China’s Foreign Policy toward North Korea—A US Perspective

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With the collapse of the Soviet Union and the demise of East-West and Sino-Soviet competition for influence in the Korean peninsula after the cold war, Beijing adjusted Chinese relations to take advantage of economic and other opportunities with South Korea, while sustaining a leading international position in relations with North Korea. In contrast with steady Chinese efforts to use post cold war conditions in order to advance China’s relations with South Korea, Chinese foreign policy toward North Korea has been characterized by reactive moves in response to abrupt and often provocative behavior of North Korea, and, to a lesser degree, the United States.

The international confrontation caused by North Korea’s nuclear weapons program and related ballistic missile programs, and the sharp decline in economic conditions and the rise of political uncertainty there following the sudden death of Kim Il Sung in 1994, raised uncertainties in China about the future stability of the peninsula. In general, Chinese officials used economic aid and continued military and political exchanges to help stabilize and preserve Chinese relations with the North, while working closely with South Korea and, at times, the United States in seeking a peaceful resolution to tensions on the peninsula. In response to the crisis created by North Korea’s provocative nuclear proliferation activities during the years 2002-2006, capped by North Korea’s October 9, 2006 nuclear weapon test, China reacted by taking a more prominent role in international efforts, which continue to involve the United States and China, to seek a diplomatic solution that would preserve China’s influence and interests in stability on the peninsula.

South Korean, US and other outside observers have often judged that China has a longer term interest in seeing a growth of Chinese influence and a reduction of US and Japanese influence on the Korean peninsula. However, Beijing has been careful not to be seen directly challenging US leadership in Korean affairs. It apparently judged that Chinese interests were best met with a broadly accommodating posture that allowed for concurrent improvements in China’s relations with South Korea and effective management and maneuver in response to repeated difficulties and other developments in China’s relations with North Korea. The net result has been a marked increase in China’s relations with South Korea and continued Chinese relations with North Korea, closer than any other power, without negatively affecting Beijing’s relations with the United States. During the 2002-2007 crisis over North Korea’s nuclear program, for example, China’s cooperation with the United States, South Korea, and other concerned powers in seeking a negotiated solution to the problem enhanced the overall positive development’s in China’s relations with these countries, while managing tensions over the North Korean program in ways that avoided conflict and helped to reduce instability caused by Pyongyang’s provocative actions.

Overall, China during the post cold war period has registered, on the one hand, some notable success in managing relations with a difficult neighbor, North Korea, while advancing China’s relations and influence regarding South Korea, Korean peninsula issues, and the United States. The other powers with a strong interest in policy toward North Korea—the United States, South Korea, Japan, and Russia—arguably have been less successful in pursuing their interests with North Korea.

On the other hand, however, the fact of the matter is that relations with North Korea remain a serious concern and problem for China. Pyongyang’s unpredictability and provocative behavior repeatedly have jeopardized core Chinese interests in avoiding regional military conflict and in fostering advantageous Chinese economic ties with the United States, South Korea, Japan and other powers concerned with North Korea. North Korea’s nuclear weapons development raises major dangers for China regarding nuclear weapons proliferation in Japan, Taiwan and other neighboring countries, and it raises serious dangers of proliferation of nuclear weapons for terrorists who might be targeting China. Meanwhile, an abrupt collapse of the North Korean administration remains a distinct possibility.
This would pose enormous problems for Chinese security, development and foreign policy interests.

China also faces a trade-off in its efforts to promote stability on the Korean peninsula by encouraging US flexibility and dialogue with North Korea. Such US moves in recent months have acted to reduce China’s importance in managing the crisis on the Korean peninsula.

Meanwhile, China’s relations with South Korea are not all smooth sailing. Persisting historical and territorial differences combine with clear signs of South Korea’s hedging against China’s rise by building closer ties with the United States. They reinforce recent intensified South Korean-Chinese economic competition as well as competition between Seoul and Beijing in developing economic ties and influence with Pyongyang. China also is well aware that improvement in US relations with North Korea can open the way for closer South Korean ties with North Korea, and that such developments—including the recently announced Pyongyang summit—could act to diminish China’s role as a facilitator or mediator of North Korean contacts abroad. Nonetheless, the Chinese administration appears to judge that the importance for China of the stabilizing result of such North-South contacts offsets any diminishment of China’s influence in Korean affairs. Beijing also seems to judge that, on balance, its relations with South Korea are moving in a positive direction.

