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China's diplomacy in North and Northeast Asia: norms and practice

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Over the last decade or so, western discussion about the major powers in Northeast Asia has tended to take two different approaches. Drawing on lessons from the history of the rise of Germany and Japan (but seemingly not of the United States), the first argues that the dramatic transformations of economics and power among the major states in the area, notably the rise of China (and the decline of the USSR), pose enhanced risks of conflict. This, realists argue, leads to power balancing by the major powers (building up militaries, leading to arms races in competitive attempts to dominate militarily or, for smaller powers, the formation of alliances). The second puts weight on the increasing evidence of cooperative approaches among the countries of the region as well as within a larger Asia Pacific cooperative framework. This implies some adherence to implicit if not explicit norms and rules of behaviour.

In this chapter, I look at aspects of China's diplomacy in North and Northeast Asia within a general framework of how that diplomacy fits with the second approach—cooperative relationships in compliance with generally accepted international norms. Precisely what such compliance means is not always clear. Norms are

principles and standards of behaviour that may be explicitly specified—as in the UN Charter or in international agreements. They may, however, simply be generally understood and accepted standards defined less specifically in terms of what constitutes responsible international behaviour.¹ They are thus often imprecise and changing and capable of varying interpretations.

For most countries, at present, they would include peaceful resolution of disputes, respect for sovereignty, non-interference in the internal affairs of a state, adherence to the underlying principles of international institutions such as those of the United Nations, and of specific institutions and agreements such as the International Monetary Fund (IMF), United Nations Convention on the Law of the Sea (UNCLOS), United Nations High Commissioner for Refugees (UNHCR), the Non-proliferation Treaty (NPT) and the Comprehensive Test Ban Treaty (CTBT), and cooperative rather than confrontational participation in international affairs. China would put particular emphasis on sovereignty and other UN principles such as non-interference in the internal affairs of a state, would argue that it adheres to the peaceful resolution of disputes and that in general it complies with the other universally accepted norms and rules. It would add, however, the further norms of equality and mutual benefit.

In North Asia, China borders Russia, Mongolia, North Korea and several members of the Commonwealth of Independent States (CIS). It has anxieties about separatist influences in the autonomous region of Xinjiang, in part encouraged externally, and interests in economic exchanges with Russia and the CIS. In Northeast Asia, as well as its interests across the Taiwan Strait, China also interacts with the two other major powers—the United States and Japan—and with the two Koreas. The size and strategic importance of the countries in these areas is considerable. Most have large military capacities, three are nuclear powers and the fourth (Japan) could become one without much difficulty. Three are permanent members of the United Nations Security Council, and three (not including China) are in the G8. Our interest in those relationships comes primarily from the capacity they have to disturb substantially

the economic viability and/or the strategic stability of the region. Moreover, relations with the three powers, Japan, Russia and the United States, can be seen as the focus of China's identity.² How China interacts with them is central to regional analyses but, more importantly, to an understanding of the likely nature of China's future diplomacy.

In the West, notably in the United States, attention tends to be directed to China's growing relationship with Russia, which from 1996 has been termed a 'strategic partnership'. An exaggerated if not singular US commentary suggested 'The alliance is all but signed'.³ China has specific concerns over developments in the US-Japan relationship. Japan would not welcome too close a relationship between Russia and China, and worries when relations between China and the United States appear too close but also when too cool. Where the Koreans (separate or unified) fit is also a matter of economic as well as strategic interest. Yet, whatever the concerns experienced in the North Pacific, they do not seem to have stimulated significantly changed policies leading to power balancing, arms races or to significant alliance formation. Rather than a build up of military capabilities in the border areas there have in fact been quantitative reductions (although at times accompanied by qualitative modernisations) not only among the four major powers but also in South Korea. Apart from the strengthened US-Japan alliance, whether there are alliances or even substantial alignments is also in question, although frequent shifts are discernible from time to time among the major players as they see benefits from reordering their interests among the bilateral relationships involved.

Broader economic issues also arise beyond the growing trade and investment interrelationships. Demand for energy in particular is growing in the region. Various estimates of future regional energy requirements point to large increased needs. In the midst of the Asian economic crisis, when earlier optimistic economic forecasts had been revised downwards, a Shell spokesperson said, nevertheless, that in the next 20 years Asia Pacific oil demand would double and gas demand quadruple.⁴ One estimate of China's

imports of oil is for an increase from some 40 million tonnes in 1999 to 390 million tonnes in 2020.⁵ Such projections and the implications for energy security are exercising policy thinking in the various regional states, as well as stimulating some alarmist conclusions in the West.⁶

China's diplomacy in North and Northeast Asia has a range of objectives. The argument of this chapter is that its priority objectives are concerned with power relationships with neighbours. Other objectives, such as its economic objectives, are important but secondary to, or supportive of, its priority objectives although China's access to Russian military equipment and technology has grown in importance. Its global objectives, concerned with global power relationships, are high on the agenda from time to time as external circumstances require but do not dominate as a major continuing factor.

To understand China's links with the major powers we need to look briefly at the bases of China's relationship with each of the major powers.

China–Russia

The PRC's history of relations with Moscow is of ideological links that soured in the 1960s. That souring, and an exhaustion of China's willingness to play a subsidiary role, led to consequent ideological conflicts, major border disputes, threats and substantial military build ups on both sides of the very long (7000 or so kilometres) China–USSR border. This ultimately resulted in military confrontations on a small scale, and fears of armed confrontation on a large scale. From this emerged China's shift towards the United States in the 1970s and what some saw as an implicit alliance with the United States against the USSR into the 1980s. This close relationship fell away as the Cold War and the US need for an alignment against the USSR wound down, and then as a result of the Tiananmen Square repression. With Gorbachev's 'new thinking' from 1986 on and ultimately the 1991 break up of the USSR, Washington's relations with Moscow improved considerably. China came to feel isolated, however, as Russia gradually moved towards Europe and became, for a while, part of the West-led international

community. This, and the gradual increase in economic exchanges between Russia and China, were reinforcing but not key factors in Beijing's move to seek rapprochement with Moscow.

