



China-ROK Relations: Quietly Building Trust

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Evaluation of China-South Korea relations by necessity entails consideration of China's approach to the Peninsula as a whole. PRC-ROK relations are vibrant and have progressed quickly since diplomatic normalization. Economic ties are significant, and relations have moved well beyond this field into the political and security realms. A great deal of contact between South Korea and China is done secretly or with little public fanfare, primarily so as not to unnecessarily offend North Korea, with which China this year marks a half century of diplomatic relations. Moreover, Seoul and Beijing have proceeded strongly but quietly so as to not complicate respective relations with Washington and others.

Political Relations/Developments

The April-June period has seen continued activity on the political, economic, and security fronts. Of greatest significance in China-Korean relations this quarter was the May 9-15 visit of Chinese People's Political Consultative Conference (CPPCC) Chair Li Lihuan to South Korea. As the fourth ranking official in the PRC Communist Party and leading a delegation of fifty, Li met with South Korean president Kim Dae-jung, Prime Minister Kim Jong-pil, National Assembly Speaker Park Jyun-kyu, and other South Korean governmental and business leaders. Upon his arrival, Li said that China highly values the rapid development of its relations with South Korea, and that the peoples of both countries could together contribute to prosperity and development in Northeast Asia. In his meeting with South Korean President Kim, Li expressed China's support for Kim's Sunshine Policy, or pro-engagement approach toward North Korea. The CPPCC Chair noted the inevitability of unification and repeatedly emphasized Chinese support for peaceful transition on the Korean Peninsula.

Economic Relations/Considerations

Economic cooperation also continues, as China applauded South Korea's ongoing economic recovery. Both Seoul and Beijing see prospects for energy cooperation in the Korea Electric Power Company (KEPCO) decision to participate in new atomic power plant construction around Guangdong and Shangdong. Moreover, China noted Japan's proposal for a Northeast Asia Free Trade Zone, to include China and South Korea.

Despite this cooperative attitude, economic complications appeared early in the quarter with ROK and PRC officials meeting in Seoul on April 7-8 for two days of negotiation on fishing quotas and other rules relative to the November 1998 fisheries treaty. ROK officials urged the PRC to accelerate implementation of the treaty to regulate Chinese fishing boats that ROK fishermen contend are depleting fishing stocks in ROK coastal waters.

Security Relations/Considerations

China and South Korea met April 24-27 in the context of the fifth round of the Four Party Talks. Although the Geneva discussions revealed serious differences between North Korea and China, South Korea, and the US, participants characterized the talks as useful and productive. China will chair the sixth round, scheduled for August in Geneva.

ROK and PRC arms control officials also conducted talks on Northeast Asia disarmament and nonproliferation issues in Seoul in early June. The Director General of South Korea's International Organization Bureau Lee Kyu-hung pressed for Chinese assistance in curbing North Korean nuclear and missile development. China's Director General for Disarmament Sha Zukang expressed concern about Japanese support for theater missile defense and applauded South Korea's decision to refrain from joining the TMD program.

China noted South Korea's April testing of a short-range missile by the ROK's Institute of National Defense Sciences off Korea's western coast. Initial reports indicated a real flying distance of some 50 kilometers, but China cited U.S. analysis based on satellite data indicating a distance of at least 296 kilometers. Rather than openly criticize the test, Chinese reports expressed concern relative to possible violation of a 1979 ROK-U.S. treaty that prohibited South Korea from developing missiles with a range over 180 kilometers.

China also noted, again without criticism, the South Korean Ministry of National Defense announcement on May 4 of the formal establishment of hotlines between the Ministry and Japan Defense Agency and between their respective naval and air forces headquarters.

PRC-North Korea Developments

China's relations with North Korea also have a direct bearing on its relations with the South and Seoul keeps a watchful eye on these developments (as Pyongyang likewise watches the ROK and PRC).

