

Coping with Dual Challenges: China's New Policy Towards North Korea^{*}

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North Korea's fourth nuclear test in January, and satellite launch in February 2016, generated a new round of heated discussions on China's policy towards the DPRK. "North Korean nuclear issue is such an international problem that could not be resolved in a short time, and also a perennial trouble testing all countries".¹ However, China bears the brunt of criticism when North Korea conducts nuclear tests or engages in other provocative actions. With the evolving situation surrounding the Korean Peninsula in recent years, China has been made to confront dual challenges caused by North Korea's continuous improvement of its nuclear capability, and the US "rebalance to the Asia-Pacific" and "strategic patience" policy towards North Korea. This paper examines China's policy towards North Korea since Xi Jinping became the president of China, arguing that far-reaching policy changes have occurred on the Korean Peninsula, along with changes in China's foreign policy. Since China has exerted more pressure on North Korea and fulfilled its part of the responsibility, the "China bashing" is merely unfair in the wake of North Korea's fourth nuclear test. Due to the fact that other parties concerned stuck to their current policies and did not show much flexibility, the deadlock remained. Looking ahead, if the present trend continues, the situation might turn worse

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and lead to the very scenarios that China is trying hard to avoid. China should adopt a policy of “dual containment”, taking more proactive measures to delay the pace of North Korea’s nuclear development. At the same time, it is also necessary for China to adopt countermeasures to cope with US military deployment, so as to prevent the US inclination to resort to force, which could trigger an enormous catastrophe. The “dual containment” policy should aim at preventing the spillover effect of the North Korean nuclear issue by multi-pronged approaches and gain a better position to maximize China’s national interests.

I. DUAL CHALLENGES

China’s policy towards North Korea has gone far beyond the China-North Korea bilateral context, and become intertwined in a regional context, as well as with China’s relations with the US. In recent years, it has been witnessed that China is confronted with emerging dual challenges. In addition to the continued North Korean nuclear challenge, the challenge from the US has also intensified. With rising pressure being exerted from both directions, China may face an aggravated situation.

The North Korean Challenge

Since Kim Jong-un became the “supreme leader”, North Korea has continuously improved its nuclear and missile capabilities, and has not given up the pursuit of a nuclear state status like India.² North Korea revised its constitution, in which it declared itself a nuclear weapon state. Meanwhile, it adopted the “Byungjin Line”, pursuing the parallel goals of a nuclear weapon program and economic development. If it maintains the current pace of nuclear development, its stockpile of nuclear weapons would reach 100 by 2020.³ Judging by the statements of the National Defense Commission of the DPRK and remarks by its various senior officials, North Korea will stick to the following basic position: “If the US revokes its hostile policy towards the DPRK, and no longer threatens the autonomy and survival of the DPRK, the nuclear issue could be readily solved.”⁴ North Korean officials

told US participants in the “Track Two” dialogues held in Berlin and Singapore that they would not abandon their nuclear program. Immediately after UN Resolution 2270 was passed, North Korea launched ballistic missiles in quick succession, including submarine-launched ballistic missiles (SLBM), to show its defiance and its determination to quicken the pace of its nuclear program. Kim Jong-un declared that North Korea had achieved the miniaturization of nuclear weapons. According to the report of the Seventh Congress of the Workers’ Party of Korea (WPK), North Korea will stick to the “Byungjin Line”, lifting the quality and quantity of its nuclear arsenal. Meanwhile, it pledged a “no first use” policy and non-proliferation, claiming that it would not abandon the nuclear program until the whole world is nuclear free and would develop normal foreign relations like other nuclear weapon states have done.⁵

North Korea’s nuclear program constitutes a continuous threat to China’s national interests. As the first country withdrawing from the NPT and the only country conducting nuclear tests in the 21st century, North Korea not only undercuts the NPT regime, which China upholds, but also prompts the US to expand its military presence in Northeast Asia. The US takes steps to upgrade its anti-missile systems, build the Proliferation Security Initiative (PSI), and enhance trilateral military cooperation between

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the US, South Korea, and Japan. Growing US military pressure, together with human rights offensives and information penetration, will increase the risks of war and chaos on the Korean Peninsula. China’s security environment consequently deteriorates.

