

# **Contemporary Geopolitics in Northeast Asia: Fear, Loathing, and Ambition**

Testimony before the U.S.-China Economic and Security Review Commission  
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The Asia-Pacific has emerged in recent years as the primary setting upon which American power will be tested, the liberal international order will be contested, and the peace and prosperity of the past seventy years will be challenged. Driving these issues to the forefront are two simultaneous geopolitical developments – the rise of an increasingly aggressive China and the persistent belligerence of an increasingly capable North Korea – both of which threaten to undermine long-standing American interests in the region.

For today’s hearing, I have been asked to focus on how China and the region at large view North Korea’s steps toward developing deployable nuclear weapons, and China’s interests in Northeast Asia as a whole. My testimony today will therefore start with an examination of China’s overall foreign policy how U.S. allies are reacting. I will then focus on regional perceptions of the North Korea nuclear issue, and will conclude with a set of recommendations for related congressional actions.

## **China’s Approach to Northeast Asia**

Testifying before the Subcommittee on Asia and the Pacific of the U.S. House of Representatives Foreign Affairs Committee in February 2015, I offered my assessment that Beijing’s vision for a revised global order is centered on “a revitalized China that is stable and prosperous at home, is the dominant power in the Asia-Pacific, and is able to shape events around the world through a kind of neo-tributary system.” I further stated that “Chinese leaders do not appear to see this vision as a coercive arrangement; rather, they paint this system as founded upon tight economic integration and the eventual recognition of China as the dominant regional power on which other states depend.”<sup>1</sup>

In the 28 months since I offered this analysis, China has continued to demonstrate an approach focused on placing itself at the geopolitical center of the Asia-Pacific, increasing its global influence, and adjusting the established liberal international order in ways it believes will support its long-term national interests. This can best be seen through China’s One Belt, One Road

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<sup>1</sup> Abraham M. Denmark, Prepared Testimony to the House Committee on Foreign Affairs Subcommittee on Asia and the Pacific, <http://docs.house.gov/meetings/FA/FA05/20150226/103064/HHRG-114-FA05-Wstate-DenmarkA-20150226.pdf>.

initiative, which has become central to China's efforts to establish itself as a leading power driving economic integration across the Asia-Pacific.

### *Views of the United States*

While China's strategy does not seem to be focused on circumscribing American power per se, many in Beijing view the United States as fundamentally hostile to China's rise and, therefore, an inherent adversary whose geopolitical influence in the Asia-Pacific should be gradually reduced.<sup>2</sup>

While there exists in China's strategic circles an ongoing debate about the role of the United States and its relative position in the world, there is a general consensus amongst China's foreign policy elite that the United States is in the midst of a relative decline in geopolitical power in comparison to China's rising influence. While most in China continue to see the United States as far more powerful than China in absolute terms, Chinese foreign policy elites generally believe that American power in the Asia-Pacific is gradually declining.<sup>3</sup>

These views are certainly not new, but they reached the mainstream in China after the 2008 financial crisis, which saw the U.S. economy severely damaged but China's economy emerge relatively unscathed. Many in China (and the United States, for that matter) predicted the gradual decline of American power in Asia, driven by financial weakness and a strategic focus on the instability of the Middle East and Southwest Asia.<sup>4</sup> While the Obama administration's "rebalance" to the Asia-Pacific initially quieted a lot of these voices (as did the U.S. economic recovery and China's burgeoning economic challenges), continued U.S. commitments in Iraq and Afghanistan, and the spread of instability across the Middle East and into Africa, convinced many in China that the United States did not have the ability nor the resources to devote significant attention to the Asia-Pacific. For example, an editorial in the state-run newspaper *Xinhua* argued that the decision to deploy the Terminal High Altitude Area Defense (THAAD) to the Korean peninsula was a symptom of U.S. strategic malaise: "The controversial deployment of [THAAD] system on the Korean Peninsula yet again betrayed Washington's deep-rooted Cold War mentality and its petty anxiety over the United States' declining global hegemony."<sup>5</sup>

The first months of the Trump administration have further fueled Chinese perceptions of American distraction and decline, in four ways.<sup>6</sup> First was the Trump administration's decision to

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<sup>2</sup> For a review of the roots and contours of Chinese distrust of the United States, see Kenneth Lieberthal and Wang Jisi, "Addressing U.S.-China Strategic Distrust," Brookings (2012),

<sup>3</sup> See Lyle J. Goldstein, "Does China Think America is in Decline?" *The National Interest*, January 28, 2016, <http://nationalinterest.org/feature/does-china-think-america-decline-15042>.

