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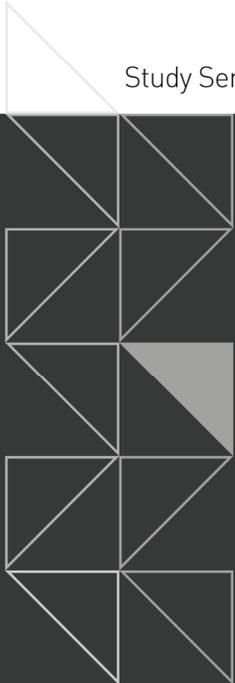


# China's Neighborhood Diplomacy and Policies on North Korea: Cases and Application

Lee, Ki-Hyun  
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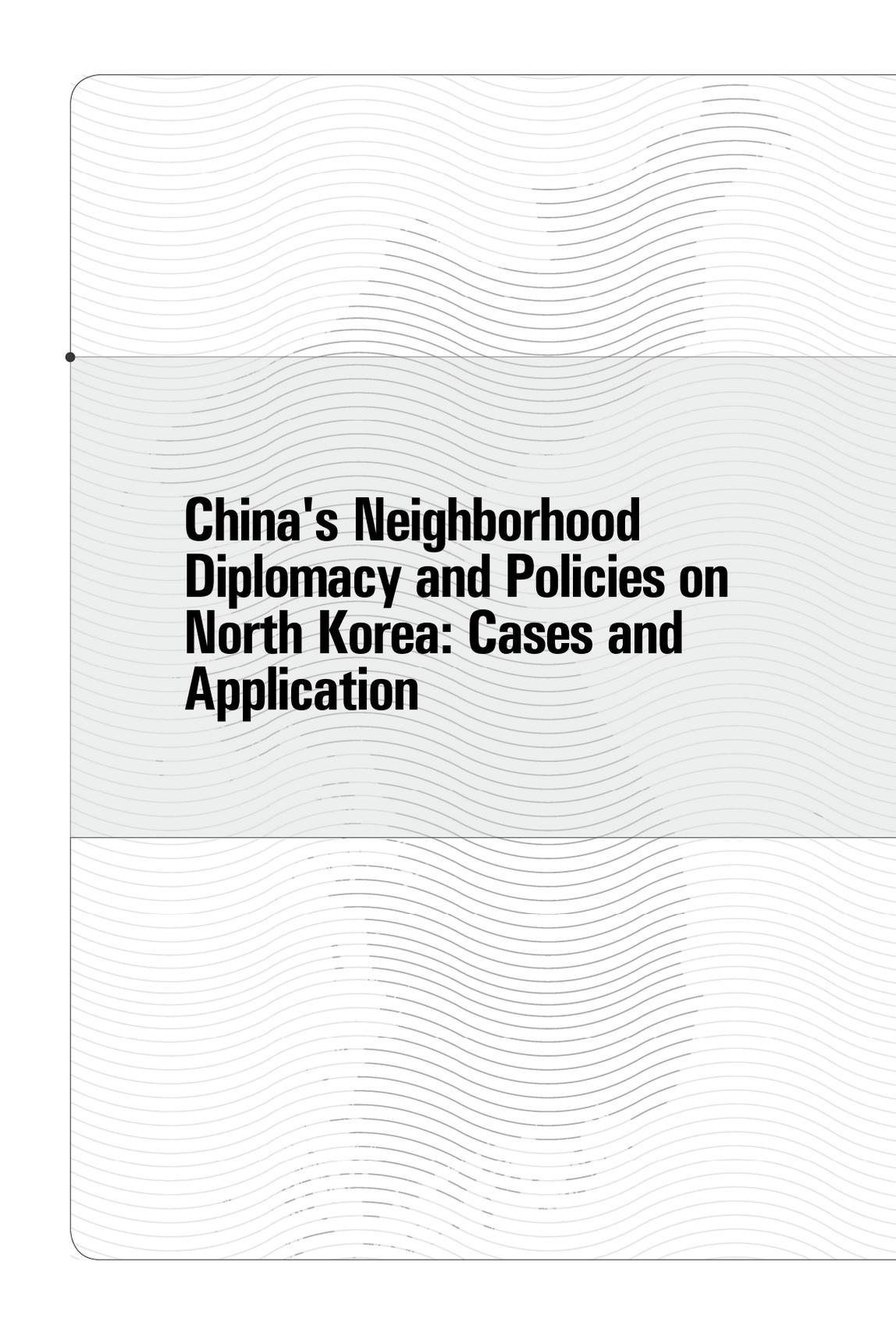
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# **China's Neighborhood Diplomacy and Policies on North Korea: Cases and Application**

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# **China's Neighborhood Diplomacy and Policies on North Korea: Cases and Application**

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# Introduction

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# 1. Introduction

The main purpose of this study is to analyze cases of China's neighborhood (*zhoubian*) diplomacy that might influence China's North Korea policy and investigate the substantial correlation between China's neighborhood diplomacy and its policies on North Korea. In the end, it seeks to predict this correlation and China's future trajectory in its North Korea policy.

To begin with, major issues were selected that may arise between China and North Korea as the following. First is the nuclear issue. How will China react in the process of North Korea's enhancement of nuclear and missile capabilities? This question was brought up to identify whether we could find a consistent logic or pattern in policies toward neighboring military powers such as India and Pakistan. Second is the issue related to China-DPRK economic cooperation and China's investment in North Korea. With China's economic strategy expanding across the neighboring countries and relations with North Korea normalizing, this allows envisaging how the bilateral economic cooperation will unfold by looking into what China's economic

interests are concerning North Korea and what characteristics does its economic cooperation with other neighboring countries have. Third is the issue in relation to China's intervention and future measures in case of a contingency in North Korea. When a sudden change or crisis occurs in North Korea, China's justification and means of intervention may differ depending on how Beijing perceives the crisis in North Korea. It will refer to neighboring states' cases to infer implications. Fourth is the possibility of a humanitarian disaster. Similar to North Korea's food shortage and refugee crisis during the so-called "Arduous March," China faces sundry humanitarian crisis issues with its neighbors. When China's principle is found that is behind its dealings with humanitarian crises and refugee issues through the cases of neighboring countries, China's response in case of similar events in North Korea could be forecasted. Fifth is the alliance. Obviously, while China officially proclaims non-alignment policy, as long as DPRK-China Mutual Aid and Cooperation Friendship Treaty stands, it is the dominant view that the DPRK-China alliance is still valid. Previously, when China broke alliances, this was mainly due to interests rather than ideology. With this in mind, it is interesting to see how the bilateral alliance, a bloodshed one as some say, evolves. Finally, there is the possibility of conflict related to national boundaries and territories. Whereas it seems that no imminent issue exists between North Korea and China in the short term regarding boundaries, a unified Korea may raise these issues with China and

extend to the problem of historical interpretation in the long term. As such, six issues in total were touched on.

