3. KOREAN PERSPECTIVES ON PLA MODERNIZATION AND THE FUTURE EAST ASIAN SECURITY ENVIRONMENT

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Over a half decade into the post-Cold War era, Asia is still in search of a new regional strategic structure that can cope with the emerging security challenges to its stability and prosperity. The removal of the superpower standoff has fundamentally altered the strategic assumptions on which Asian nations' defense planning has been premised and has seriously called into question the ability to predict future developments in the Asia-Pacific security environment. Probably the most far-reaching post-Cold War change in Asia’s strategic environment has been the 1990-92 drawdown of 30,000 American troops from the Asia-Pacific region. Even following the United States decision in 1995 to freeze the level of U.S. force in the region at 100,000 personnel, regional perceptions of U.S. security commitment and credibility will significantly affect the strategic calculus of individual regional states and the overall regional power balance.

At the same time, there is a widespread belief that regional stability and prosperity will increasingly hinge on the future capability and behavior of China, potentially the most influential nation in the region. During the first half of the 1990s, China's rise and its growing military capability were precisely the focal point of Asian and global security debate. First of all, China's sustained double-digit economic and defense budget growth, the acquisition of advanced weapons from abroad, and assertive moves to affirm its sovereignty over the South China Sea and Taiwan have aroused the specter in many regional capitals of a nationalistic, powerful, and assertive China. Second, China's cooperative behavior in various arms control and disarmament processes remains critical to their effective and full implementation. Third, now that nonproliferation concerns have been elevated on the global security agenda, China's export of nuclear and missile components and technologies ensures that it will be a major factor in both regional and global security.

Chinese leaders, however, see the order of things differently and often react viscerally to any suggestion that China's military power is a source of security concern to other nations. Given its vast landmass and expanding maritime interests, China does have a legitimate need to maintain a large military establishment called the People's Liberation Army (PLA), currently at three million, with diversified defense assets. Given also its huge but outdated weapons inventory, it is quite understandable that China needs to improve its military equipment, especially its naval and air assets.

However, the recent growth in China’s economic and military capabilities has not been accompanied by commensurate efforts by Beijing to assuage the fears of its neighbors. On the contrary, the Chinese authorities have not only closely guarded major defense policies such as budget, strategy, and the modernization program, but have often accused foreign governments and scholars of spreading "totally groundless" allegations against China, such as the "China threat thesis." The combined effect of Beijing’s lack of military transparency and studied ambiguity has been a considerable level of apprehension over China’s future, and particularly its military behavior.
To assess the security implications of PLA modernization for the Korean peninsula and for the Asia-Pacific region, this chapter seeks to take stock of the emergence of the China factor in the strategic calculus of the Republic of Korea (ROK) and the implications of PLA modernization for Korean security. It then explores the future role of the United States and China in Korean unification, a major event that would reorder the regional power balance and affect in crucial way the future of the U.S. military presence in Korea and in the region. Finally, it specifically addresses various policy measures the ROK and the United States can take, individually or jointly, to cope with the challenges of an ascendant China for peninsular and regional security.

THE CHINA FACTOR IN THE KOREAN STRATEGIC CALCULUS

Fundamental to understanding the importance of the China factor in the South Korean calculus are China's geographical proximity to the Korean peninsula, its continuing influence on North Korea (the Democratic People's Republic of Korea), Beijing's growing bilateral ties with South Korea, and China's unsettled relations with the United States. Furthermore, China is certain to remain a major player in Korean affairs, including in the Korean unification process. While each subject requires a lengthy treatment of its own, this section will provide a brief overview of Sino-South Korean relations leading to their normalization in 1992 and China's place in South Korea's diplomatic and security calculus in the post-Cold War period.

For most of the Cold War, relations between China and South Korea were locked in mutual hostility and suspicion. The Chinese intervention in the Korean War, the bipolar configuration of the world's power structure, and China's continuing rivalry with the Soviet Union for influence in North Korea made Chinese-ROK relations a negligible factor for three full decades after the cessation of hostilities on the peninsula. As China recognized North Korea as the only Korean state on the peninsula, there were no contacts between South Korea and China until the late 1970s.

Toward the end of the late 1970s, however, two major developments presaged major changes in China's traditional stance toward the peninsula. One was China's adoption of its reform and open-door policy in 1978, the year when unofficial and indirect trade between China and South Korea began, albeit slowly. During the early to mid-1980s, China gradually but unmistakably pursued a de facto "two-Korea" policy, which included cultural, academic, and sports contacts with South Korea. The other principal development was the improvement in Sino-Soviet relations, which undercut the rationale behind their rivalry over North Korea.

By 1988, the growth of the still-unofficial but substantial ties between China and South Korea had become unmistakable. Indirect trade between the two countries exceeded $3 billion; China participated in Seoul's 1986 Asian Games and 1988 Olympics; and the ROK government announced a major diplomatic initiative known as "Northern Diplomacy" or nordpolitik. Northern Diplomacy, in particular, was aimed at creating conditions favorable for Korea's peaceful unification through improved ties with then-socialist countries. Beginning with Hungary in January 1989, South Korea established diplomatic relations with all East European states, the Soviet Union (September 1990) and China (August 1992).
From Beijing’s point of view, the domestic economic imperative was the primary factor motivating its decision to normalize relations with South Korea. The passing of the Cold War not only enhanced the value of economic ties with South Korea, but entailed the end of Sino-Russian competition over North Korea. Another important motive was to expand China’s diplomatic influence in the region in the aftermath of China’s post-Tiananmen diplomatic isolation by consolidating ties with its neighbors such as South Korea, a major U.S. ally in Asia. In a similar vein, it had the effect of throwing cold water on Taiwan’s bid for greater international status by demanding Seoul’s switch of diplomatic recognition from Taipei to Beijing.

To the ROK government, normalizing relations with China was a diplomatic tour de force. First and foremost, Sino-South Korean normalization helped culminate its Northern Diplomacy and symbolized South Korea’s victory in its decade-long diplomatic competition with North Korea. Furthermore, the ROK hoped to bring China’s influence on North Korea to bear in facilitating North-South Korean dialogue, opening up the North Korean society, and restraining North Korea’s provocative actions against South Korea. Less immediate but still important considerations were the economic and political benefits that flowed from strengthened relations with China.

