



## Assessing China-North Korea Relations in the wake of Kim's China Visit



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### **Summary**

While China-North Korea relations have been deepening, the denuclearisation of North Korea remains to be achieved. China seems to be playing a double game and its claimed sincerity remains questionable. North Korea is unlikely to abandon its nuclear weapon development programme which has deterrence value especially considering that it does not trust China to come to its rescue in case of a threat to its security. As a result, the six-party talks remain in limbo. The US and South Korea feel helpless as long as China does not convey to Pyongyang firmly that it must abandon the path of weaponisation. Whether China make that possible remains a big question mark.

Two developments in North East Asia in May 2011 drew the attention of the world: the Japan-China-South Korea trilateral summit in Tokyo and North Korean leader Kim Jong Il's meeting with Chinese president Hu Jintao in Beijing.<sup>1</sup> While the former sent some positive signals for trilateral cooperation on a host of issues in the region, Kim's visit to Beijing raised eyebrows in the capitals of Japan and South Korea. Chinese Premier Wen Jiabao told President Lee Myung Bak and Prime Minister Kan Naoto in Tokyo during the trilateral summit that Kim's visit to Beijing - his seventh - was on the invitation of China to enable him to get "an opportunity to understand China's development"<sup>2</sup> and use that knowledge for North Korea's development. China gave similar explanations for Kim's earlier trips in 2001 and 2006. Wen further said that the agenda also included how to expand their bilateral economic relationship and provide additional economic aid to the poverty-stricken North Korean people. Both the leaders discussed the option of turning an island in the Yalu river, which borders both countries, into an industrial complex. What Wen meant was that Beijing was hoping to persuade Kim to embrace reform and open up his country, the two things that fundamentally changed the economic landscape in China. Interestingly, two of Kim's three visits to China in the past year were made when important meetings were being held between South Korea and Japan.

Kim may have timed his visit at a time when the trilateral summit meeting was taking place in Tokyo to make a point to the region that his country still enjoys Beijing's support. Kim's trip underlined the urgency of the North Korean regime to ensure that its alliance with China, its chief economic benefactor and defender, remains strong.<sup>3</sup> South Korea felt that North Korea insisted on the schedule at this time, which does not conform to international practice. His visit came just after North Korea rejected President Lee's "Berlin proposal" inviting him to a nuclear security summit on the condition that Pyongyang reach an agreement with the international community to abandon its nuclear programme. The visit also demonstrated that Pyongyang will not accept interference on its sovereignty, if President Lee has that in mind or if North Korea perceives his proposals as amounting to that.

It may be recalled that when Kim went to China in January 2001, he visited the Fudong district of Shanghai, the hub of Chinese-style capitalism. In particular, he was impressed by the kind of transformation that Shanghai has experienced in recent years. North Korean media gave adequate coverage, saying that "Shanghai underwent a sea of change."<sup>4</sup> Kim reportedly even chided his deputies asking, "What've we been doing over the past years."

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<sup>1</sup> The North Korean leader Kim Jong Il visited China from 20 to 26 May 2011.

<sup>2</sup> See Young Lee, "China Confirms Visit by North Korea's Kim", *The Wall Street Journal*, 22 May 2011, <http://online.wsj.com/article/SB10001424052702304520804576339052444645420.html?>

<sup>3</sup> "China Confirms Visit by North Korean Leader", *Global Security Newswire*, 23 May 2011, [http://gsn.nti.org/siteservices/print\\_friendly.php?ID=nw\\_20110523\\_6817](http://gsn.nti.org/siteservices/print_friendly.php?ID=nw_20110523_6817).

<sup>4</sup> "A More backwards China visit", *The Donga-a Ilbo*, 24 May 2011, <http://english.donda.com/srv/service.php3?bicode=080000&biid=201152445398>.

This led to speculation that Kim will soon introduce economic reforms. Inspired by what he observed, he initiated some economic reforms and planned a joint industrial zone on its border with China. South Korea at that time had predicted that the North Korean version of an aggressive drive for reform and change was likely to unfold, but these high expectations did not fructify. For inexplicable reasons, Kim soon abandoned these initiatives. Probably, he feared possible loss of political control<sup>5</sup> and a danger to his ambition of maintaining the hereditary succession of power. Kim's 2006 trip to China was even less promising though he visited the booming factory city of Shenzhen bordering Hong Kong in China's southeast. Despite the 'sunshine' policy of engaging North Korea followed by the 10-year liberal administrations of Kim Dae-jung and Roh Moo-Hyun in South Korea, Pyongyang continued to develop nuclear weapons and even launched attacks instead of implementing reforms and opening up the economy. If the movements for democracy in North Africa and the Middle East are any indication, North Korea's communist regime that rejects change will not be sustainable for a long time.