Next, case studies were carried out in order to deduce consistent rules and patterns in China's previous cases of neighborhood diplomacy for each issue. This is an attempt to examine the correlation between China's neighborhood diplomacy and its policy on North Korea and to predict China's future diplomatic behaviors towards North Korea. In particular, this study probes into the position and characteristics of China's North Korea policy in the context of neighborhood diplomacy with comparative analysis for each issue and take this to prepare a new solution and an exit strategy in South Korea-China cooperation to induce changes in North Korea.



**2**

**China's Policy on  
Nuclear-armed Neighbors and  
North Korean Nuclear Program**

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## 2. China's Policy on Nuclear-armed Neighbors and North Korean Nuclear Program

China's policy on nuclear-armed neighbors has the following traits: first, it decides the position and policy over nuclear possession of neighboring states based on its security and strategic interests; second, it emphasizes the international responsibility and duty for non-proliferation as a responsible power; and third, it recognizes the nuclear arms control and disarmament as some sort of a strategic game.<sup>1)</sup> Here, the study applied the implications of China's past policies on nuclear North Korea along with China's policy on nuclear-armed neighbors to the North Korean nuclear issue.

First, as China understands North Korea's nuclear test and possession as a threat to its national security, it is forecasted that China will maintain the stance of non-acceptance on North Korean nuclear possession. Unlike the allegory of bloodshed alliance, deep distrust lies in DPRK-China relations historically and strategically. Especially, since Kim Jong-un and Xi Jinping came to power in 2011 and 2012 respectively, the strategic distrust has deepened between the two

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1) See Chapter 2 of the unabridged publication of this paper for details of cases of China's neighborhood diplomacy and its characteristics.

countries, reflected by the fact that no bilateral summit was held since and the recent North Korea's statement criticizing China.

Moreover, in contrast to Pakistan's nuclear development which benefited China's strategic interests by attaining deterrence against India and the U.S., North Korea's nuclear possession provides opportunities and justification for the U.S. to ratchet up its missile defense system and to demand "China's role," looming as a strategic burden to China. As the U.S.-China summit in September 2015 recently hinted, despite the intensifying global and regional competition between the two powers, they share the common goal of North Korea's denuclearization and maintain close cooperation over this matter. Meanwhile, there are concerns about the instability of North Korea's nuclear command and control system within China and the possibility of nuclear proliferation by some clique in the event of a crisis cannot be ruled out. Besides, after the third nuclear test in 2013, anxiety on nuclear safety continues to exist in Northeastern China. Viewing all this, confrontational DRPK-China relations and cooperative U.S.-China relations remain surrounding the North Korean nuclear issue, and this could be considered as evidence to assume that China will keep exerting pressure on North Korea, based on the previously analyzed evaluation of China's policy on North Korea.

Second, as a 'responsible power' rose to a global superpower, China competes with the U.S. over norms and considering the fact that

nuclear non-proliferation regime is an internationally shared benefit including China and the U.S., its disapproval of North Korea's nuclear possession is unlikely to change.

Third, because China views nuclear arms control and disarmament as a strategic game, as the U.S.-China hegemonic competition intensifies in the future, the U.S. strengthens its containment of China by enhancing the missile defense system in the Asia-Pacific, strategically using nuclear North Korea. On the other hand, China may shift its stance on North Korean nuclear possession to management, a nuclear freeze at the current level and not denuclearization when the DPRK-China strategic trust has restored to a certain extent and the concerns on command and control and safety issues are resolved as North Korea's nuclear capabilities and technology enhances. Apparently, although China has the responsibility and duty to uphold the nuclear non-proliferation regime, as a global power, it may urge Pyongyang to join the nuclear non-proliferation regime and pressure Washington by demanding it to proclaim no first use doctrine, just as the case with India, as well as vindicating its responsibility and duty by efforts to comply with the NPT regime through pursuing nuclear cooperation of civilian and commercial use like the case of Pakistan.

# 3

## **China's Economic Strategy on Its Neighbors and DPRK-China Economic Cooperation**

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### 3. China's Economic Strategy on Its Neighbors and DPRK-China Economic Cooperation

Among the features of China's economic cooperation with its neighbors, factors such as geopolitics/geoeconomics, national development strategy, regional autonomy, and agreement to differ (*quitongcunyi*) are applicable to the case of North Korea. Employing the use of ethnic Chinese capital and the international organization to North Korea's case is somewhat limited. The influences of ethnic Chinese and their firms are relatively minor in North Korea.<sup>2)</sup> As for the international organizations, there are various regional cooperation mechanisms in Northeast Asia, but North Korea's nuclear development hinders the utilization of economic cooperation mechanisms including North Korea.

#### A. North Korea's Geopolitical and Geoeconomic Values

China's process of economic cooperation with its neighbors has

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2) Instead, while the fact that the ethnic Korean firms in Jilin province where many ethnic Koreans in China live engage in active economic cooperation with North Korea is a distinct factor, this is conventional private trade, limited to be dealt as an analysis factor at the national strategy level,

been heavily driven by the influence of geopolitical and geoeconomic factors. Above all, several analyses already indicated that North Korea's strategic values have high stakes for China in terms of security. Particularly, at this juncture where the U.S. bolsters its Asia pivot and alliance system, North Korea's geopolitical value soars for China. Contrastingly, being mindful of the North Korea liability caused by North Korea's nuclear and military adventurism, North Korea's geopolitical value may need a second thought. It is because when stable economic cooperation is wanted, political stability of the counterpart nation is equally important.

At this point, geoeconomic factor should be reviewed. North Korea holds the highest geoeconomic value in Northeast Asian economic community. This is because North Korean ports are situated in the core area in the DPRK-China border region where South Korean, Japanese, and Russian capital may be interested in, akin to Tumen River Area Development Plan. However, even though Rajin-Sonbong, North Korea's major harbor, has been designated as a free trade zone in 1991, Chinese interest and investment have been concentrated only after the late 2000s. This implies the point that it has been difficult to expect actual synergic benefits even considering that North Korea has geoeconomic values. Instead, North Korea's attempts to possess nuclear arms and political instability made China's investors hesitate to invest in North Korea in large scale.

In fact, China began to display interest in Rason economic trade

zone only after Plan of Revitalizing Northeast China (PRNC) and the pursuit of a maritime power began in earnest. That is, it was more of a political security purpose, leasing a North Korean port to have access to the Pacific Ocean.<sup>3)</sup> China's continuous interest in Rason special economic zone, while stalling development in Wihwado-Hwanggumpyong area linking Dandong-Sinuiju — which North Korea hopes —, well evinces its intentions. In the end, for China, North Korea is perceived as a more geopolitical factor of developing the East in the mid-to-short term rather than a long-term geoeconomic factor. Obviously, this does not mean that China disregards geoeconomic factors just because geopolitical factor is more crucial than geoeconomic factor. Already many Chinese experts on Korean peninsula assert that liberalism approach is the only means to solve North Korea's instability. They claim that since the North Korean nuclear issue can never be settled by international sanctions, the international community should have an active economic strategy toward North Korea to induce North Korea to taste the sweetness of market economy. As such, North Korea's economic reforms receive positive evaluations among China's strategic group and the claims of increasing central government-led investment in North Korea have gained voice. This attitude refreshes North Korea's geoeconomic value in the context of expansion of silk road eastward according to

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3) China acquired the right to use the Pier No. 1 of Rajin port in 2010, and the Chinese firms have expanded to Rajin-Sonbong area in earnest after China began operating the pier since 2011.

