

China Policy towards North Korea and the Nuclear Question

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Abstract

The paper addresses the evolution of China's policy towards North Korea and its impact on the Korean peninsula and on big powers that shape the Peninsula's order. It discusses the fundamental dimensions of China's policy and the factors behind the change taking shape since the beginning of the Xi Jinping era. It is argued that China's strategy was marked by ambiguity as Beijing aimed at combining two contradictory objectives: gaining international credit by being seen as a neutral broker pursuing global peace and security; at the same time use North Korea to pursue its own geopolitical interest to contain the US, Japan and South Korea, the core of the US alliance in Northeast Asia. Moreover, China's policy towards the DPRK is a major factor in shaping North Korea's own strategy but has also considerable influence over other major players such as Russia and the US in particular. Regarding prospects for the future it is stressed that the North Korea question is first and foremost a US-China issue. Convergence between China and the US on sanctions is now breaking down making more evident that Washington and Beijing have different priorities with respect to North Korea, the former attaches priority to denuclearization while the latter is primarily concerned with preserving stability and the *status quo* in the Korean Peninsula in order to ensure Beijing's national security. This sets the stage for the new phase where, after the failure of sanctions, negotiation gains a new relevance to cope with the consequences of what is believed to be an irreversible reality that North Korea became already a *de facto nuclear power*.

Key Words: North Korea, nuclear programme, China policy, broker role, denuclearization

Introduction

Korea has been historically a battleground of fierce competition between big powers China, Japan and Russia, in particular in the XIX century, and continues to be so to this date. The emergence of Japan following the Meiji modernization and consolidation of military supremacy, translated into the victories over China in 1895 and Russia in 1905, led to Japanese hegemony paving the way to dominance over Korea which became a Japanese Protectorate in 1905 and a Japanese colony in 1910 inaugurating Japan's colonial empire in Asia. The US victory in the Pacific War led to the dismantlement of the Japanese empire in 1945 and a new ascendancy of Washington in East Asia anchored on nuclear supremacy and the strategic alliances with Japan and South Korea. In the aftermath of World War II the first signs of division of Korea by the two superpowers emerged with the American and Soviet occupation zones. The deadlock in the Korean War consolidated the division of the Korean nation in two States, the Democratic People's Republic of Korea (DPRK) North Korea and the Republic of Korea (ROK) South Korea, separated by a demilitarized zone, which technically still remain at war.

The nuclear question surfaced for the first time in the Korean Peninsula context in 1953 when President Eisenhower threatened to use atomic bombs against North Korea and Communist China, if necessary, to end the Korean War and solve the military stalemate¹. This threat was instrumental in bringing about the armistice but has also set in motion a long term process of nuclearization starting with the determination of China to acquire nuclear weapons to protect herself and provide

¹ Edward Keefer, "Foreign Relations of the United States, 1952 - 1954, Korea," 15(Part 1 and 2) (United States Government Printing Office, Washington, 1984), accessed November 11, 2018, <https://history.state.gov/historicaldocuments/frus1952-54v15p1>. For example the documents Memorandum of Discussion at the 173rd Meeting of the National Security Council, Thursday, December 3, 1953 (doc. 811) part 2; Memorandum of Discussion at a Special Meeting of the National Security Council on Tuesday, March 31, 1953 (doc. 427); Note by the Executive Secretary (Lay) to the National Security Council (doc.437).

a security guarantee to its ally and subsequently by DPRK's own nuclear programme.

Although North Korea nuclear programme started in the late 1950s with the assistance of the Soviet Union, since the end of the Cold War and the collapse of communist regimes in Eastern Europe, North Korea accelerated its programme of development of nuclear weapons in order to upgrade its international negotiation position in dealing with the new threats of the post Cold War and ensure regime survival.

More recently this process was stimulated by the dynamics of nuclear proliferation as a result of the combined "demonstration effect" of positive precedents of acquisition of a nuclear status in the cases of India and Pakistan and their acceptance by the international community; and the negative counterexamples of Iraq and Iran where failure to acquire a nuclear status and the option for engagement with the international community led to regime collapse or severe undermining. In this post-Cold War context China has been the main ally and the security guarantor of North Korea as well as the broker between Pyongyang and the international community exploring to its advantage the ambiguity of being perceived as a responsible global actor that contributes to security creation, and at the same time ensuring the survival of a regime that challenges the very foundations of international order.

