

The Chinese Linkage Strategy in the Foreign Investment Policy: The Case Study for the Interference Suspicion Against the U.S. Military Bases Constructions in South Korea and Japan

Kang, Ryang*

I. Introduction

II. The Diplomatic and Military Problems Caused by Purchasing the Real Estate in South Korea by the Chinese Nationality

III. The Diplomatic and Military Problems Caused by Purchasing the Real Estate in Japan by the Chinese Nationality

IV. Increasing the Chinese influence in the Region after the Economical Encroachment by the Chinese Nationality

V. Conclusion

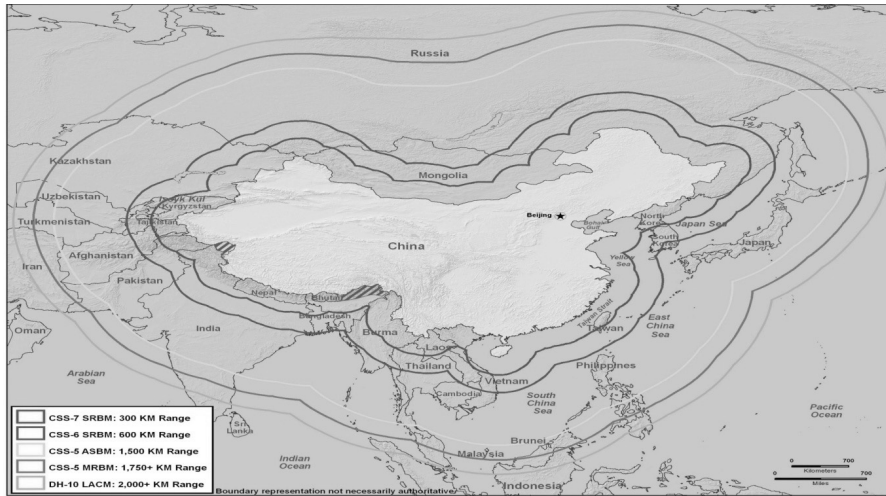
* Senior Researcher, Institute for National Security Strategy.

I . Introduction

After the collapse of the Soviet Union, the U.S. could not re-set the strategic relation with the allies and as a result of repeating the conventional ways, they ended up with contending with the allies over the problem of constructing the U.S. military bases¹⁾. By using these conflicting relationship, China is expanding their influence in the way of currying favor with the nations through economical support or through providing the loans to the nations that are struggling with the U.S. in better conditions than the Western nations. Especially, the Varyag aircraft carrier that was launched in 2011 can be regarded to be meaningful as it was the first attempt by China to make pelagic fleet in order to supplement the weakness of importing most of the resources that are needed by China through the sea route.²⁾ China planned the maritime defense ranges for protecting the mainland, and the 1st strategic range was from the Kyushu of Japan to Okinawa, and the part of South China Sea, and the 2nd strategic range is set for the East Pacific coast of Japan and the entire East Asian region³⁾. Especially China is concerned with the maritime defense of the Far East in order to protect the Beijing region that is the central area for politics, economy, and culture, and the reason is because since Beijing is right adjacent to the West Sea, if there is an invasion from the other countries, it would be difficult to protect⁴⁾.

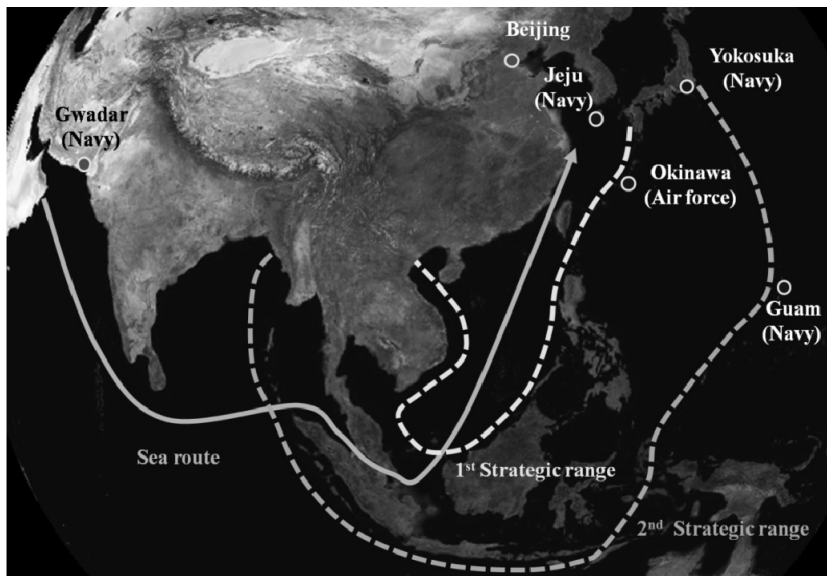
-
- 1) John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York : Norton & Company, 2001), pp.29-40; John J. Mearsheimer, "Anarchy and the Struggle for Power," Robert Arts and Robert Jervice, *Political Concepts and Contemporary Issues* (Princeton : Princeton University Press, 2009) pp.231-232; and John J. Mearsheimer and Stephen M. Walt, "The Case for Offshore Balancing," *Foreign Affairs*, Vol. 34, No.2 (July/August, 2016).
 - 2) Ronald O' Rourke, "China Naval Modernization: Implications for U. S. Navy Capabilities-Background and Issues for Congress," December 21, 2015, pp.19-23. Available <https://www.fas.org/sgp/crs/row/RL33153.pdf>.
 - 3) Larry M. Wartzel, "US-China Economic and Security Review Commission, 2013 Report to Congress : China's Military Modernization, US-China Security Relations, and China's Cyber Activities," Commissioner, US-China Economic and Security Review Commission, US House of Representative, 2013.