Sino-South Korean relations have expanded rapidly on most fronts. Bilateral trade reached $8.2 billion in 1992—the year diplomatic relations were established, doubled in another three years to $16.9 billion in 1995, and is projected to surpass the $50-billion mark by the year 2000. Growing economic and social ties have been further buttressed by an increase in investment, tourism, and sea/air routes. To help consolidate these growing economic and cultural ties, the three most senior Chinese officials (i.e. Jiang Zemin, Li Peng, and Qiao Shi) visited Seoul between October 1994 and November 1995. These remarkable developments between the two nations over the past few years have resulted in a shift of the South Korean public’s perception of China to that of a benign, pragmatic economic partner.

After the normalization in August 1992, however, it soon became clear to ROK policy makers and strategists that the two specific sets of goals of its China policy -- i.e., facilitating inter-Korean relations and improving bilateral ties with China per se -- remained largely independent of one another. Moreover, most Korean observers concluded that there were no major outcomes in its political or security relations with North Korea or with China. Given these circumstances, the ROK's strategic environment reflects continued concerns about the security challenge posed by North Korea, but in the context of increased uncertainties in future American and Chinese roles in the region.

Notwithstanding the extraordinary changes in the wake of the Cold War and the December 1991 signing of the Agreement on Reconciliation, Nonaggression, and Exchanges and Cooperation between North and South Korea, the crux of the South Korean security challenge remains remarkably unchanged: a land-based military threat from North Korea. Indeed, the future of the peninsula has been further clouded by North Korea’s nuclear activities, the sudden death in July 1994 of Kim Il Sung, and Pyongyang’s increasingly acute economic difficulties.

The largest element of potential instability, however, is whether North Korea will even survive over the longer run. Over the past half decade, most major developments on the peninsula and beyond have severely affected North Korea, putting its political and economic viability in doubt. Externally, the disintegration of the former Soviet
Union and South Korea’s diplomatic breakthroughs with Moscow and Beijing have further exacerbated Pyongyang’s foreign relations, resulting in the drastic reduction of outside military and economic assistance to North Korea.

Domestically, the North Korean economy has shrunk by an average 4.5 percent per year since 1990. Food shortages remain pervasive and severe, especially in rural areas. Lack of electrical power has already forced the industrial utilization rate below 30 percent of its capacity. Moreover, there are growing signs that the North Korean regime may be losing control over its populace, in light of the increasing number and higher social status of recent North Korean defectors to South Korea. Most spectacular has been the February 1997 defection of Hwang Jang-yop, chief architect of the juche ideology and the incumbent international secretary of the Korean Workers’ Party. His defection could be a harbinger of future instability in North Korea should the news of his defection ultimately become more widely known among the North Korean people.

Notwithstanding South Korea’s enhanced self-confidence on the economic, diplomatic, and ideological fronts, the security challenge to Seoul remains very real. First, North Korea’s conventional military capability in general and the size, deployment, and equipment of the North Korean People’s Army (NKPA) pose an inherent threat to the defense of South Korea. Not only is the NKPA numerically superior and highly mechanized, but 65 percent of its offensive elements remain concentrated within a 60-mile band north of the Demilitarized Zone (DMZ). Since Seoul, the South Korean capital and the home of 12-million people, is located just 30 miles south of the DMZ, the South Korean forces would have little warning in case of a North Korean attack.

North Korea’s nuclear weapons program represents another major potential military threat. Even though Pyongyang signed the December 1991 Joint Declaration on the Denuclearization of the Korean Peninsula with South Korea, the January 1992 International Atomic Energy Agency (IAEA) Safeguards Agreement, and the October 1994 Agreed Framework with the United States, its nuclear weapons program remains a serious concern for both peninsular and regional security. As incredible as its studied nuclear ambiguity may have been, North Korea has adroitly tied the survival of its regime with regional stability (i.e. “swim or sink together”) and the future of the nuclear nonproliferation regime. Seen from this perspective, it is possible that Pyongyang might well use the nuclear end game as the last instrument of regime survival.

North Korea has also accelerated the development of various types of missile systems and is believed to have stockpiled chemical and other weapons of mass destruction (WMD). In May 1993 North Korea successfully test-fired over the East Sea (the Sea of Japan) an improved version of the Scud-C (Rodong-1) missile with a range of over 500 miles and, again in June 1994, two 60-mile range anti-ship missiles. It is also in the process of developing Taepo Dong-1 and -2 IRBMs, though the prospects for these programs remain uncertain. In addition, North Korea, which is not a signatory to the Chemical Weapons Convention, is known to operate eight factories producing various chemical agents and has set up chemical warfare units at the regiment level. Thus, North Korea’s actual and perceived nuclear and missile capability coupled with its forward-deployed offensive forces near the DMZ remain worrisome factors for South Korean and U.S. defense planners, even acknowledging Pyongyang’s larger vulnerabilities.
It is against this backdrop that the continued Chinese-North Korean military relationship remains a source of concern for South Korean security planners. While it is widely believed among Asian security analysts and officials that there were no major arms transfers from China to North Korea in the early 1990s and that having a Chinese connection into a vulnerable North Korea would almost certainly help contribute to stability on the peninsula, the fact remains that the Chinese PLA is probably the last major ally of North Korea. China’s continuing military-to-military contacts with North Korea will continue to be a security concern to the ROK.12

Second, in stark contrast to the remarkable expansion of economic and diplomatic contacts since 1992, institutionalized military-to-military relationships between the ROK and China have yet to develop satisfactorily, nearly a half decade after normalization.13 This state of affairs has obviously been influenced by the Chinese consideration not to upset its erstwhile North Korean allies, but given the value of military diplomacy in enhancing deterrence and improving the prospects for peaceful unification on the peninsula, let alone confidence-building between South Korea and China, security cooperation between the two sides needs to be developed sooner rather than later.

A third security concern is the possibility of maritime accidents in the Yellow Sea and its adjacent waters. The preponderance of Chinese and South Korean population and industrial centers are concentrated on the opposing sides of the Yellow Sea; thus the surrounding waters are a source of potential tension between the two countries as both seek to secure marine resources and sea lanes of communication (SLOCs). Both sides have yet to agree on the dividing line in the Yellow Sea: the Chinese side insists that the continental shelf be the natural extension of its territory, whereas South Korea maintains that the median, which is recognized by many international organizations including the International Civil Aviation Organization (ICAO), should be the international boundary. Due partly to this unresolved issue, there have been quite a few maritime disputes and incidents involving illegal Chinese fishing and obstruction of South Korean oil exploration and drilling operations. Moreover, several foreign commercial ships passing through the Yellow Sea, the East China Sea, and the adjacent international waters have been fired upon by Chinese armed vessels.14 This has led the Russian Pacific Fleet to send cruisers to escort Russian merchant ships passing these seas. They have so far been concluded without military conflict, but unless certain measures are taken to prevent accidental conflicts at sea, they have the potential to escalate into maritime conflicts involving the navies of regional powers.