The US Challenge

The US is another major party involved in the North Korean nuclear issue. The Obama Administration’s policy towards North Korea, however, also poses challenges to China from different directions. One of the challenges comes from its “strategic patience”

policy. North Korea sought to restore bilateral talks with the US, but the US would not bear the “burden” alone; it repeated the formula of “abandonment for economic compensation and other benefits”, and refused to come back to the negotiation table. Washington failed to break the stalemate, except for asking North Korea to show its sincerity towards denuclearization. It reaffirmed that the US would not accept North Korea as a nuclear weapon state. Shirking its own responsibilities, the US kept asking China to exert more pressure on North Korea. The Obama Administration’s “strategic patience” policy actually amounted to strategic neglect which made the situation worse, failing to prevent North Korea from improving its nuclear capability. The other challenge China faces derives from the impulsive US threat of using force against North Korea, which represents the other side of policy options and goes beyond sanctions and deterrence. After North Korea’s fourth nuclear test, the US did not overhaul its existing policy. Instead, the Obama administration rallied allies and extended the sanctions into the areas of human rights and cyberspace. The US, South Korea, and Japan launched a new round of human rights offensives, including pushing the UN Human Rights Council and UN General Assembly to adopt a new resolution, condemning North Korea’s human rights record and demonizing its international image. They succeeded in having the Security Council discuss North Korean human rights for the first time. In terms of military deterrence, in addition to the “ROK-US Counter-Provocation Plan” and “Tailored Deterrence Strategy against North Korean Nuclear and other WMD Threats”, the US and ROK held military exercises, such as landing operations, decapitation simulation, and simulations of a Pyongyang occupancy, amongst others. Obviously, they began to increase preparations for contingencies in case of regime collapse. After North Korea’s fourth nuclear test, the US moved strategic bombers and an aircraft carrier to the region. A leaked video of US special troops’ exercise of entering North Korean nuclear facilities again caused wide speculations about a “surgical strike” against North Korea. Consequently, the US policy, together with North Korea’s provocations, aggravated tension and jeopardized China’s national interest.

Putting the nuclear issue into a larger regional context, the Obama administration's "rebalance to the Asia-Pacific" policy also prevents China and the US from further cooperation on Korea. To cope with China's rising influence and the Chinese reclaiming leadership in the Asia-Pacific, the US strengthened cooperation with its allies, such as supporting Japan's lifting of the ban on the collective right of defense and approving new bilateral guidelines for defense cooperation. It also meddled in the South China Sea dispute between China and neighboring countries, sold more weapons to Taiwan, concluded the Trans-Pacific Partnership (TPP) negotiations, and enhanced missile defense cooperation with Japan, Australia, South Korea, and India. After deploying an X-band radar in Japan, and 14 additional missile launchers and three new satellite stations in Alaska, the US decided to deploy its Theater High Altitude Area Defense (THAAD) system in South Korea, despite China's strong objection. The US security cooperation with its allies and the deployment of theater missile defense system posed huge challenges to China's security, further complicating the situation surrounding the Korean Peninsula and undercutting China-US cooperation on the Korean nuclear issue.

Amid challenges, dialogue remains the best option for all parties despite the fact that North Korea and the US have not shown interest in returning to the negotiation table. Nonetheless, the US was not eager to resume the Six-Party Talks (SPT) or bilateral talks with North Korea, but insisted that Pyongyang demonstrates its willingness to abandon its nuclear program. Washington reaffirmed that it would not talk for the sake of talking. North Korea, on the contrary, insisted on the unconditional resumption of talks, and rejected the "Iranian nuclear model". North Korea proposed peace talks and a moratorium on nuclear testing in exchange for the suspension of joint military exercises by the US and South Korea, which were rejected by Washington. China formally put forward a proposal to pursue, as a parallel approach, the denuclearization of the Peninsula and the replacement of the armistice agreement with a peace treaty. Regrettably, the proposal was not well-received. The US and South Korea focused more on sanctions and tended to favor bringing down the regime as soon as possible. North

Korea, angered with China's adoption of UN Resolution 2270, also rejected the proposal.

II. DOMESTIC DEBATE

North Korean nuclear tests and other provocations ignited anti-North Korea sentiment and policy debate among China's population, especially within elite circles. This provided the domestic context for China's new policy towards North Korea during the Xi Jinping era.

Just after North Korea's first nuclear test in October 2006, a debate surfaced among Chinese scholars. Some argued that China should punish and abandon North Korea, "fully integrate into the international community", and behave as a "responsible power" on the world stage.⁶ With more nuclear tests conducted by North Korea, policy debate has grown more heated and even bitter. The debates were mainly about North Korea's strategic importance to China, China-DPRK relations, China-US relations, and China's policy goals and options.

The DPRK's satellite launch and second nuclear test, unveiled in April and May 2009 respectively, divided the public in China regarding North Korean policy. Many scholars recognized that denuclearization would be unfeasible without regime change, based on their assessment that the nuclear program was a structural byproduct of the regime itself. They took a skeptical approach to resolving the issue through sanctions.⁷ A report, published by the International Crisis Group, summarized the difference among Chinese academic and policy communities. The "strategists", represented mainly by US-educated scholars and liberals, focused on the overall strategic mapping of China's global interests and China-US relations, prioritizing cooperation with the US over China's relationship with North Korea. They argued: China had consistently supported and provided assistance to North Korea, but had never got anything in return; North Korea's nuclear test site was so close to the border that it undermined China's security; North Korea challenged China's regional security interests, particularly if South Korea and Japan were to respond

