



IS CHINA STILL A VIABLE MEDIATOR TO SOLVE THE NORTH KOREAN NUCLEAR PROBLEM?

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Abstract:

China joined the UN resolution calling for economic sanctions on North Korea in protest of its missile launch on July 5th and nuclear test on October 9th. This position was in quite contrast to China's past opposition to sanctions on North Korea. China would not alter its principles in relations with North Korea due to its own security interests on the Korean Peninsula. However, China was obliged to assume a mediator role in the international community and give its problematic ally North Korea a lesson.

Keywords: North Korea, South Korea, People's Republic of China, United States, nuclear weapons.

Resumen:

China se unió a la resolución de la ONU reclamando sanciones económicas contra Corea del Norte en protesta por su lanzamiento de un misil el 5 de Julio y por su prueba nuclear del 9 de octubre. Esta posición contrastaba con su pasada oposición a las sanciones a Corea del Norte. China no cambiaría sus principios en las relaciones con Corea del Norte debido a sus propios intereses de seguridad en la península coreana. No obstante, China se vio obligada a asumir un papel de mediadora en la comunidad internacional y dar una lección a su problemático aliado norcoreano.

Palabras clave: Corea del Norte, Corea del Sur, República Popular China, Estados Unidos, armas nucleares.

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Introduction

China and Korea have historically enjoyed a special relationship which was again demonstrated to the world community with the North Korean nuclear problem. China is considered one of the few countries that maintain good relations with both North and South Korea, remaining the isolated North Korean regime's only viable ally. However, North Korea's recent missile launches and nuclear test have raised doubts about this assumption.

The objective of this article is to analyze China's role and interests in resolving the nuclear crisis between North Korea and the U.S. and its strategy for accomplishing its goal through regional geopolitics.

In order to find a solution to the nuclear crisis, China accepted a mediator role in the Six Party Talks, composed of the two Koreas, China, Japan, Russia and the U.S. In view of China's good relations with both Koreas, the U.S. became dependent on China's role in resolving the Korean problem.

China considered the Six Party Talks an alternative which would solve the North Korean problem and later be developed as an institution for regional security, stability and economic prosperity. Thus, China believes it is crucial to take an active role as mediator to orient the talks to the long-term interests of the region. In turn, this would provide China with a firm position as a regional power able to control any arms race competition with its neighbors and an international reputation as peace maker.

Although there is still no clear breakthrough in the nuclear crisis, China demonstrated its ability to be an efficient peace process mediator during the last five Six Party Talks. Considering the fact that China is North Korea's only remaining channel of communication to the outside world, it is viewed as a vital actor in the negotiations.²

China skillfully maneuvered to engage North Korea without interfering in its domestic affairs, thereby protecting the Kim regime's survival. However, this "nonintervention" policy in turn prevented China from exerting greater influence and pressure to resolve the North Korean nuclear problem. China felt the consequences of its policy when it was criticized by the U.S government while getting little actual leverage out of North Korea.

After five rounds of negotiation without any tangible results,³ the objective of the Six Party Talks to resolve the North Korean nuclear problem seems to have lost ground, especially since last September when the United States, tired of Kim's behavior, started imposing sanctions on North Korean enterprises suspected of counterfeiting and money-laundering.⁴ China joined the US crackdown by freezing Macau bank accounts connected with illicit North Korean money laundering.⁵

In retaliation, Pyongyang declared it would boycott future talks and do whatever it deemed necessary for its own security. Despite repeated pleas by China, Kim Jong-il conducted a series of missile launch tests on the 5th of July 2006.

² Yoon, Mi-Ryang: "Current Debates on the Durability of the North Korean Regime," *East Asian Review*, Vol 18, No.1, Spring 2006, pp. 3-33. See also, Yoon, Mi-Ryang: "A More Assertive Role for China", *International Herald Tribune*, 19 December 2005.

