

# *A Regional Play of the Global Game: China's Korea Policy and the Sino-American Relationship*

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## **Abstract**

This paper describes China's policy towards the two Koreas in the context of the global game of the Sino-American relationship. It outlines the key motivations behind the making of Chinese foreign policy in general and the uncertainties and constraints produced by China's relationship with the United States. As a result of its overall objectives in diplomacy, Beijing is seeking a shared strategic interest with Washington on the Korean Peninsula but prefers the continued survival of the DPRK regime and simultaneously develops ever-closer relations with the ROK. China's basic policy towards the two Koreas remains in favor of maintaining the status quo as well as aiming towards the denuclearization of the peninsula. However, the uncertainties and complications of China-US/Japan relations profoundly affect China's strategic calculations and Beijing may be ready to make major shifts in its policy on Korean unification and the North Korean nuclear issue, as its power grows and its relations with Washington and Tokyo become increasingly complicated.

**Key words:** motivations of Chinese foreign policy, Sino-US relations, Beijing's Korea policy, status quo, denuclearization

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## Introduction

As a rising power, China is playing an increasingly active and important role in its neighboring areas especially in East Asia. A key component of China's diplomacy in the region is its ties with the two Koreas. Beijing's policy towards the Korean Peninsula has always been crucially important to peace and stability in Northeast Asia, and this issue is now especially illuminating when it comes to China watchers hoping to plot the future development of Chinese foreign policy.

This paper will outline the basics of China's foreign policy towards the two Koreas with an emphasis on Beijing's recent conduct, main concerns, and key constraints. Chinese ties with the Koreas still appear to be fundamentally conditioned by the Sino-American relationship. As Beijing's conduct and concerns in reference to the ongoing issue of North Korean nuclear program have shown, the PRC pursued a pro-status quo policy in Korea with a clear objective of dealing with the United States for its main strategic and geopolitical interests in Northeast Asia.<sup>1</sup> In the 21<sup>st</sup> Century, China's Korea policy displays a continuity as the US-China relationship continues to be basically stable and Beijing's incentive structure of foreign policy making remains largely unchanged.

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<sup>1</sup> Fei-Ling Wang, "Changing Views: Chinese Perception of the United States-South Korea Alliance," in *Problems of Post-Communism* (formerly *Problems of Communism*), Washington, DC, July-August 1996, pp. 25-34; *Tacit Acceptance and Watchful Eyes: Beijing's Views about the US-ROK Alliance* (Strategic Studies Institute: Carlisle Barracks, PA), The US Army War College, January 1997; "China and Korean Unification: A Policy of Status Quo," *Korea and World Affairs*, Seoul, Korea, Vol. XXII, No. 2, (Summer 1998), pp. 177-198; "Joining the Major Powers for the Status Quo: China's Views and Policy on Korean Reunification," *Pacific Affairs*, Vol. 72-2 (Summer), 1999, pp. 167-185. Also Tae-Hwan Kwak and Thomas L. Wilborn (eds.), *The US-ROK Alliance in Transition* (Korea: Kyungnam University Press, 1996) and Tae-Hwan Kwak & Edward A. Olsen (eds.), *The Major Powers of Northeast Asia: Seeking Peace and Security* (Boulder, CO: Lynn Rienner Publishers, 1996).

Barring any major changes in the Sino-American relationship and any catastrophic development inside the PRC (People's Republic of China), Chinese policy towards the Korean Peninsula is expected to be stable and conservative: Beijing prefers the continued survival of the DPRK (Democratic People's Republic of Korea) regime for its political and strategic needs while developing ever-closer relations with the ROK (Republic of Korea) for important economic interests and geopolitical considerations of cultivating a counterweight to Japan and the United States. Nominally supporting a Korean unification, the PRC seeks to maintain the political status quo and a denuclearization on the Korean Peninsula. However, the uncertainties and complications of the Sino-American relations, the growing Sino-Japanese discord, and the Taiwan issue are likely to develop further in profoundly altering China's strategic calculation about Korean Peninsula and hence Beijing's policy about status quo and denuclearization. China appears to be ready to accept both a nuclear North Korea and a Seoul-dominated united Korea, stable and friendly to Beijing, in the not too distant future.

To discuss these points, this paper will first outline the key concerns and constraints of the making of Chinese foreign policy: The peculiar incentives in Beijing and the relations China has with the United States. In line with its overall objective in its diplomacy, Beijing is seeking a shared strategic interest with the United States and other major external powers on the Korean Peninsula. She yet may make significant changes as the overall US-China relationship evolves amidst profound differences and uncertainties.

### **Internal Constraints: A Rising Power with Peculiar Motivations**

In the past two decades, the PRC has managed to achieve two seemingly impossible goals: Remarkable socio-political stability and

record-shattering economic growth. After surviving the political scare of 1989, the CCP (Chinese Communist Party) perpetuates a monopoly of political power in China with a still poor, albeit improving, record of social liberty and human rights. The Chinese economy has been experiencing a major boom that promises a rise of China as a world-class power in the foreseeable future.

China's GDP has grown at the speed of 8-9 percent annually for the past 25 years.<sup>2</sup> By purchasing power parity (PPP), in 2005, according to the CIA, the Chinese economy was already the world's second largest, about 62% of the American and over 1.9 times of that of Japan. China is now considered a middle-income nation with per capita GDP over \$4,500, almost twice as much as that of India.<sup>3</sup>

Foreign investors have shown great interest and confidence in China by investing great sums and making China the world's second largest recipient of foreign direct investment (FDI), after the United States. In 2003, China received eight times more FDI than Brazil, seven times more than Mexico, and almost 21 times more than India. China is now the fifth largest trader in the world. As the combined result of the massive inflow of foreign capital and significant trade surplus, China's foreign currency reserves have ballooned from \$10 billion in 1990 to over \$700 billion by mid-2005, second only to Japan's.<sup>4</sup>

To be sure, China's rising economic power still has significant problems. About two-thirds of the Chinese population are systematically excluded from the glittering, vibrant urban centers and have the low

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<sup>2</sup>Charles Hutzler, "China May Be on Course To Overtake US Economy," *The Wall Street Journal*, January 24, 2005, p. A2.

<sup>3</sup>CIA, *The World Factbook 2005* (Washington, DC: CIA, 2005).