by developing offensive military capabilities; North Korea ignored China's national interests, thus had become a strategic and economic burden for Beijing; and China should use its influence to change North Korea's policy.⁸ Some other scholars, think-tank policy analysts, retired diplomats and the People's Liberation Army officers were referred to as the "traditionalist" school. They had a zero-sum view of the stakes on the Korean Peninsula, believing that the US presented the largest potential challenge to China's national interests, and the relationship between China and North Korea was special, like "lips and teeth". They argued: China had a key interest in preventing international pressure that might lead to provocative actions by Pyongyang; China must continue to provide aid in order to avert instability; and North Korea, as a buffer zone, was a strategic asset, not a strategic liability.⁹ In sum, "strategists" advocated abandonment of Pyongyang, while "traditionalist" advocated maintaining a special bond between the two countries.

North Korea's third nuclear test spurred unprecedented debate, revealing China's deeper disillusionment with North Korea. Some academic and policy analysts criticized China's ideological thinking and the inconsistency among different governmental bodies.¹⁰ Deng Yuwen, a former editor of *Study Times*, a newspaper of the Central Party School, argued that China should "abandon" North Korea for its erratic and arrogant behavior. His major points were: a state-to-state relationship should not be built on ideology; geopolitical theory exaggerated North Korea's importance; North Korea would not carry out an open-door policy and would sooner or later decline or collapse; North Korea was increasingly becoming alienated from China; and China should be wary of North Korean blackmail.¹¹ "Centrists" began to emerge from the debate between the "strategists", who were willing to see gradual estrangement, and the "traditionalists", disillusioned by repeated DPRK disregard for China's interests. "Centrists" recognized that abandoning North Korea was not a realistic choice, but China did not need to cover up its displeasure like it had in the past. If North Korea hurts Chinese interests, China has to respond with punishment. But this does not mean China should side with the US.¹²

At the end of 2014, the debate appeared in Chinese printed

media. Wang Hongguang, a retired lieutenant general, advised that China should object to North Korean provocations. He argued that North Korea's political system did not share common ground with that of China; North Korea's importance to China was reduced due to the advent of high-tech warfare; the China-North Korea relationship was based on the respective national interest rather than a comradely relationship rooted in socialist parties; and that if North Korea provokes a war, China should not assist it.¹³ The "abandonment" school argues: North Korea is not a buffer state for China; it relies on China rather than vice versa; and to maintain its international image, China should not support North Korea any more. Others defended China's policy and blamed the failure on US policy. They argued: the North Korean nuclear issue should not be the reason for abandonment; it would be unwise and mistaken to overlook North Korea's strategic significance; China should not cut its bonds of friendship with North Korea simply on the ground that it has taken a different road of development; the frictions and discords between the two sides were normal in state relations; and abandoning North Korea would be catastrophic for China.¹⁴ The public debate, especially the views of the "abandonment" school, appeared in the state-run newspaper for the first time and was interpreted as a sign that changes were underway in China's policy.

North Korea's fourth nuclear test did not prompt as heated a debate as before, and harsh criticism on China's policy almost disappeared. Some discussions touched on how to break the stalemate and called on more constructive ideas. Some suggested that China should provide security assurance to North Korea, help North Korea rebuild railroads and ports, press the US to hold peace talks with the DPRK, and condemn the US military deployment and its large-scale and frequent joint military exercises with South Korea.¹⁵ Others suggested that China punish North Korea, provide security assurance to South Korea, and replace the armistice with a peace treaty.¹⁶ The debate is not about playing a game of blame anymore, but about creative thinking and proposals.

III. CHANGES IN CHINA'S POLICY

In the face of the dual challenges and its domestic situation, China has grown increasingly more resolute in safeguarding its national interests and more impatient with North Korea's repeated provocations. Since President Xi Jinping took office, China's policy towards North Korea has shifted to delaying the pace of North Korean nuclear development and preventing its provocations, indicating China's determination for non-proliferation. China has tried to redefine the China-DPRK relationship and address its policy in the context of Northeast Asian security and China-US relations.

Denuclearization First

China has upheld the denuclearization policy and urges North Korea to abandon its nuclear program. But, its handling of the issue has been misunderstood by North Korea. China embarked on a different course and left no chance for North Korea to question China's position on denuclearization. Since North Korea's third nuclear test in February 2013, China has hardened its tone and wording of criticism over North Korea and applied unprecedentedly heavy pressure by announcing denuclearization as the primary goal. On several important occasions, China has forcefully pressed North Korean compliance with its denuclearization commitment. When President Xi Jinping met with North Korean special envoy Choe Ryong-hae in May 2013, he took a stern tone and put the goal of denuclearization ahead of stability.¹⁷ When President Xi later met with President Obama at Sunnylands, he reiterated the same position. When Chinese Vice President Li Yuanchao led a delegation to celebrate the 60th anniversary of the armistice of the Korean War in July 2013, he also emphasized denuclearization in his meeting with North Korean leader Kim Jong-un. The changes of China's attitude were widely reported and perceived as positive by various parties concerned. When President Xi paid a state visit to the US in September 2015, he called for "complete and verifiable denuclearization" and claimed that "relevant UN Security Council resolutions should be implemented in full".¹⁸ China increased diplomatic pressure after