In looking at what did bring about the warming of China's relations with Russia, it is useful to consider what motivates China and what motivates Russia. Given its domestic priority of economic development, China was concerned to negotiate solutions to its long-standing border disputes with neighbours. In addition, with Russia in particular, it wanted to reduce military threats and tensions through reducing troop emplacements and to enter into confidence building measures (CBMs), especially on border military activities. Gorbachev's *glasnost* and the 1989 normalisation of bilateral relations made this possible to contemplate. Since China's hesitant acceptance of CBMs went with a view that they would only work if there were a broad based relationship, attempts to establish confidence across a broader range of economic, political and strategic issues were regarded as important. The break up of the USSR also raised new questions about the respective interests of Russia and China in the CIS states.

After 1986, and particularly following Gorbachev's visit to Beijing in 1989, the previously tense bilateral relations improved and made possible bilateral meetings between leaders of the two countries in most years from 1991 onwards. A series of bilateral agreements, joint statements and understandings resulted, that led to the withdrawal of military forces, development of military CBMs, border negotiations and trade, with the relationship being institutionalised through annual leaders' meetings and in other functional ways. The agreements also reaffirmed Russia's support for the Chinese position on Taiwan. These led subsequently both to the adoption of the terminology of 'strategic partnership of cooperation'⁷ and to the initiation of meetings of the Shanghai Five—China, Russia, Kazakstan, Kyrgyzstan and Tajikistan.

The main Chinese interest in these broader meetings was border management, military cooperation on the border and cooperation against cross border secessionists, religious extremist activity, terrorism and drugs. From these meetings, the first in 1996, came two broader agreements. The first was the Shanghai Agreement

signed in 1996. This provided for non-aggression, non-use of force, de-targeting of nuclear weapons, notifications preceding military exercises and manoeuvres, and limits on the types of exercises permitted within the 100 kilometre zone on both sides of the border. The second was the Moscow Agreement signed in May 1997 dealing with troop reductions within 100 kilometres on both sides of the border.⁸ In a further bilateral agreement in April 1999, China and Russia completed the negotiations of a common border.⁹

As well as settling border disputes and achieving force reductions, China's access to Russia's advanced military technology has been important given that, following the 1989 events, alternative sources, notably the United States, have been unavailable to it. Thus there have been substantial sales of advanced military equipment both of aircraft (SU 27s and SU 30s) and naval craft (nuclear submarines and destroyers). Russia was originally concerned not to provide the latest technologies but this seems to have relaxed somewhat with the sale of SU 30s,¹⁰ although criticism of the arms relationship remains in Russia. How far sales of more sophisticated equipment reflected a Russian strategic decision, rather than a need for foreign exchange (and the need to keep the Sukhoi company afloat), is unclear. Claims have been common that military cooperation has greatly expanded, notably since Kosovo and following General Zhang Wannian's visit to Moscow in June 1999.¹¹ Despite talk of a prospective 'defence' accord,¹² however, outside of defence procurement, the training that goes with such sales, and limited naval exchanges, the extent of such cooperation has been limited.

The other major functional links are concerned with Xinjiang, which is dealt with under CIS states below, and with economic exchanges. Russia, in particular, initially expected economic exchanges to be a major functional benefit of the bilateral relationship. Results have fallen far short of expectations despite efforts to stimulate trade and, to a degree, investment. Total two-way trade in 2000, some US\$8 billion, was the highest since 1993, but well below the target of US\$20 billion. In 1999, in particular, major efforts have been made on both sides to improve the economic exchanges and to give an added stimulus to energy

cooperation. China currently imports some 60,000 tonnes of oil a year from Russia and an increasing concern for energy security in China provided an added motive. Moreover, for China, a further stimulus was the belief that the political links needed to be buttressed by significant economic exchanges.

These bilateral factors were the main drivers behind the Chinese interest in closer links. As the internal Russian economic picture started to seem less promising, blamed in part on pressures from the West, support in Russia for its closeness to the West fell away. More generally, China and Russia came to share a common worldview, reflecting the international imbalance that had emerged from the end of the Cold War. Specific factors that led to closer relations include 'a perceived threat of Eurasian encirclement' from the enlargement of NATO in the West and the United States and its alliances in the east,¹³ US unilateralism, NATO's involvement in Kosovo, and the US development of Theatre Missile Defence (TMD) and National Missile Defence (NMD) with the likely abrogation of the Anti Ballistic Missile (ABM) treaty.

Although, since 1996 in particular, global factors have led to an added interest in joint cooperation, the level of coordination has not always been good, as Russian commentators have noted. For example, although Yeltsin and Jiang agreed in principle their general position on Iraq, in practice, at the time of the December 1998 crisis, China, unlike Russia, did not put its troops on alert, withdraw its US and UK ambassadors, or withdraw citizens from Iraq. While the Russian Duma moved to evade United Nations sanctions, China stressed that all members of the United Nations, particularly the United States and United Kingdom, should adhere strictly to the UN Charter.¹⁴ Moscow's sensitivities over NATO's enlargement were partly alleviated by compensating memberships of the G8 and APEC and a place at the NATO table. The West's approach to Iraq and then to Bosnia, however, raised concerns which created divisions within Russia between those more Western inclined, including Yeltsin, and an opposing group that included Primakov, notably when foreign minister and then as prime minister. The assault on Serbia brought these divisions out more clearly. Vladimir

Putin, the present president, has been variously portrayed as both more and less Western oriented than Yeltsin, although he has stressed a balanced approach that continues to place weight on the bilateral links with China and on Asia's importance generally.

Were the United States and Russia to agree on amendment of the ABM treaty, this could test the relationship given China's concerns while China's only qualified opposition to missile defence worried some Russian observers.¹⁵ For both countries, however, the relationship with the United States is still the priority. There is a sense, nevertheless, in which the value of the bilateral relationship increases for each as it experiences particular difficulties with the United States.

Yet, overall, Russia's positive response to China's interest in closer political links is not just to ensure the border security of the Russian Far East but also a way of reasserting itself as a Great Power, including as a Great Power in Asia. Russia's efforts to join APEC, its resentment at being excluded from the talks on the Korean peninsula, and its initiative for six-party talks on issues on the peninsula and in North Asia reflect this.