The fourth concern to the security of South Korea is the long-term implications of China’s growing military capability. In the mid- and long term, China’s vast size and its strategic reach coupled with the reduced U.S. regional presence could complicate South Korean security planning. Even if South Korea is now pursuing a more self-reliant defense posture, it remains wary of how the potential power vacuum left by the reduced U.S. presence might be filled.15 As long as this concern persists, South Korean security planners will remain watchful of China’s growing military power and influence.

**IMPLICATIONS OF PLA MODERNIZATION FOR KOREAN SECURITY**

Any assessment of PLA modernization and the possibility of China employing its force outside its present territory must be made against the background of its domestic economic priorities, which require a peaceful international environment. The end of the
Cold War has resulted in a significant reduction of conventional land threats to China, especially those emanating from Russia, India, and Vietnam. A peaceful external environment, as Chinese leaders often remind foreign audiences, is critical to the success of the Four Modernizations drive. Thus it is not uncommon to hear Chinese leaders and strategists say that its present security environment is the "best since 1949," the year the People's Republic was founded.16

For this reason, Northeast Asia has held priority on China's economic and foreign-policy agenda. Japan, Taiwan, and South Korea are economic powerhouses as well as important sources of capital, technology, and management skills for China's economic development.17 China's relations with the three since the late 1970s have been primarily informed by this economic imperative, which is also likely to lead them to emphasize continued stability over possible conflicts in Northeast Asia in the years to come.

Aside from the Taiwan and the South China Sea issues which China sees as involving its territorial sovereignty and national unity, Chinese strategists point out the Korean peninsula as a potential flash point that could draw China in an unwanted conflict.18 While China and North Korea no longer maintain the traditional "lips to teeth" relationship, Chinese leaders do have significant security concerns over the sudden collapse of the North Korean regime—e.g., large-scale refugees, armed conflicts, and potential disruptions of production in China's northeast industrial heartland. After all, North Korea is the neighbor located closest to China's capital, Beijing, and China still sees North Korea as its strategic cordon sanitaire.

For the sake of its national interests, China encouraged the North Korean leadership to take reform measures, supported the ROK's entry into the UN in September 1991, and pursued normalization of relations with the ROK in August 1992—all with an eye toward enhancing continued stability on the peninsula and China's own economic development.

This conclusion, however, does not rule out the possibility of various forms of Chinese military involvement if unexpected conflicts were to occur on the peninsula. In particular, China could offer various kinds and levels of military support to North Korea under several particular circumstances, including (a) if China's influence over the peninsula were to rapidly decline, whereas an external power's influence over the peninsula sharply increased; (b) if the collapse of the North Korean regime were engineered or furthered by an external power; (c) if allied troops moved far northward beyond the DMZ in a military, political, or social contingency; or (d) if the Chinese leadership perceived that a unified Korea, allied or aligned with an external power, was hostile to China. Without further elaboration on these scenarios it seems clear that South Korean policy makers and strategists need to be watchful of China's deployment of its forces and the long-term implications of its growing military capability.

**PLA Ground Forces**

At present, about half of the 2.2-million PLA ground force is concentrated in the Shenyang, Beijing, and Jinan Military Regions (MRs). The three MRs also contain 15 out of the total 24 Group Armies (GAs): five in Shenyang MR, six in Beijing MR, and four in Jinan MR (see Figure 1). They are estimated to be made up of 47 infantry divisions, eight tank divisions, and three artillery divisions.19 The unusually heavy concentration of ground troops in China's north and northeast is not directed at a possible Korean contingency; these deployments reflect the importance of capital defense and the
continued legacy of past war preparations against the former Soviet Union. The fact remains, however, that they are all deployed close to the Korean peninsula.

The PLA Ground Force's weapons inventory, while diverse in kind and huge in size, is largely outdated and outmoded. For this reason alone, the modernization of the ground force has been highly selective and has received the lowest funding priority among the three PLA services. It is against the background of this selective PLA ground force modernization that the "rapid reactions units" (RRUs or kuaisu fanying budui) were created in the late 1980s. Among different types and sizes of RRUs, the location of the 38th GA in the Beijing MR, the 39th GA in the Shenyang MR, and the 162nd Division of the 54th GA in the Jinan MR would make them suitable for military contingencies on the peninsula as well as for domestic instability.

In sum, the RRUs, in conjunction with the GAs, are geared to strengthen mobility and operational coordination in preparation for a small-scale, low-intensity warfare along border areas. Recent PLA military exercises also emphasize inter-service coordination, multiple MR participation, and new types of military maneuvers. Even if the current PLA strategy of "limited local warfare" (youxian jubu zhanzheng), embodied in the strategic shift at the 1995 CMC meeting, emphasizes the offensive operations in limited regional conflicts, a combination of financial, operational, and organizational constraints means that the PLA ground force will remain a huge but defensive army for many years to come.

**PLA Navy (PLAN)**

The PLAN has received special attention since defense modernization efforts began in the early 1980s. This partly reflects Chinese leaders' intention to meet China's growing maritime interests and seaborne regional challenges, in particular China's sovereignty over disputed island groups and territorial waters in the South China Sea, the 200-nm Exclusive Economic Zone, and the long-term goal of developing a blue-water navy.

In the early 1990s the PLAN commissioned various new models and types of vessels. They include: the Luhu (Type-052) guided missile destroyer, Jiangwei (Type-055) guided missile frigate, Houxin and Houjian FAC, Huludao coastal patrol craft, the Dayun resupply ship, and new LSMs (amphibious assault ships). In particular, the Luhu and the Jiangwei are indigenously-designed second-generation vessels which are better equipped than their predecessors in terms of engines, command and control, and armaments. However, they reportedly lack sophisticated equipment such as electronic support measures (ESM), electronic countermeasures (ECM), and air defense systems, which might expose them to enemy attack on a sustained, high-sea mission.

