \$280 million for road recovery in the Dushanbe–Khujand–Buston–Chanak section in the form of long–term preferential loan,¹⁶⁸ and apart from Shar–Shar tunnel construction in Dushanbe–Kulyab section, roads connecting Tajikistan and China in the Dushanbe–Dangar–Kulyab–Khorog–Kulma–Tashkurgan section are under construction of China Road and Bridge Corporation, funded by Chinese Export–Import Bank’s \$510 million loan.

Also, China’s exportation to Tajikistan has increased by a nine–fold thanks to the initial large–scale loan purchase of \$600 million which was provided by China within the SCO framework as well as a \$10 million long–term interest–free loan in 2005. However, in return, Tajikistan was required to import clothing, construction supplies, agricultural products and household supplies from China, and this deepened Tajikistan’s economic subordination.

¹⁶⁷– However, a significant portion of Chinese products are transported to Tajikistan from Kashgar, northwest China’s Xinjiang Uyghur Autonomous Region to the southern regions of Kyrgyzstan.

¹⁶⁸– Construction of the highway was overseen by China’s Road and Bridge Construction and was opened in December 2009.

China is also interested in Tajikistan's resource development. China not only provided loans(\$400 million) for construction of a North-South power cable, but invested over \$1 billion in steam power plant construction in Dushanbe. Tajikistani media criticized that the government is "exchanging money for resources" because the recent contract included that the government planned to build various power plant facilities in return for Pamir's petroleum gas fields. In fact, the media disclosed that the construction of two power plants is deeply related with CNODC(China National Oil and Gas Exploration and Development; Chinese state-owned oil and gas corporation)'s acquisition of 33% of oil and gas from petroleum gas field in Bokhtar. Moreover, many Tajikistan is raised suspicion that the China-Tajikistan agreement on joint investigation in the border area reflects China's economic interest in the region's mineral reserves.

China's investment and loans are at most times given on the condition that Chinese construction companies' maintain independent contractor status, thus sparking strong opposition of Tajik local residents who are already suffering from high unemployment rates. Chinese workers within Tajik territory are estimated to be about 7,000 to 10,000,¹⁶⁹ and although this figure is relatively lower compared to that of neighboring countries, anti-Chinese sentiment

¹⁶⁹- According to Tajikistan's department of immigration's official data, as of 2011, there are over 2,000 Chinese workers in Tajikistan. However these figures are not reliable as they do not include illegal immigrants.

is gradually spreading over the country. One striking case was the outbreak of violence in 2007 between local residents and Chinese workers in Kulyob, at the southern part of Tajikistan.¹⁷⁰

The Tajikistani government is fully aware of the severity of deepening economic subordination and problems concerning Chinese migrant workers. This is because the Tajik economy is too small to cushion the impact of China's expanding economy. However, it is not easy for Tajikistan to turn down China's infrastructural and regional development since it is poor in natural resources and has recorded the lowest economic development even during the Soviet era. According to interviews of local high-ranking officials conducted by Crisis Group in Dushanbe, August 2012, China's proposed 'legal base' as preconditions for investment is far more flexible than those of European countries and the U.S., and China does not request human rights improvement as prior condition for its financial assistance or loans.¹⁷¹ In this regard, many experts predict that China is most likely to dominate Tajikistan in the future not only economically but also politically.

¹⁷⁰- Asliddin Dostiev, "Tensions over foreign workers in Tajikistan," *Institute for War & Peace Reporting (IWPR)* (November 28, 2007).

¹⁷¹- International Crisis Group, "China's Central Asia Problem," p. 14.

e. Turkmenistan: Construction of Gas Pipelines and its Honeymoon relations with China

Turkmenistan is a small country of 5.6 million people near the Caspian Sea but a gas rich nation with the fourth largest natural gas reserves.¹⁷² The country was constantly under dictatorship since its independence from the Soviet Union and the first President Niyazov's cult of personality even took on a pseudo-religious character. With the sudden death of President Niyazov and President Gurbanguly Berdimukhammedov's succession of power, the government had become less autocratic but is still known to maintain its deformed political structure.

Nevertheless, the Berdimukhammedov administration has been enforcing open-door policies, distancing itself from the former regime's isolationist policies and seeking economic development through the export of natural gas and promotion of foreign investment. In particular, Turkmenistan places great emphasis on its relations with China, which is evident by the fact that China imported over half of its gas from Turkmenistan in 2012 and Turkmenistan exports more than half of its gas to China.

It is well known that under the former Soviet Union era,

¹⁷² Turkmenistan has been recording a high rate of economic growth due to its boost in gas production. GDP growth in 2013 was recorded at 7.7 percent. International Monetary Fund, "World Economic Outlook Database" (April 2013). Half of Turkmenistan's economy is derives from natural gas revenues and its exports takes up 90 percent of the economy.

Turkmenistan exported natural gas to Europe through pipelines via Russia. Therefore, for a considerable period of time after independence, Turkmenistan's gas export to Europe was structurally limited since it had to rely on Russia. Its 1997 official announcement of proven natural gas reserve estimated 2.4 trillion cubic meters but failed to attract significant attention.

The international community did not pay much attention to the inauguration of the Berdimukhammedov administration in February 2007 after President Niyazov's sudden death in December 2006. But China was different. China sent governmental officials to Turkmenistan for negotiations on natural gas, concluded purchasing agreement in July of the same year, and agreed on the construction of long-distance pipelines that leads from Turkmenistan to China. For this reason, the Turkmen government has given China's exclusive right for oil and gas development within its territory and shares its profit.¹⁷³

Western organizations such as the International Atomic Energy Agency (IAEA) conducted a detailed investigation on Turkmenistan's natural resources and confirmed total 17.5 cubic meters of gas reserves; the fourth largest gas reserves after Qatar. Russia was astonished by such figure and soon approached

¹⁷³- Although foreign capital has been attracted to the oil fields in the sea shelves on the Caspian Sea, cooperation is inhibited due to issues of state sovereignty and thus the West has not been able to participate actively in its development.

Turkmenistan by risking a steep increase in the import price of gas from \$130 per 1000 cubic meters in 2008 to \$320 in 2009. However, the pipeline that connects the two countries was rarely used after an unidentified explosion in April 2009, and bilateral relations have faltered as the two parties have failed to find a middle ground in investigating the case.¹⁷⁴

In December 2009, natural gas pipelines leading to China was completed and started operations. Turkmenistan began exporting natural gas to China in 2010 and it was not until 2012 when the total output and amount of export was restored to the level prior to the 2009 incident. What is noteworthy is that Turkmenistan's export orientation has completely changed from Russia to China. Gas export to Russia has been reduced from 42.3 billion cubic meters in 2008 to 9.9 billion cubic meters in 2012 while China recorded from none to 21.3 billion cubic meters during the same period. China's gas import from Turkmenistan exceeds those from other countries, exceeding the amount of liquefied natural gas(LNG) from all other countries put together.

The difficulties Western countries experience when negotiating with Turkmenistan—for instance, its autocratic government and imperfect legal structures for foreign investment—was manipulated by China to its favor. In addition, analysts point out that China

¹⁷⁴- The explosion affected Turkmenistan's gas exports and as a result current balance decreased from 16.5 percent of GDP in 2008 to 14.7 percent deficit in 2009 and 10.6 percent deficit in 2010.

succeeded in utilizing the extra amount of natural gas that already filled up domestic demands in Turkmenistan. The Chinese government has established 12th Five Year Plan(2011~2015), which encourages the consumption of eco-friendly natural gas and cut down of coal energy use which accounts for 70% of primary energy consumption. Natural gas pipeline from Turkmenistan traverses the Chinese land mass, branching off to big city areas such as Shanghai where LNG import bases are located, and in the future, it is expected to extend to Fuzhou, near Taiwan.

Furthermore, the opening of Galkynysh, the world's second-biggest gas field in September 2012, coincided with General Secretary Xi Jinping's official visit to Turkmenistan. Through this trip, China successfully signed a contract for the purchase and sale of an annual 25 billion cubic meters of natural gas. China already signed a contract for a loan of \$4 billion in 2009 and \$4.1 billion in 2011 in exchange for the gas deal, and agreed upon the annual 65 billion cubic meters of gas shipment to China for the next 35 years. This figure illustrates that China will be able to meet the future increase in domestic natural gas consumption through the gas imported from Turkmenistan.

Turkmenistan's deepened relation with China raises concerns that this might accelerate subordination of its economy as had been the case under Russia. Thus, the Turkmen government is exploring ways to diversify its trade partners, aiming at diversification of the industry through the growth in its chemical industry. However,

the two countries' honeymoon phase is expected to last as their mutual dependence in the energy industry increases over time.

4. Conclusion

The analysis above suggests the following. First, most Central Asian states are banking on China's financial assistance. From China's perspective, Central Asia is an optimal energy supplier for its growing domestic economy, and thus the region would further reinforce its position in the Chinese economy in the future. On the other hand, China is seen as the most powerful and reliable supporter for their underdeveloped economies. Moreover, China does not interfere with the countries' domestic affairs, and in this respect, it differentiates itself from the Western countries which establishes prerequisite conditions regarding human rights improvement and Russia which requires political concessions in exchange for financial assistance. Therefore, China is expected to extend its presence in Central Asia as their unconditional financial assistance continues.

Secondly, Central Asian states aim to diversify their foreign relations. Such realistic strategy was borne out of the need to survive amid the power race in the region, and to develop lagging economies, as well as the dynamic geopolitical changes which occurred in 2000. Therefore, Central Asian states are somewhat reluctant to depend on one state but prefer to cooperate

with various states according to changing circumstances. The “stan” countries will continue their diplomatic behavior of distancing themselves from Russia, which had reigned over the region and will pursue national interests by further cooperating with China. They possess high expectations for China as a new development model replacing those of Russia and the U.S.

Thirdly, some experts note that anti-Chinese sentiments are spreading within Central Asian society which has experienced the dangers of economic subordination as well as the rapid increase in Chinese migrant workers and unequal border treaties. Although the lack of an accurate figure makes it difficult to quantify the degree of anti-Chinese sentiments, it is certain that the situation would worsen over time, and the Chinese leadership seems to have taken notice. However, China has not come up with alternate measures. Anti-Chinese sentiment is clearly not desirable for the future of China and the SCO future, and thus China is expected to adopt corresponding measures. China prioritizes the safety of the growing number of Chinese enterprises as well as oil and gas pipelines. China is given the new task of securely managing their national corporations, the public, and all related facilities within the Central Asian territory.

Fourth, considering Russia and China’s recent trend of anti-American and anti-Western solidarity, there is a remote possibility for Russia to put a brake on China’s expansion in the region. However, it appears that China and Russia’s power race will

Part1

Part2

Part3

intensify on the Eurasian continent, and Central Asia would be the main arena for their competition. China and Russia have their respective plans for the SCO's future, and such gap between the two makes it tricky for "stan" countries to place all their bets on the SCO. The two countries' competition can be commonly observed in the regional security sector and their approaches to national governments, but even more so in economic aspects. China perceives the SCO as the framework for economic cooperation that accompanies collaboration in banking sectors. On the other hand, Russia insists that the SCO governs cooperation only in politics and security sectors. Unlike China, Russia does not appreciate the SCO's role as an initiative for regional integration since they emphasize Russia's lead in forming Customs Union and achieving Eurasian regional integration. Countries such as Kazakhstan and Kyrgyzstan give their support to Russia, but they are as well interested in strengthening economic cooperation with China. Similarly, regional competition surrounding the globalization of the Chinese Renminbi and Russian Ruble is another factor threatening the SCO's future. The rift between China and Russia in shaping the organization's future marginalizes Central Asian states, increasing their anxiety.

To sum, it would not be an overstatement to conclude that Central Asian states' perception of China's recent expansion and their corresponding actions depend upon Russia and China's bilateral relations. So far, China is unrivaled by Russia in many

aspects. China outpaces Russia in its population, economic and military power, and Russia is also struggling to recover its influence and former status not only within the SCO but in the overall Asian and Eurasian regions due to its poor domestic economy and economic sanctions from the West as a consequence of the recent Ukraine Crisis.

Part1

Part2

Part3

Part 3. Southeast Asia and China's External Relations

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VII. Cambodia's Relations with China and the U.S.: Norms, Interests, and a Balancing Act

“Men make their own history,” Karl Marx once wrote, “but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but rather circumstances found, given, and transmitted.”¹⁷⁵ Marx's thought sheds light on modern Cambodian diplomatic relations with world's major powers—namely the U.S. and the People's Republic of China (PRC)—wherein Cambodia's relations with the two powers have been shaped by the latter's shifting geo-political interests.

This chapter aims to analyze Cambodia's relations with the U.S. and the PRC since the beginning of the 1990s. While both the U.S. and the PRC have robust ties with Cambodia, the PRC's relations with Cambodia have become stronger over the years while those between Cambodia and the U.S. have seen periods of tension. To trace Cambodia's relations with these powers, the chapter is divided into three sections. The first section addresses the historical background of Cambodia's relations with the U.S. and the PRC since independence, analyzing the effects of Cold War geopolitics on these relationships. The second section examines China-Cambodia relations since 1993 within the context

¹⁷⁵-Gideon Rose, A Review Essay: Democracy Promotion and American, *International Security*, Vol. 25, No. 3 (Winter 2000/2001), p. 202.

of China's rise by focusing on development assistance, trade, and investment and their impact on Cambodia's political and economic developments. The third section analyzes U.S.–Cambodia relations since 1993 stressing three aspects (1) their troubled relations due to U.S. foreign policy objectives of promoting human rights and democracy; (2) collaboration within the context of shifting U.S. geostrategic interests; and (3) bilateral trade. The chapter concludes by stipulating the divergent norms between the Cambodian government and that of the U.S. while stressing the shared norms among the Cambodian and Chinese governments based on the concept developmental authoritarianism.

1. Cambodia's Relations with China and the U.S.: A Brief Historical Background

China–Cambodia post–colonial diplomatic relations began in 1958 as Cambodia searched for friends who could help it navigate the conflict that would engulf Indochina over the next two decades. Cambodia's search coincided with China's quest for influence in the Third World. China soon became one of Cambodia's major patrons in the latter's quest for neutrality¹⁷⁶ until Prince Sihanouk was disposed by a military coup in 1970.

The PRC, after the end of the Vietnam War in 1975, was

¹⁷⁶- Sihanouk, Norodom, "Cambodia Neutrality: the Dictate of Necessity," *Foreign Affairs*, Vol. 36 (July 1958), pp. 582~586.

concerned about Vietnam's attempt to cultivate a unified Indochina. This troubled the PRC not because it was concerned about the Vietnamese threat per se, but because the PRC feared the fall of Indochina into the hands of a pro-Soviet Vietnam. This would eventually enable the Soviet Union to encircle China from multiple fronts.¹⁷⁷ As a consequence, the PRC offered military assistance, including military advisors, to Democratic Kampuchea (DK) which ruled Cambodia from 1975 to 1979 before it was toppled by the Vietnamese army.¹⁷⁸ The DK regime undertook an extremely radical, utopian revolution copying distorted elements of Mao Zedong's Great Leap Forward and Cultural Revolution to construct the Khmer Rouge version of a Super Great Leap Forward. In the course of the social, cultural, psychological, and physical destruction of Cambodia, the DK caused an estimated 1.7 million deaths from starvation, execution, and overwork, the highest per capita rate of mass killing in modern world history.¹⁷⁹

China continued to support the Khmer Rouge as its remnant forces regrouped along the Thai-Cambodian border. As news

¹⁷⁷- Robert Ross, *The Indochina Tangle: China's Vietnam Policy, 1975~1979* (New York: Columbia University Press, 1988), p. 40.

¹⁷⁸- Philp Short, *Pol Pot: Anatomy of a Nightmare* (London: Henry Holt and Co., 2006).

¹⁷⁹- David Chandler, *The Tragedy of Cambodian History: Politics, War, and Revolution Since 1945* (New Haven: Yale University Press, 1991); Benn Kiernan, *The Pol Pot Regime: Politics, Race, and Genocide Under the Khmer Rouge* (New Haven: Yale University Press, 1995); Elizabeth Becker, *When the War was Over: Cambodia and the Khmer Rouge Revolution* (New York: Public Affairs, 1998).

about the DK's "killing fields" spread worldwide, the legitimacy of the DK's resistance to the Vietnamese-backed People's Republic of Kampuchea (PRK) could no longer be justified; therefore, a more acceptable anti-Vietnamese/PRK coalition was needed. China, the U.S., and the Association of Southeast Asian Nations (ASEAN)—overlooking the DK's grave human rights violations—backed the Khmer Rouge and two other resistance movements against the Vietnamese army and the Vietnamese-backed government in Phnom Penh. Within this context, political scientist Muthiah Alagappa¹⁸⁰ argues, the Cambodian conflict as emerged as "bilateral (Khmer-Vietnamese) and domestic (intra-Khmer) became internationalized by the dynamics of deep-seated Thailand-Vietnam and China-Vietnam antagonisms, and global China-Russia and U.S.-Russia rivalries."¹⁸¹ These rivalries sustained the Cambodian conflict for over a decade. In 1988, Hun Sen wrote in an essay, that "China was the root of everything that was evil in Cambodia."¹⁸²

Following the collapse of the former Soviet Union and its satellite states, a comprehensive agreement to the Cambodian conflict was reached in 1991. The peace-agreement led to the

¹⁸⁰- Muthiah Alagappa, "Regionalism, and the Quest for Security: ASEAN and the Cambodian Conflict." *Australian Journal of International Affairs*, Vol. 47, Issue. 2 (October 1993), p. 201.

¹⁸¹- Chanda Nayan, "Civil War in Cambodia?" *Foreign Affairs*, No. 76 (Fall 1989), pp. 26~43.

¹⁸²- Julio Jeldres, "China-Cambodia: More than just Friends?," *Asiatimes Online*, 16 September 2003, <http://www.atimes.com/atimes/Southeast_Asia/EI16Ae03.html> (accessed March 4, 2009).

1993 United Nations sponsored elections in Cambodia, which produced an internationally legitimate government. During the first four years following the establishment of Cambodia's new government, and the establishment of diplomatic relations between the PRC and Cambodia in 1993, those relations remained mixed. While maintaining diplomatic relations with the PRC, the Cambodian government permitted Taiwan to operate a liaison office in Phnom Penh. Legitimate and illegitimate businesses from Taiwan grew while those from the PRC were limited. The watershed of reestablishing close China-Khmer relations began in 1997, with Hun Sen's strategic diplomatic calculation to search for a powerful international ally when his international legitimacy was in question following his violent ouster of his democratically elected senior coalition partner, Prince Norodom Ranariddh. The United Nations Security Council, under pressure from the U.S., voted for Cambodia's seat to be left vacant in 1997 as a punishment for Hun Sen's violent power grab. Cambodia's bilateral and multilateral donors also suspended financial assistance.

As a move to offset the decline in international diplomatic and financial support for his government, Hun Sen played the China card and "promptly expelled Taiwan's unofficial liaison office from Phnom Penh."¹⁸³ This policy pleased the PRC, which in 1998 offered Hun Sen a reciprocal response of \$2.8 million in

¹⁸³-Paul Marks, "China's Cambodia Strategy," *Parameters*, Vol. 30, No. 3 (Autumn 2000), pp. 92~108.

military assistance. In 1999, the PRC provided an additional \$18.3 million in foreign assistance and \$200 million in interest free loans—the largest Chinese assistance to any country to that date.¹⁸⁴ In response to China's indifference to Hun Sen's use of violence to consolidate his power, Hun Sen stated:

Although some international community members have not yet clearly understood the real situation in Cambodia, a number of friendly countries have maintained their just and fair stance on the Cambodian issue. Among them, the PRC, which has firmly adhered to the principle of peaceful coexistence, continues to respect the Kingdom of Cambodia's independence and sovereignty and does not poke its nose into Cambodian internal affairs.¹⁸⁵

U.S. relations with Cambodia since its independence from France have not always been friendly. The historian Kenton Clymer characterized the relations between the two countries as “troubled.”¹⁸⁶ Such troubled relations originated during the Cold War when the U.S. attempted to contain the spread of communism through its military intervention in Vietnam. Up until 1970, Prince Sihanouk was able to prevent the Vietnam War from spreading into Cambodia through pursuing a neutral policy by

¹⁸⁴- *Ibid.*

¹⁸⁵- *Ibid.*

¹⁸⁶- Kenton Clymer, *Troubled relations: the U.S. and Cambodia since 1870* (DeKalb: Northern Illinois University Press, 2007).

cultivating relations with communist countries like China and the former Soviet Union. Realizing the danger of confronting the Vietnamese forces that were fighting the U.S. and South Vietnamese armies, Prince Sihanouk accommodated Vietnamese requests to use Cambodia as a transit route for the transportation of military supplies and as a sanctuary. The U.S. viewed Prince Sihanouk's neutrality as pro-communist, prompting the U.S. to collaborate with Cambodian rightists to topple Sihanouk in a coup d'état in March 1970. The U.S. soon provided financial and military assistance to the new government under the name of the Khmer Republic.

Soon after the coup, with China's persuasion and his own desire for revenge, Sihanouk agreed to form the National United Front of Kampuchea, allying himself with his former foes—the Khmer Rouge. Prince Sihanouk's action and the U.S.' direct involvement transformed Cambodia from a site of limited guerrilla insurgency to an open civil war in the midst of a broader Indochina war.¹⁸⁷ The leadership of the Khmer Rouge was embroiled in mysticism, racism, authoritarianism, and economic disarray. Further, the Nixon Doctrine, which had an overall goal of containing communist expansion, posed a dilemma for the Lon Nol regime. The doctrine specified that American aims of

¹⁸⁷-David Chandler, *The Tragedy of Cambodian History: Politics, War, and Revolution Since 1945*; William Shawcross, *Sideshow: Kissinger, Nixon, and the destruction of Cambodia* (New York: Simon and Schuster, 1979).

containing communism remained unchanged. The U.S. would cease direct military involvement but continue to provide economic aid to countries that faced communist subversion. President Nixon set Cambodia as an example of the “the Nixon Doctrine in its purest form.”¹⁸⁸ When applied to Cambodia, the doctrine was changed to add the provision of air support to the Lon Nol army.¹⁸⁹

As the result, by the end of 1973, the total bombs dropped on Cambodia by U.S. warplanes reached 539,129 tons, three times more explosives than what was dropped on Japan during World War II.¹⁹⁰ While such heavy bombing might have helped weaken the Khmer Rouge advance, it also alienated many Cambodians. There is a general consensus among analysts that the heavy U.S. bombing of Cambodia’s countryside from 1969 to 1973 was probably the most significant single factor contributing to the Khmer Rouge’s ascendance to power.¹⁹¹ Richard Dudman reported: “The bombing and shooting was radicalizing the people of rural Cambodia and was turning the countryside into a massive,

¹⁸⁸-Richard Nixon, “The President’s News Conference,” The American Presidency Project, November 12, 1971, <<http://www.presidency.ucsb.edu/ws/?pid=3217>>.

¹⁸⁹-William Shawcross, *Sideshow: Kissinger, Nixon, and the destruction of Cambodia*, pp. 166~176; Franz Scharmann, *The Foreign Policies of Richard Nixon: The Grand Design* (Berkeley: University of California Press, 1987), p. 115.

¹⁹⁰-David Ablin and Marlowe Hood, *The Cambodian Agony* (Armonk and New York: M.E. Sharpe, 1987).

¹⁹¹-Benn Kiernan, *The Pol Pot Regime: Politics, Race, and Genocide Under the Khmer Rouge*, p. 16; Michael Vickery, *Cambodia: 1975~1982* (Boston: South End Press, 1984), p. 20.

dedicated, and effective revolutionary base ...”¹⁹²

These bombing failed to slowdown the Khmer Rouge advance. The U.S. Embassy was forced to evacuate in early April 1975 shortly before the Khmer Rouge victory on April 17, 1975. Between 1975 and 1979, Cambodia was no longer the concern of U.S. foreign policy.

2. PRC's Soft-Power and Cambodia

China's foreign policy under Mao Zedong stressed self-reliance and the export of Maoist revolution abroad; and Cambodia was an infamous recipient of this assistance during the second half of the 1970s.¹⁹³ But following reforms initiated by Deng Xiaoping in the 1980s, Chinese foreign policy shifted from an ideological to a “ruthless pragmatic” path centering on a number of core principles. First, only “economic prowess”—not ideology or military—can lead China on the path to greatness. Second, the route to economic growth can be constructed on the principles of peaceful development or global harmony.¹⁹⁴ Peaceful development requires the maintenance of good relations with foreign

¹⁹²-David Ablin and Marlowe Hood, *The Cambodian Agony*.

¹⁹³-Kenneth Quinn, “Explaining Terror,” Jackson K (ed.), *Cambodia: 1975-79: Rendez Vous with Death* (Princeton: Princeton University Press, 1992).

¹⁹⁴-Young Nam Cho and Jong Ho Jeong, “China's Soft Power,” *Asian Survey*, Vol. 48, No. 3 (May/June 2008), pp. 453-472; Zhongying Pang, “China's Soft Power,” *The Brookings Institution*, October 24, 2007, <http://www.brookings.edu/~media/events/2007/10/24%20china/1024_china.pdf>.

governments, reassuring the nations in China's neighborhood and beyond that China's rise will not be a threat to world order. To advance its foreign policy objective of peaceful development, the PRC adopted a new foreign policy tool based on the concept of "soft power" or a "charm offensive."¹⁹⁵

In contrast to "hard power" which is projected through military force, "soft power," according to Joseph Nye, "rests on the ability to shape the preferences of others ... [It] is the ability to get what you want through attraction rather than coercion or payments. It arises from the attractiveness of a country's culture, political ideals, and policies."¹⁹⁶ Recently, analysts have discussed other attributes of the notion of soft power which entail not only the attractiveness of a country's use of ideas, culture, and politics, but it also encompasses diplomacy, foreign aid, trade, investment, and market access to induce other countries to cooperate with, share or follow China's world view and development model.¹⁹⁷

¹⁹⁵- Joshua Kurlantzick, "China's Charm Offensive in Southeast Asia," *Current History*, Vol. 105, No. 692 (September 2006), pp. 270~276; Joshua Kurlantzick, "China Syndrome," *Carnegie Endowment for International Peace*, November 16, 2006; Joshua Kurlantzick, "China's Charm: Implications of Chinese Soft Power," *Carnegie Endowment for International Peace*, 2006; Joseph Nye, "The Rise of China's Soft Power," *Wall Street Journal Asian*, December 29, 2005.

