China’s Foreign Policy in Northeast Asia: Implications for the Korean Peninsula

by Silvia Menegazzi

ABSTRACT
China’s relationship with the Korean Peninsula is key for Northeast Asia. Chinese President Xi Jinping took office in 2012. Since then, the strategy pursued by the new administration has been driven by the intent to strengthen political and economic ties with South Korea while maintaining a “wait and see” approach vis-à-vis North Korea’s nuclear programme. The growing synergy between Xi Jinping and Park Geun-hye over the past three years is the direct result of a willingness to improve the relationship between the two countries. The signing of the South Korea-China Free Trade Agreement in 2015 represented the highest stage of economic cooperation between the two nations for decades. Yet, growing tensions are imminent. In June 2016, South Korea and the United States agreed to deploy the THAAD system in Seongju, a county located in North Gyeongsang Province, in a move perceived by China as a direct threat to its national security. Whereas in the past, leaders in Beijing have been keen to maintain a low-profile strategy towards the Korean Peninsula, China’s interests are driven today by the need to guarantee security stability in Northeast Asia – and, in particular, to assure that Chinese economic and political interests in the region will not be threatened.

keywords
China | South Korea | North Korea | United States | Nuclear weapons | Non-proliferation | Arms control
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1. Chinese interests in Northeast Asia

Northeast Asia is a region rife with political-economic paradox.¹ On the one hand, nuclear and missile proliferation threatens the security complexes of all the major actors with interests in the region (i.e. China, South Korea, Japan and the United States). On the other hand, the process of economic integration reached unprecedented levels in the last decade. In 2016, according to International Monetary Fund (IMF) estimates, China, Japan and South Korea combined accounted for a 20 percent share of world GDP (projected GDP).²

Northeast Asia is currently one of the main strategic nodes at a global level, and its economic interdependence is comparable with that of the European Union or the United States. Since the beginning of the 1990s, China’s foreign policy towards Northeast Asia has been characterized by a series of political initiatives known as “peripheral diplomacy” (周边外交, zhoubian waijiao). The main intention has been for China to present itself as a rising regional power interested more in cooperation than confrontation. At present, and in contrast with past practice, China has become a constructive participant in its approach towards regionalism – albeit while retaining its “Chinese characteristics.”³ Specifically, and as distinct from the situation in the mid-1990s, China’s practice of regionalism has undergone two major changes: geographically, as its strategies are no longer confined to Asia;


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and politically, as it no longer sees itself as a revolutionary state but as an active participant in and contributor to the existing regional mechanisms, and with a Great Power identity.

The One Belt One Road (OBOR), a project launched in 2013 with the intent to hold together Beijing’s geostrategic ambitions and economic goals around the world and the Asian Infrastructure Investment Bank (AIIB), a new multilateral development bank established in 2015, are just two of many initiatives inaugurated by China, attesting to its new approach to global governance and international affairs.

China is particularly keen to play an increasing role at an international level. However, it also intends to maintain a highly strategic profile in Northeast Asia. Policymakers in Beijing recently characterized relations between the three main countries in the region (China, Japan and South Korea) as the “four-wheel drive”: politics; economics and trade; people-to-people exchanges; and sustainable development.4 This approach aims to boost the economic development of the East Asian region, while also guaranteeing security interests, peace and stability.

In parallel with the political narrative designated to deal with Northeast Asia, China’s policy towards the Korean Peninsula is rooted in four key areas. On 4 July 2014, the Chinese President delivered an important discourse at the Seoul National University. In his speech, Xi highlighted the fact that China’s regional policy towards the Korean Peninsula rests strategically in both economic and political terms. In particular, Chinese interests are driven by four major objectives: (1) economic integration and development; (2) long-term political interests; (3) peaceful unification between South and North Korea; and (4) public diplomacy.5

However, in the eyes of the international community Beijing still plays a very ambiguous role towards the peninsula. In fact, China continues to occupy a distinctive position among the major-power narratives involved in the region – as compared, for example, with that of Japan. Furthermore, the People’s Republic of China (PRC) appears to be the only country to maintain strong ties with both Seoul and Pyongyang. For China, dealing with South Korea in the context of political and economic cooperation must be framed within the broader context of its interests in the region, as well as how it thinks about its foreign-policy principles and practices.

