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**In a Fortnight**

By Peter Mattis

**HU JINTAO'S DOUBTFUL FUTURE ON THE CENTRAL MILITARY COMMISSION**

With the Beidaihe retreat coming to a close this week and Chinese leaders reemerging from behind closed doors, China's leaders are in the home stretch for deciding the outcomes of the 18th Party Congress. Some of the issues at stake are the size of the Politburo, who will make it into the Politburo Standing Committee, and a miscellany of other important personnel appointments, like Shanghai's party chief. One of the most consequential questions is whether President Hu Jintao will hold onto the chairmanship of the Central Military Commission (CMC), which oversees the People's Liberation Army (PLA), after he resigns as general secretary this fall. Some speculation suggests Hu will follow his predecessor's path and oversee military affairs in quasi-retirement (*Ming Pao*, July 22; *Apple Daily*, May 30). The idea of precedent looms large for a China-watching community starved of reliable, current information. President Hu, however, appears unlikely to retain the CMC chairmanship past the 18th Party Congress based on the factors that allowed Jiang Zemin to continue in that capacity after resigning as general secretary.

The idea of President Hu staying on as chair of the Central Military Commission has precedent with both Deng Xiaoping and Jiang. In 1987, Deng resigned from all of his posts except for the CMC chairmanship, ostensibly to turn governance over to the rising generation, led at that time by the ill-fated General Secretary Zhao Ziyang. As Hu Jintao took the party reins in 2002 at the 16th Party Congress, then-

President Jiang Zemin did not relinquish the CMC chair, following in Deng's footsteps [1].

Around the first National People's Congress after the 16th Party Congress, the PLA started to express some reticence about Jiang's continuing leadership of military affairs while another leader, Hu, ostensibly led the rest of the party and government. In an editorial by a senior *PLA Daily* editor, the PLA suggested this arrangement was not helpful: "Having one center is called 'loyalty,' while having two centers will result in 'problems.' Having multiple centers is the same as having no center, and having no center results in having no success in any area" (*Asia Times*, March 12, 2003; *PLA Daily*, March 11, 2003). That this became an important issue is suggested by Jiang's remarks at the time his resignation was announced. Jiang said the three key positions of Chinese power—party general secretary, state president and CMC chair—most appropriately and necessarily should belong to the same person (Xinhua, September 20, 2004).

There is little reason to suggest the PLA has changed its position on the perils of a divided command. Since at least March, the propaganda line has been a consistent statement about the clear relationship between the party and the army—not between a civilian leader and the PLA. The recognition of Hu Jintao's role as leader of the party and the role of the party's general secretary also suggests the PLA stands by Jiang's reasoning for unity of command ("Army Day Coverage Stresses PLA's Contributions and Party Control," *China Brief*, August 17; *The Diplomat*, July 3).

The next question is whether Hu would have the support of the military to overcome this reluctance. When Jiang retained the CMC chair, the PLA was one of the strongest institutional supporters of his contribution to Chinese ideological canon, the "Three Represents," promulgated on July 1, 2001. Through the next year, senior PLA generals—including the ambitious Cao Gangchuan and then-CMC Vice Chairmen Chi Haotian and Zhang Wannian—fell over themselves to endorse the concepts in the *PLA Daily*, *Qiusi* [Seeking Truth], Xinhua and other outlets, elevating Jiang Zemin to positions comparable to Mao Zedong and Deng Xiaoping for his contributions to Marxist thinking and China's development ("The PLA and the 'Three Represents': Jiang's Bodyguards or Party-Army?" *China Leadership Monitor*, Fall 2002). Although the

PLA did not quite declare fealty to Jiang, this propaganda blitz raised questions about the re-personalization of the military and suggests the PLA supported retaining Jiang on the CMC. The PLA's endorsement of Hu's "scientific development concept," by comparison, is rather pro forma, suggesting he lacks the same kind of institutional support.

A second and related question is whether Chinese leaders believe the international situation is sufficiently dangerous that the ostensible uncertainty caused by a CMC leadership transition would be undesirable. This was the reason given in 2002 that justified Jiang's continued CMC chairmanship (Xinhua, September 19, 2004; *Wen Wei Po*, September 16, 2002). In July, Hong Kong media suggested tensions in the South China Sea could be used by Hu to do just that (*Ming Pao*, July 22). Beijing's aggressive but adroit diplomacy, however, seems to have settled the latest round of territorial spats that began this spring at Scarborough Shoal ("Sansha: New City in the South China Sea," *China Brief*, August 17; "China Pushes on the South China Sea, ASEAN Unity Collapses," *China Brief*, August 3). Given the seemingly paranoid views of Western cultural infiltration, the "five poisons," and "Western hostile forces," it is difficult to get a clear grasp of what Beijing's threat perceptions truly are at any given time (*Red Flag*, May 24; *Qiusi*, January 1). The ostensibly most authoritative recent public assessment of China's threat environment comes from the well-connected Beijing University professor Wang Jisi. Wang, however, while noting China's more constrained international situation, did not endorse a sense of crisis in Beijing's position (*Global Times*, June 13).

If Hu Jintao retains the CMC chair, then it probably will have been the result of a power play that demonstrates Hu has had more power than is typically ascribed to him. He has seemed to float between rhetorical inconsequence and the ability to target individual opponents within the Chinese system, such as Chen Liangyu and Bo Xilai ("The Soapbox and the Truncheon: Hu Jintao's Amorphous Power," *China Brief*, July 19). Retaining the CMC chair would allow Hu to play a lasting role in Chinese national security policymaking, but the position probably would be limited in terms of promoting the members of his China Youth League faction up the ranks—except as a one-time bargaining chip to trade away. Given the reports of a contentious relationship with some military leaders—

including one he promoted to general—the former may not be sufficient reason for Hu to want to stay on (*New York Times*, August 7; *Ming Pao*, July 22).

On balance, however, the prognosis does not look good for Hu Jintao retaining the CMC chair for the next two years unless new signs of the PLA rallying behind him in the coming weeks amid some sort of crisis. Whether Hu steps down or not, it may not indicate anything important about the institutionalization of Chinese politics. Nevertheless, if the positions of party general secretary, state president and CMC chair transition smoothly to Xi Jinping at the 18th Party Congress, then China still will have seen its first clear transition of power under the Chinese Communist Party.

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Notes:

1. The best analysis of the CMC transition from Jiang Zemin to Hu Jintao appeared in James Mulvenon's articles for the *China Leadership Monitor* from 2002 to 2005, especially issues 4, 5, 7 and 13.