In a Korean military contingency the PLAN could perform various missions, including sealift of troops and equipment, interdiction of SLOCs, and anti-surface and anti-submarine warfare. These missions would be largely carried out by the North Sea Fleet, which consists of two submarine, three surface, one mine, and one amphibious squadrons. The Fleet, headquartered in Qingdao, also operates China's SSBN unit.

The PLAN's vessels, however, are mostly outdated and lack anti-air, anti-ship, and anti-submarine defense systems as well as modern radar and electronic equipment. Furthermore, the PLAN has not yet conducted long-distance naval exercises, and its RAS (replenishment at sea) capability is believed to be rudimentary. Given also the lack
of an effective air cover, the PLAN’s vessels will remain dangerously exposed to air and surface attack if they operate far from shore.21

Taken together, the PLAN’s capability to conduct and sustain long-distance operations is quite limited. Among the 18 destroyers and 36 frigates it currently operates, at most only ten of them are judged to be relatively modernized.22 The quantitative superiority of its submarine force remains a concern to China’s neighbors, but the noise of Chinese submarines will make them vulnerable to detection by a variety of anti-submarine capabilities. The current limitations in the PLAN’s naval weapons systems and electronic equipment, naval airpower, and RAS capability will deprive it of an effective long-distance operational capability for many years to come.

PLA Air Force (PLAAF)

The PLAAF maintains seven Military Regions Air Force (MRAF), identical to the MRs of the Ground Force. Despite its huge inventory of over 5,000 different types of aircraft, the PLAAF is the least modernized service, especially compared to its counterparts in neighboring countries. Including the 3,000 J-6s, the Chinese versions of the Soviet MiG-19s, virtually all of its combat aircraft are based on 1950s- and 1960s-vintage technologies.

PLA leaders are well aware that airpower plays a crucial role in modern warfare and that the air force is the most technologically-oriented service in the armed forces. But China’s relatively backward aviation industry has long failed to meet the PLAAF’s requirements. Intermittent contacts with selected Western aircraft manufacturers in the 1980s generated no breakthroughs in either upgrading the existing inventory or developing new generation of fighter aircraft.

On the other hand, the current PLA strategy of “limited local wars” requires rapid mobility and effective fire power for contingencies along the border areas. The PLAAF has obviously been ill-equipped to meet the new challenges. It is thus the gap between the doctrinal requirements and the existing aircraft inventory that has sharpened the sense of urgency among the Chinese top brass. For this reason, air force modernization is receiving top priority in Chinese defense modernization and foreign weapons acquisitions, especially those from Russia.23

Of particular importance is the Chinese efforts to acquire and manufacture modern combat aircraft, especially the J-10 (XJ-10) and the Su-27. Some reports have indicated that a prototype of the J-10 has been developed by the Chengdu Aircraft Corporation with Israeli assistance and that its first flight test would soon be undertaken, although these reports have yet to be reliably confirmed.24 The details of the J-10 program and the Israeli involvement remain shrouded in secrecy in part because they involve the transfer of aircraft subsystems and technologies. In addition to the 26 Su-27s acquired in 1992-93, China initialed in May 1995 a contract for the second batch and received a total of 22 Su-27s in 1996. The contract was finalized during the December 1995 visit to Moscow by a large Chinese military delegation, which reportedly concluded an agreement to license-produce the Su-27s in China. While the details of the license production deal of the Su-27s are not known to the outside world and are likely to be in the process of negotiation by both sides, it seems only reasonable to assume that at the beginning stage China would have to assemble the whole array of imported items such as engines, radar, and fuselage. China would then attempt to gradually increase the local content of the aircraft components in the hope that an indigenous, complete version of the Su-27 would be
manufactured in China, as they did for older MiG series in the 1950s and the 1960s. Manufacturing the far more sophisticated Su-27, however, would be a Herculean task even under the most favorable circumstances imaginable and will take well over ten years to achieve.

Until such a manufacturing capability is realized and new aircraft produced in significant numbers, the PLAAF’s outmoded aircraft will be severely tested against the modern air forces of China’s neighbors. Even worse, the PLAAF’s combat readiness is known to suffer from insufficient flying hours, lack of combined operations, and limited repair and ground logistics support. Thus, the chance that the PLAAF can significantly improve its airpower in the next five to ten years (even with Russian technological assistance) is remote. But if it attempts to overwhelm a rival air force with the large number of its aircraft, an adversary could very possibly suffer serious losses.

The PLA Nuclear Force and Missile Systems

Most Western PLA specialists believe that China’s nuclear force of approximately 300 deployed nuclear warheads is primarily dedicated to a strategy of minimum deterrence, which means that no potential enemy would launch a nuclear strike against China without inviting retaliation.

Yet there is little indication that the role of nuclear weapons in overall Chinese security has declined in the post-Cold War era. The Chinese have instead vigorously pursued the nuclear modernization program to improve the survivability, reliability, and safety of its nuclear arsenal in conjunction with its conventional military modernization. China’s ongoing major nuclear and missile modernization, which predates the post-Cold War period, is evident in all three components of its triad.

The focus of its land-based systems modernization remains the continued improvement and development of its Dongfeng (DF) series such as the DF-31 and the DF-41. China is also emphasizing accuracy, solid propellant fuels, MIRVing, and new basing modes. Additionally, China’s much-touted space program will apparently have an impact on its current effort to extend the range of its ICBMs.

The second leg of the Chinese nuclear triad is sea-borne systems. The Xia-class nuclear-powered missile submarine (SSBN), first deployed in 1986, is purportedly armed with 12 intermediate-range, solid-fueled Julang-1 (JL-1) missiles aboard. In September 1988, China successfully launched a JL-1 SLBM from a Xia submarine to a target about 1,500 km away in the East China Sea. China is also continuing the development of its second-generation SLBM, the Julang-2, which is the seaborne version of the DF-31.

The Chinese also deploy strategic bombers to deliver nuclear warheads. They are mostly Beagle (H-5 or Il-28) and Badger (H-6 or Tu-16) bombers, which remain highly vulnerable to modern air defense. It is believed that the supersonic Jianhong (JH, H or B-7) bomber is nearing completion. It also seeks to acquire and license-produce nuclear-capable aircraft such as the Su-27.