<Figure 1> the Chinese Maritime Defense Range and the Route of Ballistic Missiles



Source : Annual Report to Congress on China's Military Build-Up, 2016

<Figure 2> the Maritime Defense Range of China and the Maritime Routes for Importing Energy Resources



Source : Combined Information in UNCLOS and CIA, 2016

4) Andrew S. Erickson, "The US Department of Defense's Annual Report to Congress on China's Military Power," *The National Interest*, May 11, 2015; And Andrew S. Erickson, "What Does the Pentagon Think about China's Rising Military Might?" *The National Interest*, March 23, 2015.

Accordingly, if China expands the navy force in order to actually control the 1st Strategic range, it would be inevitable for them to struggle with the U.S. military bases that are located near the inner or border area. (1st Strategic range).⁵⁾ In this situation of invisible competition between the U.S.-China, new navy base is expected to be constructed in the Gang-Jung village of Jeju-Island of Korea, and there are struggles due to the opposition of the local residents, and also in Futenma base of the Okinawa of Japan, there is increasing anti-U.S. emotions with strong resistance of the local citizens and their related civic organizations⁶⁾, and China ended up with having the opportunity of withdrawing of both the U.S. military base in Okinawa, as well as the navy base that is expected to be constructed in Jeju-Island to Guam.⁷⁾

One of the policies for China to hold the U.S. in check while avoiding the military conflict in terms of the energy competition is the interruption of the U.S. military base constructions through the purchase of the real estate. As for China, the Chinese real estate corporations and the individual investors have already been purchasing massive amount of real estates, and the common features of them are as follows.

- **Forest area that cannot be developed due to absence of roads nearby and the head bay protection region**
- **Surrounding regions of military facility, nuclear power plant, airfield, government agency buildings**
- **Unclear source of the fund by purchasing the real estate through phantom companies established in tax-avoidance**

5) Department of Defense of United States of America, "Asia-Pacific Maritime Security Strategy," July 27, 2015, pp.8-10. Available http://www.defense.gov/Portals/1/Documents/pubs/NDAA%20A-P_Maritime_Security_Strategy-08142015-1300-FINALFORMAT.PDF

6) Ho-jun Huh, "After Ten-Year Struggle, Gangjeong Villages Beset by Government Indemnity Claims," *Hankyoreh*, April 28, 2017.

7) Daniel Widome, "The List : The Six Most Important US Military Bases in the World," *Foreign Policy*, Vol. XII, No. 3 (June/July, 2011).

In other words, the Chinese investors are investing huge amount of money to purchase the land in the regions that can generate profits through the development of the real estate⁸⁾. Surely, although there are some regions that are purchased for the construction of the large-scale resort complex, since there are many regions that have been stopped during the construction, there are not many places in which the actual businesses are propelled. In other words, it can be understood that the real estate investment in Japan by the Chinese is quite different from the general investment methods⁹⁾.

According to the Japanese journalist Arimoto Kaori, although the purchase of the real estate in Japan by the Chinese people is regarded to be the strategy for securing the head bay of Japan, but based on current situation in which the U.S. and China are contending for hegemony competition in the East Asia, the intention of the Chinese is regarded to have military strategic purpose rather than securing of the water resources. As for the reason, it can be understood from the withdrawal problem of the Futenma base¹⁰⁾ that is being occurred in Okinawa of Japan, and the U.S. and the Japanese government have been negotiating for a long time over the problem of withdrawing the Futenma base to other location. At this point, the Chinese prevented the Futenna base from being relocated as they purchased the real estate near Hennoko that was the land of candidate where Futenna base was to be relocated as well as some land near Tokunosima airport.¹¹⁾ If the rage of Okinawa residents kicks up and the Japanese government takes it seriously, since

8) Zheng Yangpeng, "China's Property Giants Accelerate Land Purchases, Leverage Scale to Squeezed Out Smaller Players", *South China Morning Post*, March 28, 2018.

9) Alessandro Provaggi, "China Development Bank's Financing Mechanism : Focus on Foreign Investments," *The Review on Global Projects Center*, Vol. 12, No. 1, 2010. <http://www.gov./node11140/2010/03/15/content227686.htm>.

10) Emma Chanlett-Avery and Ian E. Rinehart, "The US Military Presence in Okinawa and Futenma Base Controversy," *Congressional Research Service*, January 20, 2016.

11) Arimoto Kaori, "The Chinese Strategy to purchase the Japanese Land and Property," WAC, April 1, 2011, pp.34- 35

the U.S. military bases in Okinawa would end up with having to be relocated to Guam of the Pacific Ocean, and it would be possible for China to realize what they are aiming, the 1st Strategic range¹²). In addition, the Chinese are even purchasing the Yokosuka base where the U.S. base is located, lands near Sasebo base, and all the small islands where the Japanese Self-Defense Forces are placed. Accordingly, it can be understood that the goal of purchasing the real estate near the military bases by the Chinese people is the military strategic purpose rather than the purpose of investment¹³).