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## Army Day Coverage Stresses PLA's Contributions and Party Control

By Michael S. Chase

The People's Liberation Army (PLA) celebrates its founding during the 1927 Nanchang Uprising every year on August 1, China's PLA Day or Army Day. Accordingly, each year on PLA Day, China's official media provides authoritative coverage extolling the PLA's accomplishments and highlighting the leadership's current priorities. Recent examples have included editorials emphasizing "civil-military integration" in 2011 and discussion of the PLA's "Historic Missions" in 2005 ("Civil-Military Integration Theme Marks PLA Day Coverage," *China Brief*, August 12, 2011). As August 1, 2012 marked the 85th anniversary of the establishment

of the People's Liberation Army (PLA), this year's media coverage highlighted a grand reception held in the Great Hall of the People that was attended by more than 1,800 guests, including President Hu Jintao and all of the other members of the Politburo Standing Committee (PBSC) (*People's Daily*, August 1). Editorials and related media coverage praised some of the PLA's past accomplishments and extolled the progress it has made toward fulfilling the "historic missions" it received from President Hu Jintao in 2004. Another key theme in this year's PLA Day coverage, however, was Chinese Communist Party (CCP) control of the military. Extensive discussion of party control and the PLA's loyalty to the CCP seemed to suggest some concern about possible support for "nationalization" of the PLA—a concept that is surely anathema to the leaders who sit atop China's Leninist political system and are currently preparing to hand over power to their successors at the 18th Party Congress this fall.

### PLA Modernization and the "Historic Missions"

This year's PLA Day media coverage highlighted the PLA's recent accomplishments and the PLA's growing ability to fulfill the "Historic Missions" that it received from President Hu Jintao in 2004. The PLA Day editorial that appeared in *People's Daily* praised the PLA for its "brilliant contributions and splendid exploits" and underscored its role as a "strong pillar of socialism with Chinese characteristics" (*zhongguo tese shehui zhuyi de jianqiang zhushi*). According to the *People's Daily* editorial:

"National defense and armed forces building always hold an important place in the overall cause of socialism with Chinese characteristics. Without a strong national defense and powerful armed forces, there would be no smooth advancement or great achievements in the modernization of China. All along, whether it is resolutely defending state sovereignty, security, and territorial integrity, pushing forward its own reform and development, actively participating in and supporting economic and social development, or actively taking part in emergency assistance and disaster relief, the PLA has consciously obeyed and served the overall interest of the work of the party and the state, effectively carried out the historic missions, and proved that it lives up to its role as a strong pillar

and important building force of socialism with Chinese characteristics” (*People’s Daily*, August 1).

Moreover, the *People’s Daily* editorial continued, the PLA should continue to work toward fulfilling its “historic missions” by “providing an important power and guarantee for consolidating the party’s ruling position, a strong security guarantee for national development, and a powerful strategic support for safeguarding national interests, and playing an important role in maintaining world peace” (*People’s Daily*, August 1). As would be expected, *PLA Daily* was no less effusive in its praise, publishing an editorial that lauded the PLA’s recent accomplishments:

“Since the 16th Party Congress, under the strong leadership of the Communist Party Central Committee with Comrade Hu Jintao as general secretary, the PLA has made historic progress in enhancing its revolutionary character and achieving modernization and regularization, continuously expanded and deepened its preparations for military struggle, further strengthened its deterrence and actual operational capabilities under informatized conditions, continuously enhanced its ability to perform its missions, and remarkably fulfilled various tasks... from the campaign against the SARS epidemic to its responses to the disasters caused by freezing rain and snowstorms, from the Wenchuan and Yushu earthquake rescue and relief efforts to its responses to the extremely serious flood and mudslide disaster in Zhouqu, from the National Day military parade in the capital to supporting the Beijing Olympic Games, the Shanghai Expo, and the Asian Games in Guangzhou, from the escort missions in the Gulf of Aden and waters off Somalia to its participation in UN peacekeeping and international rescue missions, the People’s Army has always charged ahead, bravely shouldered heavy responsibilities, played an important role, made outstanding contributions, and won the acclamation of the Party and the people” (*PLA Daily*, August 1).

Other PLA Day coverage urged the PLA to continue improving its capabilities to support its “historic missions.” For example, a *Xinhua* commentary stated the

following:

“It is necessary to persistently focus on the historic missions for the armed forces at the new stage in the new century (*xin shiji xin jieduan jundui lishi shiming*). While facing a more complex security environment, all of the work of the People’s Army must be centered on the effective performance of the historic missions... Only by being faithful to its missions, dedicated to its missions, and living up to its missions can the People’s Army provide a stronger security guarantee for the cause of socialism with Chinese characteristics” (*Xinhua*, July 31).

At the same time, however, as if to avoid creating the impression that the PLA’s growing ability to perform these missions might tempt China to adopt a more unyielding stance in dealing with its neighbors, official media also indicated that China’s growing military power was commensurate with its rising economic and technological status, emphasized that the PLA remains many years behind the world’s leading military, and promised that the development of the PLA “poses no threat to any nation” (*Xinhua*, July 31).

### Party Control and PLA Loyalty

Beyond praise for the PLA’s past accomplishments and exhortations to continue improving its core military capabilities and its ability to effectively perform non-traditional security missions, PLA Day media coverage clearly highlighted the theme of Communist Party Control of the PLA and emphasized the central importance of the PLA’s loyalty to the Party. The August 1st editions of *PLA Daily* and *People’s Daily* featured comments from an 85th anniversary speech given by General Liang Guanglie, Minister of National Defense. Both papers published General Liang’s statements that the PLA’s accomplishments and progress should be seen as “the results of the correct guidance of the military theories of the Party” (*dang de junshi lilun zhengque zhiyin de jieguo*) and highlighted the emphasis he placed on “the need to unswervingly adhere to the fundamental principle and system of the Party’s absolute leadership over the armed forces” (*People’s Daily*, August 1; *PLA Daily*, August 1).

Similarly, the *People's Daily* editorial extolling the PLA's role as a "pillar" stated that the "fundamental reason" for the PLA's success was "maintaining the party's leadership." Furthermore, the editorial indicated that strengthening the PLA's ability to perform the "historic missions" would require ensuring that "the troops will resolutely obey the party's command and be absolutely loyal and reliable, take this as the primary task that must be grasped persistently in force building, and guarantee the effective implementation of the fundamental principle and system of placing the armed forces under the Party's command" (*People's Daily*, August 1). Moreover, at a press conference held on the eve of Army Day, Wang Yongsheng of the PLA's General Political Department (GPD) stated: "The PLA was founded and is under the leadership of the Communist Party of China (CPC), and the CPC's absolute leadership over the army is the army's fundamental system and principle" (Xinhua, August 1). In addition, in the CCP Central Committee's official journal, *Seeking Truth*, Academy of Military Science (AMS) president Liu Chengjun and AMS political commissar Sun Sijing stressed the importance of the Party's leadership over the military. "Under whose leadership the armed forces are placed and whose command they obey is the core content of the military system," Liu and Sun wrote (*Qinshi*, August 1). Other official reports, such as Xinhua's PLA Day commentary, struck similar chords:

"To advance national defense and armed forces building from a new historical starting point, it is necessary to maintain the party's absolute leadership over the armed forces (*jianchi dang dui jundui juegui lingdao*) and take this as the primary issue in the building and development of the People's Army. The PLA should always take the party's banner as its banner, take the party's will as its will, vigorously foster the core values of contemporary revolutionary military personnel, energetically develop advanced military culture, and resolutely obey the commands of the Party central leadership, the Central Military Commission, and Chairman Hu Jintao in all of its actions" (Xinhua, July 31).

