

The Changing Role Of China On The Korean Peninsula

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There has been much talk lately about the changing role of China on the Korean peninsula. China's proactive diplomacy during the second standoff over nuclear weapons between the United States and the Democratic People's Republic of Korea (DPRK) stands in marked contrast to the risk-averse "who me?" posture it held during the conflict of the early 1990s that culminated in the U.S.-DPRK Agreed Framework on October 21, 1994. In that earlier conflict, the Chinese opted to sit on the sidelines with the familiar refrain that this was a dispute to be resolved bilaterally between Washington and Pyongyang. In the latest (second) nuclear standoff, China has played the primary catalytic role of facilitating bi-trilateral (DPRK-U.S.-China) and multilateral six-nation dialogues among all the Northeast Asian concerned states, drawing North Korea into a *sui generis* regional multilateral setting that it had previously sworn off in a quest for bilateral negotiations with the United States. In this process, the People's Republic of China (PRC) and the Republic of Korea (ROK) have increasingly come into virtual geopolitical alignment, in tandem with the straining and fracturing of the ROK-US alliance.

While China's role in addressing the North Korean nuclear issue has received significant media attention, China's geoeconomic interactions with both Koreas are also changing. In the process of the geopolitical and geoeconomic transformations of the early post-Cold War years, a highly asymmetrical Beijing-Pyongyang-Seoul triangular economic relationship emerged. By 2003, Beijing and Seoul emerged as Pyongyang's number one and two trading partners, even as economic aid in varying forms and disguises had started flowing to Pyongyang from Beijing as well as from Seoul.

All the same, Sino-South Korean economic competition has intensified in recent years and is reshaping the triangulation of asymmetrical economic interdependence. With increased exchanges in trade, foreign direct investment, tourism, and migrant labor, ever deeper interdependence has been created between China and South Korea.

So in recent years China has changed its geopolitical and geoeconomic involvement with the divided Korean peninsula. But

each change has emphasized one Korean state or the other. China has recalibrated its geopolitical strategy to cope with the multiple threats to its domestic and near-abroad stability posed by the international conflict over the North Korean nuclear program, while at the same expanding its economic relations with South Korea to take advantage of regional economic opportunities in pursuit of power and plenty. Both changes are products of China's refurbished national identity in the post-Mao era. An underlying cause is Beijing's role shift from an ideologically-driven player in global geopolitics—especially as a vertex of the much touted strategic triangle in the Cold War—to a materially-driven regional power trying to act responsibly.

The more immediate causes of China's changing geopolitical role are rooted on the other side of the globe. With the inauguration of the "ABC" (All But Clinton) administration in early 2001, accompanied by of radical fundamentalist rhetoric and actions culminating in the Bush Doctrine,² China was catapulted into action. The major catalyst for Beijing's hands-on preventive diplomacy has been growing security concerns about possible U.S. recklessness in trying to resolve the North Korean nuclear challenge through military means *a la* Iraq, as well as the crystallization of security-cum-survival conditions under which North Korea could calculate that lashing out—to preempt America's preemptive strike, as it were—would be a rational course of action, even if victory were impossible.

Beijing began to play an uncharacteristically proactive conflict-management role in early 2003. Meanwhile, the teetering of the global economy—at once energized and hobbled by the United States and China as the world's two greatest growth engines and its two most voracious oil consumers—altered the geoeconomic calculus in such a way as to make China's economic relations with South Korea more prominent and more deeply felt. In fact, China's desire to protect economic gains made in the 1990s has influenced its actions both in the geopolitical and geoeconomic realms.

THE CHANGING GEOPOLITICAL ROLE

China's place on the Cold War battlefield was well secured by its very active military engagement in Korea during the Korean War of 1950–1953. The People's Republic of China had barely been minted when the Korean War broke out and, with the United States is crossing the 38th parallel in October 1950, Mao Zedong,

who had counseled the DPRK on the initiation of the war, decided to enter the conflict. This had the effect of reinforcing the Sino-Soviet Treaty of Friendship, Alliance, and Mutual Assistance, which had been signed on February 14, 1950, and of proving that China could indeed stand up for the integrity of its new national identity as a revolutionary socialist state against the world's antisocialist superpower. The PRC almost single-handedly rescued Kim Il Sung's regime from extinction, but it did so at inordinate material, human, and political cost. In addition to over 740,000 casualties³—including Mao's son—China missed the opportunity to “liberate” Taiwan, was excluded from the United Nations for more than two decades, and lost twenty years in its modernization drive. During the Cold War, Chinese leaders reiterated the immutability of their “militant friendship” with North Korea. Both Premier Zhou Enlai and People's Liberation Army commander-in-chief Marshal Zhu De used the metaphor of neighbors “as close as lips to teeth” to delineate the strategic importance of Korea to China as a buffer state against hostile external powers.⁴ The militant revolutionary “alliance sealed in blood” (*xiemeng*) during the Korean War sustained China's one-Korea (pro-Pyongyang) policy for more than three decades. China and North Korea formalized this alliance in 1961 with the PRC-DPRK Treaty of Friendship, Cooperation, and Mutual Assistance.⁵

However, with the ascendancy in 1978 of Deng Xiaoping as China's paramount leader and then his inauguration of “an independent foreign policy line” in 1982, Beijing's one-Korea policy began to be “de-ideologized,” if not completely decoupled from Cold War dynamics. China's Korea policy began shifting from the familiar pro-Pyongyang one-Korea policy, to a one-Korea *de jure*/two-Koreas *de facto* policy, and finally in August 1992 to a policy of two-Koreas *de facto* and *de jure*, with the signing of a joint communiqué with South Korea. China assured Kim Il Sung that PRC-ROK normalization would help accelerate Pyongyang's own normalization talks with Tokyo and Washington, would serve to stabilize the situation on the Korean peninsula, and would contribute to system maintenance in North Korea—none of which truly have resulted from normalization. Despite the inaccuracy of these predictions, since 1992 China has been the only country in the East Asian region to pursue successfully a two-Koreas policy.⁶

China's motivations for the post-Cold War reorientation were several. The Korean peninsula has consistently been viewed

as a significant element of China's near-abroad security environment, and when China turned its attention from the global stage to its immediate regional interests, it realized the need to protect its flanks. In addition, South Korea was seen as a fitting, if unspoken model for China's state-led development strategy, as well as a potential source of support for China's modernization drive. For instance, Beijing adopted Seoul's developmental slogans and projections as Deng Xiaoping proclaimed that China's per capita GNP would reach \$1,000 by the year 2000, a figure commonly used by Park Chung Hee two decades earlier.⁷ Increasingly South Korea was also seen as a potential partner in countering American economic pressure and Japanese economic hegemony in East Asia. Finally, China was intent on seeing a Korea—divided or united—that posed no challenge to the legitimacy of the PRC as a socialist and multinational state. Beijing gradually applied, a “maxi-mini” approach, a real if unstated axiom of maximizing China's rights and interests while minimizing its responsibilities and costs.⁸ Indeed Beijing's decision to recognize the ROK and to establish full diplomatic relations underscored a foreign policy shift from an ideological to a material national interest.

In addition, China's decision was enabled by geopolitical factors associated with the end of the Cold War. The end of bipolarity dissipated Pyongyang's leverage in both Moscow and Beijing. Furthermore, the decisive Soviet tilt in the waning days of the Soviet Union toward Seoul provided an escape for the PRC from the entrapment of its one-Korea policy, or at least a convenient cover for the policy shift. As two PRC scholars have aptly put it, “It has been China's practice to let Moscow take the lead in approaching Seoul while it avoided lagging too far behind.”⁹ In general, the fall of the Soviet Union inspired Chinese leadership in the shaping of a new regional order in East Asia. Having lost geopolitical leverage in the strategic Cold War triangle, Beijing began to mend fences with its Asian neighbors.

The underlying trends guiding China's geopolitical outlook during the 1990s were then related to a continuation of Deng's de-emphasis of ideology in Chinese foreign relations, to the switch in viewpoint from the global arena to the East Asian region, and to the desire to act like a responsible great power in that region. These trends continue to drive and define Chinese foreign policy, as indicated by such things as the choice not to weigh in too heavily on global events that do not effect directly the East Asian region, the

non-confrontational stance within the United Nations Security Council, and China's growing support in recent years for regional organizations.

Despite these large and important shifts, other characteristics of China's approach to world politics have remained the same. After the revolutionary normalization of relations with South Korea, the PRC more or less followed Deng Xiaoping's foreign-policy axiom of "hiding its light under a bushel" by not placing itself on the front lines of the Korean conflict. This was especially true in the 1993–1994 US-DPRK nuclear standoff, when China played neither mediator nor peacemaker for fear that it might get burned if something went wrong.¹⁰ Eight years later, when North Korea revealed the existence of its highly-enriched uranium (HEU) program to U.S. interlocutors in October 2002, China was not a member of KEDO (the Korean Peninsula Energy Development Organization) and was not playing an active role in the implementation of the 1994 US-DPRK Agreed Framework. China instead maintained its "who me?" posture, trying hard to keep out of harm's way with a strategy of calculated ambiguity and equidistance, a pattern of behavior for China relative to the Korean peninsula. The official position of the Chinese was, "We can be of greater help being outside than inside the KEDO."¹¹

This is not to say that China was pursuing such uninvolved diplomacy everywhere. Over the course of the 1990s, the PRC, through bilateral and multilateral processes, resolved disputes along its long borders with Russia and the former-Soviet republics. And during the Asian financial crisis (AFC) of 1997–1998, China refused to devalue the *renminbi*, provided \$1 billion each to Thailand and Indonesia and \$4 billion overall to the region, a series of events widely recognized as proof positive of China's status as a responsible great power in East Asia.¹² China's overall world view seemed to have broadened, as indicated by its 2001 "state of the world message" to the United Nations, where China described security for the first time as becoming increasingly globalized, indicating that the term globalization had entered Chinese strategic thinking as an "objective condition" or an "unstoppable trend" in the world economy rather than as a manifestation of U.S. hegemony.¹³

Therefore when China responded to the new nuclear standoff with an involved, proactive stance, it was not a revolutionary break with its recent foreign policy. Rather, the PRC's cautious but steady

push to bring both the United States and the DPRK to the bargaining table cohered with the changes in Chinese grand strategy throughout the 1990s. Concern for stability in Northeast Asia had grown with the Chinese economy over the course of the 1990s, and China had shifted its formerly ideological foreign-policy goals toward more concrete material goals. In particular, Beijing has worried about the refugee flows and economic turmoil that would result from any attack on or implosion of the North Korean regime.