<sup>4</sup>For the achievement and power of the Chinese economy, see the special coverage, "Great Wall Street: How China Runs the World Economy," *The Economist*, July 30-August 5, 2005 and the special issue on China and India by *Business Week*, August 15, 2005.

living standard typical of a developing nation. China is essentially still a giant labor-intensive processing factory. Among the great variety of industrial goods China now produces and exports, few are invented or designed by Chinese. As a result, the Chinese end up earning low wages at great costs to their environment, while foreign patent holders, investors, and retailers capture the lion's share of the profit.<sup>5</sup>

Nonetheless, China's economic record in the past two decades has been truly impressive. With that, Beijing has successfully justified its political system to the millions of Chinese especially the economic, social, and intellectual elites. A new ruling class and a new developmentalist political consensus have emerged and taken strong hold in China to stabilize the CCP's authoritarian one-party regime. "Under the neo-authoritarianism banner" of the CCP, described a PRC analyst, "(China's) political elite, economic elite, and intellectual elite have all reached a consensus and joined an alliance" to rule China as a new ruling class that monopolizes political power.<sup>6</sup> Many CCP officials and leaders are so pro-business and so devoted to economic growth that they appear to be almost identical as their counterparts in places like Seoul, Taipei, and Singapore. Opinion polls and anecdotal evidence have widely suggested that the CCP's political monopoly is secure, as long as the economy grows and the income of the people (mainly the politically potent urban population) increases. It seems that political legitimacy can indeed be effectively purchased in China, at least for the time being.

More active Chinese participation in the management of international affairs and a more evenly constructed multi-polar world seems to highly appeal to a rising China. Many PRC analysts prefer to

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<sup>5</sup> Fei-Ling Wang, "Lots of Wealth, Lots of People, Lots of Flaws: China Rising," *International Herald Tribune*, July 21, 2005.

<sup>6</sup> Kang Xiaoguang, "Weilai 3-5 nian zhongguo dalu zhengzhi wendingxing fengxi" (Analysis of the political stability issue in Chinese Mainland in the next 3-5 years), *Zhanlue yu guanli* (Strategy and management), Beijing, No. 3, 2003, pp. 1-2.

be first given a great power (*daguo*) responsibility in the Asian-Pacific region to ensure a “just and rational” new security order in the region.

Beyond that, China could take advantage of the differences between the United States and its allies in Europe – the so-called strategy of “utilizing the West-West conflicts” by forging more ties between the “rising Asia” and the European Union.<sup>7</sup> She could also form a China-India-Russia alliance to counter the US-EU-Japan dominance.<sup>8</sup> In 2004-05, Beijing made a somewhat surprising move to support New Delhi’s bid for a permanent seat in the UN Security Council while openly and repeatedly stated its objection to Japan’s similar aspiration.<sup>9</sup> Eventually, many in Beijing hope that China’s rise will make it a new world leader to provide new norms and create a new history for itself and for the world.<sup>10</sup> One analyst put the economic reasons for more Chinese power very bluntly:

“China’s sustained development in the future cannot be sufficiently supported by (our) domestic resources, we must have the right to share the world’s resources and use it to support China’s development.”<sup>11</sup>

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<sup>7</sup>The PRC started to actively participate in the Asia-Europe Meeting (ASEM), a dialogue between the EU and East and Southeast Asia nations created in 1996, in the early 2000s. In 2004, China participated in the 39-nation dialogue. Huang Haiming *et al.*, “ASEM Enhances Overall Asia-Europe Relations,” *Xinhua*, Beijing, October 6, 2004; Xiao Chenglin “Asia, Europe Move Closer in Cooperation,” *Xinhua*, Beijing, October 5, 2004. In 2005, Beijing’s tenacious pursuit of EU arms sales, over the objections of Washington, is a good example of such strategy.

<sup>8</sup>Authors’ interviews in Beijing, 2004. The Russians, however, seem to deeply doubt this. “Alliance Between Russia, China, and India Hardly Possible According to Expert Opinion,” *Russian News and Information Agency*, Moscow, January 20, 2005.

<sup>9</sup>Indo-Asian News Service, “Shift in China’s Foreign Policy under Hu,” October 21, 2004. For China’s objection to Japan’s bid, see *Renmin Ribao* (People’s daily), “Four Barriers on Japan’s Way to ‘Permanent Seat’,” in FBIS-NES-2004-0927, Beijing, September 26, 2004.

<sup>10</sup>Zhang Feng, “Zhongguo fuxin kaiqi xin lishi” (China’s rejuvenation creates new history), *Global Times*, Beijing, August 30, 2004.

<sup>11</sup>Zhang Wenmu, “Quanqiu hua jin cheng zhong de zhongguo guojia liye” (China’s national interest in the process of globalization), *Zhanlue yu guanli* (Strategy and

A new and bigger role for China in international affairs in the near future in Asia and beyond has now become not just a hot topic but also a widely accepted fact among analysts in and outside the PRC. Apprehension and even fear of the dragon are seen in China's neighboring areas.<sup>12</sup>

Yet rising Chinese power has already faced important and rather peculiar concerns and constraints. In the 21<sup>st</sup> century, Beijing's top concern in foreign policy remains to be the preservation of the one-party political system of the CCP. Short of effective political reforms to produce better governance, the preservation necessity remains the top objective for Beijing. Tangible and continued economic prosperity has become *the* avenue to reach that goal; international acceptance and approval have become major sources of legitimacy for the CCP at home, while nationalistic demands for more Chinese power and prestige have presented Beijing with an additional opportunity for and a new challenge to its political preservation. Together, a peculiar incentive structure of political preservation, economic prosperity, and national power/prestige fundamentally motivates China's foreign policy.

For the CCP's political survival, China's foreign policy remains basically conservative, pragmatic, pro-status quo, and reactive. External respect itself has become a leading source of political legitimacy, hence Beijing cultivates hard its peaceful and cooperative posture in international relations. But China's conservative foreign policy for political preservation and its drive for economic prosperity has combined to generate fuel for a rising sense of Chinese nationalism. On the one hand, rapid economic growth and technological

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management), Beijing, No. 1, 2001, p. 63.

<sup>12</sup>Jane Perlez, "China shoring up image as Asian superpower," *International Herald Tribune*, December 2, 2004; "Fear of the Dragon," *The Economist*, London, November 17, 2004, pp. 34, 37.

advances have powered nationalistic sentiments and demands; on the other hand, Beijing's preservation-oriented conservative foreign policy has frustrated many Chinese nationalists. The will to seek more power in international relations is creeping up inside China as an increasingly strong factor to be reckoned with. Although the official line in Beijing remains to be the mild and benign "peaceful development," after a fling with the new and more majestic idea of the "peaceful rise" during the power transition from Jiang Zemin to Hu Jintao in 2003-04.<sup>13</sup> The rise of nationalist emotions and demands in the PRC is here to stay, as the massive anti-Japanese demonstrations in China in spring of 2005 vividly illustrated.

Practically, China has developed an unprecedented dependence on international trade. In 2003-04, 20 percent to a quarter of China's GDP is directly related to foreign trade; and China imports increasingly more oil from the troubled region of the Middle East.<sup>14</sup> Economic globalization, hence, appears to Beijing as a worthwhile gamble. A senior CCP official argues that as long as China seizes the currently available "development opportunity that presents itself only once in a thousand years so to ride the tide to catch the express train of economic globalization, we will realize our ideals of having a leapfrog (form of -sic) development and having a powerful nation and rich people."<sup>15</sup> For that, China clearly needs to be part of the existing international

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<sup>13</sup> Zheng Bijian (former executive vice president of the CCP's Central Party School) first officially proposed the concept in his speech in November of 2003. Hu Jintao (as late as in February of 2004) and Wen Jiabao (as late as in March of 2004) both advocated the new concept of "peaceful rise" as it was customary in the PRC for a new leadership to come up with a new slogan, [news.xinhuanet.com/zhengfu/2004-03/26/content\\_1386611.htm](http://news.xinhuanet.com/zhengfu/2004-03/26/content_1386611.htm). However, presumably under pressures and after second thoughts, the phrase disappeared from PRC official speeches, statements, and reports by mid-fall of 2004.