¹⁹⁶- Kerry Dumbaugh, "China's Foreign Policy: What Does It Mean for U.S. Global Interests?," *CRS Report for Congress*, RL34588, 18 July 2008; Joseph Nye, "Soft Power," *Foreign Policy*, No 80 (1990), pp. 150~171.

¹⁹⁷- Thomas Lum, Wayne Morrison, and Bruce Vaughn. "China's 'Soft Power' in Southeast Asia." *CRS Report for Congress Online*, RL34310, June 2008; Zhongying Pang, "China's Soft Power"; Joshua Kurlantzick, "China's Charm

To many developing countries, Beijing's use of soft power has created a new ideology, the "Beijing consensus"—a contrary view to neo-liberalism which stresses that "an authoritarian political system can be maintained while also pursuing high economic growth," through the adoption of developmental state strategy.¹⁹⁸ As far as human rights are concerned, the Beijing consensus stresses "red rights," a second generation of human rights that emphasizes the rights to basic needs such as food, clothing, housing, shelter, and medical care. The Beijing consensus also stresses differences in historical, cultural, and economic developments among world nations to justify its claim that Western style democracy and human rights are not suitable for all nations. The Beijing consensus, with its focus on social harmony and order, serves as a countervailing force to the previously dominant "Washington consensus," which stressed a market economy with democratic government.¹⁹⁹ The Beijing Consensus is popular with both authoritarian and semi-authoritarian governments that see it as producing "win-win" outcomes wherein Beijing can help them attain economic growth without interfering in their domestic political affairs.

The year 2000 was the beginning of the systematic implementation

Offensive in Southeast Asia," *Current History*; Joshua Kurlantzick, "China Syndrome"; Joshua Kurlantzick, "China's Charm: Implications of Chinese Soft Power."

¹⁹⁸- Young Nam Cho and Jong Ho Jeong, "China's Soft Power," pp. 463~464.

¹⁹⁹- Joseph Nye, "The Rise of China's Soft Power."

of sophisticated PRC diplomacy based on “soft power,” directed largely to the developing world.²⁰⁰ As far as developing countries are concerned, China’s soft power projected through a “charm offensive” entails “... no interference [meaning] no political strings attached”²⁰¹ Kerry Dumbaugh describes “no strings attached” by noting, “Chinese money generally comes with none of the good governance demands, human rights conditions, approved–project restrictions, and environmental quality regulations” commonly found attached to Western countries’ aids and investment.²⁰²

Since the early 2000s, Cambodia is an illustrative case of the PRC’s new diplomatic soft power. First, China has used a “charm offensive” in the form of senior leadership diplomacy. Successive top Chinese officials, including its presidents, vice presidents and prime ministers, have all visited Cambodia. Each of these visits was punctuated with announcements of Chinese economic assistance. For instance in 2006, Premier Wen Jiabao announced a \$600 million aid package. In 2009 alone, then Vice President Xi Jinping during his trip to Cambodia announced \$1.2 billion in aid and loan to Cambodia.

Further, China has also promoted cultural connections and

²⁰⁰- Kerry Dumbaugh, “China’s Foreign Policy: What Does It Mean for U.S. Global Interests?”

²⁰¹- Zhongying Pang, “China’s Soft Power”; Thomas, Wayne Morrison, and Bruce Vaughn. “China’s ‘Soft Power’ in Southeast Asia.”

²⁰²- Kerry Dumbaugh, “China’s Foreign Policy: What Does It Mean for U.S. Global Interests?” p. 12.

strengthened its relationships with the ethnic Chinese community in Cambodia by providing financial assistance for the construction of Chinese language schools, publication of Chinese language textbooks, and scholarships for Cambodian students to study in China. The Chinese government also provided assistance for human resource development by sponsoring training programs for Cambodian government officials in China.²⁰³ Furthermore, China has also funded Cambodia's high-prestige construction projects, such as the Council of Ministers building and a planned botanical garden. It also set up a Confucius Institute where Chinese language courses are offered along with the dissemination of Chinese culture and history.

More noticeable is China's development assistance to Cambodia, which has not only increased dramatically but also diversified to involve bilateral and multilateral assistance. In 2007, as part of its expanding involvement in multilateral institutions, China offered aid through the Consultative Group—\$91.5 million out of the \$689 million total multilateral package to Cambodia.²⁰⁴ It is difficult to track China's aid to foreign countries because it is neither "provided in regularized annual allotments" nor publicly revealed for reasons of avoiding domestic public criticism of

²⁰³- Author's interview with official at the Ministry of International Cooperation and Peace, August 4, 2009; Joshua Kurlantzick, "China's Charm Offensive in Southeast Asia."

²⁰⁴- Thomas Lum, Wayne Morrison, and Bruce Vaughn. "China's 'Soft Power' in Southeast Asia."

wasteful spending in light of domestic needs.²⁰⁵ During 2007~2009, on a bilateral basis, China pledged \$236 million compared to \$337 million, and \$215 million by Japan and European Union respectively. China's assistance to Cambodia in the form of soft loans and grants for public works, infrastructure, and hydro-power projects between 1992 and 2012 was \$2.7 billion.²⁰⁶

According to the U.S. Congressional Research Service, China has become the "primary economic patron" of Cambodia.²⁰⁷ Its investments in Cambodia have risen exponentially with over 3,000 companies investing in natural resources, agriculture, textiles, and tourism. Information on the nature of Chinese firms operating in Cambodia is scarce and it is generally difficult to know whether a Chinese firm is a state-owned or a private entity. However, it should be noted that in Cambodia Chinese companies that invest in critical natural resources, construction and hydropower plants are state owned, a pattern that reflects China's industrial investment in the developing world and in Africa and Southeast Asia in particular.²⁰⁸ In Cambodia these key state-owned

²⁰⁵- Kerry Dumbaugh, "China's Foreign Policy: What Does It Mean for U.S. Global Interests?."

²⁰⁶- Chun Han Wong, "Cambodia's Hun Sen Slams U.S. Threat over Aid," *The Wall Street Journal*, August 13, 2013.

²⁰⁷- Thomas Lum, Wayne Morrison, and Bruce Vaughn, "China's 'Soft Power' in Southeast Asia."

²⁰⁸- Mark Yaolin Wang, "The Motivations behind China's Government-Initiated Industrial Investments Overseas," *Pacific Affairs*, Vol. 75, No. 2 (2002), pp. 187~206.

companies include Sinohydro Corporation, Chian Yunan Corporation for International Techno-Economic Corporation, China Heavy Machinery Corp., China Southern Power Grid Company, China National Offshore Oil Corporation(CNOOC), Guangdong Chenguan Enterprise Investment Group, China National Machinery and Equipment Import & Export Corporation.²⁰⁹ Anecdotal evidence shows that private Chinese companies also conducted trade in Cambodia and invested in various sectors of the Cambodian economy such as restaurants, tourism, gambling, and fitness clubs. Total Chinese investment in Cambodia was \$9.6 billion dollars between 1994 and 2013.²¹⁰ This dramatic increase made China by far the largest investor in Cambodia.

China waived tariffs for over 400 products from Cambodia, over 90% of which are agricultural goods and raw materials.²¹¹ Bilateral trade between China and Cambodia shot up from \$933 million in 2007 to U.S. \$2.83 billion in 2013, though the balance

²⁰⁹- Carl Middleton, "Sleeping Dragon Awakes," *Watershed*, Vol. 12, No. 3 (November 2008), pp. 51~64; Carl Middleton, *Cambodia's Hydropower Development and China's Involvement* (Berkley, California: International Rivers, 2008); Global Witness, *Country for Sale: How Cambodia's Elites Has Captured the Country's Extractive Industries* (Washington, D.C.: Global Witness Publishing Inc, February 2009); Keith Barney, *Customs, Concessionaires, Conflict: Tracking Cambodia's Forest Commodity Chains and Export links with China* (Washington, D.C.: Forest Trends, 2005).

²¹⁰- "Chinese Investment in Cambodia up in 2013," *Global Times*, September 10, 2014, <<http://www.globaltimes.cn/content/838148.shtml>>.

²¹¹- Heinrich Boll, WWF and IISD, "Rethinking Investment in Natural Resources: China's Emerging Role in the Mekong Region," *Policy Brief* (2008), p. 3.

of trade heavily favors China; the two countries plan to increase it to \$5 billion by 2017.²¹² China's largest investment in Cambodia is in hydropower plants, entailing cumulative investments of approximately \$1 billion.²¹³ Four hydropower plants have been constructed or are under construction while 19 other dam projects are undergoing feasibility studies.²¹⁴ China has also invested in the development of a special economic zone in the port city of Sihanoukville with completion expected by 2015. This special economic zone, when finished, is expected to house some 300 companies with 80,000 job opportunities and a projected \$2 billion in export revenues.²¹⁵ Furthermore, China has also invested in agribusiness—many of the projects are in joint partnership with Cambodian businesses. Another of China's major areas for investment in Cambodia is the garment sector.

²¹²- "Cambodia's Trade with China Up 31% in 9 months," *China Daily*, November 15, 2013, <http://www.chinadaily.com.cn/bizchina/2013-11/15/content_17107820.htm>.

²¹³- "China's Growing Presence in Cambodia," *Asia Time Online*, October 6, 2006.

²¹⁴- Carl Middleton, "Sleeping Dragon Awakes."

²¹⁵- "Cambodia-China/Infrastructure Development: SEZ Foundation Laid in Sihanoukville," *ASEAN Affairs*. Time International Management Enterprises Company Limited, February 26, 2008, <http://www.aseanaffairs.com/page/cambodia_china_infrastruicture_development_sez_foundation_laid_in_sihanoukville> (accessed March 5, 2005).

3. China's Investment and Assistance: A Win-Win Situation?

Analyses of China's intentions in Cambodia vary. One theory postulates Cambodia has been incorporated into China's grand security strategy in an anticipated multi-polar world—one which is centered around China.²¹⁶ Cambodia's seaport of Sihanoukville can serve as one location in a “string of pearls” strategic locations from which to secure vulnerable sea-lanes of communication and protect seaborne energy supplies. In particular, China also plans to use the seaport at Sihanoukville as a delivery point for oil imports from the Middle East.²¹⁷ Furthermore, in conforming to China's Tenth Five Year Plan(beginning in 2001) which considers the Mekong region as a top priority, China collaborated with the Asian Development Bank to fund infrastructure development projects such as roads, rails and bridges in the Greater Sub-Mekong region. These projects link Cambodia and the rest of peninsular Southeast Asia to China's Southwestern land-locked region to mitigate uneven economic growth that has over the past three decades favored China's coastal region.²¹⁸

²¹⁶- Johannes Schmidt, *China's 'soft-power' Re-emergence in Southeast Asia* (Copenhagen: Copenhagen Business School, June 2006).

²¹⁷- Ian Storey, “China's Tightening Relationship with Cambodia,” *AFAR Online*, July 1, 2006; “China Competes with West in Aid to Its Neighbors,” *New York Times*, September 18, 2006.

²¹⁸- Johannes Schmidt, “China's “soft-power” Re-emergence in Southeast Asia,” pp. 48~49.

This infrastructure has contributed substantially to Cambodia's economic transformation. It has linked previously remote Cambodian provinces to not only the country's economic center but also the broader Southeast Asian economy and beyond.

Another objective of China's assistance in Cambodia as in other developing countries is to proudly promote its culture, language and civilization, projected as culturally deterministic nationalism.²¹⁹ China's assistance to Cambodia aims to promote the study of Chinese culture and language, particularly among China-Khmer. A former Chinese Ambassador to Cambodia, Yan Tingai, once stated: "popularization of the Chinese language in Cambodia far exceeds that in any other Southeast Asian country. This feather in the cap of Cambodia's Chinese has made an enormous contribution to both glorifying Chinese culture and developing the friendship between Cambodia and China."²²⁰ China also established a FM radio station whose broadcasts focus on teaching Mandarin and Chinese history.

Cambodia's ruling party—the Cambodian People's Party(CPP)—has also gained some degree of popularity from improvements in infrastructure, particularly bridges and roads, with funding from multilateral institutions and bilateral agencies. Funding

²¹⁹- Shiping Hua, "China's One World View and Policy Making—A Historical Sketch," *Center for Asian Democracy*, February 10, 2009; Young Nam Cho and Jong Ho Jeong, "China's Soft Power."

²²⁰- Paul Marks, "China's Cambodia Strategy."

from these institutions, though crucial, is insufficient to address Cambodia's infrastructure needs; and the Cambodian government is often frustrated by the imposed conditions of this aid. China's economic assistance not only injects additional needed funding for infrastructure development, but it is also less troublesome. Middleton expressed this issue succinctly:²²¹

The reality is that many borrowing governments, including the Cambodian government, are pleased to accept Chinese support, mainly for the construction of physical infrastructure that dispenses with burdensome and costly environmental and social safeguard standards in order to accelerate their economic development. The Chinese government considers even serious human rights abuses an internal affair. As such, grants and loans through which the Chinese State Council's foreign policies are implemented are not attached to conditionalities on good governance.

As part of the PRC's "going out strategy," the Chinese government promotes Chinese FDI manufacturing in host countries of light industrial goods such as textiles, machinery and electrical equipment that could process Chinese raw materials.²²² This pattern is reflected in Chinese companies' investment in the

²²¹- Carl Middleton, *Cambodia's Hydropower Development and China's Involvement*, p. 44.

²²²- John Wong and S. Chan, "China's Outward Direct Investment: Expanding Worldwide," *China: An International Journal*, Vol. 1, No. 2 (2003), pp. 273~301.

garment sector, which is the backbone of Cambodian exports and serves as a primary source of employment. This sector contributed 80% of recorded exports, provided over 350,000 jobs, and added 2% to Cambodia's GDP since 1995. Furthermore, the garment sector has also generated hundreds of thousands of jobs in indirect employment. Remittances sent by garment factory workers have transformed many rural villages where recipients have been able to invest in agricultural production resulting in a higher standard of living. In addition to its contributions to Cambodia's overall economic growth, the garment sector also serves as a model for good labor practices that have won approval from both importing countries and conscientious consumers in the West.²²³

Furthermore, China's investment in hydro-power plants helps the Cambodian government toward achieving its economic development plan, which includes the provision of cheap reliable electricity as a major component not only for industrial zones but also for rural area. In 2011, only 31% of households had access to electricity²²⁴ and the government plans to increase that number to 70% by 2030.²²⁵ Furthermore, on top of other

²²³- Sophal Ear, "The Political Economy of Cambodia's Growth: Rice and Garments," Caroline Hughes and Kheang Un (eds.), *Cambodia's Economic Transformation in Cambodia* (Copenhagen: NIAS, 2011), pp. 50~69.

²²⁴- World Development Indicators, <<http://data.worldbank.org/indicator/EG.ELC./ACCS.ZS>>.

²²⁵- Carl Middleton, *Cambodia's Hydropower Development and China's Involvement*,

issues such as infrastructure bottlenecks and poor governance, businesses cite high electricity costs as an obstacle to doing business in Cambodia. At present, Cambodia buys electricity from Vietnam and Thailand, but it has plans to reverse these trends following the completion of several major hydropower plants. The demand for electricity in Thailand will increase by 50% by 2021, while demand in Vietnam will quadruple by 2015, surges that will be unmet by domestic supply.²²⁶ Therefore, Chinese investment in hydropower plants will reduce the price of electricity and increase the availability of electricity in rural areas. The increase in electricity supply and infrastructure improvement will further develop Cambodia's economy, while strengthening the CPP's popularity and legitimacy.

4. A Negative Effect?

Many critics argue that the Chinese government uses its influence and financial assistance to promote Chinese companies and Chinese interests.²²⁷ There are grounds for suspicion given the nature of Chinese companies' involvement in Cambodia, the secrecy of the bidding process for contracts for minerals rights,

pp. 25~26.

²²⁶- Carl Middleton, "Sleeping Dragon Awakes."

²²⁷- Joshua Kurlantzick, "China's Charm Offensive in Southeast Asia"; Joshua Kurlantzick, "China Syndrome"; Joshua Kurlantzick, "China's Charm: Implications of Chinese Soft Power."

hydropower plants and economic land concessions. Foreign diplomats believe that “backroom deals” for Chinese companies do exist.²²⁸ These backroom deals tend to be focused on strategic sectors such as agro-businesses, minerals and oil, which China considers critical for its sustainable economic growth and national security.

The Cambodian government denies this allegation. Dr. Kao Kim Houn, Secretary of State, Ministry of Peace and International Cooperation, Kingdom of Cambodia, contends that analysts and the press overreact to China’s involvement in Southeast Asia in general and in Cambodia in particular.²²⁹ Overall, the Chinese government fulfills the needs of the Cambodian government and given their shared philosophy on politics and economic development there appears to be little friction between them. An official of a multilateral institution stated, “China goes to recipient countries doing what they want. The Cambodian government wants infrastructure, so the Chinese government builds infrastructure for Cambodia.”²³⁰ In other words, it can be argued that Chinese aid is aligned with the Cambodian government’s National Strategic Development Plan.²³¹

²²⁸- Charles McDermid and Sam, R, “China’s PM Comes Laden,” *Phnom Penh Post*, April 7 2006.

²²⁹- Interview with author, January 2009.

²³⁰- Interview with author, January 2009. For the purposes of confidentiality, the identity of the interviewee has not been disclosed.

²³¹- Jin Sato, et al, “Emerging Donors from a Recipient Perspective: An Institutional

However, it should be noted that China's assistance and investment in resource rich areas around the globe serve "to facilitate preferential access to such resources, especially oil."²³² One of the key objectives of outward foreign direct investment (OFDI) is to acquire natural resources to meet the ever increasing demand for natural resources that are not fully met by domestic sources.²³³ A large proportion of China's OFDI, which amounts to \$16 billion, was in mining and energy.²³⁴

China's investment in Cambodia is no exception, the focus is on resource exploration and extraction. Many of these projects, critics argue, do not take into account the impact on human rights and the environment. "China's goal is to extract natural resources to serve its commercial purposes. Rather than a 'win-win' situation," Sam Rainsy, President of Cambodia's main opposition party, argues "China's engagement produces a situation of 'win-win-lose' in which corrupt officials win and the unscrupulous investors win, but the Cambodian people lose."²³⁵ One western

Analysis of Foreign Aid in Cambodia," *World Development* 39, No. 12 (2011).

²³²- Evan S. Medeiros, "Chinese foreign policy: the African dimension," *RAND Corporation*, October 2006, <http://www.ipri.pt/eventos/pdf/Evan_Medeiros.pdf>.

²³³- Kevin G. Cai, "Outward Foreign Direct Investment: A Novel Dimension of China's Integration into the Regional and Global Economy," *The China Quarterly*, Vol. 160 (December 1999), pp. 865~880.

²³⁴- Heinrich Boll, WWF and IISD, "Rethinking Investment in Natural Resources: China's Emerging Role in the Mekong Region," pp. 1~2.

²³⁵- Charles McDermid and Sam, R, "China's PM Comes Laden."

diplomat concurred, comparing the Chinese companies to “locust” who “consume natural resources, animals, minerals,” disregarding “environmental protection.”²³⁶

The investments in agricultural plantations and hydropower plants are another good example. A Chinese state owned company, Fuchan, in partnership with Cambodian Pheapimex, developed an agricultural plantation in the northeastern province of Monduliri covering an area of 300,000 hectares. Another Chinese state-owned company, China Cooperative State Farm Group, in a joint venture with Pheapimex, developed a vast area in Kampong Chhnang and Pursat provinces. These companies did not produce an Environmental Impact Assessment as required by law. The impact of these joint ventures on local communities is extremely severe, including: population displacement, loss of access to land and resources, food insecurity and impoverishment.²³⁷ Another Chinese state affiliated firm, Wuzhishan LS, was accused by human rights groups of colluding with Cambodian government officials to grab land from indigenous peoples.²³⁸ A Chinese SOE, the Everbright Group—as documented by the environmental watchdog, Global Witness—violated Cambodia’s

²³⁶ *Ibid.*

²³⁷ Carl Middleton, *Cambodia’s Hydropower Development and China’s Involvement*; Global Witness, *Cambodia’s Family Trees* (Washington, D.C.: Global Witness Publishing Inc, May 2007); Keith Barney, *Customs, Concessionaires, Conflict: Tracking Cambodia’s Forest Commodity Chains and Export links with China.*

²³⁸ Joshua Kurlantzick, “China’s Charm Offensive in Southeast Asia.”

Environmental and Forestry Laws and infringed on local communities' livelihoods.²³⁹

Furthermore, through joint ventures, these Chinese SOEs strengthened the financial positions of Cambodian business tycoons. These tycoons have formed a symbiotic relation with the ruling CPP whose electoral success and legitimacy rest on vast networks of mass based patronage sustained largely by tycoon financial contributions.²⁴⁰

China's investment in hydropower plants is yet another example, according to critics, of the country's disregard for the impact its investments have on local people and the environment. The examination of the final decision of the Canadian International Development Agency(CIDA) to withdraw funding from investment in a hydropower project—the Kamchay Dam—illuminates the difference between Chinese and Western practices as far as human rights and the environment are concerned. In the early 1990s, CIDA conducted a feasibility study of the Kamchay Dam. Although the agency confirmed the economic feasibility of the project, it withdrew from the project following pressure from a

²³⁹- Global Witness, "Global Witness Briefing Document–Cambodia: Colexim and Everbright Logging Companies," *Global Witness*, October 10, 2003, <http://www.globalwitness.org/media_library_detail.php/317/en/global_witness_briefing_document_cambodia_colexim> (accessed March 6, 2009).

²⁴⁰- Kheang Un, "Patronage Politics and Hybrid Democracy: Political Change in Cambodia, 1993–2003," *Asian Perspective*, Vol. 29, No. 2 (2005); Kheang Un and So S, "Politics of Natural Resource Use in Cambodia," *Asian Affairs: An American Perspective*, Vol. 36, No. 3 (2011).

coalition of Cambodian and international non-governmental organizations that believed the social and environmental costs of the project far exceeded its benefits.²⁴¹

Chinese companies and their funders feel no such pressure. Middleson of International Rivers writes: “In many cases, very little detail is publicly available regarding the projects[hydropower plants] themselves, the agreement reached between the Cambodian government and the project developer, and the potential social and environmental impacts.”²⁴² A major funder for the hydropower plant in Cambodia is the China Export-Import Bank. Although the Bank adopted environmental policies in November 2004 regarding its financing of construction projects, “[T]here remains, however, little evidence of the guidelines for rigorous implementation on the ground to date.”²⁴³ As a result, hydropower dams have been constructed in protected national forests potentially flooding animal sanctuaries and precious tropical ecosystems.

However, it should be noted that the rise of Chinese investment in Cambodia is not attributed straightforwardly to Chinese pressure as some critics have charged. First, Chinese companies’ successes in securing investments in Cambodia are partly facilitated by shared values between Chinese investors and Cambodian

²⁴¹- Carl Middleton, *Cambodia’s Hydropower Development and China’s Involvement*, p. 59.

²⁴²- *Ibid.*, p. 28.

²⁴³- Carl Middleton, “Sleeping Dragon Awakes: Carl Middleton, *Cambodia’s Hydropower Development and China’s Involvement*,” p. 46.

business communities dominated by Chinese-Khmers. Fareed Zakaria²⁴⁴ characterizes this phenomenon: “few Chinese have really internalized the notion that abstract rules, laws, and contracts are more important than a situational analysis of a case at hand ...” He further states that “[s]ocial relations and trust are far more important than paper commitments.”²⁴⁵ The lack of transparency, rules, and regulations in conducting business in Cambodia have prevented many Western companies from investing in Cambodia.²⁴⁶ However, such an environment does not deter Chinese companies whose business collaborations with their Chinese-Khmer counterparts are based on mutual trust and experience in operating in a non-transparent and corrupt environment in their own country.²⁴⁷ As elsewhere in Southeast Asia, the role of ethnic Chinese in facilitating and collaborating investment is crucial because of their political-economic ties with the ruling elites who exercise discretion in awarding contracts and granting permits for businesses.²⁴⁸

²⁴⁴- Fareed Zakaria, *The Post-American World* (New York: W.W. Newton & Company, 2008), p. 103.

²⁴⁵- *Ibid.*, p. 112.

²⁴⁶- A Western Business and legal consultant, interview with author, January 2007; a senior Western diplomat, interview with author, August 4, 2009). For confidentiality, the identities of the interviewees are not disclosed.

²⁴⁷- Michael Johnston, *Syndromes of Corruption: Wealth, Power, and Democracy* (Cambridge: Cambridge University Press, 2005).