In 1997, Beijing made an explicit declaration of its changing foreign policy, announcing a new security concept that based international security on multilateral dialogue and on pledges by states to foreswear the use of military threat, coercion, and intervention in the internal affairs of other states. In particular, this new security concept criticized bilateral and multilateral military alliances as relics of the Cold War that undermine rather than enhance international security.¹⁴

With these broad strategic goals in mind, China spent much of its diplomatic capital during the first quarter of 2003 busying itself with long-distance telephone diplomacy, reportedly passing over fifty messages back and forth between Pyongyang and Washington. The DPRK kept the temperature high by withdrawing from the nuclear Non-Proliferation Treaty regime and test-firing an anti-ship missile in the sea between the Korean peninsula and Japan. Despite or perhaps because of the presence of these confrontational events in the background, Beijing successfully initiated and hosted a round of trilateral talks in April 2003, involving the United States, the DPRK, and China.¹⁵ The PRC Foreign Ministry was very tight-lipped about the contents or outcomes of the trilateral talks. They acknowledged that the reemergence of the nuclear question had "resulted in the tension of the Korean peninsula and wide concern of the international community," and said that "in order to facilitate its peaceful settlement, the Chinese side has invited the DPRK and the United States to have talks in Beijing."¹⁶ The inconclusive ending of the Beijing talks has intensified and accelerated Beijing's shuttle diplomacy, dispatching Deputy Foreign Minister Dai Bingqiao to Moscow, Pyongyang, and Washington to seek ways of "finding common ground while preserving differences" (*qitong cunyi*).

These efforts led, at the end of August 2003, to the first round of six-party talks, held again in Beijing. The fact that the talks happened at all was apparently the hard-earned outcome of President

Hu Jintao's behind-the-scenes diplomatic efforts. Hu is said to have selected and sent Dai to Pyongyang to carry a letter to Kim Jong Il in the official capacity of special envoy. In his letter, Hu reportedly made three key promises: (1) that China would be willing to help resolve the crisis by mediating and facilitating negotiations with the greatest sincerity; (2) that it would be willing to offer the DPRK greater economic aid than in previous years; and, (3) that it would be willing to persuade the United States to make a promise of non-aggression against the DPRK in exchange for the denuclearization of the Korean Peninsula. In the course of a six-hour-long conversation, Kim Jong Il told Dai that he was willing to accept China's viewpoint and proposal to reopen talks with the United States in a multilateral setting, while at the same time insisting that one-on-one negotiation was his ultimate bottom line. In the end, however, thanks to Beijing's jawboning diplomacy, Kim Jong Il's bottom line was not unchangeable.¹⁷

In terms of outcomes of the talks, China looked upon the act of hosting as a reward in itself. In an analysis following the six-party talks, the Hong Kong news media reported, "China succeeded in persuading the DPRK to join the six-party talks. So being the organizer of the talks is in itself a winner."¹⁸ From Beijing's longer perspective, the talks were said to have yielded agreement on four points: the Korean Peninsula must be denuclearized; this must be achieved peacefully; a "just, rational and integral" plan is necessary; and the parties will refrain from making any statement or taking any action that might escalate tension.¹⁹ When it came to concrete discussions about the nuclear program, the United States insisted on "complete, verifiable, irreversible disarmament" (CVID), a seemingly non-negotiable stance that translated as an obvious non-starter for negotiations. Therefore, despite the rhetorical agreements, the talks did not yield any substantial positive steps toward resolution of the nuclear crisis, and the realization of future talks looked uncertain and contingent.

It took much additional Chinese cajoling and bribery to secure a second round of six-party talks in February 2004. To obtain North Korean acquiescence to the talks, China offered some \$50 million in new economic aid and energy assistance, including the construction of a glass factory in honor of Kim Jong Il's birthday.²⁰ The talks began with an auspicious two-and-a-half hour bilateral meeting with U.S. and DPRK representatives but ended in embarrassment for China, when Pyongyang attempted to make

some last-minute changes to what was to be the first joint statement of the six-party talks. Instead of a televised joint communiqué, the closing ceremonies were delayed for several hours. Taking advantage of his dual role as the chairman of the six-party talks and the head of the Chinese delegation—also as the host nation—Vice Foreign Minister Wang Yi issued a cautious "Chairman's Statement."²¹ In addition, Wang Yi stated that there was an "extreme lack of trust" between Washington and Pyongyang, indicating the distance the parties would have to travel in future talks.²² But it appears that China would be willing to walk that road with the two belligerent parties.

At the third round of six-party talks, held in June 2004, China's persistence seemed to be paying some small dividends. The United States came to the talks with a concrete, albeit highly conditional proposal, according to which the other involved countries could provide energy aid as positive incentives to North Korea in exchange for a nuclear freeze. Chinese criticism of the U.S. path up to that point, along with Chinese urging that economic reform in the DPRK needed to be considered and supported, allegedly contributed to the U.S. decision to offer a mild deviation from the CVID line.²³ However, while the news held some promise that the talks would make progress and while the DPRK brought its own proposal for consideration (allegedly a demand for some 2.7 million tons of heavy fuel oil), in the end, "no substantive bargaining" occurred during the three-day talks.²⁴ The United States rejected the issuance of a joint communiqué because so little headway had been made, but the Chinese Vice Foreign Minister in his capacity as Chairman of the Six-Party Talks and Head of the Chinese delegation issued a "Chairman's Statement" declaring, *inter alia*, that "the parties stressed the need for a step-by-step process of 'word for words' and 'action for action' in search for a peaceful solution to the nuclear issue" and that they also "agreed in principle to hold the fourth round of the six-party talks in Beijing by the end of September 2004."²⁵

While this level of activity on the part of the PRC does fit in with long-term trends in the post-Cold War era, it also contrasts strongly with China's behavior during the first nuclear standoff between the United States and the North Korea. The pertinent question, then, is what explains the differences between Chinese attitudes in 2003–2004 and those of a decade earlier. The answer lies in changes in U.S. policy and posture toward Northeast Asia.

The change in U.S. attitudes toward the Korean peninsula under the Bush administration has directly generated the notable change in Chinese attitudes.

Threatening talk against the DPRK developed in the United States beginning with rhetoric used during the 2000 presidential campaign of George W. Bush, who continued to use the term “rogue state” to refer to North Korea despite the Clinton administration’s decision in June 2000 to expunge the term from the foreign policy lexicon, and who singled-out Kim Jong Il by name for negative comments in multiple stump speeches. A year after his inauguration, in his January 2002 State of the Union Address, President Bush made an *ex cathedra* pronouncement that the DPRK was a charter member of the “Axis of Evil,” appropriating and upgrading North Korea’s national identity from rogue state to evil state.²⁶ The Pentagon’s Quadrennial Defense Review of 2001 called for a paradigm shift from threat-based to capability-based models, and its Nuclear Posture Review called for lowering the threshold of use for tactical nuclear weapons, singling out China and North Korea as two of the seven target states. Then in June 2002 during a speech at West Point, Bush announced his doctrine of preemption (better known in security studies literature as “preventive war”), which was codified in the publication of the National Security Strategy in September of that year and then employed in Iraq in March 2003. The Iraq war demonstrated to the Chinese and the North Koreans alike that the changes in Washington were more than just rhetoric.

What particularly unnerved Chinese leaders was the news in April 2003 that Defense Secretary Donald Rumsfeld had circulated a memorandum proposing that the United States ally itself with China to isolate and bring about a collapse of the North Korean regime.²⁷ China’s “cooperative behavior”—that is, going along with America’s regime-change strategy—became the litmus test for enhanced Sino-American cooperation. Beijing’s proactive preventive diplomacy seems designed to preempt America’s evil-state coercive strategy. After all, “evil” is something to be destroyed, not something to negotiate with.²⁸ Indeed, the Bush administration policy tends to box itself—and North Korea—into a corner, and China has had to look for ways around this.

In May 2003, another aggressive U.S. sanctions strategy gained public attention: the Pentagon’s Operations Plan 5030, which described a variety of harassment and intimidation strategies

that the United States could apply against North Korea. The eleven-nation Proliferation Security Initiative (PSI),²⁹ announced during the same month, established coordinated interception of cargo shipments for inspection and the possibility of an air and naval blockade/sanctions regime.³⁰ With these proclamations on the worldwide radar screen, China successfully made its big push for the first round of six-party talks.