North Korea's fourth nuclear test in January 2016. Chinese Foreign Minister Wang Yi repeatedly affirmed that the "Korean Peninsula cannot be nuclearized, whether the nuclear weapons are self-made or imported and deployed".¹⁹ He used the expression that China "does NOT recognize the DPRK as a nuclear weapon state" after his meeting with US Secretary of State John Kerry in February 2016,²⁰ conveying China's strongest opposition to North Korea. China shifted to issue thinly veiled rebukes to North Korea's repeated bluffing. When North Korea issued belligerent statements throughout spring 2013 in response to UNSC Resolution 2094, Beijing put pressure on it, asking it to rein in its provocative actions as well as its blustery rhetoric about nuclear war. In April 2013, President Xi, at the Bo'ao Forum for Asia, warned that "no one should be allowed to throw a region and even the whole world into chaos for selfish gains." It was a rebuke at the parties who were responsible for the rising tension on the Korean Peninsula, but widely interpreted as an admonition against North Korea.

Tightening Economic Sanctions

China has maintained its opposition to economic sanctions in international relations.²¹ It strongly disagreed with the view that squeezing Pyongyang would produce compliance and capitulation, and maintained that sanctions could cause North Korea to become more aggressive and unpredictable.²² However, frustrated by the effects of available "carrots", China chose long "sticks" to curb North Korea's repeated provocations. After Pyongyang's third nuclear test, the Chinese government issued a public announcement to implement UN sanctions, in contrast to the quiet implementation it usually did in the past. In May 2013, major Chinese banks closed the accounts of North Korea's Foreign Trade Bank and stopped all business dealings with several North Korean banks. The central government instructed local governments to implement Resolution 2094, which led to more rigorous inspections of North Korea-bound cargo. In September 2013, China's Ministry of Commerce, along with three other ministries, jointly announced a list of items, the export of which was banned to North Korea. For the first time, China issued a comprehensive export control list targeted

at a specific country. It had resisted calls to link the nuclear issue with its normal bilateral trade relationship. Despite Washington's prior demands, Beijing was not expected to do anything as drastic as cutting trade ties. However, North Korea's fourth nuclear test prompted China to take unprecedented steps in blocking the flow of material resources and money for North Korea's nuclear development. Ultimately, Beijing began to translate Pyongyang's economic dependence on China into leverage. In April 2016, the Chinese Ministry of Commerce listed new restrictions on trade with North Korea. Notably, the new document completely banned imports of North Korean gold, titanium, vanadium, and rare earths and banned export of rocket fuel to North Korea. In 2014, Pyongyang's trade with China was somewhat US\$7 billion out of North Korea's foreign trade estimated to be US\$7.6 billion. Given that China usually contributes about 90 percent of North Korea's foreign trade,²³ China's trade embargo serves as a sign of fundamental change in its policy towards the North. China itself not only took seriously the implementation of UNSC Resolution 2270, but also asked other parties to fully implement it.

Redefining the China-North Korea Relationship

China and North Korea forged "blood ties" during the Korean War. In the 1990s, China de-emphasized the ideological bond between the two and explored options to build relations based on historical experience while preparing for the future. Upon the advent of the 21st century, China redefined the bilateral relationship from the perspective of a "normal state-to-state" relationship. However, the US still referred to China as North Korea's only ally and asked China to bear greater responsibility. North Korea, on the other hand, mistakenly holding that it has been standing on guard for China at the 38th parallel north and believed that it deserved assistance from China. North Korea's third nuclear test prompted China to address the "normal state-to-state" relationship more urgently. Regarding the impact of Resolution 2094 on the bilateral relationship, a Foreign Ministry spokesperson reaffirmed that the two countries had a normal state-to-state relationship; China strongly objected to North Korea's

nuclear test and upheld the strategy of denuclearization.²⁴ Foreign Minister Wang Yi redressed the relationship at his annual press conference. In regards to the question, “Does China see the DPRK as an ally, and would China fight the United States and assist the DPRK like it did during the Korean War should a war ever break out on the Korean Peninsula?” he said that China and the DPRK “enjoy a normal state-to-state relationship built on a deep tradition of friendship”, that “China both values friendship and stands on principle”, and that “we have an unwavering commitment to the denuclearization of the Peninsula and we will not accommodate the DPRK’s pursuit of nuclear and missile programs”.²⁵ The 1961 Sino-North Korean Treaty stipulates that China is obliged to intervene against unprovoked aggression, but it should not be interpreted that Beijing supports whatever Pyongyang does. Whether China and North Korea establish a “normal state-to-state” relationship, the bilateral economic cooperation would follow market economy mechanisms, resulting in fewer projects based on friendship.