One Belt One Road Initiative (*yidai yilu*) and PRNC, which China has been pushing for.

## B. Connection with National Development Strategy

China's economic cooperation with North Korea has broadened its horizons by association with national development strategy. First, the full-fledged expansion of Chinese investment in North Korea is in line with Go Global strategy (*zouchuqu*), Chinese overseas investment strategy. Beijing has expanded foreign investment centered around developing economies since 2002, and the expansion affected the investment in North Korea. China's official investment in North Korea was about US\$1 million in 2003, but it has skyrocketed, reaching US\$41.23 million in 2008 and US\$86.20 million in 2013.

<Table 1> China's Direct Investment in North Korea (in million US dollars)

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Amount of Investment	1.12	14.13	6.50	11.06	18.40	41.23	5.86	12.14	55.95	109.46

Source: 2013 Annual Chinese Foreign Direct Investment Publication (Beijing: China Statistics Press).

However, compared with the investment in countries such as Myanmar, Mongolia, Cambodia, Vietnam, and Laos, the size of investment flowing into North Korea is small, amounting to only

14-25% of the investment with countries above.<sup>4)</sup> The number proves that North Korea's market value remains low to China until now.

Second, China's economic cooperation with North Korea expanded by associating with PRNC. Particularly, as the development strategy of Liaoning coastal economic belt and Jilin's Changjitu (Changchun-Jilin-Tumen) development plan, a part of PRNC, promoted to national projects in 2009, the central government took an interest in the investment. Among the projects of three northeastern provinces, Liaoning and Jilin projects have comparatively flourished in their links with North Korea. In the case of Jilin province with the abundant resources and no port to access, it has had interest in international cooperation in the Tumen River and the usage of North Korea's non-freezing seaport. Especially, Yanji autonomous region has been traditionally accustomed to trading with North Korea due to 1 million ethnic Korean residing in the region as well as the linguistic and cultural similarity with North Korea. According to the Changjitu development plan, Jilin province secured rights to use the North Korean Rajin port for access to the Pacific, establishing logistics infrastructure (mainly transportation network) linking Hunchun-Qianhur (China)-Wonjong (DPRK)-Rajin port and made a full-fledged investment in Rajin special economic zone.

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4) Soo-young Choi, "China's investment to the DPRK," in *Economic Determinants of DPRK-China Trade: Data Analysis and Survey Interpretation*, Suk Lee ed. (Seoul: KDI, 2013), p. 318.

Meanwhile, using Dandong region where 70-80% of DPRK-China trade takes place, Liaoning province has extensively overhauled the transportation and logistics infrastructure between Dandong and Sinuiju and at the same time promoted the development of the Wihwado-Hwanggumpyong special economic zone. New Yalu River Bridge between Dandong and Sinuiju was completed in 2015, and the development of Wihwado-Hwanggumpyong is in progress, slowly but gradually.

Last is the possibility of the link with One Belt One Road Initiative (*yidai yilu*). While the initiative tends to focus on restoring western side of the silk road, this strategy is a concept that encompasses existing state regional development and open door strategy. Hence, the so-called Northern Route, that is, the energy route of Russia and Mongolia could be readily associated with various network projects that have been carried out under the PRNC. Apparently, noting the strained relations with North Korea, energy cooperation and the development of the Far East with Russia may be the focus in eastern silk road. Nevertheless, as the connection with the neighbors followed by the access to the ocean marks the completion of One Belt One Road Initiative, North Korea's non-freezing seaports have to be the endpoint.

In April 2015, Jilin provincial government once addressed the “*jiegangchuhai*” (borrowing sea port and gaining access to the sea) strategy bearing in mind the railway connection and North Korean

Rajin port as a means to strengthen quadrilateral economic cooperation in “Jilin Province general plan on eastern green economic transition development zone.”<sup>5)</sup> Even Liaoning provincial government announced that it will accelerate the development of rail and sea routes that connect the Northeastern region of China with Europe in order to comply with the central government’s One Belt One Road Initiative. In detail, it intends to reach Europe by connecting the eastern continental route of One Belt One Road Initiative via railways and trailblazing the Arctic Sea route as part of the openness policy. These are not unrealistic. Already, the Eurasian railroad connection is being realized. As for the Rajin port, a Chinese enterprise obtained the management rights and rumors indicate that it has even grasped the rights to additionally develop No. 4, 5, and 6 Piers. Moreover, China has the experience of successfully using neighboring countries’ ports. For example, Pakistan’s Gwadar port was developed by Chinese capital and the Chinese has managed ever since. This point is estimated to be the hub of sea silk road that grants China the access to the Indian Ocean.<sup>6)</sup>

Additionally, Chinese leadership’s high interests in the openness of the northeastern region including President Xi Jinping raise the

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5) “China pursues ‘advance to the East Sea’ and “it will actively develop and use North Korean ports” (in Korean), Yonhap News, April 5, 2015.

6) Although the domestic investment conditions in Pakistan have at large remained the same, China recently proceeds with active investment to not only develop Gwadar port but also resolve poor energy infrastructure considering Pakistan’s strategic value in One Belt One Road Initiative. “China-Pakistan Economic Corridor: Road to Riches?,” China Brief 15, July 31, 2015.

possibility of expansion in China's economic cooperation with North Korea. During the National People's Congress session in March 2015, President Xi stressed the exchanges and cooperation with the neighboring countries and region in PRNC when meeting with the delegation from three northeastern provinces. In his visit to Liaoning and Jilin province in July of the same year, President Xi expressed that the state will not spare efforts in developing the region during the period of 13th Five-year plan that initiates in 2016 and especially encouraged to make efforts to put Changjitu development zone as the exemplary zone in Northeastern region regarding openness.<sup>7)</sup>

Indeed, DPRK-China economic cooperation does not established as China planned because there is a closed country, North Korea. The importance of North Korea variable is reminded of by the fact that the PRNC has not had a noticeable outcome in cooperating with North Korea given the time elapsed. As long as North Korea clings on to the *byungjin* line of simultaneous nuclear and economic development, it is unlikely to visualize rapid progress in bilateral economic cooperation, impeded by North Korea's nuclear possession. Still, when China, desperate for access to sea ports through lease, fully implements One Belt One Road Initiative, it may vehemently propel economic cooperation around the Rason region.

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7) "Xi Jinping kindles One Belt One Road Initiative in Jilin Province, a good sign for DPRK-China economic cooperation" (in Korean), Yonhap News. July 19, 2015.

### C. Autonomy of Regional Government

Chinese enterprises in North Korea are mostly private or regional government level enterprises, and the proportion of national level enterprises in North Korea is drastically low compared to other countries.<sup>8)</sup> This is because economic cooperation with North Korea has primarily taken shape of small-scale trade between private entrepreneurs in the border area rather than a unique design or plan before the *zouchuqu* strategy was pursued in earnest. PRNC emphasis on the autonomy of the regional governments also accounts for the aforementioned fact. While the role of the central government emphasized in the Great Western Development Strategy, the PRNC sets regional governments and private enterprises as co-actors from the planning stage. Henceforth, the regional level companies nested in Liaoning and Jilin province mainly took the initiative in investing in North Korea.