This paper aims at analyzing the features and evolution of China's policy towards North Korea and its impact on the Korean peninsula issue, probably the most serious global security concern. It is structured in three sections. The first section addresses the fundamental dimensions of China's policy and analyses the change occurred since the beginning of the Xi Jinping era. The second section looks at the factors that account for change, discusses the main objectives of Beijing and the dilemmas it faces. The third section is concerned with the impact of China's policy on other key actors and their strategies and looks in particular at the China-US interaction which are the key players to stabilize the Korean Peninsula and built a long-term solution.

China Policy and Structural Change

The People's Republic of China (PRC) has been since the Korean War the key player in sustaining the North Korea regime. China has consistently been North Korea's main ally, anchored on the 1961 Treaty, security guarantor, main trade partner and provider of strategic goods and ideological inspiration. Since the end of the Cold War and resisting the democratization tide both China and North Korea remained the two most robust authoritarian regimes in Asia. Although China's policy towards North Korea has evolved and adapted to the new circumstances of the post Cold War era, it remained anchored on the same principles and characterized by continuity in terms of its fundamentals.

However, in the last few years since Xi Jinping came into power in 2012, China's policy underwent a fundamental change so that we can depict a contrast between the phases before and after Xi Jinping. As Snyder argues the first is dominated by China's priority to prevent the collapse of the North Korean regime while the second by the priority to preserve stability and peace in the Korean Peninsula.²

In the post Cold War period before the Xi Jinping era China's policy contents included four structural elements. Firstly, China's alliance with North Korea was upheld anchored on the 1961 Bilateral Treaty signed between Kim Il-Sung and Zhou Enlai, the China-North Korea Mutual Aid and Co-operation Friendship Treaty, which includes a mutual defense clause in article 2 that binds Beijing to provide a security guarantee to Pyongyang

"The Contracting Parties undertake jointly to adopt all measures to prevent aggression against either of the Contracting Parties by any state. In the event of one of the Contracting Parties being subjected to the armed attack by any state or several states jointly and thus

² Scott Snyder, "Will China Change Its North Korea Policy?," *Expert Brief* (March 2016), <https://www.cfr.org/expert-brief/will-china-change-its-north-korea-policy>.

being involved in a state of war, the other Contracting Party shall immediately render military and other assistance by all means at its disposal.”

China perceived North Korea as an ally and more than that assumed since the end of the Soviet empire the role of the sole ally of Pyongyang in the international system. Support to North Korea was provided through both official channels, involving trade, aid and supply of strategic goods, but also non-official channels, namely through Macao which has been operating since the late 1980s as the most important center for money laundering for North Korea’s revenue from criminal activities as well as for the management of Kim family’s business interests³. The sanctions applied to Macao-based Bank Delta Asia by the Bush Administration in September 2005 illustrate the importance of this channel to provide Pyongyang hard currency obtained from illegal activities (counterfeiting US bank notes, traffic of narcotics, smuggled cigarettes, weapons proliferation, illegal art trade) and the case had a significant impact on the denuclearization negotiation process.⁴

Secondly, the main priority of China’s policy was North Korea’s regime survival, not denuclearization, in particular from 2003 onwards following the incident with the US aircraft and the pursuit of a nuclear power status by Pyongyang with the triple objective of securing domestically sup-

³ See Raquel Carvalho, “How Macau Became North Korea’s Window to the World...and Its Nexus for Weapons and Drug Trafficking,” *South China Morning Post*, May 6, 2017. See also Aidan Foster-Carter, “North Korea: Making up Lost Ground, Pyongyang Reacts,” *Comparative Connections Journal* 1(3) (January 2000); Glenn Schloss, “Beijing’s Interference Hurts SAR’s Image,” *South China Morning Post*, June 10, 1999. Regarding the criminal activities of North Korea in Macao organised around the Zokwang Trading Co., see *Far Eastern Economic Review* (October 25, 2001).

