

# China and North Korea

## Bolstering a Buffer or Hunkering Down in Northeast Asia?

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CT-477

Testimony presented before the U.S.-China Economic and Security Review Commission on June 8, 2017.



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Published by the RAND Corporation, Santa Monica, Calif.

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*China and North Korea: Bolstering a Buffer or Hunkering Down in Northeast Asia?*

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Before the U.S.-China Economic and Security Review Commission

June 8, 2017

The Democratic People's Republic of Korea (DPRK) has proved to be a near-constant headache for the People's Republic of China (PRC) since the early 1990s.<sup>3</sup> Unlike China's relations across the Taiwan Strait with Taipei, which have improved appreciably since 2008, and relations with Washington and Tokyo, which have their ups and downs but remain cordial (if not exactly friendly), Beijing's Pyongyang problem has not abated and appears to be chronic. During the past two decades, China's unruly neighbor has conducted a series of nuclear tests and missile launches. Pyongyang's provocations have come in swift succession: In 2010, it torpedoed a Republic of Korea naval vessel and shelled an island near the Korean Demilitarized Zone (DMZ), killing 48 South Korean military personnel and two civilians. In subsequent years, it performed five nuclear tests and numerous missile launches. But this is not all. To add insult to injury, Pyongyang executed North Korea's key China interlocutor—Kim Jong-un's uncle, Chang Song-taek—in late 2013 and, more recently, assassinated Kim Jong-un's half-brother—who had been living under Beijing's protection—while he was traveling in Southeast Asia in early 2017. For the PRC, there has been no respite where the DPRK is concerned.

This testimony addresses the following topics:

- China's interests and strategy vis-à-vis North Korea
- North Korea's interests and strategy
- potential for cooperation between the United States and China on North Korea

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<sup>1</sup> The opinions and conclusions expressed in this testimony are the author's alone and should not be interpreted as representing those of the RAND Corporation or any of the sponsors of its research.

<sup>2</sup> The RAND Corporation is a research organization that develops solutions to public policy challenges to help make communities throughout the world safer and more secure, healthier and more prosperous. RAND is nonprofit, nonpartisan, and committed to the public interest.

<sup>3</sup> This paragraph draws from Andrew Scobell and Mark Cozad, "China's North Korea Policy: Rethink or Recharge?" *Parameters*, Vol. 44, No. 1, Spring 2014, pp. 51–64. Indeed, PRC-DPRK relations have long been bedeviled by tensions. See, for example, Jonathan D. Pollack, *No Exit: North Korea, Nuclear Weapons and International Security*, London: International Institute for Strategic Studies, 2011.

- key trends in North Korea and in China's relations vis-à-vis North Korea
- policy implications of this analysis for the United States.

## What China Wants

North Korea besmirches China's prestige and threatens its national security.<sup>4</sup> Beijing has been accused of consorting with unsavory regimes around the world. For example, in the lead-up to the 2008 Olympics, China found itself tarred as the bad guy in a humanitarian tragedy in Darfur because of Beijing's association with a Khartoum regime accused of perpetrating atrocities. China craves the reputation of a responsible global citizen and a force for good in the world. However, Pyongyang is not akin to Khartoum in Beijing's eyes. After all, North Korea is not some far-off, third-world state like Sudan. Rather, it is a radioactive Darfur on China's doorstep—a humanitarian disaster that is the subject of enormous international attention, led by a repressive dictator armed with ballistic missiles and weapons of mass destruction. Instability immediately across the Yalu River directly threatens domestic stability in China's heartland, if only because of the specter of many hundreds of thousands of refugees flooding into Northeast China. As a result, Beijing is ultra-sensitive to any hint of turmoil on the Korean Peninsula.