The end-result of this manuscript is proposing the argument that the Chinese defense military strategy has been occasionally linked with its foreign direct investment, particularly in the site of the US military camps in South Korea and Japan. Although it is still very hard to verify every detailed contents, it is worthwhile revealing the Chinese motivations through interfering in the process of purchasing real estate in South Korea and Japan.

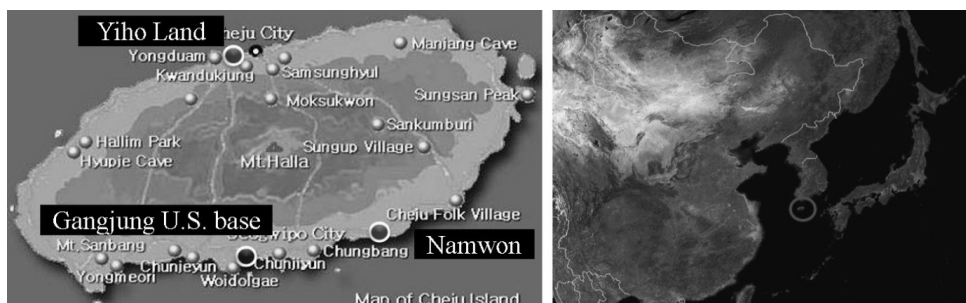
II. The Diplomatic and Military Problems Caused by Purchasing the Real Estate in South Korea by the Chinese Nationality

Also in Korea there is increasing number of purchase of real estate by Chinese and on September 23rd 2009, the Jeju-Island governor, Kim Tae-Hwan met with people related to Benma Group, people related to Yiho-Land and the Chinese politicians such as directors of Ministry of Commerce of the People's Republic of China at the Diaoyutai State Guesthouse and announced that he will sign the MOU that will invest 2.5 billion Yuan for 3 years on the Jeju Yiho land development project in form of purchasing the shares.

12) Shannon Tiezzi, "Beyond Futenma : Okinawa and the US Base Conundrum," *The Diplomat*, November 4, 2015.

13) John M. Norton, "China's Strange and Disputed Warfare Strategies and Tactics," *The Diplomat*, August 18, 2013.

〈Figure 3〉 The Military Base in Jeju Island and the Investment Area for Chinese Nationality



Source : Compiled from Segye Ilbo¹⁴⁾ & Voice of Jeju¹⁵⁾

At the time when this contract was signed, the development project of Benma Group to work together with Jeju Yiho land that will make family hotels, medical hotels, luxury shopping malls and etc. by investing \$521.3 million in Yiho amusement park in Jeju that is 255,713m² was approved by the Korean government.¹⁶⁾ In the beginning the business expense of the Yiho Amusement Park was expected to be \$367 million but the Benma Group decided to invest \$521.3 million that is much higher than their initial expectation and thus the initiative of this Yiho Amusement Park project will be held by Chinese corporations.

At the time when this contract was signed, it can be understood that the Chinese government was very interested in this contract based on the fact that they used Diaoyutai State Guesthouse, one of the Chinese government facilities, and the fact that the government officials also participated. Especially, it is presumed that this contract has a close relation with the construction of the U.S. military base in Jeju Island,

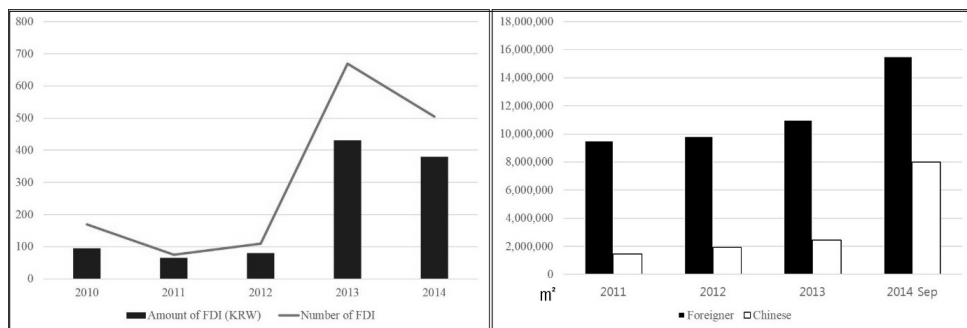
14) Segye Ilbo, "The Foreign Investor Have Been Regulated for the Case of Purchasing Land in Jeju," December 10, 2014. Available <http://www.segye.com/content/html/2014/12/08/20141208003287.html>.

15) Jejusori (Voice of Jeju), "The Chinese Investment in Jeju Cannot Be the Case for Economic Blooming," February 9, 2015. Available <http://www.jejusori.net/?mod=news&act=articleView&idxno=158164>.