Future improvement in China’s nuclear capability would reinforce the minimum deterrent value of nuclear weapons and may even facilitate the burgeoning nuclear doctrinal shift to "limited deterrence." As long as China aims at improving the technological sophistication of its nuclear arsenal to the level closer to advanced Western
nations, it will remain reluctant to join the strategic arms reduction process and will want to retain as much military value as possible for its nuclear and missile programs, which help compensate for its lack of airpower.

For the foreseeable future the chance of a serious nuclear threat to China is very low. The country’s nuclear and missile capability provides China with international status and prestige that attest to China’s standing as a major power. China’s nuclear and missile modernization will also continue to be a source of concern for international nonproliferation efforts and regional security. In particular, the psychological impact of China’s nuclear and missile capability is more likely to fall on its neighbors than on extraregional powers. It is partly in this context that Japan and South Korea have studied the joint development of a Ballistic Missile Defense (BMD) system with the United States. China, however, remains strongly opposed to the deployment of missile or strategic defense systems which could dilute the military value of its nuclear and missile capability.

THE UNITED STATES, CHINA, AND KOREAN UNIFICATION

Korea has long been likened to a shrimp among whales whose geostrategic and economic interests converge on the peninsula. It is thus reasonable to assume that when chips are down, large states in the region will attempt to steer the course of Korean unification in a way that the outcomes are congruent with, or at least not inimical to, their respective national interests.

Due primarily to the relative fluctuation of their national power in recent years, however, the four most powerful states in the region--i.e., China, Japan, Russia, and the United States--have varying degrees of influence on the Korean peninsula. For instance, as important as Russia’s economic interactions with South Korea may be, Moscow is now a far less important actor in peninsular affairs and its influence marginal. On the other hand, partly because of its diplomatic subtlety with regard to recent developments on the peninsula, China has not only retained its geostrategic influence on the peninsula, but it has become the only major power that maintains positive relations with both Pyongyang and Seoul.

Viewed in these terms, the United States, the only remaining superpower, and China would be more immediately involved in the Korean unification process than either Japan and Russia. Neither the current asymmetric power relationships among the four nor their respective power potentials seem to be undergoing dramatic change for the foreseeable future.

By dint of its global reach and security alliance with the ROK including the presence of the USFK and an integrated command structure, the United States continues to be the most important outside actor on the peninsula. The U.S. is also involved in a wide range of issues that touch upon the unification question, including the nuclear issue, a peace treaty, and regional security. Recently, the significance of the U.S. factor in Korean unification has been further enhanced by a historical irony--North Korea’s desire to establish economic and diplomatic ties with the U.S. in order to overcome its economic cul-de-sac and possibly to ensure its long-term survival.

America’s support for South Korea’s unification strategy--which envisages a unified state in which democracy, a market economy, and human dignity are upheld--
remains firm and has been reconfirmed during a series of summit meetings, including those in July 1993, July 1995, and April 1996. Additionally, South Korea has formally supported a continued U.S. military presence on the Korean peninsula, divided or unified. The U.S. has also explicitly stated its post-unification interest in a February 1995 Department of Defense report entitled *United States Security Strategy for the East Asia-Pacific Region*: "Even after the North Korean threat passes [i.e., after the Korean unification], the United States intends to maintain a strong defense alliance with the Republic of Korea, in the interest of regional security."

Thus, the U.S. commitment to Korean defense and unification remains strong and is highly likely to remain so in the future. But as their divergent perceptions of and policies towards a series of recent North Korean crises best illustrate, the ROK and the U.S. governments need to coordinate their policy toward North Korea more tightly and coherently than in the past. For example, the continuing emphasis on the concept of "soft landing" may retard the consequences of an economically-crippled North Korea, but it by no means constitutes a viable, long-term strategy for either alliance maintenance or regional security. On the contrary, as long as this concept persists, both the ROK and the U.S. will be subject to various domestic criticisms, primarily for being "soft" on North Korea's brinkmanship, and their policy toward North Korea will remain unfocused and adrift as a consequence. This does not augur well for the long-term prospects of the ROK-U.S. alliance, especially if they have to prepare for the day when they "run out of enemies."

Unlike a global America on the other side of the Pacific Ocean, China shares a 300-mile border with North Korea. As noted earlier, not only does China retain its geostrategic interest in North Korea, but is acutely aware of the potential dangers of a renewed conflict on the peninsula. For the sake of external stability conducive to China's economic modernization, Chinese leaders have consistently called for tension reduction on the peninsula. It also has sought to turn an external crisis into an opportunity to advance its own national interests. The North Korean nuclear issue illustrates the point.

Throughout the course of the nuclear issue, China has benefited from the subtle use of its images and roles--as perceived by Washington, Seoul, and Tokyo. The shared perception among the three capitals has been that given China's high stakes in peninsular stability as well as its security and economic ties with North Korea, China is uniquely positioned to persuade Pyongyang to forgo the nuclear option. Setting aside the credibility of this untested assumption, China has in fact capitalized on the whole range of benefits this image has provided. For instance, the May 1994 decision by the Clinton administration to de-link the issue of China's MFN trade status from its human-rights record was partially based upon the consideration of China's putative support in resolving the North Korean nuclear issue.

Thus, China adopted a complex mix of policy measures to turn the crisis situation into an opportunity to enhance its status and prestige in the emerging new international order and to strengthen its bargaining position vis-a-vis that of the United States, South Korea, and Japan, while allowing North Korea to persist in its diplomatic negotiations with the United States. Additionally, China has consistently argued for a dialogue among related parties, rather than overt pressure on North Korea, in finding solutions to the nuclear question. The credibility of the Chinese declaratory policy is backed by its real veto power in the UN Security Council. On the heel of Western pressure after
Tiananmen, China has again demonstrated that it is a major player in the emerging global order.

Over the longer term, China’s geostrategic interest on the peninsula is also likely to continue in post-Kim North Korea. Chinese behavior after the death of Kim II Sung strongly indicates that Beijing remains determined to pursue its national interest on the peninsula, regardless of who is in power in North Korea. Xiaoxiong Yi has clarified Beijing’s position in the following words: “Beijing’s ultimate concern in North Korea is not who will be the next Great Leader [in Pyongyang], but whether the DPRK will remain as a stable and friendly buffer state. From Beijing’s point of view, although Kim Jr. may lose the internal power struggle, there should be no reason why China cannot come out [as] a winner.”