China's approach to the continuing high drama in North Korea also takes place within the broader context of Chinese assessments of the evolving overall balance of power in the wider region. While Beijing remains gravely concerned about Pyongyang's repeated provocations and its expanding nuclear and ballistic missile programs, its greatest concern is reserved for U.S. military presence and robust U.S. alliance partnerships in Northeast Asia. From Beijing's point of view, Pyongyang's nuclear and missile programs are most problematic in that they trigger what China sees as threatening military responses by the United States and its allies. China's adamant opposition to the deployment of Terminal High Altitude Area Defense (THAAD) in South Korea is a manifestation of this abiding concern.

China's key interests on the Korean Peninsula are routinely summed up as “three no's”—no war, no chaos, and no nukes (or “denuclearization”). While Beijing is undoubtedly sincere about desiring a nonnuclear Korean Peninsula, maintaining peace and stability on China's doorstep has received a much higher ranking than denuclearization. PRC Foreign Minister Wang Yi underscored these rankings when he stated in early 2014 that Korea was China's “doorway” and Beijing would not allow anyone to foment instability there. Since then, however, Chinese thinking has evolved as PRC assessments of developments on the Korean Peninsula have altered. Indeed, by 2015, Wang began to emphasize that, in Beijing's view, all three interests have become tightly interwoven and cannot be attained separately. In short, if lasting peace and stability is to be attained on the Korean Peninsula, denuclearization is essential. Speaking on

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<sup>4</sup> This paragraph draws from Scobell and Cozad, 2014. DPRK actions also embarrass China's leaders domestically, and Chinese leaders are sensitive to Chinese public opinion on this issue. See Simon Shen, “The Hidden Face of Comradeship: Popular Chinese Consensus on the DPRK and Its Implications for Beijing's Policy.” *Journal of Contemporary China* Vol. 21, No. 75, 2012, pp. 427-443.

September 2015, Foreign Minister Wang stated, “Without . . . denuclearization, stability on the Peninsula and peace in Northeast Asia will be hardly attainable.”<sup>5</sup>

Since 2014, there has been a noticeable chill in Beijing-Pyongyang relations. China’s response has not been to abandon North Korea; rather, Beijing has shifted gears from a strategy of “bolstering the buffer” to one of hunkering down on Pyongyang. China has held resolutely to its goal of preserving its North Korean buffer but adjusted tactics from actively funneling in a wide range of resources designed to strengthen its fragile neighbor to stubbornly standing by its truculent ally in the face of increasingly unfavorable conditions, growing international pressure, and significant domestic criticism of Beijing’s policy toward Pyongyang.

Beijing is extremely risk averse, and fear over the prospect of instability across the Yalu is paramount in the minds of China’s top leaders. They are afraid that if China gets too tough on North Korea that this will only exacerbate matters—Pyongyang will pull away and Beijing will lose what little influence it has, Pyongyang will escalate its provocations, or both. While China is not happy with the current situation, maintaining the fragile status quo is preferable to the uncertainty of change, which, from Beijing’s alarmist perspective, increases the potential for instability. While Beijing was not enthusiastic about dynastic succession following the December 2011 death of North Korean dictator Kim Jong-il, China accepted it, believing that it provided some semblance of continuity and hence was conducive to stability both in Pyongyang and in bilateral relations. But this assumption has since been repeatedly called into question by North Korea’s actions.

## What North Korea Wants

Conventional wisdom routinely identifies “regime survival” as Kim Jong-un’s foremost goal, but this phrasing can be misleading. While North Korean leaders are undoubtedly deeply insecure, they probably do not spend every waking hour fearful that their regime will be toppled tomorrow or even next week or next month. Kim Jong-un devotes substantial resources and attention to ensuring loyalty and maintaining strict control over the regime and North Korean society. However, these extensive efforts are not at the expense of planning for the future. Indeed, successive generations of DPRK leaders have formulated and sought to implement highly grandiose and wide-ranging long-term plans. In short, Kim Jong-un, just like his father and grandfather before him, has not only demonstrated a remarkable talent for political endurance but also a clear proclivity for ambitious designs.<sup>6</sup>