While Kosovo raised particular anxieties for China, as Western military aid to a secessionist ethnic minority, it was a greater problem initially for Russia. Russia, attempting to cope with its fall from international leadership, was left out of the processes involved, with the UN Security Council bypassed explicitly as a way of sidelining Russia. Although initially unhelpful, the Russian involvement ultimately in brokering a Kosovo peace settlement, against the hard line position of Primakov and others in his ministerial team, was welcomed by China. The interests, however, could have diverged. Victor Chernomyrdin reportedly visited Beijing to ensure that China would not block the Russian-brokered UN agreement in the Security Council.¹⁶

The important bilateral issues have been addressed primarily in the meetings of the Shanghai Five, and in bilateral summits Jiang has had with Gorbachev, Yeltsin and Putin. Most important on the agenda has been resolving border differences and border management of fundamentalist and secessionist incursions. A major

added item, however, was economic and energy cooperation and Russia certainly sees energy projects as a key element of the relationship, as we note below.

While China's global priority remains its relations with the United States, links with Russia provide a safeguard, if not a card to play, to discourage US unilateralism. Too much of a lean to Russia, however, would be unproductive and would be criticised domestically as contrary to Deng Xiaoping's 'independent foreign policy'.¹⁷ Chinese leaders have been concerned about the management of Russia's economy, its large financial borrowings from international institutions and the elements of chaos and corruption in the Russian system, reflected in particular in the 1998 economic deterioration. While Kosovo will have encouraged a shift back to Russian links, Russia's weakness and political instability is recognised in China as limiting their value.

In the longer term, although it probably over estimates it, China is concerned at what it sees as incipient Russian nationalism. More importantly, China assumes that Russia at some stage is likely to recover its strength and grow in influence and will then be capable of actions adverse to China's interests. Chinese analysts see this, however, as a long-term factor. Jiang himself is reported as saying 'Russia would not pose a political or strategic threat to China for the next 30 years at least'.¹⁸ However accurate the citation, the substance has support from many Chinese analyses, and the need to engage with Russia to influence its long-term political development, in ways compatible with Chinese interests, is broadly accepted.

According to one source, of some 1500 Chinese companies in Russia, 1200 (approximately US\$200 billion of investment) are in the Russian Far East (RFE), concerned primarily with RFE's raw materials.¹⁹ This poses potential for problems since there are already fears of an eventual Chinese absorption of the RFE. Local difficulties have already arisen over illegal migration and Beijing has cooperated with Moscow in regulating the border to contain and reduce the problems.²⁰ Anti-Chinese rhetoric is not limited to the RFE but local politicians, greatly exaggerating the concerns

about illegal Chinese migration into the area, have used Russian nationalist arguments, fears of massive Chinese migration, and 'yellow peril' xenophobia for local political purposes, mainly against Moscow. Nevertheless, in the longer term, the demographic imbalances pose potential bilateral problems for the two countries. These potential problems have been recognised by President Putin, who has observed that, without more effective domestic development of the RFE, even the indigenous Russian population of the region 'will soon speak mostly Japanese, Chinese or Korean'.²¹ Yet, development of the RFE's resources would require substantial amounts of labour, which would be difficult to get other than from China.

The RFE has been the area where most difficulty has been experienced in resolving border disputes, including a rejection for some time by the local leadership of the agreement reached by Moscow on the eastern section of the border. There has also been vigorous opposition in the RFE to the idea of being simply a supplier of raw materials for China among others, an opposition expressed more widely by Russian nationalists.

The bilateral relationship has been buttressed by a number of joint declarations and statements; and these have been incorporated in a formal Sino-Russian Treaty of Good Neighbourly Friendship and Cooperation is expected to be signed in 2001. This is seen by China as an important development affirming more formally many of the border, force reduction and other bilateral agreements, and Russia also wants to formalise border and other agreements with China, notably with respect to the RFE. Although there are elements within the Russian élites who would support closer links with China, Russian and Chinese spokespersons have distanced themselves from the idea of an alliance.²² The bilateral relationship is not anti-Western. This does not mean, however, that taking common positions contrary to specific actions of the United States and its supporters in the United Nations and elsewhere will not continue from time to time. Nor does it rule out the possibility that, should China be in conflict, limited intelligence or other indirect assistance might be given by Russia. Among the common interests, particularly in the long term, would

be the aim to counterbalance Western influence over the energy resources of the CIS, although even that might depend upon where the large financial requirements might be sourced.

Suggestions have also been made of the possibility of a three-way linkage with China, Russia and India. This idea was first raised by Yeltsin during his visit to India in 1993 and again by Primakov when prime minister and subsequently by Putin.²³ There would be difficulties to overcome were this to be pursued beyond rhetorical agreement to seek multipolarity in global relationships. A Russian correspondent in Beijing noted that this idea ignored the emerging nuclear capacity of India, 'an age old adversary of the PRC', and the massive deliveries to India of Russian aircraft superior to the SU 27s delivered by Russia to the PRC.²⁴ China and India have improved their relations, despite China's continuing links with Pakistan, but India's positive response to the Bush administration on NMD poses a constraint and India's wish for closer links with the United States might limit its concerns over US unilateralism.

Overall, therefore, and despite reservations, continuing elements of mistrust among important groups on both sides, and its limitations, China's diplomacy has sought to build up the substance of the bilateral relationship with Russia. In stimulating its desire to establish a substantial relationship, ideology has been replaced by a range of more practical interests. For China, its interest in the substance of the Shanghai and Moscow agreements, ultimately a formal treaty and also the Chinese belief that these need to be buttressed by a wider range of bilateral and multilateral relationships to build confidence, reflect more practical interests than geopolitical concerns with US attempts to press its own agenda on China.

In the short to medium term, the relationship with Russia has direct and more substantive security and functional than geopolitical benefits for China despite the occasional coordination of positions in the UN Security Council and in other global contexts. Although China and Russia wish for a multipolar world, and see the long-term trend towards multipolarity as inevitable, there is a general acknowledgement that this is some decades away.²⁵ Nor, despite its expressions of concern, is China's anxiety

strongly felt. Jiang, at the 1999 Bishkek meeting, said that since the end of the Cold War 'the international situation generally speaking has tended to become relaxed'.²⁶

Over the long term, China seems to have accepted that its interests tend to be best pursued through following international norms. Within a series of bilateral and multilateral meetings, over a long period from 1986 to 2000, China and Russia peacefully negotiated a common border, in a context where animosities have been intense for centuries. It covers southeast Siberia—territory disputed since the seventeenth century and fought over as late as 1969—as well as disputed territory in Central Asia, also fought over in 1969.