<sup>14</sup> For China's needs for more energy and oil imports, see "Asia's Great Oil Hunt," *Business Week*, November 15, 2004.

<sup>15</sup> Qiu Yuanping, "Minxiang shijie de xunyan" (Declaration to the world), *Qiushi*, Beijing, No. 3, 2003, pp. 27-28.



economic institutions, trade aggressively with everyone, and especially maintain a good relationship with the developed nations. Recently, Beijing is also actively flexing its economic muscles for more advantage. A leading example is the idea of constructing a free trade zone that includes basically all of East and Southeast Asia, the so-called ten plus three scheme. In 2004, Beijing joined the meeting of financial ministers and central bank governors of the G-7 countries for the first time.<sup>16</sup> It seems to the CCP that to selectively embrace globalization pays and substantial political legitimacy can be purchased internationally as well.

Guided by such a three-P incentive structure, Beijing believes that the post-9/11 war on terrorism and the US invasion and occupation of Iraq have provided a “period of strategic opportunity” for the CCP to concentrate on its strategy of stability and development in the first two decades of this century.<sup>17</sup> So the CCP hopes for a continuation of the current stability in the US-China relationship and a generally peaceful international environment for China’s economic growth.<sup>18</sup>

It is worthwhile to note that many Chinese analysts are now increasingly candid about the inadequacy of Chinese power, primarily defined as China’s lack of military capabilities. While the PLA may be able to safeguard the PRC political system and the stability of the CCP regime against foreseeable domestic threats, it is clearly under equipped and poorly-trained to carry out missions outside of China’s

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<sup>16</sup>*Financial Times*, September 22, 2004.

<sup>17</sup>Jiang Zemin, Political Report to the 16<sup>th</sup> CCP National Congress, Beijing, November 2002. Under Hu Jintao, Beijing kept this estimate but rephrased it as a “coexistence of opportunity and challenges.” *The Communiqué of 4<sup>th</sup> Plenum of the 16<sup>th</sup> CCP Central Commission*, Beijing, September 19, 2004.

<sup>18</sup>For more discussion of the Chinese foreign policy making in the 2000s especially Beijing’s peculiar incentive structure, see Yong Deng and Fei-Ling Wang (eds.), *China Rising: Power and Motivation in Chinese Foreign Policy* (Lanham, MD: Rowman & Littlefield, 2005).

borders. The PLA is viewed as increasingly falling behind that of the Western militaries, with perhaps the exception of nuclear capable land- and sea-based ballistic missiles.<sup>19</sup> A possible clashing point between Pyongyang and Washington over the North Korean nuclear issue may force Beijing to fight US forces in a second Korean War, with a much slimmer chance of another stalemate. Consequently, increasingly many now in the PRC are calling for quiet but steady building up and exercising of China's national power, especially military forces, to safeguard its political system and national sovereignty, seek the appropriate Chinese "sphere of influence," and "regain" China's rightful but deprived great power status and influence.<sup>20</sup> PLA analysts now openly write that China "must increase" its military spending and keep its military spending growing at the same pace with the economy in the future.<sup>21</sup> Leading Chinese economists also argue for a "massive increase of military spending" by as much as 50 percent in the near future as a key to a new grand strategy to make China a world class power by the mid-21<sup>st</sup> century.<sup>22</sup> With a fairly complete industrial system, reasonably sophisticated technology, millions of soldiers, and a booming economy, the PLA indeed could resort to a militarization that will make the alleged

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<sup>19</sup> David Shambaugh, *Modernizing China's Military: Progress, Problems, and Prospects* (Berkeley: University of California Press, 2003), pp. 330-332.

<sup>20</sup> Tang Shiping, "Zailun zhongguo d da zhanlue" (Another threat use on China's grand strategy), *Zhanlue yu guanli* (Strategy and management), Beijing, No. 4, 2001, pp. 29-37; Zhang Wenmu, "Quanqiu hua jincheng zhong de zhongguo guojia liye" (China's national interest in the process of globalization), *Zhanlue yu guanli* (Strategy and management), Beijing, No. 1, 2002, pp. 52-64.

<sup>21</sup> Lou Yaoliang, *Diyuan zhengzhi yu zhongguo guofang zhanlue* (Geopolitics and China's national defense strategy) (Tianjin: Tianjin Remin Press, 2002), p. 255; Yan Xuotong, "Zhongguo zonghe guoli shangbu pingheng" (China's comprehensive power is not balanced), *Global Times*, August 24, 2004.

<sup>22</sup> Hu Angang and Meng Honghua, "Zhongmeiriyeying youxing zhanlue ziyuan bijiao" (A comparison of tangible strategic resources among China, the US, Japan, Russia, and India), *Zhanlue yu guanli* (Strategy and management), Beijing, No. 2, 2002, pp. 26-41.

weapons of mass destruction in the so-called “Axis of Evil” nations (Iraq, Iran, and North Korea) look like a fairy tale. A fully mobilized military-industry complex in China would likely render futile any American effort for absolute security.<sup>23</sup>

### **External Constraints: US-China Relations**

In the first decade of the 21<sup>st</sup> Century, the basics of Sino-American relations, widely believed to be the most important bilateral relationship to both countries, are expected to remain stable as the second Bush Administration openly seeks to build “a candid, cooperative, and constructive relationship with China that embraces our common interests.” However, as Secretary of State Condoleezza Rice told the US Senate, there are “considerable differences about values” between Washington and Beijing.<sup>24</sup> Furthermore, there are several explosive mines that could seriously damage the US-China relationship, among which the Taiwan issue is a major one.<sup>25</sup> Stability with considerable uncertainties that have great consequences seems to be the proper characterization about the current US-PRC relationship, which serves as the most powerful external constraint of the Chinese foreign policy.

For the three-P objectives outlined above, Beijing has been seeking to avoid direct conflict with the United States, at least for now, by pursuing a conservative, pro-status quo, and risk-averse policy that is quite unusual for a rapidly rising power.<sup>26</sup> Beijing appears to be

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<sup>23</sup> Geoffrey York and Marcus Gee, “Flexing its Military Muscle,” *Global and Mail*, Toronto, October 23, 2004.

<sup>24</sup> Rice’s statement at the US Senate’s Confirmation Hearing, January 18, 2005.

<sup>25</sup> Richard Armitage’s TV interview, December 10, 2004. Released by the US Department of State on December 30, 2004.