That PLA Day media coverage would highlight such themes is unsurprising, especially considering the emphasis the CCP historically has placed upon its primacy over the military, in line with Mao Zedong's

famous dictum that "the Party commands the gun." The emphasis on CCP control and the PLA's loyalty could be seen as reflecting this historical preoccupation and perhaps general concerns about holding a steady course ahead of the upcoming 18th Party Congress, which will mark the transition from the Party's current leadership group to the next generation of top leaders. Presumably, party leaders are particularly determined to avoid any further unpleasant surprises as they move toward the culmination of a succession process that has gone relatively smoothly on the whole, but has also been overshadowed to some extent by the drama of Bo Xilai's ouster and his wife's arrest on murder charges. While this could account for the emphasis on party control and PLA loyalty, there is also at least some reason to believe that it could reflect concerns about an extremely sensitive issue—possible calls for "nationalization" of the PLA, which would threaten to fundamentally transform the role of an institution that has been a party-army for its entire 85-year history.

### Resisting "Nationalization" and Other "Mistaken Ideas"

Indeed, the strong emphasis on party control appears closely linked to recent commentary about resisting "nationalization" of the PLA, a theme that has been emphasized in a number of editorials this year following rumors that a top PLA officer was under investigation for supporting "army nationalization" (*South China Morning Post*, March 22). Some of this year's Army Day media coverage echoed the theme of resisting "nationalization." For example, a brief August 1 Xinhua report stressing the CCP's "absolute leadership over the army" stated that Beijing would "resolutely oppose any erroneous ideas about the de-politicization of its army," ideas which it said clearly had "ulterior motives" (Xinhua, August 1). The Xinhua report was vague about who, if anyone, was advocating such de-politicization, but starker and at least somewhat more specific language appeared in a *Global Times* summary of Army Day media coverage, which bluntly stated: "Discussion about nationalization of the PLA, namely stripping the Party of its leadership over the military, has caught some attention this year, reflecting dissident thinking within the PLA and among scholars" (*Global Times*, August 1).

This was not the first time this year that the Chinese media had given prominent voice to such concerns. On July 1st, a *PLA Daily* editorial marking the 91st anniversary of the founding of the Chinese Communist Party (CPC) raised similar concerns about any support for a “non-Party or non-politicized army” (*jundui feidanghua, feizhengzhibhua*), or “army nationalization” (*jundui guojiabua*) (*PLA Daily*, July 1). Similarly, in mid-May, *Global Times* highlighted concerns that “nationalization” of the armed forces could be part of a foreign plot to undermine China’s political system, warning that the United States and other Western countries have used “nationalization” of the armed forces as “a strategic tool...to subvert the systems of socialist countries” (*Global Times*, May 18). The *Global Times* piece echoed an earlier *PLA Daily* exhortation to remain vigilant against conspiracies aimed at separating the military from the Party and adhere to the system of party control of the armed forces (*PLA Daily*, May 15). In April, another *PLA Daily* editorial highlighted similar themes (*PLA Daily*, April 6). All of this followed a March *PLA Daily* editorial entitled “Resolutely Resist ‘Nationalization of the Army’ and Other Mistaken Concepts,” which highlighted the “special significance” of 2012 in the history of the Party and the PLA, owing to the 18th Party Congress, and stressed the importance of “unswervingly adhering to the fundamental principle and system of the Party’s absolute leadership of the military” (*PLA Daily*, March 19).

### More Smoke than Fire?

This year’s Army Day media coverage not only celebrated the PLA’s 85th anniversary, but also placed strong emphasis on Party control of the military and the loyalty of the army to the CCP, in keeping with a body of commentary this year that seems to reflect some anxiety about support for “army nationalization.” The leadership transition may well be intensifying such concerns, but exhortations to remain obedient to the Party and resist calls for “nationalization” have been a recurrent theme in official media for a decade or more, making it very difficult to discern whether anything truly unusual is afoot this time. Nonetheless, the emphasis on resisting “army nationalization” suggests ensuring the PLA’s loyalty to the Party is a preoccupation for Hu Jintao and other top leaders as the succession process unfolds.

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## Sansha: New City in the South China Sea

By June Teufel Dreyer

In late July 2012, Beijing officially established a new city, Sansha, literally “three sands” or “three sandbanks” (Xinhua, July 24). The name carried well-thought out symbolism, since the new city was to have jurisdiction over the Paracel Islands (*xisha qundao*, western sands archipelago), the Spratly Islands (*nansha qundao*, southern sands archipelago) and Macclesfield Bank (*zhongsha qundao*, middle sands archipelago) [1]. Although the proximate reason for Sansha’s establishment was Vietnam’s enacting legislation claiming jurisdiction over the Paracels and Spratlys, official sources stated the central government had been considering this option for 20 years (*Global Times*, July 24). Reportedly, the idea was seriously considered five years ago, but Beijing decided to wait to account for the interests of all the parties. In the face of other countries’ predations, however, China had no choice but to take this “passive response” (China National Radio, August 10). While ostensibly defensive, Sansha’s establishment solidifies Beijing’s claims at a time when regional players are uncoordinated and unable to challenge Chinese actions effectively.

The origins of Sansha and Beijing’s 20-year consideration of it presumably stem from 1992 legislation by the National People’s Congress that unilaterally declared Chinese sovereignty over not only the aforementioned islands but over Taiwan, the Pratas Islands (*dongsha qundao*) and the Japanese-administered Diaoyu Islands (also known as the Senkaku Islands). All have at least one other claimant. The same law, though providing for the right of innocent passage for non-military vessels, gave China broad rights over what it referred to as its territorial sea

as well as the airspace over and seabed and subsoil under it [2]. China bases its claims in this area on a so-called U-shaped line, sometimes known as the cow's tongue or nine-dotted line, which first appeared in 1914 and, hence, long predates the founding of the People's Republic in 1949 [3]. Some analysts believe, although China claims all the features within the area and the associated exclusive economic zones (EEZs), it does not see the waters within the lines as territorial waters (*Straits Times*, July 23).

Despite causing considerable consternation at the time, the law was but lightly and sporadically enforced until recently. Factors that have changed this situation include increased competition for energy resources that enhanced the value of the oil and gas resources that the East and South China seas are believed to contain; dwindling world supplies of fish that enhanced the value of the rich fishing grounds of the area, and China's rapidly growing economic and military strength that made enforcement of Beijing's claims seem more feasible. Though differences of opinion exist over the precise wording of recent statements and whether they were made in an official or an unofficial capacity, it appears to some regional observers that Beijing has claimed jurisdiction over both the East China and South China seas (*The Pioneer* [India], August 3; *Yomiuri Shimbun*, July 26).