In the years to come, China hopes to balance both geostrategic interest with North Korea and geo-economic benefit with South Korea, whose $16.9 billion trade with China in 1995 dwarfs the $550 million trade between North Korea and China. The Beijing leadership has so far pursued a successful "two-Korea" policy, which has proven mutually complementary. Its longer-term success, however, will largely be dependent on how the North Koreans can prove resilient amid a raft of domestic and external challenges.

In recent years, there has been an increasing gap between official rhetoric and objective reality between China and North Korea. On the economic and diplomatic fronts, Sino-DPRK relations are constrained by different economic structures, North Korea’s economic and financial problems, and North Korea’s self-imposed diplomatic isolation after the death of Kim II Sung. In particular, China’s open disagreement in September 1995 on North Korea’s avowed attempts to replace the current armistice agreement with a peace treaty with the United States seems only to underscore the Chinese stance that it opposes any measures, initiated by either North or South Korea, that would disrupt the current stability on the peninsula. In a similar vein, Chinese consent to the October 1996 adoption of the UN Security Council Presidential Statement regarding the North Korean submarine incident is further evidence of the different interests between China and North Korea.

At the same time, the Chinese goal of continued stability on the Korean peninsula seems to have led to the conclusion that further isolation of North Korea from the outside world would be detrimental to China’s interests. Thus China has vigorously pursued a geo-economic strategy towards Seoul, while maintaining a geostrategic policy towards Pyongyang, which Chinese leaders believe to be in China’s best interests, at least for the time being. At the same time, China’s participation in preparatory four-party talks among the U.S., ROK, DPRK, and the PRC suggest that Beijing believes such negotiating forums may be a way of inducing North Korea to move toward more normal relations with its neighbors, including South Korea.

Finally, China doubtless prefers the tangible gains of present stability to the uncertain benefits and risks of future instability. It is equally clear to China, however, that if unification does occur on the Korean peninsula, it will be on South Korean terms. In such an event and if unification occurs peacefully, China could take a minimalist stance or even acquiesce in the unification process and would try to prevent the peninsula from tilting toward a maritime Japan as opposed to a continental China.
Critical to the Chinese assessment of post-unification relations with Korea would be the latter’s attitude toward the former, the likelihood of maintaining China’s influence in peninsular affairs, and the state of overall Sino-U.S. relations. Like the other large nations, but especially the United States, China would carefully calculate whether or not Korean unification leads to a rise in its influence over a unified Korea relative to the that of the others. In short, China’s strategic views of a unified Korea will be shaped by an amalgam of factors noted above, but most critically by its perception of the implications of Korean unification for Beijing’s interests. The overall Chinese-U.S. relationship will also remain a major factor affecting Chinese attitude toward Korean unification.

**ROK AND U.S. POLICIES TOWARDS CHINA**

Regional perceptions of and reactions to the PRC’s diplomatic and military behavior have not been uniform with East Asia. Each regional actor’s relations with China are shaped by a wide array of factors, including geographical proximity, historical and cultural inheritance, territorial disputes, and economic relations. Moreover, the strategic calculus of various Asian states has often been significantly influenced by their respective security relations with the United States. It is the interplay of these factors that informs each Asian state’s threat assessment of the PRC’s military capability.

In the case of South Korea, there is no doubt that the combined ROK-U.S. deterrence against the possible North Korean attack remains the primary defense goal for the foreseeable future. As long as the North Korean military threat persists, any ROK and U.S. efforts to engage China should also complement the goal of deterrence. Additionally, the ROK and the U.S. should seek to bring China’s influence on North Korea to bear in achieving the three countries’ common interests on the peninsula, namely continued peninsular stability, improved North-South Korean relations, and North Korea’s economic reform. Mutual understanding among the three countries could not only offer a potential solution to the current stalemate in North-South Korean relations but also create a favorable condition for peaceful unification of Korea.

For its part, South Korea needs to chart a long-term, comprehensive strategy toward China which envisions post-unification relations between Korea and China. Economic cooperation, augmented by increased diplomatic and cultural contacts, is essential for the expansion of their bilateral ties. Military-to-military relationships need to be firmly established as well. Given the current and likely future influence of the PLA in China’s domestic and external policies, it seems only prudent for the ROK to gradually foster personal ties and eventually institutional relations with the Chinese military.

Regarding the unification issue, South Korea needs to shape its unification plan clearly and make credible that Korean unification is beneficial to all of Korea’s large neighbors, including China. In addition, South Korea needs to formulate in due time a panoply of security- and confidence-building measures (SCBMs) specifically designed to address potential Chinese concerns, including a unified Korea’s intention to promote friendly relations with China, the creation of a buffer zone in and joint development of Sino-Korean border areas, and the establishment of a three-way security dialogue among China, the United States and unified Korea.

From the vantage point of the mid-1990s, one useful way to assess future East Asian stability is to inquire about the health of Sino-U.S. relations. Ideally, an improved
relationship between the U.S. and China, especially renewed security cooperation, would contribute to regional stability and to the attainment of U.S. objectives in East Asia. It further offers an important conduit for a host of outstanding issues on the peninsula, including the North-South Korean dialogue, the implementation of the Agreed Framework, and Korean unification.

In reality, however, the prospects for an improved Sino-U.S. relationship remain unsettled. Despite the October 1997 summit between President Clinton and Jiang, few of their outstanding issues, including the Taiwan issue, human rights, trade, and nonproliferation, show signs of conclusive resolution. On the contrary, there seem to exist fundamental differences between the two countries in terms of political systems, social values, and strategic objectives. Given also the uncertain political leadership and internal political dynamics in Beijing and Washington, compromise on these differences will also be difficult to achieve in the near future.

Indeed, Taiwan President Lee Teng-hui's unofficial visit in June 1995 to Cornell University, his alma mater, may well have vindicated the PRC government's view that the U.S. is the key link in Taiwan's efforts to expand its "international survival space." The U.S. decision to dispatch two carrier battle groups near the Taiwan Strait in March 1996 in reaction to China's saber-rattling must have also attested the validity of the Chinese leadership's assertion that the U.S. is the primary barrier in resolving the Taiwan issue.