Many observers point to Kim Jong-un’s executions of family members and extensive purges as indicators of regime instability. But this begs the question, what is the nature of the regime in Pyongyang? If it is best described as a totalitarian regime, then such activities can be seen as the norm rather than the exception. Indeed, the executions, the purges, and a condition of fear or

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<sup>5</sup> Wang Yi, “Stick to the Spirit of September 19 Joint Statement and Direction of Denuclearization of the Korean Peninsula,” Stockholm: Embassy of the People’s Republic of China in the Kingdom of Sweden, September 19, 2015. As of May 26, 2017: <http://www.chinaembassy.se/eng/wjdt/t1298833.htm>

<sup>6</sup> Andrew Scobell, *North Korea’s Strategic Intentions*, Carlisle Barracks, Pa.: U.S. Army War College, Strategic Studies Institute, 2005a.

terror are all hallmarks of totalitarianism.<sup>7</sup> In this light, the Kim Jong-un regime appears significantly more stable and secure than has been widely depicted.

Nevertheless, totalitarian regimes are notoriously paranoid and ruthless. All indications are that Kim Jong-un is suspicious of everyone both inside and outside his regime. This includes deep distrust of Beijing—Pyongyang’s only formal ally. North Korea certainly does not trust China as a loyal friend or even an honest broker. Consequently, China has limited influence on North Korea. Of course, as a key provider of essential material inputs, Beijing has some real leverage over Pyongyang if it has the will to use it. North Korea is uneasy about being so heavily dependent on its northern neighbor.

In the context of this climate of insecurity, Pyongyang’s arsenal of nuclear warheads and ballistic missiles provides additional comfort and a greater sense of reassurance.

## China, North Korea, and the United States

As North Korea’s sole remaining great-power patron, China is a crucial player in any effort by the United States or other countries to exert influence or apply pressure on Pyongyang. Indeed, when successive administrations come into office in Washington with intentions to resolve the North Korean nuclear issue once and for all, they eventually turn to Beijing. The administrations of George W. Bush and Barack Obama each conducted North Korea policy reviews and concluded that the key to making progress on the issue was greater cooperation with the one country closest to North Korea economically and politically. In each instance, the initial outreach to China was positive, cooperation was real, but ultimately both administrations were disappointed when Beijing was unable or unwilling to deliver on Washington’s expectations. This pattern appears to be playing out currently with the Donald Trump administration.

It is worth briefly examining the most significant and sustained instance of U.S.-China cooperation on North Korea in the past two decades—the Six-Party Talks, held from 2003 to 2007. Although the talks did not ultimately have a happy ending, the initiative made noteworthy progress. Moreover, this complicated and involved diplomatic initiative is unprecedented in the annals of PRC diplomatic history.<sup>8</sup> The only comparable move Beijing had taken in the modern era was in Central Asia two years earlier with the founding of the Shanghai Cooperation Organization. Although this organization was a Chinese creation, it evolved gradually out of a decade-long series of confidence-building measures among countries that had little animosity toward each other. By contrast, in putting together the Six-Party Talks, China was coaxing and cajoling different countries with histories of conflict and deep-rooted mutual distrust and suspicion.<sup>9</sup>

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<sup>7</sup> See, for example, Andrew Scobell, “Making Sense of North Korea: Pyongyang and Comparative Communism,” *Asian Security*, Vol. 1, No. 3, December 2005b, pp. 245–266.

<sup>8</sup> The discussion here on the Six-Party Talks draws heavily from Andrew Scobell, “The PLA Role in China’s DPRK Policy,” in Phillip C. Saunders and Andrew Scobell, eds., *PLA Influence on China’s National Security Policymaking*, Stanford, Calif: Stanford University Press, 2015, pp. 198–217.

<sup>9</sup> Andrew Scobell, *China and North Korea: From Comrades in Arms to Allies at Arm’s Length*, Carlisle Barracks, Pa.: U.S. Army War College, Strategic Studies Institute, 2004, pp. 11–12.

