

**A Dragon Rises:  
China's Ascendancy and the U.S.-ROK Relationship  
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One of the most important geo-strategic challenges facing the United States, the Republic of Korea (ROK), and America's other allies and partners in the Asia-Pacific region today is that posed by China's ascendancy and its growing assertiveness in defense of its perceived national interests. How the United States and its partners manage this challenge and, in the case of the Korean Peninsula, how the U.S. and the ROK deal with China and its treaty ally North Korea, will to a large degree determine the future course of peace, stability, and prosperity in Northeast Asia

Three decades of economic and social reform and the dismantling of major elements of the state-dominated agricultural and industrial sectors have brought about a phenomenal physical transformation in China's infrastructure and no less dramatic a change in the lives of the Chinese people. Economic growth and modernization have created a way of life that was unimaginable to the Chinese people a quarter century ago. Predictably for a nation as large as China, which has broad interests in the region and the world, economic success has made it possible to modernize and strengthen its military establishment. This success has also stimulated China's self-confidence, often reflected in a new assertiveness in defense of its interests.

As China has grown in strength and influence, it has sought to reassure its Asia-Pacific neighbors and the United States of its peaceful intentions, and of its desire to be a cooperative and constructive player on the world stage. During the 2008 Olympics, China signaled the world in dramatic fashion that it had "arrived" as a major power. But China also took pains to display its best face to the world, even if the heavy, authoritarian hand of the state was often visible in the background.

Sensitivity to how the PRC's rapid economic surge and its growing capabilities might be perceived by its neighbors prompted China's leaders to change how they described these phenomena, including by eschewing the term "peaceful rise" in favor of "peaceful development" – a phrase they evidently deemed less assertive. In its rhetoric in the Asia-Pacific region and beyond, the PRC's emphasis has been on "harmony" (hexie), together with frequent reassurance of its benevolent intentions and its desire to resolve international disputes through diplomacy.

To a large degree, this approach reflected China's need to sustain a peaceful regional environment – particularly around its immediate periphery – as it pursued its goal of national economic development and modernization, and as it sought access to the natural resources, including energy, needed to fuel its burgeoning economy.

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A stable security environment, including good relations with the United States and its neighbors, has also been seen by the PRC's leadership as essential to achieving another core goal: Dealing with the broad array of domestic challenges which burden the regime.

For all its success, China today faces a daunting set of internal challenges that not only constitute a brake on economic modernization and social development, but also represent forces that could threaten China's stability in the years to come. These challenges include serious environmental degradation, water shortages, urban overcrowding, unbalanced economic development, growing income disparities, corruption, and a large and growing middle class whose aspirations and expectations need to be accommodated.

China is plagued by labor and ethnic unrest, unfavorable demographic trends (including a rapidly ageing population), and by the resentment of many poor rural landowners, who often fall victim to the single-minded pursuit of development by local officials. China's internal challenges also include its inability to match its economic modernization with a parallel political liberalization and its frequent reliance on harsh, authoritarian methods for dealing with dissent.

China's daunting challenges reinforce the view that the PRC will likely continue to give special priority to its domestic agenda. This is not to argue that foreign policy will not be a core concern. Rather, it is to suggest that a central aim of the PRC's foreign policy will be to maintain the benign and predictable external environment necessary to allow the regime time to get its internal house in order. This domestic focus appears likely to restrain overseas risk-taking or "adventurism" in the future. Importantly, it also provides the United States and the ROK with an opportunity to work with China in support of its efforts to grapple with its domestic problems – an opportunity that can help build trust and forge more cooperative ties among the three countries.

Of course, China's focus on domestic priorities does not mean that Beijing will be any less determined to act in defense of its perceived "core interests." The PRC's harsh reaction to the announcement earlier this year of U.S. arms sales to Taiwan provides ample evidence of this. The fact that the announcement could not have come as a surprise to the PRC did nothing to assuage Beijing's anger in this case, especially since Taiwan is considered by the PRC to be one of those "core interests."