Certainly there is no doubt that in both words and deeds, Beijing has become more assertive: the Chinese foreign minister told Southeast Asian foreign ministers in the summer of 2010 that they would have to understand that China was a big country while they were small. (*Wall Street Journal*, October 1, 2010). In September, after the Japanese arrested a Chinese fishing boat captain whose vessel had rammed two Japanese Coast Guard ships, Beijing announced an embargo on rare earth shipments to Japan, subjected its imports to an excruciatingly slow inspection procedure, and discouraged tourism to the country. The captain was quickly and humiliatingly released, returning home to a hero's welcome. Beijing announced henceforth its ships would patrol the waters, which they have done.

In mid-2012, as four ships of the Indian Navy departed the Philippines for South Korea, a Chinese People's Liberation Army naval ship radioed "Welcome to the South China Sea," and escorted the Indian ships through the area. This seemed to indicate China does regard the area as within its territorial waters and, according

to sources in New Delhi, clear evidence that Beijing perceives India as a factor in the South China Sea dispute (*Daily News and Analysis* [India], June 25).

Sansha Municipality's founding represents a step forward in this more assertive posture. The city's top priority is described as safeguarding the nation's sovereignty over the area's islands and waters. Expelling foreign vessels that intrude into China's territorial waters and air space will be daily tasks for the military garrison to be stationed there. A commentator for the *Global Times* explicitly described the formation of the new city and its military garrison as a departure from Beijing's past policy of refraining from the use of military force to protect its sovereignty and "a new challenge for China. Hence, the focus on economic development that is the priority of most other Chinese cities is not appropriate, and it should be treated differently in terms of the assessment of its future achievements" (*Global Times*, July 24).

Most recent instances of confrontation have concerned Vietnam and the Philippines. Beginning in mid-decade, all parties began to unilaterally drill in disputed areas, prompting Beijing to increase its presence around the Paracels and Spratly islands, and each to accuse the others of violating the 2002 ASEAN Code of Conduct on the South China Sea (Xinhua, August 4) [4]. In mid-2011 Manila discovered Chinese ships had erected boundary posts near Reed Bank, within the Philippines' EEZ. Several more incidents followed, amid charges and countercharges. The latest recurrence was a two-month confrontation that began in April 2012 near Scarborough Shoal, north of the Spratlys. Beijing responded to Manila's demands to withdraw its ships by prohibiting the import of Philippine bananas, impacting a \$75 million market on which 200,000 jobs depend, and following that up with a ban on the countries' pineapples and papayas as well. After both sides briefly withdrew their vessels, Chinese fishing boats returned escorted by a Chinese Maritime Surveillance ship (Associated Press, June 28).

Almost immediately thereafter, the China National Offshore Oil Corporation (CNOOC) announced it was accepting bids for a new batch of oil-exploration blocks that are entirely within Vietnam's EEZ as stipulated in the United Nations Convention on the Law of the Sea (*Wall Street Journal*, June 28). Hanoi issued a formal objection and demanded CNOOC cancel the offering.

Immediately thereafter, state-owned PetroVietnam urged foreign firms to not get involved. Beijing retorted that CNOOC's action represented normal business activities consonant with both Chinese and international law. Since it is unlikely that foreign firms will choose to invest assets in so contentious an area—nor could CNOOC have entertained any notion that they would do so—a more plausible explanation would seem to be that Beijing is using the company to press its claims in the area.

With ASEAN in disarray after a contentious meeting of foreign ministers that, for the first time in the organization's history failed to produce a communiqué, Beijing need not be concerned with united resistance from Southeast Asia, leaving the field essentially clear for it to move forward. ("China Pushes on the South China Sea, ASEAN Unity Collapses," *China Brief*, August 4). Beijing seems sufficiently concerned with the possibility of U.S. intervention to issue repeated warnings against it. China reacted sharply against U.S. Secretary of State Hillary Clinton's statement that competing claims over South China Sea island chains should be resolved without coercion or threat, terming them an "attack" on China (Ministry of Foreign Affairs, July 24, 2010). More recently, after a State Department spokesperson made a similar statement reiterating that the United States does not take a position on competing territorial claims and has no territorial ambitions in the South China Sea (U.S. State Department, August 3), Beijing summoned the U.S. Embassy's Deputy Chief of Mission to make "serious representations" that emphasized China's absolute sovereignty over the area and that it would countenance no interference in its right to establish Sansha and its garrison (Xinhua, August 5; Reuters, August 5). Other commentaries admonished the United States to "behave itself" rather than using the dispute to "drive a wedge between China and its neighbors so as to clip China's wings and shore up the United States' cracking pedestal in the Asia-Pacific" (China National Radio, August 10; Xinhua, August 4, 2012). Elsewhere, the United States' "cracking pedestal" was linked to a resentment indicative of the country's decline (*People's Daily*, August 7). More ominous was a *Global Times* article that argued China was "challenged by many other international issues such as the Diaoyu Islands dispute, that will require a new understanding of international rules. Learning what rules the outside world really plays by should be one of the main goals of our participation in the London Games"

(*Global Times*, August 7).

Beijing's fears aside, there is little possibility of U.S. intervention. There is opposition both within the region and in the United States about the wisdom of allowing the South China Sea to become a battleground for great power rivalries. In apparent disregard of the economic issues involved, some groups in Southeast Asia seem to regard their countries as innocent bystanders, who have no stake in a conflict between great power elephants. Similarly, some Americans regard the South China Sea as irrelevant to U.S. national interests and caution against being drawn into yet another entangling alliance. For now, the protests have abated, and other news stories have displaced it in the media even if the contradictions remain unresolved.

Suggestions for joint development of the contested areas are unrealistic. Inflamed domestic public opinion among all claimants means that the granting of even minor concessions is potentially suicidal to the political career of democratically-elected politicians and worrisome even in authoritarian governments like China, whose leadership appears fixated on the need to safeguard what is euphemistically referred to as social stability. Moreover, until the claimants can agree on the size of the maritime zones surrounding their claims—which after repeated efforts they have been unable to accomplish—negotiating joint development is impossible.

In conclusion, protests aside, China will have a largely free hand in the South China Sea. It will garrison the area from Sansha as it has vowed to do. This will be no small task. The island has no water apart from what little rain can be collected in barrels; the rest is delivered by freighter from Hainan, the province that administers the city. Ships must navigate a thirteen- to fifteen- hour voyage among dangerous reefs. The first soldiers there attempted to plant crops and raise chickens, but found them devoured by the local rat population. Cats imported to take care of the rats proved no match for the rodents. Even today, most food must, like water, be supplied from outside. An infrastructure will have to be created to house the garrison. Given Beijing's demonstrated determination to solidify its claims to the South China Sea and the weakness of its opposition, there can be little doubt that China will succeed in doing so. Its salami tactics have proved stunningly successful so far. Beijing



has little reason to compromise, making future incidents probable.