<sup>4</sup> See Bonnie S. Glaser and Lyle Morris, "Chinese Perceptions of U.S. Decline and Power," *China Brief* Volume: 9 Issue: 14, July 9, 2009.

<sup>5</sup> *Xinhua*, "China Voice: Washington's THAAD muscle flexing unmasks anxiety over declining hegemony," August 4, 2016, [http://news.xinhuanet.com/english/2016-08/04/c\\_135563542.htm](http://news.xinhuanet.com/english/2016-08/04/c_135563542.htm)

<sup>6</sup> "Opinion: Trump's rise is fall of U.S. democracy," *Xinhua*, March 4, 2016.

withdraw from the Trans-Pacific Partnership (TPP), which has opened the door for Beijing to attempt to assert leadership over regional economic dynamics with its One Belt One Road initiative and the Regional Comprehensive Economic Partnership.<sup>7</sup> Second was the multiple statements by President-elect, then President Trump that have criticized U.S. allies and partners in the region, which China regards as a critical element of American regional power.<sup>8</sup>

The third issue convincing Chinese foreign policy elites of America's ongoing strategic distraction has been President Trump's transactional approach to relationship with China, in which he expressed the willingness of the United States to explicitly set aside important issues related to Taiwan and currency (for example) in order to gain Chinese assistance in dealing with North Korea.<sup>9</sup> Fourth is the belief in Beijing that the Trump administration's penchant for creating multiple domestic scandals, such as those surrounding the President and his advisor's ties to Russia, as fomenting domestic political instability that many in China expect will hamstring the ability of the United States to act strategically and decisively in Asia.<sup>10</sup>

These broader Chinese views of the United States – all of which are infused a deep sense of suspicion and geopolitical competition – directly influence China's approach to North Korea. This is the primary issue, greater even than Taiwan, which threatens to upend the peace and stability that China requires to further its domestic economic and political agenda.

### *Views on North Korea*

China's views on North Korea are highly complicated, and informed by the founding of North Korea as a political entity and, more directly, the Korean War. Despite its close proximity to China, Chinese authorities did not play a major role in determining the disposition of the Korean peninsula as World War II drew to a close. Indeed, it was the Soviet Union and the United States that agreed to divide the peninsula along the 38<sup>th</sup> parallel and establish their respective zones of occupation in the North and South. Indeed, it was the Soviet Union that chose Kim Il-sung as leader of North Korea, equipped and trained the newly established Korean People's Army,<sup>11</sup> and eventually approved Kim's proposal for an invasion of the South. China's primary role in this story came toward the end, when Chairman Mao's offer to send troops and other support to Kim proved decisive for Stalin's approval of initiation of hostilities.<sup>12</sup>

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<sup>7</sup> See, for example, Jane Wardell and Jonathan Barrett, "Analysis: Silk roads and chilled beef: how China is trying to fill a Trump vacuum in Australia," *CNBC*, March 29, 2017.

<sup>8</sup> Elise Hu, "Japan and South Korea Rattled by Trump's Talk of Closing U.S. Bases," *NPR*, November 10, 2016.

<sup>9</sup> Jeff Mason, Stephen J. Adler and Steve Holland, "Exclusive: Trump spurns Taiwan president's suggestion of another phone call," *Reuters*, April 28, 2017; Ros Kransy, "Trump Ties China Currency Decision to Help With North Korea," *Bloomberg*, April 16, 2017.

<sup>10</sup> Euan McKirdy, "Trump says he would consult with China's Xi before speaking to Taiwan," *CNN*, April 28, 2017.

<sup>11</sup> Indeed, many of these soldiers had gained combat experience fighting the Japanese and the Nationalist Chinese in the 1930s and 40s.