16) Jejusori (Voice of Jeju), "The Chinese Benma Group Decided to Invest 60 Million \$ in Jeju for Three Years", September 23, 2009. Available <http://www.jejusori.net/news/articleView.html?idxno=69280>.

and in fact, the Korean government has negotiated with the U.S. soldiers about the construction of the military base in Jeju Island, and although they tried to work on the construction near GangJeong Village in Jeju Island in 2011, it was stopped due to protests by local residents. Also, the location of the resort business that is propelled by china is interesting and the reason is because it seems that there is a relation between the coastal wilderness that Chinese businessmen purchase on a large scale, and the construction of the U.S. military base. If The U.S. soldiers cannot build the military base that is expected to be constructed in GangJeong Village due to the protests by the local residents, the coastal area in Jeju Island in which no one lives in due to strategic importance of Jeju Island may be considered as the new place for the construction of military base. However, since most of the current real estate that Chinese purchase is the coastal wilderness area in Jeju Island, if this happens, the U.S. soldiers will not be able to construct the military base in Jeju Island.

<Graph 1> The Amount of FDI in Jeju Island and the Rreal Estate Purchased by the Foreigners



Source: Compiled from Segye Ilbo & Voice of Jeju

In addition, Jeju Island current has imported the Public Fund Investment Immigration System in 2011 that entitles the foreigners who invest more than a certain amount of capitals on public undertaking such as the roads, harbor, and construction for more than a certain period of time, to have the permanent residency in order to facilitate these kinds of

investments.¹⁷⁾ Due to this, many Chinese investors in Jeju Island currently are purchasing the real estate in Jeju Island and simultaneously obtaining the permanent residency, and as a result, the Jeju Immigration Office conferred the first certificate of the permanent residency to the CEO of Benma Group Jiang Xian Yun on November 14th 2011.

The feature of the foreign investors of real estate is that most of the foreign investors are Chinese, and considering that they are either real estate company or mega millionaire that have close relationship with the Chinese government, it looks like the construction of the large scale resort that is underway in Jeju Island, that is the real estate that can be used for building the U.S. military base, is being preoccupied by Chinese. Along with this, other regions are also importing the Investment Immigration System, and the YongJong district of Incheon, Song-Do, and Cheongna District, have also made the system that entitles the foreigners to obtain permanent residency if they make investments, providing the Chinese with the opportunity to occupy the West Coastal region that is close to China through investments.¹⁸⁾

Another problem of issuing the Korean permanent residency is that it does not only confine within Korea but it will also influence Japan as well. As mentioned above, Japan is considering about the bill that restricts the Korean people from purchasing the entire real estate around the land nearby Self-Defense-Force located in Tsushima Island. The question is that they may not be Koreans. In general, when making a real-estate investment, the airports and the military bases are the ones that should be primarily out of consideration. Nevertheless, the fact that Korean people purchase the land near the military base in Tsushima Island that is distant from the center of the Japanese economy is

17) Jeju Newspaper, "People Should Realize the Side-Effect of Public Investment of Immigration." June 6, 2011. Available http://www.jeind.co.kr/bbs/bbs/board.php?bo_table=notice&wr_id=728.

18) Korea Institute for National Property, "Chinese investment in Korean real estate," March 15, 2015.

illogical. Even if they purchase the land, they would not be able to invest and why would they pay money for the meaningless land? The possible scenario about the Korean investments in Tsushima Island in Japan could be that the Chinese who changed his nationality to Korean, or the Chinese businessmen who use the Korean name, are purchasing the Tsushima Island. The reason is because if the U.S. military base cannot be constructed in Jeju Island, the next possible candidate would be the Tsushima Island, but if the land nearby the Self-Defense-Force is possessed by Korean, it will be difficult to build the U.S. military base. Especially, as the Tsushima Island is a sensitive region that may cause the typical conflicts between Korea and Japan, even though it becomes impossible to construct the U.S. military base in Tsushima Island because the land is owned by Korean, and it becomes a hot social issue, the possibility of failure of the construction of the military base in Jeju Island and Tsushima Island is high because of the Japanese civic groups protesting against the construction of the U.S. military base, demonstration of Koreans who have anti-Japanese emotions for having to sell the lands in Tsushima Island, and passive attitudes of Korean-Japanese politicians who do not desire to see the conflicts between Korean and Japanese due to the U.S. military base problem. In other words, it can be seen that the Investment Immigration Policy that is happening in Jeju Island is being used as a very good system for China to interrupt the construction of the U.S. military base.

Not only the Benma Group, but also the Baitong Group in Qingdao is taking the administrative steps in order to make the comprehensive resort such as the beer museum and resort condominium in Nam Won-Eup of Seo Gui-Po that is 5,770,000m². According to the concerned person in Jeju Island, there are currently 5~6 corporations propelling the Jeju investments and the size of the business is around \$2.6 billion. According to the report by the Ministry of Land, Transport and Maritime Affairs in September 2011, the domestic real estate owned by the

foreigners is 229,290,000m² that is 0.2% of the Korean territory and it is \$28.1 billion. Although the land purchase by the foreigners have increased since opening of the real estate market in June 1998 and stopped from 2002, the land purchase by the Chinese had steadily increased and the land owned by Chinese that was 65,000m² in 2nd quarter of 2007 had dramatically increased up to 70,3000m² by the 3rd quarter.