⁴ The case of Delta Asia Bank had a high visibility as it motivated the sanctions by the US Bush Administration to freeze US 25 million funds of North Korean money followed by the Bank of China’s decision to freeze North Korea accounts in its Macao branch. See Hun Kyung Lee, Sung-Jo Park and Byoung Chul Park, “Standoff and Progress in North Korea Nuclear Dilemma after the Joint Statement,” *Asia Europe Journal* 7 (2009): 529-42. This put high pressure on Pyongyang and led North Korea to show a will to conclude the February agreement leading the US to release the frozen funds transferred first to Dalkombank in Russia and finally to Foreign Trade Bank of North Korea.

port and control over the military, providing an insurance policy to ensure regime survival and balancing South Korea's economic successes.⁵

Thirdly, China's international broker role as Beijing used its strong influence in Pyongyang to act as the representative of the international community to moderate North Korea's position and mediate the conflict. This had a double objective. On the one hand to protect the North Korea regime by softening sanctions and moderating more radical approaches from the international community, in particular from the US. On the other, to gain international credit and prestige behaving as a broker between North Korea and the international community and facilitating the emergence of a perception of China as a responsible global power that Beijing has used as leverage in other international issues.

This strategy was marked by ambiguity as China aimed at combining two contradictory objectives: gaining international credit and be seen as the neutral broker pursuing global peace and security; but at the same time to use North Korea to pursue its own geopolitical interest to contain the US, Japan and South Korea, the core of the US alliance in Northeast Asia perceived by Beijing as aiming at China's containment, in the context of a new phase of strategic competition with the US that emerged since the late 1990s. In spite of the apparent commitment to solve the problem, China's real intention was neither reunification nor denuclearization but rather the maintenance of the status quo which offered the opportunity to explore the ambiguity that best served Beijing's interests.

Fourthly, the development of the multilateral approach through the implementation of the Six-Party talks from 2003 until 2008, and then suspended as a result of North Korea's withdrawal, focused on denuclearization and ending the North Korea nuclear programme. China was the coordinator of the process and this structural element of China's policy was also aimed at diluting Beijing's responsibility and reduce risk.

5 Shinichi Ogawa, "North Korea's Nuclear Development, the Non-Proliferation Treaty Regime, and Regional Security," in *The North Korea Crisis and Regional Responses*, ed. Utpal Vyas et al (East-West Center, 2015), 28.

China Policy in the Xi Jinping Era

In the Xi Jinping era and following North Korea's third nuclear test and launch of an intercontinental missile in 2012 it is possible to depict substantive changes in China's policy at four different levels.

First, the change in policy priority which is no longer regime survival but the stability in the Korean Peninsula and to maintain the *status quo*. China is no longer prepared to prevent North Korea regime collapse at all costs, refusing to pay costs that might affect China's national interests, international position and reputation or jeopardize China's own security.

A second dimension concerns the change in the nature of China-North Korea bilateral relations and its normalization, implying from Beijing's point of view a transition from ally to normal state-to-state relations thus leading to a downgrading of relations between Beijing and Pyongyang.

This resulted in Beijing's becoming more distant from, and critical of North Korea and enhancing cooperation with the US on the matter of denuclearization. This resulted in convergence of positions in terms of support to UN sanctions, starting with the 2013 round, and refusal to accept and recognize North Korea as a nuclear state. As a consequence the level of tension between Beijing and Pyongyang has increased significantly during this period, with China exerting higher diplomatic pressure and losing influence.

Based on the significant deterioration in bilateral relations between Beijing and Pyongyang in the last two decades, Mastro⁶ questions the conventional wisdom that China does not want to push North Korea in the direction of denuclearization and argues that the traditional assumptions - ally status; China wants to prevent instability in the Peninsula in particular a refugee crisis; China needs North Korea as a buffer state between China and South Korea and US – are no longer valid and therefore in case of

⁶ Oriana Mastro, "Why China Won't Rescue North Korea: What to Expect If Things Fall Apart," *Foreign Affairs* (January-February 2018).

conflict China would intervene not to rescue and ensure North Korea's survival but rather to secure its own interests. However, Mastro's argument is based on an extreme scenario of large scale conflict and can be over-exaggerated in normal circumstances. In fact, this weaker commitment to ensure regime survival does not mean that China would precipitate or take any imprudent action that could facilitate regime collapse. In other words, China still supports North Korea regime survival under normal circumstances but is not prepared to do that at any cost, namely if that might severely hurt its core national interests.