After U.S. and coalition forces' remarkably swift initial battlefield successes in Afghanistan in late 2001 and the dramatic toppling of the Saddam Hussein regime in spring 2003, Beijing was reeling from the "shock and awe" of high-tech U.S. power projection. Increasingly, Chinese leaders worried about how to prevent a U.S. military strike against North Korea. Moreover, Beijing feared that a Bush administration intoxicated by a string of recent victories would pursue nothing short of the end of North Korea. According to an unnamed Chinese official interviewed by a U.S. journalist, "By early 2003, the situation was very dangerous. . . . [President] Bush said, 'All options are on the table.' China did not see this statement as an idle threat. . . . Only when China realized the dangers of confrontation, even military confrontation, did China change its low-key manner."<sup>10</sup>

According to multiple analysts interviewed in Beijing in September 2003, fear of what the Bush administration might do was the key motivator pushing Beijing toward a more proactive DPRK policy.<sup>11</sup> Chinese fears of the potential for instability on the peninsula were especially heightened because of the leadership transition under way from the third to the fourth generations in 2002 and 2003. The powerful desire for a smooth succession from Jiang Zemin to Hu Jintao prompted Beijing to step outside its traditional comfort zone.<sup>12</sup> Then the Bush administration offered China an opening. During a February 2003 visit to Beijing, then-Secretary of State Colin Powell suggested that China initiate multilateral talks on North Korea. Two weeks later in New York, Powell held follow-on talks with Chinese Foreign Minister Tang Jiaxuan and pushed more vigorously for a Chinese diplomatic initiative on North Korea, implying that it was the only hope for averting an escalating crisis. Around the same time, a similar idea was gaining traction in Beijing. Reluctance to taking an activist role was replaced by a growing sense that if China wanted to avoid a showdown in Korea, it had no choice but to step up and launch a full-fledged diplomatic initiative.<sup>13</sup>

The policy solution was to bring the United States and North Korea to the negotiating table. This required two separate full-court presses: one in Pyongyang and the other in Washington. For Pyongyang, the effort was a combination of carrots and sticks. Beijing promised rewards but also hinted at strong-arm tactics. PRC Vice-Premier Qian Qichen visited Pyongyang in early March 2003, exhorting North Korea to come to the negotiating table. But there were also subtle messages, such as the temporary shutoff of an oil pipeline for a few days in mid-February. China never explicitly stated that the short halt was intended as blackmail, but North Korea seemed to take the hint. Moreover, the step was somehow reported and publicized abroad. The result was a perception that Beijing had finally gotten tough with Pyongyang—a very appealing interpretation in Washington, Tokyo, and Seoul. This was most helpful when China was trying to get representatives from all these countries to sit down with North Korea for multilateral talks.<sup>14</sup>

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<sup>10</sup> Quoted in Mike Chinoy, *Meltdown: The Inside Story of the North Korean Nuclear Crisis*, New York: St. Martin's Press, 2008, p. 165.

<sup>11</sup> Scobell, 2004, p. 14.

<sup>12</sup> Scobell, 2004, p. 21.

<sup>13</sup> Chinoy, 2008, pp. 165–166.

<sup>14</sup> Scobell, 2004, pp. 23–24.

Chinese efforts were particularly important because the Bush administration refused to show up for one-on-one talks with Pyongyang, insisting on multiple parties being seated at the table. China initially arranged three-party talks involving representatives of North Korea, the United States, and China in Beijing in April 2003. These ultimately led to a first round of the Six-Party Talks in August 2003, which added Japan, Russia, and South Korea.

A central lesson of this overview is that real, albeit limited, cooperation between the United States and China on North Korea is possible. The question is whether the key conditions of the 2003–2007 period can be replicated a decade later.