In sum, China’s leaders have been adroit and have calculated carefully as they have responded to challenges on the Korean peninsula, notably those posed by North Korean developments. Their successful maneuvering has demonstrated few definite answers to the problems posed by Pyongyang, and there continue to be many trade-offs and complications in China’s developing relations with South Korea, as well as with the United States over Korean issues. China has, however, sustained a modicum of regional stability—China’s core interest on the Korean peninsula.

China and Korean Peninsula Issues after the Cold War

A careful review of the gains China has made in improving relations with Asian countries and elsewhere in recent years shows South Korea to be the area of greatest achievement. The Chinese advances have also coincided with the most serious friction in US-South Korean relations since the Korean War. Thus, China’s influence relative to the United States has grown on the Korean peninsula.

Meanwhile, US policy has evolved in dealing with the North Korea, working much more closely with China to facilitate international talks on North Korea’s nuclear weapons program. North Korea has preferred to deal directly with the United States on this issue. While such bilateral interchange with North Korea presumably would boost US influence relative to that of China in peninsula affairs, the US administration of George W. Bush, until very recently, tended to view such US-North Korean contacts as counterproductive for US interests in securing a verifiable end of North Korea’s nuclear weapons program. China has seen its influence grow by joining with the United States in the multilateral efforts to deal with the North Korean nuclear weapons issue, on the one hand, while sustaining its position as the foreign power having the closest relationship with the reclusive North Korean regime, on the other.

Against this background, China’s relations with South Korea have improved markedly. China is South Korea’s leading trade partner, the recipient of the largest amount of South Korean foreign investment, the most important foreign destination for South Korean tourists and students, and a close and like-minded partner in dealing with issues posed by North Korea’s nuclear weapons program and related provocations, and the Bush administration’s general hard line policy toward North Korea since 2001. South Korea’s trade with China in 2004 was valued at $79 billion, with a trade surplus for South Korea of $20 billion. In 2005, South Korean exports to China were valued at $62 billion in total trade of $100.6 billion, resulting in a trade surplus for South Korea of $24 billion. Trade was expected to reach $115 billion in 2006, according to Chinese estimates. South Korean investment in China in 2004 amounted to $3.6 billion, almost half of South Korea’s investment abroad that year. In 2005, over 20,000 South Korean companies were in operation in China, 380 passenger flights took place each week between China and South Korea, 3 million reciprocal visits
occurred annually, and 38,000 South Korean students were studying in China.

China’s economic importance for South Korea was accompanied by trade disputes and related concerns by South Korean manufacturers about competition from fast advancing Chinese enterprises. Other differences focused on nationalistic ramifications of competing Chinese and Korean claims regarding the scope and importance of the historical Goguryeo kingdom, China’s longer term ambitions in North Korea, and Chinese treatment of North Korean refugees in China and of South Koreans endeavoring to assist them there.

At the end of the cold war in the early 1990s, closer relations with China helped to ease South Korean concerns about Beijing’s possible support for North Korean aggression against the South. They also provided Seoul, via Beijing, with an indirect channel of information on and communication with North Korean leaders, who at that time generally refused to interact directly with their South Korean counterparts. This communication and information about North Korea helped to reassure South Koreans about trends on the Korean peninsula, including North Korea’s repeated efforts to seek progress in relations with the United States at the expense of South Korea. Meanwhile, South Korean enterprises eager to enter the North Korean market were able to sidestep restrictions on bilateral trade and investments by working with North Korea through South Korean enterprises based in China.8