<sup>26</sup> Hu Jintao’s speech at the Summit Meeting of the Shanghai Cooperation Organization, Moscow, May 30, 2003.

betting its future on its efforts *within* the current international political and economic system and its focused program of economic development by taking advantage of Western capital, technology, and markets to make the PRC an equal to the West. In addition, after more than two decades of opening to the outside world (mainly the West) and as new Chinese élites who tend to have great vested interests in a good relationship with the United States increase in number, China is now increasingly and genuinely developing some shared values, interests, and even perspectives with reigning Western powers.<sup>27</sup>

The United States, as the lone superpower and the leading external player that can realistically undermine or accept (and hence legitimize) Beijing's political system and help or hinder Beijing's economic and foreign pursuits, is heavily influential in the PRC.<sup>28</sup> Both finding the status quo in their interest, Washington and Beijing have developed some shared strategic interests in the global war on terrorism and in handling regional or UN-related issues, such as the control of weapons of mass destruction. Nuclear-armed and deemed by many to be condemned into a hopeless course of collision between the reigning power and the rising power, America and China appear to be surprisingly peaceful and cooperative with each other so far.<sup>29</sup>

Beijing shows great deference to American power and leadership. A senior "American Hand" in Beijing wrote in 2002 that "even if the US economy and the Chinese economy maintain 3 percent and 8 percent growth rate respectively, it will take 46 more years for

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<sup>27</sup> Yong Deng and Fei-Ling Wang (eds.), *In the Eyes of the Dragon: China Views the World* (Boulder: CO, 1999); Li Shengming and Wang Yizhou (eds.), *2003 Nian quanqiu zhengzhi yu anquan baogao* (2003 yellow book of international politics and security), (Beijing: Shehui Kexue Wenxian Press, 2003), especially pp. 1-15, pp. 84-105.

<sup>28</sup> Ding Gang, "Tuo meiguohua: Buke huibi de wenti" (De-Americanization: An unavoidable question, *Global Times*, Beijing, September 13, 2004).

<sup>29</sup> Samuel Kim (ed.), *The International Relations of Northeast Asia* (Lanham, MD: Rowman & Littlefield Publishers, 2004).

China's GDP to reach the size of that of the United States.”<sup>30</sup> Another analyst estimated that China's GDP, about 10.9 percent of the US GDP in 2000, will only increase to be about 18.6 percent of the US GDP by 2015.<sup>31</sup> As a result of the disparity of power and differences, the United States is viewed in Beijing as “the largest external factor affecting China's national reunification and national security.”<sup>32</sup>

Luckily, the current *de facto* alliance of anti-terrorism has offered the CCP leadership a breathing opportunity. One authoritative analyst wrote to educate PRC officials that, although the United States has not changed its policy of concurrently engaging and containing China after 9/11, right now, the tip of the US spear is not all pointed at China.

This brings a rare opportunity for us to concentrate on economic construction and create beneficial international and neighboring environments. We must seize upon this rare opportunity after more than ten years since the end of the Cold War. (We) should not stand out diplomatically so to avoid drawing fire to ourselves; instead, (we) should concentrate on doing a good job internally, speed up economic construction, accelerate development, to strive for a larger elevation of China's comprehensive national power in the first ten to twenty years of the new century.<sup>33</sup>

Yet, as perhaps a testing balloon or a sign of the changed time, the CCP's foreign policy guru Qian Qichen unexpectedly published

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<sup>30</sup> Wang Jisi, “Gailun zhongmeiri sanbian guanxi” (On the triangular relationship among China, the US, and Japan), in Lin Rong, *Xinshiji de sikao* (Thinking in the new century), Vol. 1 (Beijing: Central Party School Press, 2002), p. 3.

<sup>31</sup> Tang Shiping, “2010-2015 nian d zhongguo zhoubian anquan huangjin” (China's neighboring security environment in 2010-2015), *Zhanlue yu guanli* (Strategy and management), Beijing, No. 5, 2002, p. 40.

<sup>32</sup> Zhu Tingchang *et al.* (eds), *Zhongguo zhoubian anquan hunagjin yu anquan zhanlue* (China's security environment and strategy in the neighboring areas), (Beijing: Shishi Press, 2002), p. 5.

<sup>33</sup> He Dalong, “9.11 hou guoji xingshi d zhongda bianhua” (Major changes in international situations after 9/11), *Shishi ziliao shouce* (Handbook on current affairs), Beijing, No. 4, October 20, 2002, pp. 12, 15.

an article on the eve of 2004 US presidential election harshly criticizing the foreign policy of the Bush Administration as an attempt to “rule the whole world” by force; and assert that the 21<sup>st</sup> century “is not the American century.”<sup>34</sup> Whether Qian’s article is an opportunistic move, a case of accidentally speaking out of turn, or a sign of upcoming defiance and confrontation remains to be seen.

There are significant uncertainties between Beijing and Washington that may make the US-China relationship just another repeat of the tragic history of great power politics. While not unavoidable yet, a more confrontational cross-Pacific relationship will necessarily produce profound shocks and costs to the whole world, especially the Korean Peninsula.

Cyclical American domestic politics may cause new ups and downs in US-PRC relations. Rhetoric critical of China, especially in the areas of Beijing’s human rights record, is likely to continue and even grow as the second Bush Administration professes to actively promote freedom and democracy, “seeking an end to tyranny in the world.”<sup>35</sup> To the dismay of Chinese political exiles as well as opposition groups like the Falun Gong, American ideological criticisms of Beijing are mainly for domestic consumption and are unlikely to lead to concrete actions against China beyond words. Given the more urgent, real American need of China’s cooperation in fighting international terrorism and working on the North Korean nuclear issue, human rights and ideological differences, long-standing as they indeed are, will take a back seat.

Out of all the uncertainties between the United States and China, the most explosive problem has been the Taiwan issue. It is widely believed that the Taiwan issue is the single issue that could destroy the

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<sup>34</sup> Qian Qichen, “US Strategy Seriously Flawed,” *China Daily*, Beijing, November 1, 2004.

<sup>35</sup> George W. Bush, “State of Union Address,” February 5, 2005.

peace and prosperity of East Asia, and ruin Sino-American relations. Taiwan, a *de facto* independent entity that seeks a full or *de jure* independence, is of core interest to China as it directly affects the CCP's political preservation, China's economic prosperity, national power, and prestige. No Chinese ruler, Communist or not, can afford to "let Taiwan go" without the collapse of his own regime. Wary of the cost of "swallowing" a democratic Taiwan, which will pose a great threat to the CCP's one-party political monopoly, Beijing sincerely prefers the status quo to be stabilized with the nominal reunification of "one country, two systems" for its own domestic consumption. However, Beijing is nonetheless also preparing to fight a war with even the United States to keep Taiwan within a "one-China" framework. Regarding Taiwanese independence, one detects very little difference in attitude among Chinese élites, street people, and even political exiles, as they all appear to oppose it on the grounds of nationalism, history, fairness, or simply Chinese pride.

