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***Session III:
North Korea's nuclear program***

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China and the North Korea Nuclear Crisis

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Speculations about another nuclear test by the Democratic People's Republic of Korea (DPRK, North Korea) started in 2013 after North Korea conducted its third nuclear test in February. However, when Pyongyang carried out its fourth nuclear test on January 6, 2016, China, along with many other countries, was caught by surprise. In China's view, the nuclear test greatly increased regional instability and posed a heightened threat to China's national security. This assessment is not due to North Korea's nuclear program itself, but rather was due to the resulting enhanced US military posture in Northeast Asia, and more importantly, South Korea's increased determination to deploy the Terminal High Altitude Area Defense (THAAD) system. As the result, China supported the recent UN Security Council Resolution 2270, which imposed unprecedented sanctions on North Korea.

Despite the US and South Korea calling on China to change its policy on North Korea, China stands by its conventional wisdom of maintaining friendly ties with Pyongyang. Beijing's calculation is fundamentally based on a traditional realist perception of the geopolitical balance of power vis-à-vis the United States on the Korean Peninsula. While Sino-DPRK relations have encountered problems since 2013, China remains committed to sustaining the North Korean regime. In this sense, any contingency planning by the US and ROK on North Korea face enormous uncertainty, given China's potential intervention. Knowing that the Six Party Talks (SPT) designed to negotiate North Korea's nuclear program is unlikely to be resumed in the near future, Beijing has proposed a new dual-track mechanism to stimulate parallel dialogues to pursue a peace treaty and denuclearization simultaneously. Despite the unfavorable reception of the proposal by countries including the United States, this dual-track mechanism will be China's primary strategy in dealing with the North Korea nuclear issue for the foreseeable future.

One. China's Strategic Perception of the North Korea Nuclear Issue

Every time North Korea conducts a nuclear test or launches conventional provocations, the international community turns to China as the last resort for punishing the pariah state. This habit is fostered by the lack of options. The Kim Jong Un regime has demonstrated unexpected resilience, making regime change or the much-hoped collapse of North Korea unlikely. Military options could lead to disastrous consequences in almost every single way. Negotiation has been regarded as

a bad option: after the exhaustive efforts by the Bush administration through the SPT, the US and its allies are convinced that Pyongyang has no intention to denuclearize but uses the talks to extract economic benefits. This explains the US policy of “strategic patience” under the Obama administration for the past eight years.

China has been the largest economic supporter of North Korea, sending food and energy supplies that are believed to be the life support for Pyongyang. Beijing has also provided political protection for North Korea, diluting UN sanctions resolutions and mitigating military pressure by the U.S. and its allies. Much of the international community believes that if China can be convinced to turn against North Korea, or at minimum, meaningfully punish North Korea for its provocations, North Korea will either succumb to international pressure or implode. Either way, it would solve the problem at hand. To this end, much effort has been made to enlist Chinese support, including providing convincing reasons for how the North Korean nuclear program fundamentally opposes China’s national interests, such as: Pyongyang’s defiance of China’s preference for regional stability; the danger of a nuclear disaster given the proximity of its test sites to the Chinese border; the enhanced US security presence on the Peninsula necessitated by North Korean actions; the deployment of missile defense systems, such as THAAD; a potential North Korean refugee crisis; and the international pressure on Beijing to be “responsible” and not “enable bad behaviors.”

However, these efforts have not worked. China continues to support North Korea economically and is unwilling to meaningfully punish North Korea for its nuclear provocations. Although China supported the unprecedentedly harsh UNSCR 2270 due to international pressure, it made clear that it would not push North Korea over the edge. Instead, Beijing proposed a “dual track” approach, by which peace treaty talks with the North would proceed simultaneously with denuclearization negotiations. For many Western observers, this approach is nothing more than a new bottle for old wine, in order to give North Korea legitimacy and security that it does not deserve without the necessary commitment to denuclearization.