Chinese officials viewed improved relations with South Korea as broadening China’s influence on the peninsula. In the 1990s, some Chinese officials asserted that Beijing’s improvement of relations set “a good example,” which should be reciprocated by the United States and Japan in moving ahead with their respective relations with North Korea. Beijing officials judged that such “cross recognition” would markedly ease North Korea’s isolation and fears, and thereby open the way to eased tensions on the peninsula. South Korean officials for many years emphasized that they opposed such U.S. and Japanese relations with South Korea. President Kim Dae Jung, who took power in February 1998, adopted a different position on this issue in mid-1998, urging the United States and others to move forward and improve relations with North Korea. This stance continued under President Roh Moo Hyun in 2003. The more moderate South Korean stance added to common ground with China over North Korean issues.9

Although Chinese officials denied it, some South Korean and U.S. experts have asserted that one of Beijing’s longer-term motives has been to preclude an increase in the U.S. prominence on the peninsula. According to this view, Chinese officials in the 1990s were particularly concerned by North Korea’s apparent focus at that time on relations with the United States as the central element of Pyongyang’s foreign policy. The Chinese were determined to avoid a situation in which the United States would become the dominant outside influence in both South and North Korea, and they viewed improved Chinese relations with Seoul while sustaining relations with North Korea as a useful hedge against such an outcome.10

Whatever China’s long-term objectives, both Beijing and Seoul have stressed efforts for over a decade that seek closer cooperation to deal with possible contingencies stemming from the increasingly uncertain situation in North Korea. In this endeavor, both China and South Korea have often sought close cooperation with the United States and other involved powers.

During the 1990s, Chinese specialists strongly affirmed their common ground with South Korea and the United States in trying to preserve peace and stability on the Korean peninsula in the face of an uncertain situation in North Korea. In general, Chinese officials at that time were often more optimistic than their American counterparts about the prevailing situation and the future outlook for the regime in North Korea. Thus, in the latter 1990s, a time when US officials tended to see North Korea in real danger of collapse, Chinese officials claimed that North Korea’s regime remained under Kim Jong Il’s rule, was able to weather then—current shortages of food, energy, and foreign exchange without collapse, and was making some small headway in developing relations with and getting assistance from foreign countries.

Nevertheless, Chinese specialists were clearly more concerned than previously about the viability of the North Korean regime unless the Kim Jong Il leadership implemented
some economic reforms and opened the country to more international contacts. At the same time, they believed that too-rapid North Korea reform and opening could seriously destabilize the Pyongyang regime. China continued to supply food assistance and oil to North Korea. Estimates in 2003 of China’s aid were in the range of 1 million tons of food grain and 500,000 tons of heavy fuel oil annually, amounting to 70-90 percent of North Korea’s fuel imports and one-third of total food imports. And China continued leadership contacts, especially by the military, with North Korea.

In the years following the death of Kim Il Sung and the concurrent collapse of the North Korean economy in the 1990s, China supported U.S., South Korean, and other efforts to get North and South Korea to resume an effective dialogue and to encourage the North to reform itself domestically and open itself up internationally. China backed the U.S.-South Korean-initiated four-party talks (involving North and South Korea, the U.S., and China) as a way to ease North-South differences and to bring about a more lasting peace settlement on the peninsula. China played a generally passive role in the talks, with the United States and North Korea being the principal actors in the negotiations. China continued to oppose direct pressure on North Korea, judging that it could lead to a negative reaction.

Chinese specialists in the 1990s expected that North Korea would raise obstacles, preconditions, or other difficulties in the four-party talks and other interactions with the United States, South Korea, and other concerned powers. At bottom, the North Koreans were said by Chinese experts at this time to want first to build ties with United States, Japan, and others in order to strengthen their hand prior to direct negotiations with the South. Also, North Korean leaders were said to be resentful of past actions of the South Korean government of President Kim Young Sam and to have viewed that government as weak on account of corruption scandals and other issues in 1997. Chinese specialists did not expect North Korea to make significant progress in relations with the South until after the election of a new South Korean president in December 1997. Beijing generally welcomed the moderate and positive tone toward North Korea adopted by President Kim Dae Jung following his inauguration in February 1998. President Jiang Zemin highlighted this theme in welcoming Kim Dae Jung during a five-day visit to China in November 1998.