When Kim visited China in August 2010, Hu indirectly urged Kim to undertake economic reforms in his country. According to Scott Snyder, a Washington D.C.-based expert on North Korea at the Asia Foundation: "The Chinese had led the horse to the water many times, and now they were going to make the horse drink."<sup>6</sup> Cai Jian, a professor of Korean studies at Fudan University in Shanghai, says that though Chinese leaders hope Kim will learn from and emulate China's economic reforms, the chances of him copying China's model were scant. He says: "It's not that they're unwilling to learn, but they do face many difficulties. He [Kim] would worry that if he carried out Chinese-style reform and open up, then his regime and rule would be shaken – that would be his foremost worry."<sup>7</sup>

Kim rarely travels but his recent trip to China is his third in the past year, the previous two being in May and August 2010. This is probably because he wanted to ensure the peaceful succession of his third son, Kim Jong-Un, in the event of his death. Though the purpose of Kim's latest visit and its outcome will remain shrouded in mystery, Beijing's explanation that the trip was meant to give Kim lessons in economic planning is unconvincing. If this is so, there is no explanation as to why Beijing did not ensure that North Korea undertakes economic reforms. This visit too will make no difference in this regard. Going by Kim's itinerary, the trip had much to do with joint economic projects along the China-North Korean border. Does this mean then that the Korean leadership is finally ready for reforms and openness? Is Kim finally ready to emulate China's economic

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<sup>5</sup> Royston Chan, "N.Korea's Kim tours east China, economic ties in focus", *Reuters*, 23 May 2011, <http://in.reuters.com/assets/print?aid=INIndia-57198020110523>.

<sup>6</sup> Quoted in Chris Buckley, "China seen nudging North Korea's on economic reforms", *Reuters*, 26 May 2011, <http://in.reuters.com/assets/print?aid=INIndia-57296820110526>.

<sup>7</sup> Quoted in Chan, note 5.

development, which he described as a “cataclysmic change”. Is Kim really sincere about introducing reform and adopting the Chinese model of economic development? And did he bring a huge 70-member delegation in 26 railway carriages in order to expose them to the Chinese model? If all this is true, and this visit was not just to beg for food, then it could mark the beginning of North Korea's journey towards economic reform. The very fact that the Kim-Hu summit talks are believed to have lasted for over three hours and a large number of Chinese leaders and ranking officials attended the welcome dinner after the summit are signs of the deepening friendship between the two countries. Indeed, Chinese state councillor Dai Bingguo and Wang Jiarui, head of the International Department of the Central Committee of China's Communist Party, accompanied Kim throughout his trip. It is significant that Kim was accompanied by his brother-in-law, Jang Song-thaek, who is seen by analysts as being pro-reform.

There could be risks involved for North Korea in this process of change. The domestic situation is such that the regime will be ill prepared to handle the chaotic situation that might result from such an experiment. During his tour, Kim visited various industrial facilities, including an auto plant, an electronics facility, a solar power company, a discount store and an IT company in north eastern and central eastern Chinese cities, such as Changchun, Yangzhou and Nanjing. In addition, Kim also chose to visit north east China probably because he wanted to pay homage to his father Kim Il Sung's revolutionary heritage who had made his name as a guerrilla fighter in this part of China.<sup>8</sup>

Kim has earmarked 2012 as the year by when he wants to convert North Korea into a “strong and prosperous” nation to mark the 100<sup>th</sup> anniversary of Kim Il Sung's birth, which falls on 15 April 2012. But the regime is still struggling to feed its people amid a nuclear standoff with the US, South Korea and other regional powers. The sanctions imposed following its nuclear tests in 2006 and 2009 have been hindering Pyongyang's efforts to attract outside investment, a key to improving the economy. China has been its only ally and benefactor.