China’s behavior is firmly anchored in its own strategic assessment regarding the Korean Peninsula. From the Chinese perspective, North Korea is not, and probably will never be, China’s largest national security threat. That role is reserved for the United States. The US rebalance to Asia and the existence of its security alliances in the region makes China increasingly anxious and concerned about US strategic intentions toward China. Given President Xi’s ambitious, assertive foreign policy to “rejuvenate the Chinese nation,” strategic competition with the US in the region has become increasingly intense.

In the Chinese view, if China’s rise will inevitably clash with US dominance in the West Pacific, helping the US and its allies to resolve the North Korean threat (and

facilitate unification of the Korean Peninsula under South Korean leadership) will not only deprive China of an ally and all the policy leverage Pyongyang offers, but it will also strengthen the US regional alliance system that may potentially “target” or “impact” China in the future. Since the end goal of such a scenario on the Korean Peninsula creates a bigger threat for China, the question for Beijing is why should China help the US and South Korea on North Korea, opposing its own security interests.

Whether continued North Korean defiance and deterioration in Sino-DPRK relations would change China’s answer to that question remains to be seen. China’s displeasure is growing under President Xi, who is reported to be annoyed by the “tail wagging the dog”—North Korea’s endangerment of China’s national security in a reckless pursuit of its own security. Xi Jinping and Kim Jong Un have not yet paid an official visit to each other, which is unprecedented in the bilateral history. Despite the still effective Sino-North Korean Mutual Aid and Cooperation Friendship Treaty, which commits China to military and other assistance to North Korea against foreign attack, Beijing has sought to portray the bilateral relationship as a normal “country-to-country” relationship rather than the military alliance it is. Beijing’s rationale is in large part to mitigate the responsibility and pressure. However, this does not change the fundamental assessment that North Korea has great strategic utility for China given the US military alliances in the region. In the broader context of US-China structural competition, China sees North Korea as only one piece in its great game. Without addressing this fundamental strategic uncertainty, any efforts to persuade China to change its position are unlikely to succeed.

Two. Six Party Talks and the Proposed Dual-Track Approach

Although China’s opposition to North Korea’s nuclear development has been consistent, Beijing is sympathetic, or at least empathetic, with its cause. China sees North Korea’s nuclear program as Pyongyang’s last resort to pursue its national security and regime survival. While the means Pyongyang has adopted is problematic, this does not suggest the ends is any less justified. From China’s perspective, Pyongyang’s sense of insecurity is the result of the hostile policies by the US and ROK since the end of the Korean War. This has been exacerbated by South Korea’s economic success and North Korea’s comparative failure in its own economy for the past three decades. Strictly speaking, the Korean Peninsula is still in a state of “war”—the armistice was never transformed into a peace treaty. Therefore, when the Chinese government discusses “peace” as one of its priorities on the Peninsula (the other two are stability and denuclearization), it refers to the official ending of the

Korean War, the signing of a peace treaty, and diplomatic normalization between North Korea and the United States as well as South Korea.

In China's perception, the Six Party Talks, as the primary platform for nuclear negotiation with North Korea, was designed to address multiple issues. On the surface, it was a dialogue on the denuclearization of North Korea. Yet in order to achieve the goal, the Chinese maintained that North Korea deserves security guarantees and economic opportunities in exchange for its denuclearization. However, there are several challenges associated with the SPT. The first is the sequence of events: neither North Korea nor the US-ROK side is willing to compromise and take the requisite actions first, in fear that the other side will renege on its commitment. For North Korea, complete, irreversible, and comprehensive denuclearization will take away its last and most important policy leverage. If denuclearization does not render the desired security guarantees and economic benefits as negotiated, North Korea will end up with serious internal predicaments and external threats. On the other hand, if the US and ROK agree to the peace treaty and normalize relations with North Korea, and Pyongyang reverses its commitment to denuclearization, North Korea would have legitimized its nuclear weapons and achieved international recognition for its nuclear power status. The stake is extremely high for both sides, which explains their reluctance or incapability to take the first step.