Chinese officials also took pains to emphasize that the improvement in China’s relations with South Korea in the 1990s was not directed in any way at the United States, its negotiations with North Korea or the U.S.-South Korean alliance relationship. Chinese officials acknowledged that while Sino-South Korean relations, especially economic relations, would continue to grow, the U.S.-South Korean relationship remained very broad and multifaceted and had a critical security dimension involving a defense treaty and U.S. troop presence in South Korea. As one Chinese official put it in mid-1997, “for South Korea, the U.S. is much more important than China.” South Korean officials echoed this sentiment. They noted that Seoul needed China’s “understanding” and “constructive role” in seeking reunification, but that relations with China could not in any way substitute for South Korea’s relations with the United States.

Beijing’s stated intention to supplement rather than substitute for U.S.-South Korean relations affected China’s attitude toward the U.S. role in South Korea after reunification. Despite the fact that the Chinese government in the 1990s had officially encouraged the eventual U.S. military withdrawal from East Asia and strongly criticized the strengthening of the U.S.-Japan alliance relationship, Beijing officials were moderate in response to calls in the United States and South Korea for a continued U.S. military presence in Korea. Even after Korean reunification. Chinese officials adopted a wait-and-see attitude. They advised that Korean unification could be a long way off. They noted that some in South Korea wanted a continued U.S. military presence, but added that the situation could change in the future.

China strongly supported international efforts to improve relations with Pyongyang at the time of the North-South Korean summit of 2000 and in line with South Korean President Kim Dae Jung’s sunshine policy toward the North. Strong Chinese political support for inter-Korean reconciliation was welcomed by the Kim Dae Jung government at a time of difficulty in U.S.-South Korean relations, stemming from the George W. Bush
administration’s taking a harder line than the previous Clinton administration toward the North Korean regime.\textsuperscript{15}  

China’s stature with the North increased in 2000-2001, notably as a result of Kim Jong Il’s two visits to China and Jiang Zemin’s visit to North Korea. Encouraging economic reform and increased international outreach by the North, Beijing urged the United States and others to support the asymmetrical accommodation seen in Kim Dae Jung’s engagement policy and to avoid confrontation and increased tensions. It did not make major issues of its differences with the United States over the Bush administration’s tougher posture toward the North, though it was critical of US strengthening of alliances in Asia (mainly with Japan) and US missile defense plans focused on the North Korean threat.\textsuperscript{16}  

The North Korean nuclear crisis, beginning in 2002, saw Chinese officials initially adopt a passive approach, calling on the United States to engage in bilateral talks as demanded by North Korea in order to solve the problem. Rising tensions were prompted by the combination of North Korea’s provocative nuclear weapons development, shrill warnings, and assertive military actions and the firm US determination not to be “blackmailed” by Pyongyang. Chinese officials responded to US requests to take a more direct role in seeking a solution to the crisis. The Chinese government adopted a more active stance, hosted the three party (North Korea, US and China) talks in Beijing in April 2003, and six party talks (adding South Korea, Japan, and Russia) in Beijing in October 2003, and February 2004, and engaged in several rounds of shuttle diplomacy with the United States, North Korea and other concerned powers. Though unhappy to be excluded from the three party talks in April 2003, South Korea supported China’s efforts to seek a negotiated solution. It was pleased to join in the six party meeting, pushed by the United States, beginning in October 2003.\textsuperscript{17}  

The international crisis beginning in 2002, caused by North Korea’s provocative actions in breaking past commitments and pursuing the development of nuclear weapons saw China follow a course closer to South Korea than the United States. The Bush administration’s refusal to be blackmailed by North Korea seemed to preclude significant US compromises on security and aid issues that were important to North Korea until a verifiable dismantling of North Korea’s nuclear program was assured. The South Korean government seemed inclined to favor more US flexibility, and South Korea continued to pursue a flexible approach to North Korea under the leadership of President Roh Moo Hyun, who was elected in December 2002. South Korea continued various economic and other exchanges with North Korea under the rubric of the asymmetrical normalization program set forth in Kim Dae Jung’s sunshine policy. Both China and South Korea also seemed to agree that escalating diplomatic, economic or military pressures against North Korea would be counterproductive as they would increase the risk of war on the peninsula.\textsuperscript{18}  