The link between the Bush administration’s evil-state strangulation (regime-change) strategy and China’s uncharacteristically proactive preventive diplomacy is not accidental. China is deeply afraid of instability that could result from a vicious cycle of US-DPRK mutual provocation. Shi Yinhong of Renmin (People’s) University, a prominent and prolific high priest of realpolitik and hard-line pundit on the North Korean nuclear issue, argued in early 2003 that China’s external strategic environment has been fundamentally altered, and he prognosticated three worst-case scenarios looming over the North Korean nuclear issue: (1) North Korean nuclear blackmail directed at China; (2) Japan’s going nuclear; and, (3) a US-DPRK war. The prescriptive conclusion was that China had to move away from tactical maneuvering toward grand strategic restructuring and reprioritization, breaking free from moral constraints and seeking to supplement diplomatic mediation efforts with economic sanctions.³¹ While it seems apparent that a majority of PRC analysts reject such a hard-line (regime-change) approach,³² the fact that Shi was allowed to make such a public presentation demonstrates the changed milieu from a decade ago, at least in early 2003 when the impending and then actual war against Iraq, another member of the Axis of Evil, was well underway.

That said, however, Shi more than any other Chinese analyst seems to have led many American journalists and on-the-fly interlocutors to conclude or assume that Beijing’s top priority was to prevent Pyongyang from going nuclear. This mistaken perception of China’s concerns about North Korea’s nuclear program should not be confused with China’s greatest priority—to wit, peace and stability on the Korean peninsula. It was not so much North Korea’s nuclear program as the clear and present danger of Pyongyang’s being next on the U.S. hit list that really spurred Beijing into action.³³

The zero-sum footing of the United States during the three- and six-party talks has not reassured China of the likelihood of a

peaceful outcome to the crisis. The Bush administration, using its CVID stance, operates with non sequitur diplomacy, willing to talk but actually refusing to negotiate except for terms of surrender. This accounts for the seemingly contradictory stance taken at the third round of six-party talks where the United States offered a highly conditional proposal while claiming that it was not deviating from the CVID policy. But history and geography have combined to make North Korea a *cordon sanitaire* for China against the U.S. military presence in Korea and, more historically, from Japanese expansionism. Therefore Beijing, fearing both the ideological and geostrategic consequences of a united Korea, could very well intervene to rescue a North Korean system on the verge of collapse as a way of maintaining its strategic shield or, following a different security logic, as a way of arresting a massive exodus of refugees that would threaten China's domestic stability. The United States, on the other hand, has no apparent qualms about pushing and prodding the Kim Jong Il regime toward disintegration.

The CVID mantra of the Bush administration is a regime-change strategy in all but name. It is a strategy ready-made for dismantling not only the North Korean regime but also the Perry process of the Clinton administration. Recall that in response to North Korea's launching of a Taepodong-I missile in August 1998, President Clinton drafted his former Secretary of Defense, William Perry, to conduct a thorough review and assessment of U.S. policy toward North Korea. The 1999 Perry Report noted the centrality of the 1994 US-DPRK Agreed Framework and called for a two-track approach of step-by-step comprehensive engagement and normalization with a concurrent posture of deterrence. As if to presage the coming of the evil-state demonization strategy and the paradigm shift from deterrence to compellence³⁴ the Perry Report stresses that a policy of regime change and demise—"a policy of undermining the DPRK, seeking to hasten the demise of the regime of Kim Jong Il"—was one of four policy options considered, but it was rejected.³⁵ Unsurprisingly, Congressional Republicans responded to the Perry Report with an immediate attack, as encapsulated in the report of the "North Korea Advisory Group," chaired by Representative Benjamin Gilman of New York. This report described the Clinton administration's policies as tantamount to appeasement and claimed that the DPRK was undeniably a larger threat than it had been before the Agreed Framework.³⁶ Despite these conflicting executive and legislative signals in the United

States, the issuance of the Perry Report and the implementation of some of its recommendations served to lessen the tense atmosphere.

Whether intended or not, the consequences of the CVID stand are readily apparent. What the hard-line "no appeasement" advocates ignore is that, in the absence of the Agreed Framework, North Korea could today have had 50 to 100 nuclear bombs,³⁷ not just one or two (according to the CIA's estimates). On the other hand, it was revealed in April 2004 that the Bush administration was raising its estimate of the number of North Korea's nukes from possibility two to at least eight (so thanks to CVID, North Korea's nuclear arsenal has quadrupled from 2 to 8 on George Bush's watch).³⁸ Ambassador Charles Pritchard, two months after he resigned as the State Department's special envoy for North Korean nuclear issues, observed: "We've gone, under [Bush's] watch, from the possibility that North Korea has one or two weapons to a possibility—a distinct possibility—that it now has eight or more. And it's happened while we were deposing Saddam Hussein for fear he might get the same capability by the end of the decade."³⁹

This adversarial zero-sum confrontational posturing between Washington and Pyongyang translates into a severe challenge to China's grand strategic goals of preserving domestic stability and legitimacy, promoting a peaceful and secure environment and cultivating status and influence as a responsible great power. It is in the context of such a challenge that China has had to become an increasingly active player in the on-again, off-again dialogue on North Korea's nuclear program; China has had to be the active third party bringing two enemies to the negotiating table. Taking the Iraq war as an indicator of the extremes to which the current U.S. administration will go, Beijing has been spurred on to new levels of the mediation effort in the past two years.

China's role in this regard has had an unanticipated consequence for Seoul. While for years the ROK lived under the shadow of allied abandonment, fearing a U.S. departure that would leave Seoul exposed to North Korean provocations, the recent movement in China's foreign-policy stances has made China an independent variable in South Korea's geostrategic calculations. In a number of ways, this means that Seoul has new freedom to pursue a foreign policy independent of that dictated by Washington. The Cold War fear of allied abandonment has been transformed into a new fear of allied entrapment as the United States under the Bush

administration pursues its provocative, non-negotiable policies with regard to North Korea.

Growing convergence of stability-based engagement approaches between Seoul and Beijing has allowed the ROK to play a more active and positive role in the six-party talks in Beijing. Seoul's proposal for energy aid to North Korea in exchange for freezing North Korea's nuclear program as a first step in the three-step process has received support from Beijing and Moscow, turning Washington's allegedly multilateral CVID approach on its head. This alignment has yielded the recent change in the U.S. posture, in which the United States acquiesced, reluctantly, to the idea that these countries can offer to send oil to North Korea as an incentive for North Korean concessions on its nuclear program.⁴⁰ The extent of that change, however, was reflected in the dismally unproductive end of the third round of six-party talks.

Nonetheless, the United States presents Chinese pressure on Pyongyang as one of its major tools for accomplishing its CVID goals in the six-party talks in Beijing. But while China's role in the nuclear standoff is very active and positive, there are at least three major constraints on China's leverage in the resolution of the US-DPRK nuclear confrontation. First, China does not have as much influence over North Korea's security behavior as Washington believes or insists. China's primary leverage is food and oil aid, but this is a double-edge sword, so Beijing is cautious to a fault for fear of provoking and/or causing collapse in the North. There is little doubt that a nuclear-free Korean peninsula is important in China's geopolitical calculus but it is not as important as ensuring the survival of the North Korean regime. Second, China's leverage in reshaping the U.S. government's current evil-state strategy ranges from very modest to virtually nil. Even though China is limited in its influence in Pyongyang, it is even more limited in terms of its influence in Washington. The third constraint lies in the often-overlooked question of nuclear fairness and justice. If nuclear weapons are necessary for China's security, or if Israel, India, and Pakistan can get away with building a weapons program by dint of not signing the Nuclear Non-proliferation Treaty, why is the same not true for North Korea? Beijing cannot capture the high moral ground in pushing too vigorously for unilateral nuclear disarmament of an insecure hermit kingdom in its strategic buffer zone.

Referring more to the U.S. and its Western allies than to

China, Mohamed ElBaradei, director general of the International Atomic Energy Agency, says that nuclear powers' pressuring countries like North Korea to forgo nuclear arms are clinging to the same WMD as the centerpiece of their own security, despite pledges made more than 30 years ago in the nuclear Non-Proliferation Treaty to reduce their dependence on them. He says that it is time for states to "abandon the unworkable notion that it is morally reprehensible for some countries to pursue nuclear weapons but morally acceptable for others to rely on them."⁴¹ The maintenance of nuclear arsenals by the United States—but also by the PRC—therefore provides a logic by which the North Korean regime can seek its own. China, consequently, finds itself limited not only by material constraints on the amount of pressure it can apply against Pyongyang but also by normative ones.

While it is tempting to see Beijing's proactive preventive diplomacy in the latest nuclear standoff as a radical shift in the Chinese outlook, in reality it coheres with underlying trends in PRC foreign policy. The chief proximate catalyst that spurred the Chinese to take a more active role on the Korean peninsula—to promote stability and security—was the new fundamentalist, confrontational stance of the Bush administration that, in contrast to 1994, instigated another war rather than a negotiated settlement. The question remains, however, as to how much pressure Beijing is able and willing to apply. China's main goal is regional stability, and either too much pressure (by eliciting the collapse of North Korea) or too little (by encouraging a U.S. attack on North Korea) might undermine this goal.

THE CHANGING GEOECONOMIC ROLE

One of the paradoxical outcomes of the second U.S.–North Korean nuclear standoff has been the resultant similarity of interests between China and South Korea. With the United States taking its hard-line CVID stance, Beijing and Seoul have found themselves with a lot more in common than with either the United States or the DPRK in the nuclear talks. The similarity of security concerns between the two states, which is largely a function of North Korea's command of asymmetrical military capability and the "tyranny of proximity,"⁴² echoes the similarity of economic interests that have developed between the two since the early 1990s. As China has more and more embraced market economics and the global economy, it has come into increasingly close contact with South

Korea and has become increasingly competitive with South Korea, which once seemed the clear leader in technology and market access. And just as China's role in the second nuclear standoff has altered its geopolitical strategy and position on the peninsula, so has its increasing economic contact with the ROK altered its geoeconomic position in Korea and helped China to become the hub of the dynamic political economy of Northeast Asia, a role that South Korean President Roh Moo Hyun had forecasted for his own country.