Also in Hong Kong, there is increasing amount of fund inflow by the mainland Chinese, and according to the Centerline Property, among sales contract of newly registered or existing homes in the first half of 2010, the weight of sales made by the mainland Chinese was 10.8% compared to the total amount, and 6.7% compared to the total number of sales. Especially as for Jiu Long in which high-speed train is expected to be constructed, the trade with mainland China is expected to be facilitated and more than 40% of the monthly sales are made by the mainland Chinese. Due to this, the weight of the real estate in Hong Kong GDP is greater than 20% and due to the overheated real estate speculation, the house price in 2009 soared by 30% and additionally 13% in 2010 and that made it more difficult for low-income families to purchase houses. In conclusion, the Hong Kong economy also cannot avoid from encroachment of the mainland Chinese.¹⁹⁾

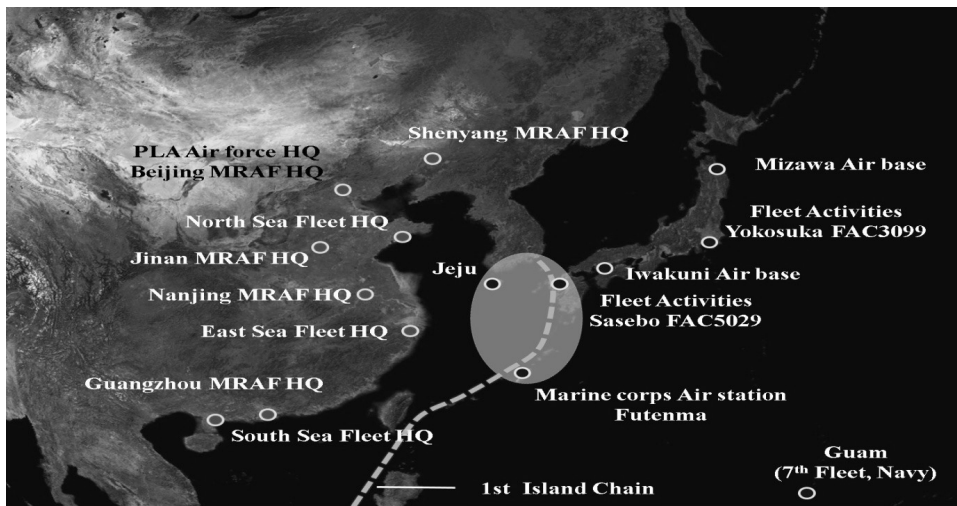
III. The Diplomatic and Military Problems Caused by Purchasing the Real Estate in Japan by the Chinese Nationality

Although the Japanese government attempted making the bill in order to restrain the purchase of the real estate in Japan by the Koreans and Chinese in 2011, they have been blamed for their narrow-minded racist

19) Global Property Guide, "Hong Kong housing bubble, Mainland buyers blamed," November 6, 2009. Available <http://www.globalpropertyguide.com/Asia/hong-kong/Price-History-Archive/Hong-Kong-housing-bubble-Mainland-buyers-blamed-1059>

thinking that is not suitable for the international community. However, since the real estate purchase problem by the Chinese has the military purpose rather than for the investment purpose, it is regarded to be surely considerable. Especially, it is noticeable that the Japanese politicians claimed that the Koreans are also purchasing the real estate lands in Japan along with the Chinese.

〈Figure 4〉 The US and Chinese Military Bases Located in East Asia



Source: War News Updates²⁰⁾

According to the announcement made by the Japanese government, it is that the Koreans have purchased all the lands near the military bases of the Japanese Self-Defense Forces located in Tsushima. But here, what is unclear is that although the only foreigners who bought the real estate near the military bases in Japan was Chinese, but they claim that Koreans bought lands exceptionally near Tsushima area, and it is quite unacceptable. Since Tsushima is the rural area that is distant from the major economical regions of Japan, and it is a place in which the

20) War News Updates, "North Korea's Military Threatens U. S. Bases in Northeast Asia," March 21, 2013. Available <http://warnewsupdates.blogspot.com/2013/03/north-koreas-military-threatens-us.html>

population is only expected to decrease due to decreasing birth rate as well as the urban centralization of population, it is quite suspicious that the Koreans have bought all the lands near the military bases in Tsushima, the land that cannot be developed at all. Then, how would the Koreans have bought the lands in Tsushima? This is perhaps regarded to be closely related to the Foreign Investment Law that is being executed in Korea.

The municipalities of Korea are attracting the foreign investors by making the law of giving permanent residency to foreigners who invest more than \$50,000 in order to expand the local finance and activate the domestic market as the local economy gets deteriorated due to global economic recession, and for this, Jeju-Island is the most active among them. Most of the foreigners who acquire the permanent residency investing the real estate in Korea by utilizing this system are Chinese. In fact, Chinese are regarded to be using this system to block and use the navy bases that are expected to be constructed in Jeju-Island, but since the GangJeong Village or the candidate land in which the navy base is to be constructed is struggling against the strong opposition of the local residents, in case when the navy base cannot be constructed in GangJeong village by purchasing the real estate in the coastal area in which the harbors can be constructed to prepare the navy base that may be relocated to other regions, it is known to be impossible to construct the navy base in Jeju Island.

At the same time, it is suspicious that they may be purchasing the land of Tsushima of Japan by using the Korean permanent residency acquired in Jeju region. Even though it may be the Koreans who have purchased the land, they are would probably be the businessmen who are either working together with the Chinese, or they are the spouses who got married to Chinese or they are just relatives. If it is true that the Chinese bought the real estate in Tsushima by changing their nationality in Jeju-Island, China can obtain the benefits as follows.