³ The last "Six Party Talks" was held in November 2005.

⁴ "North Korea's Mounting Troubles", *Times* (weekly), 7-14 August 2006.

⁵ "Macao bank cuts ties with North Korea", *Financial Times*, 17 February 2006.



It appears that North Korean leader Kim launched the missiles in defiance not just of the United States, Japan and South Korea but also of his erstwhile ally China. North Korea must have been publicly trying to raise doubts about the assumption that China is North Korea's unconditional ally and can exert strong influence on the Kim regime.

The evidence for this was first seen on July 4, when Wen Jiabao, the Chinese Prime Minister, explicitly warned North Korea not to heighten diplomatic tension with missile launches. At the same time, China dispatched Deputy Prime Minister Hui Liangyu and Vice Foreign Minister Wu Dawe to Pyongyang to meet with Kim Jong-il.

Nevertheless, after rejecting the Chinese Premier's call and refusing to meet with Beijing's envoys, Kim took the action of embarrassing his comrades in Beijing.

As a result, China condemned North Korea's missile launches and promptly joined the UN resolution on economic sanctions. This must have come as a shock to Kim Jong-il.

On October 9th, three months after the missile launch, North Korea proceeded with its nuclear test after giving China just 20 minutes prior notification. China immediately criticized North Korea and called for punitive action.⁶ China most likely felt betrayed and humiliated and that its Six Party Talks diplomacy had failed when Pyongyang implemented its plan despite Beijing's repeated warnings.

At this point, several questions arise: Why did North Korea, already isolated, economically desperate and heavily dependent on China not listen to its ally and commit such a suicidal action? Is China and North Korea's relationship over so that China can no longer influence Kim? What will happen to the Six Party Talks if China loses prestige as an efficient mediator no longer able to persuade North Korea? What will the U.S. do if China is incapable of being a successful mediator? What options will North Korea adopt in the future?

First, it seems that Kim Jong-il carefully calculated the likely outcomes of his action before launching the missiles and nuclear test. North Korea made clear that its nuclear test was compelled by U.S. threats toward its security and of economic sanctions.

North Korea took a serious gamble, hoping that its actions would force Washington to lift its financial restrictions against North Korea's counterfeiting and money laundering operations or at least accept bilateral negotiations on the nuclear issue.⁷

Kathryn Weathersby, who runs the Korea Initiative as part of the Woodrow Wilson Center's Cold War International History Project in Washington, D.C. says that "Kim is extremely skillful at getting enough aid and expanding its bargaining power using the disparities among the six parties."⁸

This view contrasts with that of many American politicians and analysts who say that North Korea's missile launches and nuclear test were suicidal. Kim must have known enough that North Korea is more than merely a buffer state for China. It has been a useful proxy,

⁶ "China calls for punitive actions on North Korea", *Financial Times*, 11 October 2006.

⁷ Ralph A. Cossa: "NK's Nuclear Threat: Now What?" *Center for Strategic & International Studies*, 13 October 2006.

⁸ Chang-hwan Chou: "North Korea launched missiles to limit China's horizontal policy," *Pressian*, 8 August 2006.



allowing China to probe the vulnerabilities of South Korea and Japan and to assert Chinese parity with the United States in matters of Asian security.

Another important factor that Kim comprehends well is that China's relationship with North Korea is now based on mutual economic necessity rather than political loyalty or shared ideology. Relations now are nowhere near as close as the "lips and teeth" relationship of the past when China suffered enormous sacrifices for North Korea during the Korean War.⁹ China is vital to the North Korean economy but China also depends on North Korea, although to a lesser degree.