Consequently, China’s regional strategy towards the Korean Peninsula may not be driven simply by North Korea’s denuclearization, or by achieving the unification of the two Koreas. Rather, it sees stability as a way of pre-empting any further

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involvement of the United States in the region, as well avoiding any type of regime change in North Korea.

2. China’s response to Pyongyang’s nuclear strategy

Since the Democratic People’s Republic of Korea (DPRK) restarted its nuclear programme in 2002, China has manifested an unprecedented attitude of positive constructiveness. The first signs of condemnation were made clear on 25 October 2002, when then-President Jiang Zemin, during a meeting with US President George W. Bush in Crawford, Texas, highlighted the importance of a nuclear-free peninsula. From July 2003, when Vice Minister Dai Bingguo began nuclear talks with Pyongyang, Moscow and Washington, until April 2009, when North Korea launched a long-range rocket (Kwangmyongsong 2), followed by ROK’s second nuclear test on 25 May 2009, China tried hard to persuade North Korea to cease its proliferation missile programme.

Unofficial discussions about sensitive issues often go unnoticed in the PRC. However, there has been an intense debate among Chinese scholars about China’s policy towards the Korean Peninsula – and, in particular, about the latter’s nuclear development programme. Major actors involved include party and military think tanks, such as the China Institute of International Studies (CIIS) and the China Institute for Contemporary International Relations (CICIR) – organizations with strong links to the Ministry of Foreign Affairs (MOFA).

Specifically, analysts and political scientists in the West dealing with China’s North Korea strategy see the Chinese academic community as divided into two broad schools: traditionalists and revisionists. 6 Whereas the former are inclined to contextualize China’s role as a “mediator” in Northeast Asia – thus encouraging North Korea’s normalization path into international affairs – the latter believe that China is ready to pursue a more proactive foreign policy in the region. In essence, the revisionists believe that because international security challenges have become far more complex, it is now time for China to change its engagement policy towards North Korea vis-à-vis the strategic role that it plays in the region. 7

The academic debate, as played out among Chinese scholars and international experts, goes hand in hand with the official policy sustained by China over the last two decades. In the first stage, from 1994 to 2002, Beijing pursued a cautious policy of non-intervention. In the second stage, from 2002 to 2009, China recognized the principle of non-intervention, as well as the growing security threat posed by ongoing developments in North Korea’s nuclear programme. This resulted in Beijing becoming more active and the establishment of the Six-Party Talks’ (SPT)

7 Ibid., p. 4.
framework. Since 2009, China’s position has changed yet again. Beijing’s interests are no longer driven by the need to achieve denuclearization on its proximate borders; rather, it is now strategically guided by the need to further strengthen security dynamics in Asia.\(^8\)

While useful, timeframe analyses alone cannot explain the motivations behind China’s foreign-policy behaviour vis-à-vis Pyongyang’s nuclear strategy. In its quest for a “new” identity as a global power, China, today more than ever, is caught in the dilemma of whether to (1) opt for a low-level, but highly strategic, engagement with Pyongyang; or (2) adhere to, and comply with, the rules and norms sponsored by the international community, thus condemning and openly objecting to Pyongyang’s nuclear development.\(^9\) As such, Chinese reactions towards Pyongyang’s nuclear programme should be further contextualized in the light of the delicate balance at play between China’s interests and identity.

Notwithstanding harsh criticism expressed by leaders and political elites in Beijing towards North Korea’s nuclear plans, China’s position remains ambivalent. Chinese leaders are caught between cutting political and economic ties with North Korea, thereby potentially contributing to its implosion, and continuing to provide food and energy facilities to Kim Jong-un’s regime. In the latter situation, they risk harsh treatment at the hands of the international community, which accuses China of not being able to maintain appropriate standards for the second largest economy in the world.