If China succeeds in managing its domestic agenda well, it will grow in self-confidence. This is natural and expected. However, as the PRC strengthens its military capabilities, if Beijing becomes convinced that the United States is in relative decline or that the U.S. is playing a diminished role in the Asia-Pacific region, it may move to adopt a more assertive posture. While it may be too early to tell, the strong Chinese response to the July 25-28 "Invincible Spirit" U.S.-ROK joint military exercise, and particularly to the participation of the USS George Washington carrier battle group in the exercise, may be a harbinger of things to come from a more assertive PRC. It is also helpful to recall that China's response in this case was not merely rhetorical. Beijing

conducted its own military maneuvers in a move widely seen as a thinly veiled way of signaling its displeasure to Washington – and Seoul.

A major factor affecting our understanding of China's actions and intentions as it pursues military modernization and as it engages with us in Northeast Asia is the PRC military's lack of transparency. From basic military concepts and defense plans to strategic nuclear doctrine, the People's Liberation Army (PLA) is more often than not an opaque puzzle for U.S. and allied defense planners. This lack of transparency is all the more problematic because of the PLA's reluctance to engage in serious military-to-military discussions with the United States.

Particularly unclear is the nature of the PRC-DPRK military-to-military relationship, together with our lack of understanding as to whether the 1961 Treaty of Friendship, Cooperation, and Mutual Assistance between the PRC and the DPRK represents a still-valid military assistance pact, or is now a defunct legacy of a once-close defense relationship. Chinese interlocutors have occasionally suggested that it is the latter in private discussions with American counterparts, but this is small comfort to U.S. and ROK defense officials in need of a firmer basis for planning for future contingencies on the Korean Peninsula.

Of similar concern is the political and diplomatic relationship between the PRC and the DPRK. Beijing's response to North Korea's sinking of the ROK warship Cheonan raised important questions about the nature of this relationship. Recent years had seen the PRC distance itself somewhat from its erstwhile North Korean ally, including by supporting the imposition by the UN Security Council of tough sanctions on Pyongyang after North Korea's April 2009 nuclear test. However, after the sinking of the Cheonan, the PRC seems to be "tilting" towards Pyongyang, accelerating a trend that began with last year's celebration of the 60th anniversary of formal diplomatic relations between the two countries.

After the Cheonan sinking, the PRC was slow in conveying condolences to the ROK, and senior-level condolences from China were over two months in coming. China did not criticize the attack and PRC officials seemed to go out of their way to express doubts about the conclusions of the multinational investigation team that found overwhelming evidence of a North Korean role in the attack. The PRC also opposed the efforts of the ROK and the United States to press for a UN Security Council Resolution condemning the attack.

China's posture after the attack was seen by many as providing "cover" for the DPRK, and Beijing's invitation to North Korean leader Kim Jong Il was also deemed by many in Seoul and Washington as a highly inappropriate step in light of the mounting evidence at the time that suggested a North Korean role in the sinking of the Cheonan.

Despite its endorsement of a UN Security Council Presidential Statement that left little doubt that North Korea had carried out the attack, China's apparent determination to deflect and deter efforts to sanction Pyongyang over the sinking has raised strong

concerns in Seoul and Washington about the current trajectory of PRC-DPRK relations. China's posture has also set back PRC-ROK ties and prompted widespread criticism of China in the Korean press. It remains to be seen how the PRC will seek to undo the damage it has done to its image in South Korea.

It is not clear what prompted Beijing's "tilt" towards North Korea in connection with the sinking of the Cheonan. However, China's sympathetic approach towards the DPRK may have been motivated by Beijing's concern about the current state of affairs inside the North. During a recent visit to Beijing, I was struck by the somber picture of internal economic and political developments in the DPRK painted by my Chinese interlocutors. One former Chinese diplomat talked about the "possibility of instability" in the DPRK as he described an isolated and fragile regime. Seen in this light, one is prompted to speculate whether China's current posture towards Pyongyang is being driven by concerns about the North's internal situation and that Beijing has concluded that now is not the time to apply additional pressure on a North Korean regime whose underpinnings are not as stable as they once were. Whatever the motivation for China's approach, it seems clear that China-North Korea ties are on a different trajectory today than they were in the not-too-distant past, when a number of influential Chinese experts were inclined to characterize North Korea as a liability to China's security interests and were even urging a "tilt" away from the DPRK.