The second problem with the SPT, in the Chinese view, is that neither North Korea nor the US-ROK side may be sincere in meeting each other's demand. North Korea wrote its nuclear strategy in its revised Constitution in 2012. During the Seventh Workers' Party Congress this past May, North Korea reiterated its pursuit of nuclear power status. To China, the fourth nuclear test reaffirmed the country's national resolve to not only "go nuclear" but to also "stay nuclear." Meanwhile, there is also very little indication that the US and South Korea are willing to recognize the North Korean regime as legitimate and accept it as a normal and equal member of the international community. Since North Korea's nuclear program was the only reason US and ROK engaged in dialogue and they do not see the authoritarian regime in Pyongyang as legitimate, they likely will maintain their hostile policy aimed towards regime change.

While Beijing understands well the deficiencies of the SPT, it maintains that it is the most viable platform for resolution of the nuclear issue. This position is a manifestation of China's limited policy options. Supporting either North Korea or the US-ROK side on the nuclear issue beyond the current level will jeopardize China's national interests one way or the other by emboldening either party and tipping the delicate balance on the Peninsula. Because of this, some Chinese analysts have

observed that dialogue is not necessarily aimed at solution for the North Korea nuclear problem, but rather at the prevention of escalation and military conflict.

Understanding each party's aversion to and the obstacles for the resumption of the Six Party Talks, China has instead proposed a dual-track approach, by which parties can simultaneously pursue parallel discussions on a peace mechanism to gradually eliminate the remnants of the Cold War on the Korean Peninsula and North Korea's denuclearization.¹ In China's design, the peace mechanism would serve to transfer the 1953 armistice on the Korean Peninsula to a permanent peace and security mechanism.

American and South Korean officials and analysts have been rather dispassionate about the dual-track proposal since its introduction. Nothing is really new about the approach, other than clearly defining the peace treaty and peace mechanism as part of the end goal. The proposal also addresses the sequencing problem in the Six Party Talks, by negotiating the denuclearization and peace treaty simultaneously. Yet though China's intention may be to portray peace and denuclearization as two sides of the same coin, the approach inevitably runs into the same problems as the SPT regarding the sincerity of the two sides' willingness to compromise.

There are major questions with regards to how the dual-track approach will be implemented. In fact, the Chinese policy community is also engaged in heated discussions about this question. One well-circulated suggestion is to host a "Four Party Talk" among China, the US, South Korea, and North Korea to replace the armistice with a peace treaty, and to resume the Six Party Talks to focus on North Korea's denuclearization. It is certainly bold for China to assume that these two issues could be treated and negotiated separately. But as long as the international community has no better option to deal with North Korea, the dual-track approach will be China's top strategy for the foreseeable future.

Three. North Korea Contingency and the Issue of Unification

In light of the stalemate on the North Korea nuclear issue, planning for North Korea contingencies (regime collapse) has been a popular theme for the US and ROK governments. Ample efforts have been made to engage Beijing in discussions, in the belief that trilateral planning is necessary to avoid miscalculation or confrontations.

¹ Yi Wang, "Chinese Foreign Policy and US-China Relations," Remarks Delivered at the Center for Strategic and International Studies Statesmen's Forum on February 25, 2016, https://csis-prod.s3.amazonaws.com/s3fs-public/event/160225_statesmen_forum_wang_yi.pdf.

China fundamentally rejects the belief that the collapse of North Korean regime naturally results in the unification of the Korean Peninsula led by South Korea through absorption. This attitude and China's determination to intervene and prevent such a unification scenario has upset many South Korean defense officials. Yet Beijing's calculation goes back to the geopolitical dilemma. As China's long-term goal is to preserve North Korea's strategic utility, if instability were to become pressing, beyond the immediate concern of "loose nukes" and refugee inflows, Beijing's top agenda item would be to protect China's strategic interest. This most certainly means the continued existence of a pro-Chinese (or at least China-leaning) North Korean regime, regardless of whether or not it is led by a member of the Kim family.

In Beijing's view, a Korea unified under current circumstances would most likely be pro-US, given the history and reality of the US-ROK alliance. US influence and alliance would prevail on the whole peninsula, regardless of whether or not American troops were deployed north of the 38th parallel. This would have a critical negative impact on China's security environment. Whether such a unified Korea would attempt to remain neutral is relevant but not a game-changer. China fundamentally sees South Korea as incapable or unwilling to challenge the US and its military alliance. Even if a unified Korea maintained neutrality, it would still tremendously damage Chinese influence on the Peninsula. It is believed that upon reunification, South Korea would be more assertive and ready to challenge China on bilateral and regional issues, with or without its alliance with the US. Therefore, many in China conclude that it has no reason to abandon its strategic leverage through North Korea, not only vis-à-vis the US, but also vis-à-vis South Korea.