Tilt to South Korea

China has long maintained an equal-distance policy towards the DPRK and ROK. In view as a whole of the nuclear issue, peace and stability on the Korean Peninsula, China’s peripheral diplomacy and China-US relations, China began to tilt towards South Korea. As far as high-level exchanges are concerned, President Xi Jinping visited South Korea in July 2014, the first time that a top Chinese leader visited Seoul before making a state visit to Pyongyang. Hailed by the ROK, the visit constituted a “monumental snub”²⁶ to the DPRK. President Xi Jinping met with South Korean President Park Geun-hye on the sidelines of the Nuclear Security Summit in April 2016, the seventh time that the two had met. In contrast, after Vice President Li Yuanchao’s visit to Pyongyang in 2013, high-level exchanges between China and North Korea almost grounded to a halt. President Xi has not yet held a summit meeting with Kim Jong-un. In the political and security fields, the ties between China and South Korea have steadily improved. China’s strategic dialogue with South Korea has reached a higher level than with the North. Chinese State Councilor Yang Jiechi initiated the first

strategic dialogue with his South Korean counterpart in November 2013. In contrast, China and North Korea merely held two rounds of strategic dialogues at deputy ministerial level in 2013 and 2014, which were totally suspended in 2015, and Foreign Minister Wang Yi only met with his North Korean counterpart briefly at the sidelines of the ASEAN Regional Forum. On the nuclear issue, China and the ROK maintained close coordination at various areas and have shared certain consensus. President Xi called President Park in early February 2016, the Chinese President's first phone call to a South Korean counterpart regarding the North's nuclear tests. They proposed cooperation at regional and global levels. Chinese and ROK navies held their first joint anti-piracy drills in the Gulf of Aden in November 2015. On the economic side, China and South Korea shared more interests than China had with the North. The two-way trade between China and North Korea was worth US\$6.56 billion in 2013.²⁷ In contrast, China's trade with South Korea amounted to US\$274.2 billion in the same year,²⁸ 40 times that with North Korea. China's investment in the South is also much larger than in the North. China and South Korea formally concluded a Free Trade Agreement (FTA), a milestone in bilateral ties. Furthermore, China strengthened financial cooperation with South Korea: the latter joined the Asian Investment and Infrastructure Bank (AIIB) as a founding member and sought to link the AIIB with its initiative of creating a Northeast Asian Development Bank. China and ROK also supported each other's grand designs in the Belt and Road Initiative and Eurasia Initiative.

IV. IMPLICATIONS OF THE CHANGES

Against the backdrop of China's support to North Korea over the past decades, China's recent policy changes are dramatic and profound. Yet, some basic goals and principles almost remain intact.

No Abandonment

Chinese policy changes mainly aim to constrain North Korea's behavior, pressing it to abandon nuclear weapons. However, this does not mean that China will abandon either its friendship with

North Korea or the North Korean regime. In late 2014, China reaffirmed its “traditional” friendship with North Korea to show goodwill. For instance, Liu Yunshan, a member of the Chinese Communist Party’s Politburo Standing Committee, paid a visit to the North Korean embassy in Beijing to attend a gathering commemorating the third anniversary of Kim Jong-il’s death. He expressed how China valued its traditional friendship with North Korea on the spot. In January 2015, China sent a congratulatory telegram for Kim Jong-un’s birthday, bringing up again the principle of “carrying on from tradition, looking to the future, maintaining good-neighborly and friendly relations, and strengthening cooperation”, indicating that China would like to press forward with the traditional relationship of friendship and cooperation. At a press conference of the annual “two sessions” of the CPC and CPPCC, Foreign Minister Wang Yi said that China cherished “traditional friendship with the DPRK”, and that “the China-DPRK relationship should not and will not be affected by a certain period or a single incident.”²⁹ Liu Yunshan visited Pyongyang to attend the celebration marking the 70th anniversary of the Workers’ Party in October 2015. Yet, China’s re-engagement efforts broke down when the North Korean band Moranbong visited Beijing and cancelled their performance in December 2015. Although China approved the strict implementation of Resolution 2270 in March 2016, Beijing sent a congratulatory telegram to celebrate the Seventh Workers’ Party Congress. The message described China-DPRK friendship as “the common precious treasure”, reaffirming that the Chinese Communist Party and government highly valued the bilateral relationship, and would develop bilateral relationship with the DPRK. The message not only wished the party congress great success, but also wished that the “China-DPRK relationship goes on from generation to generation”.³⁰

No Regime Change

Should China want the regime to fall, it could just cut off energy supplies and food deliveries or end all trade with Pyongyang, but China has not chosen to do so. As a matter of fact, China objects to any attempts undermining North Korea’s stability. Beijing still

supplies North Korea's energy needs and humanitarian aid, which are critical to the North's economic and social stability. Beijing still encourages Pyongyang to adopt an open policy and improve the people's living standards.