In virtually all U.S. foreign policy domains, from trade to human rights to strategic issues, China continues to be a challenge, a daunting one indeed. Future directions for U.S. China policy seem clear. First, the U.S. should continue to pursue the strategy of "comprehensive engagement," especially in areas of mutual benefit (e.g., continued Chinese economic reform) and also in the circumstances that are almost inevitable (e.g., the PLA's rising influence in post-Deng China). Second, U.S. China policy must be firmly linked to its overall Asia policy, carefully weighing the costs and benefits of the former to the latter. Conflict between the two policies would require a strong political will and leadership in official Washington. Third, the U.S. military establishment needs to actively promote regular and frequent contacts with the PLA, including high-level visits, functional exchanges, and defense technological cooperation. Fourth, the U.S. must differentiate national interests from universal values, strategic flexibility from policy reversals, and long-term goals from short-term gains. But if the above efforts do not yield reciprocity from the Chinese side, the U.S. must consider possible alternatives to the present strategy of comprehensive engagement.

In short, a future contingency that the U.S. and the Chinese militaries would find themselves on the opposite sides remains remote, but both sides may have already taken the other as a long-term risk to their respective national interests. At least, China's defense modernization is geared at safeguarding its growing regional interests from the extensive reach of the remaining superpower. Any progress in Sino-U.S. security cooperation must also await the overall improvement in their political relations.

In the years ahead, there is a distinct possibility that a strong China with a nationalistic agenda would call for a continuing U.S. presence for the sake of regional power balance. Under almost any circumstances imaginable, this would bring the U.S. alliance ties with the ROK and Japan closer together, given their elaborate defense arrangements and high priority in U.S. strategic planning. On the other hand, most Southeast Asian nations, which lack strategic bargaining power vis-a-vis China with the
thinner U.S. presence, are likely to be more receptive to Chinese demands than their Northeast Asian neighbors.

**FUTURE PROSPECTS AND RECOMMENDATIONS FOR POLICY**

The future of Northeast Asian prosperity and security will be increasingly shaped by the economic and security trajectories of China and Japan, and by U.S. relations with both countries. A continued U.S.-Japanese security relationship is vital to American interests and to Asian stability. But how long the current lopsided security ties can be acceptable to their respective public remains uncertain. While popular anti-militarism is now very strong in Japan, its historical extremism in foreign and security policy since the mid-19th century is not reassuring, especially to its neighboring countries.41

It is against the backdrop of this emerging relationships among the U.S., China, and Japan that the strategic identity of a unified Korea is seen as an unknown but critical factor that affects not only their three-way relationships but also the overall regional power balance. As Jonathan Pollack has aptly put, "[t]he central set of relationships likely to define Northeast Asian security and stability will be the longer-term dynamics between Japan and China, and how the United States is likely to interact with both. The position of a unified Korea could prove highly consequential in this context, but more in terms of how Seoul might choose to align itself in relations to this larger, three-power dynamic."42

- It is also in this context that the Republic of Korea needs to chart out the future role of a unified Korean armed forces in regional and peninsular security. This will not only greatly reduce the unification costs and the risk of social dislocation thereafter, but will be a critical SCBM necessary to assuage neighboring states' potential misgivings on the strategic orientations of a unified Korea. Equally important is the question of how North Korea leaves the scene (i.e. implosion, explosion, or peaceful unification), which is an issue of first order affecting the future status of a unified Korea.

Under the best of all circumstances, both North and South Korea would proceed to a gradual social integration and peaceful coexistence, as envisioned in the December 1991 Basic Agreement between North and South Korea. If this path is not feasible, however, the ROK government should sooner rather than later formulate and implement a unification blueprint, elaborating on unilateral steps it could take for confidence building and tension reduction on the peninsula. While such unilateral measures can be taken in any field imaginable, South Korea needs to seriously consider lowering military tension among the DMZ.

For years to come, the changing regional security climate would continuously draw the attention of the U.S. and the ROK policy makers and would necessitate the corresponding adjustment in the role and mission of the U.S.-ROK alliance, particularly after North Korea’s threat passes. To meet future challenges to the alliance the current shift for the U.S. from a leading to a supporting role must continue. Given the vast difference in power potentials between the Korean peninsula and the surrounding major powers, regardless of whether Korea is unified or not, Korea requires a strong security relationship with the United States, which in turn can secure its forward position in one of the world’s strategic crossroads with huge and growing stakes.
To realize these policy goals, an active U.S. engagement in Asian security and Asian allies’ greater defense burden sharing are necessary, but not sufficient. Both the U.S. and Asian governments need to expand the scope of dialogue and communication with the other’s public and congress to further strengthen the mutual bonds between the two sides.

Drawing China and North Korea into a web of multilateral security dialogues is highly desirable, but given the bilateral nature of conflict, a high level of hostility and militarization, and the Chinese and North Korean opposition, its feasibility is in doubt at the current state of interstate relations in Northeast Asia. Rather, the United States needs to strengthen the existing network of bilateral security ties with credible military force. With the exception of North Korea and China, all other East Asian states support or understand the continuing importance of America’s preeminent balancing role in the region.

In the years ahead, continued U.S. engagement with China will be an important step towards the long road to a stable East Asia. To advance this longer goal, however, not only should the U.S. and East Asian nations recognize China’s differing yet often legitimate security requirements, but also make genuine efforts to build confidence with China, which is a time-consuming yet least threatening way to make China more transparent. Finally, it is worth repeating that the future of East Asian security would increasingly hinge on how to deal with the old "China factor" in the new era.

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5 Korea Trade Promotion Corporation (KOTRA) data. See also Xiaoxiong Yi, "China’s Korea Policy: From 'One Korea' to 'Two Koreas','' Asian Affairs, Summer 1995, p. 124.
The North Korean economy has continuously registered negative growth rates since 1990. They were -3.7 percent in 1990, -5.2 percent in 1992, -7.6 percent in 1993, -4.3 percent in 1993, -1.7 percent in 1994, and -4.6 in 1995. Bank of Korea data.