- First: They are able to relocate the U.S. military base that is to be constructed in Okinawa and Jeju Island into Guam.
- Second: They can use the regions that they bought for the military purpose in the future.
- Third: They can provoke anti-Korean emotion in Tsushima, making Korea and Japan to go through diplomatic struggle.
- Fourth: The Korea-U.S.-Japan military alliance can be weakened due to this.
- Fifth : The 2nd Strategic range that is set as the goal of China can be realized.

Like this, the real estate purchase by the Chinese that is occurring in East Asia is an important issue that can be developed into diplomatic struggle. Nevertheless, the reason why this problem has not been developed to be an issue was because the local residents got extremely angry due to the increase of the crimes by the U.S. soldiers and the weak punishments by the U.S. government, and as various human rights organization and civil organizations supported the local residents, the politicians who were conscious of the elections could not ignore the opinions of the local residents and the press any longer, and due to the problem of relocating the U.S. military base, the interest of all the press and mass media were focused²¹⁾. Eventually, the human rights organizations and the media press are regarded to be utilized by the military strategy of China. The similar case happened in Australia as well. According to Treasury Secretary of Australia Scott Morrison, Chinese based investors had been dominating the bidding for properties amounting 2.5% of Australia's farming land owned by S. Kidman & Co. Furthermore the Chinese tried to buy prohibited area where is actively used for weapons testing and trials for business purpose.²²⁾ It means that some parts of

21) OPNLA (Okinawa Peace Network in LA), "List of Main Crimes Committed and Incidents Concerning the US Military on Okinawa," *Okinawa Times*, September 4, 1999.

Chinese investment for buying lands and buildings have strategic intention with military purpose.

IV. Increasing the Chinese influence in the Region after the Economical Encroachment by the Chinese Nationality

One of the most significant problems from the influence made by the overseas Chinese to other nations is that if Chinese start to flow into a certain region, they will dominate the local economy by using the organizational power and the funds as mentioned above, and they form corrupt relationships with politicians, but when the formation is complete, the corresponding nation would be politically subordinated in China and be incorporated into the Chinese territory at a certain point²³).

Among the 5 overseas Chinese organizations in Chinese history, the overseas Chinese who were out of the influence of the Chinese central government were the Guang Dong overseas Chinese with their base in Hong Kong and the Fujian overseas Chinese with their base in Taiwan. Since these two organizations were incorporated into nations that had separate political organizations as they went through the colonial period in 19th century, the Second World War, and the Chinese Civil War, they were more Western than the other overseas Chinese and they took negative positions against the China's centralized governance. But as Hong Kong was returned to China in 1997, the Hong Kong people became unable to be away from the control by China's centralized government. Especially since the recognition by the international

22) Fortune, "Australia just stopped China buying a farm the size of Kentucky," November 19, 2015. Available <http://fortune.com/2015/11/19/australia-just-stopped-china-buying-a-farm-the-size-of-kentucky/>

23) Gordon Reddings, "Overseas Chinese Networks : Understanding the Enigma," *Long Rang Planning*, Vol. 28, No. 1 (Feb/Mar, 1998), pp.34-55.

community was that Hong Kong was the China's territory, the Guang Dong people with their base in Hong Kong area were going through difficulties without international support to have their own independent nation. Accordingly, Hong Kong has been slowly becoming China-like after the merger, and enormous number of people in the Hong Kong financial world and the politicians who denied it immigrated to the U.S.

Taiwan is also rapidly becoming China-like, and in October 2010, as China and Taiwan signed on Economic Cooperation Framework Agreement (ECFA)²⁴. China obtained the opportunity to expand their economic influence in Taiwan, and Taiwan obtained the opportunity to advance to the domestic markets in China. The reason why the contract was signed though it may not be economically beneficial for China, is because they are aiming to absorb Taiwan for unification in the long term. As for Taiwan, as the prolonged one-man rule has been historically in place for a long time by a small number of rulers who came over from the continent during the days of Chiang Kai-Shek's reign, the dialects of Fujian region was abolished and as the policy of using the standard Chinese spoken in Beijing was implemented, there was no linguistic problems in communication with the Taiwanese people making it easy to absorb them, and thus if they open the Chinese market to Taiwanese, the Taiwanese may initially benefit from their advances into Chinese market and achieve economic growth, but as they increasingly depend on China economically, they will start to lose their political independency as well, and that will increase the possibility of their absorption into China²⁵). Currently, as 40% of Taiwanese export and 60% of FDI are China²⁶), China is becoming an indispensable

24) John F. Copper, "The China-Taiwan Economic Cooperation Framework Agreement : Politics, Not Just Economics", EAI Background Brief, No. 548, August 6, 2010.

25) Tsong-Min Wu, "Economic History of Taiwan-China Relations", *The Economic Review*, Taiwanese National University, Vol. 32, No. 3, 2006, pp.235-312.

26) The National Interest, "Forget the South China Sea: Taiwan could be Asia's next big security nightmare", December 5, 2014. Available <http://nationalinterest.org/feature/>

economical trade nation to Taiwan. In addition to that, as direct flights have been established, 1.06 million Taiwanese people had visited China in 2009 and that is 269% higher than the previous year.