²⁴⁸- Kunio Yoshihara, *The Rise of Ersatz Capitalism in Southeast Asia* (Singapore: Oxford University Press, 1988); Henry Yeung, “Economic Globalization and the Emergence of Chinese Business Communities in Southeast Asia,”

Emerging markets, such as Cambodia, are often considered risky by Western and typical share holder companies whose investments generally focus on short term return of profit. Many Chinese enterprises operating overseas, including in Cambodia, are either state owned or affiliated. These companies receive financial backing from state-owned financial institutions such as the China Export Import Bank and the China Development Bank to promote Chinese investment in apparently risky markets. These banks “largely implement the macroeconomic policies and political directions of the Chinese central government.”²⁴⁹ As a result, these enterprises can adopt a longer term risky business horizon, foregoing short term benefits for long term gains, a practice that private Western companies are not willing to undertake.²⁵⁰

5. China’s Assistance and Investment: An Impediment to Democratic Promotion?

For China, aid is “value neutral.” Such neutrality, according to many critics, can block efforts for the promotion of democracy, sustainable and inclusive development and environmental protection. In other words, much of China’s assistance worldwide tends to

International Sociology, Vol. 5, No. 2 (2000).

²⁴⁹- Carl Middleton, *Cambodia’s Hydropower Development and China’s Involvement*, p. 43.

²⁵⁰- Interview with the author, January 2009.

perpetuate the status quo of authoritarian and semi-authoritarian regimes.²⁵¹ Referring to China's involvement in Southeast Asia, Joshua Kurlantzick argues that soft-power allows China to have growing influence, though with potentially dire consequences "for a region of nascent democracies and weak civil societies," undertaking efforts to develop democracy and establish the rule of law and good governance.²⁵²

In Cambodia, it is argued that Chinese investment and assistance strengthen the ruling CPP because such investment and assistance offer the Cambodian ruling party a cushion against pressure from Western donors and international financial institutions which otherwise would have been able to push for meaningful political reform.²⁵³ Since 1993, Western countries have provided billions of dollars for economic rehabilitation and promotion of good governance. Over a decade later, the Cambodian government has, as Duncan McCargo suggests, gotten "away with authoritarianism."²⁵⁴ By examining Prime Minister Hun Sen's rhetoric on the neutrality of China's aid to Cambodia, it can easily be assumed that China's influence counters Western

²⁵¹- Fareed Zakaria, *The Post-American World*, pp. 118~119.

²⁵²- Kurlantzick, Joshua. "China's Charm: Implications of Chinese Soft Power."

²⁵³- Michael Sullivan, "Chinese Investors in Cambodia" Caroline Hughes and Kheang Un (eds.), *Cambodia's Economic Transformation* (Copenhagen: NIAS, 2011).

²⁵⁴- Duncan McCargo, "Cambodia: Getting Away with Authoritarianism?," *Journal of Democracy*, Vol. 16, No. 4 (2005).

intervention, particularly over the latter's efforts to promote good governance—a rubric term for judicial, political, and anti-corruption reforms. The argument is that Western donors' adoption of a firmer stance on governance issues by threatening to link aid with reform outcomes “will push Cambodia further into the pockets of its biggest donor—China.”²⁵⁵ Under these circumstances, Western donors have to soften their stance when dealing with the Cambodian government.

This author's conversations with officials of multilateral institutions and the Cambodian government indicate that Western donors in fact have limited influence on the Cambodian government. China's assistance to and investment in Cambodia, according to an influential senior Western diplomat, “is not necessarily an impediment” to the promotion of democracy and human rights in Cambodia. However, the diplomat added, such aid and investment offer the Cambodian government more “confidence” in dealing with Western donors.²⁵⁶ The fundamental problem is not so much the PRC's engagement with Cambodia as much as the donors' lack of a unified, consistent, and forceful voice when dealing with the Cambodian government.²⁵⁷ Given the lack of unity within the donor community and Cambodia's

²⁵⁵- Global Witness, *Country for Sale: How Cambodia's Elites Has Captured the Country's Extractive Industries*.

²⁵⁶- Interview with the author, August 4, 2009.

²⁵⁷- Charles Ray, Public Lecture, The Cambodian Association of Illinois, Chicago, 2007.

embedded neo-patrimonial politics, the ruling CPP has been able to adopt a selective response toward political reform. They accommodated donors' pressure to reform certain sectors—such as social services and health—which do not threaten their power base and personal economic interests. At the same time, they resist reforming areas that potentially undermine their grip on power, such as governance, the judiciary and anti-corruption laws. Arguably, such patterns will likely continue with or without China's investment or assistance.

6. U.S.–Cambodia Relation Post Cold War Era

Douglas Pike writes: “Outsiders had long found it in their respective interests both that the struggle in Cambodia continues, and that it end.”²⁵⁸ Because of the international genesis of the Cambodian conflict, it was the transformation of global geopolitics orchestrated by the waning of the Cold War that permitted the U.S. to reengage with Cambodia, first through playing an active role in finding a comprehensive political settlement to the conflict that culminated in the 1993 United Nations sponsored elections. Following these elections, the U.S. reestablished diplomatic relations with Cambodia in 1994. Since then, the two countries have experienced periods of tense relations due to U.S.

²⁵⁸-Douglas Pike, “The Cambodian Peace Process: Summer of 1989,” *Asian Survey*, 29 (July 1989), p. 844.

foreign policy objectives and Cambodia's domestic political developments.

In the post-Cold War era, the foreign policy priorities of the U.S. toward the developing world were, to a large extent, to strengthen democracy and human rights, including the promotion of citizen advocacy, civil society, and election monitoring.²⁵⁹ For Cambodia, the U.S. also focused on humanitarian issues such as public health, food security, and education. Gauging from remarks by U.S. chief diplomats to Cambodia over the past two decades, promoting democracy and human rights is central to the U.S. diplomatic mission to Cambodia. Charles Twining, the special representative of the U.S. Special Mission to Cambodia, pointed out that the 1993 adoption of a constitution “carr[ies] out completely the designs of those Cambodians and non-Cambodians who drafted the Paris Agreements” in terms of its inclusion of basic principles relevant to human rights and fundamental freedoms.²⁶⁰

Twenty years later, the U.S. former Ambassador to Cambodia Joseph Mussomeli put it more directly, that there is no string-free assistance since every nation has its own interests that it want

²⁵⁹- Thomas Carothers, *Aiding democracy abroad: the learning curve* (Washington, D.C.: Brookings Institution Press, 2011); James Scott and C. Steele, “Sponsoring Democracy: The U.S. and Democracy Aid to the Developing World, 1988-2011,” *International Studies Quarterly*, Vol. 55, No. 1 (2011).

²⁶⁰- Steven Marks, “The New Cambodian Constitution: From Civil War to a Fragile Democracy,” *Columbian Human Rights Review*, Vol. 26 (1994), p. 64.

to promote and protect. For the U.S., he added, “the strings attached have been and will continue to be democracy and justice.”²⁶¹ The Cambodian government, on the other hand, continued to view democracy and human rights in a way that is different from Western standards. They have articulated the notion of human rights through the discourse of “Asian values” put forward by Asian statesmen such as Lee Kuan Yew and Mahathir Mohamad, emphasizing communal rights, social order, stability, and economic rights. For the Cambodian government, democracy and Western conceptions of human rights should wait until after Cambodia’s economy reaches a higher level of development.²⁶²

It should also be noted that given changing global geopolitics such as the rising threat from terrorism and China’s rising influence in Asia, U.S. foreign policies have subordinated its human rights and democracy promotion to realpolitik. Within this context, the U.S.–Cambodian relationship since 1993 has

²⁶¹- Joseph Mussomeli, “The Role of the U.S. in the Democratic Development and Reconstruction of Cambodia,” *Academic Symposium Examines U.S.–Cambodia Relationship*, The Embassy of the U.S. in Cambodia, July 21~22, 2010.

²⁶²- It is widely recognized that Prime Minister Hun Sen has admired Lee Kuan Yew and Singapore’s political system. Phnom Penh based diplomats have noted that Hun Sen has consolidated his leadership and power, and “he wants to leave a good legacy for future generations. He wants to be Cambodia’s LKY (Lee Kuan Yew).” See Chongkittavon Kavi, “Hun Sen ponders his political legacy,” *The Nation*, September 13, 2010, <<http://www.nationmultimedia.com/home/2010/09/13/opinion/Hun-Sen-ponders-his-political-legacy-30137808.html>> (accessed January 4, 2014).

experienced troubled periods and areas of cooperation contingent upon Cambodia's domestic development and shifting U.S. geo-strategic interests.

The first cause of strained relations occurred following the 1997 coup in which Prime Minister Hun Sen overthrew his senior coalition partner—Prince Norodom Ranariddh—and threatened the safety of key opposition leaders forcing them into self-exile. Although the U.S. maintained diplomatic relations with Cambodia following the incident, the U.S. was determined not to let Cambodia be judged as a failed project of Post-Cold War democracy building. The U.S. led the effort to deny the post-July 1997 Hun Sen government the Cambodian seat at the United Nations. Working with ASEAN, the Japanese and other Western leaders, the U.S. then—using its diplomatic pressure and dominant position within multilateral institutions such as the World Bank and the International Monetary Fund—proceeded to ensure that the first post-UNTAC elections would be held on schedule in 1998 with the participation of Prince Ranariddh. As a highly aid-dependent country, Hun Sen agreed to organize multi-party elections with the participation of his former adversaries.

Although an election was held and a new coalition government was formed, Congress prohibited the U.S. government from providing direct assistance to Hun Sen's government, citing Cambodia's continuing human rights abuses and low level of

civil and political liberty. U.S. assistance to Cambodia was channeled through NGOs working in the areas of human rights, democracy, and humanitarianism. Democracy promotion NGOs that received assistance from the U.S. issued critical assessments of Cambodia's lack of democracy and human rights. The U.S. was critical of all post-UNTAC elections in Cambodia. For instance, the two leading U.S. democracy promoters—the National Democratic Institute (NDI) and the International Republican Institute (IRI)—criticized the government's lukewarm response to prosecuting perpetrators of politically inspired violence and intimidation, the partiality of the electoral machinery, unequal access of opposition parties to the broadcast media, and the overlap between the CPP and the state institutions. The National Democratic Institute declared the 2003 electoral process “critically flawed.”²⁶³ Referring to unequal access to the media for the opposition parties and the intimidation of rural voters, Christine Todd Whitman, former governor of New Jersey and head of the IRI Election Observation Delegation, announced that Cambodia's 2003 general elections did not meet “recognized international standards for free and fair elections.”²⁶⁴ She added that “[i]n some rural areas, government-appointed village chiefs gathered

²⁶³. “Statement of the NDI-Pre-election Delegation to Cambodia's 2003 National Assembly Elections,” *National Democratic Institute*, June 5, 2003, <https://www.ndi.org/files/1594_kh_statement_060503.pdf>.

²⁶⁴. “The Election Cambodia Deserves,” *The Washington Post*, August 8, 2003.

citizens to swear oaths—sometimes over a bullet—to the CPP.”²⁶⁵ The IRI report states that in general the election process offered “neither a truly competitive political campaign nor a genuinely free expression of the will of the Cambodian voters.”²⁶⁶

The U.S. continued to pressure the Cambodian government to improve human rights and to ensure inclusive democratic processes. For instance, when Cambodia was in the spotlight of international attention in 2012 when it held the rotational chairmanship of ASEAN, the U.S. according to the Cambodian government made efforts to undermine its international legitimacy. As democratic space has been severely restricted, local and international human rights groups and the opposition party lobbied the U.S. government and Congress to pressure Prime Minister Hun Sen to address issues of land grabbing, free and fair elections, and human rights. As a results of these efforts, in November 2012—prior to President Obama’s visit to Cambodia to attend the East Asian Summit—twelve leading U.S. Senators and Congressmen issued a joint statement urging President Obama to speak out against human rights abuses in Cambodia. President Obama consequently confronted Prime Minister Hun Sen over his government’s poor human rights record and absence

²⁶⁵. *Ibid.*

²⁶⁶. International Republican Institute, *Cambodia 2003: National Assembly Final Elections Report* (Washington, D.C.: International Republican Institute, September 2003).

of free and fair elections and cited them as “impediments to the U.S. and Cambodia developing a deeper bilateral relationship.”²⁶⁷ Around the same time, Deputy Security Advisor in charge of human rights and democracy Samantha Power met with members of Cambodian civil society groups, providing them encouragement and international legitimacy. These groups which have been under severe pressure by the government for their vocal criticism of the government over issues of human rights, rule of law, and land grabbing.

The U.S. government was also critical of the process and outcome of the 2013 elections. Because of his critical view toward the Cambodian–Vietnamese border agreement, Sam Rainsy accused the Prime Minister of selling Cambodia’s land to Vietnam and led protests against the border demarcation. He was convicted and sentenced to prison. Sam Rainsy went into self-exile and was initially barred from participating in the elections. The U.S. government along with many Cambodian and international human rights organizations believed that the elections would not be free and fair if Sam Rainsy—the president of the major opposition party (the Cambodia National Rescue Party)—would not be allowed to participate in the elections. The U.S. State Department of State spokesperson Victoria Nuland stated: “... the exclusion of a leading opposition

²⁶⁷- “What Obama Said to Hun Sen,” *Cambodia Daily*, November 21, 2012.

leader calls into question the legitimacy of the whole democratic process in Cambodia.”²⁶⁸ Likely the result of pressure from the U.S. government, Sam Rainsy received a pardon and was allowed to participate in the elections.

The U.S. was not only critical of the process surrounding the elections but also did not endorse the result of the 2013 elections. According to official results announced by the National Election Committee(NEC), the long-ruling CPP of Prime Minister Hun Sen was the winner, capturing 68 of the total 123 total seats. The opposition alleged massive electoral fraud and demanded an independent investigation, a new election, an overhaul of the NEC, and, at times, the resignation of Hun Sen. The government suppressed CNRP-led protests and ultimately imposed a ban on public demonstrations. In the midst of these developments, the U.S. position was to call on the National Election Committee (NEC) “to conduct a full and transparent investigation into all credible reports of irregularities.”²⁶⁹ It also threatened to cut its assistance to Cambodia. The Cambodian government accused the U.S. of intervening in the domestic affairs of Cambodia.²⁷⁰

²⁶⁸- Thomas Lum, “U.S.-Cambodia Relations: Issues for the 113th Congress,” *CRS Report for Congress Online*, July 24, 2013, p. 8.

²⁶⁹- Prak Chan Thul, “Cambodia Election 2013: Government Rejects Opposition’s Call For Probe Into Alleged Fraud,” *The Huffington post*, September 28, 2014, <http://www.huffingtonpost.com/2013/07/30/cambodia-election-2013_n_3674449.html>.

²⁷⁰- Chun Han Wong, “Cambodia’s Hun Sen Slams U.S. Threat over Aid.”

It should be noted that China promptly accepted the results of the 2013 elections.

Although the U.S.–Cambodian relations were strained as the U.S. was critical of the Cambodian government over the issues of human rights and democracy, the U.S. also viewed Cambodia as an important country for promoting U.S. geopolitical and security interests. Following the deadly attack on the U.S. on September 11, 2001, the U.S. refocused its attention to Southeast Asia including Cambodia. Given Cambodia’s porous border, high level of corruption and weak law enforcement, Cambodia was an ideal sanctuary for Southeast Asian terrorist groups affiliated with Al Qaeda.²⁷¹ In 2003, for instance, four men belonging to Jemaah Islamiyah were arrested on the charge of plotting to carry out terrorist attacks in Cambodia including on the U.S. embassy. Given this threat and some improvement in human rights practices in Cambodia, the Bush administration established military to military relations with Cambodia and provided military assistance under U.S. Foreign Military Finance for border surveillance and counter–terrorism. The U.S. also stationed a small group of special forces at its Phnom Penh embassy.²⁷²

In 2007, the U.S. lifted a ten–year ban on direct bilateral aid

²⁷¹–Thomas Lum, “China’s Assistance and Government–Sponsored Investment Activities in Africa, Latin America, and Southeast Asia,” *Congressional Research service*, R40940, November 2009, p. 11.

²⁷²–Carlyle A Thayer, “The Tug of War over Cambodia,” *USNI*, February 19, 2013.

to the Cambodian government, resulting in an increase in military cooperation between the two countries—symbolized by the docking of the first U.S. Naval ship at a Cambodian seaport in over two decades and its sailors’ engagement in humanitarian exercises. It should be noted that any discussion of U.S.-ASEAN relations in general, and the U.S. relationship with Cambodia in particular, is incomplete without factoring in China. China’s rapid and sustained economic growth over the past four decades has transformed it into the world’s second largest economy. China has repeatedly claimed that it will pursue a policy of “peaceful rise”, “harmonious world view,” and a “good neighbor foreign policy.” While some countries in SEA are reassured by China’s rise, cooperation, and assistance, others are not convinced of China’s publicly proclaimed long term intentions, particularly countries such as the Philippines and Vietnam that have overlapping claims with China in the South China Sea. The first alarming Chinese policy in the South and East China Seas was the enactment by the Chinese National People’s Congress in 1987 of legislation declaring ownership over the entire South China Sea. While rejecting a multilateral code of conduct that would restrict its access to resources in the South China Sea, China insisted on bilateral negotiations with individual nations as the mechanism that offers China stronger leverage.

China’s rise has been followed by its apparent willingness to use force to defend its claims in the South China Sea as

evidenced by China's modernization of its navy, increased naval patrols in the South China Sea, construction of structures on Mischief Reef and naval confrontation with Vietnam and the Philippines.²⁷³ This development can be informed by realist pessimism which argues that given the persistence of international anarchy, the dimension of a nation's economic wealth and power will shape its relation with other states. China's development fits the general belief that "rising powers have tended to be trouble makers" for the "established counterparts" within the international system.²⁷⁴ Rising powers first seek regional domination in order to acquire access to markets, materials, and transportation routes then later expand their power beyond this regional domination toward global hegemony. Southeast Asia's location at the frontline of China's rise influences U.S. relations with ASEAN and its member states. Territorial conflicts in the South China Sea, China's rising power and its relations with ASEAN member states is a significant intervening variable that has recently shaped U.S. relations with ASEAN members. Given the potential threat posed by China's rise, the Obama administration declared a strategic pivot to Asia. During her trip to Southeast Asia, Secretary of State Clinton proclaimed ASEAN the "fulcrum

²⁷³- Leszek Buszynski, "The South China Sea: Oil, Maritime Claims, and U.S.-China Strategic Rivalry," *The Washington Quarterly*, Vol. 35, No. 2 (2012).

²⁷⁴- John J. Mearsheimer, "China's unpeaceful rise," *Current History*, Vol. 105, No. 690 (2006).

for the region's emerging regional architecture."²⁷⁵ The Obama administration's policy pronouncement was followed by concrete initiatives. While expanding its multilateral engagement with ASEAN, the Obama administration continues to maintain and expand, in some cases, bilateral relations with most Southeast Asian nations.

Traditionally, when facing a rising power, countries have two options: bandwagon and balancing power. Clear cases of bandwagon with China's rise are Cambodia and Laos, while cases of balancing power are Vietnam and the Philippines. ASEAN members that have overlapping claims with China, wanted to establish a Code of Conduct based on multilateralism and centered on "declarations of international law, international maritime law and the current law-of-the sea regime."²⁷⁶ On the contrary, China favored bilateral negotiations that granted China more leverage. Given that ASEAN's decision making mechanism is based on consensus, China has been able—with support from some ASEAN members like Cambodia, Burma, and Laos—to prevent the adoption of a Code of Conduct.

Cambodia's chairmanship of the ASEAN Summit was controversial because of China's alleged influence over Cambodia. China and

²⁷⁵- Manyin, Mark E., et al., "Pivot to the Pacific? The Obama Administration's "Rebalancing" Toward Asia," *Congressional Research Service*, May 2012.

²⁷⁶- Robert Sutter, "Assessing China's Rise and U.S. Leadership in Asia—growing maturity and balance," *Journal of Contemporary China*, Vol. 19, No. 65 (2010).

several ASEAN members have overlapping claims over parts of the South China Sea where the major contention exists among China, Vietnam and the Philippines. At the earlier ASEAN Ministerial Meeting (AMM) in July 2012, Vietnam and the Philippines insisted on including language critical of China's posture in the South China Sea (i.e., regarding the Paracel Islands and the Spratley Islands). Cambodia's objection to these demands by Vietnam and the Philippines prevented the AMM from issuing its traditional concluding Chairman's statement. Even Japan, which had in the past restrained from making public criticism of Cambodia, joined Vietnam and the Philippines in criticizing Cambodia's bias towards China in its capacity as chair of ASEAN. The allegation of China's influence over Cambodia surfaced again at the November ASEAN Summit when the Filipino delegation accused the Cambodian government of abusing its role as ASEAN's chairman by declaring that all ASEAN members unanimously endorsed non-internationalization of territorial conflicts in the South China Sea when in fact the Philippines had never made such an endorsement.

Given China's assertiveness in the South China Sea, the U.S. sees in its own interests that any resolution to overlapping claims should be based on UNCLOS and land features—a position that challenges China's historical claims.²⁷⁷ Simultaneously, the

²⁷⁷—"Offering to Aid Talks, U.S. Challenges China on Disputed Islands," *The New York Times*, July 23, 2010, <<http://www.nytimes.com/2010/07/24/world/asia/24diplo.html>>.

U.S. expanded bilateral security relations with ASEAN members, noticeably Vietnam and the Philippines. For the latter countries, the U.S. serves as a “security hedge against rising China.”²⁷⁸ Although Cambodia is not strategically crucial to the U.S. pivot to Asia, the U.S. wanted counter Chinese influence. The Obama administration attempted to cultivate good relations with Cambodia to maintain some leverage in the country and also to ensure that it would not fall too deeply into China’s orbit. With reference to Cambodia’s close relation with China, Secretary of States Hilary Clinton remarked: “you don’t want to get too dependent on any one country.”²⁷⁹

Although the Cambodian government repeatedly praised China for its “no strings attached” development assistance, and was critical of U.S. “interference” in Cambodia’s domestic affairs, Cambodia also needs to maintain good relations with the U.S. given the latter’s influence in multilateral institutions and its importance as the primary market for Cambodian exports. As a result, the two countries adopted a number of collaborative programs. In 2009, Cambodia and the U.S. exchanged military attaches and have since organized a series of bilateral and multilateral military exercises and trainings centered on disaster

²⁷⁸- Robert Sutter, “Assessing China’s Rise and U.S. Leadership in Asia—growing maturity and balance,” p. 46.

²⁷⁹- John Pomfret, “China’s Billions Reap Reward in Cambodia,” *The Washington Post*, November 20, 2010, <<http://www.washingtonpost.com/wp-dyn/content/article/2010/11/20/AR2010112003850.html>>, (accessed September 20, 2014).

relief, counter-terrorism, demining and peacekeeping.²⁸⁰ This cooperation made the U.S. a major defense-cooperation partner providing training and limited assistance and equipment worth \$6.5 million in 2008~2009.²⁸¹

Although U.S.-Cambodian relations went through a troubled period, the U.S. remains the largest Cambodia's trading partner, accounting for over 60% of Cambodia's total exports. 98% of imports are textile and apparel items. Cambodia's success stems from the U.S.-Cambodian agreement in 1999 that links the advancement in protecting labor rights with increased U.S. import quotas for Cambodian textiles. Under that agreement, the Cambodian government with assistance from the U.S. Department of Labor, the U.S. Agency for International Development and the International Labor Organization, in cooperation with the Garment Manufacturers Association in Cambodia established a program known as Better Factories Cambodia. This program ensures that garment factories in Cambodia are in "compliance with national labor law and internationally agreed basic labor rights." This program coupled with brand reputation consciousness by buyers have resulted in large orders from U.S. companies. Consequently, the U.S. imports from Cambodia shot up from \$592.6 million in the year of the program was created to \$2,771.6 million in 2013.

²⁸⁰- Thomas Lum, "U.S.-Cambodia Relations: Issues for the 113th Congress."

²⁸¹- Carlyle A Thayer, "The Tug of War over Cambodia."

Cambodia's imports from the U.S. also increased from \$6 million in 1992 to \$241.2 million in 2013.

7. Conclusion

This article has analyzed Cambodia's relations with the U.S. and China. Post-Cold War China-Cambodia relations emerged and subsequently strengthened as part of Beijing's foreign policy strategy—increasingly recognized as the “Beijing Consensus”—wherein Beijing uses its newly acquired economic power (financial assistance, investment and market access) to gain political support from developing countries and access to their natural resources. This strategy is based on the principle that financial assistance, investment and market access are value neutral; therefore, they should not be linked to any conditions.

However, critics charge that the hidden agendas and interests embedded in Beijing's notion of neutrality have negative implications for recipient countries in general such as Cambodia. Not only has China's investment in resource exploration and extraction in Cambodia infringed on the local environment and human rights, its financial aid and investment have also limited efforts by internal as well as external actors to promote democracy, the rule of law and human rights in Cambodia. The China-Khmer relationship is more complex and appears more positive than critics have charged. China's investment and assistance have helped transformed Cambodia's economic landscape bringing

more prosperity—though unevenly distributed and with a certain degree of human rights abuses—as they link Cambodia’s peripheral areas to its core and Cambodia as a whole to regional and global economies. The charge that Cambodia’s authoritarian trajectory is a by-product of China’s engagement is only partially accurate. With or without China’s pressure, the Beijing consensus is appealing to the Cambodian ruling elites who share the belief in state developmentalism—economic prosperity with tight political control. Cambodian elites’ defiance of Western efforts to promote deeper democratization existed even before the rise in China’s investment and development assistance, as evidenced in the 1997 coup against FUNCINPEC, a violent consolidation of power in the midst of Western intervention.

On the contrary, U.S.-Cambodian relations have faced periods of trouble due to conflicting norms. The U.S. government’s attempt to promote human rights and democracy in Cambodia runs-counter to the latter’s insistence on the principles of sovereignty and historical particularity and is a challenge to Cambodia’s existing political structure. In the final analysis, however, the U.S. remains indispensable to Cambodia given its market for Cambodian exports, and its influence in multilateral institutions. Given the shifting geopolitical interests and divergent norms of both China and the U.S., Cambodia’s relations with the two powers has been and will be based on the calculation of norms, interests, and a true balancing act.