There is also a third new dimension concerning the development of China's closer relations with South Korea, both at the economic and political levels. This new dimension aims not only at balancing more the relations with the two Koreas and thus exert pressure on North Korea, but also at undermining the US-ROK alliance by nurturing stronger economic ties with Seoul, a similar strategy applied in relation to Japan, and increasing the dependency of South Korea on the Chinese market thus making Seoul more vulnerable to retaliation and pressure. Economic ties and dependency counterbalances and undermines Washington's political influence.

China became South Korea's first trade partner and both top export market and source of imports absorbing 142 US billion or 24.8% of total South Korea exports and providing 20.5% of total South Korea imports in 2017⁷. This facilitated the exercise of Beijing's geoeconomic power clearly demonstrated recently by China's retaliation in 2017 as a response to the deployment of the US THAAD missile system in South Korea at Seongju, perceived by Beijing as a threat to its security and a betrayal of South Korea seen as joining a US-led coalition to contain China. The retaliation affected mostly the interests of South Korean firms in China and a reduction of 20% in Chinese tourist flows to South

7 World Trade Organization, "Trade Profiles South Korea," accessed October 15, 2018, <http://stat.wto.org/CountryProfile/WSDBCountryPFView.aspx?Country=KR&Language=acceded>.

Korea with a negative impact on its economy.⁸

This new policy was pursued through a two-leg implementation strategy. The first leg relates to the threat to suspend the defense obligation foreseen in article 2 of the 1961 mutual defense treaty in case North Korea starts the conflict. Since 2010 China has put forward a reinterpretation of article 2 when the representative of China in Pyongyang Dai Bingguo expressed the view that if North Korea would attack first South Korea (or the US) and initiate a war, Beijing would not help or support North Korea. In other words, China's obligation to defend North Korea would only apply if Pyongyang would be attacked and therefore forced to defend itself.⁹ This had a strong impact on Pyongyang and led the regime to act autonomously without consulting China and to seek help from other powers, namely Russia who is believed to be behind North Korea's recent rapid progression in ICBM technology, leading to the production of the Hwasong-14 missile able to reach US soil.¹⁰

The second leg relates to China's imposition of limited economic sanctions against North Korea, under UN Security Council and US pressure, such as the suspension of coal imports from North Korea in February 2017 as well as the suspension of oil sales to North Korea and Chinese banks restricting DPRK financial activities in September 2017. In this case it is interesting to note that Russia stepped in and sold Pyongyang the oil it required thus compensating for China's sanctions.

⁸ See Michael D. Swaine, "Chinese Views and Commentary on Periphery Diplomacy," *China Leadership Monitor* (44) (Summer 2014).

⁹ Memoires of former South Korea's President Lee Myung-bak, "President's Time" (2015).

¹⁰ Michael Elleman, "The Secret to North Korea ICBM Success," *Survival Global Politics and Strategy* (October - November 2017). International Institute Strategic Studies(IISS) argues that the success of North Korea ICBM technology translated in the intercontinental ballistic missile Hwasong-14, is explained by the access to a high performance liquid propellant engine the SD-250 engine from soviet times, produced by Yuzhmash factory in Ukraine and transported through Russia and with Russia's complicity. Along the same line Yuri Fedorov, a Russian military expert argued that the missile Pyongyang launched over Japan on August 29 used Soviet technology provided by Russia, see *Nikkei Asian Review* (September 2, 2017), accessed November 10, 2018, <https://asia.nikkei.com/Politics/Putin-s-shadow-lurks-behind-North-Korea>.

The issue of sanctions is very relevant for China's credibility and commitment to uphold the UN Security Council resolutions which approved economic sanctions under article 41 of the UN Charter. Beijing is under high pressure as it is the key player capable of making sanctions work and be effective insofar China is North Korea's main trade partner accounting for 92.5% of overall North Korea trade reaching US 6 billion in 2016 but declining to 2.8 billion in 2018.¹¹ Moreover, China is responsible for supplying basic strategic goods to North Korea, mainly food (99% of rice imports come from China) and energy, in particular crude oil with imports estimated at US 230 million in 2016. China largest import from North Korea was coal and mineral fuel amounting to US 1.2 billion in 2016 accounting for 45% of total imports, before the suspension in 2017.

More recently, the sanctions approved in September 2017 by the UN Security Council in response to the DPRK sixth nuclear test, have imposed more restrictions on oil sanctions to maintain crude oil exports at 4 million barrels and limits exports of refined products at 2 million barrels annually¹² forcing China to act as mentioned above. In December 2017 a new package was approved in reaction to the intercontinental ballistic missile test including the toughest sanctions yet approved centered on two targets: strangle the oil supplies; and tighten restrictions on exports of North Korean workers and smuggling¹³ as they are two important sources of foreign exchange earnings.