Of greatest significance, the onset of June saw a visit to China by the DPRK Supreme People's Assembly President Kim Yong-nam. The DPRK's second-highest

official met with PRC President Jiang Zemin, Premier Zhu Rongji, and Chair of the PRC Standing Committee of the National People's Congress Li Peng. PRC Foreign Ministry spokesperson Zhu Bangzao described the mission as advancing "traditional friendly cooperation" between the PRC and DPRK. China committed to providing North Korea 150,000 tons of grain and 400,000 tons of cooking oil this year.

Some South Korean analysts expressed concern that given the breakdown in Sino-U.S. relations, the PRC might be drawing the DPRK into a "sphere of influence" following China's improved relations with Russia. However, ROK Foreign Affairs and Trade Minister Hong Soon-young publicly welcomed the reopening of DPRK high-level exchanges with the PRC and urged China to convey its support of South Korean President Kim Dae-jung's engagement policy.

In other developments, on May 11 the South Korean media reported that China and North Korea agreed to establish a DPRK Consulate General in Hong Kong to commemorate the fiftieth anniversary of diplomatic relations. A South Korean official noted that the opening was scheduled to take place later this year after the establishment of a South Korean Consulate General in Shenyang.

China as Interlocutor

China tries to walk a fine line in balancing its bilateral relations with Seoul and Pyongyang. For example, the naval clash between South Korea and North Korea in the Yellow Sea (West Sea), which resulted in the sinking of a North Korean vessel and an estimated thirty North Koreans dead, led China on June 15 to urge both sides to "exercise restraint and not exacerbate the situation." PRC Foreign Ministry spokesperson Zhang Qiyue reiterated PRC support for "the maintenance of peace and stability on the Korean Peninsula." On June 16, ROK Foreign Affairs and Trade Minister Hong Soon-young requested PRC Ambassador Wu Dawei to press Beijing in persuading Pyongyang to refrain from further provocations.

One reason Seoul attaches high importance to good relations with Beijing is because of China's potential role both as a facilitator of South-North relations and as a moderating influence over North Korea's behavior. In support of the former, China cited its hosting of the ROK-DPRK Vice Ministerial Talks, which began June 21, and of the June 23-24 US-DPRK talks as further evidence of its support for peace and stability on the peninsula. The on-again, off-again talks between Seoul and Pyongyang in Beijing were aimed at reuniting family members separated by the Korean divide, but soon broadened to include debate over the mid-June naval incident and food assistance.

However, Chinese leaders continue to downplay China's influence over the North. In an interview with Roger Parkinson of Canada's *The Globe and Mail*, Premier Zhu Rongji contended that "we do not have much knowledge about military forces in the DPRK." Urging continued peace and stability on the Peninsula and cautioning against

theater missile defense (TMD), Zhu argued against overestimating the military power of the DPRK.

Lorien Holland's April 26 *Far Eastern Economic Review* feature "Lips and Teeth: Smiles are Strained Now Between China, North Korea," reinforced this view by noting PRC concerns over an increase in North Korean refugees in China and fears that DPRK missile and nuclear activity was bolstering regional support for theater missile defense. The feature also noted the Russian Diplomatic Academy's contention that the DPRK failed to advise the PRC of its August 1998 missile launch, perhaps giving credence to Zhu's April 2 comments about limits to China's influence.

Another commentator, Leeds' Aidan Foster-Carter, suggested in the context of the report that no contradiction exists in China's both "being cross" with North Korea and promoting high-level visits. The Review also noted that DPRK trade with the PRC's Yanbian prefecture plummeted from US\$310 million in 1993 to US\$32 million in 1998. A companion piece by Seoul bureau chief Shim Jae-hoon described an influx in DPRK citizens crossing into China in search of food and reported on open criticism of North Korean leader Kim Jong-il in North Korea.

In a related development, on June 28, South Korean intelligence officials announced the arrival of two North Korean defectors who had crossed into China in May and November. The two reportedly left a Chinese port on June 26 and were rescued by a South Korean fishing vessel. 55 DPRK citizens have defected to the ROK thus far this year, compared with 69 for all of 1998. The prospects of further defections and fears of greater immigration from North Korea pose challenges to China.