China and Korea are trading more, investing more in each other, seeing increasing levels of tourist exchange, and also sharing a sizeable migrant labor workforce. While the change in Sino-ROK economic relations is less obvious and less noted than the political change associated with the nuclear standoff, it is arguably just as important, if not more so, in terms of long-run Sino-Korean relations. It also coexists with a changing economic relationship between China and North Korea, a relationship characterized today by China's maintenance of trade for the sake of sending aid to the DPRK—that is, as a mechanism for maintaining stability in North Korea. While Sino-ROK economic relations have brought profit and healthy (but growing) competition to the two countries, Sino-DPRK economic relations are more akin to an on-again, off-again lifeline over which the two countries debate.

As noted above, China's post-Cold War shift to a two-Koreas policy was in part inspired by its desire to follow South Korea's route to economic prosperity. Whereas for most of the Cold War, Beijing had no room to maneuver around its allegiance to its junior socialist ally, when Deng Xiaoping became China's paramount leader, both his pursuit of both economic reform and of a de-ideologized foreign policy created space in which China could pursue a triangular relationship with the two Korean states, one that would be complex, variegated, and multidimensional, albeit with some highly paradoxical consequences. Even with the Dengist revolution, it would take a decade before factors would coalesce in such a way as to cut a clear path for Sino-ROK normalization. Developments in South Korea included South Korean President Roh Tae Woo's pursuit of *Nordpolitik*, a conscious approach of and opening to China and the Soviet Union, and also the 1988 Seoul Olympics, which established South Korea's position on the international stage and solidified Chinese beliefs that the South Korean model of economic development might be worthwhile to

follow. The end of the Cold War provided the obvious last push for the two countries to see normalization through to its conclusion.

In the early 1990s, supporters of normalization in China, led by Foreign Minister Qian Qichen, made a number of arguments: that Russia was gaining influence in South Korea so that China needed to act in order to establish its position, that Japan-DPRK and US-DPRK normalization was unlikely so that Beijing should not wait for such an event, and that the DPRK could not complain of betrayal since the PRC would remain supportive of the Pyongyang regime. In a secret report to the Chinese Communist Party Central Committee Foreign Affairs Leading Small Group, Qian reportedly advocated that full normalization of relations with Seoul would have the effect of “downing four birds with one stone”: (1) increasing Taiwan's diplomatic isolation; (2) strengthening Beijing's economic cooperation with Seoul; (3) diminishing Pyongyang's endless requests for aid; and, (4) enhancing Beijing's bargaining power to defuse the mounting “Super 301” pressure from the United States concerning unfair trade practices.⁴³ Opponents argued, on the other hand, that China's switch to a formal two-Korea policy would provide powerful ammunition for advocates of a two-China policy; that normalization would be perceived as a betrayal of the DPRK and consequently might accentuate Pyongyang's siege mentality and contribute to, if not precipitate, the collapse of the North Korean system; and that Beijing could have its cake and eat it too by continuing its present policy of one-Korea *de jure* and two-Koreas *de facto*. In the end, Deng Xiaoping had to intervene to settle the matter. Deng saw the value of a new “Korean connection” in his campaign to rekindle China's reform and open policy,⁴⁴ and he believed “that the ROK government and Korean business community would be willing and able to provide capital and technology” to further the reform process. No doubt, a new Korean connection would also stimulate ROK-Japan as well as ROK-Taiwan economic competition for the Chinese market, enabling Beijing to obtain more favorable trade and investment terms from all three parties.

While formal normalization took over a decade to accomplish, unofficial and semi-official Sino-South Korean contact began growing as soon as Deng took control of the leadership of China. Indirect Sino-ROK trade began slowly and stealthily from a near-zero base (about \$40,000 in 1978). By 1984, it was \$434 million, approaching the level of China's trade with North Korea

(\$498 million). After the 1988 Olympic Games, the figure rose to \$3.1 billion in 1989 (about 80 percent of Seoul's total trade volume with all socialist countries at the time) and to \$4.4 billion in 1991, a figure more than seven times the level of Sino-DPRK trade in the same year. Today the Sino-ROK trade figure has increased more than ten-fold from 1991 and stands at \$57 billion (2003). China emerged in 2003 as South Korea's largest export market and is competing with the United States to be the ROK's largest overall trade partner. In their first summit meeting in Beijing in July 2003, two new leaders—Presidents Hu Jintao and Roh Moo Hyun—pledged to strive to increase their annual trade volume to \$100 billion in five years (i.e., by 2008). Since the mid-1990s, the two countries have opened ten air routes and seven shipping routes to accommodate heavy traffic in goods, services, and people.⁴⁵

This increasingly interdependent relationship extends beyond trade to include investment as well. In 2000, China officially surpassed the United States as the most popular destination for South Korean foreign direct investment (FDI).⁴⁶ Investment underwent an amazing four-fold increase from 2001 to 2003—doubling from 2001 to 2002 and then again the following year—such that by the end of 2003, total South Korean investment in China amounted to over \$15 billion in over 11,000 projects, and China as a destination captured almost 40 percent of all South Korean FDI in 2002 and 2003. This level is high enough that some might even consider it dangerous should China, for instance, institute stricter foreign capital controls or choose to nationalize foreign investments, but this seems unlikely. Fortunately for South Korea, these do not seem like probable future paths for PRC economic policy.

In both trade and investment, the increasingly close ties between China and South Korea have led to conditions of interdependence and increasingly intense competition. As Albert O. Hirschman argues in his classic work, *National Power and Foreign Trade*, trade has an “influence effect”: where, as one country becomes dependent on trade with another country, the latter state has increasing influence in the policy design of the former state. With increased gains from trade comes increased vulnerability to this effect, and a state can avoid these vulnerabilities only if it has alternate markets at its disposal.⁴⁷ As early as the mid-1990s, many South Korean firms were dependent on exports to China for providing significant stimulus for South Korean industry; South

Korean companies had seen profits fall with declining demand in developed countries, and global product competitiveness rapidly had rapidly deteriorated due to skyrocketing labor costs at home. ROK exports to China acted as a catalyst for another round of export-driven development, and South Korea was indebted to China for helping it through a recession in the early 1990s.⁴⁸ While U.S. geopolitical investments in South Korea make it unlikely that China will be able to shift ROK policy substantially, Hirschman's admonition on the relationship between trade and policy influence should not be taken lightly.

Today, South Korean firms are increasingly seeking to target the over 100 million people in China's urban middle class, (who are defined by per capita incomes of over \$5,000). The greatest interest among South Korean businesses currently appears to be in the telecommunications and electronics sectors. The Chinese mobile-phone market has been a site of competition for Japanese and Korean high-tech firms, and China's demand for semiconductors and computers also has increased dramatically over the past decade. Korean firms are experiencing “China fever” as they eagerly try to maximize exports of high-end consumer technology goods, as well as steel and petrochemicals. This trade has not been frictionless in terms of international economics; among 23 anti-dumping lawsuits filed by Chinese business, 18 were targeted against Korea out of a total 23 filings.⁴⁹ The Chinese Ministry of Foreign Trade and Economic Cooperation (MOFTEC) instituted its first-ever temporary anti-dumping measures in April 2000, against Korean and Japanese stainless steel imports. Since then, MOFTEC, in conjunction with the State Economic and Trade Commission (SETC), has approved anti-dumping measures on South Korean polyester chips, fiber products and chemical products.⁵⁰ On the Korean peninsula, despite the enthusiasm for the Chinese market, Korean companies have become worried about copyright infringement and intellectual property rights issues within China.

As this competitive angle indicates, not only has China become a source of South Korea's export-driven growth, but it also is also rapidly catching up as a competitor, chipping away at Seoul's export market share in third countries, especially in the United States and Japan. Whereas projections in the late 1990s suggested that Korean products remained more competitive than Chinese products in international markets,⁵¹ evidence from the

beginning of the 21st century indicates that Chinese competition is eroding Korean market share as Chinese manufacturers are closing the technology gap with Korean products.⁵² Chinese investors have in fact begun investing in strategic industrial sectors in Korea as a method of gaining Korean technology and expertise. A survey among major *chaebols* shows that 43 percent now believe that the technological gap between the ROK and the PRC in major industrial fields has been reduced to about four to five years, while 27 percent believe that the gap is only one to three years, and 10 percent of respondents believe that there is no difference in technological levels between the two countries.⁵³ Korean textile exports dropped to a 13-year low in 2003 because of competition from China.⁵⁴ When the international Multi-Fiber Agreement quota system ends at the beginning of 2005, an event that will lead to a tremendous amount of relocation to China by clothing manufacturers, Korean apparel exports are likely to be even more severely diminished by Chinese competition. Where the new Chinese openness was once a boon to Korean manufacturers, it is now becoming a threat to their continued viability.

Economic growth in China and its increasingly close relations with South Korea both are both apparent in the increase in tourism between the two countries. When the South Korean government started a no-visa service for Chinese tourists visiting Cheju Island in April 1998, the number of Chinese visitors increased by 50 percent from the year before. By the end of 1999 the Chinese were the third largest national group among tourists, behind Japanese and Americans. In 2001 there were for the first time more Chinese than American visitors to South Korea. Koreans are likewise choosing to travel to China. With over one-quarter of all South Korean overseas travelers choosing China as their destination, reaching 1.72 million visitors in 2002, only Japan—the preferred destination for 30 percent of Korean travelers—receives more Korean visitors. China and South Korea in the early 21st century are exchanging 10 times as many tourists as they were in the early 1990s. This tourism is providing both a mutual source of revenue and also a reaffirmation of the growing investments between the two countries.