The United States has officially recognized Taiwan as part of China through numerous official statements and three bilateral communiqués with the PRC since 1972. A skillful play of the Taiwan card has very effectively yielded considerable geopolitical benefits for Washington. However, a war between Beijing and Taipei is likely to draw America into the fray as US law (The Taiwan Relations Act) mandates American actions in response to Taiwan's security needs. To have a direct military confrontation between the US and China because of Taiwan would be one of the worst tragedies in modern international relations, with destruction beyond imagination. Mindful and fearful of that, America has been cautiously walking a tightrope: Washington wants to preserve and utilize Taiwan as a strategic asset and promote it as a worthwhile cause, yet is careful not to end up fighting a Taiwanese independence war against China. Moreover, the PRC seems to see the US position clearly in its 2004 national defense

white paper.<sup>36</sup>

Will Beijing trade the DPRK for Taiwan? Chinese officials and analysts seem to see the futility and danger of making such a connection. Nonetheless, one hears frequently from Beijing comments like this: “Of course, the American strategy towards China (mainly on the Taiwan issue) strongly shapes the Chinese attitude (towards the Korean Peninsula).”<sup>37</sup>

### **Beijing and the two Koreas: A Sketch**

More than half-century after the Korean War, the major powers in the region, the United States, China, Japan, and Russia, continue to hold the key to the political future of the Korean Peninsula. Currently, China and the United States have demonstrated a view that there is a shared interest in peace and stability in Northeast Asia through maintaining the *status quo* and pursuing a denuclearization on the Korean Peninsula. After “joining the great powers” on how to deal with the nuclear ambitions of the DPRK and on the Korean unification issue in general in the 1990s,<sup>38</sup> the PRC has continued to play its happy role of hosting and participating in the “Six-Party Talks” that seem to help stabilizing the situation. This position and role fit well Beijing’s overall three-P diplomatic objectives as analyzed earlier. An analyst in Beijing gladly and candidly concluded:

The future new international political order in Northeast Asia depends

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<sup>36</sup> PRC State Council, “Chinese National Defense in 2004,” Beijing, December 2004.

<sup>37</sup> Wang Yiwei, “China’s Role in Dealing with the North Korean Nuclear Issue,” conference paper, July 2005, p. 3.

<sup>38</sup> Fei-Ling Wang, “Joining the Major Powers for the Status Quo: China’s Views and Policy on Korean Reunification,” *Pacific Affairs*, Vol. 72-2 (Summer), 1999, pp. 167-185.



on the relations among the four major powers: The US, Japan, China, and Russia. The interests of the four major powers will affect the issue of Korean reunification. Korean reunification will be decided by inter-Korean factors under the influence of the political attitudes of the four major powers.<sup>39</sup>

Up until the present time, Beijing has continued its “status quo” Korea policy as “a responsible great power” in line with its overall foreign policy, reflecting the largely stable US-China relationship. China’s views and policies towards Korea, according to foreign policy analysts in Beijing, “have been nearly unanimous and consistent” for nearly two decades now.

Officially supporting an *independent* and *peaceful* reunification of Korea in principle, but unsure of the consequences of a Korean reunification and apprehensive about the possible negative impact associated with a likely continuation of US military forces in a united Korea, China has continued to advocate a “balanced” policy that aims at the preservation of the *status quo* of political division on the Korean Peninsula.

Being “tricked into entering the Korean war” more than 50 years ago, the PRC harbors strong, though well hidden, resentment, and distrust towards Pyongyang. Beijing has felt deep frustration and constant irritation with its Pyongyang comrades, who not only failed to reform the North Korean economy, but have also attacked China’s unorthodox reforms.<sup>40</sup> In recent years, the DPRK has created considerable thorny diplomatic problems for the PRC: Repeated

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<sup>39</sup> Guo Xuetang, “Chaoxian bandao tongyi: Wenti yu qianjing” (The reunification of the Korean Peninsula: Issues and prospects), *Guoji guancha* (International observation), Beijing, No. 5 (May 1996), pp. 26-29.

<sup>40</sup> Wang Yiwei, “China’s Role in Dealing with the North Korean Nuclear Issue,” conference paper, July 2005, p. 7. Some senior CCP officials commented in private that the North Koreans are “really a shame of socialism” because they have failed to pursue a Chinese or Vietnamese style reform, criticized the Chinese as “revisionists,” and become a group of “socialist paupers.”

North Korean defectors seeking protection in Japanese and ROK diplomatic missions in the PRC have continuously put Beijing in an awkward position. There is also the costly problem of how to repatriate the significant number of North Korean refugees in China's Northeast who only create local problems and tensions with the South Koreans. Beijing is especially unhappy with the DPRK's play of nuclear fire since it not only threatens China's preference for peace and stability in Northeast Asia, but also may lead to a possible showdown with the United States on the Korean Peninsula that will directly affect core PRC foreign policy objectives.

Unable to control or abandon Pyongyang, yet clearly unwilling to fight the US and its allies for the DPRK, Beijing is caught between two tough choices. The best way out is to muddle-through by trying to preserve the status quo and prevent a showdown. Hence, Beijing continues its discrete but vital assistance to the DPRK for mainly geopolitical concerns coated with humanitarian and ideological rhetoric. Energy and food from China are now literally a lifeline for Pyongyang, with Beijing supplies more than 70 percent of oil to the starving DPRK. Beijing further insists that it "has always maintained close contacts and cooperation" with the DPRK in just about every aspects of their relations.<sup>41</sup> When Chinese scholars published an article criticizing the North Koreans for their domestic policies and external adventures in September 2004, in the influential *Zhanlue yu guanli* (Strategy and Management), Beijing ordered the magazine recalled and the journal banned indefinitely. In the multilateral negotiations of the "Six Party Talks," Beijing tries hard to be an honest broker between the United States and the DPRK and an inconspicuous but consistent agent and spokesman for its North Korean comrades.

China's economic and cultural ties as well as the overall

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<sup>41</sup> PRC Ministry of Foreign Affairs, News Release on DPRK, Beijing, October 23, 2004.

relationship with the ROK took off shortly after the two swapped full diplomatic recognition in 1992. Trade grew at an astonishing speed of 40 percent annually in the 1990s.<sup>42</sup> By the mid-2000s, the PRC became the largest trade partner of South Korea. Sino-South Korean exchanges of students and cultural products have grown at a breathtaking pace to make the ROK a major source of education, cultural influence, and even culinary fashions to millions of Chinese. Over 30,000 Chinese students now study in the ROK while a similar number of ROK students are studying in the PRC. At the end of 2004, China opened a cultural center in Seoul, its sixth in the world and first in Asia.<sup>43</sup> Dozens of Korean companies now provide up to 70 percent of the entire online electronic game industry in China. One study reports that a Korean snack food, Chocopie, now takes about 40 percent of China's pie industry. A "Han-ryu" or fever for Korean cultural products has been developing extensively in China. The ROK-produced TV programming, movies, and music videos have become a cultural phenomenon in the PRC, so much so that Beijing has decided in 2004 to step up its regulation of Korean cultural products to protect Chinese "pride."<sup>44</sup>

Distrust and undercurrents of problems between the PRC and the ROK, however, nonetheless exist and develop. Other than the periodically outcry over Beijing's handling of North Korean refugees and defectors that often led to the public burning of the PRC flags in Seoul, South Koreans are apparently developing strong nationalist sentiments against the Chinese. The recent PRC-ROK disputes over Chinese history books are a good illustration of the uncertainties and how Beijing typically reacts. In early 2004, South Koreans,

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<sup>42</sup> *Zhongguo Waijiao Gailang* (Survey of Chinese diplomacy), (Beijing: Shijie Zhishi Press, 1990), p. 97.