11 "Annual Report on North Korea's Trade Relationships," KOTRA REPORT" (July 2017), accessed November 5, 2018, <http://news.kotra.or.kr/user/globalBbs/kotranews/11/globalBbs-DataView.do?setIdx=249>.

12 UN Security Council Res S/RES/2375 (September 11, 2017). This implies cutting oil supplies from the outside by 30%. The resolution also imposes restrictions to North Korea exports, by banning textile exports and creating restriction to exports of workers. This is particularly relevant to Russia which is believed to employ alone more than 40,000 North Korean workers.

13 UN Security Council S/RES/2397 (December 22, 2017) further restricts exports to North Korea cutting refined oil exports by 89% and forces countries that receive North Korea workers to send them back home no later than 24 months after the approval of the resolution.

Policy Change: Dynamic and Determinant Factors

The change in policy reflects deepening strategic divergences between China and North Korea and results from the interplay between different factors that account for this change.

The change in China's policy is primarily explained by geopolitical considerations related to the fact that the increasing North Korea threat has contributed to strengthen both the US presence and its alliances in the region which from Beijing's point of view are primarily directed at China's containment. Pyongyang's unilateral advances in the nuclear programme and provocations was the excuse used by the US to expand the military presence in Northeast Asia, namely through the THAAD missile system deployed in South Korea perceived by China as presenting risks to its security at the same time it affected the balanced position of South Korea between the US and China thus undermining China's closer relations with and influence in Seoul.

Secondly, the domestic support to North Korea within the Chinese Communist Party elite and Chinese public opinion has declined as a result of increasing costs for China aggravated by Pyongyang's refusal to implement reforms, an "open door" policy and to follow China's model although there are recent signs that this might be changing¹⁴. The economic and social troubles of North Korea have strong negative effects on China, namely increasing crossborder refugee flows and aid flows. In addition, Pyongyang's direct defiance of China, best illustrated by the fact that in early 2016 for the first time North Korea carried out a nuclear test without previously informing Beijing, further fuelled more negative attitudes on

¹⁴ More recently this seems to be changing with signs of reforms as informal markets develop and a certain commercialization process using public assets, for example state vehicles to operate transport enterprises, as argued by Bernhard Seliger in his presentation "North Korea's Political Economy: Hybrid Economic Institutions and the Contributions of German Order Policy" (paper presented at the Hans Seidel Foundation, Conference 7th Dialogue on Social Market Economy-Globalization Failed?, Seoul, November 14-16, 2018).

North Korea.

As argued by Girard¹⁵ there is also a symbolic dimension at play associated with the circumstance that the present underdeveloped status and radical attitudes of North Korea became a source of “embarrassment” for China insofar there is an uncomfortable parallel that reminds of China’s radicalism during the cultural revolution, a closed, poor and underdeveloped country, a memory that the present rich, successful and powerful China wants to forget and distance itself from. While Girard argues that this makes Beijing reluctant to act against North Korea it can also be argued that China is also more prone to distance itself from, and be less supportive of Pyongyang. Along the same line it is worth noting that there is a strong parallel between the current discourse of the DPRK on the nuclear option and the discourse of China on nuclear weapons in the 1960s when it became a nuclear power.¹⁶

Third, the North Korea strategy of proliferation and to become a nuclear power defies the international regime of non-proliferation which China is strategically committed to upheld for reasons of international prestige, defense of the privileges of the P5 nuclear powers and above all to prevent the nuclearization of Japan and South Korea as a response to North Korea’s proliferation.

In spite of the change in China’s policy towards North Korea this has not solved, on the contrary might have even worsened, the increasing dilemmas China is facing. The first is that while the broker role brought prestige and leverage to China in the past, the lack of control and declining influence over Pyongyang as well as the failure to prevent North Korea’s acquisition of a nuclear power status implies a high risk of loss of prestige

15 Bonnie Girard, “North Korea: China’s Unwelcome Mirror,” *The Diplomat* (January 25, 2018), accessed October 25, 2018, <https://thediplomat.com/2018/01/north-korea-chinas-unwelcome-mirror>.