Zheng Yongnian, a Chinese political scientist and Director of the East Asian Institute at the National University of Singapore, believes that identity issues are still worth discussing when analysing China’s position on the Korean (nuclear) crisis, i.e. the moral dilemma rooted in China’s past. In this sense, there are two main factors that can help us to understand China’s behaviour: first is China’s reluctance to play the game of “Great Power politics” vis-à-vis other countries in Northeast Asia; second, according to China’s foreign-policy principles and in consequence of what has just been stated, leaders in Beijing are confronted with the need to avoid interfering in the DPRK’s nuclear development.\(^10\) This is due to China’s historical experience following Western interference in its domestic affairs in the eighteenth century. Furthermore, and notwithstanding moral dilemmas and historical experiences, China remains deeply concerned about security stability in Asia. Leaders in Beijing fear that North Korea’s entry into the fray will result in a replication of the Middle East situation throughout the entire peninsula.

China does not want to play the same role as that played by the United States in the Middle East. Furthermore, it has to be ready to fully engage with the nuclear crisis and fulfil the responsibilities needing to be borne by a Great Power. It should therefore manage its “backyard problem” on its own.\textsuperscript{11} In the aftermath of North Korea’s fifth nuclear test – on 9 September 2016 – China and the United States agreed to strengthen cooperation in the United Nations Security Council (UNSC) in order to respond to North Korea. China approved the UNSC resolution,\textsuperscript{12} yet Chinese Premier, Li Keqiang, took the opportunity once again to reiterate the country’s opposition to the United States deploying the “sade” THAAD missile system in South Korea.\textsuperscript{13} Xi Jinping told his counterpart, Park Geun-hye, that the deployment of the THAAD anti-missile system would not only be a threat to China’s national security – i.e. it might track China’s military capabilities – but it could potentially intensify disputes in the region.\textsuperscript{14}

3. Reactions towards Korean Peninsula unification

China’s initial engagement in the North Korean nuclear crisis dates back as far as March 1993, when China opposed US-inspired UN sanctions over North Korea’s pulling out of the Nuclear Proliferation Treaty (NPT). However, more recently, China’s foreign policy towards the Korean peninsula has gone beyond denuclearization strategies and included implications for Northeast Asia in the light of a future unification on the Korean Peninsula.

China’s envisioned strategy vis-à-vis the unification process of the two Koreas involves two different scenarios: either a South Korea-led unification process or an independent unification. As far as the official position is concerned, leaders in Beijing will support unification on the Korean Peninsula if, and only if, it is based on a peaceful process. Yet, with regard to North-South unification, China recognizes that a “South Korea-led process” might result in a growing threat vis-à-vis the security situation in Asia. Beijing leaders might feel threatened by Korean unification under the Republic of Korea (ROK), due to the completely different geopolitical situation in Northeast Asia that would result, i.e. an increase in the number of US troops being deployed on China’s proximate borders.\textsuperscript{15} At the same time, policymakers in Beijing recognize that it was specifically the development

\begin{itemize}
\item \textsuperscript{11} Ibid.
\item \textsuperscript{14} John Ruwitch, Ben Blanchard and Jack Kim, “Xi Tells South Korea that China Opposes THAAD Anti-missile Defense: Xinhua”, in \textit{Reuters}, 4 September 2016, http://reut.rs/2c42EFd.
\end{itemize}
of North Korea’s nuclear strategy that allowed the United States to pursue a more proactive foreign policy in the region. In this sense, if considering a long-term perspective, a South Korea-led unification process might also further contribute to reshaping the US-ROK security alliance, and, consequently, the removal of US troops from the peninsula. However, doubts persist in views vis-à-vis the process leading towards Korean Peninsula unification if driven exclusively by an ROK initiative. For this reason, another possible solution could be proposed: a “peaceful and independent unification” (自主和平统, zizhu heping tongyi).

A divided Korean Peninsula provides an excuse for foreign powers to intervene in the internal affairs of both South and North Korea, as evidenced by the military presence of the United States, but China clearly does not support the presence of US troops in the region. Furthermore, the current split and open confrontation between the ROK and DPRK is behind China’s ineffectiveness to maintain genuine partnerships with both sides. Similarly, over time, China has attached great importance to its neighbouring diplomacy. However, because of confrontation between South and North Korea, it still faces growing and difficult challenges in the region, which are unlikely to be resolved by peaceful means. China is keen to support the idea that North Korea should abandon the development of its nuclear programme if, and only if, South Korea weakens its ties with its abiding ally, the United States. Last but not least, confrontation between the two sides enhances the possibility of war and conflict in the region, and China is particularly concerned to maintain security stability in Asia.