Part1

Part2

Part3

VIII. Conflict Management and Peace Making in Myanmar: Effort and Its Effects

Conflict is a form of political argument under the guise of hostility, and violence. It can be characterized in two distinct forms: internal and external conflict. Some domestic conflicts can last for decades and cause unbearable suffering to thousands of innocent people. The range of conflict is, in reality, much wider. So, it is important to start with a discussion about communication, understandings, compromise, and restraint in the peacemaking and reconciliation process.

1. Literature Review

Myanmar Politics(1958~1962), Volume I and Volume II published by the Myanmar Historical Commission in 2006 states facts about Myanmar's history and analyze the implications for successive Myanmar governments and armed insurgent ethnic groups in accordance with their ideological beliefs. These documented references also emphasize the verbatim expressions of prominent political party leaders from the Myanmar independent movement to socialist era.

Making Enemies: War and State Building in Burma, authored by Mary P. Callahan, analyses Myanmar's politics with an

additional focus on critical domestic situations before 1962. It emphasizes on the role of the military and its splits with the elected civilian governments. Although it adds additional information after 1988, the author omits discussion of the political and ethnic divisions of the Socialist government before 1988.

The Globalization of World Politics: An Introduction to International Relations edited by John Baylis and others, presents alternative views on security, including the security community, security regimes, and security complex, as well as the common patterns in international security in the post-Cold War era.

China in Burma: The Increasing Investment of Chinese Multinational Corporations in Burma's Hydropower, Oil, Natural Gas in Mining Sector, published by Earth Rights International (ERI) in 2008, provides detailed information on Chinese investment in Myanmar since 1988 and its negative and positive aspects. Data, interpretations and errors in this research are the authors'.

2. Research Question

This chapter attempts to answer what were the previous successive Myanmar governments' attempts to solve its decades-long internal conflict and how these governments tried to establish peace with various insurgent groups by proposing a negotiation formula that included different channels of communication. It

also explores what were the major motivations behind conflict management and peacemaking efforts based on an “Arms for Peace” formula adopted by the Myanmar governments. Lastly, it will examine how successive Myanmar governments attempted to maintain political stability by introducing various strategies to negotiate with the ethnic minorities.

3. The origin of the insurgency issue in Myanmar

The outbreak of armed conflict is more likely to occur within a state, rather than between states, rather than between states. In the case of Myanmar, a multi-ethnic insurgency in some ethnic areas following its independence. These insurgencies, which lasted from 1949 to 1997, went on for decades as neither side had the ability to completely defeat the other until 1997.

When examining the basis of these insurgencies, first, the independence movement came about from disagreements, misperceptions, and misunderstandings among the national leaders. Significant divisions arose among nationalist leaders after the assassination of General Aung San on July 19, 1947, which led to the factional spirit in Myanmar politics. Even during the period of the anti-fascist movement, the People’s Revolutionary Party (PRP) headed by Thakin Mya strongly believed in Marxism, while the Communist Party under Thakin Soe was deeply dominated by communist ideology, which had

reverberated in the Burma Independence Army(BIA) under General Aung San and the Burma Defense Army(BDA). However, the Communist Party broke apart in two separate forms; the Communist Party of Burma(CPB) led by Thakin Soe and the Burma Communist Party(BCP) led by Thakin Than Tun.²⁸² Both the CPB and BCP strongly believed that violent confrontation was the only way to win independence. Such a dogma disseminated the seeds of insurrections in Myanmar.

As soon as Myanmar regained independence on January 4, 1948, the seeds of the leftist and separatist insurgencies were sown in mobilizing Myanmar's army. Under the Letyar-Freeman Defense Agreement, the British Advisor of the British Service Mission(BSM) appointed ethnic Kayis as chief of army officers in major operations. However, a large number of former Patriotic Burmese Force(PBF) soldiers served in several infantry battalions.²⁸³ Additionally, the growing political tensions between pro-communist and non-or anti-communist views among former PBF members undermined the unity of the post independence Myanmar army in the later period of Myanmar politics.

²⁸²- *Burma Communist Party Conspiracy to Take Over State Power* (Yangon: News and Periodical Enterprises, 1989), pp. 23~28.

²⁸³- San Nyein and Daw Myint Kyi, *Myanmar Politics 1958~1962 (Volume II)* (Yangon: University Printing Press, 2011), pp. 104~105.

4. Peacemaking during AFPFL

After the demise of General Aung San, the Provisional Government headed by Premier U Nu in 1948 was faced with political problems and internal insurrections of the BCP and CPB, the People's Volunteer Organizations(PVOs), and the Kayin National Defense Organization(KNDO). The provincial government made several attempts to prevent the outbreak of civil war and to solve the multiplying domestic insurrections. But, the delayed decision of arresting communist leaders by Premier U Nu and by the Constituent Assembly(Parliament) fueled a swift communist insurrection.

Furthermore, disagreements proliferated in Myanmar's army and led to leftist and rightist wings from 1948 to 1953. Tensions flared between the leftists, composed of the Patriotic Burmese Force(PBF) and the majority of Myanmar people, and the rightists, comprised mostly of Kayin minorities.

With such rifts in ideology in the country and in the Myanmar's army, the provincial government of Anti-Fascist People's Freedom League(AFPFL) attempted to establish direct peace talks with different insurgent groups, particularly with the communist insurgents under the BCP. However, there were limited confidence building measures with the BCP and PVO. The very first AFPFL attempt to restore national unity among different insurgent groups was the initiative for peacemaking. In March 1948, the provincial

government of AFPFL set up a Committee for Negotiating Peace with the BCP at the request of some Members of Parliament(MP). Although Bo Letyar attempted to contact Thakin Than Tun for negotiation, peace talk with Committee members were rejected by the BCP.²⁸⁴

On May 25, 1948, the provincial government announced the 'Leftist Unity Programme,' which was the conciliation offer made by the AFPFL as part of its formal 'Leftist Unity' proposal. The self-proclaimed Leftist Unity group initially hoped to forge an alliance with communist rebels, so as to bring the government, socialist, communists, military, and AFPFL together on one side. In fact, while the program aimed at negotiating peace in domestic politics, the proposed procedures within the AFPFL government itself brought about another split of PVOs into White PVOs (anti-government faction) and Yellow PVOs(pro-government faction). Army defections to the White PVOs insurrection further deteriorated the country's situation while the KNDO also prepared for armed insurrections.²⁸⁵

For the sake of Union solidarity, Sir U Thwin formed a Peace Committee composed of non-politicians with the aim of liaising between the White PVOs and the government. After the failure

²⁸⁴- San Nyein and Daw Myint Kyi, *Myanmar Politics 1958~1962 (Volume II)*, p. 5; Mary Patricia Callahan, *Making Enemies: War and State Building in Burma* (Singapore: Singapore University Press, 2004), p. 125.

²⁸⁵- Mary Patricia Callahan, *Making Enemies: War and State Building in Burma*, p 169.

of Sir U Thwin's negotiation with the White PVOs, the Leftist elements with the continued negotiation with the White PVOs and army defectors towards the formation of a Leftist Unity Front, but were unsuccessful.

Apart from BCP and PVO insurrections, agitation for the formation of a separate Kayin state in mid 1948 by the Kayin National Defense Organization(KNDO) became another cause of conflict for the provincial AFPFL government. Indeed, the issue of a Kayin state was a constitutional complication which was explicitly confirmed at the Constituent Assembly meeting on September 18, 1947, under constitutional Provision 180, No. 1. Karen politicians established the Kayin National Union(KNU) in February 1947 and began aggressive lobbying of the provincial government with the hope of winning a separate Kayin state in accordance with constitutional provisions. In contrast, KNDO decided to establish a separate Kayin state through an armed insurrection.²⁸⁶ In late 1948, the KNU attempt in establishing an independent Kayin state failed to meet three demands which led to an outbreak of an underground Kayin insurgency.

Consequently, a rightist scheme proposed by U Ba Pe and his associates urging the chief of staff to stage a coup d'etat was rejected by General Ne Win on the grounds that it might lead to disunity in the Myanmar army. Later, domestic instability

²⁸⁶- San Nyein and Daw Myint Kyi, *Myanmar Politics 1958~1962 (Volume II)*, p. 175.

adversely affected the country's economic, administrative and financial systems upon which pressure was exerted on the AFPFL to negotiate with the KNU. In May 1950, the government regained control over lost territories and recaptured communist and KNDO strongholds in Pyae and Taungoo. Soon after that, the government offered amnesty to the rebels and total of 6,000 rebels surrendered.²⁸⁷

Apart from individual personal attempts to negotiate with ethnic insurgents based on national reconciliation and government stability, efforts were made in conflict management with the goal of achieving national unity through reconciliation. Both leftist and rightist groups of the AFPFL proposed a unity scheme for those who were explicitly or implicitly against the Union government.²⁸⁸ However, the most important factor at the height of many insurgencies against the provincial government (1948~1951) and AFPFL government(1952~1958) was the strong solidarity of the Myanmar armed forces and General Ne Win, and thus, the chief of staff rejected the proposals by both rightists and leftist groups calling for a coup d'état. About 80% of the PVOs from the underground returned to the legal fold. During these conflicts, thousands of lives of local people were claimed by the clashes

²⁸⁷- *Chronological History of Myanmar Defense Forces 1962~1974 (Volume V)* (Yangon: News & Periodical Enterprises, 1997), p. 188.

²⁸⁸- Mary Patricia Callahan, *Making Enemies: War and State Building in Burma*, pp. 126~127.

between government military operations against insurgent outposts in remote and rural areas.

5. Civil–Military Tension and Peacemaking

In the context of civil–military relations, two new tensions came to shape the internal struggle for political power in the Union government and armed forces institutions until the 1962 coup. The emerging tension between military and civilian leaders over internal military affairs was laid out at the 1950 Commanding Officers' Conference. The issue was focused on the equitable distribution of ranks among three components of the officer corps: those from the old colonial armies, the officers from the PBF, and the national minority officers. No concrete resolution was documented at the 1951 and 1952 Commanding Officers' Conferences.²⁸⁹

The second major issue was the civilian–army tension. It was intensified in 1951 especially when General Ne Win was replaced by U Win. U Win tried to diminish the army's political influence and General Ne Win's influence within the army of both by introducing legislation that increased civilian control over the army with the intention of limiting the term of the supreme

²⁸⁹-Mya Han and Thein Hlaing, *Myanmar Politics 1948~1958 (Volume IV)* (Yangon: University Printing Press, 1991), pp. 48~52; Mary Patricia Callahan, *Making Enemies: War and State Building in Burma*, pp. 152~153.

commander. The 1952 Commanding Officers' Conference was the first time the Supreme Commander Conference, which introduced concrete proposals to overhaul the army and to move away from the practice of using ad hoc solutions to address problems of operational efficiency. In short, field commanders, staff officers and civilian government leaders acknowledged the need to transform the Tatmadaw into one capable of defending the sovereignty of the Union. By 1955, however, the tone of the civil-military exchanges had dramatically changed and such divisiveness spread out to the upcountry areas.

Again, the AFPFL in the post-independence period was faced with problems relating to the formation of blocks within political parties based on ideological differences and to party leaders misunderstanding the collective responsibility of the Cabinet. Finally, these problems led to the socialists resigning from AFPFL, which caused the situation to deteriorate further while joint efforts of Prime Minister U Nu, General Ne Win, and loyal nationality leaders tried to reverse the general decline of the country.

The tensions and misunderstandings arose between the Myanmar Tatmadaw and the socialist group of the AFPFL, particularly in the context of the Armed Forces' desire to negotiate with the insurgents in 1951. Red socialists blocked the initiatives of Bo La Yaung who attempted to form a political party comprised of the PVOs that had returned to the legal fold

with the persuasion of General Ne Win as well as those that demanded peace.²⁹⁰

6. Intra-Party conflict and split of the AFPFL

Personal antagonism and sectarian conflicts within the AFPFL led to the decline of its popularity in the mid 1950s. As factionalism increased, there prevailed deterioration of internal peace and public security of life and property. Therefore, at the National Congress of the AFPFL on February 2, 1958, in Yangon, Prime Minister U Nu proclaimed that the AFPFL's ideology was neither Marxism nor capitalism, but socialism. With regard to securing peace, the Prime Minister also urged three main requests to the insurgents: (1) to stop recriminations against each other; (2) to express mutual forgiveness; (3) to come into the legal fold for the collective creation of public welfare. Based on these three messages, the Congress passed three resolutions: (1) on peace; (2) on the principles of building democracy, peace, and foreign relations; and (3) on AFPFL goals in the interim program.²⁹¹

However, despite the peaceful outward appearance of unity, internal antagonisms in domestic politics steadily intensified in

²⁹⁰- Mya Han and Thein Hlaing, *Myanmar Politics 1948~1958 (Volume IV)*, pp. 48~52.

²⁹¹- Maung Maung, *Burma in the Family of Nations* (Amsterdam: Djamlatan, 1956), p. 68.

1958. At that point, the Myanmar army under General Ne Win reported the deteriorating internal security situation. In addition, general dissatisfaction within the Myanmar Tatmadaw caused the split of the AFPFL into the Clean AFPFL and the Stable AFPFL. Both cliques accepted the attributes of democracy and the Clean AFPFL was determined to strictly follow the doctrine of internal peace, democracy, and foreign relations, and the interim program adopted by the Union Congress of the AFPFL.

Concerning national solidarity, the Stable AFPFL committed to providing suitable representation of the interests of the Shan, Chin, Kachin, Kayin, Kayah, Mon, Rakhine, and other ethnic minorities. However, mutual recriminations between clique and unethical lobbying in party campaigns still dominated factionalist AFPFL politics. In May 1958, mediation led by Sanghas was issued to appeal to the leaders of the Union government to work in unity for the good of the country. As a result, representatives of both factions signed a Covenant in the presence of Supreme Sayadaws and the 26 leading Sayadaws.

7. Secessionist attempt and its menace

Taking advantage of the political crisis in Myanmar arising from the AFPFL split, some of the states put forward the demand for state rights. On May 22, 1958, 15 demands were presented to the Union government by a committee of five Shan Sawbwa

and MP of Hisbaw. The demands included autonomy of the Shan state within the Union, autonomy on finance and administration for the Shan state government, the right of the Shan state government to establish an armed force, and the distribution of Japanese reparations to the Shan state.

Similarly, in 1958, the MPs of the Rakhine state under the sponsorship of surrendered insurgent leader U Seinda insisted on the formation of a Rakhine state. In response, Prime Minister U Nu promised to concede to the formation of a Rakhine state in exchange for Rakhine MPs' support of the Clean AFPFL. However, on May 15, 1958, the Kachin National Congress(KNC) headed by Duwa Zaw Lun declared its united support for the Stable AFPFL.²⁹² MPs of the Chin State also declared their support for the Stable AFPFL and later announced demands for a Chin Autonomous Region on May 30, 1958, whereas the majority of Union Kayin Nationalist League declared support for the Clean AFPFL.

At the height of the tension concerning the AFPFL split, individuals like Ambassador to China U Hla Maung, Attorney General Dr. Ba Han, and Speaker of the Assembly Bohmu Aung tried to prevent the complete breakup of the AFPFL. However, these personal mediation attempts were in vain when U Nu

²⁹²-Mya Han and Thein Hlaing, *Myanmar Politics 1948~1958 (Volume IV)*, pp. 58~59; *Chronological History of Myanmar Defense Forces 1962~1974 (Volume V)*, p. 66.

requested the Stable AFPFL ministers to resign in June 1958.

The transfer of power from U Nu to General Ne Win and the formation of the caretaker government decreased tensions between field and staff commanders. Counter insurgency operations were of lower priority probably because many senior field officers now held administration posts on the civilian side of the government. However, a new source of civil-military strain occurred when the army often disregarded constitutionally guaranteed rights of citizens and amended the Act concerning information dissemination.

After the 1960 election, U Nu's Pyidaungsu Party won the election but within a few weeks, ethnic minorities called for political reforms that threatened the territorial integrity of the Union. The Shan and Kayinni state representatives wished to exercise their constitutional rights to secede from the Union. Finally, the proposal for establishing a federal state by the minorities posed a danger to the Union. The menace of Union disintegration led to the coup in March 1962 and the formation of the Revolutionary Council(RC).

8. Peacemaking efforts under RC & BSPP

During the time in power of the Revolutionary Council, a plan for negotiating internal peace and national reconciliation was made. On April 1, 1963, an amnesty order was issued inviting all insurgent groups to initiate peace talks with the Revolutionary Council government. At the invitation of the Revolutionary

Part1

Part2

Part3

Council, eight major insurgent groups, including the CPB, came to negotiate peace talks. The Revolutionary Council accepted the terms regarding a ceasefire agreement in some limited areas of the Kayin, Mon, and Kayinni states.²⁹³ However, after heated debate on the serious issue of secession from the Union proposed by the Rakhine Communist Party, the Shan State Army, the New Mon State Party, and the KNU, no agreement on reconciliation was reached between the government and insurgent groups in late 1963.

One of the reasons for the breakdown of peace talks with KNU was the mutual misunderstanding between the negotiating parties. KNU remained outside the political process. Similarly, when the Revolutionary Council seized power, a ceasefire agreement was drawn up in 1964 with the Kawthoolei Revolutionary Council faction that caused the split in the KNU. The KNU accused the Revolutionary Council of insincerity in the negotiating process.

Once again, the Revolutionary Council attempted to resolve the insurgency problem with political solutions. On December 4, 1968, the government issued Notification No. 72, which formed the Advisory Council for National Reconciliation, composed of 33 political leaders and representatives from ethnic groups.²⁹⁴ During

²⁹³- Kyaw Win, et al, *Myanmar Politics 1948~1958 (Volume III)* (Yangon: University Printing Press, 1991), pp. 157~187.

²⁹⁴- *Chronological History of Myanmar Defense Forces 1962~1974 (Volume V)* (Yangon: News & Periodical Enterprises, 1997), p. 35.

its six-month tenure, the members of the Advisory Council openly debated issues on political, economic and administrative systems in an attempt to make peace with insurgent groups. However, the recommendations proposed by the Advisory Council were found to be difficult to implement in practice, and led to disagreements between the Advisory Council and General Ne Win in 1969. Consequently, from 1962 to 1974, the government launched 738 major military operations under different names to eliminate insurgents in various parts of Myanmar.²⁹⁵

Although General Ne Win initiated peace negotiations with insurgent groups including the BCP and the Kachin Independence Army(KIA) in 1981, the negotiations between General Ne Win and Kachin Independence Organizations(KIO) leader Maran Brang Seng failed to produce an agreement. As a result, the ruling Burma Socialist Programme Party(BSPP), like the Revolutionary Council, had to continue counter-insurgency operations under September 1988.

9. Peacemaking under the SLORC & SPDC

As a consequence of the insurgencies, the nation lagged behind in development. A new process of national reconciliation was initiated after the State Law and Order Restoration Council

²⁹⁵- *Chronological History of Myanmar Defense Forces 1962-1974 (Volume VI)* (Yangon: News & Periodical Enterprises, 1997), p. 188.

(SLORC) came into power in September 1988, to try to scale down the size of the decades-long minority insurrection. Consequently, the SLORC declared a ceasefire policy to begin face-to-face discussions with different political and ethnic leaders regarding the problem of political rights. In November 1993, Lieutenant General Khin Nyunt, Secretary I of the SLORC launched a new peace campaign addressing insurgent groups as armed groups or national brethren to join to legal fold.²⁹⁶ It also called for peace talks to be held inside Myanmar, and not abroad under a third party chairman. In March 1996, 17 armed insurgent groups except the KNU signed ceasefire agreements. The SLORC reported that lack of progress with the KNU was due to KNU's prioritization of such political issues as regional autonomy and powers of the state governments under the federal constitution.²⁹⁷

In 1991, fighting broke out between the KNU and Tatmadaw, and the KNU outposts, Manerplaw and Kawmoorah, were captured by the Myanmar Army after the mutiny of the Democratic Kayin Buddhist Army(DKBA) against KNU leaders in July 1991. However, peace talks between the KNU and the Restoration Council government were held in Mawlamying in December 1995 and February 1996 respectively. During the first round of

²⁹⁶- *Information Committee of the State Peace and Development Council*, (Press Conference, 15 March 2005).

²⁹⁷- *Chronological History of Myanmar Defense Forces 1962-1974 (Volume VI)*, p. 23.

negotiations, the KNU expressed the doubt about ceasefire negotiation without any real dialogue about its political future. No effective outcome resulted from the second round of negotiations with the KNU. The reason was that the KNU requested tripartite talks involving the National League for Democracy(NLD), all the ethnic groups, and the SLORC, which was later renamed as the State Peace and Development Council(SPDC) on November 15, 1997.

The confidence-building measures between the government and several different national minorities succeeded between 1989 and 1991 and 16 major ethnic insurgent groups returned to the legal fold. Then, the government ordered a halt to all military offensive operations against insurgent groups on April 28, 1992.²⁹⁸ A new formula for national reconciliation with many insurgent groups, that is, the 'Arms for Peace Negotiation' strategy was introduced with the aim of achieving amity among all ethnic groups. As a result, the strong Mong Thai Army(MTA) led by U Khun Sa agreed to maintain a ceasefire with the government in July 1995.

However, the group that had fought against U Khun Sa formed the Shan State National Army(SSNA) and declared its opposition not only to U Khun Sa's MTA but also to SLORC. On November 22, 1996, U Khun Sa announced his resignation as MTA commander and formally surrendered to the government

²⁹⁸- *Special Press Release on News Conference by News Release by Information Committee of the State Peace and Development Council*, March 2005.

on January 5, 1996. The agreement of ceasefires with such insurgent groups allowed for an official resettlement program at some stages.²⁹⁹

It must be noted that during the SLORC/SPDC period, ceasefire agreements were negotiated in three waves. In the first wave of ceasefire accords, some ethnic insurgent groups such as the Wa and Kokang accepted the negotiated terms of the government. In the second wave, major ethnic insurgents like the Rakhine and Mon accepted the ceasefire agreements. The last or third wave included some separate groups under KNU command and the MTA agreed to follow the ceasefire terms.

Other Shan opposition leaders continued their resistance movement. In 2005, a group calling itself the Shan State Intellectuals Advisory(SSIA) headed by Sao Hkam Hpa, son of the late Nyaung Shwe Sawbwa Sao Shwe Theik made the latest attempt at secession from the Union while the SPDC was holding the National Convention in accordance with the 'Seven-Step Roadmap' to transform the Union to a multiparty democratic system. It was accepted that although internal conflict management and making peace with former insurgent groups had been successful to a certain extent during SLORC/SPDC rule, external pressure on such issues as child soldiers, forced labor, human rights abuses, and tensions with the International Committee

²⁹⁹-Maung Pho Shoke, *Why Did U Khun Sa's MTA Exchange Arms for Peace?* (Yangon: Meik Kaung Press, 1999), p. 66.

on Red Cross(ICRC) were at a deadlock.

With regard to the national reconsolidation among national races, various delegates representing national interests were invited to the National Convention intended to create a new State Constitution. While convening the National Convention, the SPDC announced the State's Seven-Points Road Map on August 30, 2003.³⁰⁰ The SPDC played a leading role in convening the National Convention, the first step of its Seven-Points Road Map, on a grand scale to draft an enduring state constitution. The delegates from eight groups unanimously adopted the detailed the basic principles for the first 13 chapters of the state constitution. At the same time, SPDC established national reconciliation and confidence-building measures with 17 armed national ethnic groups in the form of multilateral discussions on constitutional provisions. Basic principles and more details were laid out for the drafting of the state constitution. Of more than 1,000 delegates to the National Convention, 600 delegates of ethnic groups also attended.³⁰¹

³⁰⁰- *Special Press Release on State of National Address Explaining Current Development in Myanmar.*

³⁰¹- *Special Press Release on News Conference by News Release by Information Committee of the State Peace and Development Council.*

10. Peacemaking after 2010: efforts and effect of new Myanmar government

Peacemaking after 2010 by the newly elected Myanmar government took different approaches since the voices of ethnic minorities, local people, political parties, media, the public, and the Hluttaw became a powerful force in terminating the longest civil conflict in Myanmar history. The first move of Myanmar's new reformist government under the name of political reform³⁰² was peacemaking with the ethnic armed groups and the granting of amnesty for political prisoners. In his inauguration address and ceremony, the new President remarkably expressed a desire to take a peaceful step toward democratization in Myanmar. However, the new government was faced with unexpected challenges in the Rakhine and Kachin states, especially through public opinion. Peacemaking attempts of the President U Thein Sein government with the KIA have been the most heated issue since the new government came into power. It has been clearly observed that for the national reconciliation process to succeed, simultaneous and parallel steps must be attempted by the executive and legislative branches.

It was also found that constitutional implications emerged against the 17 armed insurgent groups which claimed to conclude a ceasefire agreement with SPDC. In accordance with

³⁰²- *The New Light of Myanmar*, March, 2011, p. 1.

Article 20 of the 2008 Constitution, the Myanmar Defense Forces is the only armed forces of Myanmar. This constitutional provision has been widely rejected, especially by the KIA, and has caused ethnic armed insurgent groups to transform themselves into border guard forces.³⁰³

In response, President U Thein Sein's government offered a peacemaking three-step negotiation plan; ceasefire or armistice agreement, region or state-level peacemaking efforts, and Union-level peacemaking with insurgent groups. The government's attempt to make peace with insurgent groups reached a remarkable achievement when the KNU agreed to make peace with the Myanmar government in December 2012.³⁰⁴ However, the military operations against KIO/KIA were critically launched. The international community and domestic civil society organizations strongly requested to the Myanmar government to restore peace in the Kachin state and to resolve the Kachin refugee issue through political discourse.