The inflection point for China's economic cooperation with North Korea is the year 2009 when PRNC was upgraded as a national project. In fact, despite North Korea's second nuclear test in 2009, China decided to expand economic ties with North Korea and actively demonstrated the central government's interests. After Kim Jong-il visited China in 2010, Chinese government's 12-letter directives

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8) Drew Thompson, Silent Partners: Chinese Joint Ventures in North Korea, A U.S.-Korea Institute at SAIS Report, February 2011, p. 52.

“government guidance, corporate participation, and market management” denoting China’s economic cooperation policy with North Korea was changed to 16-letter directive of “government-led, private participation, market principles, and mutual prosperity” and more emphasis was placed on active participation of the central government. In addition to this, the development of Hwanggumpyong and Rason port, Chinese Ministry of Commerce announcement of North Korea’s resource potentials and support for bilateral trade with North Korea, investment in road and railways that link North Korean border region such as New Yalu River Bridge, national-level corporation’s investment in North Korean natural resources, etc. followed. These instances picture Beijing’s consistent determination in economic cooperation with North Korea before the DPRK-China political relations aggravated by North Korea’s third nuclear test.<sup>9)</sup> And the regional governments and local enterprises took an interest in various infrastructure investment noting the rejuvenation of the regional economy and economic cooperation with North Korea, following the central government’s lead.<sup>10)</sup>

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9) However, China’s principle in its economic cooperation with North Korea downgraded the government’s role in the actual implementation process. For example, in the agreement of the DPRK-China Joint Guidance Committee for the joint development and management of the Rason Economic Trade Zone and Hwanggumphyong and Wihwado Economic Zones, the text changed from “government-led” to “government-guided.” China’s Central Government Portal, DPRK-China Joint Guidance Committee for the joint development and management of the Rason Economic Trade Zone and Hwanggumphyong and Wihwado Economic Zones(August 14, 2012), <[http://www.gov.cn/gzdt/2012-08/14/content\\_2203984.htm](http://www.gov.cn/gzdt/2012-08/14/content_2203984.htm)>.

10) James Reilly, “China’s Economic Engagement in North Korea,” *The China Quarterly*, Vol. 220, December 2014, p. 920.

However, equivalent to economic cooperation with other neighbors, China applied market principles to the cooperation with North Korea, and had fundamental limits of concentrating on short-term market gains rather than mid-to-long term investments because regional-level companies were major players in the transaction. They generally had no interest in national development or diplomatic strategy and in bearing excessive risks. Utmost, it was virtually impossible to expect long-term investment from them given that North Korea has an underdeveloped market system and high regime instability. The opacity of DPRK-China economic cooperation and lack of institutionalization also made Chinese companies rely on short-term benefits and advantageous measures and this situation became an obstacle to the sound development and sustainability of DPRK-China economic cooperation.

Another concern is the steep fall in economic growth of the three northeastern provinces because the PRNC failed to find a new growth engine. The PRNC gathered the central government's attention and garnered massive investment for the three provinces, but this was chiefly limited to traditional industries such as coal, steel, cement, and construction materials. In this process, this may be congruent with the interests in developing North Korea's natural resources. Nonetheless, these industries recently confront oversupply issue and the three provincial governments, which lacked interest in industries of new growth engine, have exposed their shortcomings as the Chinese

government has taken economic restructuring policy known as “new normal (*xinchangtai*)” with the inauguration of President Xi Jinping.<sup>11)</sup>

Even so, as the regional governments and companies have played active roles in the process of economic cooperation with neighboring countries, if the regional governments share interests in the expansion of One Belt One Road Initiative with the expansion of DPRK-China economic cooperation in mind, the autonomy and activeness of the regional governments can be expected.

#### **D. Two Faces of *Qitongcunyi* (Seeking Common Grounds While Putting Differences Aside)**

Chinese colonialistic behaviors related to the investment in neighboring countries were also similarly displayed in its investments in North Korea. The rapid increase in demand for raw materials caused by economic growth instigated competition to secure these materials among Chinese domestic firms. Amid the fierce domestic competition, Chinese companies explored more inexpensive commodity markets for stable supply and North Korea arose as an attractive resource supplier despite being dubbed a rogue state. Given that the Chinese *zouchuqu* strategy was pursued first to meet the demands for resources

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11) Yong-sung Cho, “Why do Chinese leave the three northeastern provinces,” (in Korean), Aju Business Daily, August 10, 2015.

sparked by rapid industrialization,<sup>12)</sup> investment in North Korea was also concentrated in developing various resources like coal and iron ore.<sup>13)</sup> For example, China's Wanxiang Group agreed to have 25-year monopoly management over Hyesan copper mine, Tonghua Iron and Steel Group gained 50-year mining rights over Musan mine field, and Wukuang group, China's largest mineral import company, gained 50-year mining rights for Yongdeng mines, a place with high-heat producing coals. Elsewhere, Chinese companies obtained mining rights for Manpo zinc mines, Hoeryong gold mines, etc. through joint investment.<sup>14)</sup>

The fact that North Korea was named a rogue state enabled speedy cooperation in developing metal resources. North Korea has continuously been subject to international economic sanctions due to nuclear development and military provocations and South Korea's May 24 measures placed additional economic pressure on North Korea. To overcome the economic isolation, it seems rational for North Korea to expand trade with China over resources, where North Korea has a comparative advantage. However, the problem lies in the point that fair transaction rules have not been applied in the resource

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12) From the mid-2005 to recent year (2012), 71% of China's foreign investment was channeled to energy and mineral resource sector.

13) Sang-hun Kim, "Recent Status of DPRK-China Economic Cooperation," KDI Review of North Korean Economy, August 2010, p. 77.

14) Un-chul Yang, "Strategic game between North Korea and China surrounding resource development in North Korea," (in Korean), Political Environment and Policy. (Seoul: Sejong Institute, December 2011), p. 10.

trade. The price that China applied for imports from North Korea was far lower than the transaction costs with other countries. For example, China paid 77 dollars for a ton of North Korean coal in 2008 which was less than the half of international price, 192 dollars per ton. Also, in the case of iron ore, China purchased one ton with 111 dollars, 85 percent of the average international transaction cost, 130 dollars.<sup>15)</sup> Viewing Chinese companies' investment in North Korean resources and low-cost purchases, they tend to make speculations or seek short-term benefits rather than promote normal economic cooperation with North Korea.

Some experts comment that North Korea has abounding ancillary energy sources such as anthracite, rather than high-profit resources such as oil and natural gas.<sup>16)</sup> Even iron ores are of low quality, logically yielding low expected gains. Accordingly, Chinese companies investing in North Korea does not make high profits and the investment has been in gradual decline after surging shortly when the international prices of raw materials were flying high.<sup>17)</sup> As such, they showed considerable interests in extracting more resources in the short term, instead of long-term stable economic cooperation with

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15) *Voice of America*, December 2, 2011.