Regarding the enforcement of sanctions, Beijing is still opposed to restricting the flow of nonmilitary goods to North Korea. The latest announcement by the Chinese Ministry of Commerce includes some important exceptions. One such exception is the import of North Korea's mineral resources, which is permitted if the trade is "proved to be for the purpose of the people's livelihood" and does not generate revenue for North Korea's nuclear and missile programs, or other activities blacklisted by UN sanctions.³¹

No Use of Force

The changing approaches adopted by China exclude military means. Avoiding war and chaos on the peninsula remains China's long-standing goal. Chinese Foreign Minister Wang Yi reaffirmed, "We have a red line all along, that is, we will never allow war or instability on the Korean Peninsula."³² Should war break out again on the Korean Peninsula, the sadness of history would repeat itself. China has never approved military means to achieve denuclearization. In the early 1990s, China objected to the Clinton administration's plan to launch preemptive strike against North Korean nuclear facilities. Though infuriated by Kim Jong-un's provocations, China rejected the military option and accused the US of escalating the tension by mobilizing military resources. China insists that "There is no military solution to this issue. Otherwise, there will be war and turbulence on the Peninsula, which will not be acceptable for China."³³

China does not exclude peace talks as the major policy tool towards finding a solution. While Beijing puts more pressure on Pyongyang, it wants to find a way out rather than leave Pyongyang in despair. Just as Foreign Minister Wang Yi said, "Sanctions are not the end. Our purpose should be bringing back to the channel of a negotiation-based resolution,"³⁴ and "Having blind faith in sanctions and pressure would, in effect, be irresponsible to the future of the Peninsula."³⁵ China affirmed that "Equal-footed

dialogue, consultation and negotiation are the only right way forward.” As the host country, China urged that Six-Party Talks “be resumed as soon as possible”. It holds that “Some dialogue is better than none, and better early than late.”³⁶ Just after North Korea’s fourth nuclear test, China formally put forward a proposal to pursue, in parallel to other efforts, the denuclearization of the Peninsula and the replacement of the armistice agreement with a peace treaty. Denuclearization is the firm goal of the international community, while replacing the armistice is a legitimate concern of the DPRK.

No Choosing Sides

No matter how the policy changes in China, Beijing cannot side with the US and its allies on North Korea. In terms of denuclearization, China, the US, and South Korea share the same goal, and China-US cooperation is key to maintaining stability on the Korean Peninsula and preventing the situation from getting out of control. But evidence of a widening gap between China and the US is growing. Besides the rising strategic rivalry in the Asia-Pacific region, the differences between China and the US on the means by which to achieve denuclearization and stability have deepened. In regards to the resumption of Six-Party Talks, the US asked North Korea to take initial steps, yet the US government sustained its “strategic patience” policy and failed to make even a symbolic move towards opening a dialogue, such as stopping military drills. There was no sign of closing the gap between concerned parties, although China had made unremitted efforts.

The US complained that China’s policy change was not an overall shift in its strategy towards Pyongyang. Washington discovered the loopholes in Beijing’s implementation of financial sanctions, saying that Chinese scrutiny of the shipments to North Korea was episodic rather than systemic, and that China continued to provide North Korea with food and fuel. Bilateral trade volume between China and the DPRK continued to grow. Regarding Resolution 2270, China drew the line between “livelihood” and “non-livelihood” purposed trade with North Korea, which was also questioned by the US.

China has no common grounds with the US and South Korea on regime change. The US and South Korea want to realize the goal of denuclearization even at the cost of overthrowing Kim Jong-un's regime, but China excludes that as an option. China did not join their human rights offensives, and opposed the allegations at UN Security Council discussions about North Korean human rights. As an end game in terms of the fate of the Korean Peninsula, it will be very hard to sway China towards Seoul's beliefs on Korean reunification as long as South Korea stays allied with the United States.

V. DILEMMA CONTINUES

As far as the goal of "no war, no chaos, no nuke" is concerned, China's policy towards the North Korean issue since President Xi Jinping took office has been generally successful. The policy adjustment promotes China's firm position on denuclearization to other parties, which forces North Korea to consider China's response before brinkmanship. It also helps improve China's position in Northeast Asia. Against the backdrop of the US rebalancing policy, progress in the China-South Korea relationship could reduce China's pressure to a certain degree.