16 Yevgen Sautin, “Today’s Nuclear North Korea Is Yesterday’s China: Lessons from History,” *The Diplomat* (August 5, 2017), accessed October 10, 2018, <https://thediplomat.com/2017/08/todays-nuclear-north-korea-is-yesterdays-china-lessons-from-history/>. He points out that the US is presently in a similar position in relation to North Korea as it was 50 years ago when facing the prospect of Maoist Cultural Revolution China becoming a nuclear power.

for Beijing at present and could be regarded as a defeat for China. This would weaken China's position in the region and therefore Beijing is eager to gain some distance in order to ensure that if the North Korean regime collapses it is not dragged with it. Clearly China wants to preserve some "room for manoeuvre" to be one of the key players to reshape the new post-Kim order in the Korean Peninsula and this constitutes the fundamental objective for Beijing in order to ensure the protection of its national interests.¹⁷

The second dilemma concerns the future of Kim's regime. On the one hand, an eventual collapse of Kim's regime brings about high costs for China insofar it sets in motion a possible scenario of reunification under South Korean and US leadership, the worst perspective for Beijing, by far more negative than having to deal with a defiant North Korea as noted by Snyder¹⁸. In this case Beijing would be confronted with the presence of US troops at its borders and with the political cost of Pyongyang's fall be perceived as a defeat of China. But, on the other, China cannot be seen as the provider of political and economic support to a rebel North Korea that can put at risk global security which would affect negatively China's global status.

Furthermore, the freeze of North Korean assets and other economic sanctions do not ensure Pyongyang will abandon the nuclear programme but are likely to create risks of strangulation and precipitate the collapse of the regime which China is not interested in facilitating. Similarly, possession of nuclear weapons does not ensure alone regime survival, other conditions have to be met.

In the context of China's increasing assertiveness as a global power and stronger influence after the 2007-2008 global financial crisis, the North Korea issue is the most sensitive and risky global issue for China where its capacity to balance the US influence and protect its security close to its borders is being tested, with a high risk of damages to China's structural

¹⁷ See Mastro, "Why China Won't Rescue North Korea."

¹⁸ See Snyder, "Will China Change Its North Korea Policy?"

power in case it fails to attain its objectives which is likely to affect or even interrupt its rising dynamics. Moreover, a stable and peaceful regional environment is seen by China as a fundamental condition for the continuity of its economic growth performance and prosperity and North Korea might just disturb that.

The Impact of China's Policy

The change in China's policy has significant implications for other key players, in particular for the position of the US, as well as the dynamics of the Korean Peninsula. The impact on North Korea itself was significant. Beijing's distance and more critical positions and above all the threat to withdraw the mutual defense guarantee led Pyongyang to speed up the nuclear programme in order to become a de facto nuclear state seen as the sole insurance policy for regime survival in the absence of China's guarantee. More recently, Beijing strategy seems to be paying-off as it is regaining influence in Pyongyang, illustrated by the beginning of partial economic reforms in North Korea and the coordination for the preparation of the US-DPRK Singapore summit in June 2018.

There has been also an important impact on Russia which after a period of low profile following the end of the Cold War became more active in supporting the North Korean regime not only economically, through the admission of North Korea workers, but also in military terms providing in recent years access to technology to develop intercontinental ballistic missiles able to reach the US soil. One line of argument is that Moscow seems to have taken advantage of Beijing's loss of influence and greater distance to gain ascendancy, as well as to create difficulties to Washington, following a competition logic. However, an alternative interpretation considers that it seems highly unlikely that Moscow would have advanced this far in an area of strong Chinese concern and influence without some understanding with Beijing, suggesting that this was jointly planned between Moscow and Beijing and therefore could be seen as a manifestation

of cooperation to support North Korea in the context of their “comprehensive strategic partnership.”

The coordination was again activated in September 2018 when Moscow backed Beijing’s proposal to ease sanctions on North Korea in opposition to, and to counterbalance, the US position signaling that the 2017 UN Security Council consensus to apply tough sanctions to Pyongyang, in particular among its permanent members, is breaking down. Moreover, a new trend is emerging as trilateral coordination talks were held between China, Russia and North Korea¹⁹ to discuss solutions aimed at easing the UN sanctions on North Korea. To a certain extent this can be seen as a kind of three-party talks that provide an alternative strategy and work as a pressure mechanism to return to the multilateral Six-Party talks where the US and its allies are also present.