The other side of the tourism coin, however, is the presence of a large number of illegal Chinese immigrants in the ROK. The post-normalization years of the 1990s witnessed a dramatic increase in the number of Chinese visitors to South Korea, with many of

them overstaying their time limit in South Korea. Ethnic Koreans (Korean-Chinese) from China's Jilin province took advantage of both their bilingual skills and South Korea's labor shortage to engage in illegal commercial activities and factory work.⁵⁵ Over half of the 200,000 illegal foreign workers in South Korea are Korean-Chinese (*chosunjok*). Yet many have found themselves cheated by Korean employers, and have sought shelter in Korean churches to make ends meet while avoiding Korean immigration authorities. In addition to illegal workers, the 1990s saw the presence of some 370,000 legal migrant workers from China, and South Asia, and Southeast Asia.

In striking contrast to Japanese policies toward foreign migrant workers, Seoul shied away from any policy of ethnic preference toward Korean-Chinese migrant workers, even though they make up the largest single group of foreign migrant workers. To give preferential treatment to diasporic Koreans from China would be to establish a dangerous precedent for other would-be entrants of Korean descent.⁵⁶ The presence of these workers, along with an emotional and public debate beginning in 1998 over a special law that would have accorded 5.2 million ethnic Koreans abroad legal status virtually equal to that of Korean citizens at home, has had China's raising its eyebrows over the politics of national identity as being played out on the Korean peninsula. In fact, the ROK Ministry of Foreign Affairs and Trade expressed opposition to the proposed legislation for fear that it might create serious diplomatic and legal disputes with China and other foreign countries. But so far, this is another situation in which China has not done much to push the envelope or raise the issue.

Overall, China's ascendancy in the region quickly has quickly made hollow the ambition of South Korean President Roh Moo Hyun's ambition to make Korea the economic hub of Northeast Asia. In his inaugural address in February 2003, Roh said, "In this new age, our future can no longer be confined to the Korean Peninsula. The Age of Northeast Asia is fast approaching. Northeast Asia, which used to be on the periphery of the modern world, is now emerging as a new source of energy in the global economy." He further noted, "Koreans have lived through a series of challenges and have responded to them. Having to live among big powers, the people on the Korean Peninsula have had to cope with countless tribulations. . . . Within the half-century since liberation from colonial rule, and despite territorial division, war,

and poverty, we have built a nation that is the 12th largest economic power in the world.” Referencing the divisions of the past as a contrast, Roh called explicitly for South Korea to see the future of growing regionalism in Northeast Asia, to embrace this future, and to play a leading role in defining it.⁵⁷

Yet it has been China that has stepped forward to provide the leadership in defining Northeast Asia as an economic region. And it is toward China that countries both inside and outside the region turn when thinking regionally about East Asia. This should not be surprising, given China’s economic status as the world’s second-largest (on PPP basis) and fastest-growing economy. Most recently, China has become the world’s third-largest trading nation after the United States and Germany but ahead of Japan. In short, there has been a rapid evolution in Northeast Asia, where South Korea has gone from having no diplomatic relations and only minimal economic relations with the PRC to being both a prime collaborator in the region and a key international competitor.

On the northern half of the Korean peninsula as well, China’s economic role also has undergone significant changes since the end of the Cold War and the reformatting of the international system. China’s continued economic engagement with the DPRK speaks to the multiple roles of economic ties in international relations, but the growth in disparity between China’s economic relations with the ROK and with the DPRK indicates the true final trajectory of Chinese political economy in Northeast Asia. While Sino-ROK trade and investment are clear components of a global economic order, Sino-DPRK economic relations are equally clear remnants of a Cold War ideological life support system, one that has little place in the globalization era.

As an indication of the ways that Sino-DPRK trade is closely keyed to and determined by turbulent political activities, the percentage North Korean foreign trade belonging to China has fluctuated greatly over the years: (1) 25-60% (with an absolute value around \$100 million) in the 1950s; (2) about 30% in the 1960s until 1967, when the ratio declined to around 10% in the wake of the Cultural Revolution; (3) about 20% in 1973 (to the level of \$300-600 million); and (4) a decline to the 10–20% range in the 1980s, although its total value had risen to \$3–4 billion. In the first post-Cold War decade, the 1990s, the ratio started at 10.1% in 1990 but increased dramatically to around 30% in 1991 and stayed at this range until 1998, even as its total value began to decline from

\$899 million in 1993 to \$371 million in 1999. In the early years of the 21st century, Sino-DPRK trade registered several sequential increases in percentage of total trade.⁵⁸

In general, North Korea has become increasingly cut off from the rest of the world, although sadly far from self-sufficient. If we look at trade as a percentage of gross domestic product (GDP)—a widely used measure of a country’s integration into the global economy—in 2000 this figure stood at 11% for North Korea, compared to 44% for China, 18% for Japan, 21% for the United States, and 73% for South Korea. North Korea’s ratio has actually declined from about 20% in 1990, while Beijing’s trade/GDP ratio more than tripled from 13% in 1980 to 44% in 2000.⁵⁹ In comparative perspective, North Korea’s total trade with China in 2000 (\$488 million) represented 20% of its overall foreign trade but only about 0.1% of China’s global trade, and it was equivalent to only 0.15% of South Korea’s global trade and 1.6% of South Korea’s trade with China.

The second notable aspect of Sino-DPRK economic relations is that the trade is characterized by chronic and substantial deficits for North Korea, amounting cumulatively to \$3.85 billion from 1990 to 2000. Since North Korea does not have high-value products to export and because its primary exportable commodities are losing competitiveness, it seems unlikely that Pyongyang will be able to remedy the situation. While China remains North Korea’s largest trade partner, Beijing allows Pyongyang to run large annual deficits. China’s role in North Korea’s trade would be even larger if barter transactions and aid were factored into calculations.

There are several tactics China has employed in its behind-the-scenes diplomatic efforts in the economic arena. Beijing has been applying pressure on Pyongyang to lift its collapsing economy through reform and opening to the outside world. Beijing also followed Moscow’s lead, in 1993, in demanding hard-currency cash payments in trade as another way of coaxing Pyongyang to get its act together in terms of foreign trade. It soon became clear, however, that Pyongyang would be unable or unwilling to meet such demands. Consequently, China was forced to waive North Korea’s debt in “friendship prices” for oil and food, becoming in the process a leading provider of humanitarian assistance. China’s aid to North Korea is generally estimated at one-quarter to one-third of China’s overall foreign aid.

Paradoxically, Pyongyang’s growing dependence on

Beijing for economic and political survival has bred mutual distrust and resentment. Pyongyang has taken a sleight-of-hand approach, privately asking for more and more aid even as North Korean diplomats habitually deny that they have ever asked for or received any Chinese aid.⁶⁰ In every high-level meeting between the two governments, according to one Chinese scholar, the North Korean request for economic aid dominates the agenda.⁶¹ For Beijing, a multitasking strategy is made palpably evident in its “humanitarian aid,” which is designed to lessen flows of refugees to China, to delay a possible North Korean collapse, and to enhance China’s own leverage in Pyongyang and Seoul. Since North Korea rightly perceives that China’s aid is offered for its own self-interest, this aid, to Beijing’s frustration—and presumably that of the United States in reference to the nuclear issue—has not increased China’s leverage with the DPRK.⁶²

North Korea’s dependency on China for aid has grown unabated and even intensified in the face of Washington’s rogue-state sanctions strategy. Recent estimates of China’s aid for North Korea are in the range of 1 million tons of wheat and rice and 500,000 tons of heavy-fuel oil per annum, accounting for 70 to 90 percent of North Korea’s fuel imports and about one-third of its total food imports. With the cessation of America’s heavy-fuel oil delivery in December 2002, China’s oil aid and exports may now be approaching nearly 100 percent of North Korea’s energy imports.⁶³ As a way of enticing Pyongyang to the six-party talks in late August 2003, President Hu Jintao promised Kim Jong Il greater economic aid than in previous years. The Chinese government has extended indirect aid by allowing private economic transactions between North Korean and Chinese companies in the border area, despite North Korea’s mounting debt and the bankruptcy of many Chinese companies resulting from North Korean defaults on debts. In 2003, Sino-North Korean trade reached a new all-time high of just over \$1 billion, an increase of 39 percent over the previous year, demonstrating the paradoxical effect of the second US-DPRK nuclear standoff, which has accelerated Pyongyang’s economic isolation due to the reinforced sanctions by Washington and Tokyo and at the same while simultaneously deepened North Korea’s dependence on Beijing and Seoul for trade and aid.

In the first half of 2003, Beijing’s economic relations with Pyongyang seemed more coercive, while the second half involved a coaxing aspect with China’s imports from North Korea registering a

whopping 168% increase on a semiannual basis. North Korea’s dependence on China in trade (and aid) was greatly deepened owing to the reimposition of economic sanctions as well as the overall sharp decline in North Korea’s trade with Japan. As an incentive to coax Pyongyang to be more flexible and forthcoming at the second round of six-party talks in February 2004, Beijing is reported, as noted above, to have delivered about \$50 million in aid to North Korea including heavy fuel oil and the promise of a glass factory near Pyongyang.