16) In early 2015, the Chinese government ordered to abide rigorously by the quality standard of coal use in China due to environmental problems, and most North Korean resources were reported to be short of this standard. "China returns North Korean anthracite for 'short of quality'" (in Korean) Yonhap News, April 4, 2015.

17) Drew Thompson, *Silent Partners: Chinese Joint Ventures in North Korea*, p. 55.

North Korea. The fact that Jang Sung-taek, a major pro-China figure, was executed, charged with illegally disposing land to a great power, and vending resources at a low price alludes North Korean government's discontent over China's investment in North Korea. In fact, while North Korea may have met some demand for hard currency by exporting anthracite, more than 70 percent of North Korea's energy source, on a large scale, North Korean enterprises and people suffered from energy shortage.

# 4

## **China's Policy in the Event of Crisis in the Neighboring States and North Korean Crisis**

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## 4. China's Policy in the Event of Crisis in the Neighboring States and North Korean Crisis

In case of an internal crisis in North Korea, what stance and policy may China take? China's policies have the following traits towards crisis in its neighbors: first, when an internal crisis breaks out in neighboring countries, China adheres to the principle of non-interference, if it is at the initial stage or does not seem to spill over; second, when China's security/strategic/economic benefits are likely to be violated by a crisis expanding outwards, it attempts a 'Chinese-style intervention'; third, when a hostile power's military intervention is apparent, China sets a 'red line' for the military action and sends a warning. If this hostile power intervenes militarily, ignoring its warnings, China also takes military intervention but makes efforts to avoid a direct collision, maintaining communications channel to prevent the expansion of war.

Here, the study applied these traits and implications from China's past policies on North Korean crisis to an internal crisis in North Korea. Internal crisis in North Korea means a situation where the North Korean regime is unable to solve a sudden and serious chaos by itself, thus a process leading to the collapse of North Korea stretching from the regime collapse to the collapse of the socialist system. A

possible scenario might be when the supreme leader dies unexpectedly sparking a power struggle and civil conflict in the hereditary process, along with civil unrest occurring, weapons of mass destruction unleashing, and mass population leaving the country, and the circumstance extending southward by the provocation against South Korea. The discussions on internal crisis in North Korea have continued in the midst of Kim Jong-il's death and Kim Jong-un's three-generation hereditary succession in 2011 and the abomination against Kim Jong-un's reign of terror such as the execution of Jang Sung-taek and purge of Hyon Yong-chol together with the suspicion over North Korean system and regime stability.

With Kim Jong-un establishing three generational hereditary succession system putting forth Paektu bloodline and the internal apparatus maintaining social control, North Korean elites remain loyal to the regime and there are no visible signs of power struggle or anti-regime activities in North Korea. However, crisis ignited by the economic hardship has expanded to the society overall, and Kim Jong-un regime's power base may weaken as the execution of Jang Sung-taek and purge of Hyon Yong-chol suggest. Thus, if the Kim Jong-un regime is unable to manage these issues, this might sprawl into a crisis against the regime and the system. Unlikely to succeed in partial reforms while maintaining hereditary dictatorship, system change is inevitable, considering that the introduction of the market economy comes as a burden to regime stability.<sup>18)</sup>

Henceforth, while studies concerning North Korean crisis and a discussion on the topic itself were considered a taboo in Chinese academic community in the past, it is known that Chinese scholars conduct various studies surrounding the topic and even carry out joint research with U.S. research institutes.

If an internal crisis arises in North Korea, China will respond according to nature, details, and progress of the crisis. Eyeing on the political changes to secure its security/strategic/economic benefits, China may abide by the principle of non-interference, carry out ‘Chinese-style intervention’ or military intervention separately or together depending on situational changes within North Korea and U.S. military intervention.

First, China will closely observe whether an external force intervenes and how the situation unfolds in North Korea when a crisis occurs in North Korea. If regime change takes place as a result of an internal conflict among different groups, China is likely to remain unopposed, proclaiming the principle of non-interference under the premise that no external force intervenes. Simultaneously, China may strive for ‘Chinese-style intervention’ implicitly exerting influence on the new regime to have a ‘denuclearization’-pronouncing ‘pro-China’ tendency under the condition of maintaining the North Korean system. In other words, it’s an adequate blend of principle of non-interference

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18) Jin Moo Kim, “North Korea’s Regime Change Model and Security Preparation,” *The Quarterly Journal of Defense Policy Studies*, Vol. 30, No. 1 (Spring 2014), p. 49

and 'Chinese-style intervention.'

This is because China, in its North Korea policy, weighs more importance on maintaining North Korean system than maintaining its regime. In the current U.S.-led order in the Korean peninsula with ROK-U.S. alliance as axis and under the current situation of the South-North division, the system collapse of North Korea implies unification by the ROK or ROK-U.S. absorption, which makes China border on regions under U.S. military influence. In circumstances where strategic mistrust between the U.S. and China cannot be resolved, China cannot renounce the geopolitical value of North Korea, a buffer zone that insulates China from U.S. threat and influence. When regime collapse and turmoil do not bring about system collapse, China will refrain from unilateral and preemptive military intervention while closely following the transforming circumstances in North Korea and any movements of ROK-U.S. intervention. This coincides with the non-interference principle that China asserts, and creates an opportunity for China to install a 'non-nuclear, pro-Chinese' regime that replaces the Kim Jong-un regime which has pursued nuclear development despite warnings and oppositions from China. On the other hand, it is difficult to predict whether China will go beyond the 'Chinese-style intervention' and engage in military intervention, violating the principles of non-interference even if South Korea and the U.S. do not intervene when the regime collapse appears to end with system collapse in North

Korea.

In times of internal crisis in North Korea, China's most highly likely response would be 'cooperative intervention' by the compromise of relevant countries, the so-called 'Chinese-style intervention,' rather than a unilateral one based on strength. Particularly, China will proceed with negotiations and compromises with the U.S. on the nature, range, period, etc. of intervention. Also, UN-led intervention may be considered as a likely alternative. While China will primarily look to the U.S. to discuss cooperative intervention, if this does not work out and the situation in North Korea rapidly evolves in a way that hampers its interests, China is expected to address this issue to the international community including UN and request for joint management.<sup>19)</sup>

The outflow of WMD such as North Korea's nuclear weapons and missiles may arise as a major issue for this "Chinese-style intervention." If North Korea slides into anarchy, leaving the domestic rule and the army uncontrollable, the management of WMD emerges as a critical issue. Especially, when North Korean nuclear weapons fall into the hands of separatists and terrorists in China or another safety issue occurs by mismanagement, this may grow into a catastrophe. China may send special forces to nuclear facilities to control and manage North Korean nuclear weapons.<sup>20)</sup> The U.S. share interests in

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19) Byung Kwang Park, "Contingency in North Korea and China" (in Korean), *East Asia Brief*, vol. 3, no. 4 (2008), pp. 107-112

such military management of nuclear facilities, possibly conducting U.S.-China joint operation by consultation. In other words, both superpowers are willing to accept the occupation of Yongbyon region and management of nuclear weapons and facilities by the other side by strategic consultation and mutual compromise for the occupation, control, and abandonment of North Korean nuclear facilities. Both countries will allow very limited space for North or South Korea to intervene in dealing with North Korean nuclear facilities. China may approve fervent U.S. determination to occupy the nuclear facilities, and the U.S. may assent to China occupying the facilities and abolishing them. Such circumstances enable the U.S. to transfer political/military/economic burdens entailed when putting its forces on the North Korean soil to China.<sup>21)</sup>