Chinese officials adopted a low posture on the concurrent crisis in US-South Korean alliance relations beginning in 2002. Widespread popular resentment in South Korea against the Bush administration’s hard line against North Korea, asymmetrical features of the US-South Korean alliance relationship, and strongly negative popular reaction to the accidental deaths of two South Korean youths during exercises by US troops in South Korea fed election year politics and assisted the December 2002 election of Roh Moo Hyun on an anti-US platform. Although President Roh, upon taking power in February 2003, backed away from many of his previous positions critical of US policy, strongly-felt resentment against US government policies remained evident among many in South Korea. Commentators and strategists of this persuasion often argued that South Korea would be better off reducing strong dependency on the United States and relying more on Seoul’s ever closer relationship with China. By adopting a low posture on the South Korea-US controversy, Chinese officials and official commentators were careful not to be seen as seeking to take advantage of the anti-American upsurge in South Korea as a means of driving a wedge between Washington and Seoul.\textsuperscript{19}  

Relations with North Korea

Secrecy in China-North Korea Relations
This assessment of Chinese policy toward North Korea proceeds with strong awareness that published material and the available record of China’s relations with North Korea are hardly transparent or complete. Post-Mao foreign policy in China has been increasingly open to scrutiny by scholars and specialists, and it has been influenced by an ever-widening range of officials and stakeholders who have made known their understanding of Chinese foreign relations in publications, interviews and other ways. Nevertheless, there remain significant exceptions to this broad trend that are marked by a secrecy that continues to surround Chinese policy on key foreign policy questions.

For example, to this day, US officials remain in the dark about how senior Chinese leaders deliberated in the weeks following the crises in US-China relations, caused by the US bombing of the Chinese embassy in Belgrade in May 1999, and the collision of a Chinese jet fighter with a US reconnaissance plane along the China coast in April 2001. Whatever crisis management mechanisms Chinese leaders used at those times are unclear and subject to speculation. The thinking and priorities of senior Chinese leaders in the initial days of both crises can only be guessed.

Similar uncertainty surrounds Japanese government decision makers and other international observers as they have tried to assess the priorities of Chinese leaders during the April 2005 demonstrations by Chinese citizens, trashing Japanese diplomatic and private properties in China, and what they meant for future Chinese policy toward Japan. The assessments offered have dealt with general trends and have been speculative in nature, with no awareness of who actually was making decisions and what issues and priorities were driving their decisions.

What the above episodes show is that even though much more is known than in the past about Chinese foreign policy decision making, especially on economic and major security and political issues, remain shrouded in secrecy. This is the intent of the Chinese authorities. Those in China who reveal information defined by Chinese authorities as involving a broadly defined national security are arrested and prosecuted.

Even key Chinese decisions in international economics, such as considerations that top leaders focused on in making the final decision for China to accept significant compromises in 1999 to reach agreement with the United States in order to join the World Trade Organization, are not clearly known. Discussions with US officials about events leading up to final agreement on this issue between the United States and China in November 1999 show that Premier Zhu Rongji backed by Wu Yi and other key officials were instrumental in reaching the final agreement with the US negotiating team, but their motives and arguments in leadership deliberations, and the impact of President Jiang Zemin and other leaders with a role in or influence on the final decision, remain unknown.

One of the most important international security issues facing Chinese decision makers has involved the international crisis brought about by North Korea’s development of nuclear weapons. The range of Chinese interests in the crisis, including avoiding war, preserving stability in Korea and northeastern Asia, and preventing the spread of nuclear weapons appears clear, but even Chinese officials and specialists are frank in acknowledging that they remain in the dark and are uncertain about the emphasis top Chinese decision makers gave to these and other concerns in the secret deliberations they had with the reclusive North Korean regime.