As Pyongyang's economic ties with Japan and the US have atrophied, China, and to a lesser extent South Korea, have emerged as essential for North Korea's economic survival. Chinese exports to North Korea rose more than 50% last year to reach the US \$1 billion level. This is believed to comprise nearly half the North's imports. China has become a source of crucial infrastructure investment, including road and port facilities that would give China's two landlocked northeastern provinces of Jilin and Heilongjiang easy access to Japanese and South Korean markets. Chinese consumer goods make up over 80% of the North Korean market.¹⁰ This allows for the economic prosperity of the Chinese Northern provinces, which share a border with North Korea.¹¹

There is another reason why China cannot apply too much pressure on Kim. China is confronted with the dual situation of both high economic development and the instability it produces. In order to maintain steady economic development, one of its first priorities is to avoid conflict with other countries, especially North Korea, which shares a long border with China. Any conflict or war in the Korean Peninsula would jeopardize both its economic development and security. Considering all this, one can conclude that Chinese strategy toward the North Korean problem is not easy to carry out.

Immediately after the July 5th missile launches, China and Russia, which had resisted international action against North Korea, promptly signed on to the UN resolution calling for sanctions.¹² In addition, angered by North Korean behavior, China reacted against Pyongyang, which largely depends on Beijing for its energy needs, by reducing its crude oil supply to North Korea. The Washington Times newspaper quoted one source as saying "the reduction in supplies began in July when Pyongyang carried out a missile test." Also, technicians in Basan, the oil storage center approximately 12 miles from Dandong, in Liaoning Province where oil is sent to North Korea, confirmed the reduction of oil supply¹³ while not specifying its amount or time period. The oil cut was not officially confirmed just as the Chinese government did not confirm its cut in oil supply to North Korea for three days in 2003.¹⁴

⁹ Eckert, Carter J. *et al.* (1990): *Korea Old and New: A History*, Seoul, Ilchokak, p. 90. China alone lost at least 500,000 lives in the Korean War between 1951-1953.

¹⁰ Hong-kook, Kim: "China supply over 80% of North Korean consumer goods," *Views and News*, 20 July 2006. archomme@viewsnews.com

¹¹ South Korean officials, increasingly worried about Beijing's growing economic influence over the North, observe this phenomenon and refer to North Korea as a Chinese northeastern province.

¹² Hankook Il-bo: "China signed on to the UN resolution against North Korea," 16 July 2006.

¹³ "China cuts oil supply to N. Korea", *Washington Times*, 1 September 2006. An employee of the Basan told South Korea's Choson Ilbo newspaper that "(The decrease) is not small in quantity." See, Choson Il-bo, 26 August.

¹⁴ China cut its crude oil supply for three days just before the trilateral talks in March, 2003 (North Korea to attend talks in Beijing with China and the United States) as a reportedly diplomatic warning although China never confirmed that officially. North Korea imports all of the oil it consumes and oil accounts for about 6



This decision was in stark contrast to the one it made when a senior U.S. envoy, Christopher R. Hill, asked Chinese officials in May last year to cut off North Korea's supply of oil as a way of pressuring Pyongyang to return to disarmament talks. The Chinese rebuffed the idea at the time, however, saying it would damage their pipeline.¹⁵

Here again, China makes decisions according to its own interests independent of U.S. pleas. The dilemma for Beijing is that, on the one hand, it should not loose its grip over Pyongyang because that would weaken its influence as a mediator and endanger the security of the region; at the same time, however, it should not let Kim's regime collapse by pressing too hard.

In view of this attitude, China has gained very little leverage over North Korean behavior in proportion to its efforts. Only strong pressure combined with cessation of aid would give China a significant amount of leverage over North Korea. But this would bring about the Kim regime's collapse and China seems unlikely to commit to it for its' own sake.

The possible Chinese policies toward North Korea are as follows: although China joined the U.N. Security Council in condemning the missile launches and nuclear test as provocations and calling on member states to refrain from contributing to North Korea's weapons programs, there is some doubt that China will actively support this resolution.¹⁶ China agreed to limited sanctions as punishment but opposes military sanctions against North Korea in fear of it leading to a regional war.¹⁷

China will try to maintain the Kim regime's survival because North Korea's collapse will unavoidably bring an immense number of refugees to the border provinces and force China to pay billions to maintain them. China's main objective now is to keep the status quo and prevent an overly provocative act by North Korea, such as more nuclear tests or transfer of nuclear material to a third country.