## Trends in North Korea and China's Strategy

Generally speaking, contemporary trends inside North Korea are fairly positive from China's perspective. However, the external trends are quite worrisome—particularly the DPRK's military activities (especially nuclear tests and missile launches) and tense relations with other states (especially the United States but also Japan, South Korea, and, of course, China). The domestic political situation seems relatively stable, with Kim Jong-un appearing to have consolidated power. Moreover, the North Korean economy seems to be reviving, agriculture is performing significantly better in recent years, and Pyongyang has been able to procure regime-sustaining income and inputs from overseas networks.<sup>15</sup>

These trends present a picture of mixed results for Beijing's "bolstering the buffer" strategy. China's sustained initiative to improve North Korea's economy has borne fruit, but China's diplomatic efforts have been much less successful. Militarily, Beijing's efforts have arguably helped sustain the buffer but have not prevented continued tensions on the peninsula. Since the early 2000s, China has embarked on a comprehensive effort to bolster North Korea's economic fundamentals and has undertaken concerted endeavors to get Pyongyang's economy off life support and to revitalize a range of economic sectors through a substantial injection of trade, aid, and investment.<sup>16</sup> China has been North Korea's top trading partner since the collapse of the Soviet Union. Most of North Korea's exports to China have been resources, such as minerals and fish.

Beijing has also provided hundreds of millions of dollars in foreign aid, much of it in the form of food grains and petroleum. The size of these shipments increased considerably in 2003, 2004, and 2005 according to available estimates.<sup>17</sup> This aid was reportedly the largest amount China disseminated to any country in the world and was allocated at the highest echelons in Beijing, rather than through the normal channels for dispersing development aid in the Ministry of Commerce.<sup>18</sup>

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<sup>15</sup> See, for example, Asan Institute for Policy Studies and the Center for Advanced Defense Studies, *In China's Shadow: Exposing North Korean Overseas Networks*, Seoul, South Korea, January 2017.

<sup>16</sup> This paragraph draws on Scobell and Cozad, 2014.

<sup>17</sup> See, for example, Scott Snyder, *China's Rise and the Two Koreas: Politics, Economics, and Security*, Boulder, Colo.: Lynne Rienner, 2009, pp. 113–117.

<sup>18</sup> Snyder, 2009.



China's diplomatic efforts have been less successful. During the past ten years, Beijing's diplomatic support to North Korea has come in two varieties. First, the PRC has not publicly condemned the DPRK (although there have been some mild tongue lashings) and has watered down or opposed United Nations Security Council resolutions on North Korea. For example, in December 2014, China and Russia were the only United Nations Security Council members to oppose including consideration of human rights in North Korea on the council's agenda. Second, as mentioned previously, China established the Six-Party Talks in 2003 to manage the North Korean nuclear issue, but these are now defunct.

China's military efforts have had very mixed results. The PRC has not disowned or distanced itself from the DPRK in the security sphere. Furthermore, Beijing's only formal military alliance is with Pyongyang; the Treaty of Friendship, Co-operation and Mutual Assistance Between the People's Republic of China and the Democratic People's Republic of Korea was signed in July 1961. The document commits one country to come to the aid of the other if attacked. However, there does not appear to be any real defense-coordination mechanism, nor do the terms of the treaty ever seem to have been invoked. While Chinese leaders have, on multiple occasions, stated publicly and privately that Pyongyang cannot assume that Beijing will come to the rescue, the treaty provides the justification for an intervention should Chinese leaders consider such a step to be necessary. Thus, the security relationship is perhaps best viewed as a "virtual alliance."<sup>19</sup>

The alliance may be a virtual one, but this does not mean that Beijing does not take it seriously or that the Chinese military (the People's Liberation Army) does not see it as real. For Chinese civilian and military leaders, this alliance remains relevant and personal. The alliance was sealed in blood during the early 1950s when the so-called Chinese People's Volunteers fought side by side with the Korean People's Army. Hundreds of thousands of Chinese soldiers gave their lives in the conflict, and Chinese troops remained in North Korea until 1958.<sup>20</sup> Many in China are upset by what they view as a dearth of North Korean gratitude for China's sizeable sacrifice. Consequently, Beijing's actions in a Korean contingency will be motivated by a steadfast desire to protect China's vital interests rather than out of any sense of allegiance to a formal ally.