• It remains broadly unknown in China and abroad whether Chinese leader Hu Jintao and his colleagues adopted a uniformly accommodating posture toward North Korean leader Kim Jong Il during the latter’s initially secret ten-day visit to China in January 2006. How much, if any, pressure the Chinese leader was prepared to exert on his North Korean counterpart in order to assure that the North Korean crisis was managed along lines acceptable to China remains a mystery. What changes in North Korean policies or changes in the prevailing conditions in the international crisis brought about by North Korea’s nuclear weapons development would prompt significant change in Chinese policy, also remain unknown.

• The somewhat tougher Chinese stance toward North Korea after the latter’s provocative missile tests in July
2006 and its nuclear weapon test on October 9, 2006, provides only very general indications of senior Chinese leaders’ thinking about this fundamentally important foreign policy issue.

China’s Relations with North Korea

The smooth progress and rapid development of China’s relations with South Korea contrasted sharply with China’s often more difficult relations with North Korea. After the cold war ended, Chinese interests in North Korea remained strong. In the 1950s China had fought a major war resulting in one million Chinese casualties, in order to preserve an independent North Korean state, free from US domination. Chinese leaders also competed actively with the Soviet Union for the favor of Kim Il Song and his government to assure that China would not face a Soviet proxy along its northeastern periphery.24

The cut-off of Soviet aid to North Korea and the normalization of Soviet-South Korean relations in the late 1980s and the demise of the Soviet Union in the early 1990s, reduced Chinese concern over Moscow’s influence in North Korea. However, post-cold war conditions saw North Korea pursue nuclear weapons development leading to a major crisis with the United States and its allies. The death of Kim Il Sung in 1994 added political uncertainty to the already unstable conditions, given the collapse of the North Korean economy and widespread famine in the country.25

Chinese officials provided a large share of North Korea’s imported food and energy supplies, but not in amounts that satisfied North Korean officials.26 Chinese leaders repeatedly encouraged North Korean counterparts to follow some of the guidelines of Chinese economic reforms and to open North Korea more to international economic contact. North Korean officials seemed reluctant to open the country significantly, presumably fearing that outside contact would undermine the regime’s tight political control that was based on keeping North Koreans unaware of actual conditions abroad. North Korea did endeavor to carry out some domestic economic reforms and to open some restricted zones for foreign trade, tourism, and gambling. A proposed zone planned for an area adjacent to the Chinese border in northwestern North Korea did not meet with China’s approval and the Chinese government in 2002 arrested on corruption charges China-born entrepreneur who had been selected by North Korean leaders to direct the foreign economic zone.27 Chinese leaders continued to encourage North Korean economic reform during visits of North Korean leader Kim Jong Il to China in 2004 and 2006, and Chinese President Hu Jintao to North Korea in 2005.28

Chinese diplomacy in North Korea-South Korea-US relations, particularly regarding the crises prompted by North Korea’s nuclear weapons program, emphasized preserving stability on the Korean peninsula. Chinese frustration with North Korea’s nuclear weapons program, long-range ballistic missile tests and other provocations was deep and serious, particularly as North Korean actions threatened to provoke a US attack and the spread of nuclear weapons to Japan, Taiwan and elsewhere. This frustration reached new heights following North Korea’s nuclear weapons test on October 9, 2006. At the same time, Chinese leaders showed keen awareness that major instability in or collapse of the North Korean regime would have potentially major adverse consequences for Beijing. These included the danger of full scale war on the Korean peninsula, and large scale refugee flows to China. There were estimates of up to 200,000-300,000 North Korean refugees in China in 2003, though the International Crisis Group in 2006 put the number at under 100,000. China also was thought to be concerned over the implications for Chinese security interests of the possible establishment of a unified Korean state under the leadership of a South Korean government with a close military alliance with the United States.29