Although these developments reflect behaviour consistent with many of the norms and rules outlined earlier, its actions against rising separatist sentiment and religious extremism reflect considerations, for China as well as Russia, of the balance between reducing the threat of violent terrorism and supporting international human rights norms. China's handling of secessionist activities is harsh and conflicts with what would be widely seen as the appropriate norms. On the other hand, the West's new post-Kosovo interventionist doctrine remains a greater concern for Beijing in Xinjiang than for Russia in Chechnya and Dagestan for several reasons, including the particular politicisation in the United States of China's human rights behaviour. Nevertheless, the cautionary note in the Bishkek meeting of the 'Shanghai Five' in 1999 that human rights should not be a pretext for outside interference reflected a shared interest.²⁷

CIS states

For China, the border issues, already a major factor before the collapse of the USSR in 1991 became more so after that. The independence of the CIS nations, with regional unrest in southern Russia and with activists in the new CIS nations that threaten to undermine China's control of its western province, posed added potential problems. China, which promptly recognised the newly independent Kazakhstan, Kyrgyzstan and Tajikistan, soon sought to enter into border negotiations with them.

China's diplomacy in North and Northeast Asia

The border issue was not only important in itself but relations with the new CIS nations were crucial for controlling ethnic separatism and preventing inroads from Islamic fundamentalism, international terrorism, drugs and other international crime. These issues have become more crucial with the growing influence of the Taliban in Afghanistan. China recognises that the potential exists to undermine its largely Muslim province of Xinjiang, and for Uighur separatist elements to challenge Beijing's control. That, like China, a number of CIS nations fear the influence of Islamic fundamentalism internally facilitates cooperation. In 2000, Uzbekistan was, for the first time, an observer in the meeting of the Shanghai Five, held in Dushanbe, the Tajik capital. It became a full member of the group in its more substantive form as the Shanghai Cooperation Organisation (SCO) in 2001.

Xinjiang was a source of dispute with the Soviet Union in the 1960s when the USSR tried to foment secessionist activities and earlier, in the 1950s, when the CIA sought to destabilise the province. It is now important to China in terms of sovereignty as well as security and economic interests because of its location—central to its links with Russia, the CIS nations and the Middle East. Although it has a potential role in meeting China's energy needs, either from its own apparently rich resources, or as a site for pipelines from other energy supply sources, instability poses problems for the security and continuity of oil and gas supplies through Xinjiang, notably from Kazakhstan. To some extent the increased efforts by Beijing to ensure stability in Xinjiang have come from these interests.

The CIS nations are torn between a sense of a Chinese 'threat', including the threat of a large Chinese migratory flow in Kazakhstan and political influence applied by Russia. While most CIS nations are under Russian military protection in accord with their Collective Security Treaty, there is a fear of undue dominance by Russia. Kazakhstan in particular seems to be fretting under Russian pressure. The CIS nations' interest in greater cooperation with China is therefore in part for its economic benefits but also as a balance against the pressure on their independence from Russia, which sees the CIS nations as within its area of influence. Although

irritations between the two countries may occasionally result from these conflicting pressures, both Russia and China have sufficient interests in stability in the CIS nations to be likely to manage adequately this potential for conflict.

China and Japan

China's relationship with Japan remains less than warm but is carefully managed by both sides. The economic relationship in particular continues to grow, with China moving gradually toward a generally non-discriminatory and liberal trade and investment regime and accepting the implications of economic interdependence with Japan. In 1999, during Prime Minister Obuchi's visit to Beijing, agreement was reached on the bilateral negotiations between Japan and China for China's accession to the WTO. Japan's aid to China became a political debating point within Japan after China's nuclear tests in 1996 and has remained so as Japan's economy has weakened. Zhu Rongji, in his visit to Japan in 2000, was careful to acknowledge the value to China of Japan's aid, thereby countering a major Japanese criticism that there was no gratitude from China for the help given by Japan.

China has also accepted changed Japanese aid priorities. These include greater emphasis on projects to limit the environmental effects of its economic growth on Japan, particularly of acid rain. This is also a factor in Japan's interests in China's energy policies. Beyond simply wanting to substitute gas for coal in China's energy use for its environmental benefits, however, Japan is concerned at the effect of growing Chinese demand on Asia Pacific oil and gas markets and, therefore, on Japanese energy costs.²⁸ Japan has demonstrated an interest, therefore, in a common energy strategy to increase energy production worldwide, without which competition among East Asian economies will lead to increased Japanese costs. Some commentators have seen this competition for energy supplies as leading to conflict between China and Japan,²⁹ but these conclusions did not seem probable then and seem even less so now, given China's efforts to integrate itself into the global energy market, and given the acceptance by China of the logic of

economic interdependence. It is also reflected explicitly to a degree in China's energy strategy, which looks for greater reliance on natural gas, one reason for which is to contain the sources of acid rain affecting China's neighbours, South Korea as well as Japan.

There are many issues, mostly stemming from the history of the bilateral relationship or war settlements, that remain irritants in the relationship and surface from time to time. These include arguments about the degree of acknowledgment of war guilt, which continues to rise and fall in intensity. Zhu's visit to Japan in 2000, however, was clearly more successful than Jiang's the year before in taking some of the heat out of the issue.³⁰ The nationalist revision of Japanese school textbooks in 2001, however, and Prime Minister Koizumi's proposed visit to the Yasukuni Shrine put some of it back in.

China and Japan are also in dispute over the Senkaku (Diaoyu) Islands. During the 1978 peace treaty negotiations, a large demonstration of Chinese fishing boats in support of the Chinese position was regarded as an attempt to pressure Japan at a time when discussions had broken down. Eventually, China agreed to defer the issue of sovereignty over the islands 'to the following generation'. The question of sovereignty over the islands has recurred from time to time but more particularly between Japanese and Taiwanese authorities. In 1997, when Japanese nationalists sought to stir the issue, Beijing moved to prevent direct involvement from the mainland.

Difficulties in negotiating on ocean border issues remain but are unlikely to cause major problems. This is in part because they are technically difficult and also because of caution on both sides since any resolution in one context sets precedents for other contexts and negotiations with other countries. They are additionally complex because of the unresolved issue of Taiwan and its claims over ocean borders.³¹

More broadly, Japan can hardly feel threatened by China, although it does feel uncertain about China's military modernisation in the long term. Japanese public opinion reacted adversely in 1996, however, to China's missile exercises at the time of Taiwan's presidential election and again to China's delay in ceasing nuclear tests and acceding to the CTBT.