This sort of economical dependency influences on the political world, and as the Chen Shui-Bian (Taiwanese: Tan Chui Pin) of the Democratic Progressive Party from Taiwan became the president in 2000, he attempted to reform escaping from China's control for the first time in Taiwanese history, and although he also tried the political and economic independence of Taiwan, since the mainland Chinese had dominated the political and economic power, and as most of his economic policies failed, he, in the end, lost to Chinese Nationalist Party (Kuomintang) in January of 2008, and Chen Shui-Bian became the first Taiwanese president who was sentenced to life imprisonment in 2009 for bribery. After that, the Chinese Nationalist Party implemented pro-Chinese policies that is regarded to be 3rd Kuomintang-Communist Collaboration that made it difficult for Taiwan to be economically independent from China. The Chen Shiu-Bian incident is considered to be a typical case that reflects how the Chinese immigrants can provide influence in local administration²⁷⁾.

〈Table 1〉 the Trend of Weight of Export Depending on the Regions in South East Asian Nations

(%)

	China		USA		Japan	
	2008	2013	2008	2013	2008	2013
Indonesia	7.8	10.4	11.5	10.5	21.1	16.8
Malaysia	6.6	15.1	19.7	11.7	9.3	8.6
Philippine	9.9	21.0	18.0	13.9	17.5	12.8
Singapore	8.6	9.7	10.4	6.5	5.5	4.5
Thailand	8.3	10.6	13.6	10.9	15.4	10.3

Source: KOTIS (Korea Trade Information Service), 2014

forget-the-south-china-sea-taiwan-could-be-asias-next-big-11790

27) Scott L. Kastner, *The Security Consequences of China-Taiwan Economic Integration* (Long Beach : University of Maryland Press, 2010).

As reflected in the chart, it can be seen that most of the major nations in South East Asia are incorporated into Chinese economy, escaping from the influence of the U.S. and Japan. China not only provides loans to South East Asian nations and imports the necessary raw materials from this region, but they are also increasing the speed of the economical trades by constructing the roads and the railways to incorporate them into Chinese economy. Due to this, the South East Asian nations are slowly becoming the supply bases for raw materials, but the reason why the South East Asian nations are increasingly cooperating with China economically is because the overseas Chinese are dominating the economy in these regions²⁸). To take Malaysia for example, the overseas Chinese who represent 25% of the entire population own 60% of shares of the listed corporations and 40% of the capitals, and thus if they implement the pro-Chinese economic policies, there will be no other force to hold them on check. Accordingly, it can be understood that the existence of the overseas Chinese is stronger factor than the U.S. capitals or military force for the expansion of the Chinese force²⁹).

V. Conclusion

The diplomatic capability or the political capability of China is not relatively huge compared to European nations or the U.S. in terms of resource diplomacy. Due to this, as one of the various methods to exercise their influences to the nations of their interests, China is working hard to dominate the economy of local nations and to raise the pro-Chinese politicians, by using the greatest advantage that China has:

28) Michelle Broadbends, "Chinese Investment in Southeast Asia : Overseas Investment, Trade, and the Environmental Problems," *Global Investment*, Vol.12, No.1 (June/July, 2014), pp.56-68.

29) ASEAN, 2013 and ASEAN Economic Community (AEC), (<http://www.adb.org/countries/philippines/economy>).

the population.

The reason why the Chinese can constantly have solid economical foundation despite the large-scale anti-Chinese protests and riots after the South East Asian financial crisis in 1999, is because they have close relationship with the local politicians, so that even though they may temporarily look like they collapsed in the period when the dictatorship regime is collapsed, they can still build decent relationship with the newly emerged politicians so that the influence of the overseas Chinese in South East Asia did not diminish but it was rather maintained. In addition, with the enormous amount of fund support from the mainland China that succeeded in economic development after the Reform and Opening up as well as the political support from the Chinese government, the influence of the overseas Chinese is spreading out to the entire world³⁰).

Although the military strategic advance of the U.S. with its naval bases, air-force base constructions in strategically significant nations may create conflicts with the local residents, the investments and immigration strategy by the overseas Chinese based on the economical advance of China not only provide benefits to local economy in short run, but also the entertainment to the politicians, so that they could rapidly dominate the local economy in short period time avoiding the protests of the local residents, and establish a community based on Chinese. Accordingly, as time consumed for the U.S. global business strategy gets longer, it will be more costly and it will be more likely to see the anti-U.S. emotion due to conflicts between the local residents and the U.S. soldiers, whereas the Chinese global business strategy is an economical advance based on economical fund provision, so if the developing nations constantly receive the funds from China they will be included and be controlled by the Chinese economy in the long run,

30) Krislert Samphantharak, "The Rise of China and Foreign Direct Investment from Southeast Asia," *Journal of Current Southeast Asian Affairs*, Vol. 30, No. 2 (2011), pp.37-62.

which implies that even though the population of the overseas Chinese is constantly imported to such an extent that their economic development is interfered, they will have no choice but to depend on China due to their economic structure, and they will slowly become China-like even though they may have anti-Chinese emotion.

Accordingly, it will be meaningful for Kazakhstan or any other central Asian countries to study the cases of other nations about the problems on how the labor workers and immigrants into Kazakhstan should be treated from now on for in terms of doing economic relations with China.