Beijing’s pressure on Pyongyang to lift the collapsing economy by its own *juche*-bootstrap has been persistent since China began its own reforms. In six informal summit meetings between 1978 and 1991, China’s paramount leader, Deng Xiaoping, repeatedly urged the late Kim Il Sung to develop the economy through reform and opening. This only provoked Kim Il Sung’s testy retort, “We opened, already,” in reference to the Rajin-Sonbong Free Economic and Trade Zone (RSFETZ).⁶⁴ In a meeting with Chinese Ambassador Wan Yongxiang in Pyongyang in May 1999, Kim Jong Il is reported to have said he supported Chinese-style reforms, and he asked Beijing to respect “Korean-style socialism” in return.⁶⁵

Despite this pressure for reform, in an odd turn of events, China had much to do with the recent derailment of the Sinuiju Special Autonomous Region (SAR) in northern North Korea, a special economic zone that was to have operated according to more market-based rules. According to Pyongyang, Sinuiju was to be a complex of finance, trade, commerce, industry, technology, recreation, and tourism. But the Chinese saw it as the likely home of gambling, money-laundering and other illegal businesses: and they did not want it on their border and therefore arrested Yang Bin, the Dutch-Chinese tycoon who had been designated Chief Executive of Sinuiju. Beijing saw Sinuiju as a likely point of friction between itself and Pyongyang and, in fact, had urged the North Korean regime in 1998 to locate the SAR on the border with South Korea. Nonetheless, Pyongyang is pushing ahead with the opening of Sinuiju, and Beijing likely will have to undertake new responsive measures to insure that it takes a desirable shape it desires.⁶⁶

At the moment, the world is witnessing a striking similarity of opinion between China and South Korea over the handling of and response to the current U.S.—North Korean nuclear standoff. The

two countries are in most respects closer to each other than to their respective nominal allies. But while the nuclear challenge from Pyongyang is grabbing headlines, it is perhaps the changing economic role of China on the Korean peninsula that will have the most lasting impact. While Chinese economic relations with North Korea are defined by aid from Beijing that is designed to keep the Pyongyang regime afloat so that China has a strategic buffer and a limited number of refugees about which to worry, Chinese economic relations with South Korea are becoming increasingly important and integrated in a global context. With such proximity, competition and tension often follow, and that seems to be the case as well regarding China's position on the Korean peninsula. The ability of the Seoul and Beijing regimes to channel these energies into constructive projects and into defining—together—a regional economic order will determine the long-run impact of China's new role and power on the southern half of the peninsula.

CONCLUSIONS

During the long Deng decade (1978-1992), China made a number of epochal changes to its grand strategy for the Korean peninsula—which is often singled out as the “core problem” (*hexin wenti*) of Northeast Asia⁶⁷—and for the world. To oversimplify post-Cold War Sino-Korean relations, we can say that South Korea changed with the PRC, while North Korea remained—at least until mid-2002—largely ensconced in the cocoon of the socialist hermit kingdom thinking, hoping that the PRC would not really change. Both Beijing and Seoul made remarkable adjustments in their respective national identities and role conceptions to establish a better congruence between their foreign policies and the emerging trends in regional and global politics. Adjusting its foreign policy to rapidly changing domestic, regional, and global circumstances and requirements, post-Mao China has become an economic powerhouse, repositioning itself as an important member of keystone global economic institutions (e.g., the World Bank and World Trade Organization) as well as at the center of a burgeoning East Asian regionalism. On the Korean peninsula today, therefore, China faces both geopolitical danger and geoeconomic opportunity—indeed a “crisis” in the Chinese usage of the term [*weiji*] as connoting not only danger [*weixian*] to be averted but also an opportunity [*jihui*] to be seized.

China recognizes, however, that recent economic and political gains need to be protected. And the dangerous confrontation between an ally once characterized “as close as lips to teeth” and the global hegemon, the United States, is currently the dominant threat to the fourth-generation leadership's single greatest “intermestic” challenge of establishing a stable, orderly, and healthy society.⁶⁸ In the face of rising tensions between the United States and the DPRK, therefore, as Washington has taken a bellicose, non-negotiable stance regarding North Korea's nuclear program, China has had to step in and work to construct a *qitong cunyi* compromise framework or formula to avert another armed conflict in China's most sensitive near-abroad security zone. The U.S. insistence on its CVID mantra and its war over alleged weapons of mass destruction in Iraq instilled in China the urgency of a preemptive/preventive diplomatic approach to the US-DPRK nuclear confrontation.

Therefore, there has been much positive attention paid to the central diplomatic role that China is playing in the latest geopolitical skirmish on the Korean peninsula. The PRC has kept talks going, despite the lack of progress, and has tried hard to motivate both the United States and the DPRK to come to terms. For many, this is a surprising role for the Chinese, although in reality it reflects a trend of grand strategizing and foreign policymaking that has been in train since Deng Xiaoping's ascendance after the death of Mao and especially since 1997, when a newly refurbished national identity of China as a responsible great power coupled with a new, more multilateral security concept, despite the backdrop of those warning of the rising “China threat.”

For the near future, China seems poised to continue its mediating role, cajoling Pyongyang with aid and promises while trying hard, albeit subtly, to prevent the United States from another preemptive/preventive war against North Korea. The latest indications (i.e. the mid-June announcement by the United States that the other parties to the six-party talks could provide fuel oil incentives to the DPRK) are that the U.S. is realizing the untenability of its non-negotiable CVID posture, especially in terms of giving Beijing material with which to work vis-à-vis the North Koreans. On the other hand, perhaps more dangerously, the willingness of the United States to suggest negotiability around CVID might be simply to see what will come of the rhetorical change, while still retaining the CVID idea as its bottom line.

While North Korea seems content to continue receiving Chinese aid, it is unclear if this situation offers any potential for change on Pyongyang's part, or if the countries are stuck in an equilibrium of sustenance aid-giving.

The entire China-DPRK alliance has begun to serve an ironic security function, as it best provides security by working to insure that the DPRK does not undertake rash or destabilizing actions (e.g., nuclear testing or Taepodong-II missile launching). The alliance serves mostly as a mechanism for China to monitor its neighbor's unpredictable behavior and to retain some amount of leverage. China certainly has an interest in preventing the collapse of North Korea, given the refugee situation that would develop inside China in the case of such an event. Interestingly, although the present-day Sino-DPRK relationship is not as close as it once was, neither Beijing nor Pyongyang has shown any interest in formally modifying the treaty, perhaps because, unlike the 1961 Soviet-DPRK treaty, the Sino-DPRK treaty cannot be revised or abrogated without prior mutual agreement (Article 7).

As noted earlier, there are several constraints on Beijing's leverage in the resolution of the latest US-DPRK nuclear confrontation, especially concerning the CVID mantra. It is important, therefore, to recognize the changing Chinese geopolitical behavior on the Korean peninsula as both a part of a larger trend and also as constrained in several ways. Seeking a safe resolution of the nuclear standoff, the PRC can accomplish only so much. Nonetheless, we should expect to see continued Chinese activity in attempts to resolve the nuclear situation.

While China's geopolitical strategy for resolving the nuclear standoff is revealing the alignment between Chinese and South Korean interests, the growth of the PRC economic machine is proving a point of geoeconomic competition and tension between China and the ROK. Like China's changing grand strategy, this also is a result of long-term trends. The strong growth in China's economic position over the past two decades has led to increasing economic interdependence with South Korea. The two countries have witnessed a swell in trade since China's opening in 1978 and particularly since the end of the Cold War. In addition, investors in each country are seeing the other as a natural place to seek profit. And most recently, human flows between the two countries have increased, both in the form of revenue-yielding tourism and in the form of migrant workers and illegal immigrants. These cross-

stitchings of economic relations open the door to increased growth and profit and also to increased tension. And many South Korean businesses are worried about the competitive threat originating in China, particularly as Chinese industry becomes more technologically adept and as international conventions force trade to be freer.

As a probable result of these economic ties, military security discourse in South Korea has distinctly not painted the rising China as a menace. The ROK's Defense White Paper generally devotes four to five pages to outlining briefly China's military modernization and ROK-PRC military exchanges, showing no trace of security concern. In striking contrast, the corresponding Japanese publication devotes about three dozen pages to China's various weapons programs and military policy in not so subtle terms.⁶⁹ In 1999, Seoul decided not to participate in the U.S. theater missile defense (TMD) program out of deference to Beijing, creating some degree of ire in Washington. While the United States discusses TMD in terms of the North Korean threat, as evidenced in the second round of six-party talks on the nuclear standoff, Seoul's stance on North Korea's nuclear and missile programs is increasingly in line with Beijing rather than Washington.

China and South Korea, then, are searching for equilibrium outcomes that would allow both to continue to benefit from their economic relations and not become trapped in any sort of confrontation due to what otherwise might be a healthy competitiveness. Despite President Roh Moo Hyun's visionary thinking of Korea's place in the Northeast Asian regionalism, China seems to have preemptively established itself as the real economic hub of Northeast Asia, and it is up to the ROK to continue to pursue productive regional integration with China and to develop a synergistic East Asian economy as a response to and component of the worldwide currents of globalization. While the bright lights are focused on the nuclear situation in North Korea, it is the growing economic interdependence involving China and the two Koreas that is likely to help define the shape of international life to come in Northeast Asia and to contribute to the future strength of South Korea or of a unified Korea. Therefore, when looking at the role of China on the Korean peninsula and the post-Cold War changes to that role, it is important to include both the geopolitical and geoeconomic elements and to look at changes in terms of the *longue durée*.

Endnotes:

¹ I wish to thank my graduate student assistant Matthew Winters for his superb research assistance.

² For a wide-ranging discussion and debate on the new fundamentalism as both cause and manifestation of the Bush Doctrine, see G. John Ikenberry, "The End of the Neo-conservative Moment," *Survival* 46:1 (Spring 2004): 7-22; Robert Jervis, "Understanding the Bush Doctrine," *Political Science Quarterly* 118:3 (Fall 2003): 365-388; and a special issue on the Bush Doctrine and Asia, *Asian Perspective* 27:4 (2003).