<sup>43</sup> *Xinhua News Dispatch*, Seoul, December 28, 2004.

<sup>44</sup> Mary Han, "Northeast Asia: A New Center of Culture," unpublished paper, Georgia Tech, December, 2004.

interestingly joined by the North Koreans too, protested strongly over a new Chinese textbook interpretation of history that claimed that the history of the ancient Korean kingdom of Koguryo (37 B.C.-668 A.D.), which existed in part of today's Korean Peninsula and part of China's Northeast region, was part of Chinese history.<sup>45</sup> Beijing, in its now familiar pattern of risk-averse and conflict-avoiding foreign policy, strictly controlled the Chinese media reports and public reactions to this inside the PRC and tried to calm the Koreans. A few months later, Beijing managed to reach a five-point agreement with Seoul to effectively shelve the dispute and exclude the Chinese claim from the PRC official teaching materials. That conciliatory act barely succeeded in calming the South Koreans,<sup>46</sup> and, very interestingly, simply not known to the Chinese, is very much in line with the PRC policy of keeping factual but sensitive information away from its own people. When two Chinese web sites published a story about the five-point agreement, they were reported to be ordered shut down by the PRC police.<sup>47</sup>

In addition to this possible "turning point for China-Korea relations" that may signal a more competitive and sensitive era for the PRC and the ROK,<sup>48</sup> uncertainties and new problems between them seem to be without any foreseeable end. On January 18, 2005, a Korean newspaper angrily called for a "second look at China" and questioned Beijing's stated policy for peace and friendship.<sup>49</sup> Two

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<sup>45</sup> Donald Kirk, "Chinese history - a cause that unites the two Koreas," *South China Morning Post*, February 28, 2004.

<sup>46</sup> Seo Hyun-jin, "Controversy lingers despite Korea-China agreement," *Korea Herald*, August 24, 2004; Ryu Jin, "China's No. 4 Man to Visit Seoul Thursday," *Korea Times*, August 25, 2005.

<sup>47</sup> "PRC closes two internet sites reporting PRC-ROC agreement on Koguryo history," *China Times*, Taipei, August 30, 2004.

<sup>48</sup> Scott Snyder, "A Turning Point for China-Korea Relations?" *Comparative Connections*, 3<sup>rd</sup> Quarter, 2004.

<sup>49</sup> Editorial, "A Second Look at China," *Korea Herald*, Seoul, January 18, 2005.

days later, Beijing got another taste of Korean nationalism in the ROK. The Mayor of Seoul formally declared that it would change the Chinese name of Seoul city from Han-Cheng to Shou-Er and requested the Chinese to comply, so to erase the old name for the city and avoid confusions about the true nationality of the ROK capital.<sup>50</sup> It has already sparked negative responses from the Chinese, critical of South Koreans for their “narrow nationalism,”<sup>51</sup> although officially Beijing has quietly and quickly accepted the change. The long, close, and complicated relationship between China and the two Koreas, especially the economically confident South Korea, has always been a mixture of emotions and will continue to offer both great opportunities and consequential uncertainties for them and for the United States in the years ahead. <sup>52</sup>

### **Chinese Objectives: No Unification and No Nukes for now**

Currently, Beijing’s dominant interest is in a peaceful and stable Korean Peninsula, divided or unified, preferably divided. It is also strongly interested in seeing the Peninsula free of nuclear weapons.<sup>53</sup> To avoid the entanglement and shocks at a time when Beijing is worrying about its own political stability and desires an avoidance of conflict with the United States, China is happy to play a passive, arguably indispensable, role in dealing with the North Korean nuclear program and the process of Korean reunification. While openly

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<sup>50</sup> *Xinkuai Bao* (News Express), Beijing, January 20, 2005; *UPI*, Seoul, January 20, 2005.

<sup>51</sup> For example, [fjt.todayisp.com:7751/www.xinjunshi.com/Article/wangyou/200501/5315.html](http://fjt.todayisp.com:7751/www.xinjunshi.com/Article/wangyou/200501/5315.html).

<sup>52</sup> Michael Yoo, “China Seen from Korea: Four Thousand Years of Close Relationship,” *RIETI*, Tokyo, May 8, 2003.

<sup>53</sup> Nina Hachigian, “China’s stake in a non-nuclear Korea,” *Christian Science Monitor*, February 17, 2005.

professing its preference that the Korean Peninsula should remain nuclear-free, Beijing insists that the United States should not use that issue to destroy the DPRK or cause a military confrontation in northeast Asia. “After all,” a PRC analyst wrote in mid-2005, “the DPRK’s nuclear program imposes a threat to the US, not to China.”<sup>54</sup>

The PRC exhibits a clear ambivalence towards the unification of Korea: A unified Korea may create stability and peace on the Peninsula over the long run, and may eliminate the existence of external military and political forces in the region; a united and stronger Korea will likely serve as an important force countering Japan in East Asia – to constitute the new multi-polar structure desired by Beijing; Korean reunification also echoes the similar desire China has *en re* Taiwan. However, Beijing has a strong sense of uncertainty and serious reservations about Korean reunification. A military alliance between a united and perhaps nationalistic Korea and the United States clearly makes Beijing uncomfortable. Hence the following official statement by the PRC several years ago still holds true today.

China takes maintaining peace and stability on the peninsula as the fundamental principle in its handling of Peninsula affairs.... China has dedicated itself to maintaining peace and stability there, endorsing the improvement of relations between the North and South of Korea and supporting an independent and peaceful reunification.<sup>55</sup>

Practically, China is likely to continue its active role as a good host to the Six-Party Talks aiming at control, if not resolution, of the Korean nuclear issue and tries hard to give it a good spin every time it can, as it did in summer of 2005. It appears to be in Beijing’s interest

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<sup>54</sup> Wang Yiwei, “China’s Role in Dealing with the North Korean Nuclear Issue,” conference paper, July 2005, p. 3.