While it is true that the South Korean forces, backed by the U.S. forces and by its own industrial infrastructure, do retain the technological edge, and a static comparison of the order of battle is an elusive concept, the NKPA's numerical and geographical advantages could well inflict an unacceptable damage upon the South, especially upon Seoul. On the other hand, recent defection by a North Korean MiG-19 pilot, Captain Lee Chulsoo on May 23, 1996 has offered a rare glimpse on North Korean Air Force's pilot training and air defense readiness. Captain Lee had a total of 350 flying hours for his ten-year career as an active-duty combat aircraft pilot. His helmet and G-suit seemed to be too improper to wear by South Korean or Western standards. He also wore a patch of cloths, not a pair of socks. According to news reports, Captain Lee's plane took off at Onchun air force base, west of Pyongyang, at 10:30 am and began flying southward at full speed at 10:43 am. The defecting MiG reached the ROK air space at 10:49 and was immediately escorted by eight ROK combat aircraft. Voice communication between the North Korean Air Force Headquarters and the First Air Division, to which Captain Lee's unit belongs, indicates that they were not sure whether there was a defecting aircraft. None of North Korean interceptors chased after the plane, even if there were two or three squadrons nearby on training mission at the time of defection. In contrast, the ROK-U.S Master Control and Reporting Center (MCRC) was able to monitor all movements for the entire 19-minute period, and their response to the situation was impeccable. See *Chosun Ilbo*, 24 May 1996, pp. 1, 3; 25 May 1996, p. 3; 29 May 1996, p. 3.


According to the author's rough estimates, a total of about 40 Chinese delegations visited North Korea in 1995, a significant increase in frequency over the previous year. While about one-third of them were military-related visits, they were mostly low-level, friendly ones. The most prominent visits were those by LTG Zhang Gong (Political Commissar of the Academy of Military Science) in September 1995 and General Shi Yuxiao (Political Commissar of the Guangzhou MR) in October 1995.

There have so far been only four general officer-level visits from the ROK side, but none of them were made by mutual agreements: Two South Korean Chairmen of the Joint Chiefs of Staff accompanied Presidents Roh Tae Woo and Kim Young Sam's visit to China in September 1992 and March 1994, respectively. Two ROK generals also visited China in 1994 and 1995, respectively. In December 1996 Major General Luo Bin, Director of the Foreign Affairs Bureau in the Chinese MND, became the first active-duty PLA general to visit Seoul since the Korean War. His visit was widely interpreted as the beginning of higher-level military exchanges between Seoul and Beijing.
ROK Vice Defense Minister Lee Jung-yin visited Beijing in November 1997. He was the highest ranking South Korean military official to visit China since the establishment of diplomatic relations.


17 China’s volume of trade in 1995 with Japan, Taiwan, and South Korea were $57.4 billion, $17.8 billion, and $16.9 billion, respectively. China Customs Statistics.

18 Xingdao Ribao (Hong Kong), 13 June 1994, p. A2.


22 They are two Luhu, two modified Luda, four Jiangwei, and three Jianghu III. See The Military Balance 1996-1997, p.177; Ships of the World, Special Issue on the Chinese Navy, no.498 (July 1995); "Zhonggong Haijun da xingdong" (Communist Chinese Navy’s large maneuver), Kuang Chiao Ching, September 1995, pp. 60-73.


24 The J-10 and Su-27 programs are discussed in Hsiao [Xiao] Yusheng, "China’s New-Generation Main Military Aircraft," Kuang Chiao Ching, no.278 (16 November 1995),

25 The December 1995 Chinese military delegation was headed by CMC Vice Chairman Liu Huaqing and consisted of many high-ranking PLA officers such as LTG Cao Gangchuan (Deputy Chief of the PLA General Staff), MG He Ping (Director of the Equipment Department of the PLA General Staff), and LTG Huai Guomo (Deputy Director of COSTIND). For the delegation's meetings with its counterparts, see Sankei Shimbun (Evening Edition), 4 December 1995, p. 2. See also FBIS-CHI, 11 December 1995, p. . For various accounts of the license production deal and additional orders, see Michael Richardson, "China-Russia Deal Could Fuel an Asian Arms Race," International Herald Tribune, 8 February 1996, p. 4; Giovanni de Briganti and Jeff Erlich, "China Turns to Russian, Israeli Arms," Defense News, 12-18 February 1996, p. 4; Bates Gill, "Russia, Israel Help Force Modernization," Jane's Defense Weekly, 31 January 1996, pp. 54, 56-57; Sankei Shimbun (Evening Edition), 3 February 1996, p. 5; Pavel Felgenhauer, Sevodnya, 13 March 1996, p. 5, in The Current Digest of the Post-Soviet Press, no.11 (10 April 1996), pp. 10-11.

26 An excellent study on the PLAAF's history, organization, training, and operational capability is available. See Kenneth W. Allen, Glenn Krumel, Jonathan D. Pollack, China's Air Force Enter the 21st Century (Santa Monica: RAND Corporation, 1995).


33 Tae-Hwan Kwak and Thomas L. Wilborn, "Introduction" and Kyongssoo Lho, "The U.S.-ROK Alliance: Meeting the Challenges of Transition," both in Tae-Hwan Kwak and

34 Samuel S. Kim has cogently argued that China benefited from the North Korean nuclear crisis, as it did during the Persian Gulf War. See his "China’s Korea Policy in a Changing Regional and Global Order," *China Information* (Leiden, the Netherlands), vol.8, nos.1/2, 1993, pp. 74-92. See also "North Korea in 1994: Brinkmanship, Breakdown, and Breakthrough," *Asian Survey*, January 1995, pp. 13-27.


36 Well before its open disagreement with the North Korea in September 1995 regarding the latter’s attempt to conclude a peace treaty with the U.S., the Chinese side had unofficially relayed its position to South Korea. The Chinese position can be summed up as follows: (a) It is necessary to maintain the current Armistice Agreement until a secure and effective peace system is established on the Korean Peninsula; (b) A unilateral abrogation of the Armistice Agreement by either side is not only incorrect but also impossible; (c) The Armistice Agreement is essential to the maintenance of peace on the peninsula; and (d) The North Korean attempt to conclude a peace agreement with the United States by nullifying the Armistice Agreement is unrealistic and impossible. See Dong-A Ilbo, September 26, 1995, p.1 and Kim Kyung-ho, "China Opposed to N.K. Proposal for Peace Treaty with the U.S.," *Korea Herald*, 26 September 1995.


38 For a comprehensive but focused discussion on the different internal political dynamics in Washington and Beijing, see David Shambaugh, "The United States and China: A New Cold War?" *Current History*, vol.94, no.593 (September 1995), pp.241-47. See also Ronald N. Montaperto, "Managing United States Relations with China: A View from Washington," paper presented at the First KIDA/INSS Workshop on "The ROK-U.S. Security Alliance and the Regional Powers over the Next Ten Years," KIDA, Seoul, Korea, 15-16 April 1996.