³ According to one official Chinese estimate, combat casualties were more than 360,000 (including 130,000 wounded) and noncombat casualties were more than 380,000. See Zhang Aiping, chief compiler, *Zhongguo Renmin Jiefang Jun* [The People's Liberation Army of the People's Republic of China] vol. 1, Contemporary China Series (Beijing: Dangdai Zhongguo Chubanshe, 1994), p. 137.

⁴ David M. Lampton, *The U.S.-China Relationship Facing International Security Crises: Three Case Studies in Post-9/11 Bilateral Relations* (Washington, D.C.: The Nixon Center, 2004), p. 45, and Russell Spurr, *Enter the Dragon: China's Undeclared War against the U.S. in Korea, 1950-1951* (New York: Newmarket Press, 1988), pp. 62-63.

⁵ For the Chinese and Korean texts of the treaty, see Liu Jinzhi and Yang Huaisheng, eds., *Zhongguo dui Chaoxian he Hanguo zhengci wenjian huibian* [A Collection of Documents on China's Policy toward the Democratic People's Republic of Korea and the Republic of Korea], vol. 3 (1958-1962) (Beijing: Zhongguo shehui kexue chubanshe, 1994), pp. 1279-1280 and Lee Jong Seok, *PukHan-Chungkuk Kwan Kyae, 1945-2000* [DPRK-PRC Relations, 1945-2000] (Seoul: Jungsim 2001), pp. 318-320.

⁶ For detailed analysis, see Samuel S. Kim, "The Making of China's Korea Policy in the Era of Reform," in David M. Lampton, ed., *The Making of Chinese Foreign and Security Policy in the Era of Reform* (Stanford, Calif.: Stanford University Press, 2001), pp. 371-408.

⁷ Bruce Cumings, "The Political Economy of China's Turn Outward," in *China and the World: Chinese Foreign Policy in the Post-Mao Era*,

Samuel S. Kim, ed. (Boulder: Westview Press, 1984), pp. 246-47. China's per capita GNP finally surpassed the projected goal of \$1,000 in 2003.

⁸ Samuel S. Kim, "China," in *Coping with Regional Conflict: A Global Perspective*, Roger E. Kanet and Edward A. Kolodziej, eds. (Baltimore: Johns Hopkins University Press, 1996), pp. 110-143.

⁹ Hao Jia and Zhuang Qubing, "China's Policy Toward the Korean Peninsula," *Asian Survey* 32 (1992): 1140.

¹⁰ It should be noted, however, that it was the Chinese threat to veto any draft sanctions resolution in the U.N. Security Council that enabled Pyongyang to obtain what it had been seeking from the beginning in 1994—direct bilateral confrontation-cum-negotiation with the United States. China's strong stand on the matter was a result of the legitimation crisis at home resulting from the Tiananmen carnage of 1989 and the international legitimation crisis resulting from the collapse of communism. China could not allow a socialist country to be the target of a new international sanctions regime. See Samuel S. Kim, "China and the United Nations," in *China Joins the World: Progress and Prospects*, Elizabeth Economy and Michel Oksenberg, eds. (New York: Council on Foreign Relations Press, 1999), pp. 42-89.

¹¹ Author's interview with Dr. Choi Young-jin, deputy director of the KEDO, New York, April 22, 1998. China, in fact, saw the Agreed Framework as providing several opportunities to stabilize the situation in Northeast Asia. It would, the Chinese believed, improve economic conditions in North Korea, bolster the legitimacy of the Kim Jong Il regime, and enhance the prospects for political stability, contributing to an alleviation of the dangerous imbalance of power between the two Koreas. See Banning Garrett and Bonnie Glaser, "Looking Across the Yalu: Chinese Assessments of North Korea," *Asian Survey* 35 (1995): 528-545.

¹² See Chen Quansheng and Liu Jinghua, "China and the World amid Globalization," *Ta Kung Pao* (Hong Kong), FBIS-CHI-1999-0306, March 3, 1999. For a wide-ranging discussion involving Australian, British and Chinese scholars on the notion of China as a responsible great power, see Yongjin Zhang and Greg Austin, eds., *Power and Responsibility in Chinese Foreign Policy* (Canberra: Asia Pacific Press, 2001).

¹³ Pang Zhongying, "China's International Status and Foreign Strategy After the Cold War," in FBIS-CHI-2002-0506 (May 5, 2002). See also Samuel S. Kim, "China's Path to Great Power Status in the Globalization Era," *Asian Perspective* 27:1 (2003): 35-75 and Yong Deng and Thomas Moore, "China's Views Globalization: Toward a New Great-Power Politics?" *Washington Quarterly*, 27.3 (Summer 2004): 117-36.

¹⁴ See Samuel S. Kim, "China in World Politics," in Barry Buzan and Rosemary Foot, eds., *Does China Matter? A Reassessment* (London and New York: Routledge 2004), pp. 37-53.

¹⁵ The DPRK insisted that the talks were bilateral, between itself and the U.S., while the U.S. and the PRC toed the line that they were trilateral. Ambassador Charles Pritchard, "Six Party Talks and the Prospect for Resolving the Nuclear Crisis," presentation to Contemporary Korean Affairs Seminar at Columbia University, 1 April 2004.

¹⁶ PRC Foreign Ministry Spokesperson Kong Quan, Press Conference, 24 April 2003, <http://www.fmprc.gov.cn/eng/xwfw/2510/2511/t22747.htm>.

¹⁷ See Zong Hairen (pseudonym), "Hu Jintao Writes to Kim Jong-il to Open Door to Six-Party Talks," *Hong Kong Hsin Pao (Hong Kong Economic Journal)*, August 28, 2003, trans in FBIS-CHI-2003-0828, August 29, 2003.

¹⁸ Wang Dejun, "Special Dispatch: The Results of the Six-Party Talks Are Better Than Expected," *Hong Kong Ta Kung Pao*, 29 August 2003, translated in FBIS-CHI-2003-0829.

¹⁹ See Wang Dejun, "Special Dispatch."

²⁰ Edward Cody and Anthony Faiola, "N. Korea's Kim Reportedly in China for Talks," *Washington Post*, 20 April 2004, A13. .

²¹ Scott Snyder, "Can China Unstick the Korean Nuclear Standoff?" *Comparative Connections* 6.1 (April 2004): 98, available at <http://www.csis.org/pacfor/cc/0401Q.pdf>.

²² Philip P. Pan, Glenn Kessler and Fred Barbash, "N. Korea, U.S. 'Difficulties' Remain as Talks End," *Washington Post* 28, February 2004. Elsewhere the word "extreme" has been translated as "complete"; see BBC News, "No Breakthrough in N. Korea Talks," 28

February 2004, available at <http://news.bbc.co.uk/2/hi/asia-pacific/3494790.stm>.

²³ David E. Sanger, "U.S. to Offer North Korea Incentives in Nuclear Talks," *New York Times*, 23 June 2004 and Joseph Kahn, "North Korea is Studying Softer Stance from the U.S.," *New York Times*, 24 June 2004.

²⁴ Joseph Kahn, "U.S. Reports Scant Progress in Talks with North Korea," *New York Times*, 26 June 2004 and Kyodo News, "N. Korea Asks for Energy Aid Worth 2 Mil. Kilowatts of Electricity," 24 June 2004.

²⁵ For the full English text of the Chairman's Statement, see *People's Daily Online*, June 28, 2004 at http://english.peopledaily.com.cn/200406/26/eng20040626_147642.html.

²⁶ For a trenchant critique of the rogue-state strategy in American foreign policy, see Robert Litwak, "What's in a Name? The Changing Foreign Policy Lexicon," *Journal of International Affairs* 54, no. 2 (Spring 2001): 375-92, and Robert Litwak, *Rogue States and U.S. Foreign Policy* (Baltimore: Johns Hopkins University Press, 2000).

²⁷ David E. Sanger, "Aftereffects: Nuclear Standoff, Administration Divided Over North Korea," *New York Times*, April 21, 2003, p. 15; David Rennie, "Rumsfeld Calls for Regime Change in North Korea," *Daily Telegraph* (London), April 22, 2003.

²⁸ During an interview with Bob Woodward, Bush is said to have jumped out of his seat, declaring: "I loathe Kim Jong II! I have a visceral reaction to this guy, because he is starving his people." Bob Woodward, *Bush at War* (New York: Simon & Schuster, 2002), 340. Vice President Dick Cheney shares and amplifies Bush's Kim Jong II-bashing, saying America "does not negotiate with evil, we defeat it."

²⁹ Tellingly, Japan was the one and only Asian country in the eleven-nation PSI grouping while China, Russia, South and North Korea—four of Six-Party Talks—refused to join.

³⁰ Bruce B. Auster and Kevin Whitelaw, "Upping the Ante for Kim Jong II: Pentagon Plan 5030, a New Blueprint for Facing Down North Korea," *U.S. News and World Report* (July 21, 2003): 21.

³¹ Shi Yinhong, "How to Understand and Deal with the DPRK Nuclear Crisis," *Ta Kung Pao* (Hong Kong) 15 January 2003, A11, trans. FBIS-

CHI-2003-0115, 16 January 2003; see also Wang Te-chun, "The DPRK Nuclear Crisis Puts China's Security to the Test," *Ta Kung Pao* (Hong Kong) 14 January 2003 in FBIS-CHI-2004-0114, 15 January 2003.