Nuclear issues have been a long-term and major factor in the relationship. They emerged in particular in the 1990s as Japanese opposition to China's nuclear testing grew in Japan, with proposals to cut Japanese aid to China as a consequence. In 1996, China announced the suspension of testing and foreshadowed its eventual signing of the CTBT. While public feelings ran high in Japan, both governments managed the issue with some care. China gave advanced notice of tests and tried to explain itself to the Japanese public. China also responded positively to Japan's decision to dispose of a large volume (700,000) of chemical artillery shells left in China by Japan after the Pacific War. The resolution of practical problems associated with the disposal suggests a cooperative approach on that issue by the two countries. China's accession to the CTBT, despite the US decision not to do so, also reduced the adverse Japanese reaction to China's nuclear testing.

As problems have arisen in the relationship they have usually been resolved through diplomatic negotiations, often after top level Beijing–Tokyo discussion. Thus, in 2000, Japan reacted strongly to evidence of Chinese research vessels entering the Japanese Economic Exclusion Zone (EEZ) without prior notice. Although formally legal, China and Japan agreed peaceably in February 2001 on how the issue should be handled in the future.³² Although some breaches still seem to occur, the problem appears generally to have been handled satisfactorily.

For China, the question of Taiwan, rather than the fear of a resurgence of Japanese militarism, has again become a central issue in the relationship. While that fear is not absent, China is mostly concerned by developments in Japan's role as a partner for the United States in containing China. Central to this is Japan's closer alliance with the United States, notably the passage of legislation for a revised set of defence guidelines and Japan's agreement to participate in the development of a US theatre missile defence system.

In the past, the US–Japan defence treaty has sometimes been an issue, but only occasionally a major one for China–Japan relations. China's hostility has emerged with the development of new guidelines for Japan–US defence cooperation, which came into law in 1999, as they conceivably envisage Japanese support for the

United States in any clash that might occur with China over Taiwan. It may be argued that just for that reason, Japan is likely to be more cautious and urge that increased caution on the United States in any crisis over Taiwan. It was uncharacteristically prompt in responding adversely to President Lee's 'state to state' statement in July 1999. Japan's participation in TMD has similarly been strongly criticised by China because of the implications for Taiwan, in this case seen as encouraging a sense of security for Taiwan that may lead it to pursue independence.

More generally, despite their long history as enemies, despite the lack of mutual trust, but perhaps in part because of the past history of aggression, the principle of non-aggression seems likely to continue to have a powerful restraining effect on both countries. Japan has become more cautious about the Taiwan issue given what it sees as a more assertive US approach under President Bush because of the implications for Japan's possible involvement in a cross-strait conflict.

China–United States

It is not intended here to deal with China–US relations as a whole but merely with those aspects that relate to North and Northeast Asia and China's diplomacy in that context. Nevertheless, it is relevant, as background, that since 1999 the Cox Report, Kosovo, the US–Japan security guidelines and, most particularly, the Belgrade embassy bombing and the surveillance plane incident have damaged China–US relations. Continuing promotion of NMD has not made improvement easy subsequently, nor has the US shift towards Taiwan or China's treatment of Falun Gong adherents. My assumption is, however, that, short of a bad mistake by the United States, China or Taiwan, the general relationship will remain basically sound if subject to sizeable swings in warmth or coolness. It has yet to be seen what overall policy stance towards Northeast Asia will eventually emerge under the Bush administration but Secretary of State Powell has restated support for the 'one China' policy and for the three communiqués that have been the basis of US–China relations under previous administrations.

It is also relevant that US administration policies towards China have consistently given weight to a belief that increased economic interchange provides disincentives to military conflict and encourages internal reform. These principles, which are seemingly held by President Bush if not by all his supporting élites, had the advantage of gaining strong business support in the United States, and for the most part fit with China's current priorities.

Nevertheless, China's priorities and policies are increasingly predicated on a belief that international competition among nations in the future will be based on economic and technological power rather than simply on military power and that economic modernisation has to remain the priority. The inability of Russia to overcome its economic and political weakness is one factor that encourages China to work to maintain its links with the United States. Another is a lesson drawn by some Chinese analysts from the collapse of the USSR—that to be dragged into a Cold War with the United States would result in a similar Chinese collapse.³³ China's approach to the United States is based primarily, however, on the belief that good relations with the United States are necessary to enable the modernisation that will give China economic and technical power. For that reason, US–China relations are likely to remain its top priority.

As with Russia, ideology has ceased playing a major role in China's relations with the United States. What remains relevant, apart from the vestigial remains of Cold War ideology in the US Congress, is what China sees as the US ideological concern to spread US 'values' to China by way of 'peaceful evolution'.

In the North Pacific, the United States, while acknowledged as greatly superior to each of the other major powers, has not actively sought leadership beyond military security, as with the handling of the North Korean nuclear problem—to that extent the North Pacific is structurally multipolar. The US role has been essentially reactive and compartmentalised—whether over Taiwan or North Korea, or with respect to missile defence. It sees its Northeast Asia policy largely in bilateral terms based most particularly on its alliances with Japan and South Korea. It has a

particular interest in Chinese attitudes to developments in the area, including the potential changes on the Korean peninsula, such as China's attitudes towards a continuing US presence in Korea should reunification occur. China has not pronounced firmly on those possibilities and much would seem to depend on circumstances and the shape of China-US relations at the time. In their dealings with North Korea the Clinton administration, at least, seemed to have accepted that China had largely been constructive.

It is possible, however, that China's pursuit of energy linkages in Russia and the CIS may be seen as competitive with, and potentially threatening to, US financial and energy interests.³⁴ Given China's size, the rise of its economy and its increased participation in global markets, including the energy market, it will obviously challenge existing market participants. This should not be a surprise. The United States has been encouraging China to integrate itself into the international energy market—and encouraging investment and technology transfer to this end. In large part, as we note later, this seems to have worked.

China-Korea

China's prime interests on the Korean Peninsula are that it remain peaceful and stable and that its border with North Korea remain secure. It would seem to prefer continuation of a divided, but non-conflictual, peninsula but seems willing to accept moves towards peaceful reunification. It also wants to maintain its influence on the peninsula. In pursuing these interests, it has managed the changing circumstances on the peninsula and its relations with both Koreas with some care. It maintains its traditional links with the North, supporting its economy and encouraging peaceful reconciliation while developing vigorously its links with South Korea, initially in economic terms and then in political and strategic terms. It accepts that normalisation of North Korea's relations with the United States and Japan on balance is generally likely to be helpful in reducing its own commitments but is also likely to affect its own influence.