However, China's largest distress related to a North Korean internal crisis scenario is the possible U.S. (ROK-U.S. combined forces) military intervention and the possibility of military clash with the U.S. Rising as a global superpower, China has to adequately maintain relations with the existing superpower, the U.S., dodging direct military confrontation, a scenario that China hopes to avoid at all costs, in its path towards achieving its national goal, 'Chinese dream,' the great revival of China. At the same time, China highlights

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20) Chul-ho Chong, *China's Military Intervention and Response in Contingency in North Korea and South Korea's Security Strategy*, Sejong Institute, 2014, p. 21

21) *Ibid.*, pp. 45-46.

that it will not sacrifice its 'core interests' and gears up its military capabilities by increasing the defense budget by double digits annually for more than 10 years, based on the rapid economic development. Consequently, if the U.S. ignores China's warnings over the 'red line' for military action and its geopolitical/geostrategic interests and militarily intervenes in North Korean internal crisis, China is highly likely to be willing to take further military action just as it did 65 years ago during the Korean War.



**5**

**China's Humanitarian Policy  
toward Neighboring Countries  
and North Korea**

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## 5. China's Humanitarian Policy toward Neighboring Countries and North Korea

To summarize China's humanitarian policy toward neighbors, first, there is a political aspect involving the state's intentions. Second, China shows low transparency in terms of size and means of humanitarian aid. Third, although its humanitarian aid has been globalized, this is constrained to some fields such as food aid and natural disasters.

Preexisting humanitarian aid toward North Korea resembles the cases of other neighbors. In the 1960s and 1970s, China took the responsibility for some reduction of Soviet aid toward North Korea. Understanding that North Korea was economically better off than China at those times, this course of action was more or less ideological and political. Conversely, China rejected to deliver humanitarian aid out of political purpose. When North Korea suffered severe food shortage in the 1990s, China suspended already existed food aid to North Korea. Even though food crisis was observed in the early years of the 1990s, it was in 1995 when the North Korean authorities acknowledged food shortage and requested food aid to the international community. The most decisive factor behind this time

difference was the complete abeyance of China's grain exports to North Korea in 1994. This was an extraordinary measure given that China contributed to North Korea's whole corn import in the early 1990s as well as being the only country that set a socialist-friendly price for trade with North Korea.<sup>22)</sup> In consequence, the shift in China's food aid policy toward North Korea incited food shortage that the North Korean authorities had to acknowledge. One can postulate that the Chinese domestic situation and the changing political landscape in Northeast Asia including China's rapprochement with the West and with South Korea and the first North Korean nuclear crisis, after Deng Xiaoping's South China Tour Speeches (*Nanxun Jianghua*) in 1992, affected China's North Korea policy. Thus, China's aid to North Korea is prone to change according to the government's political intentions in the future.

Moreover, China has low transparency in the size and means of humanitarian aid akin to cases of other neighbors. Even though this is being internationalized, China's assistance to North Korea hitherto is mainly direct aid to the North Korean government. As long as the geopolitical value of North Korea remains in the context of China's policy on Northeast Asia and the Korean peninsula, China's approach to North Korea, in terms of its formality, with its humanitarian aid policy would have more political purpose than any other neighbors.

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22) Suk Lee. *Famine in North Korea in 1994-2000: Origin, Shock, and Characteristics*, KINU, 2004, p. 38.

Despite this fact, China has expanded humanitarian aid to beef up its soft power and the demand for internationalization, political impartiality, transparency has increased accordingly. Aid to North Korea cannot escape this reality and the special ideologically-inclined bilateral relationship will gradually transform into a normal one, similar to the humanitarian aid with other neighbors.

Next is the application of China's refugee policy to North Korea. Between the cases of Indochina and Kokang refugees, the latter case seems more probable in the case of a North Korean refugee crisis. This is because the Chinese government had an unclear concept of border safety with ill-prepared legislation and institutions during the Indochina refugee crisis. Also, China had approached more emotionally to ethnic Chinese thereupon. However, China currently has established the concept of border safety and legislative institutions such as 'emergency response law' for a crisis in neighboring states. Beijing has a more prudent take on refugee policy as the number of illegal immigrants from neighboring countries entering China are on the rise by the economic growth of China. As China's response to Kokang refugees happened under these circumstances and is ongoing, this is the likely reaction that China will have on possible North Korean refugees in the future. Seeing the Kokang case, China will probably tackle the North Korean refugee issue as the following.

First of all, they will designate North Korean defectors as temporary border crossers, instead of granting them refugee status. As

this rule is even applied to Kokang refugees, who have cultural homogeneity with Han-Chinese, and has been unswervingly applied to North Korean refugees until now, this stance is unlikely to change in the future. This is because there are concerns for a domino effect in granting refugee status and a mass influx of North Korean defectors to the three northeastern provinces will stir up disorder in the region, leading to various political and ethnic problems in association with 2 million ethnic Koreans already residing in the region.

Second, China will manage the refugee issue pursuant to the already legalized 'Emergency Response Law.' When there is massive influx of North Korean refugees, China will classify this as a first class emergency, and the central government will take the lead in tackling the issue. Jilin and Liaoning provincial governments will administer the field management grounded on the territorial principle. The provincial government will steer the management and control of aid supplies and the People's Liberation Army (PLA) and armed forces will enforce border control and management.

Third, humanitarian aid (aid supplies, public security, and hygiene management) and providing shelters will take similar shape with Kokang case. In the process, the international community and NGOs will cooperate for the issue. China will reach out to South Korea for active support and reduce the cost to the full extent.

Fourth, to prevent North Korean refugees flowing into China, they will tighten their management and surveillance of PLA and armed

police, but refrain from military intervention and entry into North Korean territory for an internal crisis in North Korea. Some scholars prospect that China will build buffer zone within North Korea in the area 50km-100km away from the DPRK-China border and set up refugee camps and install a bulwark between the camp and the border.<sup>23)</sup> However, they may not take measure to construct and control refugee camps beyond the border. Beijing takes serious consideration to intervene beyond its jurisdiction given that it underlines the principle of non-interference and the respect for territorial sovereignty. To this end, China may consider this under the premise of role allocation by close consultation with Seoul and Washington or the request of political or military force in North Korea.

Finally, China is believed to make efforts to repatriate these defectors by negotiations with either the international community or North Korea. This is due to the fact that the Chinese government defines North Korean defectors as simple border crossers or those who evaded wars or disorder like Kokang refugees. While China may provide humanitarian support, the government will persuade the refugees to return home immediately after the situation in the country is settled. Even if they wish to stay in China has low possibility of receiving refugee status and absorbed into the Chinese society just as the Indochina refugees.

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23) Bruce W. Bennett, *Preparing for the Possibility of a North Korean Collapse*, Rand Corporation, 2013, pp. 88~89.