For many years after the cold war, Chinese officials adopted a stance that assumed North Korean nuclear weapons development was unlikely or remote. They stressed the need to avoid international and other pressures that would further destabilize the North Korean regime and overall conditions on the peninsula. Beginning in late 2002, Chinese officials appeared more convinced by US and other evidence that North Korea indeed had developed nuclear weapons and was determined to build more. The tense crisis provoked by North Korea’s nuclear
program prompted many Chinese commentators to argue for greater Chinese pressure on the North Korean regime, with a few considering a regime change in North Korea as an option for Chinese policy. China went along with UN Security Council sanctions against North Korea, following its provocative missile tests in July 2006 and its nuclear weapons test in October 2006. However, prevailing Chinese government actions still seemed to strike a balance of support and accommodation of the North Korean regime that sought to avoid the many dangers for key Chinese interests that would follow from major instability, or the collapse of the North Korean regime. Annual Chinese food aid of about 1 million tons a year and energy supplies of about 500,000 tons of heavy fuel oil continued.30

Symptomatic of the balancing in Chinese relations with North and South Korea were the often difficult Chinese efforts to improve relations with North Korea once Kim Jong Il assumed the post of general secretary of the Korean Workers’ Party in October 1997, and the cordial Chinese relationship established expeditiously with the newly installed Kim Dae Jung administration in South Korea in 1998. Chinese party chief Jiang Zemin in October sent Kim Jong Il a friendly personal message of congratulations on his accession to general secretary, and the Chinese Foreign Ministry spokesman also “heartily congratulated” Kim. But, despite repeated speculation about a Chinese-North Korean summit, Jiang Zemin told Japanese visitors in February 1998 that no high-level contacts were in the offing. Jiang said that before former North Korean President Kim Il Sung died in 1994, Beijing and Pyongyang had had regular state visits, but after Kim’s son, Kim Jong Il, assumed the reins of the country, such exchanges had not resumed. “After Kim Il Sung passed away, Kim Jong II [observed] the three-year custom . . . of mourning . . . now that the three years have passed he has therefore become general secretary of the Workers’ Party, but it appears he has not made any plans to visit,” he said. Jiang said that as China and North Korea maintained good-neighborly ties of friendship, mutual visits were normal, but “at present we have not had the opportunity.”31

In contrast with his oblique references to Chinese frustration with North Korea’s leadership, Jiang in the same interview extended a warm welcome to South Korea’s new president. “We were very happy to see that Kim Dae Jung won the South Korean elections and will be the next president. We welcome him to China for a visit after assuming his presidential duties.”32

Beijing significantly made high-level approaches to the new South Korean leadership. Chinese Vice President Hu Jintao, selected by the Ninth National People’s Congress in March 1998, made his first trip abroad to Japan and South Korea in April. In meetings with South Korea President Kim Dae Jung, acting Prime Minister Kim Jong II, and Foreign and Trade Minister Park Chung Soo, Hu highlighted the progress in Sino-South Korean ties since relations ha been normalized in 1992 and emphasized the importance of a stable Korean peninsula for the entire Asia-Pacific region. The PRC vice president also assured his hosts that China’s currency would not succumb to the financial pressures buffeting those of other East Asian countries. Opportunities for closer cooperation were discussed in the areas of fisheries, visa-free tourism, and nuclear energy projects. Hu also sought reaffirmation of Seoul’s commitment to a one-China policy, though Taiwan-South Korea business contacts continued to thrive. Further solidifying relations, South Korean President Kim Dae Jung was warmly received by President Jiang Zemin and other senior leaders during an official visit to Beijing in November 1998.33

Military ties between Seoul and Beijing grew more slowly than political and economic relations, presumably because China wanted to maintain ties with the North Korea armed forces and was wary of how closer China-South Korean security ties would affect China’s military relationship with the North. In the 1990s, Seoul continued pushing for strengthened military exchanges, but Beijing sought to limit the scope and pace of any military relationship. Military ties grew concurrently with political and economic relations, but at a slower pace. The South Korean vice defense minister visited China for the first time in November 1997, the highest-level military exchange to that date. Higher-level contacts gradually developed and Beijing slowly responded to repeated South Korean overtures to establish regular exchanges between their defense ministers and other senior military officials.34
Meanwhile, presumably in deference to North Korean sensitivities, Beijing delayed in the face of repeated South Korea efforts establishing a consulate in Shenyang, in northeastern China, closer than Beijing to the North Korean border. There were millions of ethnic Koreans in this part of China and many thousands of North Korea refugees, many of whom had knowledge of developments in North Korea. The South Korean consulate opened in 1999.35