This reality should not come as a surprise. There has been widespread speculation about China's potential invasive actions in the event of North Korean instability. Many focus on a Chinese military mission to restore stability and install a pro-Chinese functioning government in the whole or part of North Korea. Some reports go so far as to quote internal documents from the People's Liberation Army on China's plan to set up special camps to detain key North Korean leaders in the event of turmoil. Although the authenticity of these reports remain in doubt, observers should assume that China does have operational contingency plans, at least partially, if not entirely, aimed at preventing North Korea from falling into the hands of the United States and South Korea.

China and North Korea watchers have long believed that Beijing's agenda in North Korea is strictly limited to its three stated goals: stability, peace, and denuclearization. If this were true, China would not be so opposed to a South Korean-led reunification effort. The fact that Beijing has preferred to support the DPRK's continued separate

existence indicates that it has bigger and more important considerations. Unless Beijing determines the end goals in a South Korea-led unification to be beneficial to China's strategic interests, it will not engage in trilateral discussions or support any planning that Washington and Seoul pursue. Given this reality, any viable discussion on North Korea contingencies must begin with a genuine, credible, and realistic conversation about the agendas of the three sides, so as to address their shared and conflicting interests. Bypassing the most critical questions and focusing instead on operational details will achieve nothing.

Four. The South Korea Factor

In the past three years, two changes have occurred in China's relations with the Korean Peninsula. The first is the aforementioned deterioration of relations between China and North Korea. This coincides with a major improvement of relations between Beijing and Seoul, as a result of President Park Geun-hye's pro-China policy. Senior-level visits soared as President Park paid a state visit to Beijing in 2013, President Xi reciprocated the visit in 2014, and President Park attended China's World War Two military parade in 2015. Bilateral economic ties also picked up speed, culminating with the conclusion of a bilateral free trade agreement in 2015. Chinese analysts generally view the Sino-ROK relations as at its best stage since the establishment of diplomatic relations in 1992.

This rapprochement with South Korea presents a major dilemma to China's policy toward the Korean Peninsula. While Beijing is unwilling to abandon North Korea as a strategic ally, the prospect of gaining South Korea's friendship (or even loyalty) and undermining the US-ROK alliance has become not only more appealing but also more attainable. In the long run, if China could influence South Korea's alignment choice for it to be on China's side, much of the strategic vulnerability associated with US military presence on the Korean Peninsula would dissipate. The rapprochement over the past three years has made this scenario seemingly possible, but the future is far from certain. Even if this were to eventually happen, the transition towards equilibrium will be long, painstaking, fragile, and full of disruptions.

North Korea's fourth nuclear test attests to this reality. Immediately after the test, South Korea's first intuition was to turn to Beijing for policy consultation, coordination, and cooperation, based on the much improved relations in the past three years. However, concerned about this being interpreted as China's strategic shift, Beijing declined South Korea's invitation. The result was that South Korean public opinion reacted against China and Seoul began discussions with the US on the deployment of THAAD for its national security. Chinese analysts see the move as a

classic case of North Korea driving a wedge between China and South Korea, sabotaging the much-desired “honeymoon.”

Five. Conclusion

China’s policy on the North Korea nuclear issue is a complicated result of many factors at play. Anchored in a zero-sum geopolitical calculation, China’s default position is to reject any policy that could lead to the collapse of North Korean regime or intensify its provocations. As long as China does not believe that the US and ROK’s end goal on the Korean Peninsula will be conducive to improving China’s security and its geopolitical competitiveness vis-à-vis the United States, its current policy course is unlikely to change. The personal preferences of Chinese leaders and the temporary Sino-ROK rapprochement may help to slightly impact China’s perception, but they are far from altering China’s fundamental strategic assessment.