**6**

**China's Alignment Policy  
toward Neighboring States and  
North Korea**

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## 6. China's Alignment Policy toward Neighboring States and North Korea

China's alignment policy toward neighbors has been affected by different factors such as security, geopolitical balance of power, and ideology. The table below illustrates this. Security factor mainly influenced the alignment policy toward neighboring powers, and ideological factor was at work when this power was a socialist country. Geopolitical balance of power and ideology factors have affected China's alignment policy toward smaller states. Mao Zedong-led Chinese Communist Party's understanding during the early years of communist China primarily has driven China's alignment policy. In the case of security factor, China has tended to consider small neighboring powers as strategic buffer zones instead of assuring security by allying with these states. That is, China has offset security threats by obviating influences of powers hostile to China with regard to the regions neighboring China.

## China's Alignment Policy toward Neighboring States

Relationship	Major features (factors)	Detail
One-way relations with the Soviet Union	(State survival) security, ideology	Great power relations, socialist state
Military assistance to Vietnam	Geopolitical balance of power, ideology, security	Relations with neighboring small states, socialist state
Rapprochement with the U.S. and Sino-Soviet split	(state survival) security	Great power relations
Relations with Russia and Central Asia*	Geopolitical balance of power	

\* cases of quasi-alliance, alliance-like relations

Then, what are the factors and characteristics that have influenced the DPRK-China alliance? North Korea shares commonality with Vietnam as a small state and a receiver of Chinese military assistance. In addition to this, the necessity to 'North Korea management' adds into the calculation by the influence of China's external environment. In detail, ideology, in part, made China decide to engage in Korean War. This camaraderie approach is induced by the logic of reciprocating support the Chinese Communist Party received from North Korea during the civil war with Kuomintang as a country sharing same communist values. On the other hand, it should be noted that the justification of China participating in Korean War was "*Kangmeiyuanchao Baojiaweiguo* (resisting America and assisting Korea, protecting the family and safeguarding the nation)." In other words, this connotes that China protects its security by combatting the U.S. imperialists as well as supporting North Korea. This echoes China's aid to Vietnam, which was implemented under the banner of "*Kangfoyuanyue* (resisting France and assisting Vietnam)."

Moreover, it was necessary for China to support North Korea, which could geopolitically play the role of as a strategic buffer. Though human/economic losses were evident, China took part in Korean War because of the U.S. threat. The PLA entered into the Korean peninsula in order to inhibit North Korea, a country that is described to have lips and teeth relations, from falling into the hands of imperial Americans after the U.S.-led UN forces crossed the 38th parallel. China supporting the Vietnamese communist party could be seen as a similar case by the fact that geopolitical balance of power factor exerted influence in both cases.

Also, China signed the “DPRK-China Mutual Aid and Cooperation Agreement” in 1961, not immediately after the Korean War armistice out of the need for the management of North Korea. With the Sino-Soviet split fully in motion, China needed some support within the socialist bloc. Externally, it had to prepare for U.S. containment, border dispute with India, and pressure from Moscow. Considering these circumstances, DPRK-China alliance was heavily influenced by the ideology-based policy on North Korea, external security threat from the U.S., along with internal conflict within the socialist bloc. For that reason, it was highly likely that China, at that time, regarded North Korea as a strategic asset and the country had an intention to tether North Korea's next step between China and the Soviet Union as a precautionary measure.<sup>24)</sup> in the formality of treaty. Then, is the DPRK-China alliance sustainable? No word on the abandonment of

"DPRK-China Mutual Aid" is the only proof that North Korea and China are in alliance relations. The best litmus test for the sustainability of the alliance will be whether the security of North Korea is assured. One obligation of an ally is to carry out official or unofficial security cooperation for augmentation of national security interests among allies or to militarily support allies in preparation for a possible military threat from an adversary force. The point whether China, which believes that North Korea aspires to possess nuclear weapon due to U.S. security threat, is willing to assure security could be the barometer for the substantiality of DPRK-China alliance. From the first North Korean nuclear crisis to the present where North Korea's nuclear possession is a *fait accompli* after three nuclear tests, Beijing has never expressed its stance on security assurance for North Korea. Establishment and implementation of China's North Korea policy put more consideration in geopolitical balance of power and security interests rather than alliance and ideology. This is similar to the background of "DPRK-China Mutual Aid and Friendship Cooperation Treaty."

While North Korea has continued with provocations that jeopardize peace and stability in the Korean peninsula and Northeast Asia including nuclear tests, it is difficult to imagine that China abandons the alliance with North Korea or imposes harsh sanctions

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24) Myung-hae Choi, *DPRK-China Alliance: History of Uncomfortable Cohabitation* (Seoul: Oreum Publishing, 2009), p. 175.

against North Korea. Perhaps North Korea may be one of the countries that threaten stability in the region neighboring China in the mid-to-short term. Currently, China has met with “the times of strategic opportunity” to achieve “Chinese Dream (*zhongguomeng*)” known as “the great rejuvenation of the Chinese nation,” and has sought sustainable development throughout these times. Stability of the neighboring region is essential for China’s sustainable development. North Korea’s nuclear tests and provocations could be in the way of China’s efforts to improve stable surrounding environment. However, China may have difficulties in imposing strong sanctions on North Korea because of the strategic value of North Korea in the situation where the U.S. continues to hold China in check.

This relates to the point that the geopolitical balance of power factor had significantly influenced in China allying with North Korea under the Sino-Soviet rivalry. The relations between Pyongyang and Beijing have temporarily cooled after the third nuclear test in February 2013 and Chinese foreign ministry spokesperson commented that China and North Korea have normal interstate relations<sup>25</sup>). However, China cannot overlook the fact that North Korea remains the only ally of china and shares border with itself. It is assumed that China will persist in ‘management’ or ‘tethering’ as a precautionary measure by

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25) “Foreign Ministry Spokesperson Hua Chunying’s Regular Press Conference on March 8, 2013” (in Chinese), People’s Republic of China Ministry of Foreign Affairs website, March 8, 2013, [http://www.fmprc.gov.cn/mfa\\_chn/wjdt\\_611265/fyrbt\\_611275/t1019798.shtml](http://www.fmprc.gov.cn/mfa_chn/wjdt_611265/fyrbt_611275/t1019798.shtml) (date accessed: March 21, 2015)

maintaining the institutional alliance.

As seen from China's cases of alignment in which the considerations for security and geopolitical balance of power were portrayed, apart from the ideology factor in the early days of the establishment up to the 1960s, China will rebuild alliances in the future when the political landscape trembles to the extent that affects China's security and geopolitical balance of power. For example, if the U.S. intervenes in a contingency situation on the Korean peninsula, China will fulfill the terms of DPRK-China alliance in view of geopolitical balance of power. Hence, while China officially pronounces 'non-alignment' policy and insists that it has 'normal state-to-state relations' with North Korea, its institutional alliance with North Korea is projected to endure.