In the context of peacemaking by the executive branch of the new Myanmar government, Union-level organizations and ministries attempted to resolve the 11 month-long KIO/KIA conflict which claimed hundreds of Kachin lives and damaged economic properties of Kachin State. Under the leadership of

³⁰³- *The New Light of Myanmar*, June 8, 2013, pp. 1~2.

³⁰⁴- Burma News International, *Deciphering Myanmar's Peace Process: A Reference Guide 2014* (Thailand: AIPP Printing Press, March 2014), p. 28.

President U Thein Sein, with the aim to establish confidence with ethnic minority groups, the Union Peacemaking Central Committee and Union Peacemaking Work Committee were formed on May 3, 2012. Twenty parliamentarians were among the 52 members of the central committee. President U Thein Sein outlined a Three-Stage Roadmap³⁰⁵ for establishing lasting peace with ethnic and armed groups: not seceding from the Union, safeguarding Three Main National Causes, and adhering to the 2008 Constitution. After that, the Myanmar Peace Center was established in October 2012 to assist in all administrative matters required for the acceleration of the peace process. As a result, the government reached a peace agreement with 10 of 11 ethnic armed groups.³⁰⁶ Of those, the KNU, KNPP, SSA, RCSS and MNSP shared common historical background with the KIO/KIA.³⁰⁷ However, the Government clearly announced its full confidence to continue political dialogue without a ceasefire as demanded by the KIA.

At the same time, although the new Myanmar government has been exerting such efforts for the peacemaking and national reconsolidation, it has also faced pressure from the international community which is concerned with the offensive attack by

³⁰⁵. *The New Light of Myanmar*, May 4, 2012, pp. 1~2.

³⁰⁶. *Ibid.*

³⁰⁷. Burma News International, *Deciphering Myanmar's Peace Process: A Reference Guide 2014*, pp. 20~21.

Myanmar Defense Forces in Lagargyan, Phakhant Township, and the Kachin state. The U.S. Embassy in Yangon issued a press released on January 24, 2013, criticizing these operations without mentioning the KIA's terrorist actions against the Myanmar Defense Force and Kachin people, which caused a misunderstanding in the international community.³⁰⁸

Apart from executive branch's attempt at conflict management and peacemaking with the KIO/KIA, the legislative branch of Myanmar(Pyidaungsu Hluttaw, Pyithu Hluttaw, and Amyotha Hluttaw), formed the National Races Affairs Committee and Peace Making Committee during the Second Regular Session of the Pyidaung Hluttaw. The Constitutional Hluttaws at all levels were established with public elected representatives, specifically national races and elected national races were included in these constituencies as representatives-elect. Through these mechanisms, dialogue at all levels of Hluttaw among political parties, national races representatives, the Defense Service personnel, and representatives-elect on current and popular issues in the respective state or region can be conducted practically.

More complications came about after the alleged announcement of regional instability, especially KIA attempts against civilian soft targets in January 2013. On January 24, 2013, the Ministry of Foreign Affairs issued a press release concerning the KIO/KIA

³⁰⁸- *The New Light of Myanmar*, January 25, 2013, p. 16.

in which Myanmar Tatmadaw announced it had ceased all military operations against the KIA, but constant KIA attacks had caused the Myanmar Defense Forces to act in self-defense. However, tensions were reduced when President U Thein Sein issued a statement on an unilateral ceasefire of Myanmar Defense Forces against the KIO/KIA on February 1, 2013. The KIA also pledged to follow the Presidential statement on a ceasefire agreement.

At the same time, at the first regular session of the sixth Amyotha Hluttaw, a representative from the Kachin state constituency U Khet Htein Nam, proposed to set up third party to continue the peace talks between the Myanmar government and the KIO/KIA.³⁰⁹ The proposal also included urging the Union government to adopt firm principles which could help to build mutual understanding between the two parties, to be able to bring about internal peace and humanitarian assistance for the plight of the Kachin state. The proposal was debated by 13 members of parliament on January 24, 2013.

In response to this proposal, President U Thein Sein unilaterally agreed to stop military operations against the KIO/KIA and agreed to resurrect peacemaking efforts with the KIO/KIA. Peacemaking with the KIO/KIA was a delicate and time-consuming process that had been started during the previous administrations. In

³⁰⁹- *Hluttaw Journal*, January 17, 2013, p. 7.

July 2013, Union-level peacemaking between President U Thein Sein's Administration and the KIO/KIA channeled the regional development process and more coherent community since both sides maintained mutual trust and confidence in sustaining the peacemaking effort. In August 2013, it has now followed by the Union-level peacemaking with All Burma Students' Democratic Front(ABSDF), the strongest student group since the 1988 uprising.

In this context, an unprecedented turn toward open discussion could be observed in Myanmar's peacemaking efforts by allowing third party delegates to participate in the peacemaking process. The first participation of a third party delegation was observed in 2009 during a truce negotiation between the KIO/KIA and Myanmar government in Shweli, Yunnan Province. The second time was when delegates from third parties, namely the Centre for Peace and Conflict Study(CPCS), and Nippon Foundation attended peace talks as observers.³¹⁰ Permitting third party representation and third party negotiation in peacemaking had been hardly acknowledged by the previous Myanmar governments.

To tackle major problems regarding the armed conflict, the U Thein Sein administration attempted to settle the dispute through negotiations and to develop the code of conduct especially between government-organized peacemaking groups, military

³¹⁰-Burma News International, *Deciphering Myanmar's Peace Process: A Reference Guide 2014*, pp. 33~34.

commanders and the United Nationalities Federal Council(UNFC) headed by Naing Han Tha.³¹¹ But, a number of serious challenges emerged on the questions of control of contested areas, economic interests over political dialogue, validity of government-proposed ceasefire terms and development of an ethical code of conduct (trust-building) in dealing with the ethnic armed groups. Apart from these questions, another complication in peacemaking efforts has been the sporadic fighting between government backed Border Guard Forces(BGFs) and the ethnic armed groups. BGFs became a major controversy of ethnic armed groups which persistently denied transforming their forces into government-backed BGFs, especially in SSA/ SSNA and the UWSA armed forces.

In January 2013, before dialogue with the government started, ethnic armed groups held the Liza Summit which resulted in a guideline for ethnic groups. Since then, the Nationwide Ceasefire Coordination Team(NCCT) has been organized as a representing body of ethnic armed groups in dealing with the government peacemaking organizations.³¹² The NCCT has emphasized democratic practices, national equality, the establishment of a federal republic, the formation of a joint committee that will organize the political dialogue after the signing of the nationwide

³¹¹- *Voice of America (VOA)*, October 17, 2014.

³¹²- Burma News International, *Deciphering Myanmar's Peace Process: A Reference Guide 2014*, pp. 37~39.

ceasefire, and the handling of the plight of internally displaced persons on account of armed conflict.

Drafting a single text document of a nationwide ceasefire agreement is a political means to solve the decades-long armed conflict in Myanmar. Since the new Myanmar government under President U Thein Sein took office on March 31, 2011, attempts have been emphasized to terminate the so called longest civil war and to start political dialogue on peacemaking efforts.³¹³ On government's side, the Union Peacemaking Work Committee(UPWC) chaired by President U Thein Sein has been organized whereas the NCCT represents 16 ethnic armed groups led by U Naing Han Tha and has emerged as the representative body of all ethnic armed groups. The NCCT also invited five ethnic armed to participate in the UPWC-NCCT talks.

Progress of the UPWC-NCCT meeting mainly focused on ethnic issues, a major dissent in the blueprint of the nationwide ceasefire. The first round of talks conducted by the UPWC-NCCT was launched on April 5, 2014 at the Myanmar Peace Center in Yangon.³¹⁴ As part of efforts for achieving the ceasefire agreement with 21 ethnic armed groups, the bill for protecting the rights of ethnic people has been drafted and the constitution is being reviewed at the parliament to present at the fifth round of

³¹³- *The New Light of Myanmar*, March 1, 2011, p. 1.

³¹⁴- Burma News International, *Deciphering Myanmar's Peace Process: A Reference Guide 2014*, pp. 88-96.

UPWC–NCCT meetings on August 15, 2014.³¹⁵

The UPWC–NCCT meetings highlight the importance of peace for Myanmar, acknowledging that comprises on the proposed points were made due to strenuous efforts by both sides within one year of drafting the single text for the ceasefire deal. By October 5, 2014, fortunately, peacemaking efforts gained momentum, increasing cooperation and holding several rounds of negotiation and dialogue between the UPWC and NCCT to agree on a single text for a nationwide ceasefire deal. As of September 21, 2014, there have been five meetings between the UPWC and NCCT, which have reduced the number of points in contention for the single text from 104 to just a few. The UPWC and NNCT held a sixth round of meetings³¹⁶ during which a third draft of the single text document was approved but there have been five points to be discussed among ethnic armed groups and the UPWC to get consensus for a comprehensive peace deal.

More challenges were encountered while drafting the single text ceasefire agreement by the UPWC–NCCT, as both sides clearly noticed the gaps and difficulties in making the deal. At the five–days of talks between the UPWC and NCCT, they released a joint statement announcing a fourth draft of a ceasefire agreement. In the joint statement, both sides stressed great strides in pursuit of an all inclusive political dialogue

³¹⁵- *The New Light of Myanmar*, April 6, 2014, p. 1.

³¹⁶- *Ibid.*

following the signing of a nationwide ceasefire deal as soon as the single text document is finalized.

Peacemaking efforts have been an uneasy task for Myanmar governments in the various backdrops of the international system. Peacemaking with ethnic armed groups during AFPFL and BSPP were greatly overwhelmed by ideology. The process turned to an interest-centered approach during the SLORC and SPDC governments, while ethnic armed groups concluded truce between 1990 and 2010. The PRC, for the first time, offered good offices for peace talk between the military government of Myanmar and the KIO/KIA in 2008 and 2009 when clashes along the Myanmar-China border became intense and hampered Chinese investment in the Kachin and Shan states. However, it is certain that the international attention became an inevitable drive for peacemaking in Myanmar.

Since the United Nations first established September 21 as the International Day of Peace 32 years ago, Myanmar, as a UN member state, has to recognize human rights as a basis for peace. President U Thein Sein highlighted the importance of the role of the Myanmar Defense Forces and all those involved in the peacemaking process with ethnic groups in his message on the 32nd International Day of Peace:

“Since our government has taken office ... emphasizing on peacemaking effort ... we have to join hands with Hluttaws, political parties, Tatmadaw(Myanmar Defense

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Force), ethnic groups and civil societies.”³¹⁷

Vice Chairman of UPWC U Aung Min added:

“... [I]t is usual to encounter more difficulties when both sides are close to reaching the goal of achieving peace ... like a marathon, a series of peace talks presents challenges and obstacles, but the shared goal is peace within reach and it can be realized through broad and sustain efforts.”³¹⁸

U Naing Han Tha, the leader of the NCCT remarked in his concluding speech:

“Situations that had been tackled by both sides on the front line for more than sixty years is more difficult than the present challenges despite having more difficulties that the previous meeting.”³¹⁹

The Myanmar Defense Forces and military legacy stand as major player in the political dialogue of peacemaking. There is also a gap or side effect in making peace with ethnic armed groups, through the UPWC positively stated the possibility and potential for ongoing efforts towards peacemaking and finalizing a ceasefire agreement. In the meantime, President U Thein Sein

³¹⁷- *The New Light of Myanmar*, September 22, 2014, pp. 1~2.

³¹⁸- *Voice of America(VOA)*, September 27, 2014.

³¹⁹- *Voice of America(VOA)*, October 17, 2014.

has ordered a cease of all armed clashes in the Kachin, Shan, Kayin, and Chin states. Despite these efforts, at the end of sixth round of meetings on September 21, 2014, there occurred armed clashes in the Kayin state, and the UWSA, the strongest armed ethnic group in the Shan state warned the Myanmar Defense Force to follow the suit of UWPC–NCCT joint statement.³²⁰

An informal tripartite meeting of the UPWC, NNCT, and political parties could also be a means for making peace. Establishing an all-inclusive political dialogue under the new Myanmar government would be a great departure from previous military governments, which significantly marginalized the role and voice of political parties in Myanmar's political development.

This dilemma or tug-of-war between the military legacy of Myanmar Defense Forces and reformist Myanmar government under President U Thein Sein can be seen when the ceasefire agreement was broken between the DKBA and Southeast Command of Myanmar Defense Forces in the Kayin state on October 6, 2014. It was a serious consideration for the reformist government while attempting to conclude a final draft of the single text document of the ceasefire agreement with various ethnic groups.

The newly elected civilian-led Myanmar government attempted to maintain international credibility of its political reforms, which

³²⁰- *Voice of America(VOA)*, October 22, 2014.

is important for the success of other reform processes such as economic and administrative reforms. In this context, the reformist Myanmar government recognizes the role of civil society organizations (CSOs) in political, economic, and social reforms. It is also a questionable for Myanmar Defense Forces, especially for genuine CSOs. The Myanmar Peace Centre(MPC), the only CSO lobbying at the PMWC–NCCT meetings, is criticized by the National Races Affairs Committee and Myanmar Defense Forces.³²¹ Since the PMWC’s main purpose is to lobby all ethnic minorities to sign on to a single peace deal unconditionally the Myanmar Defense Forces have thought the concessions are too high, and mistrust has been developed between the MDF and the MPC. It also pushed the PMWC into the corner on a number of issues in order to continue the PMWC–NCCT meetings.

For the Myanmar Defense Forces, its major concern is for national security; secondary to that, comes the economic interests of various regional and border area trade and commercial interests, which are the strongholds of major ethnic armed groups. Such accusations have traditionally been waged between ethnic armed groups and Myanmar Defense Forces.

Furthermore, trust or confidence–building measures frequently deviate amid certain progress. For instance, on October 13, 2014,

³²¹– *National Defense College (NDC) Political Seminar on Democratic Challenges and Consolidation for Transition Myanmar* (Seminar, October 17, 2014).

the C-in-C announced it would withdraw from the single peace deal despite promising last year to the Myanmar Defense Forces that it would not turn back from democratic reform. Immediately after the withdrawal announcement, the decades-long existed ethnic suspicion of peacemaking with government mushroomed within a few days. In this context, the UWSA, the strongest ethnic armed group with modern military equipment, strongly protested the stand of the Myanmar Defense Force on single peace deal as suspicious political dialogue. Moreover, all Kayin ethnic armed groups that had signed the peace deal in the late September 2014, formed the Kayin Armies Force/Front(KAF) with KNU and DKBA for a coherent focus on peacemaking and to help the post-peace rehabilitation process in Myanmar be focused on relatively fairer views, with more open and accountable dialogues including the unique experiences of marginalized or vulnerable groups as the bedrock of peacemaking efforts. In an interview with VOA, the leader of the KNU, General Mutu Say Phaw replied of the question on the future of ethnic armed forces, “... because of lose confidence on single peace deal and next step, political dialogue, KAF has been formed to counter Myanmar Defense Force offensive warfare, if necessary.”³²²

The leader of NCCT, Naing Han Tha is still expecting to proceed with political dialogue even though tension between

³²² *Voice of America(VOA)*, September 14, 2014.

ethnic armed groups and the Myanmar Defense Forces have increased in the Kayin, Kachin and Northern Shan states since early October 2014. Naing Han Tha explains in an interview with Voice of America on October 11, 2014:

“... political dialogue is the only way to maintain peace and to terminate the longest(more than 60 years old) civil war. I can assure that there is no ethnic armed group which wasn't willing to conclude peace deal ...”³²³

Mistrust and fragile confidence can be seen between the Myanmar Defense Forces and ethnic armed forces. From the side of Political Advisors Group to the President, Dr. Saline Ngu Kyone Lyan insisted the ceasefire groups sign a single peace deal first, the last step of which is to proceed to political dialogue. After that it will become an internationally recognized peace deal which can, in turn, prosecute violators of the deal, whether they are Myanmar Defense Force or ethnic armed groups. However, even in the event of a signed peace deal, issues will still exist. For instance, ethnic armed forces are anxious that their forces on the ground will be forcefully transformed into BGFs after signing a peace deal. Another misunderstanding and mistrust that can arise is between the MPC and National Races Affairs Committee of Pyithu Hluttaw which is headed by U

³²³- *Voice of America(VOA)*, October 11, 2014.

Thein Zaw, former Northern Command Commander in fighting against KIA/KIO. This Committee is also suspicious of MPC lobbying in ethnic armed groups which were once considered insurgents against the states.

11. Conclusion

Tables below show a comparative study of peacemaking efforts since 1948 based on different strategies and interests which led to remarkable outcomes in the political and regional stability of Myanmar. Peacemaking efforts and their effects in the early years can be understood as defensive attempts of the provincial and AFPFL governments when Myanmar was on the brink of ideological complex. Generally, however, as demonstrated in the table, it can be observed that AFPFL government focused its peacemaking efforts on national and party unity. As it was an ideological tug of war, conflict management efforts through mediation and negotiation with multiple armed ethnic minorities was shadowed by ideological differences and secessionist movements in early independence period of the country. Peacemaking efforts seemed to be more politicized in dealing with national races, party–army differences, civil–military tension and internal army strife in those days of national reconciliation.

In contrast, peacemaking efforts of the Revolutionary Council and Burma(Myanmar) Socialist Programme Party can be understood

as more offensive peace efforts since both governments relied heavily on military strength to establish national unity. Although granting of amnesty to political prisoners and the establishment of a peace council were done for peacemaking purposes, large numbers of military operations were also launched by both the RC and BSPP.

It can also be observed that peacemaking effort of SLORC and SPDC maintained a level of peace with 17 armed ethnic groups with certain significance of sustaining peace. More regional development and economic progress were prominent. The very efficient 'Arms for Peace' negotiation approach with the MTA, the biggest ethnic armed group in the Eastern part of Salween River in the Shan state showed the effectiveness of peacemaking during the SLORC and SPDC governments. The exception being the transformation of ethnic armed groups into border guards in line with 2008 constitutional provision.

No doubt that if peace is achieved through the PMWC-NCCT negotiations, it will be a successful step to political dialogue leading into the 2015 general elections. It will be the internationally recognized political achievement for the reformist Myanmar government under President U Thein Sein. In fact, peacemaking efforts of Myanmar after 2010 can be understood as consolidation efforts, with potential risk factors as Myanmar goes through its own political and economic transition. So far, many international organizations, nonprofit organizations and commercial businesses

have formally recognized the stable pace and right direction of political reform initiated by President U Thein Sein before October 2014.

The following tables also show a clear and brief glimpse of how successive Myanmar governments have attempted to foster national reconciliation and political reform though the effect of their policies brought about questions for how to sustain efforts on the ground. Of key importance to their policies, was the role of the Myanmar Defense Forces and their willingness to abide by the government's choices. While not always in agreement over the best path forward, these efforts highlighted the essential role of the Myanmar Defense Forces in Myanmar's overall political development.

In fact, the political will of successive Myanmar governments clearly outlined the pragmatic engagement with its national brethren since the country's independence. But there is no handy roadmap for national reconciliation and peacemaking. Building the trust and a sense of understanding between conflicting parties has been difficult with risky challenges at every stage. Therefore, a solid basis for constructing, adapting and adopting ideas, and developing the tools to design a reconciliation process appropriate to a particular set of circumstances, is the responsibility of all parties in order to create reliable proposals, simple solutions and range of options drawn from around the internal or external environment.

Table VIII -1 Peacemaking Efforts of the Provincial Government & AFPFL Governments (1948~1958)

Government	Peacemaking Attempt	Basis of Interests	Remarks
Provincial Government	Committee for Negotiating Peace with BCP	Ideological Interests (communist)	- Failure to make peace with BCP & PVO - Intense civil war
Provincial Government	Leftist Unity program	Ideological interests (communist)	- Failure to attract BCP & split in PVO - Intense civil war without rehabilitation efforts
Provincial Government	Peace Committee by Sir U Thwin	Leftist unity	- Failure in peace talks - No regional rehabilitation plans
AFPFL in Provincial Government	Rightists' Scheme by U Ba Pe	Coup d'etat of Myanmar Army	- Failure to talk peace with KNU/KNDO - Intense fighting
AFPFL	Commending Officers' Conferences	Civil-military tensions	- Failure to transform Defense Forces & socialist split from AFPFL
AFPFL	Three Requests made by PM U Nu at the National Congress	Internal peace & public security	- More antagonism in domestic politics
AFPFL	Mediation led by Sangas	National solidarity	- Signing of Covenant on unity for the good of the country
AFPFL	Personal Mediation by U Hla Mg, Dr Ba Han & Bohmu Aung	Preventing party breakups	- Failure in AFPFL unity - Neglect of reconstruction efforts

○ Table VIII-2 Peacemaking Efforts of Successive Myanmar Governments: RC & BSPP (1974~1988)

Government	Peacemaking Attempt	Basis of Interests	Remarks
RC/BSPP	Amnesty order	Negotiation & internal peace	- Achievement on limited ceasefire agreement
RC/BSPP	Peace Talk with KNU	Kachins in political process & autonomy	- Failure in negotiation with RC due to lack of sincerity between government & insurgent groups
RC/BSPP	Advisor Council for National Reconciliation	Political, economic & social interest of insurgent areas	- Failure to maintain peace agreements - Launched 738 military operations against insurgent groups

○ Table VIII-3 Peacemaking Efforts of Successive Myanmar Governments: SLORC & SPDC (1988~2010)

Government	Peacemaking Attempt	Basis of Interests	Remarks
SLORC/SPDC	Peace campaign	<ul style="list-style-type: none"> - Ceasefire policy through face-to-face negotiations - Economic interests based on a regional development plan - Economic concession between military government & ethnic armed groups - Union of Myanmar Economic Holdings Ltd. (UMEHL) 	<ul style="list-style-type: none"> - Failure of negotiation - Insisting of problem on regional development plans such as dam, forest, highway projects - No transparency in dealing with ethnic armed groups and foreign based corporations - No accountability between SLORC/SPDC and ethnic armed groups
SPDC	Peace Talk with DKBA & KNU, MTA, Kokang & Wa	<ul style="list-style-type: none"> - Ceasefire talk & real dialogue on future politics - Regional economic interests - Myanmar Economic Corporation (MEC) 	<ul style="list-style-type: none"> - MTA to be observed - Regional development plan & special region zones for local and insurgent groups

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Government	Peacemaking Attempt	Based interests	Remarks
SPDC	Regional stability and economic development	<ul style="list-style-type: none"> - Ethnic armed insurgents on national development - Regional economic interests of ethnic armed groups & SPDC 	<ul style="list-style-type: none"> - Cease fire agreements with 15 armed insurgent groups - Establishment of special regions
SPDC	National Reconciliation & confidence-building measures	<ul style="list-style-type: none"> - Arms for Peace Regional economic interests of ethnic armed groups with SPDC 	<ul style="list-style-type: none"> - Ceasefire agreements with 17 armed groups - Regional development plans - National Convention & Referendum for 2008 Constitution

Table VIII-4 Peacemaking Effort of Successive Myanmar Governments: Elected Civilian Government after 2010

Government	Peacemaking Attempt	Basis of Interests	Remarks
Elected Civilian Government under President U Thein Sein (First 30 Months)	<ul style="list-style-type: none"> - United Nationalities Federal Council (UNFC) (Selected Ethnic Armed Groups) - Lobbying by regional economic associations and business groups between government and ethnic armed groups 	<ul style="list-style-type: none"> - Political reform - Federal Union - State level ceasefire agreement with respective armed ethnic groups - Economic reform 	<ul style="list-style-type: none"> - Government success in peacemaking deal - Armed clashes with KIO/ KIA and KNU, DKBA in Kachin and Kayin States
Elected Civilian Government under President U Thein Sein (As of October 2014)	<ul style="list-style-type: none"> - Union Peacemaking Work Committee (UWPC) (Government Representative Body) - Nationwide Ceasefire Coordination Team (NCCT) (All Ethnic Armed Group Representative Body) - UWPC-NCCT Peacemaking Meeting - Myanmar Peace Centre 	<ul style="list-style-type: none"> - Single text ceasefire agreement with 17 armed ethnic groups - Federal army concept - Six Point Peace Deal - Economic and business interests of respective ethnic people - Constitutional amendment for more rights for ethnic people 	<ul style="list-style-type: none"> - Six Points Peace Deal - Inconsistency amid peace deal and sporadic armed clashes - Tense situation between UWSA and Myanmar Defense Forces on Six Point Peace Deal - Third Party Observers in peacemaking process

In order to sustain peacemaking and national reconciliation, conflicting parties—government and armed ethnic groups normally pursue direct and indirect conflict management strategies which includes various diplomatic tools such as negotiation, compromise, third party conflict resolution, or special missions or envoys. Granting amnesty to political prisoners, inviting peace talks, and implementing the ‘seven steps roadmap’ are the reconciliation strategies of successive Myanmar governments with its ethnic minorities though each strategy was limited in one way or another. The negotiation formulas initiated by some third party organizations or individual and sometimes the governments themselves significantly focused on political stability with the aim of ending civil war through a series of conflicts and military operations against ethnic minorities by the militarily strong Revolutionary Council, SLORC and SPDC.

It is observed that major rifts in ideology, civil–military tension, intra–party conflict of the AFPFL and secessionist attempts by ethnic minorities before regaining independence were the primary sources of armed insurrection in the post independence Myanmar politics under the provincial government. Based on its party’s interests in politics, the splits in the AFPFL, the only influential political party during the independence movement, fueled efforts to solve ethnic insurgent issues.