Thus, for China, committing to the Six Party nuclear talks has served as a means of keeping the lines of communication open while maintaining the status quo. This policy was demonstrated in the summit meeting between China's Prime Minister Wen Jiabao and South Korean President Roh Moo-hyun during the Asia-Europe Meeting (ASEM) in Helsinki, Finland on September 10th. During the 50 minute talk, which was arranged at the request of the Chinese side, Roh and Wen discussed North Korea's nuclear problem.¹⁸

This meeting was significant in that South Korea and the U.S. would hold their own summit meeting a few days later. China tried to send a joint message to the U.S. that both South Korea and China oppose a hard line policy against North Korea.

China hopes to adopt new diplomatic measures in the aftermath of North Korea's nuclear test. As a first step, China held a summit meeting with South Korean President Roh Moo-hyun on Oct. 13th and agreed to take united action on the North Korean nuclear issue but

percent of total primary energy consumption, according to the Energy Information Administration, the U.S. Department of Energy's data arm.

¹⁵ "China Rejected U.S. Suggestion to Cut off Oil to Pressure North Korea", *Washington Post*, 7 May 2005. See also, *China Daily*, 8 May 2005.

¹⁶ China and Russia have been blocking a proposed condemnation of North Korea's nuclear arms program by the U.N. Security Council. See also, *Kyong-hyang Daily*, 4 Sep 2006.

¹⁷ Its reluctance to embrace severe PSI sanctions is meant to avoid any conflict or collapse in North Korea.

¹⁸ *The Korea Times*, 9 September 2006. *Daily Economic*, September 11 2006. *Dong-A Il-bo*, 11 September 2006. *Reuter*, 11 September 2006.



excluding any provision for military action.¹⁹ On the other hand, just one day prior to a scheduled October 19 meeting with U.S. Secretary of State Condoleezza Rice in Beijing, China dispatched State Councilor Tang Jiaxuan to Pyongyang as Chinese President Hu Jintao's special envoy to try to end North Korea's nuclear program and appeal to the North for restraint with a possible second nuclear test.²⁰ China, already recovered from the initial shock of the nuclear test's immediate aftermath, asked the U.S. to be more patient with North Korea while demanding Kim Jong-il complies with the international community's demand to return to Six Party disarmament talks.

Given this situation, the U.S. must recognize the limits of Beijing's ability and willingness to pressure Pyongyang beyond a certain point.²¹ In spite of China's cooperation with the U.S. in cracking down on North Korea's illicit banking activities in Macao and taking part in UN resolutions on economic sanctions for North Korea, Washington should realize there is no guaranty China would apply all the necessary economic measures to force North Korea's compliance on the nuclear issue. Without the cooperation of China and South Korea, North Korea's first and second largest trading partners respectively, in upholding the resolution, U.S. plans for either North Korean regime change or a nuclear free Korean Peninsula will likely not succeed.

Under these circumstances, the U.S. should seriously consider opening bilateral negotiations with North Korea or providing incentives for it to abandon its nuclear arms program and return to the Six Party Talks. Waiting for China to force North Korean compliance thoroughly will only provide Pyongyang more time to develop its nuclear arsenal.

¹⁹ *Korea Times*, 13 October, 2006.

²⁰ *Korea Herald*, 19 October, 2006

²¹ "The U.S. might ask China to stop North Korean 2nd missiles launch", *Weekly News Magazine* (Korean), No. 878, 22 August 2006. See also Beck, Peter: "China and North Korea: Comrades Forever?", *Northeast Asia Project: International Crisis Group*, 14 February 2006, at <http://www.crisisgroup.org>.