Indeed, the North Korean leadership must be facing critical choices. One is whether to give up its distrust of the US and South Korea and accept their offer of economic support after abandoning its nuclear development programme. The other alternative is “perennial concerns about starvation, continued possibility of social turmoil and eternal subordination to China.”<sup>9</sup> *The Korea Times* observed in an editorial: “It's time to make a decision toward a soft landing if for no other reason than the regime's sustainability.”<sup>10</sup> Kim is already 70-

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<sup>8</sup> Cho Jong Ik, “Kim to China: Who and Why?”, 20 May 2011, <http://www.dailynk.com/english/read.php?cataId=nk00400&num=7712>.

<sup>9</sup> “Kim Jong-il's Train”, *The Korea Times*, editorial, May 26, 2011, [http://www.koreatimes.co.kr/www/news/opinion/2011/05/137\\_87730.html](http://www.koreatimes.co.kr/www/news/opinion/2011/05/137_87730.html).

<sup>10</sup> Ibid.

years old and time is not in his favour. He does not have much time to move towards reform or at least lay the groundwork for his 27-year old son to succeed. At least, he can start the process that the junior Kim can build upon. It is in his own interest to give up his pride and accept the conditions laid down by South Korea for renewing inter-Korean talks for denuclearising the peninsula. Possession of nuclear bombs cannot guarantee prosperity or security for North's 25 million people.

China has repeatedly pressed its impoverished ally to follow in its own footsteps and embrace economic reforms, a path that helped it to become the world's second largest economy. Kim is afraid that exposure to openness associated with reforms could pose a potential threat to regime survival. China continues to bail out the North. According to figures from the Korea Trade Investment Promotion Agency, the China-North Korea bilateral trade remained at a mere \$3.46 billion in 2010, though it rose 29.6 per cent from \$2.68 billion in 2009.<sup>11</sup> Compared to China's bilateral trade with South Korea of \$207.2 billion, the China-North Korea trade is miniscule.<sup>12</sup> China accounted for 83 per cent of North Korea's \$4.2 billion international commerce in 2010. China made up 79 per cent of North Korea's trade in 2009, and 53 per cent in 2005.<sup>13</sup>

## Food Situation

North Korea is facing an acute food shortage and food was a major item on Kim's agenda in China. Kim's trip took place amidst the visit to North Korea by a US fact-finding team led by Robert Kings, special envoy on North Korean human rights, from May 24 to 28 to study the food situation.<sup>14</sup> International charity groups have been pleading with countries to resume sending food to North Korea in view of the starving people. In March 2011, the World Food Programme (WFP) launched a \$200 million international appeal after it concluded that more than six million North Koreans urgently needed some 475,000 tons of food. The food situation deteriorated due to floods and cold weather in 2010, with 77 per cent of all households on the verge of starvation. The authorities in North Korea want to ration just about 400 grams of food a day per person to 16 million people, which accounts for about 70 per cent of the entire population.<sup>15</sup> But donor response has been weak because

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<sup>11</sup> "Kim, Hu discuss widening economic cooperation", *Korea Herald*, 26 May 2011, <http://www.koreaherald.com/national/Detail.jsp?newsMLId=20110525000707>.

<sup>12</sup> Buckley, note 6.

<sup>13</sup> Bomi Lim, "N. Korea Leans More on China as Isolation Grows", 27 May 2011, <http://www.bloomberg.com/news/2011-05-27/north-korean-dependence-on-china-trade-rises-as-sanctions-worsen-isolation.html>.

<sup>14</sup> The delegation also consisted of experts including the US Agency for International Development's deputy assistant administrator for the Office of Foreign Disaster Assistance Jon Brause.

<sup>15</sup> "Kim Jong Il visits China again with hat in hand", *The Asahi Shimbun*, 24 May 2011, <http://www.asahi.com/english/TKY201105230137.html>.

of distrust of North Korea's communist regime and concern that assistance meant for the impoverished people might be diverted to its military. Based on the WFP's assessment, UN humanitarian chief Valerie Amos has promised to release money from the UN's Central Emergency Response Fund for North Korea soon.<sup>16</sup>

South Korea's conservative government halted unconditional food and fertiliser shipments in early 2008 and suspended almost all trade, which has cost the North tens of millions of dollars annually in lost income. South Korea has accused the North of trying to hoard food ahead of a third nuclear test, which would likely provoke a further tightening of international sanctions. It also says that North's food stocks are at the same level as in 2010.<sup>17</sup> It has been reported that food is available in North Korea in the free market though there is shortage of food offered by the authorities. Controls on food are the best way for the authorities to control the people.