The impacts of China’s policy change on US positions and policy were also significant. First, the US took the opportunity provided by worsening relations between China and North Korea to press China to get closer to the US position and to support tough sanctions on North Korea, committed to a more assertive position in the international system knowing that this would further complicate Beijing-Pyongyang relations. Moreover, the US put high pressure on Beijing to apply economic sanctions that could strangle the regime trying to put China in a “catch 22” position, either to contribute to regime strangulation or be accused of not complying to international obligations weakening in either way China’s strategic position. In this context the core of US policy were UN sanctions combined with a series of “war games” episodes, military hostile acts involving the intensification of US-South Korea military exercises like the one carried out in in the spring of 2016 which was unprecedented in scale.

¹⁹ The coordination meeting between the deputy foreign ministers of Russia, Igor Morgulov, China Kong Xuanyou and North Korea, Choe Son Hui was held on October 9, 2018 in Moscow to discuss the easing of sanctions and it was announced that there is a China-Russia roadmap to the Korean Peninsula, see “China, Russia, and US Sanctions on North Korea,” *The Diplomat* (November 13, 2018), accessed November 30, 2018, <https://thediplomat.com/2018/11/china-russia-and-us-sanctions-on-north-korea/>.

Second, Washington exerted simultaneously more pressure on China to deliver, to achieve results both in denuclearization and prevention of horizontal and vertical proliferation, preparing the stage to blame China for the failure to control North Korea nuclear programme and to undermine its international prestige when it knows Beijing lost influence. This entailed a US devaluation of the Six-Party Talks process which is in contradiction with the strategy to make China individually responsible for negative developments.

However, China got closer to the US on sanctions to reinforce its international position and prestige but first and foremost to moderate sanctions and contain the US leadership and radical stand. This would be more effectively done by being engaged than by resisting sanctions when the decisive question is effective implementation which Beijing can control and manipulate.

Third, China's new policy of closer and denser economic and political relations with South Korea since 2013 had relevant implications for US-South Korea alliance as relations became more tense. Yet, at times there has been a convergence in adopting more radical positions towards Pyongyang insofar the US policy towards North Korea was heavily influenced by South Korean conservative hardliners as has been argued by some observers, in particular in 2015-2016, leading to a more radical US position. This entailed an intensification of joint military exercises with South Korea and flights of nuclear bombers which sent hostile messages to North Korea that in response escalated its missile tests²⁰. Until 2016 in spite of cultivating closer relations with China, South Korea balanced that with a joint coordinated approach with the US on North Korea, the "strategic patience approach."

More recently tensions have been increasing between Trump and Moon who advocate differing approaches insofar President Moon does not support a "sanctions only" approach to North Korea, contrary to the

²⁰ Van Jackson, interview with Alex Ward on December 12, 2018, Vox, <https://www.vox.com/2018/12/12/18130628/north-korea-trump-nuclear-war-jackson>.

view the US and South Korea have shared in recent years, and pursues a more independent position from the US.²¹ These tensions were also fuelled by the US increasing bilateral trade deficit under the US-South Korea Free Trade Area (KORUS FTA) leading the Trump administration to press for renegotiation. Paradoxically at present South Korea relations are more tense both with Washington, because of North Korea strategy and trade dispute over US-South Korea FTA, and Beijing, because of China's retaliation for the THAAD location.

In short, as China got closer to the US on sanctions and more distant from Pyongyang, Washington took advantage and decided, in the absence of Beijing counterbalancing role, to harden its position and move to a "sanctions only" approach complemented by regular US-South Korea military exercises hoping to deter Pyongyang more effectively as China was not supporting the DPRK position. This simplistic hardline approach has contributed to precipitate the process and accelerate North Korea's acquisition of effective nuclear weapons as a guarantee of regime survival.

Looking into the future, while it is increasing clear that China alone is not able to solve the North Korea question it is also clear that the US alone is not able to attain that goal either. President Trump's initiative to held the June 2018 Singapore summit with Kim Jong-un was aimed both at domestic objectives on the one hand, and at international objectives, first and foremost to strike the contrast and gain advantage over China by implicitly underlining Beijing's ineffectiveness to change North Korea course of action, on the other. It was based on the conviction the US could alone tackle the problem on a bilateral basis and relaunch the negotiations but ironically ended up legitimizing the North Korea regime and went a long way in the direction of acknowledging the nuclear state status. It is clear that Pyongyang will not give up its nuclear weapons programme, has not taken any step to denuclearize and seems to be first and foremost committed to consolidate its de facto nuclear state status.