China has a sizeable border with North Korea and is concerned that instability within North Korea will lead, among other things, to outside interference and to large refugee flows into China. It is generally uneasy at the prospect of a nuclear North (or South). According to one report, China's foreign minister was to advise North Korea against its nuclear program on a foreshadowed visit.³⁵ China has aimed to maintain its relationship with North Korea for strategic reasons, to maintain its influence and to satisfy its domestic (mainly older PLA) constituencies. It has given support, however, to the broad elements of US policy towards North Korea, including the Agreed Framework although it has remained outside of the Korean Peninsula Energy Development Organisation (KEDO). It has reaffirmed that support in the uncertainty of the Bush administration's policy towards North Korea. It recognised belatedly that the first firing by North Korea of the Taepodong missile to launch a satellite certainly provided a basis for Japanese military developments, and for close US-Japanese military cooperation including TMD programs, about which South Korea seems ambivalent. Further North Korean missile tests would have a major impact on China's regional neighbours which would be adverse to its interests.

From South Korea's perspective, a willingness had been evident to move closer to China for a number of reasons, including growing economic relations, but also the ability of China to play a mediating role between North and South Korea. China has participated in the various US discussions within the Four Party framework. Although there have been suggestions that China could do more to influence North Korea, it has generally been seen by South Korea as constructive in these discussions. President Kim recently noted that China had played a crucial role in dissuading North Korea from firing another missile, and encouraging the North to strike a deal with the United States on the missile issue.³⁶ On the other hand, there are South Korean views against moving too close to China, and South Korea is managing its relations carefully to avoid leaning too far to one side or the other. Yet, although it has substantially improved its links with Japan, South Korea's feelings towards Japan and the continuing, if diminishing, fears of Japanese

militarism—not helped by its anger over the 2001 Japanese textbook issue—will mean that some leaning towards China is likely.

Fishery competition has been a traditional area of dispute in the regional seas and, with Law of the Sea developments, disputes over territorial waters and offshore mineral and fishery rights have become increasingly important in the North Pacific. China and South Korea still have to define finally their EEZ borders arising from their ratification of the UN Law of the Sea. They have signed a fisheries agreement as an interim arrangement in the Yellow Sea until the zonal boundaries are settled.³⁷ This agreement seems to have been more readily achieved than South Korea's fishing arrangements with Japan. China, for its part, had signed a new agreement on fisheries with Japan in 1997, which similarly provided for a joint control zone in the central part of the East China Sea, carefully avoiding the issue of the disputed Senkaku (Diaoyu) Islands.

Energy cooperation between China and South Korea is expected to grow as a consequence of the oil and gas developments within Russia and the CIS being discussed in North and Northeast Asia. South Korea is also to be involved in nuclear power plant development in China.

Mongolia

Western analysts often question China's adherence to the norm of non-aggression. One motivation for China's aggression has been that of sovereignty—still threatened in the case of Taiwan and argued by some Western analysts, with some limited evidence, over China's activities in the Spratly Islands. For those that believe China wishes to restore the borders of its earlier imperial days, Mongolia provides something of a test.

Certainly, among China's concerns over its territorial integrity and sovereignty is its Mongolian Autonomous Region (or Inner Mongolia). What was once Outer Mongolia, however, obtained its independence after the Soviet collapse and now has an elected government. It was previously a site for the positioning of large Soviet forces (now removed). Fears that China, when strong, would

seek to recover what had once been claimed as its territory, or at least to bring it under its dominant influence, seem not to have materialised nor to be likely. The example of a successful democratic and independent Mongolia clearly offers risks to China's control of its own Mongolian population. Generally, however, China appears to have come to terms with the situation. Sino-Mongolian relations are, for China at least, satisfactory though not without tensions, as there are some Mongolian fears of economic domination, since economic exchanges with China have growing substantially. Mongolia knows, however, that significant irredentist activity could risk less cooperative Chinese relations.

Regional cooperation

China regards the multilateral meetings of the Shanghai Five, now the SCO, as a particularly important element of its northern diplomacy, which to date has provided substantial benefits in terms of security and stability in the area. For others of the SCO this is similarly important although a desire to develop links with Europe is suggested by membership of the NATO's Partnership for Peace with Tajikistan finally joining Kazakstan, Kyrgyzstan and Russia as a member.

Apart from the multilateral processes of the Shanghai Cooperation Organisation, North and Northeast Asia is lacking in regional multilateral institutions. China has not been active in looking to develop regional institutional arrangements but neither has it sought to establish institutions to rival those of the international system. Nevertheless, many informal multilateral groupings have emerged in which China has participated, with official encouragement, seeking to deal with such things as security, economics, management of ocean resources, transport and the environment and, most especially, energy developments.

Cooperation in the transport area, including on a Eurasian rail link, has been associated with the rapid growth of trade among the regional states that constitutes a major incentive for cooperative relations in Northeast Asia. This cooperation has often taken forms that reflect natural economic linkages rather than

political linkages, such as South Korea's emphasis on investment in China. There have been efforts by the United Nations Development Programme (UNDP) to stimulate cooperation among China, North Korea and Russia along the Tumen River. These are actively supported by China's Jilin province in providing access to the Sea of Japan but, despite being originally a Chinese idea, the project has received a lower priority from Beijing,³⁸ and development is moving at best very slowly.

In the security field, Russia has proposed from time to time a collective security arrangement among the six regional countries of the North Pacific. South Korea has proposed a six-party official dialogue process. China seems unenthusiastic about multilateral security cooperation at the official level, despite being pressed by Kim Dae-jung during his 1998 Beijing visit to support something like the Organisation for Security and Cooperation in Europe (OSCE).³⁹ China, although opposing any OSCE-type process as likely to intervene in domestic matters, has accepted that a semi-official process could be acceptable. It is comfortable at present, however, with the Four Party talks dealing with the Korean Peninsula. Japan would no doubt go along with a broader multilateral arrangement but is at the moment also seemingly satisfied with the Four Party talks. It has also seen the ASEAN plus 3 (Japan, China and South Korea) meetings as providing an opportunity for the principal Northeast Asian leaders to meet and discuss common interests.