However, the policy adjustment was not as successful in resolving the nuclear issue, which is entangled with the policies of North Korea and the US. These are so complex that China alone could not find a solution. North Korea's fourth nuclear test weakened China's efforts since Xi Jinping took office. First, China-DPRK relations went downhill. North Korea suspended high-level exchanges with China, and did not hold an annual event to celebrate the anniversary of the Treaty of Friendship, Cooperation and Mutual Assistance between China and the DPRK, a symbol of traditional friendship. Both sides failed to celebrate the 65th anniversary of the establishment of diplomatic ties. Liu Yunshan's visit to Pyongyang in 2015 could be an opportunity, but produced no positive results. Second, China-ROK relations suffered from different responses to the test. President Park Geun-hye pursued a balanced diplomacy between China and the US, but she did not

hide her disappointment with China after North Korea's fourth nuclear test and moved closer to the US, as well as Japan, after they reached an agreement on the "Comfort Women" issue. South Korea and Japan also revived security cooperation. Third, the US consolidated its position in Northeast Asia. It drove a wedge between China and the ROK by using the leverage of THAAD deployment, and thus pulled South Korea away from China.

Dilemma in Dealing with North Korea

China pursues multiple goals, but it is always difficult to balance these contradictory targets. Just as a US expert said, "Beijing's approach was a synthesis of these contradictions. It supported stronger sanctions against North Korea because of the nuclear test, but celebrated the anniversary and cultivated the likely new leader."³⁷

Regarding China's dilemma, first of all, China could not afford to press North Korea at any cost. China could not force North Korea into a corner under current circumstances. Just as one high-level Chinese diplomat said, "Our mindset has changed, but the length of our border has not."³⁸ Although the international community did not accept it, North Korea is a *de facto* nuclear state. Given North Korea's special conditions, it is almost impossible for North Korea to abandon all its nuclear programs without a package deal. The North Korea nuclear issue is increasingly linked with regime survival. China will hesitate to increase pressure over North Korea, for fear of regime collapse. If North Korea collapses, the US and ROK may have the chance to "pull the chestnuts out of fire", and China's interest will be hurt. Furthermore, faced with the US and ROK moves towards regime change, if China does not intervene, its credibility will be at risk for not protecting a country which signed a formal treaty with Beijing. Besides the issue of regime stability, China has to consider the development of North Korean nuclear policy. "If North Korea views China as a reliable patron, albeit one

Although the international community did not accept it, North Korea is a *de facto* nuclear state.

that requires the periodic threat of nuclear breakout to mobilize, then its nuclear arsenal can remain limited and recessed. If not, then North Korea might move toward an alternative nuclear strategy, an aggressive first-use posture – including developing short-range and tactical nuclear weapons – to deter the conventional and nuclear superiority of the United States and South Korea.”³⁹ In the meantime, the return of geopolitics in Northeast Asia and rising China-US competition also furthered China’s pressure over North Korea.⁴⁰

Second, China could not easily build a normal state-to-state relationship with North Korea within a short time frame. China’s redefinition of its bilateral relationship with North Korea intends to curb North Korea’s behavior and prevent it from dragging China into a war; but this may be seen by Pyongyang as an intervention and cause North Korea’s distrust and doubts about China’s treaty obligations to grow. The Treaty of Friendship, Cooperation and Mutual Assistance stipulates that both parties consult with each other on all important issues, but North Korea did not notify China ahead of its nuclear test. North Korea faced an extremely difficult predicament and had to take abnormal measures. If China intervenes, it increases the DPRK’s resentment of its northern neighbor. If China does not intervene, then its foreign policy is at risk of being hijacked by North Korea.

Dilemma in Dealing with the US

Regarding its relationship with the US concerning the North Korea issue, China’s dilemma will also continue. The first is the issue of burden-sharing. The US tries to pass the buck to others and encourages China to take more responsibility. If China wants to push for a peaceful solution, it has to invest much more resources and bear the economic burden. If China lets things drift, the situation might become out of control and the North Korean regime stability could be at risk; at which point China would be faced with even more severe consequences.

The second is the issue of how to delay North Korean nuclear development. The US accused China of not preventing North Korea’s procurement of items that could be used for its nuclear

program. According to US charges, North Korean state trading companies were compelled to deepen relations with Chinese firms and paid higher premiums to Chinese middlemen to carry out illicit procurement, thus sanctions may have strengthened North Korean procurement activities.⁴¹ Evans Revere, former deputy assistant secretary for Asia and Pacific affairs, thought that Resolution 2270 did not include oil products, except if they were used for the nuclear and missile program, but it was hard to distinguish between livelihood and non-livelihood products. He believed that the new resolution would not affect North Korean companies; by way of barter trade between North Korea and China, North Korean companies could work in China after changing their company name; or at least there were the wages earned by North Korean labors.⁴² If China follows the US and cut off all trade with North Korea, China would have to abandon North Korea.