²¹ See Mark Menyin et al., "US-South Korea Relations," *Congressional Research Service Report* (May 23, 2017).

The consensus on sanctions seems to be breaking and China is increasingly distant from the US about a “sanctions only” approach advocating instead a necessary return to negotiation and the revitalization of the multilateral Six-Party talks chaired by Beijing. In contrast, the US is resisting this framework, as long as there is no clear sign of a concrete action of dismantlement of the nuclear programme, and exploring a bilateral dialogue approach hoping to gain leverage and advantage in the strategic competition with China at the same time President Trump seeks to gain domestic credit for electoral purposes.

In spite of the US recent initiatives to deal directly with North Korea and to find a solution, the Korean Peninsula question and North Korea denuclearization is primarily a China-US issue, a fundamental question for the two big powers and a test to their respective capacities to manage and balance structural strategic competition and cooperation. An agreement between China and the US is a necessary condition to design a solution to the North Korea issue and any arrangement to be viable has from Beijing’s point of view to safeguard China’s national strategic interests.

Conclusion

In the post-Cold War era China has been the main ally and the security guarantor of North Korea as well as the broker between Pyongyang and the international community exploring to its advantage the ambiguity of ensuring the survival of the regime and pursuing the strategy to contain the US and its allies in East Asia, on the one hand, and building its image of a responsible global actor that contributes to security creation by acting as a broker and softening North Korea hardline path, on the other.

China’s policy towards North Korea is a fundamental factor that conditions Pyongyang’s behavior and strategy as well as the future prospects of a settlement of the Korean Peninsula issue. There has been a significant change in Beijing’s policy since Xi Jinping came into power in 2012 with different axis: in terms of its prime objective focused on stability and main-

tenance of the *status quo* in the Peninsula rather than North Korea's regime survival; new approach to sanctions translated in support for tougher sanctions to Pyongyang and convergence with the US a sign of more critical and distant position towards North Korea; Beijing closer ties with South Korea aimed at balancing more the relations with the two Koreas but also at undermining the US-ROK alliance by nurturing stronger economic ties with Seoul generating economic dependency that counterbalances US political influence.

The change is explained by the interaction between three major factors. First and foremost geopolitical considerations related to the fact that the increasing North Korea threat has contributed to strengthen both the US presence and its alliances in Asia aimed at China's containment. Second, the decline of domestic support to North Korea within the Chinese Communist Party elite and Chinese public opinion. Third, China's concern to preserve its image and commitment to uphold the international regime of non-proliferation insofar North Korea strategy defies the very foundations of that regime and above all to prevent the nuclearization of Japan and South Korea as a response to North Korea's acquisition of nuclear weapons.

The main argument is that China policy towards North Korea is a major factor in shaping North Korea's own strategy and policy, including on the nuclear programme, but has also considerable influence over other major players, in particular Russia and the US, in particular the direct and indirect impacts on changes in US policy. As China got closer to the US on sanctions and more distant to Pyongyang, Washington considered that favorable conditions existed to adopt a more hardline position based on a "sanctions only" approach combined with a series of "war games", to press North Korea and undermine China-North Korea alliance. This line, contrary to US expectations, has induced as a response the acceleration of the nuclear programme and intensification of the intercontinental missile tests apparently with Russian assistance, by a regime for which survival is undoubtedly its top priority.

The convergence between China and the US on sanctions is now

breaking down and it becomes clear that the US and China have different priorities with respect to North Korea, the former focused on denuclearization while the latter is primarily concerned with preserving stability and the status quo in the Korean Peninsula in order to ensure its national security. In other words, for China worst than North Korea becoming a nuclear power is a Korean Peninsula dominated by the US with American troops at its gates. This sets the stage for the new phase where, after the failure of sanctions, negotiation gains a new relevance to address the consequences of what is believed to be already an irreversible reality the fact North Korea became a de facto nuclear power. In this, the US and China remain the key players and cooperation between Washington and Beijing will be critical to find a structural solution likely to bring about stability and security to the Korean Peninsula.

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