In the energy field, considerable dialogue has taken place. In this field, a number of cross-cutting issues come into play. China's interests in Central Asia's energy economy are substantial but so are Russia's interests in controlling that economy. While, in this respect, China's and Russia's interests are likely to be competitive, in both cases other motivations are important. In some respects these other motivations are compatible—both want to control religious extremism, terrorism and transborder crime. In others, Russia's objectives, whether for political, strategic and economic dominance or control of energy sources and transport may not always fit China's interests. In the short run, Russia's weakness will limit its capacity to dominate but in the long run the situation could change.

Given China's large potential future requirements for energy, the question has been raised of its strategy for meeting those needs. What that strategy will be and how it is prosecuted has important regional implications. The options posited are reliance on the market or territorial acquisition.⁴⁰ It seems apparent that China will basically rely on the market, formulating strategies to compete actively in the market. In practice, therefore, China is becoming substantially integrated in the world energy market. Thus the Chinese National Petroleum Corporation (CNPC) has been investing extensively in oil and natural gas fields and in energy related enterprises globally in order to provide for supply security and to reduce its dependence upon the Middle East. It is also a way of obtaining technology—but Chinese companies have also become joint venturers in providing services to the global oil and gas industry. For obvious reasons, however, it has a particular interest in Russia and the CIS as alternative energy suppliers to the Middle East.

Russia and the CIS have larger proven gas reserves than the Middle East. The nature of the energy sector in Russia and the CIS, however, with very large investments required in development and in pipeline transport as well as passage rights commonly makes multilateral rather than bilateral cooperation inevitable. Much of the discussion of such cooperation has been at the company level (many of which have been government companies, as in China's case), but governments have increasingly become involved, particularly in the case of China and Russia. No multilateral forum has evolved, however, at the official level as distinct from the unofficial level.

There are a variety of projects under consideration, some regional pipeline projects involving virtually all the regional states, the main objective being to bring Russian, Kazak and Turkmen oil and gas to China, Japan and South Korea. While much has still to be worked out, the attraction for China is the diversification and long-term security of supply and environmental benefits. China's CNPC has two development projects in Kazakstan, won in competition with US and Russian bidders. Plans for the development of Irkutsk's Kovyktinskoye gas field and construction of a pipeline by a consortium of countries including China, involving supply to

China, are at an advanced planning stage; progress has also been made on plans to pipe gas from western Siberia to Xinjiang and from Turkmenistan also to Xinjiang.

In other areas, much of the discussion, and many of the announcements of deals signed or projected have not proceeded very far and when they have they are often conditional, as with China's oil investments in Iraq. Often the announcements or agreements are little more than symbolic. Decisionmaking is slow, technical problems are major and political differences arise, such as over where processing should take place, a factor not only important in the RFE but also between China's support for a processing industry in Xinjiang and the Kazak wish not simply to supply raw materials. But the joint Chinese-Russian gas exploration and pipeline project in Irkutsk in Eastern Siberia seems to have progressed further than this.

For energy cooperation with China's north, a multilateral approach appears to be 'an inescapable necessity'.⁴¹ Given the large costs involved in energy development and transport, the economic viability of projects will normally require participation of other gas or oil consumers, notably Japan and South Korea. This will require the development of stronger cooperative ties between China and these countries.

Despite China's efforts to reduce dependence upon the Middle East through its closer links with Russia and the CIS, it will remain heavily dependent upon the Middle East. While it will no doubt want to gain a particular edge in the competition for energy from that area, it also has an interest in stability in that region and energy interests will no doubt be an increasing influence in China's strategic policy. It also makes it evident that the concern at sea lane security that Japan and others have often expressed will be more likely a concern shared by China rather than China being seen as a possible threat.

Conclusion

It is a commonplace that China must play by the rules and norms of the international system if it is to be integrated into global society. China might reasonably ask who wrote the rules or

formulated the norms, and who judges compliance with norms? The evidence of its diplomacy in North and Northeast Asia does not suggest, however, that China rejects the general propositions nor the legitimacy of international norms that are genuinely international, and not simply the policy preferences of a relatively small, if powerful, group of countries. In the region at least, China has been following most of the universal norms and has benefited in security, stability and economic terms from their pursuit and, indeed, reaffirmation.

Human rights is the obvious area where it still has a long way to go. While it is also argued that this is true of proliferation of weapons of mass destruction, this is not a major issue in China's northern diplomacy and, in any case, it is increasingly difficult to substantiate evidence in what has become a highly politicised context. There have been signs, moreover, of its sharing international opinion and understanding of the interdependence of security as well as of its recognition of its own national interests in arms control. Support for the ABM treaty remains as strong in China as in its northern neighbours.

We noted earlier that norms are changeable. China has argued that internationally accepted norms should be preserved—by which they mean that sovereignty should be respected and that intervention in the internal affairs of another country should only be within UN auspices. In the Shanghai Five context, it has reasserted its support for these norms.

In North and Northeast Asia, some norms are more important than are others. Peaceful resolution of territorial and other disputes, non-interference in domestic affairs and cooperative handling of relations are most relevant and have been important in influencing China's North Pacific diplomacy. The related emphasis on confidence building has reinforced this approach. Although success in the economic field, seen as important in building confidence as well as on its own merits, has been limited, economic linkages among the North Pacific countries are likely to grow. China's efforts in the north are not primarily motivated by anti-US sentiment as such. Although unilateralist US policies and the policies of NATO have added to areas of common interest in

arguing for a multipolar world, links with the West remain central for China and Russia in particular. Bilateral issues with China's northern neighbours are important enough, however, to need cooperative relationships.

The scope for cooperation in the North and Northeast Asia region is large in regional security, economics, transport, energy supply and environmental management. That cooperation may fail or be slow for many reasons, including a lack of governmental capabilities among the major states involved. The evidence does not suggest that the barrier will be that China's intentions conflict with international norms.