<sup>12</sup> Martin, Bradley K. (2007). *Under the Loving Care of the Fatherly Leader: North Korea and the Kim Dynasty*. Macmillan. pp. 66–67.

China entered the Korean War on roughly the one-year anniversary of the founding of the People's Republic of China. After some initial success with the retaking of Pyongyang in December 1950 and of Seoul in January 1951, the conflict soon settled into two years of a bloody stalemate. China paid a heavy price for its involvement in the Korean War, though casualty estimates differ widely. Officially, China states that roughly 115,400 were killed, there were 25,600 MIA or POW, and 260,000 more wounded. However, other sources estimate that about 400,000 Chinese soldiers were killed and around 486,000 wounded.

Yet China generally continues to view the Korean War (or, as they term it, the War to Resist U.S. Aggression and Aid Korea) as a strategic victory. This was the first conflict in which the Chinese military was able to withstand, and in certain battles defeat, the military of a major Western power. Thus, the Korean War is still seen in China as a demonstration of its reemergence as a great power under the Chinese Communist Party, and its will and ability to reject supposed Western attempts at hegemony and domination.

I emphasize this point to explain why many in China are unwilling to give up on North Korea – China paid a heavy price for it, and it continues to represent an important demonstration of the power and effectiveness of the Chinese Communist Party.

Matters of history and honor aside, there are several other reasons that many among China's foreign policy elite argue for China's continued support for North Korea. They point to North Korea as an important strategic buffer against the United States, and worry that a unified Korean peninsula (which would presumably remain a U.S. ally) would extend American power and influence to China's border.

Others in China's foreign policy circles speak about the dangers of a collapsed North Korean state. They point to the likely inflow of millions of North Korean refugees into Northeast China, which would threaten to destabilize an already economically underperforming region of China. They also point to the possibility of uncontrolled nuclear weapons and a persistent insurgency in North Korea after the fall of Pyongyang – both of which would pose significant security challenges to China. It is for these reasons that many in China, including apparently China's leaders, argue that China should ensure that the North Korean regime does not collapse.

This should not be construed, however, as a statement of support or comfort in China for North Korea's leaders. Indeed, relations between North Korea and China have been chilly since North Korea tested its first nuclear device in 2006, and few in China have any sympathy for North Korea's political or economic system.<sup>13</sup> Nevertheless, China's support for North Korea is born out of an assessment of China's interests, not out of any normative or political sympathy for the regime in Pyongyang.

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<sup>13</sup> For a review of China-North Korea relations, see Eleanor Albert, "The China-North Korea Relationship," Council on Foreign Relations, April 26, 2017, <https://www.cfr.org/backgrounder/china-north-korea-relationship>.

China's strategy toward North Korea, therefore, seems focused on managing the issue. China's objectives are threefold: prevent instability on the Korean peninsula (including a war), prevent North Korea from becoming a nuclear power (if possible), and prevent the United States from starting a war on the peninsula (the result of which, be it unification or instability, they see as inimical to China's interests). I would note that China's preferences on the Korean peninsula are more reactive than proactive; they seem to prefer to manage the issue over solving anything.

Over the years, China has employed a range of tools – including military, diplomatic, and economic – to assert its interests. While China has at times demonstrated a willingness to exert economic pressure on Pyongyang, it has not done so to a severity or duration that would threaten the stability of the regime. Moreover, while China has at times acted diplomatically to manage the issue, Chinese leaders continue to advance their strong opinion that China has done its part, and the issue is for the United States and North Korea to ultimately solve.<sup>14</sup>

China's proposal has been for the United States and North Korea to return to negotiations without precondition, and to simultaneously to negotiate for denuclearization and to replace the existing armistice agreement with a peace treaty, which would formally end the Korean War. Such a proposal is naturally easier said than done, as both sides bring with them significant issues of distrust and suspicion toward one another. But China's hope, it seems, is that a return to the negotiating table will reduce tension and, most optimistically, resolve the issue most likely to undermine China's broader ambitions.

It is my assessment that China is unlikely to change its broad approach toward North Korea. Doing so would require a substantial revision in Beijing of how they identify their interests and to accept a great deal more strategic risk than they have to date. In order to China to substantially change its approach to North Korea, it would have to make the fundamental calculation that continuing to manage the issue would have consequences and risks for China's broader interests far beyond the likely outcome of taking action.