The US also abruptly suspended food shipments to Pyongyang in March 2009 after Pyongyang's second nuclear test. The US also suspects North Korea's food distribution system and believes that the bulk of the food sent for the impoverished people is siphoned off for military use. During an Elders' visit to North Korea in April 2011, former President Jimmy Carter accused the US and South Korea of "human rights violations" for refusing aid to North Korea. That visit ended as a virtual non-event. In order to prevent the precarious food situation from getting worse, the US decided in May 2011 to resume food aid under five principles:<sup>18</sup> aid will be delivered after the summer, no massive volumes of aid in the short term, aid to be targeted at social groups in crisis, only selected items to be sent as aid to prevent North Korea from stockpiling, and oversight that is more stringent than allowed by North Korea to the WFP.<sup>19</sup>

## China's Stance

For China, North Korea is both a buffer and a burden. It sees North Korea as a strategic barrier against the US and its regional allies but that barrier comes with an economic and diplomatic price tag. Kim's visits have underscored that bond. Kim and the Chinese leaders vowed that their alliance "sealed in blood" will pass on to their successors. As North

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<sup>16</sup> The fund was established to provide immediate aid for humanitarian emergencies. It has been the biggest supplier of humanitarian aid to North Korea in the last few years. See, "UN to decide soon on funds for N Korea food aid", 24 May 2011, [http://news.yahoo.com/s/ap/20110524/ap\\_on\\_re\\_as/as\\_nkorea\\_china/print](http://news.yahoo.com/s/ap/20110524/ap_on_re_as/as_nkorea_china/print).

<sup>17</sup> "U.S. team to assess North Korea's food needs", *The Asahi Shimbun*, 22 May 2011, <http://www.asahi.com/english/TKY201105210210.html>.

<sup>18</sup> "US to resume food aid to N. Korea under 5 principles", *The Dong-A Ilbo*, 23 May 2011, <http://english.donga.com/srv/service.php3?bicode=050000&biid=2011052332628>.

<sup>19</sup> The European Union is also reportedly planning to send an assessment team to North Korea to check the food situation there.

Korea's ties with its southern neighbour and much of the outside world soured, the former has leaned more on China for support. Snyder observes: "The main factor is that North Korea, especially the leadership, is hungry for cash and China is the only viable source of cash."<sup>20</sup> China's state-run *Global Times* observed in an editorial that the US and South Korea should "respect and support" China's efforts to defuse regional tensions by communicating with North Korea.<sup>21</sup>

China fought on the side of the North in the 1950-53 Korean War against the US and South Korea and the "blood alliance" has existed since then. Both signed a treaty in 1961, which strengthened their commitment to mutual defence, including automatically sending troops if attacked by a third country. Over the years, the "blood alliance" has lost its steam. Chinese security analysts now argue that China should scrap the pact and treat North Korea as a "normal" country.<sup>22</sup> They accuse Beijing of not having fulfilled its political commitment and military obligations to Pyongyang, which, in fact, pushed the latter to seek nuclear weapons. Shen Dingli, a security expert at Fudan University in Shanghai observes: "We claim to be a responsible stakeholder, but we have not been properly responsible with regard to North Korea".<sup>23</sup>

There is also an indication that North Korea itself wishes to modify the treaty, in particular the clause on mutual military assistance. In 2010, it proposed to China that the clause be modified to read that one side can militarily intervene in the other's war or in other ways upon request.<sup>24</sup> Such a revision may have been sought due to the fear that China could otherwise unilaterally intervene without North Korea calling for military assistance. Choi Myeong-hae, an expert at the Samsung Economic Research Institute, feels that North Korea is sceptical about China's commitment to the alliance. And as noted above, Shen Dingli believes that this is what prompted North Korea to seek nuclear weapons as the "ultimate deterrence".<sup>25</sup> Will China change course and reaffirm its robust political and military commitment to North Korea and thereby acquire the moral authority to counsel it?

One positive fallout of Kim's trip to China was the revival of the joint development project for the Rason free trade zone, designated as a special economic zone in December 1991 and discussed during Kim's earlier visit to China in August 2010. What was once a failed plan is now back in the spotlight after almost two decades. China dispatched 20 officials

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<sup>20</sup> Buckley, note 6.

<sup>21</sup> *The Global Times*, editorial, 21 May 2011.