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Notes:

1. Macclesfield is actually a series of submerged coral reefs and shoals and hence an atoll rather than a true island. It is located east of the Paracels and north of the Spratlys.
2. Law on the Territorial Sea and the Contiguous Zone, People's Republic of China, February 25, 1992, Available online at <http://www.un.org/Depts/los/LEGISLATIONANDTREATIES/STATEFILES/CHN.htm>
3. Zou Keyuan, "China's U-Shaped Line in the South China Sea Revisited," *Ocean Development and International Law*, Vol. 43, No. 1, 2012, pp. 18–34.
4. Under which the signatories agreed to exercise self-restraint in the conduct of activities that would complicate or escalate disputes, and to hold dialogues as appropriate. <http://www.aseansec.org/13163.htm>. For the Filipino view, see (no author) "China Violated 2002 ASEAN Declaration of Conduct by Constructing Posts in the Reed Bank, Near Spratly Philippines," <http://betterphils.blogspot.com/2011/06/china-violated-2002-asean-declaration.html>.

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## Taiwan Rebalances in the Near Seas

By Russell Hsiao and Wang Jyh-perng

At a forum held in Taipei on August 5th commemorating the 60th anniversary of the peace treaty signed between the Republic of China (ROC, Taiwan) and Japan following the second Sino-Japanese

War, Taiwan's President Ma Ying-jeou announced his administration's East China Sea Peace Initiative (*donghai heping changyi*). The initiative, which was unveiled at the outset of Ma's second term, included five major points for China and Japan: (1) refrain from antagonistic conduct; (2) shelve controversies and maintain dialogue; (3) observe international law and settle disputes through peaceful means; (4) create a code of conduct; and (5) establish a mechanism for cooperation on exploring and developing the East China Sea (ROC Ministry of Foreign Affairs, August 5). Taipei, Tokyo and Beijing all claim the islands in the East China Sea known as the Senkaku Islands or the Diaoyutai/dao. In an apparent effort to link the ongoing, albeit currently stalled, efforts to establish a code of conduct in the South China Sea with the new initiative "to make legally binding a commitment to peaceful resolutions of sovereignty disputes over the South China Sea, the ministry [Taiwan's Ministry of Foreign Affairs] said Taiwan hoped a similar initiative could be negotiated to address disputes over the East China Sea" (*Taipei Times*, August 6). While some observers have cast a skeptical light on the efficacy of Taipei's role in the Near Seas—indeed, the initiative itself does not represent anything new—in light of the growing tension in the region, these moves by the Taiwanese authorities at the very least may signal a rebalancing of the island's strategy toward the East China and South China Seas (*Asia Times*, August 10) [1]. Ostensibly, Taipei is changing its Near Seas policy from a passive to a more active assertion of ROC (Taiwan) sovereignty vis-à-vis the PRC over the disputed islets.

The East China Sea Peace Initiative dovetails recent calls by Taiwanese legislators for the government to beef up the island's military deployments in the South China Sea. These calls were followed by local reports that Taiwan's Ministry of Defense will reinforce the country's defense assets on Taiping Island, which is part of the Spratly Island group. To be sure, ruling-Kuomintang (KMT) Legislator Lin Yu-fang, convener of the Legislature's foreign affairs and national defense committee, revealed that 120-millimeter mortars and 40-millimeter anti-aircraft guns were shipped to the island last week and installation has since begun. The weapons were transferred by the Ministry of National Defense to Taiwan's Coast Guard Administration (CGA), which is responsible for defending the islands (Focus Taiwan, August 12). Patrol missions supported by the Taiwanese

coastguard reportedly take place at least three times a year in March, June and September (*United Daily News*, June 15, 2011). Taiwan also operates an airstrip with a 3,800-foot-long, 100-foot-wide cement path on Taiping Island. Recent reports suggest Taiwan may be looking to undertake a project to extend the runway by 500 meters (Taiwan Today, July 23).

Against the backdrop of increased maritime friction in the South China Sea and East China Sea, and more regular large-scale military exercises in the region conducted by Chinese military forces and maritime enforcement agencies, Taiwan has stepped up the visibility of its maritime patrols in surrounding waters (Taiwan Today, August 13). Taiwan's increased presence in contested waters along its periphery, however, has led to an increasing number of incidents with other claimants over disputed territories.

A recent stand-off between Taiwanese activists and the Japanese Coast Guard in early July—which involved several activists from Taiwan sailing to the disputed islands in the East China Sea accompanied by the Taiwanese Coast Guard—however, highlighted once again the often neglected claim and role that Taiwan (ROC) has to play over the Senkaku/Diaoyutai Islands (*Taipei Times*, August 6). Amid growing tensions between China, Vietnam and the Philippines, the Taiwanese government similarly announced that legislators from Taiwan's parliament would again be visiting Taiping Island in mid September (Focus Taiwan, July 24). While Taiwan traditionally had adopted a low-key approach to managing maritime disputes vis-à-vis other claimants, including China, Taiwan seems to be recalibrating its strategy toward the contested territories in an apparent effort to rebalance the changing strategic environment in the Asia-Pacific.

While intended to preserve ROC sovereignty and perhaps to enhance Taipei's negotiating position with Beijing, these moves also could have the long-term effect of limiting the international space of Taiwan if it is seen to be only defending sovereignty claims over disputed territories shared with Beijing.

### The Perils of Overlapping Claims

The complexity of Taiwan's position in these territorial disputes is underscored by the fact that Taiwan (Republic

of China) and China (People's Republic of China) both claim legal sovereign rights over the Spratly archipelago composed of islets and reefs in the form of a U-shaped line and the East China Sea based on the same assertion that they are historically Chinese waters ("Taiwan's Spratly Initiative in the South China Sea," *China Brief*, February 29, 2008). The "non-denial" of the other sides' claim has allowed the two sides' to sidestep challenging the others' separate administrative assertions over the contested islets. Furthermore, the hitherto independent and unchallenged actions by the two sides' approaches to territorial disputes have kept Taiwan away from the spotlight in the regional dispute. At the same time, however, the tacit arrangement has diminished Taiwan's claims over the islands and relevance to regional negotiations vis-à-vis the other claimants. Against the backdrop of increased Chinese assertiveness as well as Beijing strengthening its administrative jurisdiction and enforcements over territories in the South China Sea and East China Sea in recent years, the Taiwanese government appears to be moving away from its previous ambiguous arrangement ("China Pushes on the South China Sea, ASEAN Unity Collapses," *China Brief*, August 3; "Taiwan Pivots in the South China Sea," *China Brief*, June 17, 2011). Indeed, Taiwan seems increasingly pressured and concerned by China's growing capability to enforce its claims over the disputed territories, which could have the indirect effect of subjugating the ROC's claim over the islands under the PRC's. This may be seen as part of a broader trend of the widening sovereignty gap in the Taiwan Strait in which China's claims and ability to enforce its administrative claims over territories become more effective than Taiwan and by extension the PRC's claim over Taiwan [2].