#### *Views on U.S. Allies in Northeast Asia*

While Beijing views any American ally through the lenses of its relations with the United States, its strategies toward South Korea and Japan are uniquely tailored to China's particular interests, goals, and concerns with these countries.

China's approach to South Korea has seen highs and lows in recent years. Perceiving the potential to drive a wedge between the ROK and the United States, primarily over close ties between Washington and Tokyo but also exploiting the deepening economic ties between China and South Korea, Beijing has at times reached out to Seoul in an effort to substantially improve bilateral relations. At first, hopes were high in Beijing for the potential of improved bilateral ties under President Park Geun-hye. Her Chinese language suggested an openness to engagement, and her attendance in the 2015 Chinese parade commemorating the end of World War II further

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<sup>14</sup> Cui Tiankai, "China has done its utmost' on North Korea," USA Today, May 8, 2017.

raised expectations. However, China's subsequent treatment of Park, and her decision to agree to the deployment of THAAD to the Korean peninsula despite vociferous Chinese objections, convinced Chinese leaders that Park did not have China's interests at heart.

More recently, Chinese leaders are expressing renewed hope that South Korea's new President, Moon Jae-in, will reinvigorate bilateral relations. Prior to the 2017 Korean presidential election, Moon criticized Washington's confrontational approach to North Korea as ineffective, and called for engagement in line with Chinese preferences. Moon also called for a review of the deployment of THAAD to the Korean peninsula; while not the outright rejection that China would prefer, this suggested to Beijing that may be somewhat sympathetic to their concerns.

Personally, I am skeptical that bilateral relations between China and South Korea will substantially improve given China's current level of support for North Korea. Beijing has demonstrated time and again its willingness to defend Pyongyang, even after brazen attacks by the North against the ROK's military and civilians. Until this changes, and China demonstrates a willingness to take an unequivocal and sustained stand against North Korean belligerence, there will be an inherent ceiling to relations between China and South Korea.

China's views on Japan go far beyond concerns over the Korean peninsula. Memories of Japanese aggression and rampant human rights abuses before 1945 are deeply ingrained in China, and continue to inform a broad view of Japan as fundamentally aggressive and hostile to China. More contemporaneously, China's claims of sovereignty over the Diaoyu Islands (called the Senkakus in Japan) fuel increased suspicion in Beijing and Tokyo about the interests and objectives of the other.

Chinese leaders generally do not see Japan as a major player on the Korean peninsula, other than as a conduit for American military power. Chinese foreign policy specialists are very much aware of long-simmering antagonism between Japan and South Korea, and were concerned by the improved trilateral security cooperation that occurred under the leadership of President Obama, President Park, and Prime Minister Abe.

## **Views from U.S. Allies**

For U.S. allies in South Korea and Japan, North Korea represents the preeminent threat to their national security and to regional stability. While this is not a new threat, especially for South Korea, the changing nature of the North Korean threat, and changing perceptions of the United States, have greatly increased concern in Seoul and Tokyo that the North Korea is trending in a decidedly negative direction.

### *The View from Seoul*

South Korea has seen North Korea as an existential threat ever since 1950, when the Korean People's Army very nearly reunified the peninsula by force. Ever since, South Korea has seen its alliance with the United States as essential to its survival. In recent decades, South Korean

leaders have also sought to build the ROK's own military capability in order to play a greater role in contributing to its own defense. This trend has intensified in recent years as the North Korean threat has intensified and as concerns in Seoul about the credibility of U.S. extended deterrence guarantees have deepened.

South Korean leaders have adopted a wide variety of strategies vis-à-vis North Korea, from hostile confrontation to open engagement. While North Korean belligerence has quelled calls for engagement for a time, the persistent belief in some elements of the South Korean polity remain committed to the idea that engagement and aid will heal the wounds of the past and bring about peace and eventual reunification.

After his inauguration as President of the ROK, Moon Jae-in pledged to attempt to resolve the North Korea nuclear crisis through dialogue and engagement, saying that he was willing to meet with Kim Jong-un if the circumstances were right. As of this writing, Moon has yet to identify what those circumstances may be or what is overall approach toward the North will look like, but his preference for engagement is clear.

