

## **North Korean Nuclear Crisis: Challenges and Options for China**

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The October 9 North Korean nuclear test has emerged as a major diplomatic challenge as well as an opportunity for China. China has sent mixed signals in response to the United Nations (UN) 1718 Resolution of October 14 on North Korea. It has agreed to the inspection of North Korea's inbound and outbound trade to prevent any illegal trafficking in weapons of mass destruction and ballistic missiles. *China Daily* reported that Chinese border officials have started checking trucks at the border with Democratic People's Republic of Korea (DPRK). However, reports on trade between China and North Korea suggest that China's trade with the DPRK is going on as usual. There are also reports that China is heavily importing coal and electricity from North Korea and Chinese entrepreneurs are trying to gain access to the Sea of Japan by leasing a North Korean port as a potential shipping hub.<sup>1</sup> The continuing trade between China and North Korea indicates that China would oppose any harsh UN resolution or trade sanctions. Since China's rise is contingent on sustaining a rapid economic growth and a stable security environment, its stated non-proliferation concerns in Korea, therefore, would always take a back seat to its larger economic and security concerns.

### **China's Concerns in North Korea**

For China stability of the Korean Peninsula is the foremost priority. A peaceful North Korea not only ensures China's stable economic growth but also acts as a buffer against democratic South Korea and the United States. It also serves as a bulwark against potential military actions of the US and Japan. Moreover, stability of North Korea is essential for security of China's northeastern border. China's north eastern region of Yanbian Korean Autonomous Prefecture comprises 40 per cent of minority Korean population.<sup>2</sup> In the event of internal or external conflict in the Korean

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Peninsula or regime collapse in North Korea there is always a danger of exodus of Koreans from across the border causing a humanitarian crisis for China. In order to ward off a crisis in North Korea, China thus supports DPRK through bilateral trade, economic aid and investments. In the arena of trade, China accounts for almost 40 per cent of North Korea's total foreign trade. The bilateral trade has, in fact, more than doubled to \$1.1 billion in 2005 from \$490 million in 1995.<sup>3</sup> China is the most important donor of economic aid to North Korea. It supplies nearly 70 per cent of North Korean food and fuel.<sup>4</sup> At the diplomatic level, China has time and again blocked UN Security Council resolutions against North Korea. It has simultaneously hosted the Six-Party Talks, involving North Korea, South Korea, Japan, China, Russia, and the United States to resolve the problems following out of North Korean nuclear weapons programme.

The implications of the North Korean nuclear test can be assessed at three levels: regional balance of power, China-North Korea bilateral relations, and China's image as a major power.

### **Impact on the Regional Balance of Power**

At the level of balance of power, the North Korean nuclear test has both positive and negative consequences for China. First, the North Korean nuclear test is likely to strengthen the US alliance system in East Asia. The nuclear crisis has also given a blow to South Korea's Sunshine Policy. The Sunshine Policy was aimed at an eventual Korean reunification through peaceful cooperation and reconciliation. However, both components of the Sunshine Policy - South Korea's economic and humanitarian aid to the North, in return for North Korea's reciprocity in terms of engagement and denuclearisation have suffered as a result of the test. The North Korean nuclear threat could bring South Korea closer to the US at least, initially. South Korea's relation with the US has been strained under the Bush Administration due to the latter's hard line stand on including North Korea in the so called 'axis of evil'. There are now some talks in the South Korean establishment on the possibility of joining the Proliferation Security Initiative (PSI), a US sponsored effort to create a coalition of nations to support the cause of non-proliferation. The South Korean Government may also support the building of a joint missile defence system with the US. In any case, a change in South Korea's policy towards US is evident

because of the North Korean nuclear threat. In other words, it would inevitably lead to a strengthening of the US alliance system in Asia and greater relevance of the US as a security manager in East Asia.

Further, the North Korean nuclear crisis may lead Japan to shed its pacifist policy and go nuclear. Japan's plutonium stockpile is currently estimated at forty three tonnes. Many analysts, therefore, are of the view that Japan has the potential to develop nuclear weapon in a month's time. This would be the greatest concern to China given its traditionally antagonistic relations with Japan over a host of strategic and historical issues, such as the disputed sovereign claims to the Diaoyu / Senkaku Islands, the treatment of the historical legacy of the Japanese invasion of China in Japanese text books, Chinese complaints about former Japanese Prime Minister Koizumi's visits to the Yasukuni Shrine, and its opposition to Japan's quest to become a permanent member of the United Nations Security Council. The North Korean nuclear tests would inevitably strengthen military aspects of the US-Japan alliance with enhanced cooperation on a missile defence system.

Finally, the North Korean nuclear crisis would impinge on the balance of power in cross-Strait relations. There are some apprehensions that Taiwan may now contemplate developing nuclear weapons. Possession of nuclear weapons would deter China from launching military attacks against Taiwan and prevent it from forcefully reunifying the Island with the mainland. Also, it is worthwhile to recall that last year the Chinese leadership agreed to put pressure on North Korea in return for US reciprocity in restraining Taiwan's aspirations for independence. This reciprocity has disappeared as a result of the North Korean nuclear test. Already the US Secretary of State, Condoleezza Rice has reiterated the US commitment to defend Taiwan. Though such pronouncements are nothing new, its reiteration at the juncture of the North Korean nuclear crisis indicates the strengthening of the US commitment to its alliance system, much to the discomfort of China.