References

- ASEAN, 2013 and ASEAN Economic Community (AEC), (<http://www.adb.org/countries/philippines/economy>).
- Broadbends, Michelle. "Chinese Investment in Southeast Asia : Overseas Investment, Trade, and the Environmental Problems." *Global Investment*, Vol.12, No.1 (June/July, 2014).
- Chanlett-Avery, Emma and Rinehart, Ian E. "The US Military Presence in Okinawa and Futenma Base Controversy." *Congressional Research Service*, January 20 (2016).
- Department of Defense of United States of America, "Asia-Pacific Maritime Security Strategy." July 27, 2015.
- Erickson, Andrew S. "The US Department of Defense's Annual Report to Congress on China's Military Power." *The National Interest*, May 11 (2015).
- Erickson, Andrew S. "What Does the Pentagon Think about China's Rising Military Might?" *The National Interest*, March 23 (2015).
- Kastner, Scott L. *The Security Consequences of China-Taiwan Economic Integration*. Long Beach : University of Maryland Press. 2010.
- Mearsheimer, John J. *The Tragedy of Great Power Politics*. New York : Norton & Company, Inc., 2001).
- Mearsheimer, John J. and Walt, Stephen M. "The Case for Offshore Balancing." *Foreign Affairs*, Vol. 34, No.2 (July/August, 2016).
- Mearsheimer, John J. "Anarchy and the Struggle for Power." in Robert Arts and Robert Jervice, *Political concepts and Contemporary Issues*. Princeton : Princeton University Press. 2009.
- Norton, John M. "China's Strange and Disputed Warfare Strategies and Tactics." *The Diplomat*, August 18 (2013).
- Provaggi, Alessandro. "China Development Bank's Financing Mechanism : Focus on Foreign Investments." *The Review on Global Projects Center*, Vol. 12, No. 1 (2010).
- Rourke, Ronald O' "China Naval Modernization: Implications for U. S. Navy Capabilities-Background and Issues for Congress." December 21

(2015).

Samphantharak, Krislert. "The Rise of China and Foreign Direct Investment from Southeast Asia." *Journal of Current Southeast Asian Affairs*, Vol. 30, No. 2 (2011)

Wartzel, Larry M. "US-China Economic and Security Review Commission, 2013 Report to Congress : China's Military Modernization, US-China Security Relations, and China's Cyber Activities." Commissioner, US-China Economic and Security Review Commission, US House of Representative. 2013.

Widome, Daniel. "The List : The Six Most Important US Military Bases in the World", *Foreign Policy*, Vol. XII, No. 3 (June/July, 2011).

Wu, Tsong-Min. "Economic History of Taiwan-China Relations." *The Economic Review*, Taiwanese National University, Vol. 32, No. 3 (2006).

Zheng Yangpeng, "China's Property Giants Accelerate Land Purchases, Leverage Scale to Squeezed Out Smaller Players." *South China Morning Post*, March 28, 2018.

Jejusori (The Voice of Jeju)

Jeju Ilbo

Segye Ilbo

DongA Ilbo

JungAng Ilbo

South China Morning Post

Okinawa Times

Singapore Times

Abstract

중국의 해외투자 연계전략 : 한국과 일본의 미군기지 건설지역 주변 중국인투자 사례연구

강량*

최근 카자흐스탄이 러시아나 서구제국들이 아닌 중국과의 에너지 외교에 큰 진전을 보이고 있듯이, 중국은 미국이나 러시아를 자극하지 않은 채로 중앙아시아제국들과의 경제 협력을 확대하고 이를 통한 성공적인 에너지안보체제를 구축하고자 한다. 그러나 역사적으로 일정지역에 중국인들의 진출이 늘어나거나 중국인들의 경제적 영향력이 제고되면, 중국정부의 대상지역에 대한 영향력도 제고되었다는 사실로 미루어, 중국의 해외투자 또는 해외이주와 연관된 중국정부의 연계전략에 대한 주의가 요구된다. 중국정부는 해외투자 또는 해외이주지원이라는 명목으로 제주도의 해군기지 주변 강정마을에 대한 부동산 구매를 시도하고 있으며, 그 밖의 한국 내 미군기지 주변에도 중국인타운을 형성하는데 보이지 않는 정부차원의 지원을 확대하고 있다. 이와 같은 현상은 일본 내 미군기지, 특히 오키나와 미군기지 주변과 사스마섬의 일본 자위대 기지 주변에서도 동일하게 전개되고 있다. 이런 중국정부의 의도는 한국과 일본에 주둔하고 있는 미군기지에 대한 견제장치인 동시에 해당지역 주민들에 대한 중국의 영향력 제고를 목적적 결과물로 노정하고 있는 것이다. 중국자본과 중국인들의 한국과 일본 현지진출은 경제적 이해를 넘어서는 외교적, 군사적 문제까지도 야기할 수 있고 이로 인한 국가간 갈등요인이 제고될 수 있는 만큼, 중국의 해외투자 연계전략에 대한 보다 철저한 관리 감독이 필요하다.

핵심어: 중국해외투자, 연계전략, 에너지안보, 지역방어, 외교영향력, 미군기지

논문접수 : 2018년 4월 30일 | 논문심사 : 2018년 5월 18일 | 게재확정 : 2018년 5월 23일

* 정치학박사, 국가안보전략연구원, 책임연구위원