<sup>55</sup> *Xinhua Daily Telegraphy*, Beijing, December 9, 1997.

to exert more pressure on Pyongyang to have a realistic and timely peaceful end to the US-DPRK dispute over North Korean nuclear ambitions and secure the survival of the Pyongyang regime, as some analysts have reported,<sup>56</sup> before the United States shifts its full attention to Northeast Asia after pulling out of the quick sands of Iraq. To have the whole weight of a freedom-promoting and tyranny-fighting America concentrate on its border area is not in the CCP's core interests. Thus, instead of just blaming the US for the deadlock of the Six-Party Talks, Beijing now frequently uses "the mistrust between the DPRK and the United States" as the official explanation.<sup>57</sup> The encouraging agreement reached by the six parties in September 2005 may indeed have a great deal to do with Beijing's efforts, even though its implementation is still an unresolved question. No nukes on the Korean Peninsula is indeed a shared interest with the United States; no unification of the Koreas and no confrontation with the United State on the Peninsula seem to be Beijing's higher goals, in the name of stability and peace. For that, Beijing is learning from the United States what its analysts called a "dual strategy of coaxing and coercing" in carrying out its Korea policy.<sup>58</sup>

One PRC scholar candidly described the "dilemma" Beijing now faces in dealing with the North Korean nuclear issue: It has strong concerns over the consequence of a nuclear Korea and beyond; "China worries about Japan's nuclear capability more than North Korea's"; it also clearly opposes the use of force on the Korean Peninsula by the United States. Furthermore, Beijing is obviously not very happy with Pyongyang on many issues and acts as few in China

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<sup>56</sup> You Ji, "Understanding China's North Korea Policy," *China Brief*, Vol. 4, Issue 5, March 2004.

<sup>57</sup> *Xinhua*, "Yearender, Mistrust Between DPRK and the US Snags Six-Party Talks," in FBIS-CHI-2004-1218, Beijing, December 18, 2004.

<sup>58</sup> She He, "Coaxing and Coercing in International Politics," *Guangming Ribao* (Guangming daily), Beijing, January 12, 2005.

“have good feelings towards North Korea” and there is “huge distrust exists between China and North Korea... and North Korea will remain suspicious of China’s intentions”; yet it earnestly wants to preserve the DPRK regime. In the final analysis, “what China worries about the most is that the US will help Japan and Taiwan to build up theater missile defense (TMD) systems using the excuse of the North Korean nuclear threat.” Hence Beijing worries about being “used” by the United States and seeks a low-key effort first to maintain the status quo and then address the DPRK nuclear program peacefully, so to escape from the dilemma and the “American trap.”<sup>59</sup>

For its own gains of prestige and influence, Beijing has used the annual China-Japan-ROK summit meetings to create another mechanism to work on the regional issues, without the United States and outside the Six-Party Talk. In November 2004, the PRC Premier Wen Jiabao met the Japanese Prime Minister Koizumi Junichiro and the ROK President Roh Moo-hyun in Vientiane, the sixth such trilateral summit, and pledged to work on peace and stability in Northeast Asia and on the Korean Peninsula in a “strategy on cooperation.”<sup>60</sup> The three countries also announced that they will join the 10-member ASEAN nations to hold the first East Asian Summit in 2005.<sup>61</sup> It should be expected that Beijing will pursue further such regional efforts as a way of expanding its emerging leadership.

There are obvious limits to how far a trilateral relationship in Northeast Asia can go. Beijing continues to watch attentively the United States policy and action in the region, among which a key aspect is the US-ROK military alliance.<sup>62</sup> The recent redeployment of

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<sup>59</sup> Wang Yiwei, “China’s Role in Dealing with the North Korean Nuclear Issue,” conference paper, July 2005, especially pp. 4, 5, 7.

<sup>60</sup> PRC Ministry of Foreign Affairs, Press Release, Beijing, November 29, 2004.

<sup>61</sup> *Xinhua News Dispatch*, Vientiane, November 29, 2004.

<sup>62</sup> Wang Mian, “A Reshaping US-ROK Alliance,” *Xinhua*, Beijing, December 19, 2004.



the US forces in Korea has been interpreted by some in Beijing as a innovative use of the US-ROK alliance that may have implications for Taiwan and elsewhere in the region. The popular belief, official announcements and actions in Tokyo treating China and the DPRK as the two major security threats to Japan, may have encouraged Beijing to ponder in considerable displeasure by being viewed the same as Pyongyang, an international outcast, by the Japanese.<sup>63</sup> The PRC Foreign Ministry Spokeswoman called the Japanese concerns hyped and objectionable; and in turn accused the Japanese for “affronting China’s sovereignty and territory integrity.”<sup>64</sup>

As China grows stronger and more confident, especially when the need to preserve a CCP one-party regime becomes less pressing, Beijing may conceivably develop different views and policies. In practice, it may worry much less about the possible destabilizing effect Korean reunification could produce. The key external factors that may change Beijing’s views and policies remain the same; firstly, the overall Sino-American relations and secondly, the status of China’s own reunification with Taiwan. If Washington and Beijing are on good terms, China is making satisfactory progress in its own reunification effort with Taiwan, the US-ROK military alliance fades and even disappears as the Korean unification proceeds, the unified Korea is at least neutral in the major power games in East Asia, Beijing may throw in its weight to facilitate Korean unification. Otherwise, China is expected to simply continue to play a passive role and let the United States do the heavy lifting through leading the international effort aimed at maintaining the *status quo* on the Korean Peninsula. Beijing contributes to this effort by supporting the Kim Jong Il regime in the North, and cultivating a good relationship with the South.

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<sup>63</sup> *Xinhua Commentary*, “Who’s Japan’s New Defense Program Outline Intended to Defend Against?” Beijing, December 11, 2004.

<sup>64</sup> *Xinhua News Dispatch*, Beijing, November 10, 2004.

The *sine qua non* seems to be still the US-China relationship that is greatly defined by the Taiwan issue. Other than what will transpire between Washington and Beijing in the various aspects of the bilateral relationship, especially on the handling of the Taiwan issue, a key seems to be what the United State will do to the DPRK.<sup>65</sup> So long as Beijing worries about an American threat to its political stability and even its national security, China's support for Korean reunification is likely to be very limited. Beijing is anxious to see the DPRK to be on its own feet economically through a Chinese style reform and a proactive "help" from the PRC.<sup>66</sup> Beijing may even militarily intervene (as some ROK analysts have speculated) to prevent a rapid reunification of Korea,<sup>67</sup> especially if the US military presence, as viewed by most observers, is to be continued on the Peninsula beyond Korean reunification. It will be difficult for Beijing to accept a united Korea (most likely on the ROK terms) with a fully functioning US-ROK military alliance, while the United States is viewed as a political and ideological challenger to Beijing, and an obstacle to China's own unification effort.

Focusing on its core strategic interests, the PRC also appears to be interested in some strategic reciprocation with the United States regarding the Korean Peninsula. If Washington is willing to help more on the preservation of the status quo in the Taiwan Strait, as it has been signaling since Spring of 2004, then Beijing may show a willingness to work more with the US to pressure its comrades in Pyongyang concerning the DPRK nuclear programs, especially when it feels that the No Nukes and No Unification objectives on the Peninsula are in

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<sup>65</sup> Victor D. Cha, "Korea's Place in the Axis," *Foreign Affairs*, May/June 2002.