Personal diplomacy as well as third party negotiation were employed to mediate differences among political party factions,

minorities groups and even the Myanmar army during the AFPFL and BSPP administrations. Unfortunately, it is noted that reconciliation attempts and conferences held by civil society organizations were not very popular and government intervention to reconcile with insurgent groups was rarely seen in the early periods of Myanmar's independence. When the SLORC and SPDC took power, economic concession and "arms for peace" were primarily focused in peacemaking efforts between the military government and ethnic armed groups that concluded the ceasefire agreement. Based on this separately concluded ceasefire agreement with individual ethnic armed groups, ethnic leaders maintained their influence and power in their respective territories since independence. Transparency and accountability between military regimes and the armed ethnic groups were not culturally inherent.

It can be noted that the conflict management and peacemaking efforts with insurgent groups, pursued by the AFPFL, were based on public opinion, voices of different political parties and of minority national races. Direct and indirect conflict management mechanisms were applied to settle differences in civilian–army and political party splits. In contrast, under the Caretaker Government and BSPP, conflict management and peacemaking efforts were carried out with unilateral action, initiated through either the Advisory Board or the Advisory Council organized by the governments. Since the late 1970s, when efforts to persuade insurgent groups to disarm failed, the governments would resort

to counter-insurgency military operations. Only the Caretaker and BSPP governments seriously pursued a direct conflict management mechanism.

Although there remained skepticism about foreign support for Myanmar's peacemaking process, two countries namely Japan and Norway became both the leading donors and observers to several rounds of UPWC-NCCT meetings and the Lizar Summit. Moreover, the Norway-based Myanmar Peace Support Initiative (MPSI), which offered \$100 million dollars to support a peace deal of the UPWC-NCCT, and Japan's Nippon Foundation which offered \$10 million for UNFC to hold the Lizar Summit, garnered international credibility for the first time in Myanmar's domestic national reconciliation process, which was the underlying driver of its political reform. In this context, many critics argued that Japan's generous ODA and its INGOs focused mainly on its own geopolitical interests, despite their contributions to Myanmar's domestic affairs.

Until 2011, national reconciliation and making peace with insurgent groups were being implemented based on past experiences, that is, the 'Arms for Peace' strategy for national reconciliation. Some former ethnic warlords in the Shan state acted as negotiators between the SPDC and 'Kokang' or 'Wa' ethnic minorities in the first wave of national reconciliation.

In fact, the SPDC and its predecessor military government pursued dual tactics of give-and-take for national reconciliation.

It can also be noted that conflict management under the SLORC/SPDC was sustained because the insurgents under the ceasefire accord, still had full control over local administration and maintained the right to hold arms in their respective areas. The preceding governments had always insisted on the unconditional surrender of the various insurgent groups, which was one of the reasons why peace negotiations had failed. While over one hundred ethnic groups are still clearly recognizable today, it is important to consider types of political reform, that is, whether to create autonomous regions or a confederation of states.

Moreover, there must be a recognition of ceasefire agreements as political agreements rather than purely military achievements. The substantiality of peace with various insurgent groups will depend on not only achieving internal reconciliation but also on maintaining the good image of the state and the political will of Myanmar in the international arena. It is important to be careful about unforeseeable risks created by Myanmar's political culture, which has factional tendencies and has often experienced the splitting of political parties and organizations throughout its history.

Myanmar in transition is not a rosy picture as each and every country in transition faces the toughest challenges. At this juncture, internal stability and voices from ethnic minorities are supportive of genuine democracy. It is true that ideological differences are not a major concern today, but there are many

vulnerable and complex soft issues in many ethnic areas such as environmental degradation(Myit Sone Dam which was suspended in early 2011 by presidential decree), foreign investment(crony capitalism), land grabbing(delayed land reallocation to farmers), heavy reliance on natural resource exploitation(natural gas in ethnic areas), limited transparency and accountability, hesitant participation of local communities and Myanmar–China factors in national development. It is naturally very abstract, but it is very important to have dedicated will in maintaining political and economic stability of ethnic minority areas, which in turn, will lead to sustainable peace.

It can be noted that the peacemaking agenda, by striving for a single ceasefire deal and moving to political dialogue, will be sensitive and uneasy tasks full of complication and mistrust. However the government is enthusiastic and willing to proceed with efforts to conclude a single ceasefire deal through the MPC, a major civil society organization for peacemaking between the government and ethnic armed groups. It is necessary to consider the role that CSOs have played and its role in nation–building and state–building in many countries going through a democratic transition. Their work has the potential to positively or negatively impact national security in the long run. The impact of CSOs has been mainly positive in such countries as Indonesia and the Philippines whereas China and Singapore consider CSOs as anti–government cells. The interaction the, between the

Myanmar government and Myanmar's CSOs will factor into the prospects for achieving sustainable peace.

Making sustainable peace is a time-consuming process and it is difficult to anticipate what will happen next, who will set on which positions, or whether it will proceed in a positive way or revert back to fierce fighting. The Myanmar Defense Force, a major actor in Myanmar's political development, has pledged to positively support a democratic reform process. It is also clear that when violence breaks out vulnerable and marginalized groups such as women and children become the major targets. In order to avoid such issues, dynamic interactions by all stakeholders in peacemaking and conflict management efforts must be strengthened to improve governance related to economic, political, cultural, educational, and military matters, among others. Through these interactive dialogues and debates, it can be expected that mutual trust and confidence-building measures between government-sponsored peacemaking committees at various levels, defense forces, ethnic minorities' armed groups and local communities will lead to negotiating behavior and political will to sustain peace and democracy in the near future.

IX. Myanmar's Reforms and Opening the New Chapter with ASEAN

1. Myanmar's wave of reform

The government has been simultaneously implementing the four reform measures: political, socio-economy, administrative reform and private sector reform since it took office in 2011. It has now been implementing waves by waves. The first wave was in an early 2011 starting with new political system. Priority went national integration and new political culture. They included granting of amnesties to prisoners, the coming back with dignity of the exiled political forces. The government had granted amnesty to over 28,000 prisoners during the first-year term with the aim of ensuring all-inclusive opportunity in national reconsolidation and national building tasks.³²⁴

One of the achievements in the first wave of reform is the government's "all-inclusive political process" for all the stakeholders to have a place in the political process. The meeting of President U Thein Sein and National League for Democracy(NLD) leader Daw Aung San Suu Kyi had taken place and reached agreement to work for the interest of Myanmar people, leaving aside the differences. In line with this, the government has amended

³²⁴- *Global New light of Myanmar*, October 8, 2014.

political party registration Act.³²⁵ According to this amendment, was allowed to take part in by-election which was held on April 1st, 2012. The political parties were enjoying more political space that is non-existence before.

In the first wave of reform, Myanmar has also undertaken to achieve a long lasting peace in the country with three steps. It has been over sixty years that the conflicts have emerged in our Myanmar since independence. The first step is to hold the dialogue at state level. In this level both sides must stop all hostilities, stay only at the agreed areas, not to hold arms in any other places except from those agreed areas, open liaison offices in the mutually agreed places, and fix the venue, time and date for Union level dialogue. Second step is the Union level. The points to be discussed at this step are to secede from the Union by no means, cooperate in economic development tasks, cooperate in elimination of narcotic drugs, take part in political process following setting up political parties, At the third step, agreement will be signed at the Parliament(Hluttaw) comprising all main political players like the government, national race leaders, political parties and political forces and people's representatives.³²⁶

At the international arena, the changing dimension of Myanmar's foreign policy can be seen under new elected Government took

³²⁵- The State Peace and Development Council Law No. 2, March 2010.

³²⁶- Burma News International, *Deciphering Myanmar's Peace Process: A Reference Guide 2013* (Thailand: Wanida Press, January 2013), pp. 37~39.

office in March 2011. When Myanmar is at the beginning of a new era of socio-political change, the U.S. seem to change their policy towards Myanmar. A series of diplomatic moves and domestic developments underline Myanmar's intension to foster better relations with any major powers. The European Union sent a "positive signal" by lifting sanctions on the country and continued its support for the ongoing reforms in Myanmar and look forward to developing a new and cooperative relationship. Besides these new trends of relations with the Western countries, Myanmar developed the relations with its old friends such as Japan, China and India for the creation of the new opportunities and more options.

Myanmar's reform process in the first wave appeared to be successful to some extent especially in the political sector such as positive meeting of President and Daw Aung San Suu Kyi, the contest of NLD in 2012 and the initiation of peace process with many ethnic groups and opening new chapter in international arena.

In mid-2013, Myanmar proceeded to second wave which put emphasis on roadmap for politico-socio economy reforms, administrative sector reform and private sector. The key in this stage of political reform is to create a new form of political culture to utilize peaceful negotiation and to avoid conflict with political forces. Dialogues and negotiations with ethnic minority groups were taken place. Legislative reform was also remarkable

achievement. To cope with new political system, more than hundred bills were discussed at the parliamentary sessions and passed with the short period of reform.

For administrative reform, on August 10, 2013, President U Thein Sein delivered speech at the meeting with union ministers, region/state chief ministers and deputy ministers at Nay Pyi Taw, the capital of Myanmar. In order to ensure the good governance and clean government, the government has retired and transferred some senior government officials including Union ministers. Deputy Ministers and Director-Generals were also taken action against them due to poor performance, lack of transparency, lack of responsibility and accountability in dealing with the public. Myanmar acceded to United Nations Convention on Anti-Corruption on December 20, 2012. In line with this Myanmar has established Anti-Corruption Committee headed by Vice-President. A system for public participation in anti-corruption was conducted through media. Altogether 450 officials are taken action including ministerial level.³²⁷ The national reform leading committee, led by the President has been formed separately to direct efforts on reform programme instead of tasking the project commission with designing and guiding reform plans in the past.

³²⁷- Myo Khaing Swe, "Anti-Corruption Efforts in Myanmar," *The United Nations Asia and Far East Institute for the Prevention of Crime and the Treatment of Offenders (UNAFEI)*, March 2014, p. 256.

While encouraging the promotion of the private sector in economy, Myanmar is conducting institutional reforms for capacity building of state owned businesses. Changes and reforms are also taking place in collaboration with international organizations for the flourishing of capital market and financial markets as well as for the emergence of conglomerates. Myanmar is promoting the role of private sector seeking valuable advice and suggestions from local and foreign experts in the economic field.

This will help not only to develop the GDP but also improve the people's living standard and the public services. At present, Myanmar's GDP ranks 21st in Asia. Indonesia, Thailand, the Philippines, Malaysia, Vietnam and Singapore are all high above Myanmar. Myanmar GDP per capita PPP among the world is at 201 with \$1,400. Myanmar receives foreign direct investment, \$36 billion in which ASEAN countries portion is about \$13 billion.³²⁸ These statistic show Myanmar is in need of great efforts to improve its investment. After lifting sanctions from the West based on the political development, Myanmar will increase GDP with no doubt.

Moreover, Myanmar is a gateway for the BIMSTEC and SAARC. As Myanmar is strategically located in Asia, she could improve its basic economic fundamentals and infrastructure and learns from its neighbours and other economic clubs. It is on the

³²⁸- Asian Development Bank, *Asian Development Outlook 2014: Asia in Global Value Chain* (Philippines: Asian Development Bank, 2014).

cross road of China's Outward Policy on the one hand and India's Look East Policy on the other. For Myanmar, located on the southern tip of Indochina peninsula, possesses an important strategic location on the blinks of Indian Ocean and Bay of Bengal, the significant gateway for China to Indo-Pacific regional order.

The President declared third wave of reforms with two portions; one is an immediate objective and another is for the long term objective. The rule of law and laying foundations are the core objective to be undertaken as a long term objective. The immediate plan will pay more attention to for benefit of people for socio-economic condition. In line with this the government carried out National Comprehensive Development Plan.³²⁹ Another positive development in the political arena was the political dialogue of the leaders of five national political forces which took place at the Presidential Palace on October 31, 2014. Three main agendas which were proposed by the President are: continuation of democratic transition, strengthening the peace process and 2015 election.³³⁰ There came out criticism for this dialogue due to limited time for individual speakers and as a show before President Obama visit to attend the 25th ASEAN Summit. However, if there is a follow up political dialogue in the short period of third wave, it is expected to have a bright future for Myanmar.

³²⁹- *The New Light of Myanmar*, January 20, 2013.

³³⁰- *Global New Light of Myanmar*, November 1, 2014.

In international arena, she regained her prestige to assume ASEAN chairmanship. Becoming a Chairman of ASEAN on January 1, 2014, Myanmar represents one of the major steps in re-engagement with the world community. Myanmar's reform in the period of third wave was criticized by both by local and international community due to her slow process. However, it is difficult to compare with other countries like China, Vietnam and Korea. They had a strong economic foundation and had no political instability like Myanmar.

2. Myanmar in early years of ASEAN membership

During the cold war period, Myanmar paid little attention to regionalism. However, facing the reality of post cold war international relations, Myanmar had enhanced unity and cohesion, strengthened competitiveness and deep integration. To live together in peace and harmony within the family of nations and to work together the interests of the whole region, Myanmar looks forward to regional development. Moreover, the growing trend of interdependence among nations stressed the needs for regional cooperation for the common peace and prosperity of the region as well as for each individual nation in the region. At the same time, ASEAN has also striven for full regional integration based on the principle of constructive engagement and non-interference in the internal affairs for regional peace, stability

and prosperity. ASEAN principle known as “ASEAN Way” was in line with the comfort level of Tatmadaw(military) government. Therefore, the sweeping changes in international and regional condition and trends as well as in Myanmar’s domestic priorities and directions opened new opportunities for Myanmar to integrate into regional organizations and cooperate with its regional neighbours.

Most senior officials’ opinion on Myanmar’s decision to join ASEAN comes from two folds: politically, membership would contribute to peace and stability of ASEAN region, better confidence-building measures among member-states, a way out of its isolation. From economic point of view, Myanmar’s membership would expand its already substantial economic space and would increase trade and investment links within the region. Thus the country and the region would achieve greater development that would lead to increased efficiency among other benefits.

Soon after joining, Myanmar faced the problem of some ASEAN countries attempting to change the ASEAN way. For the chair of ASEAN in 2006, Myanmar was under pressured and faced with criticism from various factions. The U.S. and the European Union publicly announced that they might boycott any ASEAN-related event if Myanmar was the chair. In this regard, Myanmar voluntarily agreed to skip its turn as chairman of ASEAN in 2006 and ASEAN foreign ministers agreed at the

time to let Myanmar assume the chairmanship when it was ready.³³¹

3. New Myanmar and ASEAN

Myanmar's relationship with ASEAN is related with Myanmar's domestic reforms. Myanmar, as a member of ASEAN, maintains friendly relations with all the countries in the region with a strong commitment to achieve regional peace and stability. Being a founding member of the Non Aligned Movement, the Five Principles of Peaceful Coexistence are firmly to adhere to as principle guidelines in its international relations.³³² Changes and developments have taken place on March 30, 2011 when the new government initiated adopting and implementing policy programs and work plans for the emergence of peaceful, modern developed democratic nation. Along with these changes, Myanmar is assuming ASEAN Chairmanship in 2014. Following the positive political developments in Myanmar, ASEAN leaders agreed that Myanmar would assume the ASEAN chairmanship in 2014. The issue of whether to grant Myanmar for 2014 ASEAN chair was one of the top agenda items at the ASEAN

³³¹-Maung Aung Myoe, "Regionalism in Myanmar's Foreign Policy: Past, Present and Future," *Asia Research Institute Working paper*, No. 73 (September 1, 2006), p. 23.

³³²-Ministry of Foreign Affairs of Myanmar, *History and Activities* (Yangon: Training, Research and Foreign Languages Department, 2005).

member states. The Myanmar government's request for 2014 ASEAN chairmanship was widely seen as part of its effort to gain domestic and international legitimacy after assuming power in March 2011. In November 2011, ASEAN agreed with Myanmar to chair the group's summits and related meetings in 2014 for the first time since it joined the bloc in 1997.

Becoming a Chairman of ASEAN on January 1, 2014 represents another major step in Myanmar's re-engagement with the world community. As Chairman, Myanmar has been closely involved in seeking solutions and compromises with regard to sensitive political, social and economic issues facing ASEAN within itself, and in its relations with major powers in the region and in the rest of the world. A greater awareness of these issues will be useful for Myanmar in fulfilling its duty as Chairman. To become a modern democratic nation, Myanmar must be reintegrated into the regional and world economy. Reintegration at the regional level requires Myanmar to get back onto the growth path of the Asia and Pacific region.

Taking up the responsibility of Chairman of ASEAN in 2014 Myanmar faced both opportunities and challenges. The impact of ASEAN Chairmanship to Myanmar can be three folds: political, economic and social. From the political point of view, three meetings are especially important being a chairmanship. They are the 47th ASEAN Foreign Ministers' Meeting, the ASEAN-U.S. meeting and the ASEAN-China talks. Myanmar wants

them to play a major role in ASEAN economically and politically and Myanmar welcomes their reengagement with it and the shift in U.S. policy towards Myanmar. It does not want to create unnecessary tensions with other regional countries. Regarding the ASEAN–China meeting, Myanmar has to reduce tensions in the South China Sea. It has to build up the mechanism for implementing the Declaration on the Conduct of Parties in the South China Sea.³³³

Hosting as chairmanship, Myanmar has an opportunity to demonstrate its “independent” foreign policy and provide a path for the country’s future policy direction. Myanmar has shown her unity in speaking with one voice with regard to South China Sea issue. Concerning with South China Sea territorial disputes, Myanmar government had a question to address on bilateral relations with China in the ASEAN–China meeting as some ASEAN countries keep pressuring the host country to issue a statement. This is because, during the Chairmanship of Cambodia, a close ally with China failed to do so. China skillfully convinced Cambodia to block a joint statement, losing ASEAN’s centrality. The current question is whether Myanmar could present a good image. Myanmar, however, had tried to balance its position as ASEAN chair though currently China is not a popular with Myanmar public due to lack of corporate social responsibility in

³³³- *The New Light of Myanmar*, August 9, 2014, p. 4.

most Chinese investment areas. However, governmental levels, academia and many analysts in China–Myanmar relations are suggesting that Myanmar ought to be fair between China and ASEAN without taking sides.

Myanmar has shown her Myanmar's way in addressing or standing on SCS issue. Once Myanmar had practiced "Burmese way to socialism," but now she is going with "Myanmar's way to democracy." Myanmar has to build up the mechanism for implementing the Declaration on the Conduct of Parties in the South China Sea. She was working on the full implementation of the Declaration on the Conduct of Parties in the South China Sea as well as working on the Code of Conduct. Myanmar has shown her uniqueness with ASEAN. China will not gain her diplomatic victory like in Cambodian chairmanship and it is unlikely to give pressure on Myanmar. The reason is that (1) China is losing trust since Cambodian chairmanship, and (2) if China put pressure on Myanmar, it will be more difficult to normalize their relationship that has declined since 2011.

The question of whether Myanmar can host chairmanship was raised among the international as well as Myanmar political observers. Among them, a prominent scholar Yun Sun point out her view positive on ASEAN chairmanship that Myanmar had successfully carried out its role as ASEAN chair.³³⁴ Moreover,

³³⁴- Yun Sun, "Myanmar's ASEAN Chairmanship," *Stimson Center*, Issues Brief, No. 5 (September 2014).

ASEAN Secretary-General Le Luong Minh expressed optimism about Myanmar's ability to provide leadership to the Association at this critical stage of ASEAN's Community building. His comment is "Myanmar success is ASEAN's success."³³⁵ To appreciate ASEAN's success, Myanmar keeps on her reform process.

Myanmar's ASEAN chairmanship would have some impact on domestic issues rather than international such as democracy benchmark, election, peace process, human rights etc. One of the remarkable events before the convening of the 25th ASEAN Summit is the meeting of Commander-in-chief and the Press Council. Press Council has met with President twice and had reached an agreement to meet with information Minister once a month. Both sides exchanged view on strengthening of mutual cooperation between the armed forces and media for speedy flow of correct information and building of mutual trust and understanding.³³⁶ This is one of the steps forward to Myanmar democratic consolidation. Improvement of press freedom is noticeable although there remain some issues to be addressed.

With regard to election, it can be expected some promises of free and fair election in 2015 from the Myanmar government. The Chairman of the Union Election Commission had officially announced for free and fair election in November 2015 and this

³³⁵- *The New Light of Myanmar*, May 11, 2014.

³³⁶- *Global New Light of Myanmar*, October 15, 2014.

announcement come before the Summit. It is a positive consequence of the summit on domestic democratic transformation. Here, some may see the cancellation of by election recently announced by Union Election Commission from negative point of view. Election which was scheduled to be held in November after ASEAN meetings was cancelled. Actually, it is better for all contesting parties to take time for their preparations. Moreover, political parties will face financial and political constraints as a result of standing for two separate elections.

Human right of Myanmar is always eyed by the international community. As Myanmar will preside over the ASEAN Intergovernmental Commission on Human Rights, there are some positive aspects such as release of political prisoners and release of child recruits from Myanmar military.³³⁷ This had come out five days before President Obama's announcement to keep Myanmar on the list of nations that are subject to U.S. sanctions over the use of child soldiers.

The other dominating topic at the Summit was the establishment of ASEAN Community. Myanmar is hosting in the time of ASEAN's entering the final stretch before the ASEAN Community 2015. ASEAN has a deadline to meet end in 2015. The Nay Pyi Daw Declaration on "Realization of the ASEAN Community by 2015" was released in May Summit.³³⁸ The post-2015 ASEAN

³³⁷- *Mizzima News*, October 13, 2014.

³³⁸- *The New Light of Myanmar*, May 12, 2014.

community vision must also be worked out. In this regard, Myanmar is working together with ASEAN member countries.

From economic point of view, a bright impact can be seen. A good performance as Chairman offers a unique opportunity for reintegration of Myanmar into the regional and world economy. Joining ASEAN has increased investment from both ASEAN member and non-ASEAN member countries. The ASEAN Business Outlook Survey was recently released on August 28, 2014 at the ASEAN Economic Ministers Meeting in Nay Pyi Taw, Myanmar. It shows that Myanmar is one of the most popular countries for business expansion in ASEAN, offering a ready supply of affordable labour and personal security. Myanmar's workforce are generally satisfied with living and working conditions as 91% report satisfaction with their assignments and 77% attempt to extend their time in the country. In addition, U.S. companies are viewed more favorably in Myanmar than in any other country in ASEAN.

According to the data of ASEAN statistics, the combined GDP of the East Asia Summit(EAS) participating countries grew by 0.9% in 2012~2013 compared to the 5.3% growth recorded in 2011~2012. The combined GDP of EAS participating countries stood at \$39,813.3 billion in 2013. ASEAN's total trade with the non-ASEAN and EAS countries was expanded by 1.6% from \$1,082.1 billion in 2012 to \$1,099 billion in 2013. The eight non-ASEAN and EAS countries accounted for 43.8% of ASEAN's

total trade. Foreign Direct Investment(FDI) inflows from the non-ASEAN countries in 2013 reached \$64.3 billion, or 52.2% of ASEAN's total FDI inflows, according to the data of ASEAN statistics.³³⁹

The respondents do not believe that the goals of the AEC will be reached until 2020 or later. Still, two thirds of the respondents in Myanmar indicate that their company's level of trade and investment in ASEAN has increased in the past two years and expect this trend to continue in the next five years. Although not dark impact, it would be a great challenge for Myanmar's SMEs. They are to join the ASEAN common market in 2015 so as to compete with that of ASEAN countries. In this case, Myanmar is very much lack behind other ASEAN countries. Myanmar entrepreneurs will definitely face difficulties when AEC come. It is no doubt that they cannot play in level playing fields for the time being. Myanmar still needs to implement the local SMEs development because of unskilled labour, financial and technical constraints, said by some businessmen and entrepreneurs. Another issue is that SMEs are receiving very low amount of loans. This will not be effective for local SMEs. According to the ASEAN SME Policy Index 2014, the highest index is 5.4 and the ASEAN average index is 3.7 while Myanmar's index stands at 2.9. Weak financial support available

³³⁹- Asian Development Bank, *Myanmar and Transition: opportunities and challenges* (Philippines: Asian Development Bank, August 2012).

from banks is a major hindrance to the development of small- and-medium-scale enterprises in Myanmar. Small and Medium Industrial Development Bank(SMIDB) had lent the amount of Kyat 10 billion to 62 industries so far and it is planning to lend Kyats 20 billion to SMEs. It is impossible to provide financial assistance to all SMEs in the country by SMIDB alone. There are more than 100,000 SMEs including over 45,000 small and medium industries in Myanmar. Most importantly, recent high land price may threaten the narrowing the developmental gap.³⁴⁰

Myanmar is still weak in hardware as well as software infrastructure for economic integration process. For hardware, her basic infrastructure needs are not met with ASEAN standards in various sectors such as road systems, electric power, and so on. For software, rules and regulations on import and export are needed to upgrade or modify in accordance with the ASEAN standards.

Another impact of Myanmar's chairmanship is hosting of ASEAN People's Forum(APF) which can be said social impact. Myanmar's commitment to put ASEAN's vision to become people-centered community into real action and policies can be seen by hosting the first APF. It was the largest regional civil society conference held in Myanmar in contemporary history. As Civil Society Organizations are playing important role in state

³⁴⁰- *Eleven Media*, September, 2014.

building process, this event is important milestone for Myanmar's transition and for the ASEAN Community 2015. There were more than 1000 participants from different levels of Civil Society from across the ASEAN region. Participants from Myanmar had opportunities to channel the voice of the grassroots civil societies of different backgrounds from across the region. Since Myanmar has the 2014 ASEAN chair, the responsibility of hosting the ASCC/APF has fallen to the shoulder of the Myanmar civil society.³⁴¹

4. Conclusion

It is always true that reforms never run smooth. The road of reforms had to encounter with difficulties and challenges. In such a situation, Myanmar's third wave of reform coincides with ASEAN Chairmanship. Myanmar's ASEAN chairmanship can be assessed with three "O": open, opportunity and obstacles. Together with openness, opportunities have been arising and support from the world community. The chairmanship comes admits the country's ongoing democratization and reform process which has been enjoying strong support from ASEAN member states. However, the obstacles will also need to be kept in mind.