### Cross-Strait Cooperation in the South China Sea?

Dialogues between Taiwan and China on the South China Sea have been taking place at the non-official track since 2002 (*China Daily*, July 11). The National Institute for South China Sea Studies in Hainan is China's focal point to discuss the South China Sea issue with its counterpart in Taiwan, the Institute of International Relations at National Cheng-chi University ("Taiwan's Spratly Initiative in the South China Sea," *China Brief*, February 29, 2008). The first published report co-authored by experts from Taiwan and mainland China on South China Sea in July 2011 offered an assessment of the regional situation

in the South China Sea that indicated such cross-Strait cooperation be formalized. According to Dr. Anne Hsiao at Taiwan's National Cheng-chi University:

“In the final chapter, entitled ‘Prospects of Cooperation in the South China Sea,’ calls for the creation of cross-Strait mechanisms to deal with South China Sea issues together. In particular, it suggests that a cross-Strait military coordination mechanism be established to defend their territorial claims together, and if necessary, the two sides should create positive conditions for joint patrol of the South China Sea. The report received mixed reactions within Taiwan as well as abroad, *and Taiwan officials have reacted by dismissing the possibility of cooperation in this regards* [emphasis added]. Nonetheless, the report still represented a serious effort by academics and policy thinkers across the Taiwan Strait in helping build cross-Strait confidence [3].”

Wu Shicun, president of the National Institute for South China Sea Studies, also stated at the most recent seminar held this past July in Hainan that two sides should set up a mechanism to facilitate joint search and rescue operations for fishermen who become lost at sea. Furthermore, Wu said rescue bases should be established on several islands, including Taiping Island, the Paracel Islands (*xiisha qundao*) and the Pratas Islands (*dongsha qundao*) (*China Daily*, July 11). These reports have fueled concerns about possible changes in Taiwan's position over territorial disputes in the South China Sea—and by extension the East China Sea.

Highlighting the sensitivity over and implications of cross-Strait joint protection in contested territories, a professor at the Graduate Institute of American Studies at Tamkang University, Dr. Chen I-Hsin, offered the following thoughts in a recent editorial:

“The joint protection of the islands will extend to the *sovereignty dispute* [emphasis added] over Taiping Island and other territories held by Taiwan in the South China Sea ... The development is at odds with the intention of most Taiwanese people to maintain the status quo and uphold national security. From the angle of Beijing, the joint protection of the Diaoyu islands is a first step towards unification” (*Want China Times*, August 5).

A similar process does not appear to exist between Taiwan and China on the East China Sea. In early May during a hearing at the Legislative Yuan's Foreign Affairs and National Defense Committee on preserving Diaoyutai and South China Sea sovereignty, the Ministry of Foreign Affairs and Ministry of Defense stated that the current government continues to adhere to the four principles formulated from the “1996 Diaoyutai project working group”: (1) resolutely assert [ROC] sovereignty over Diaoyutai; (2) to resolve the dispute peacefully and rationally; (3) no cooperation with mainland China; and (4) to prioritize the protection of fishermen's rights [4]. At the same time, Taiwan and Japan have had close communication concerning developments in the East China Sea. Given the military strategic importance of the East China Sea for both Taiwan and Japan, Taiwan's Deputy Defense Minister Andrew Yang said Taiwan and Japan have tacitly agreed to a “tentative enforcement line” within their overlapping exclusive economic waters near the Diaoyutai, located roughly 170 kilometers northeast of Taiwan proper. “[Taiwan] carries out patrols in the region according to this delineation of jurisdiction, as does Japan,” he said, “There are no problems with the enforcement of maritime law” (*Taiwan Today*, August 9).

Beijing's government has called repeatedly for the two sides of the Taiwan Strait to coordinate their positions in regional territorial disputes. For instance, on June 15, 2011, Yang Yi, spokesman for the Chinese State Council's Taiwan Affairs Office, stated people from both sides of the Taiwan Strait have a shared responsibility to safeguard sovereignty over the islands and their surrounding waters (*Xinhua*, June 15, 2011). Yet, when confronted by Taiwanese lawmakers during a question-and-answer session at the Legislative Yuan concerning the possibility of Taiwan-China collaboration in the region, National Security Bureau Director-General Tsai Te-sheng stated that it is “impossible” for Taiwan to cooperate with China on issues related to the disputed South China Sea region (*China Post*, May 22; *Want China Times*, May 21).

## Conclusion

While the East China Sea Peace Initiative alone does not represent a radical shift in Taiwan's policy in the Near Seas, when taken together with recent actions by the Taiwanese authorities in the South China Sea, Taipei's

actions demonstrate a subtle departure from the low-key approach to maritime disputes vis-à-vis China and the other claimants. In light of Beijing's pell-mell push to strengthen the PRC's administrative control and maritime enforcements over territories in the South China Sea and East China Sea, this shift by Taipei may reflect growing concerns in the Ma administration about its ability to preserve ROC sovereignty claims over the regions in the event of a conflict or mishap at sea that could endanger others' right of passage and freedom of navigation.

Whether the Ma administration intends to draw a clear line of distinction between the ROC and PRC's legal interpretation of their territorial claims remains to be seen. This is unlikely in the near future. Nevertheless, the implications of China's increasing administrative and maritime control over the regions eventually will force Taipei to make a difficult choice. These incidents highlight an increasingly delicate balancing act that could lead to more friction between Taipei and Beijing over competing maritime claims in these regions in the coming years. With the East China Sea Peace Initiative, Ma appears to be trying to reassert Taiwan's role diplomatically, reinforce Taiping Island, and show that Taiwan is willing and capable of being reasonable about territorial dispute resolution, which stands in stark contrast with Beijing's approach to dealing with territorial disputes in the East China and South China seas. This shift will not likely go cost-free, but Taiwan's rebalancing in the Near Seas could increase other claimants leverage in the dispute. These moves appear consistent with the Ma administration's apparent effort to shore up the widening sovereignty gap in the Taiwan Strait while rebalancing its relationship with mainland China and the United States during his second term ("Taiwan Pivots in the South China Sea," *China Brief*, June 17, 2011).