<sup>66</sup> John Park, "China Takes 'Xiaokang' Approach to North Korea," *The Strait Times*, May 5, 2004.

<sup>67</sup> For a report on the possible PRC military intervention on the Korean Peninsula through "taking over" North Korea, see Hamish McDonald, "Beijing considers its Korean options," *The Age*, September 7, 2003.

trouble. The trip by the US emissary Michael Green to Beijing in early February 2005 and “the highly unusual meeting” he had with the PRC President Hu Jintao illustrates the development of a new round in the strategic game.<sup>68</sup> The American media may be correct to conclude that Pyongyang’s tough stance of declaring its nuclear arsenal and pulling out of the Six-Party Talks a few days after has put Beijing “in a quandary.”<sup>69</sup> One may also see through that and speculate that there is now a somewhat sophisticated, calculated, even coordinated strategic action by Pyongyang, Beijing, or both together. The DPRK’s open show of defiance may be just a preemptive act to guard against a possible “sell-out” by the PRC. Beijing appears to have seen that and quietly shows its unhappiness, as the rather uncharacteristically “free” criticisms of Pyongyang by the Chinese media have demonstrated.<sup>70</sup> The subsequent resumption and the encouraging achievement of the Six-Party Talks by fall of 2005 constituted another round of the continuation of the diplomatic game. The United States has demonstrated some flexibility in dealing with the DPRK bilaterally on what really matters in summer of 2005. This seems to be in Beijing’s interest. The denuclearization objective may indeed be achievable, while preserving the stability of the Peninsula, if the Six-Party Agreement of September 2005 can be implemented, a proposition that will certainly require more of China’s willing and effective cooperation.

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<sup>68</sup> David Sanger and William Broad, “US Asking China to Press North Korea to End Its Nuclear Program,” *New York Times*, February 9, 2005.

<sup>69</sup> Keith Bradsher, “North Korea’s Statement Puts China in a Quandary,” *New York Times*, February 10, 2005.

<sup>70</sup> Keith Bradsher and James Brooke, “Chinese News Media Critical of North Korea,” *New York Times*, February 13, 2005.

## Conclusion

Ever since the late-1990s, the PRC has managed to have a stable working relationship with the United States, despite the existence of differences and uncertainties. This forms the central platform of its foreign policy, motivated by the pursuit of political preservation, economic prosperity, and national power. In Northeast Asia, Beijing has gingerly joined the United States and other major powers in forming a “consensus” to maintain peace and stability through *status quo* on the Korean Peninsula. This policy has sufficiently enabled the PRC, to keep its long time official commitment to a Korean reunification while enjoying a stable, manageable, and profitable division of the Korean Peninsula. As one senior policy analyst commented in private: With China’s political “skills” (*shouwan*), Beijing has managed to keep the Korean division while, among the four major external powers, enjoying “the only good relationship” with both Seoul and Pyongyang. The Six-Party Talks, expected to be long and hard, are welcome developments to Beijing, promise a further sustenance of the *status quo* through a protracted dialogue towards a final cross-recognition process and a peace treaty replacing the often shaky armistice agreement, thus institutionalizing stability on the Peninsula. The talks also allow Beijing to prove to Washington that there are real shared strategic interests between them regarding stability and denuclearization of the Korean Peninsula.<sup>71</sup> The PRC is only glad to be viewed as a valued help to the US and continues to enjoy the best strategic position on the Korean Peninsula among all major powers.

In the near future, in the same style as the overall Chinese foreign

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<sup>71</sup> Doug Bandow, “Enlisting China: The Battle for Nuclear Free Koreas,” *National Review*, April 29, 2003.

policy, Beijing is likely to leave the leadership and initiatives, as well as the burden, to the United States, *pro tempore*. The agreement of principles reached at the Six-Party Talk in September 2005 showed how Beijing can work to help resolving the DPRK nuclear issue. However, that decade-long PRC policy towards Korea could quickly change, should the stable US-China relationship sour, becomes more uncertain or even enters a probable crisis over, chiefly, the dispute over Taiwan; or should Beijing failed in maintaining its domestic political stability.

The Korean Peninsula has historically been a major playground and battlefield for the major powers; it now tests the future of China's foreign policy in close association with the all-important US-China relationship.<sup>72</sup> Beijing may trade the DPRK for Taiwan or for its own political survival; it may also think, as one Chinese posted on the Internet, "the enemy of your enemy is your friend. Nobody likes North Korea, but we should support everyone who opposes the United States."<sup>73</sup>

In short, the key objective of China's policy towards the Korean Peninsula appears to be outside the peninsula itself. To stabilize the Sino-American relationship and avoid a showdown over the Taiwan issue remain the key, as that fulfills the peculiar 3-P incentives that motivate Chinese foreign policy today. To this end, Beijing is now pursuing a shared interest with the United States on the Korean Peninsula. To address a feared threat seemingly arising from an "America-Japan-Taiwan bloc," China's policy for status quo and denuclearization of the Korean Peninsula could make drastic changes,

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<sup>72</sup> Phillip C. Saunders and Jing-dong Yuan, "Korea Crisis will Test Chinese Diplomacy," *The Asian Times*, January 8, 2003; Liu Aicheng, "US Foreign Policy Tend to Be More Hardline," *Renmin Ribao* (People's daily), Beijing, November 11, 2004.

<sup>73</sup> Keith Bradsher and James Brooke, "Chinese News Media Critical of North Korea," *New York Times*, February 13, 2005.

and soon. Some leading Chinese scholars have already signaled that lately by predicting, “like it or not, the world will probably have to accept North Korea’s nuclear status.”<sup>74</sup> Others have suggested the forthcoming Chinese acceptance of a South Korea-dominated Korean unification.<sup>75</sup> After all, the ties between the ROK and the PRC now are at their historical best and a nuclear Korea, or a nuclear North Korea, is unlikely to treat China as its main target anyway. In its grand games with Japan and, mainly, the United States, Beijing wants to cultivate and could use any help from possible allies. A friendly and stable Korean Peninsula, expected to be increasingly more nationalistic towards Japan and America, united and armed with nuclear weapons or not, may now increasingly appear to Beijing as a rather desirable future in Northeast Asia. The Chinese policy is becoming more important as the latest developments seem to suggest that Beijing may have become the key player in the diplomatic efforts addressing Pyongyang’s nuclear program and beyond.<sup>76</sup>

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<sup>74</sup> Shen Dingli, “Accepting a Nuclear North Korea,” *Far Eastern Economic Review*, March 2005, p. 54.

<sup>75</sup> Wang Yiwei, “China’s Role in Dealing with the North Korean Nuclear Issue,” conference paper, July 2005, especially pp. 6-7.

<sup>76</sup> Michael Hirsh and Melinda Liu, “North Korea Hold ‘Em: Washington used to have most of the chips in Six-Party Talks over Pyongyang’s nuclear program. But Beijing is the key player now – for better and worse,” *Newsweek*, October 5, 2005.