Myanmar in a transition period has dual responsibility; to

³⁴¹- Alex James, Debbie Stothard and Khim Ohamar (eds.), *ASEAN Civil Society Conference and ASEAN People's Forum 2014* (Yangon: Sean Civil Society Conference/ASEAN People's Forum, 2014).

meet the needs of domestic and at the same time chairing ASEAN. In this situation, Myanmar as a Chair has taken the responsibility in line with ASEAN norms and values. Although Myanmar has some domestic issues to be addressed, it cannot be denied that Myanmar has contributed to her theme of “Moving Forward in Unity to a Peaceful and Prosperous Community” to certain extent. Myanmar has shown her uniqueness in a very sensitive issue of SCS. With some major reforms in political and economic systems, Myanmar is now entrusted with a more active role to play in regional and international affairs. This fulfills the dignity of ASEAN, Myanmar will be closely involved in seeking solutions and compromises with regard to sensitive political, social and economic issues facing ASEAN within itself, and in its relations with major powers in the region and in the rest of the world.

X. Learning from the Past: Vietnamese Foreign Policy in a Changing World³⁴²

On July 27, 1995 the ceremony to admit Vietnam into Association of Southeast Asian Nations(ASEAN) took place in Bandar Seri Begawan, Brunei. This even was multiple meaning for Vietnam and world community. In general, this marked a new page in the history of Vietnam's foreign relations, transforming from a model heavily influenced by ideological factors to the one that focused now more on national interest. In this context, it is reasonable to look back how modern Vietnamese foreign policy during the Cold War and since its end was shaped. Here, I argue that like during the Cold War, Vietnam can balance its relations with great powers based on historical lessons as it could successfully engage both the Soviet Union and China and managed to secure support from both of them notwithstanding serious problems between them. Several countries, especially in Southeast Asia, are confronted with the same dilemma as Vietnam, i.e., managing their relations with the U.S. on one hand, which had been instrumental in keeping the region stable,

³⁴²- This paper is the outcome of a research project entitled "Regionalism: Theoretical and Practical Issues" supported by the National Foundation for Science and Technology Development(NAFOSTED) of Ministry of Science and Technology of Vietnam. I would like to thank the NAFOSTED for its valuable support.

and China, a rising power that is offering huge economic opportunities, on the other, although Vietnamese case is unique one.

1. “All Men Are Born Free”

Locating on the crossroad of civilizations, considering the life-line connecting two oceans, and having rich natural resources, from the beginning Vietnamese history was characterized with dynamic movements. During its early existence, “Vietnamese identity interacted over a thousand years with Chinese, Cham, Khmer, French and stateless people of the [Indo-Chinese] peninsula.”³⁴³ Later on, starting in XVI century lasting until XX century all Southeast Asian countries except Thailand experienced Western colonial occupation. Many modern western ideas, practices and institutions were actually transferred from Europe to Southeast Asia during colonial time. However, they were adapted to Southeast Asian context, and became localized through nationalism. In Vietnam, it was Ho Chi Minh who could unite different political groups of Vietnam in 1930 to establish the Vietnam Communist Party. He was also the person who quoted the Declaration of Independence of the U.S. “all men are created equal” and the Declaration of the French Revolution’s “all

³⁴³- Nhung Tuyet Tran and Anthony Reid (eds.), *Vietnam-Borderless Histories* (Wisconsin: University of Minnesota Press, 2006), p. 3.

men are born free” for Vietnamese Declaration of Independence to establish Democratic Republic of Vietnam(DRV) on September 2, 1945.³⁴⁴

Because of the long colonial occupation, the birth of independent states in Southeast Asia by the end and after the Second World War(WWII), its existence and development during the Cold War became a central theme. If one glimpsed at Vietnamese history from 1945 until recently, one would be no doubt in the influences of the Cold War and the big powers on the history of country. It was very big powers that determined the political development of Vietnam and Southeast Asia after the WWII. Realized that the major powers would play an important role in the fate of his nation, in his declaration of Vietnam’s independence on September 2, 1945, Ho Chi Minh called them to recognize the independence of Vietnam and defend its sovereignty:

“We are convinced that the Allied nations which at Teheran and San Francisco have acknowledged the principles of self-determination and equality of nations will not refuse to acknowledge the independence of Vietnam.”³⁴⁵

In comparison with the other parts of Southeast Asia and Europe, Vietnam was influenced very early by the Cold war and Yalta’s bipolarity system. On the following days of September

³⁴⁴- Ho Chi Minh, *Vietnam’s Declaration of Independence* (Hanoi: Foreign Language Publishing House, 1962), pp. 17~21.

³⁴⁵- Ho Chi Minh, *Vietnam’s Declaration of Independence*, p. 21.

and October 1945, when the British arrived in Saigon and the Chinese Nationalist troops came to Hanoi, pursuant to the agreement at Potsdam to disarm the defeated Japanese forces, but in fact to assist the French in resuming control over Indochina, the independence that Vietnamese just declared became threatened. Facing with this complicated situation, the Provisional Government of the DRV made public the Communiqué on the Foreign policy on October 3, 1945. In the first official statement on its foreign policy the Provisional Government emphasized “the main object of(Vietnam’s) foreign policy is to ensure the victory of the nation by peaceable or forcible means, according to the attitude evinced by the foreign powers, but always in accordance with the Atlantic Charter.”³⁴⁶

Following this fundamental orientation, during 1946~1947, with the approval of the government of Thailand and the support of oversea Vietnamese there, an office of representation with a diplomatic status of the DRV was set up in Bangkok on April 14, 1947. Beside this, Government of Thailand headed by Premier Minister Pridi Panomyon also provided Vietnam with money and weapons, and allowed to establish a war base at the frontier for training of troops to be sent to Vietnam.³⁴⁷ In February

³⁴⁶- Nguyen Dinh Bin (ed.), *Ngoai giao Viet Nam 1945-2000(Vietnam's Diplomacy 1945-2000)* (Hanoi: National Political Publishing House, 2002), pp. 49~50.

³⁴⁷- Luu Van Loi, *50 nam ngoai giao Viet Nam 1945-1995(50 years of Vietnam's Diplomacy)* (Hanoi: The Gioi Publishing House, 2006), p. 98.

1948, another office of information with diplomatic status was also established in Rangoon. The Burmese government helped with all expenses of the office, and offered some weapons for the struggle of Vietnam against French colonialists. Although these offices existed for very short time between 1947~1948, they played an important role in bridging Vietnam with outside world. It was more important in the context that Vietnam was not recognized by other countries, and had to fight alone in siege.

Influenced by the confronted ideology during the Cold War followed in the next decades, Vietnam became a battlefield between major powers, France supported by the U.S. on the one hand, and People Republic of China(PRC) and Soviet Union on the other hand. The year 1950 made a turning point in the history of Vietnam's foreign relations. After four years of fighting in the siege, the DRV was recognized by PRC, Soviet Union and other socialist countries in the Spring of 1950. Since then, Vietnam became more connected with communist block than with Southeast Asian countries, except Laos and Cambodia. However, it was also a big challenge for Vietnam's foreign policy.

2. At the crossfire: Vietnam between Soviet Union and China

Vietnam's relations with China and the Soviet Union during the war(1954~1975) could be described as a triangular framework

Part1

Part2

Part3

because each of the bilateral links—Vietnam–Soviet Union, Vietnam–China and China–Soviet Union—was affected by the third bilateral relationship of the triangle. China’s policy toward Vietnam must be understood in the context of its goals vis-à-vis the the U.S. and Soviet Union. China hoped the war would weaken the U.S., while simultaneously hoping to prevent the expansion of Soviet–American rapprochement. China tried, concomitantly, to avoid both an enlarged war and negotiations to end the war. In fact, China ultimately promoted a prolonged war of attrition for all the involved participants. For Vietnam, China was an ally, a supplier of troops and military hardware and a deterrent against a possible U.S. invasion of the North, but also a much stronger neighbor who might ultimately begin to take advantage of its great size to push Vietnam into a subordinate status.

In comparison to China and the U.S., the Soviet Union’s position on Vietnam was more uncomfortable because it was influenced by two conflicting interests—a desire to reach detente with the U.S. and an interest to gain Vietnam’s support in its struggle with China. In general, the Soviet policy toward Vietnam during the war had several dimensions.

First, Moscow did not want to sacrifice its strategy of detente in its relations with the U.S. Second, Moscow was ready to provide all the necessary military and economic aid needed for Hanoi to pursue its war. Third, Moscow preferred negotiating a

settlement to the war rather than being drawn further into it.³⁴⁸

In other words, the Soviet Union tried to have great influence in Vietnam in order to realize its foreign policy goals, viz., to reach an appropriate settlement to the war and to make the Hanoi a reliable Soviet ally in the world communist movement.

In short, during the war, Vietnam was a pawn in the global ideological and power struggle among the U.S., China, and the Soviet Union. While Chinese interests would only later become clear, both the Soviet Union and the U.S. clearly showed their interests in the Vietnam conflict for the first time in 1950. The U.S. always feared a rapprochement between the two communist powers. China, in turn, was afraid of a Soviet–American détente while the Soviet Union was concerned about any improvement of U.S.–China relations. The triangular relationship can be divided into three periods.

In the first period(1954~1963), China wielded enormous influence on Vietnamese domestic issues. Following this strategy, Beijing tried to convince the North Vietnam to accept a definitive division of Vietnam by advising it to consolidate the revolutionary achievements in the North. In the second period between 1964 and 1968, both big brothers were competing to assist Vietnam in the war against the U.S. Soviet sources claimed that Vietnamese sympathies toward China were stronger than those toward the

³⁴⁸-Douglas Pike, *Vietnam and the Soviet Union: Anatomy of an Alliance* (Boulder: West view Press, 1987), p. 61.

Soviet Union. The reason for this was that China remained an important supplier of economic and human resources for Vietnam. China was also closer to Vietnam than any other socialist country in geographical and ideological terms. The Soviet Union tried to use every channel to exploit disagreement between China and Vietnam for its own interests. Although both China and the Soviet Union were the supporters of Vietnam, neither of them was satisfied with their Vietnamese ‘friends.’

In the third period from 1968 to 1975, Soviet Union became the most important supporter of Vietnam but tried to manipulate its relations with both Vietnam and China through aid. During this period, China while continuing to support Vietnam started looking for a rapprochement with the U.S. through “ping pong diplomacy” in April 1971. In other words, the development of the triangular relationship among Vietnam, China, and the Soviet Union during the Vietnam War was a classic example of Cold War politics. In this game, all of them tried to win over the other with different means and methods to further their own interests.

For Vietnam, the most important task was to gain national independence, freedom and the reunification of country. In order to do so, Vietnam tried to carry out an independent foreign policy on the one hand, but also to gain as much support as possible from both “fraternal countries” on the other. These two tasks were closely related with each other. The policy of Vietnam was shaped and determined very much by the balance

of powers and the bipolarity of international politics. Both China and the Soviet Union claimed to be showing international proletarianism through their support to Vietnam, but in fact they were trying to defend their own interests. The rapprochement between the U.S. and China and between the U.S. and the Soviet Union in 1972, and the Paris Agreement in 1973 were evidence of the continuation of their approach toward Vietnam. A lesson that Vietnam could draw is not taking side in the competition between big powers and the best way is to keep a balance between them while increase its own strength.

3. Vietnam relations with the U.S. and China

Like the Soviet Union and China in the past, today both China and the U.S. are Vietnam's partner. The difference is that if the first and Vietnam became comprehensive strategic partners in 2008, the second and Vietnam just established their comprehensive partnership in 2013. If the similarities between China and Vietnam find in their common political system of one party system, socialist market economy and Confucian background, the convergence shared by Vietnam and the U.S. is more or less the challenge made by the rise of China. If the U.S. and Vietnam dispute about the questions of Agent Orange, democracy and freedom, China and Vietnam dispute about their sovereignty in the South China Sea. Both China and the U.S. compete with

each other for their influences in Southeast Asia as whole in Vietnam especially. There are three main disagreements between Chinese policy and the U.S. one. In term of security China protests the U.S. “hub and spokes” bilateral model of security established during the Cold War and proposed a multilateral system. In term of economy the U.S. tries to establish the U.S. led Transpacific Partnership(TPP) including 12 economies³⁴⁹ cross the Pacific without China while China follows the Regional Comprehensive Economic Partnership(RCEP). In socio-cultural aspect Chinese Confucian institutes versus the U.S. soft power including education, movie and music, etc.

In response to a question raised by a Vietnamese scholar on whether Vietnam should go with China or with the U.S. in the context of growing competition between these two giants in today’s East Asia, David Sharer, U.S. Ambassador to Vietnam averred that if Vietnam goes with China, it will lose its sovereignty, and if it goes with the U.S., it will lose its regime.³⁵⁰ This in a nutshell shows again the difficulties Vietnam faces in dealing with two powers, this time the U.S. and China.

Vietnam–U.S. relations could be considered one of the most fascinating relationships in the diplomatic history. The U.S.

³⁴⁹- They are Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the U.S., and Vietnam.

³⁵⁰- Meeting on March 17, 2013 in Hanoi organized by the Japan Foundation Center for Cultural Exchange with Vietnam.

interests in Vietnam could be traced back to the year 1787 when President Thomas Jefferson first showed his willingness in trading a kind of dry rice with Cochinchina.³⁵¹ Yet, until the recent normalization, the relationship between two countries has never been a “normal” one. From being in a position of supporting Vietnam against the common enemy, the Japanese fascists, during the Second World War, and of preventing the French colonial occupation, the U.S. changed to a new stance of not recognizing Vietnam’s independence and agreeing with French to stage a comeback to Indochina. Very soon after the First Indochina War began in 1946, and with the escalation of the Cold War in Europe, the U.S. openly supported the French in an unequal war with Viet Minh led by Ho Chi Minh and shared by its end more than 70 percentage of the war’s burden.³⁵² In 1954 at the Geneva Cease-Fire Declaration, being afraid of the victory of the Communist North Vietnam, Walter Bedell Smith, the representative of the U.S. delegation declared that his government “is not prepared to join in a Declaration by the Conference such as it submitted.”³⁵³ In order to realize its

³⁵¹- Robert Miller, *The U.S. and Vietnam 1787-1941* (Washington: National Defense University Press, 1990).

³⁵²- Marvin E. Gettleman, et al, *Vietnam and America-a documented history* (New York: Grove Press Inc., 1985), p. 50.

³⁵³- Further Documents Relating to the Discussion of Indochina at the Geneva Conference (Miscellaneous No. 20 (1954), Command Paper, 9239), London, Great Britain Parliamentary Sessional Papers, xxxi (1953-1954), p. 6.

containment policy, the U.S. backed Ngo Dinh Diem by creating the Republic of Vietnam on October 26, 1955 which was considered as “Vietnam’s Democratic One-Man Rule” with the hope that “this aid will be met by performance on the part of the Government of Vietnam in undertaking needed reforms.”³⁵⁴ In 1967, under the administration of President Lyndon Johnson, the U.S. involvement was increased to 500,000 soldiers. However, the war cost about 58,000 American lives, the U.S. had to end its involvement with “no peace no honor,” and left the country in deep “Vietnamese syndrome.”

Due to many factors including the bitter lost in the war, the arrogance of Vietnam, the China factor and especially the involvement of Vietnam Cambodia, Vietnam-U.S. relations did not improve before 1991. In April 1991, a “road map” for normalization with Vietnam was laid by the U.S. whereby Hanoi was expected to take suitable steps to end the Cambodian conflict and cooperate in finding U.S. soldiers missing in actions and prisoner of war(MIA/POW). In February 1992, the U.S. Congress declared that it was satisfied with Vietnamese efforts in Cambodia as well in the MIA/POW issues leading to the lifting of U.S. sanctions in February 1994. In July 1995, the relations were normalized. However, the catalysts for the improvement of bilateral relations were economic interests and

³⁵⁴- Dwight D. Eisenhower’s letter to Ngo Dinh Diem on October 23, 1954, in Marvin E. Gettleman, *Vietnam and America: A Documented History*, p. 117.

the reform(*doi moi*) policy that Vietnam launched in 1986 at the Sixth National Congress of the Vietnamese Communist Party. Anxious not to lose business opportunities to countries like Taiwan, Singapore, Japan, and Korea, many American companies such as Boeing, General Electric, Microsoft and major banks and investors began to exert pressure on the Congress and President to open up to Vietnam. Thanks to the efforts of both sides, the U.S.-Vietnam Bilateral Trade Agreement was signed in 2001. Since then, the U.S.-Vietnam trade had increased dramatically over the last 12 years, from only \$1.5 billion in 2001 to \$7 billion in 2006 and reached over \$22 billion in 2012, and is expected to exceed \$50 billion by 2020. In term of foreign direct investment, the U.S. ranked one of the top five investors, including investment made by American controlled enterprises in Singapore and Thailand. Intel, for example, invested \$1 billion in a software project near Ho Chi Minh City.³⁵⁵

While trade is growing rapidly, concern is that Vietnam mostly enjoyed surplus(\$13 billion in 2013). There are also other issues that make both sides unhappy such as intellectual property rights, market access, and anti-dumping of certain Vietnamese products. Nonetheless, with a market of 90 million people and an average economic growth of 7% per year during the last five years, Vietnam was considered one of the most potential partners for

³⁵⁵- Intel opens its biggest factory in Vietnam at *BBC Vietnamese*, October 29, 2010, <http://www.bbc.co.uk/vietnamese/vietnam/2010/10/101029_intel.shtml>.

the U.S.. In comparison, Vietnam faces trade deficits (more than \$16 billion in 2012).³⁵⁶ Given its heavy dependence on China, the latter could harm the Vietnamese economy by dumping unfairly priced products or indulge unfair trade practices.

Consequently, Vietnam looks to promote strong economic relations with the U.S. to gain greater access to the U.S. market and to reduce excessive dependence on China. Therefore, the U.S. could be considered as a counterbalance to Chinese expanding influence in the region. For the U.S., arguments favoring improvement of relations with Vietnam are multiple: besides economic interests, security is one in which Vietnam has had more than a couple of thousand years of experience of how to deal with China in an asymmetric politics.³⁵⁷ More than two million Vietnamese living in the U.S. and the legacy of the war also served as catalysts for Washington to upgrade its relations with Vietnam.

Despite of the fact that Vietnam–U.S. relations have never been as good as today, there are still some challenges left over from the Vietnam War that both sides have to find common language. The first one is the problem of Agent Orange that was used during the war to destroy the areas where Vietcong

³⁵⁶- Hien Nhi, "To bring the bilateral trade between Vietnam and China to U.S. \$60 billion in 2015," *Cong an*, April 24, 2014, <<http://www.congan.com.vn/?mod=detnews&catid=707&id=493796>>.

³⁵⁷- Brantly Womack, *China and Vietnam: The Politics of Asymmetry* (New York: Cambridge University Press, 2006).

and units of North Vietnamese army were suspected to be located. According to various sources, between 1961 and 1971, the U.S. military sprayed about 11~12 million gallons of Agent Orange over nearly 10% of then South Vietnam, and between 21 to 48 million Vietnamese were directly exposed to it.³⁵⁸ Actually, Agent Orange did not receive serious attention in the beginning because the Vietnamese government focused on the normalization process. However, soon after that Vietnamese public opinion on this issue has grown and it was brought it to the attention of humanitarian organization as well as American government. As a result, in 2007, the Congress approved \$3 million for “environmental remediation and health projects” in the areas affected by serious environmental degradation like Danang airport.³⁵⁹

The religious freedom and human rights issues constitute the biggest challenge in U.S.-Vietnam bilateral relations even before two countries normalized their diplomatic relationship. In a statement in November 2011 in Hawaii, the Secretary of state Hillary Clinton stated, “we have made it clear to Vietnam that if we are to develop a strategic partnership, as both nations desire, Vietnam must do more to respect and protect its citizens’

³⁵⁸- Mark E. Manyin, “U.S.-Vietnam Relations in 2011: Current Issues and Implication for U.S. Policy,” *Congressional Research Service*, R40208, May 18, 2012, p. 22.

³⁵⁹- Frederick Z. Brown, “Vietnam and America: Parameters of the Possible,” *Current History* (April 2010), p. 166.

rights.”³⁶⁰ The so-called human rights issues in Vietnam relate to participation in public demonstrations against Chinese assertive policy in the South China Sea, to criticize the Vietnam government on the “sensitive” issues like corruption, economic policy, political pluralism, disputes over real estate, etc. In order to understand Vietnam, one should take into account such values of Vietnamese society like national proud of independent spirit, revolutionary struggle, strong authority structure, the primacy of the community over the individual. These values will not vanish overnight, and therefore, the issues of human rights and freedom of religion will remain one of the most important factors in the U.S.–Vietnam relations. Despite some differences, these two can cooperate with each other for their economic interests, security and prosperity of the region.

Like other neighboring countries of China, Vietnam during the last three decades has experienced increased pressures from the rise of China in all aspects—political, economic, cultural and military. But unlike the others, Vietnam and China share a “love-hate” relationship that is far more complex and comprehensive. At first glance, Vietnam and China seem to share many similarities. Politically, both are ruled by their respective Communist parties since their independence in 1945 for Vietnam and in 1949 for China. Economically, since the late seventies both have undertaken

³⁶⁰- Hillary Rodham Clinton, “America’s Pacific Century,” Remarks delivered at the East-West Center, Honolulu, November 10, 2011.

reforms by taking their economies from centrally planned to market capitalist ones. Culturally, both of them have a common background in Confucianism. However, their bilateral relations have always been dogged by tensions.

A thousand years under Chinese occupation from 179 B.C till 939 and a dozen wars subsequently have created a deep mutual mistrust between Vietnam and China. In 1979 they fought a brief but bloody border war. The mistrust has increased due to the dispute over sovereignty claims in the South China Sea. By occupying the Paracel Islands in 1974 from the Republic of Vietnam, which was then involved in a war with North Vietnam, China for the first time laid its eyes on the South China Sea. Following this, in 1988 China clashed with unified Vietnam by trying to snatch the Spratly Islands by using force. In 1995 China challenged ASEAN when it seized Mischief Reef in the Spratly chain from the Philippines. From then China publicly questioned the legitimacy of all foreign companies collaborating with Vietnam in joint oil exploration in the South China Sea, such as Exxon and Conoco Phillips. Furthermore, Beijing arrested hundreds of Vietnamese fishermen around islands under its occupation and harassed Vietnamese and Philippine ships carrying out the seismic explorations in the South China Sea. Concerns reached their peak in 2009 when China officially submitted to the United Nations a so-called nine-dashed line map which claimed Chinese sovereignty over 80% of the South China Sea. It is

particularly worrisome for the littoral countries since Beijing's claimed are backed by its huge economic might, military might and political assertiveness.

From a regional perspective, China's claims have challenged sovereignty of four ASEAN members, namely, Brunei, Malaysia, the Philippines and Vietnam. From an international perspective, China's claims can potentially hamper freedom of navigation and access to maritime commons and hence expectedly elicited strong protests from major powers including the U.S., Japan, India, and Russia. From a systemic perspective, China's claim challenged the U.S., the sole super power, and raised a question of possibility of accelerated arms races leading to war. Former Secretary of State Henry Kissinger warned that U.S.-China tensions would escalate if there were no serious attempts to promote mutual understanding and cooperation and suggested that they should "seek together to define the spheres in which their peaceful competition is circumscribed ... If that is managed wisely, both military confrontation and domination can be avoided; if not, escalating tension is inevitable."³⁶¹

Moreover, in 2012 China decided to establish the prefecture of Sansha city which included under its jurisdiction the Parcel, Spratly and Zhongsha Islands and surrounding waters. Soon after this, China established a military command in Sansha city

³⁶¹-Henry Kissinger, "The Future of U.S.-Chinese Relations," *Foreign Affairs*, Vol. 91, No. 2 (March/April 2012), p. 6.

which is considered preparation for full-scale military action if necessary in the South China Sea. In October 2012 the Public Security Ministry of China even published the U-shape map in the new version of Chinese passports. Among China's armed services the People's Liberation Army-Navy(PLAN) was given the highest priority as it is expected to undertake three main tasks—defeating invasion from the sea, defending territorial sovereignty, and protecting maritime rights.³⁶² By the end of 2010 the PLAN owned 31 relatively new and modern attack submarines and by 2020~2024 this number is slated to rise to 75.³⁶³ In addition to the PLAN, China seeks to strengthen and consolidate its maritime surveillance fleet to more than 300 vessels manned by more than 10,000 personnel. China has plans to expand these forces to 350 vessels and 16 aircraft by 2015.³⁶⁴ In doing so China would have the capabilities, should it so wish, to develop a more aggressive and assertive approach to defending

³⁶²-Office of the Secretary of Defense, "Military and Security Developments involving the People's Republic of China 2011," A Report to Congress Pursuant to the National Defense Authorization Act to Fiscal Year 2000, Washington D.C. 2012.

³⁶³-Ronald O' Rourke, "China Naval Modernization: Implication for U.S. Navy Capabilities-Background and Issues for Congress," *CRS Report for Congress*. RL33153, July 31, 2012, p. 15.

³⁶⁴-Carlyle Thayer, "*China's Naval Modernization and U.S. Rebalancing: Implication for Stability in the South China Sea*," Presented to the Fourth International Conference on the South China Sea co-organized by the Diplomatic Academy of Vietnam and the Vietnam Lawyers' Association, Ho Chi Minh City November 18~21, 2012.

its territorial claims in the South China Sea. There is no way Vietnam can match China's economic and military capabilities. Therefore, asymmetry is the most critical factor for Vietnam to take into account. As noted, if China were to realize its claims in the South China Sea, it would potentially curtail Vietnam's access to the Pacific Ocean and put it perpetually under the Chinese courtesy. Against this backdrop, the U.S. pivot strategy to Asia is perceived in Vietnam as an effective way to counterbalance a rising China.

