

China and the Korean Peninsula

~~(S/NF)~~ One of China's key objectives on the Korean peninsula is the reduction of tensions in order to have a stable and peaceful regional environment beneficial to the achievement of China's modernization goals.

- o ~~(S/NF)~~ China is committed, in principle, to some form of reunification based on the Chinese formula of "one country, two systems" and to the eventual reduction of superpower involvement in Korea.
- o ~~(S/NF)~~ Chinese policies are aimed at achieving this objective by encouraging dialogue between North and South Korea, and more moderate and flexible approaches by Pyongyang, Seoul and Washington.
- o ~~(S/NF)~~ From Beijing's perspective, increased US military assistance to South Korea, annual US-South Korean Team Spirit exercises, and US unwillingness to have direct contacts with North Korea generate tensions by increasing the North's sense of insecurity.
- o ~~(S/NF)~~ Beijing asserts that a withdrawal of United States ground forces from South Korea would reduce tensions on the peninsula, opening the door to an improvement of relations between South and North Korea.

~~(S/NF)~~ Another major Chinese policy goal is the limitation of Soviet influence in North Korea. In their view, such influence could lead to an expanded Soviet military presence in North Korea, which the Chinese would consider as a threat to Chinese security interests.

- o ~~(S/NF)~~ In the Chinese view, Soviet military aid to Pyongyang, which includes SA-5 surface-to-air missiles and Mig-29 fighter aircraft, has resulted in a greater Soviet military presence in North Korea. This presence, which is reflected in Soviet overflights of the

peninsula and annual joint Soviet-North Korean naval exercises, is blamed by the Chinese on the isolation of North Korea by Washington and Seoul. China's awareness of its inability to compete with the Soviet Union as a source of military assistance compounds the situation.

- o ~~(S/NF)~~ Perceiving that it lacks the influence in Pyongyang to counteract the Soviets, Beijing is increasingly appealing for Washington's cooperation in thwarting Soviet inroads. This Chinese approach is rooted in Beijing's need to shore up its own credibility in Pyongyang by proving that it can move Washington toward a more compromising stance.

~~(S/NF)~~ A third Chinese goal is to gain greater access to trade and technology. In support of this, China adheres firmly to its course of expanded unofficial economic and cultural relations with South Korea. Beijing also hopes its rapprochement with Seoul will bestow expanded influence, thus enabling it to promote the reduction of political tensions on the peninsula.

- o ~~(S/NF)~~ The Chinese are actively preparing to profit from South Korea's "economic miracle." In 1987 trade between China and South Korea was estimated at between \$1.5 and 2 billion, more than triple China's trade with the North. The momentum is such that substantial escalation could occur over the next year or two. The Chinese are also actively encouraging ROK investment in China's special economic zones.
- o ~~(S/NF)~~ Although there are, at present, discussions about "political exchanges or cross recognition," Beijing's relationship with Pyongyang will prevent the establishment of diplomatic relations with Seoul.
- o ~~(S/NF)~~ China, however, will attend the Seoul Olympics. Moreover, it will continue to have contacts with South Korea in the context of other international fora such as the 1990 Asian games and international, academic, cultural, and economic conferences.

~~(S/NF)~~ Beijing's ability to achieve all of its goals in Korea is tempered and constrained by the requirement to maintain good relations with Pyongyang.