Increased reports toward the end of the quarter on the prospects of another DPRK missile test raised further questions as to China's ability to dissuade the North Koreans. It has been widely suggested that another launch could lead to a disintegration of support for pro-engagement approaches, and Chinese strategists fear any reinforcement of calls for theater missile defense. The South Korea-China relationship appears all the more vital in light of current political and security challenges.

ROK Concerns About Sino-U.S. Relations

The NATO bombing of the Chinese Embassy in Belgrade in early May challenged not only Sino-US relations, but proved of immediate concern to South Korean strategists fearful of potential fallout on the Korean Peninsula. On May 10, a South Korean official suggested that given dynamic relations in Northeast Asia, "North-South relations can be smooth when US-China relations are fundamentally amicable." This suggestion is in line with Chinese and US academic views shared in a 1998 Sino-US Working Group meeting on North Korea, hosted by the Asia-Pacific Center for Security Studies and US Institute of Peace. The ROK official, speaking in the bombing's aftermath, described South Korea as "carefully watching" developments to see "if any sparks of US-China conflict will spread to the Korean Peninsula." The official also

expressed concerns relative to the Four Party talks, suggesting possible increased difficulty in coordinating positions.

Chronology of Sino-South Korean Relations

April-June 1999

April 8-9, 1999: PRC-ROK fisheries talks take place in Seoul. South Korea seeks to negotiate new fishing quotas and other rules to implement November 1998 fisheries treaty.

April 15, 1999: Korean Air cargo jet crashes in China, killing nine and injuring 35.

April 20, 1999: China's *People's Daily* reports early April ROK short-range missile test.

April 24-27, 1999: China and South Korea meet in context of Four Party Talks in Geneva. China to chair next plenary session in August 1999.

April 27, 1999: *People's Daily* reports US rating agency upgrade of ROK sovereign ratings April 26.

May 5, 1999: *People's Daily* reports ROK Defense Ministry announcement May 4 of new hotlines between ROK and Japan militaries.

May 9-15, 1999: China's Li Lihuan, chair of the Chinese People's Political Consultative Conference, leads 50-member PRC delegation to Seoul. Meets with ROK President Kim Dae-jung and other governmental and business leaders.

May 10, 1999: ROK official describes South Korea as "carefully watching" developments in the wake of the NATO bombing of the PRC Embassy in Belgrade to see "if any sparks of US-China conflict will spread to the Korea Peninsula."

May 11, 1999: South Korea's *Joongang Ilbo* and *Korea Times* report PRC-DPRK agreement on establishment of DPRK Consulate General in Hong Kong to mark fiftieth anniversary of DPRK-PRC diplomatic relations. Opening scheduled for later in 1999 following establishment of ROK Consulate in Shenyang.

May 23, 1999: *China Daily* reports Japan's May 21 proposal for a Northeast Asia Free Trade Zone, to include China and South Korea.

June 3-7, 1999: DPRK delegation led by Supreme People's Assembly President Kim Yong-nam visits China.

June 7, 1999: ROK and PRC arms control officials hold talks on Northeast Asia disarmament and nonproliferation issues in Seoul.

June 11, 1999: ROK Ministry of Commerce, Industry, and Energy and Korea Electric Power Company (KEPCO) announce KEPCO participation in new PRC atomic power plant construction.

June 15, 1999: PRC Foreign Ministry spokesperson Zhang Qiyue expresses China's concern over the ROK-DPRK naval clash and hope that "both sides will exercise restraint and not exacerbate the situation."

June 16, 1999: ROK Foreign Affairs and Trade Minister Hong Soon-young requests PRC diplomatic efforts to help ease tension over Yellow Sea (West Sea) incident.

June 21, 1999: Initiation of ROK-DPRK Vice Ministerial talks at the Kempinski Hotel in Beijing. PRC also site of June 23-24 US-DPRK meetings.

June 28, 1999: ROK intelligence officials report arrival of two DPRK defectors who had crossed into the PRC in May and November and had left a PRC port on 26 June.