³² A review of Chinese writings on Northeast Asian security in general and the North Korean nuclear issue in particular has persuaded this writer that Shi Yinhong's is a distinct minority dissenting view. See Wang Jisi, "China's Changing Role in Asia," *The Atlantic Council, Asia Programs* (January 2004): 11; Jin Xide et al., "Chaoxian Wenti zai Yanjin" (The Evolution of the North Korean Question), *Shijie Zhishi* (World Knowledge), No. 6 (2003): 14-18; Meng Liu "China and the North Korean Crisis: Facing Test and Transition," *Pacific Affairs* 76:3 (Fall 2003): 347-373. Moreover, by late August 2003, Shi's view seems to have changed significantly, as he now had to admit that "the DPRK, no matter what its motives were, at least raised detailed proposals to be discussed. . . , and these proposals were rational. In other words, the DPRK got the upper hand in this round of DPRK-U.S. diplomatic rivalry." Quoted in Waqng Dejun, "The Results of the Six-Party Talks Are Better than Expected," *Ta Kung Pao* (Hong Kong), August 30, 2003, trans in FBIS-CHI-2003-0830, September 4, 2003.

³³ See Andrew Scobell, *China and North Korea: From Comrades-in-Arms to Allies at Arm's Length* (Carlisle, Penn: Strategic Studies Institute, March 2004), p. 14.

³⁴ On the distinction between deterrence and compellence, see Thomas Schelling, *Arms and Influence* (New Haven: Yale University Press, 1966), pp. 1-18, 35-43 and 69-86. .

³⁵ William J. Perry, "Review of United States Policy Toward North Korea: Findings and Recommendations," October 12, 1999, http://www.state.gov/www/regions/eap/991012_northkorea_rpt.html.

³⁶ North Korea Advisory Group, "Report to the Speaker, U.S. House of Representatives," November 1999. For further analysis, see Samuel S. Kim, "The U.S.-DPRK Nuclear Standoff: The Case for Common-Security Engagement," *Joint U.S.-Korea Academic Studies* 14 (2004): 41-64.

³⁷ The figure of 50 to 100 nuclear weapons is an extrapolation by Perry. See William Perry, "It's Either Nukes or Negotiation," *Washington Post*, July 23, 2003, p. A23.

³⁸ Glenn Kessler, "N. Korea Nuclear Estimate to Rise," *Washington Post*, April 28, 2004, p. A01.

³⁹ Quoted in David Sanger, "Intelligence Puzzle: North Korean Bombs," *New York Times*, October 14, 2003, p. A9. For a similar

prognostication in stronger terms, see Perry, "It's Either Nukes or Negotiation."

⁴⁰ Sanger, "U.S. to Offer North Korea Incentives."

⁴¹ See Bryan Bender, "World's Nuclear Powers Decried as Hypocrites," *The Boston Globe*, 22 June 2004.

⁴² If a small, weak state occupies territory of strategic importance to a larger and stronger state, or if the field of play is on the weak actor's home turf (as was the case in the U.S.-Panama negotiation and the Great Britain-Iceland cod wars and is now the case in US-DPRK asymmetrical military or negotiation standoff), the weaker state can display bargaining power disproportionate to its aggregate structural powers. See Ronald P. Barston, "The External Relations of Small States," in August Schou and Arne Olav Brundtland, eds., *Small States in International Relations* (Stockholm: Almqvist and Wiskell, 1971) and William Mark Habeeb, *Power and Tactics in International Negotiation: How Weak Nations Bargain with Strong Nations* (Baltimore, MD: Johns Hopkins University Press, 1988). Gen. John H. Tilelli, Jr.—former commander of U.S. forces in Korea—used the phrase, "tyranny of proximity" in describing Pyongyang's asymmetrical military and bargaining trump card. Quoted in Vernon Loeb and Peter Slevin, "Overcoming North Korea's 'Tyranny of Proximity'," *Washington Post*, January 20, 2003, p. A16.

⁴³ See the report by Tokyo's KYODO in English in FBIS-China, 15 September 1992, p. 12.

⁴⁴ Parris H. Chang, "Beijing's Policy Toward Korea and PRC-ROK Normalization of Relations," in *The Changing Order in Northeast Asia and the Korean Peninsula*, Manwoo Lee and Richard W. Mansbach, eds. (Seoul: The Institute for Far Eastern Studies, Kyungnam University, 1993), p. 170.

⁴⁵ Xu Baokang and Wang Linchang, "Sino-ROK Partnership Toward New Century Introduced," *Beijing Review* 41.48 (November 30-December 6, 1998): 6.

⁴⁶ In 2003, for the first time China overtook the United States as the world's largest recipient/destination of foreign direct investment (FDI). While FDI into the United States declined to \$40 billion in 2003 from \$72 billion in 2002 and \$167 billion 2001, FDI into China declined only slightly to \$53 billion in 2003 from \$55 billion in 2002. See Laurent Frost, "China Overtakes U.S. As Investment Target," *Associated Press*, June 28, 2004.

⁴⁷ Albert O. Hirschman, *National Power and the Structure of Foreign Trade*, expanded edition (Berkeley: University of California Press, 1980), chapter 1.

⁴⁸ *Tong-A Ilbo* (Seoul), 24 August 1994, 5.

⁴⁹ Scott Snyder, "Middle Kingdom Diplomacy and the North Korean Nuclear Crisis," *Comparative Connections* 5.3 (October 2003): 113-9, available at <http://www.csis.org/pacfor/cc/0303Q.pdf>.

⁵⁰ See "China Imposes Anti-dumping Duties on Imported ROK-made Products," Xinhua News Agency, 10 February 2003, <http://www.china.org.cn/english/international/55347.htm>. The tariffs on chemical products were later removed. "Chemical Anti-Dumping Charge Dropped," *People's Daily*, 29 November 2003, http://english.peopledaily.com.cn/200311/29/eng20031129_129312.shtml.

⁵¹ Estimates and projections by the Bank of Korea in Seoul. See *The Korea Herald*, March 14, 2000 (Internet version).

⁵² See Scott Snyder, "Beijing in the Driver's Seat? China's Rising Influence on the Two Koreas," *Comparative Connections* 4.4 (January 2003): 95-102, available at <http://www.csis.org/pacfor/cc/0204Q.pdf>.

⁵³ Snyder, "Middle Kingdom Diplomacy."

⁵⁴ Scott Snyder, "No Shows, Economic Growth, and People Problems," *Comparative Connections* 5.4 (January 2004): 111-9; <http://www.csis.org/pacfor/cc/0304Q.pdf>.

⁵⁵ Chae-jin Lee, *China and Korea: Dynamic Relations* (Stanford: Hoover Institution Press, 1996), p. 166.

⁵⁶ Katharine H. S. Moon, "Strangers in the Midst of Globalization: Migrant Workers and Korean Nationalism," in *Korea's Globalization*, Samuel S. Kim, ed. (New York: Cambridge University Press, 2000), pp. 147-169.

⁵⁷ Roh Moo Hyun, "Address at the 16th Inaugural Ceremony: A New Takeoff Toward an Age of Peace and Prosperity," available at http://www.korea.net/government/president/news/xcontent.asp?color=BP&cate=01&serial_no=20030225003

⁵⁸ S. H. Chang, "Current Status and Perspective of Economic Exchange between North Korea and China," KOTRA at <http://www.kotra.or.kr>.

⁵⁹ The 2000 figures for China, Japan, South Korea, and the United States are based on the World Bank's *World Development Report 2002* (New York: Oxford University Press, 2001), tables 3-4, pp. 236-39; the figures for North Korea are based on the report issued by South Korea's National Statistics Office in late December 2001 and summarized in *Korea Now* (December 29, 2001): 8; and The Economist Intelligence Unit, *Country Profile 2001: South Korea and North Korea* at <http://www.elu.com/schedule>.

⁶⁰ In a closed executive session in New York in late May 1998 involving two high-ranking North Korean ambassadors and a dozen U.S. scholars, including this author, the ambassadors categorically denied any Chinese aid, saying: "If we wanted Chinese aid, we could get one million tons of grain from China tomorrow but it would come with an unacceptably heavy price of 'dependence'."

⁶¹ You Ji, "China and North Korea: A Fragile Relationship of Strategic Convenience," *Journal of Contemporary China* 10: 28 (August 2001): 391.

⁶² Scott Snyder, "North Korea's Challenge of Regime Survival: Internal Problems and Implications for the Future," *Pacific Affairs* 73:4 (Winter 2000/2001): 530.

⁶³ David Shambaugh, "China and the Korean Peninsula: Playing for the Long Term," *The Washington Quarterly* 26, no. 2 (Spring 2003): 46.

⁶⁴ Economist Intelligence Unit (EIU), *Country Report: South Korea and North Korea* (1st Quarter, 1999), 40.

⁶⁵ AFP, July 16, 1999 in AFP<afp@clari.net>.

⁶⁶ Liu, "China and the North Korean Crisis," 370-372.

⁶⁷ Song Dexing, "Lengzhan hou Dongbei Ya Anquan Xingshe de Bianhua" (Changes in the Post-Cold War Northeast Asian Security Situation), *Xiandai Guoji Guanxi (Contemporary International Relations)*, No. 9 (1998), 34-38, especially 35.

⁶⁸ See Wang Yizhou, "Mianxiang ershi shiji de Zhongguo waijiao: sanzhong xuqiu de xunqiu jiqi pinghem," [China's Diplomacy for the 21st Century: Seeking and Balancing Three Demands] *Zhanlue yu guanli [Strategy and Management]* 6 (1999): 18-27.

⁶⁹ See *East Asian Strategic Review* (2000): 67-69, 77-79, 83-88, 104-107, 139-141, 191-23.