Some Chinese analysts, however, see a positive fallout of the North Korean nuclear tests for China, since it precludes the possibility of the US attack on North Korea. They see the North Korean nuclear test as a stabilising factor in the region, akin to the India-Pakistan nuclear tests that is perceived to have increased a sense of stability in the South Asian region.<sup>5</sup>

It may be said that China now has a nuclear ally not only in South Asia but also in East Asia. This is seen as strengthening China's position in East Asia rather than weakening it. Moreover, the US dependence on China in resolving the North Korean nuclear crisis is likely to increase, implying a greater Chinese influence in the region.

The other positive fallout may be on the tenor of Sino-Japanese relations. The nuclear test has diverted the two countries from the vexed 'history' issue and made them focus on achieving stability in the Korean Peninsula. In a meeting with the members of the New Japan-China Friendship Committee for the 21st Century on October 23, 2006, the Chinese Premier Wen Jiabao said that China does not intend to concentrate on historical issues between China and Japan forever.<sup>6</sup> After five years of stalled diplomacy in Sino-Japanese relations, the October 8, 2006 visit of the new Japanese Prime Minister Shinzo Abe to China was intended to improve the relations. The visit, however, coincided with North Korea's nuclear test and the two countries struck a common chord on ensuring stability in the Korean Peninsula. Similarly, China and South Korea have expressed common concerns over North Korean nuclear test. On October 28, 2006, the Chinese leaders met with the South Korean foreign minister to discuss as to how to achieve a balance between UN sanctions and regional security.

### **Impact on China-North Korea Bilateral Relations**

Although some analysts feel that China-North Korea bilateral ties would receive a setback as a result of the nuclear crisis, and it would distance the two communist countries, this is unlikely. China's post-Cold War North Korean policy was based on tacitly sustaining North Korea's nuclear ambiguity. While this ambiguity sustained the regional balance of power and restrained Japan from augmenting its military and nuclear capabilities, it also enabled North Korea to come to the negotiating table.<sup>7</sup> However, this ambiguity has disappeared with the North Korean nuclear test. China has tended to maintain a soft approach and has so far refused harsh sanctions against the DPRK. Yet, in all its official statements, China is also harping that it is firm and consistent about the denuclearisation of the Korean Peninsula and the prevention of nuclear proliferation.<sup>8</sup> It has urged Pyongyang to return to the Six-Party Talks. Chinese Foreign Ministry Spokesperson Liu Jianchao said, "when handling our relations with the DPRK, we observe two principles. One is to serve the shared interest of

China and the DPRK, and the other is to benefit the peace, stability and development of the Korean Peninsula and Northeast Asia." This soft approach underlines China's present North Korea policy. It not only enables China to continue to have an influence over North Korea, but also deters outside powers from destabilising the region. Limited sanctions would not hurt North Korea severely and this would prevent North Korea's domestic turbulence from spilling over into neighbouring China. In general, China's soft approach towards North Korea would help maintain its security and serve its diplomatic goals.

### **Impact on China**

As for the image of China, the conduct of nuclear tests by North Korea has been regarded as a failure of China's diplomacy and the Six-Party Talks. However, China is still supportive of the Six-Party Talks and believes in handling the situation in a "cool-headed" manner.<sup>9</sup> Chinese Foreign Ministry argued that the Six-Party Talks are still the best way to resolve the North Korean nuclear crisis. In essence, therefore, Chinese diplomacy has not failed.<sup>10</sup> Further, given suspected earlier Chinese covert support to the North Korean nuclear programme, the October 9 nuclear tests would not drastically impair China's diplomacy, though it has removed the *status quo* in the region and made China's position difficult. China is now concerned about its image as a responsible power and is looking for ways to prevent proliferation of nuclear weapons and to maintain stability in East Asia. In fact, China's role in ensuring stability in the Korean Peninsula has increased in the aftermath of the North Korean nuclear test.

### **China's Options**

What are China's options? China is clearly against omnibus sanctions on North Korea as it would aggravate economic problems, lead to refugee flows, severely weaken its influence over Pyongyang and may lead to a regional crisis. China is already committed to food and fuel supplies to North Korea and is not keen to raise its aid commitments for a North Korea that may see a humanitarian crisis. A possible internal conflict or regime collapse would result in enhancing South Korean and US influence and possible reunification of the Korean Peninsula. In sum, harder sanctions would have serious security ramifications for China.

China is clearly in a dilemma. On the one hand, it wants a stable regime in North Korea, and on the other, it wants to retain its major power image by playing a positive role in the Korean Peninsula. It also wants to limit the US influence in the region. China continues to call for the denuclearisation of North Korea and the revival of the Six-Party Talks (due in late November) while it seeks a balance between the UN sanctions against the DPRK and its need to prevent a further escalation of tensions in the region. It sees the answer to the resolution of the North Korean crisis in deepening diplomatic arrangements with Pyongyang. The Chinese foreign ministry has clearly stated that "sanction itself is not the purpose. It should serve the goal of settling the nuclear issue on the Korean Peninsula by diplomacy through dialogue and consultation and be conducive to peace and stability on the Peninsula."<sup>11</sup> Overall, if diplomacy prevails China may significantly gain in enhancing its influence both in the region and with the United States.

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