<sup>22</sup> Sunny Lee, "Beijing took wrong foreign policy on Pyongyang", *The Korea Times*, 22 May 2011, <http://www.koreatimes.co.kr/www/news/include/print.asp?newsIdx=87464>.

<sup>23</sup> Quoted in *ibid.*

<sup>24</sup> "NK seeks revision of 1961 Defence Treaty with China", *Donga Ilbo*, 4 March 2010, <http://www.freerepublic.com/focus/f-news/2463639/posts>.

<sup>25</sup> Quoted in *ibid.*

from Jilin and Hunchun to Rason to work on the project. This seems to be part of China's plan for the Tumen River Area Cooperative where China spent some 24 million yuan (\$3.6 million) to extend the road linking Wonjong and Rason (Rajin-Sonbong) by 50 kms.<sup>26</sup> In this project, China has an advantage since Rason lies on the east coast and includes ports facing the Pacific Ocean. In April 2011 North Korea announced plans to develop Rason to raise its port capacity and modernise its railways. The city has drawn many businesses from countries including China, Hong Kong, Thailand and Australia.

As regards the succession issue, China's position has been ambivalent. Kim Jong Il accelerated the power succession after he suffered a stroke in 2008 and wants China to endorse the succession of his youngest son Kim Jong-un. Here, it is worth noting that China had initially opposed Kim Jong-Il as successor to Kim Il-sung. Kim's China trip had historical echoes. He had made an introductory trip to China in 1983 when he was preparing to take over from his father. Though Kim Jong-un did not accompany his father, it is a matter of time before he visits China to gain political lessons. Though China has carefully kept its political and military channels open with North Korea despite the latter's destructive behaviour, it has failed to persuade the latter to dismantle its nuclear weapons programme.

## Assessment

It is true that China has leverage on North Korea's economy as the food aid and other economic assistance that it has been providing to the latter for years proves. But there are no convincing reasons to believe that Beijing is really sincere in persuading Pyongyang to return to the six-party talks. China has advocated a step-by-step process for restarting the six-nation effort that focuses first on South-North nuclear discussions followed by US-North Korea talks that would later be expanded to include China, Japan and Russia. On his part, Kim has also expressed his desire to restart the talks but without meeting the conditions put by South Korea and the US.<sup>27</sup> According to Yang Moo-jin, Beijing "may have persuaded North Korea to make the necessary move to resume the talks in return for financial aid ... If North Korea is desperate enough, it would take up the offer of a big economic assistance in exchange for, say, letting outside experts examine its nuclear facilities."<sup>28</sup>

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<sup>26</sup> [http://www.arirang.co.kr/News/News\\_Print.asp?type=news&nseq=116220](http://www.arirang.co.kr/News/News_Print.asp?type=news&nseq=116220).

<sup>27</sup> "China Should encourage N. Korea to Apologise for Attacks", *The Chosun Ilbo*, 27 May 2011, [http://www.worldpress.org/link.cfm?http://english.chosun.com/site/data/html\\_dir/2011/05/27/2011052701135.html](http://www.worldpress.org/link.cfm?http://english.chosun.com/site/data/html_dir/2011/05/27/2011052701135.html).

<sup>28</sup> Quoted in Shin Hae-in, "Experts say Beijing may have pressured North Korean leader on nuke talks", *The Korea Herald*, 26 May 2011, <http://www.koreaherald.com/national/Detail.jsp?newsMLId=20110526000806>.

The international community has been fooled many times by North Korea's strategy of sitting down at the negotiating table to gain some concessions, and then withdrawing again to continue its nuclear arms programme. If the North really wants to resume the six-party talks, it needs to convince the other members that it is making practical progress in abandoning the programme.<sup>29</sup> China's support for North Korea can only prevent the regime from immediate collapse but South Korea can help the North find the means to feed itself. If China is really interested in North Korea's future, it should persuade that country to take responsibility for last year's attacks against South Korea, so that it can win the support of Seoul. China's sincerity has remained questionable. A unified Korean peninsula is not in China's interest and this explains the duplicity in China's policy towards North Korea. The reason China stands by North Korea whenever it faces difficulties is that a regime collapse in the North would pit Beijing directly against the US at the world's last Cold War frontier. But from a long-term perspective, giving in to each and every North Korean demand is not the right policy option to maintain the regime. China may be able to prevent a collapse of the regime, but it cannot keep Kim Jong-il from going under following internal pressures.

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<sup>29</sup> Ibid.