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Notes:

1. Ministry of Foreign Affairs' May 2, 2012 Project Report for the Legislative Yuan's Foreign Affairs and National Defense Committee Member concerning "On Appropriate Conduct for Preserving Diaoyutai and South China Sea Sovereignty," p. 5.
2. In 1956, Taiwan is the first of the claimant countries to establish a military presence and exercise effective jurisdiction over the Spratly Islands after World War II. For several decades, PRC scholars and experts expressed in private conversations their appreciation toward Taiwan for safeguarding the Taiping Island by maintaining a constant patrol of the South China Sea before Beijing first set its foot on the Spratlys. See for example, "Taiwan's Spratly Initiative in the South China Sea," *China Brief*, February 29, 2008.
3. Anne Hsiu-an Hsiao, "Opportunity and Challenge for Cross-Strait Cooperation in the South China Sea," Conference Paper for Carnegie Endowment for International Peace, National Cheng-chi University and ROC Mainland Affairs Council on Cross-Strait Developments in 2012, July 12–13, 2012.
4. Ministry of Foreign Affairs' May 2, 2012 Project Report for the Legislative Yuan, p. 5; Ministry of Defense Deputy Chief of General Staff Combat and Planning Office's May 2, 2012 Project Report for the Legislative Yuan's Foreign Affairs and National Defense Committee Member concerning "On Appropriate Conduct for Preserving Diaoyutai and South China Sea Sovereignty," pp. 3–5.

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## Beijing Doubles Down on Kim Dynasty

By Richard Weitz

Following months of confused signals regarding the relationship between China and the Democratic People's Republic of Korea (DPRK or North Korea), it now looks like their ties has weathered the recent DPRK leadership transition and could even strengthen in coming months. Jang Song-thaek, director of the central administrative department of the DPRK's ruling Workers' Party of Korea, is on a six-day visit to China

designed to revitalize economic relations between the two governments while they consolidate their complex leadership transitions (Xinhua, August 14). During Jang's visit, China and North Korea announced Beijing will boost its investment in the north through two economic zones, building on a series of high-level meetings this spring.

High-level meetings between senior Chinese and DPRK leaders, disrupted by Kim Jong-il's death last December, have only recently resumed. During his last year in power, Kim Jong-il, who disliked travelling, made three visits to China in what seems a successful effort to secure Beijing's acceptance of his plans to transfer power to his youngest son, Kim Jung-un, who is thought to have been in his twenties [1]. From April 5–6, a People's Liberation Army delegation led by Major General Qian Lihua, director of the Ministry of National Defense Foreign Affairs Office, met Kim Yong Chun, vice chairman of the DPRK National Defense Commission and Minister of the People's Armed Forces. Later in April, DPRK Vice Minister Kim Yong Il travelled to Beijing, where he met with President Hu, State Councilor Dai Bingguo, Organizational Department head Li Yuanchao and International Liaison Department head Wang Jiarui (*China Daily*, August 15). Wang himself became the first senior foreign official to meet Kim Jong-un during his July 30–August 2 trip to North Korea. He reportedly urged the DPRK not to launch more long-range missiles or conduct another nuclear weapons test, at least until China had completed its political transition later this year (*Washington Times*, August 16; *Xinhua*, August 15).

### Beijing Boosting Investment in North Korea

During Jang's visit, the Chinese Ministry of Commerce issued a statement affirming that Chinese investment in the DPRK and other economic links between the two countries will grow significantly in coming years. The main driver will be the renewed commitment of both states to develop two special economic areas—the Rason Economic and Trade Zone and the Hwanggumphyong and Wihwa Islands Economic Zone—created to entice foreign direct investment to the DPRK (*China Daily*, August 15; *Xinhua*, August 14). Jang, considered one of the key powers behind the throne in Pyongyang, co-chaired an August 14 meeting of the zones' organizing committee in Beijing, along with Chinese Minister of

Commerce Chen Deming (*Xinhua*, August 15; *Korea Herald*, August 15; *Global Times*, August 14).

In his presentation at this year's Jamestown China Defense and Security Conference, John Park, an expert on China-DPRK economic relations, asserted that Beijing has undertaken a major campaign to preserve stability in North Korea since the nadir of their bilateral relationship in 1992, when DPRK leaders complained about Beijing's moving closer to South Korea. China helped North Korea recover from its disastrous flood and famine a few years later. Beijing has since been encouraging the DPRK to introduce Chinese-style economic reforms while also helping it build the state capacity needed to implement them. For example, while Beijing deemphasized food aid and other one-way transfers, Chinese state-owned enterprises (SOEs) have helped Pyongyang develop its natural resource and mining sectors by investing large sums of money, equipment and other resources in North Korea as well as training local workers and managers.

During his visit to China in August 2012, Jang Song-Thaek expressed hope that the Chinese government would provide over \$1 billion worth of loans to help develop and reform North Korea's economy (*Chosun Ilbo*, August 14). Wang said the Chinese government would consider this request, but would like North Korea to commit to using the additional funds for economic reform rather than military spending (*Zaobao.com*, August 14, 2012).

In addition to reducing the risk of state failure in a neighboring state, Beijing benefits through its investments and local capacity building by securing large quantities of coal, iron ore and other minerals from North Korea at prices often much lower than those on global markets. These growing economic ties with the DPRK in conjunction with China's interest in North Korean stability give many Chinese a major stake in averting additional sanctions and not antagonizing Pyongyang so that the DPRK does not retaliate against Chinese economic interests (*Yonhap News*, August 9). Even so, at some point the Chinese leadership may need to choose between bolstering the DPRK's economy and securing its natural resources at bargain prices.

The Korea Trade-Investment Promotion Agency estimates Sino-DPRK two-way commerce reached a

record \$5 billion in 2011. China's main exports included automobiles, minerals and machinery to North Korea while importing minerals, timber and natural resources—including so-called rare-earth metals [2]. China also provides North Korea with unilateral food aid, fuel and emergency humanitarian assistance. Beijing is letting at least some 40,000 North Korean laborers work in China and paying most of their wages to the cash-strapped DPRK government. This unprecedented decision is risky since the workers probably compete directly with China's own unskilled labor pool. Many Chinese already resent what they see as excessively generous support for ungrateful North Koreans—a sentiment stoked by North Korean pirates' recent seizure and mistreatment of Chinese fishermen (*Los Angeles Times*, July 1).

Some of China's independently-minded SOEs also supply dual-use assistance to the DPRK that can strengthen its military. For example, earlier this year, Pyongyang paraded new transporter erector launchers for its missiles that appear to have been supplied by China's Wanshan Special Vehicle Company, a wholly owned subsidiary of the politically influential China Aerospace Science and Industry Corporation [3]. In April 2012, U.S. Secretary of Defense Leon Panetta told Congress that the U.S. government has evidence of continuing Chinese assistance to the DPRK missile program despite UN sanctions (BBC, April 24). On June 29, a UN panel issued a public report finding that, of North Korea's 38 alleged violations against the UN Security Council resolutions, 21 involved China (Aboluowang.com, July 1). The collapse of intra-Korean economic relations since the conservative government in Seoul cancelled many bilateral commercial projects after coming to power in 2008 has reinforced China's economic primacy in the north.