Despite our concerns about China's intentions vis-à-vis North Korea, it remains true that Beijing remains an indispensable partner in the effort to denuclearize the DPRK. Beijing's support is also important to the implementation of current UNSC sanctions on North Korea. It is also difficult to imagine how the new sanctions currently being contemplated by the United States can be fully effective without some measure of support and cooperation from the PRC, particularly if those sanctions seek to block banking transactions being conducted by or with the DPRK.

For all its mixed signals with respect to its relationship with North Korea, Beijing does not seem to have retreated from its interest in resuscitating the Six-Party Talks aimed at ending Pyongyang's nuclear program. Beijing used Kim Jong Il's early-May visit to extract a statement from the North Korean leader reaffirming his commitment to denuclearization. It remains to be seen whether the North Korean leader's commitment is serious or not, but Beijing's leadership seems to have made obtaining this statement a priority during the visit.

Going forward, the United States and the ROK need to work closely and cooperatively to better understand and deal with a stronger, more assertive, and far-from-transparent China. The PRC's protestations against the recent "Invincible Spirit" exercise notwithstanding, Washington and Seoul must continue to make clear to Beijing that such exercises are defensive in nature and are essential to our ability to deter a dangerous and unpredictable DPRK. The United States and the ROK should also be clear about their intention to take all necessary and appropriate steps to enhance their ability to defend themselves. Towards this end, military exercises such as "Invincible Spirit," including exercises in the Yellow Sea, should take place. Beijing should be encouraged, in light

of its expressed concerns about such exercises, to redouble its efforts to urge more responsible behavior by its DPRK ally, whose attack on an ROK warship prompted this necessary U.S.-ROK response.

The lack of transparency of China's military doctrine and institutions should be addressed by the United States and the ROK by encouraging greater PLA openness. Advocating bilateral military-to-military dialogue has been a constant theme of U.S. policy discussion with Beijing, including in the bilateral Strategic and Economic Dialogue. Seoul may wish to consider adding its voice to that of the United States in calling for such mil-mil exchanges, and perhaps even propose its own bilateral military dialogue with Beijing as a way of enhancing transparency, building confidence, and reducing tension.

The United States and the ROK should also make further efforts to encourage Beijing to engage in discussions about the future of the Korean Peninsula, including dialogue aimed at discussing possible contingency scenarios. The PRC has been unwilling to engage in such talks for fear of angering North Korea. However, the recent Cheonan incident underscores why such dialogue is necessary if we are to avoid or manage future crises that might threaten to draw the United States or China into a conflict. It is unlikely that China will participate in such discussions on an official basis, but Beijing's support for Track 2 dialogue on Korean Peninsula contingencies would represent a major step forward.

Finally, while the real nature of PRC-DPRK ties remains less than clear, what seems certain is that the traditional relationship that was "as close as lips and teeth" is no more. Nevertheless, China's protestation that it exercises no influence over North Korea rings hollow, especially in light of evidence that the PRC's role in the DPRK's economy is growing and that the North is more dependent than ever on Chinese support for food and fuel. Seen from this perspective, China's ability to affect DPRK decision-making may be growing as well, even if it is proscribed to some degree by North Korea's noted nationalism and suspicion of China. This makes it all the more important for the United States and the ROK to engage China through officials and unofficial channels in an effort to better understand the PRC's role in the North and to better grasp what China's bottom-line concerns and priorities are vis-à-vis the Korean Peninsula.

Now, more than ever, shared U.S. and ROK concerns about peninsular peace and stability require us to obtain a clearer grasp of China's role in the North and how Beijing perceives its own interests with respect to the Korean Peninsula. China's growing military might, its lack of transparency, and the uncertain nature of PRC-DPRK ties means obtaining this picture is all the more important.

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