Third, exercising pressure on North Korea would not result in security improvement for China with regards to the US or ROK. Although China supports Resolution 2270, Washington and Seoul still declared the deployment of THAAD. The US will continue its military deployment and maintain its strategic advantage in the region.

China's dilemma in terms of sharing the burden and upholding its own stance on sanctions will continue in the long term. On the positive side, the dilemma gives expression to China's growing power and influence in Northeast Asia, an indication that China is indispensable in Korean Peninsula affairs.

VI. DUAL CONTAINMENT

More changes are needed in China's policies towards North Korea to reduce China's security dilemma and enable it to manage the crisis better. In this way, China can proactively shape the direction of the overall situation and improve its position by adopting a "dual containment" policy – containing both North Korea and the United States. China should more forcefully prevent North Korea from developing nuclear and missile capabilities, and at the same time prevent the worst possible scenario, i.e. use of force

by the US.

“Containment” reminds us of US “grand strategy” during the Cold War. In the post-Cold War period, the word was associated with the hardline US strategy. For example, it suggested dealing with an aggressive Russia after the dissolution of the Soviet Union. “Dual containment” was suggested in dealing with Iran and Saddam Hussein’s Iraq. “Containment” is so close to the US strategy that it becomes negative through the Chinese perspective. Nonetheless, “containment” is a word sufficient to convey China’s determination and position.

The main purpose of “dual containment” is to stem the spillover effect of the nuclear issue and prevent the situation from getting worse. North Korea’s repeated nuclear tests have provoked intensified international sanctions that could endanger its regime and regional stability. To maintain peace and stability, China has to stop North Korea from conducting a sixth nuclear test. First, China shall fully implement UN Resolutions by recognizing possible loopholes which could be exploited by North Korea. Suppose Resolution 2270 was implemented for a long enough period, it could enforce due punishment and stem North Korean nuclear development. Second, China need not be eager to restore its relationship with North Korea. China’s policy towards North Korea shifted to a tough-line approach after the third nuclear test, but its effect was negated by re-engagement with North Korea, who mistakenly believed that China needed North Korea more than North Korea needed China. China should wait and let the sanctions after the fourth nuclear test begin to work. Beijing need not take steps to improve bilateral relations and should create a link between North Korea’s behavior and the assistance China offers. Third, China should set up conditions on non-abandonment, so that Chinese foreign policy is not hijacked. If necessary, China should state clearly that it would not assist North Korea the second time if North Korea recklessly provokes a US-led surgical strike against its nuclear facilities. China’s action to contain North Korea will make the latter respect China’s security and interests, and will make the US and South Korea cooperate with China to maintain regional stability.

Containing North Korea's provocations does not mean siding with the US. Rather, China should vigorously oppose the impulse to resort to the use of force and penchant for regime change displayed by the US and forcefully ask the US to find a peaceful solution after it rejects China's proposal. To counter US insistence on THAAD deployment in South Korea, China should reserve its right to fight back through a multi-pronged approach, including enhancing China's ability to remove the THAAD threat and deepening security coordination and cooperation with Russia.

As we know from the Cold War experience, containment may utilize all available policy tools, both hard and soft. As for a peaceful resolution, it requires a balanced approach that could accommodate all parties' interests. If the situation could be stabilized and conditions created for negotiations, a viable solution is desirable. Considering the fate of Iraqi leader Saddam Hussein and Libya leader Gaddafi, North Korea will not abandon its nuclear weapons in the short term. Keeping this in mind, perhaps freezing North Korea's nuclear program could be a transitional plan towards the ultimate goal of complete denuclearization. In other words, the priority now is to prevent North Korea from improving its nuclear capability. All parties should be open-minded and take other parties' proposals seriously. Even the North Korean proposal to freeze nuclear tests in exchange for the suspension of joint military exercises by the US and South Korea deserves a second consideration. During the first nuclear crisis in 1993-1994, the US and South Korea suspended large-scale "team spirit" exercises to create conditions for resolving the nuclear issue. Reducing the scale and frequency of joint military exercises could create a good atmosphere to break the stalemate. Meanwhile, reviving the "leap day" agreement remains a viable option as a transitional plan, in which the US was to commit to providing nutritional assistance in exchange for North Korea's suspension for nuclear and missile testing, together with high-enriched uranium programs, and the support of the return of IAEA staff. The agreement did not accept North Korea's nuclear power status, and could help break the stalemate. In the process, all parties need to show their willingness to abide by the joint statement of September 19, 2005.

At present, the biggest problem is that three parties – North Korea, the US and South Korea – showed no interest in betting back to the negotiation table. The risk of conflict or war could increase, which bodes poorly for peace and stability on the Korean Peninsula. To prevent the uncertain and unstable situation from getting out of control, it is time for China to consider a “dual containment” policy.

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² India is a *de facto* nuclear weapon state, but it did not suffer international sanctions by the UN Security Council for its violation of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). Pakistan and Israel enjoy the similar status like India.

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