To conclude, from a Chinese perspective, the Korean unification process remains a domestic issue, as yet unsolved because of the lack of mutual trust between the two Koreas. Both North and South Korea should, therefore, follow the objective of “matching methods and goals” (目标与手段匹配, mubiao yu shouduan pipei), which would entail reaching a high level of cooperation vis-à-vis the goal of integration. First and foremost, they should establish long-term objectives and shared scientific knowledge about the future of the unification. Second, when talking about a unified Korea, methods to deal with the unification process should be based on variety and flexibility, meaning that the two Koreas should have a common strategy in terms of political, military and economic objectives, whereby the interests at stake to both parties should be guaranteed. Third, North and South Korea would have to combine high-level pragmatism while sharing the same goals vis-à-vis strategic interests in Northeast Asia.

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18 Ibid.
20 Ibid.
Conclusion and Recommendations

Following the escalation of the second North Korea nuclear crisis, the security complex of Northeast Asia seemed under threat. Notwithstanding UNSC Resolution 2270, adopted in March 2016, North Korea carried out its fifth and biggest nuclear test on 9 September 2016. Under Xi Jinping’s administration, China maintained an ambiguous stance, as it appeared that China did nothing about the nuclear test despite the fact that it said it would. Chinese leaders (re)affirmed their strong opposition towards the development of North Korea’s nuclear programme. The Chinese Premier, Li Keqiang, reached an agreement in the UNSC with the US President, Barack Obama, to increase cooperation and law enforcement following North Korea’s fifth nuclear test. Nevertheless, as reiterated in a recent editorial in the Global Times, observers should not expect China to adopt tougher sanctions against Pyongyang in the near future.\(^{21}\) China has already suspended the transport to North Korea of auxiliary materials for the manufacture of nuclear weapons, but it is unlikely to ban overland transportation (marine trade) to North Korea (as, in fact, Resolution 2270 requires). This is because although Chinese leaders are deeply concerned about maintaining security and stability in Northeast Asia, China’s economic interests at stake in the Korean Peninsula clearly matter too. Similarly, the dilemma faced by China vis-à-vis North Korea’s nuclear proliferation is profoundly embedded in the identity that the PRC intends to promote at a regional and global level.

Globally, China’s willingness to behave as a responsible power is evident. Thus, it appears willing to comply with rules and norms sponsored by the international community vis-à-vis condemning nuclear proliferation, i.e. supporting UNSC resolutions against North Korea. Regionally, however, China perceives the United States’ engagement in the peninsula, and more broadly in Northeast Asia, as a direct threat to the principles of non-interference and sovereignty. Although progress has definitely been made on the question of how China intends to deal with the issue of North Korea, leaders in Beijing are keen to avoid Great Power politics dynamics while also ensuring China’s economic interests in the region.

At best, one could say that China has embraced the North Korea issue by taking two steps forward and one step back. From a South Korean perspective, China’s constructive behaviour towards the Korean unification process appears to be comforting. However, to China, the unification process should be peaceful – i.e. avoiding further involvement by the United States or a regime-change-style ROK-led unification. Chinese leaders believe that major changes on the Korean Peninsula might strongly destabilize the security scenario in Northeast Asia. Interference by a third party, i.e. the United States or the ROK – or, even worse, a bilateral joint operation between the two – is expected to be perceived by China as a menace.

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to Northeast Asian security. To the Chinese leadership, unification remains an internal issue that should be solved by the two Koreas alone. South Korea must implement cooperation and dialogue with leaders in Beijing about security on the peninsula. Furthermore, it should support China’s efforts to resume the Six-Party Talks (SPT).

Although it is true that China has acted ambiguously many times with regard to North Korea, one should not forget China’s past and present commitment to the SPT involving all parties. In this light, South Korea could potentially put further pressure on the international community well beyond the United States in order to solve the nuclear crisis and to support and relaunch existing multilateral initiatives – as happened, for instance, with Iran’s negotiation process. The recent victory of Donald Trump in the US presidential election underlined the inevitable necessity to rethink security dynamics in Asia. The possibility that a Trump-led US administration might bring into question, in the not too distant future, the nature and long-term durability of the alliances maintained by Americans in Northeast Asia (chiefly, those with Japan and South Korea) may be more real than is currently anticipated.

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