**China's Territorial Policy  
toward Neighboring States and  
Unified Korea**

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## 7. China's Territorial Policy toward Neighboring States and Unified Korea

While the possibility of DPRK-China territorial dispute is very slim currently, the Gando issue, if raised after the Korean unification, could become a tinderbox for the territorial dispute between China and unified Korea due to the difference in the views over the issue. As a matter of fact, there lacks domestic consensus over the Gando issue in South Korea. Korean scholars who contend to claim Gando emphasize that the boundary between Joseon Dynasty and Qing Dynasty remains unresolved in the Gando region. Recognizing the need of a fixed borderline between the two, the two dynasties surveyed the border and held two rounds of negotiations, but Japanese colonialization of Korea began before the two dynasties reached a conclusion over the issue.

Second, the scholars maintain that the Gando Convention between Japan and Qing dynasty (hereafter, "Gando Convention") that conceded the Gando region to Qing is invalid. Gando Convention, signed between Qing and Japan, on behalf of Joseon, on September 4, 1909, Japan exchanged South Manchurian Railway concessions to lay foundations for advancing the continent and Fushun mine development rights for the recognition of Qing China's claims to Gando region.

They avow that Japan being the subject of convention instead of a direct stakeholder, Korea (Joseon), is a contradiction and Japan-Korea Protectorate Treaty in 1905 is null and void in international law because this was coerced.

Even if the Japan-Korea Protectorate Treaty is valid, the protector cannot transfer the protectorate's territory to another country in international law, thus, Japan disposing of Korean territory on behalf of Korea is illegitimate. Also, between protectorates, for the treaty to be of the protectorate's, the protector state should stand proxy for the protectorate or the treaty should be signed in the name of the protectorate. Furthermore, while Japan administered Korea's foreign affairs based on the Japan-Korea Protectorate Treaty, it did not have rights to dispose of Korean territory.<sup>26)</sup> This is why they assert that the Gando Convention is void. Another evidence for annulation of Gando Convention is the fact that the People's Republic of China proclaimed the nullification of unequal treaties the Kuomintang government signed with imperial countries in the 19th and 20th century under the principle of '*lingqiluzao* (making a fresh start)' upon the establishment of the government. Pursuant to this, Gando Convention is annulled since it is an unequal treaty between Qing China and Japan.

Third, they also point to a series of post-war treaties after the Second World War to corroborate the invalidity of the Gando

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26) Chul-jong Yoo, *International Relations and Territorial Dispute in East Asia* (Seoul: Samwoo Publishing, 2006), pp. 202-204.

Convention. The Cairo Declaration in 1943 and the Potsdam Declaration in 1945 which urged the implementation of the Cairo Declaration stated, “all the territories Japan has stolen from the Chinese, such as Manchuria, Formosa, and The Pescadores, shall be restored to the Republic of China. Japan will also be expelled from all other territories which she has taken by violence and greed” and according to the Article 4 of the Treaty of Peace between the Republic of China and Japan which reads, “it is recognised that all treaties, conventions, and agreements concluded before 9 December 1941 between Japan and China have become null and void as a consequence of the war,” Gando Convention is null and void.

On the contrary, China views the Gando issue as a settled matter, unnecessary of review. Also, China does not use the term Gando, signifying the gap in understanding the matter. China opines that there is no such name as Gando in Chinese texts and this is a name that Koreans used to refer to the Chinese territory they cultivated.<sup>27)</sup> Second, the Chinese official view is that Gando Convention is already settled historical fact. China does not recognize the illegality of the Gando Convention between Qing China and Japan and alleges that Japan manipulated Gando region to colonize whole of China including Manchuria. In other words, while Gando region was clearly Chinese territory, Japan’s imperial colonial policy beguiled the-then China,

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27) Xingyuan Zhao, “Origin and Evolution of ‘Gando’ problem,” *Journal of North China University of Technology*, Vol. 1, No. 3(2000), p. 66.

which failed to protect its interests.<sup>28)</sup> Third, though Gando Convention was an unequal treaty signed between Qing China and Imperial Japan, China did not categorize Gando Convention as an unequal treaty necessary for abrogation.

Finally, Chinese research institutes carried out “Northeast Project (*Dongbei gongcheng*)” under the support of the central government. In 1983, “Research Center for Chinese Borderland History and Geography” was established under the Chinese Academy of Social Sciences and eleven scholars including the editor-in-chief Ma Dazheng of Research Center for Chinese Borderland History and Geography surveyed the DPRK-China border in 1997. These scholars formed the “Northeast Project Team for Chinese Borderland History, Geography and Society” in 1999, and the “Northeast Project” initiated in 2002 and terminated in 2007. While The Chinese government defined the survey just as a research project conducted by a provincial government, the actual intention appears to be building a foundation for the historical reasoning for the current Chinese territory and seeking national integration. As the Gando region falls under the scope of this research project, the research outcome will vindicate Chinese territory once the Gando region becomes the subject of dispute in the future.<sup>29)</sup>

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28) Ibid.

29) Ae Kyung Kim, “Potential Issue of Territorial Delimitation between South Korea and China,” *Contemplating China* (Seoul: Samsung Economic Research Institute, 2011), p. 294.

Hence, if the unified Korea does not address Gando issue, succeeding the current DPRK-China boundary, it is very unlikely that it will spark a conflict with China over the land boundaries. On the contrary, if the unified Korea refuses to succeed the DPRK-China boundary and questions the legality of the Gando Convention, it will confront with China over territory issue. Under the divided Korea, North Korea, the direct stakeholder already reached a solution with China by border settlement agreement. While Article 3 of the Republic of Korea Constitution stipulates “The territory of the Republic of Korea shall consist of the Korean peninsula and its adjacent islands,” this is merely South Korea’s de jure territory. South and North Korea are divided along the 38th parallel in political and international legal terms, and North Korea borders the Gando region. Thus, North Korea shares border with China in the divided Korean peninsula, both countries will no longer have a dispute over land border and territorial issue. China has no reason to bring the Gando issue as negotiation agenda and it is difficult to find out whether North Korea’s stance matches the “reclamation of Gando” assertion made by some civic groups in South Korea.

China will hope to succeed the current boundary between North Korea and China after the Korean unification and do not sense the need to revisit the Gando issue. Korea should deeply ponder the Gando issue and the Gando Convention and whether to succeed the ‘DPRK-China border treaty.’ Regarding the succession of the

'DRPK-China border treaty,' while South Korea has different views on this, the current border between North Korea and China will realistically remain at large in international legal perspective, regardless of the unified Korea's refusal to succeed the border.

# China's Neighborhood Diplomacy and Policies on North Korea: Cases and Application

This paper investigates China's neighborhood diplomacy by selecting issues that are most likely to influence its policies on North Korea and analyzes the actual correlation between China's neighborhood diplomacy strategy and its North Korea policies. It selects six issues pertaining to North Korea-China relations that are most likely to become tricky in the future. They are as follows: (1) North Korea's nuclear weapons; (2) North Korea-China economic cooperation; (3) crisis outbreak in North Korea; (4) possible humanitarian disaster; (5) ideology and alliance; and (6) national borders and territories.

This paper includes all major issues relating to China's policies on North Korea from the perspective of China's neighborhood diplomacy and proposes policy implications for each issue based on in-depth analysis.