Notes

- ¹ As Keohane has argued, they are normally less specific than rules and regulations but the two categories overlap at the margin. Robert Keohane, *After Hegemony: cooperation and discord in the world political economy* (Princeton: Princeton University Press, 1984), 57–58.
- ² A point emphasised by Rozman. See Gilbert Rozman, 'China's quest for great power identity', *Orbis*, 43, no.3 (Summer, 1999), 383–402.
- ³ 'Kosovo conflict accelerates formation of Russia–China strategic alliance', *Stratfor Special Report*, 25 June 1999, available online at <http://www.stratfor.com/asia/specialreports>.
- ⁴ *Oil and Gas Journal*, May 4, 1998, 42.
- ⁵ *Tai Kung Pao* (Hong Kong), 24 November 2000, carried in FBIS-CHI-2000-1109.
- ⁶ See, for example, Kent Calder, *Asia's Deadly Triangle: how arms, energy and growth threaten to destabilize Asia Pacific* (London: Nicholas Brealey, 1996), chapter 3.
- ⁷ Defined as more than a simple bilateral relationship but less than an alliance.
- ⁸ The two agreements are discussed in Yuan Jing-dong, 'Sino-Russian confidence building measures: a preliminary analysis', Institute of International Relations, University of British Columbia (processed).
- ⁹ *Agence France Presse*, Beijing, 28 April 1999. There are, however, still two islands in the Amur River, near Khabarovsk, and an islet in the Erguna River, where boundaries are unresolved.
- ¹⁰ Although Russia now has more advanced SU 37s.
- ¹¹ *Stratfor*, 'Kosovo conflict'; *Segodnya*, (Moscow) 15 June, 1999; Wei Jen in *Tai Yang Pao*, (Hong Kong), 28 June 1999.

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- ¹² Agence France Press, Moscow, 22 February 2000.
- ¹³ Robert Scalapino, 'The People's Republic of China at fifty', *NBR Analysis*, 10, no.4 (October 1999), 8.
- ¹⁴ *Nezavisimaia gazeta*, 23 December 1998.
- ¹⁵ *Izvestia*, 3 March 2001.
- ¹⁶ Bin Yu, 'NATO's unintended consequence: a deeper strategic partnership...or more', *Comparative Connections*, (July 1999), 3, available online at <http://www.csis.org/pacfor/cc/992Qchina-rus.html>, accessed 1 August 2001.
- ¹⁷ *Chen Ming* (Hong Kong), 10 October 1998, FBIS-CHI-98-292; *Ming Pao* (Hong Kong), 13 May 1999, FBIS-CHI-1999-0512.
- ¹⁸ Attributed to Jiang Zemin in justifying a proposed US\$15 billion aid package to Russia. Ibid.
- ¹⁹ Li Lingjie, 'Sino-Russian relations in Asia Pacific', in Koji Watanabe (ed.), *Engaging Russia in Asia Pacific* (Tokyo: Japan Centre for International Exchange, 1999), 54–66.
- ²⁰ See, for example, Elizabeth Wishnick, 'Chinese perspectives on cross-border relations', in Sherman Garnett (ed.), *Rapprochement or Rivalry: Russia-China relations in a changing era* (Washington, DC: Carnegie Endowment For Peace, 2000), 227–56.
- ²¹ Cited in Alexander Lukin, 'Russia's image of China and Russian-Chinese relations' *CNAPS Working Paper* (Washington, DC: Center for Northeast Asian Policy Studies, Brookings Institution, May 2001), 16.
- ²² Statements by the Russian deputy foreign minister, Karasin, that the two countries 'are not willing to, or planning to, form any alliance', *Interfax*, Moscow, 1 October 1999, and repeated in *Xinhua* domestic service, FBIS-CHI-99-295. The response to queries about the Bishkek meeting was that 'a new bilateral alliance was neither discussed nor is on the table'. *Interfax* (Moscow), 26 August 1999, FBIS-CHI-1999-0826.
- ²³ *Associated Press* (New Delhi), 29 January 1993; *The Pioneer* (New Delhi), 16 January 1999, FBIS-NES-99-016; *Xinhua*, FBIS-CHI-2000-1001, 1 October 2000.
- ²⁴ Pavel Spirin, *Nezavisimaia gazeta*, 23 December 1998.
- ²⁵ Lu Nanquan, deputy director of CASS, cited in interview in *Ta Kung Pao*, (Hong Kong), 19 July 1999, FBIS-CHI-1999-0716.
- ²⁶ *Xinhua* (Domestic Service), 26 August 1999, FBIS-CHI-1999-0825. A similar view was expressed by Qian Qichen, *Xinhua*, 28 September 1999, FBIS-CHI-1999-0924.
- ²⁷ Mike Collett-White, *Reuters*, Bishkek, 27 August 1999.

- ²⁸ Gaye Christofferson, 'China's intentions for Russian and Central Asian oil and gas', *NBR Analysis*, 9, no.2 (March 1998).
- ²⁹ Gerald Segal cited in Christofferson, 'China's intentions', 29; Kent Calder, *Asia's Deadly Triangle*.
- ³⁰ The history issue is discussed in detail in Gregory Austin and Stuart Harris, *Japan and Greater China: political economy and military power in the Asian century* (London and Honolulu: Hurst and University of Hawaii Press, 2001).
- ³¹ See Greg Austin, *China's Ocean Frontier: international law, military force and national development* (Sydney: Allen and Unwin, 1998), 197–99.
- ³² *Reuters* (Tokyo), 13 February 2001.
- ³³ Lu Nanquan in *Ta Kung Pao*, (Hong Kong), 19 July 1999, FBIS-CHI-1999-0716.
- ³⁴ When, in 1997, China's was the successful bid for an oilfield in Kazakhstan over US and Russian competition, the specialist US press indicated some alarm, the *Asian Wall Street Journal* talking of 'resource warriors', *Asian Wall Street Journal*, 23 July 1997; others referred to the new 'Great Game'.
- ³⁵ *Hong Kong Standard*, 5 October 1999.
- ³⁶ Lee Chang-sup, *Korea Times*, 20 September 1999.
- ³⁷ *Seoul Yonhap*, 10 November 1998, FBIS-EAS-98-314.
- ³⁸ James Cotton, 'China and the Tumen River: Jilin's coastal development', *Asian Survey*, 36, no.11 (November 1996), 1086–101.
- ³⁹ *Korean Herald*, 23 October 1998.
- ⁴⁰ Stephen Blank, 'Energy, economics and security in Central Asia: Russia and its rivals', Strategic Studies Institute, US Army War College, Carlisle, March 1995 (processed).
- ⁴¹ Vladimir Ivanov, 'The energy sector in Northeast Asia: new projects, delivery systems, and prospects for cooperation', *North Pacific Policy Papers* 2 (Vancouver: Institute of Asian Research, University of British Columbia, 2000), 29.