The Moon administration's preference for engagement is likely to have trouble fitting in with the Trump administration's less conciliatory approach, which is likely to increase the amount of turbulence in the U.S.-ROK Alliance. Efforts by the Trump administration to "maximize pressure" through diplomatic isolation and further economic sanctions will likely be challenged by potential efforts by the Moon administration to provide aid and engage Pyongyang bilaterally. Managing these differing approaches will be critical for both Washington and Seoul to avoid a major breach in the Alliance.

More broadly, the Moon administration will likely seek to reduce ROK dependence on the United States, both out of a sense of national pride but also out of simmering concerns about the reliability of the United States. A likely area of emphasis for the Moon administration will therefore be to make progress toward the transfer of wartime operational control (OPCON) to the ROK military. This is a difficult process that will require time and significant investments from Seoul, but in the end it would give South Korea a greater degree of control over its own self-defense.

Related to the drive toward OPCON are long-simmering concerns in Seoul about the credibility of extended U.S. extended deterrence guarantees. Many in Seoul point to repeated North Korean provocations, and its continued development of nuclear weapons and ballistic missiles, as evidence that the United States is failing to deter Pyongyang. While this has led to increased calls for the United States to "do more" on the Korean peninsula – in the form of increased military deployments and other demonstrations of its will and commitment to the defense of South Korea – it has fed calls in South Korea to enhance its conventional military capabilities and, in some circles, to develop an indigenous nuclear weapon.

These concerns have been more recently buttressed by statements from some senior U.S. officials expressing increased concern about the potential development of a North Korean ICBM.

The threat of nuclear attack is not new to South Korea, and this focus on a North Korean ICBM suggests in the eyes of some South Korean foreign policy experts that the United States is more concerned about its own security than of its allies.

Nevertheless, such concerns have yet to translate in a dramatic reconsideration of the U.S. –ROK alliance or of the ROK government’s refusal to pursue an indigenous nuclear weapon. Yet the calls for the United States to “do more” will likely intensify as the North Korean threat intensifies, and worries in Seoul about what the United States will or will not do vis-à-vis North Korea are growing.

### *The View from Tokyo*

Japan’s views on the North Korean threat have evolved over time. While Japan mostly saw the North Korean threat as contained to the Korean peninsula, North Korea’s development of ballistic missiles brought Japan in range of a potential strike, either conventional or with weapons of mass destruction.

Today, like South Korea, Japan also sees North Korea as its most immediate security threat. As a result, Japan has increased investments in its self-defense capabilities and has enhanced its ability to contribute to U.S.-Japan Alliance operations. Japan has also focused on enhancing its bilateral relationship with South Korea in order to enable enhanced trilateral security cooperation, which it views as an important aspect of its defense against North Korea.

One unique aspect of Japan’s approach to North Korea is its focus on the status of Japanese citizens who were abducted by North Korea in the late 1970s and early 1980s. While Japan and North Korea disagree about the number of people who were abducted, Japan’s leaders remain focused on learning the fate of the abductees and, if possible, securing their return to Japan. While the U.S. and Japan have in the past had difficulty resolving these differing priorities, such differences have more recently been managed by deft diplomacy and because of the intensifying threat from North Korea.

## **Implications**

There are several actions that the U.S. Congress could take to enhance the ability of the United States to address these issues:

- 1) Fully support efforts to enhance the U.S. military posture on the Korean peninsula to ensure that the United States has the ability to defend itself, its allies, and to respond to any North Korean provocation. This may include introducing new capabilities that would enable enhanced monitoring and penetrating strikes inside North Korea, may be necessary.
- 2) Enable the transfer of advanced military capabilities to the ROK. Our South Korean ally is facing a tremendous threat from North Korea, and they require enhanced capabilities in order to defend themselves. Relaxing export controls, while South Korea’s ability to secure

these technologies, would allow our ally to contribute more to their own self-defense without sacrificing key U.S. interests.

- 3) Support administration efforts to negotiate with North Korea. Any negotiation will require concessions on both sides, and the ability of the United States to successfully negotiate with North Korea will require the ability of the administration to make concessions and follow-through on its commitments.