## Meanwhile, in Washington . . .

The current tensions in China–North Korea relations and underlying distrust between Beijing and Pyongyang can be leveraged by Washington. On the one hand, this means that the United States cannot count on China to persuade or pressure North Korea; on the other hand, it suggests that Washington can use these factors to influence or pressure Pyongyang and Beijing.

The United States must approach North Korea as a multidimensional problem that defies straightforward solutions. That means taking the time to appreciate the complexities and interconnectedness of the North Korea challenge. While the focus of the U.S. North Korea policy in recent decades has understandably been on Pyongyang's nuclear weapons and ballistic missile

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<sup>19</sup> Scobell, 2015, pp. 199–200.

<sup>20</sup> This paragraph draws from Scobell and Cozad, 2014.

programs, there are other aspects to be incorporated into any new policy. Moreover, for any strategy or policy vis-à-vis North Korea to stand a chance of being effective, the United States must coordinate with its allies and partners, especially South Korea and Japan. Of course, coordination requires time and effort.

According to Secretary of State Rex Tillerson, the “strategic patience” approach of the Obama administration has ended. But this should not mean embracing impatience.<sup>21</sup> In America’s eagerness to achieve results on North Korea, the Trump administration ought not lose sight of the importance of moving judiciously and shunning deadlines when working with China (or North Korea, for that matter). Americans tend to be irrepressible optimists, believing that every problem has a solution and that near-term results are readily within reach. While this can-do spirit definitely has its upside, it also has a downside. This eagerness makes U.S. leaders prone to impatience and short timelines, which creates vulnerabilities that can be exploited by other countries. China possesses a corps of extremely skilled diplomats with extensive experience in negotiating with the United States on a wide range of issues, and these negotiators possess considerable patience and a long-term outlook. Fortunately, the Trump administration also has a talented bench of experienced diplomats and international negotiators inside and outside of government at its disposal. Moreover, the U.S. national security community has some extremely useful resources to draw upon.<sup>22</sup>

The Trump administration has reportedly adopted a North Korea policy dubbed “maximum pressure.” Ratcheting up pressure can be a viable option as long as it includes a release mechanism. In other words, if the United States doubles down on North Korea, Washington should also dangle a clear opening or illuminate a way forward for Pyongyang.

## Conclusion

The Korean Peninsula is an extremely sensitive piece of real estate for Beijing, and China is deeply worried by North Korea’s burgeoning nuclear and missile programs. However, Beijing is also worried by the specter of U.S. military actions against Pyongyang and by U.S. efforts to enhance operational capabilities and strengthen alliance relationships with South Korea and Japan (in particular, THAAD deployment in South Korea is currently a contentious issue for Beijing). At the same time, China is consumed by the very presence of highly capable U.S. military forces in Northeast Asia, not to mention a robust U.S. alliance structure in the wider region. North Korea, meanwhile, is fearful of *all* outsiders, including China, and keen to reduce its over-dependence on China. These facts—along with the current tensions in Beijing-Pyongyang relations—can be interpreted as either obstacles or points of leverage as the United

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<sup>21</sup> Mercy A. Kuo, “Trump’s ‘Rebalance’? Tillerson’s Asia Trip and Beyond: Insights from Andrew Scobell,” *The Diplomat*, April 3, 2017. As of May 26, 2017:

<http://thediplomat.com/2017/04/trumps-rebalance-tillersons-asia-trip-and-beyond/>

<sup>22</sup> This includes an excellent primer on how to negotiate with China, authored by veteran diplomat and RAND researcher, the late Ambassador Richard Solomon. See Richard H. Solomon, *Chinese Political Negotiating Behavior, 1967–1984*, Santa Monica, Calif.: RAND Corporation, MR-663, 1995.

States looks for creative ways to advance its policy to deal with obstreperous nuclear-armed North Korea.