Nonetheless, official two-way investment is quite low. According to the Chinese Ministry of Commerce, investment in the DPRK's non-financial sectors amounted to only \$300 million by the end of 2011, while total North Korean investment in China was merely some \$100 million (*China Daily*, August 15). One unnamed Chinese businessman said that at least 8,000 Chinese business people work in the DPRK. Although he cited cheap labor as one advantage of doing business there, he complained inefficient DPRK infrastructure delays deliveries and undermines a business' reputation.

As part of its economic capacity-building efforts, Beijing has been hosting training courses for the zones' DPRK managers as well as investing in the DPRK's physical infrastructure. Commenting on the August 14 agreement, Zhang Dongming, a Korean affairs expert at Liaoning National University, confirmed China is building DPRK capacity to help develop its economy: "Formulating economic policies according to its national conditions is the most important task for North Korea now and training management officials is critical to achieving this goal" (*Global Times*, August 14).

Increasing investment from these low levels should not be difficult, but until recently the political uncertainties regarding the DPRK's political transition and its relationship with China might have been discouraging investors. Immediately after Kim Jong-il died last December, the Chinese media broadcast the unease of Chinese experts regarding the situation. For example, Han Zhenshe of the Chinese Academy of Social Sciences discounted the prospects of a near-term change in North Korean foreign policy since the new leadership would be preoccupied with the power transition. Zhang Tingyan, China's first ambassador to South Korea, speculated that the transition would probably proceed as planned but cautioned "we can't rule out contingencies" (*China Daily*, December 20; *Global Times*, December 19). By January, Chinese media conveyed more favorable and reassuring assessments of the DPRK situation (*Asia Times*, January 5).

### **The Limits of Chinese Influence**

Chinese analysts and officials probably are sincere when they complain that Beijing's influence in Pyongyang is limited. For the past few years, China has unsuccessfully sought to revive denuclearization talks, which have not met since late 2008. In March, Foreign Minister Yang Jiechi reaffirmed Beijing's support for the Six Party Talks, which he described as "an effective mechanism and important platform for discussing and resolving" the nuclear issue as well as for advancing "the common interests of all parties" (China-U.S. Focus, March 7).

More recently, the limits of Beijing's influence with the new DPRK leadership become evident in its failed month-long diplomatic campaign to reverse the DPRK's March 16 announcement that it would launch an "earth

observation” satellite on a long-range rocket. Most foreign observers saw the planned launch as also an effort to further develop the DPRK’s long-range ballistic missile capacity—if that was not already its primary purpose. The UN Security Council had prohibited the DPRK from launching further missiles, which had specially alarmed Japanese and U.S. officials since the DPRK seems in the process of developing a nuclear warhead suitable for mating with such missiles. The PRC Foreign Ministry claimed not to have received advanced notice of the DPRK announcement (*Korea Times*, June 12). Before the April 13 launch attempt, Chinese diplomats held emergency talks with the North Korean Ambassador to China, DPRK Vice Foreign Minister Ri Yong-ho and other North Koreans as well as additional foreign representatives. These efforts proved ineffective [4]. Among other problems, the launch became a prestige issue for the North Koreans, who were using it to mark important national anniversaries. In the end, the test proved an embarrassing failure, but the attempt derailed a DPRK-U.S. nonproliferation-and-food aid agreement that, with China’s support, had been negotiated at the end of February 2012.

As in similar crises in 2006 and 2009, Chinese representatives criticized Pyongyang’s actions but also those individuals in Seoul and Washington calling for a hard-line response. Beijing urged restraint following the launch. The Chinese government signaled its displeasure to Pyongyang by, for example, permitting five DPRK refugees who had been confined to the ROK diplomatic mission to Beijing to finally take up asylum in the ROK (*Korea Times*, June 12). Beijing, however, blocked new Security Council sanctions and would consent only to the council’s rotating president making a statement that criticized the launch and instructed the sanctions committee to look for more measures, which Beijing could use initially to pressure the DPRK from engaging in further provocations but later veto as required. Chinese representatives also have claimed credit for averting a third DPRK nuclear weapons test. The previous two DPRK missile crises, in 2006 and 2009, were soon followed by North Korean nuclear tests. Analysts pointed to evidence that the DPRK was preparing such a test this spring, but then Pyongyang announced it had no plans to undertake a third nuclear test “at present” (*China Daily*, June 19).

China remains North Korea’s most important foreign diplomatic, economic and security partner, but its willingness to employ these assets to pressure the DPRK is limited by several considerations. Despite their irritation with the DPRK regime, most Chinese officials appear more concerned about the potential collapse of the North Korean state than about its leader’s intransigence on the nuclear and missile questions. Beijing fears North Korean disintegration could induce widespread economic disruptions in East Asia; generate large refugee flows across their borders; weaken China’s influence in the Koreas by ending their unique status as interlocutors with Pyongyang; allow the U.S. military to concentrate its military potential in other theaters (e.g. Taiwan); and potentially remove a buffer separating their borders from U.S. ground forces. At worst, the DPRK’s collapse could precipitate military conflict and civil strife on the peninsula that could spill across into Chinese territory. Chinese policy makers consistently have resisted military action, severe economic sanctions and other developments that could threaten instability on the Korean peninsula. Beijing has been willing to take only limited steps to achieve its objectives. These measures have included exerting some pressure—such as criticizing DPRK behavior and temporarily reducing economic assistance—but mostly have aimed to entice Pyongyang through economic bribes and other inducements.

### Conclusion

China’s recent commitment to provide additional economic aid to North Korea confirms that, despite mutual tensions and Beijing’s concern about Pyongyang’s roguish ways, the Chinese leadership has decided to back the new DPRK leadership team. Instead of heeding U.S. advice to impose additional sanctions and pressure on Pyongyang, Beijing has chosen to apply more positive levers of influence—trade, investment and capacity building. China’s logic may be that it needs to rebuild its leverage in North Korea now in order to have some means of credibly threatening to withhold benefits later to discourage future DPRK provocations. At present, Beijing’s tools of influence are insufficiently flexible; threats to cut off food or fuel aid lack credibility since they could precipitate a North Korean collapse, Beijing’s worst nightmare. China, however, is undergoing its own leadership transition, raising the prospect that the DPRK will reconsider its own China policies in coming months.

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Notes:

1. Shamshad A Khan, “China’s Relations with Japan, Korea: Measured Caution,” in Mandir Singh, ed., *China Year Book 2011*, New Delhi: Institute for Defence Studies and Analyses, May 2012, p. 81.
2. Scott Snyder and See-won Byun, “China-Korea Relations: China’s Post-Kim Jong Il Debate,” *Comparative Connections*, May 2012.
3. Mark Hibbs, “China and the POE DPRK Report,” Arms Control Wonk, July 2, 2012, <http://hibbs.armscontrolwonk.com/archive/879/china-and-the-poe-dprk-report>.
4. Snyder and Byun, “China-Korea Relations: China’s Post-Kim Jong Il Debate.”

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