4. Vietnam's perception on the U.S. pivot

The pivot strategy was officially announced on November 17, 2011 by President Barack Obama in his address to the Australian Parliament outlining U.S. commitment to and involvement in East Asia. Although President Bush had proclaimed that East Asia spread from Japan to the Bay of Bengal was his top priority, the American involvement in Afghanistan and Iraq and the economic problems that arose, he could not pay enough attention to this region. The U.S. pivot to Asia has been an ongoing process for a long time, but turning point took place during 2009~2010 and that is linked to China's actions toward the South China Sea. As mentioned earlier, immediately after China officially presented its "cow's tongue map" claiming more than 80 percent of the South China Sea to the UN Commission

in May 2009, the U.S. Senate passed a resolution “deploring China’s use of force in the South China Sea and supporting the continuation of operations by U.S. armed forces in support of freedom of navigation rights in international water and air space in the South China Sea.” Replying to this, Chinese officials declared its claims in the South China Sea being a “core interest” and having the same importance for China as Tibet, Xinjiang and Taiwan do. In general the U.S. pivot is welcomed by Vietnam, but it is not without issues.

First, in term of security, a major concern relates to the capacity of the U.S. pivot in realizing its strategy as its defence budget was heavily cuts. On March 1, 2013, President Obama had to sign a law for a budget cut worth \$85 billion, which would not only affect the U.S. economy but indeed the world economy. In response, the Secretary of Defense Chuck Hagel confessed that this will have “serious impact” on the ability of the U.S. military to fulfill its missions. About 800,000 civil personnel in the Department of Defense will have to reduce their working hours and other cuts will take place accordingly.

Second, in term of politics, although the U.S. has not publicly announced its intent to contain or encircle China, but it may be expecting Hanoi to join hands in some of its actions aimed at Beijing. To be sure, among the ASEAN members, Vietnam has experienced the most serious tensions with China over the ownership of islands in the South China Sea, it however does

not guarantee that Vietnam will chose the U.S. side. Due to its very complex traditional, historical, cultural and economic ties, not to mention shared political ideology, Vietnam does not want to confront its “big brother.” Like other countries in the region, Vietnam does not want to be forced to make a choice between China and the U.S.

Third, in term of strategy, for Asian countries, the pivot has to deal with a long process rather than with a strategy. For Asian countries, pivot to Asia does not necessarily mean that Europe and transatlantic cooperation will no more important for the U.S. and for the world security.³⁶⁵ The pivot also does not mean that the Middle East is no more important for East Asia, given that more than 90% of Northeast Asia’s hydrocarbon imports come from that part of the world.³⁶⁶ So in order to persuade its allies and partners, the U.S. needs to have a comprehensive vision for the future of the region. So far the U.S. has not shown it has a clear picture of the region that will combine both China’s interest and the U.S. position.

Fourth, in term of economics, the U.S. does not seem to have the capacity to provide a new kind of economic arrangement that can compete with China or replace it. In this regard, the

³⁶⁵- Zbigniew Brzezinski, “Balancing the East, Upgrading the West: U.S. Grand Strategy in an Age of Upheaval,” *Foreign Affairs*, Vol. 91, No. 1 (January/February, 2012), pp. 1~6.

³⁶⁶- Michael Green, “U.S. turn its gaze to the Pacific,” *The World Today Magazine*, February/March 2012, p. 31.

Trans-Pacific Partnership(TPP) seems to be the only weapon the U.S. has. Created in 2006 with four countries—New Zealand, Singapore, Brunei and Chile—the TPP today has become an ambitious trade and economic cooperation initiative involving 12 countries at present, including Vietnam. The U.S. likes to create a strong alternative to protect and advance its economic and strategic interests due the failure of the Doha Round making much headway and the global economic slowdown.³⁶⁷ The U.S. expects that the TPP will cover such issues like services, investment, competition that are absent in the Doha Round, wherein the U.S. is in an advantageous position. When compared to China, the U.S. seems lagging behind in entering into bilateral and regional trading arrangements. China has concluded myriad free trade agreements with many Asian countries and is actively implementing them through various frameworks such as ASEAN+3, ASEAN+6, China-ASEAN Free Trade Agreement (CAFTA) and the China-Japan-Korea, Trilateral FTA. With a GDP of \$9.8 trillion, China plays a key and irreplaceable role for ASEAN members. The U.S. has to do a lot if it wishes to catch up with China. To that end, in November 2012, during the 21ASEAN Summit in Phnom Penh, the U.S. launched the U.S.-ASEAN Expanded Economic Engagement(E3) to augment

³⁶⁷- Sanchita Basu Das and Hnin Wint Nyunt Hman, “The Next Decade in ASEAN-USA Economic Relations,” *ISEAS Perspective*, No. 13 (March 11 2013).

economic links. Except Singapore, which already has an FTA with the U.S., Indonesia, Philippines, Thailand are negotiating the U.S. for FTAs, while Vietnam and Malaysia are involved in the TPP. The China–ASEAN FTA has already operational since 2010, whereas the FTA between ASEAN and the U.S. is nowhere finalization.

5. Conclusion

Since the end of the Cold War, Vietnamese foreign policy has gone tremendous change from being a member of Communist block to following multilateralism. Like the past, today the whole Asia–Pacific, including Vietnam, seems to be again in the crossfire with growing competition between big powers, namely the U.S. and China.

First, for Vietnam history seems to be repeating as the U.S. and China, like Soviet Union and China during the Vietnam War, compete with each other for its influences. So the lesson that Vietnam has learned would be not to take sides in the big power competition but maintain a balance between them. One difference is that today Vietnam is a member of ASEAN and going along with ASEAN is a priority because ASEAN does not require Vietnam changing its political system(like the U.S.) and does not follow an assertive policy toward neighboring countries (like China).

Second, in order to dispel Chinese concerns about the pivot, the U.S. has to create a strategy of building confidence with China while strengthen its partnerships with allies and friends including Vietnam. For that the U.S. needs to acknowledge the reality of China's rising power and influence, lest Beijing could misread pivot as a measure to contain China. Asian countries including Vietnam do not want to be forced to choosing between these powers.

Third, the U.S. needs to categorically make it clear to its allies and partners that the pivot is not just about containing China, but for peace, progress and prosperity of the whole region. Asia-Pacific is enough for both China and the U.S. to play a constructive role for all.

Fourth, as far as China is concerned, it should follow a peaceful development policy, be transparent in its policies and restrain from any threat of use of force. In term of the disputes in the South China Sea, all states do expect that China as a rising power respect the DOC and work together with other to achieve a COC soon.

Finally, as big powers the U.S. and China should play a constructive role in keeping East Asia peaceful and stable and support ASEAN in constructing a security architecture that contributes to the economic development of the region.

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연구총서

2012-01	미국의 對韓 핵우산정책에 관한 연구	전성훈	14,000원
2012-02	북한부패와 인권의 상관성	김수암 외	11,000원
2012-03	보호책임(R2P) 이행에 관한 연구	이규창 외	11,000원
2012-04	EC/EU사례분석을 통한 남북 및 동북아공동체 추진방안: 유럽공동체 형성기를 중심으로	손기웅 외	14,000원
2012-05	김정은체제의 권력엘리트 연구	이교덕 외	13,000원
2012-06	독재정권의 성격과 정치변동: 북한 관련 시사점	박형중 외	11,000원
2012-07	북방삼각관계 변화와 지속: 북한의 균형화 전략을 중심으로	허문영, 유동원, 심승우	10,000원
2012-08	북한 핵문제의 전망과 대응책: 정책결정모델(Decision Making Model)을 이용한 전략 분석	홍우택	8,000원
2012-09	중국의 한반도 관련 정책연구기관 및 전문가 현황분석	전병곤, 양갑용	6,000원
2012-10	2000년대 대북정책 평가와 정책대안: '동시병행 선순환 모델'의 원칙과 과제	박종철 외	12,500원
2012-11	리더십교체기의 동북아 4국의 국내정치 및 대외정책 변화와 한국의 통일외교 전략	배정호 외	11,500원
2012-12	김정은 정권의 정책전망: 정권 초기의 권력구조와 리더십에 대한 분석을 중심으로	최진욱, 한기범, 장용석	7,500원
2012-13	신정부 '국가전략 DMZ 평화적 이용'	손기웅 외	8,000원
2013-01	남북러 가스관과 동북아 에너지 협력의 지정학	이기현 외	6,000원
2013-02	한국의 FTA전략과 한반도	김규륜 외	8,500원
2013-03	김정은 체제의 변화 전망과 우리의 대책	박종철 외	10,000원
2013-04	EC/EU사례분석을 통한 남북 및 동북아공동체 추진방안 - EC기 분석을 중심으로 -	손기웅 외	12,000원
2013-05	오바마 시진핑 시대의 동북아 국가들의 국내정치 및 대외정책과 한국의 대북 및 통일외교	배정호 외	11,000원
2013-06	북한사회 위기구조와 사회변동전망: 비교사회론적 관점	조한범, 황선영	6,000원
2013-07	인도적 지원을 통한 북한 취약계층 인권 증진 방안 연구	이규창 외	12,500원
2013-08	새로운 세대의 탄생: 북한 청소년의 세대경험과 특성	조정아 외	15,000원
2013-09	북한의 핵-미사일 대응책 연구	홍우택	6,000원
2013-10	북한에서 국가재정의 분열과 조세 및 재정체계	박형중, 최사현	7,000원
2013-11	북한경제의 비공식(시장)부문 실태 분석: 기업활동을 중심으로	임강택	11,000원
2014-01	북-중 간 인적 교류 및 네트워크 연구	이교덕 외	7,500원
2014-02	북한변화 촉진 및 남북친화성 증대: 이론발굴과 적용모색	박형중, 박영자	7,500원
2014-03	북한 비공식 경제 성장요인 연구	김석진, 양문수	9,000원
2014-04	신동북아질서 시대의 중장기 통일전략	성기영 외	7,000원
2014-05	'행복한 통일'로 가는 남북 및 동북아공동체 형성을 위한 통합정책:		

	EC/EU 사례 분석을 통한 남북 및 동북아공동체 추진방안	손기웅 외	6,000원
2014-06	탈북청소년의 경제 경험과 정체성 재구성	조정아, 홍민, 이희영, 이항규, 조영주	14,000원
2014-07	한국의 대북 인권정책 연구	한동호	6,000원
2014-08	법치지원과 인권 증진: 이론과 실제	이금순, 도경옥	8,000원
2014-09	신뢰정책의 과제와 추진전략	박영호, 정성철 외	11,000원
2014-10	대미(對美)·대중(對中) 조화외교: 국내 및 해외 사례연구	김규륜 외	10,500원
2014-11	북한의 핵전략과 한국의 대응전략	정영태, 홍우택 외	12,000원
2014-12	중국의 주변외교 전략 연구: 중국의 대북정책 결정에 대한 함의	이기현, 김애경, 이영학	7,000원

학술회의총서

2012-01	The Outlook for the North Korean Situation & Prospects for U.S.-ROK Cooperation After the Death of Kim Jong-il		6,000원
2012-02	김정은 체제의 북한 인권문제와 국제협력		19,000원
2012-03	해외 이주·난민 지원제도의 시사점		12,000원
2013-01	유엔 인권메커니즘과 북한인권 증진방안		20,000원
2013-02	한반도신뢰프로세스 추진전략		19,000원

협동연구총서

2012-11-01	북한 경제발전을 위한 국제협력 프로그램 실행방안(총괄보고서)	임강택 외	11,000원
2012-11-02	북한 부패실태와 반부패 전략: 국제협력의 모색	박형중 외	10,000원
2012-11-03	북한 경제발전을 위한 국제협력체계 구축 및 개발지원전략 수립 방안	장형수 외	8,000원
2012-11-04	북한의 역량발전을 위한 국제협력 방안	이종무 외	8,000원
2012-11-05	북한의 인프라 개발을 위한 국제사회 협력 프로그램 추진방안	이상준 외	8,000원
2012-12-01	한반도 통일 공공외교 추진전략(I) - 공공외교의 이론적 조명과 한반도 주변4국의 對한국 통일 공공외교(총괄보고서)	황병덕 외	13,500원
2012-12-02	공공외교의 이론적 조명과 주변4국의 한반도통일 공공외교 분석틀	김규륜 외	8,500원
2012-12-03	미국의 對한국 통일 공공외교 실태	박영호 외	9,500원
2012-12-04	중국의 對한국 통일 공공외교 실태	이교덕 외	7,500원
2012-12-05	일본의 對한국 통일 공공외교 실태	이진원 외	8,000원
2012-12-06	러시아의 對한국 통일 공공외교 실태	여인곤 외	7,500원
2013-26-01	한반도 통일 공공외교 추진전략(II) - 한국의 주변4국 통일공공외교의 실태 연구(총괄보고서)	황병덕 외	14,000원
2013-26-02	한국의 對미국 통일 공공외교 실태	박영호 외	8,000원

2013-26-03	한국의 對중국 통일 공공외교 실태	전병곤 외	7,500원
2013-26-04	한국의 對일본 통일 공공외교 실태	이기태 외	8,000원
2013-26-05	한국의 對러시아 통일 공공외교 실태	조한범 외	6,000원

논총

통일정책연구, 제21권 1호 (2012)	10,000원
<i>International Journal of Korean Unification Studies</i> , Vol. 21, No. 1 (2012)	10,000원
통일정책연구, 제21권 2호 (2012)	10,000원
<i>International Journal of Korean Unification Studies</i> , Vol. 21, No. 2 (2012)	10,000원
통일정책연구, 제22권 1호 (2013)	10,000원
<i>International Journal of Korean Unification Studies</i> , Vol. 22, No. 1 (2013)	10,000원
통일정책연구, 제22권 2호 (2013)	10,000원
<i>International Journal of Korean Unification Studies</i> , Vol. 22, No. 2 (2013)	10,000원
통일정책연구, 제23권 1호 (2014)	10,000원
<i>International Journal of Korean Unification Studies</i> , Vol. 23, No. 1 (2014)	10,000원
통일정책연구, 제23권 2호 (2014)	10,000원
<i>International Journal of Korean Unification Studies</i> , Vol. 23, No. 2 (2014)	10,000원

북한인권백서

북한인권백서 2012	김수암 외	19,500원
<i>White Paper on Human Rights in North Korea 2012</i>	손기웅 외	23,500원
북한인권백서 2013	조정현 외	24,000원
<i>White Paper on Human Rights in North Korea 2013</i>	조정현 외	23,000원
북한인권백서 2014	한동호 외	24,000원
<i>White Paper on Human Rights in North Korea 2014</i>	한동호 외	23,000원

기타

2012	탈북자 관련 국제조약 및 법령	이규창 외	19,500원
2012	북한인권 이해의 새로운 지평	북한인권연구센터 편	20,500원
2012	알기쉬운 통일교육: 해외한인용	허문영 외	30,000원
2012	통일대비를 위한 대북통일정책 모색(통일대계연구 12-01)	박형중 외	15,000원
2012	통일한국에 대한 국제적 우려해소와 편약: 지역 및 주변국 차원 (통일대계연구 12-02)	박종철 외	14,000원
2012	Korean Unification and a New East Asian Order (Grand Plan for Korean Unification 12-03)	최진욱 편저	6,000원

2012	Korean Peninsula Division/Unification: From the International Perspective Kim Kyuryoon, Park Jae-Jeok	13,000원
2012	중국의 국내정치 및 대외정책과 주요 국가들의 대중국 전략	배정호, 구재희 편 22,000원
2012	China's Domestic Politics and Foreign Policies and Major Countries' Strategies toward China Bae Jung-Ho, Ku Jae H.	22,500원
2012	통일 비용·편익의 분석모형 구축(통일 비용·편익 종합연구 2012-1)	김규륜 외 11,500원
2012	'선도형 통일'의 경로와 과제(통일 비용·편익 종합연구 2012-2)	김규륜 외 9,000원
2013	유엔 인권메커니즘과 북한인권	북한인권사회연구센터 편 18,000원
2013	중국 시진핑 지도부의 구성 및 특징 연구 (중국 지도부의 리더십 분석과 한중정책협력방안 2013)	전병곤 외 9,000원
2013	통일 이후 통합을 위한 갈등해소 방안: 사례연구 및 분야별 갈등해소의 기본방향	박종철 외 13,000원
2013	한반도 통일에 대한 동북아 4국의 인식 (통일외교 콘텐츠 생산(1))	배정호 외 16,500원
2013	알기 쉬운 통일교육III: 북한이탈주민용	조정아 외 11,000원
2013	알기 쉬운 통일교육III: 북한이탈주민용 수업지침서	조정아 외 6,000원
2013	민주화 및 양질의 거버넌스 수립: 북한 변화와 통일을 위한 시사점 (통일대계연구 13-01)	박형중 외 13,500원
2013	시장화 및 빈곤감소형 경제질서 수립: 북한 변화와 통일을 위한 시사점 (통일대계연구 13-02)	임강택 외 12,500원
2014	The Trust-building Process and Korean Unification (통일대계연구 13-03)	최진욱 편저 8,000원
2013	통일대계연구: 4년 연구 종합논의 (통일대계연구 13-04)	박형중 외 8,000원
2013	정치·사회·경제 분야 통일 비용·편익 연구 (통일 비용·편익 종합연구 2013-1)	조한범 외 17,500원
2013	The Attraction of Korean Unification: Inter-Korean and International Costs and Benefits (통일 비용·편익 종합연구 2013-2)	김규륜 외 15,500원
2013	한반도 통일의 미래와 주변 4국의 기대 (통일 비용·편익 종합연구 2013-3)	김규륜 외 10,500원
2013	전환기 중국의 정치경제 (통일대비 중국에 대한 종합적 전략 연구: 통일시대 한중관계 전망 2013-1)	배정호 외 15,500원
2013	China's Internal and External Relations and Lessons for Korea and Asia (통일대비 중국에 대한 종합적 전략 연구: 통일시대 한중관계 전망 2013-2)	Bae Jung-Ho, Ku Jae H. 17,500원
2013	중국의 대내외 관계와 한국의 전략적 교훈 (통일대비 중국에 대한 종합적 전략 연구: 통일시대 한중관계 전망 2013-3)	배정호, 구재희 편 16,500원
2014	중국 권력엘리트와 한중교류 네트워크 분석 및 DB화 (중국 지도부의 리더십 분석과 한중 정책협력방안 2014)	전병곤, 홍우택, 신중호 외 9,000원

2014	북한의 시장화와 인권의 상관성 (『북한인권정책연구』, 2014)	북한인권연구센터	11,000원
2014	동북아 4국의 대외전략 및 대북전략과 한국의 통일외교 전략	배정호, 봉영식, 한석희 외	9,500원
2014	2014년 통일예측시계	박영호, 김형기	9,500원
2014	통일한국의 국가상과 한중협력 (통일대비 중국에 대한 종합적 전략 연구 2014-01)	배정호 외	15,500원
2014	China's Strategic Environment and External Relations in the Transition Period (A Comprehensive Strategic Study on China in Preparation for Korean Unification 2014-02)	Bae, Jung-Ho et al.	18,000원
2014	Global Expectations for Korean Unification (Research on Unification Costs and Benefits 2014-01)	Kyuryoon Kim et al.	19,000원
2014	Lessons of Transformation for Korean Unification (Research on Unification Costs and Benefits 2014-02)	Kyuryoon Kim et al.	15,500원
2014	한반도 통일의 효과 (통일 비용·편익 종합연구 2014-3)	김규륜 외	14,500원
2014	2014 남북통합에 대한 국민의식조사	박종철, 허문영, 송영훈, 김갑식, 이상신, 조원빈	12,000원

연례정보보고서

2012	통일환경 및 남북한 관계 전망: 2012~2013	7,000원
2013	통일환경 및 남북한 관계 전망: 2013~2014	7,000원

KINU 정책연구시리즈

비매출

2012-01	통일재원 마련 및 통일인지 결집 관련 국민의 인식	김규륜, 김형기
2012-02	2012년 상반기, 북한 정책동향 분석: 북한 매체의 논조를 중심으로	박형중 외
2012-03	러시아의 극동개발과 북한 노동자	이영형
2012-04	오바마 2기 행정부의 대 한반도 정책 전망	김장호 외
2012-04(E)	The Second Term Obama Administration's Policy towards the Korean Peninsula	Jangho kim
2012-05	중국 18차 당대회 분석과 대내외정책 전망	이기현 외
2013-01	북한 지하자원을 활용한 DMZ/접경지역 남북 산업단지 조성방안	손기웅 외
2013-02	박근혜정부의 대북정책 추진 방향	최진욱 외
2013-03	박근혜정부의 통일외교안보 비전과 추진 과제	최진욱 외
2013-04	유엔조사위원회(COI) 운영 사례 연구	김수익 외
2013-05	Trustpolitik: 박근혜정부의 국가안보전략 - 이론과 실제 탐색연구 -	박형중 외
2013-06	서독의 대동독 인권정책	안지호 외
2013-07	2013년 북한 정책 논조 분석과 평가	박형중 외

2013-09	김정은 정권의 대남 긴장조성: 2013년과 향후 전망	박영자 외
2013-10	국내불안과 대외도발: 북한에 대한 적용 가능성 탐색	정성철
2013-11	2013년 북한 핵프로그램 및 능력 평가	김동수 외
2013-14	유라시아이니셔티브 구현을 위한 한러 협력 방안	조한범 외
2014-01	농업분야의 지속가능한 대북지원 및 남북 협력방안 모색	임강택, 권태진

북한인권: 국제사회 동향과 북한의 대응

비매품

2012	북한인권: 국제사회 동향과 북한의 대응, 제7권 1호	손기웅 외
2012	북한인권: 국제사회 동향과 북한의 대응, 제7권 2호	손기웅 외
2013	북한인권: 국제사회 동향과 북한의 대응, 제8권 1호	이금순 외
2013	북한인권: 국제사회 동향과 북한의 대응, 제8권 2호	이금순 외
2014	북한인권: 국제사회 동향과 북한의 대응, 제9권 1호	이금순 외

Study Series

비매품

2012-01	Study of Disciplinary Problems in the North Korean Army	Lee Kyo Duk, Chung Kyu Sup
2012-02	The Quality of Life of North Korean: Current Status and Understanding	Kim Soo Am et al.
2012-03	Basic Reading on Korean Unification	Huh Moon Young et al.
2013-01	Study on the Power Elite of the Kim Jong Un Regim	Lee Kyo Duk et al.
2013-02	Relations between Corruption and Human Rights in North Korea	Kim Soo Am et al.
2013-03	Easing International Concerns over a Unified Korea and Regional Benefits of Korean Unification	Park Jong Chul et al.
2013-04	'Peaceful Utilization of the DMZ' as a National Strategy	Son Gi Woong et al.
2014-01	Korea's FTA Strategy and the Korean Peninsula	Kim, Kyuroon et al.
2014-02	The Perceptions of Northeast Asia's Four States on Korean Unification	Bae, Jung-Ho et al.
2014-03	The Emergence of a New Generation: The Generational Experience and Characteristics of Young North Koreans	Cho, Jeong-ah et al.
2014-04	Geopolitics of the Russo-Korean Gas Pipeline Project and Energy Cooperation in Northeast Asia	Lee, Kihyun et al.
2014-05	Fiscal Segmentation and Economic Changes in North Korea	Park Hyeong Jung, Choi Sahyun

기타

2014	북핵일지 1955~2014	조민, 김진하
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■■■ 통일연구원 定期會員 가입 안내

통일연구원은 민족공동체 실현을 위한 국민 역량을 축적하고 통일환경 변화에 적극적 주도적으로 대응할 수 있도록 통일문제에 관한 제반 사항을 전문적, 체계적으로 연구하고 있습니다. 본원의 연구성과에 관심이 있는 분들에게 보다 많은 정보와 자료를 제공하고자 연간 회원제를 운영하고 있습니다.

연간 회원에게는 간행물을 우편으로 우송해 드리며 각종 학술회의에 참석할 수 있는 혜택을 드립니다.

1. 회원 구분

- 가) 학생회원: 대학 및 대학원생
- 나) 일반회원: 학계나 사회기관소속 연구 종사자
- 다) 기관회원: 학술 및 연구단체 또는 도서관

2. 가입방법

- 가) 「회원 가입신청서」 작성
- 나) 신한은행 140-002-389681(예금주: 통일연구원)으로 계좌입금
- 다) 연회비: 학생회원 7만원, 일반회원 10만원, 기관회원 20만원

3. 회원 특전

- 가) 연구원이 주최하는 국제 및 국내학술회의 등 각종 연구행사에 초청
- 나) 연구원이 발행하는 정기간행물인 『통일정책연구』, *International Journal of Korean Unification Studies*, 단행본 시리즈인 연구총서, 학술회의총서, 협동연구총서 등 우송
- 다) 도서관에 소장된 도서 및 자료의 열람, 복사이용
- 라) 구간자료 20% 할인된 가격에 구입

4. 회원가입 문의

- 가) 주소: (142-728) 서울시 강북구 4.19로 123(수유동) 통일연구원 통일학술정보센터
출판자료팀 도서회원 담당자(books@kinu.or.kr)
- 나) 전화: (02)901-2679, FAX: (02)901-2545
- 다) 홈페이지: <http://www.kinu.or.kr>

※ 가입기간 중 주소변경 시에는 즉시 연락해 주시기 바랍니다.



China's Strategic Environment
and External Relations
in the Transition Period