In sum, China’s policy in the late 1990s continued to balance often conflicting imperatives regarding North and South Korea as China dealt with the delicate and potentially volatile situation on the peninsula. Beijing did not appear to seek big changes in the political or military status quo; it appeared intent on promoting as much stability as possible, while benefiting economically and in other ways by improving its relations with South Korea. As economic conditions in North Korea deteriorated, and as the North Korean regime persisted with provocative military and other actions, Beijing officials privately worried about possible adverse consequences for China. Nonetheless, Chinese officials still saw their basic interests as well served with a policy of continued, albeit guarded, support for the North, along with improved relations with the South and close consultations with the United States over Korean peninsula issues.

The situation for China’s relations with North Korea improved for a time with the unexpected breakthrough in North-South Korean relations leading to the Pyongyang summit in June 2000. This event raised hopes in China of eased tensions and peaceful accommodation on the Korean peninsula. China figured importantly in the North-South summit preparation as the site of secret North-South negotiations. Moreover, Kim Jong Il seemed to be seeking Chinese advice and support in a new approach to South Korea as he made two visits to China and Jiang Zemin visited North Korea. The overall trend in North Korean actions suggested more openness to Chinese advice and greater willingness to adopt policies of détente and reform that would reduce the danger of North-South military confrontation, promote economic revival in North Korea, and lower the chances of economic collapse and social instability, including the need for massive Chinese assistance and the large-scale flow of North Korean refugees to China.36

This hopeful period ended with an impasse in North Korean-US relations following the Bush administration policy review on North Korea in 2001, the sharp rise in tensions on the peninsula posed by North Korea’s provocative nuclear weapons development beginning in 2002, and signs of strong differences between North Korean and Chinese leaders over reform in North Korea’s economy. China was instrumental in persuading North Korea to participate in the three party and Six Party talks in Beijing beginning in 2003, talks that dealt with the nuclear crisis and related issues. Chinese diplomats were careful not to take sides in the discussions, endeavoring to find common ground between the positions of North Korea on one side and the United States on the other. In this regard, Chinese positions were close to those of South Korean officials who also sought common ground and stressed the need to reduce confrontation, avoid pressure, and preserve peace. China – North Korea relations seemed on the upswing as China showed its support for North Korea in welcoming Kim Jong Il who again visited China in 2004 and 2006, and Chinese President Hu Jintao made his first visit to North Korea in 2005.

Well aware that dealing with North Korea involved unpredictable twists and turns perpetrated mainly by the idiosyncratic dominant leader of this isolated state, Chinese leaders for the time being appeared resigned to a protracted effort to deal with the North Korean nuclear crisis through diplomatic means. They made known China’s continued opposition to strong pressure on North Korea, reportedly warning of North Korea’s using military means to lash out in response to pressure. Continued but less than sufficient Chinese food and energy assistance was among key Chinese sources of leverage with North Korean leaders, but Beijing remained hesitant to use these levers for fear of provoking a sharp North Korean response. Chinese officials also worried about US actions, fearing that as the United States became impatient in the face of North Korea’s continued development of nuclear weapons, it might resort to strong political, economic or military pressures. Chinese officials realized that the massive US
military preoccupation in post-war Iraq, along with US involvement with the war on terrorism and other issues, made it unlikely in the short term that the United States would risk confrontation or war on the Korean peninsula by substantially increasing US pressure on North Korea. The situation remained volatile, however, with concern focused especially on the US reaction or other international fallout from such possible North Korean steps as another nuclear weapons test, more ballistic missile tests seemingly targeted against Japan or US forces in Japan, or North Korean nuclear weapons cooperation with international terrorists.37

On the economic front, meanwhile, there were numerous reports in 2005 and 2006 of significant growth in Chinese trade and investment in North Korea. China undertook a range of infrastructure projects in and around North Korea and in early 2006 was said by the International Crisis Group to account for 40 percent of North Korea’s foreign trade. Reports said that since 2003 over 150 Chinese firms had begun operation or trading in North Korea, and that as much as 80 percent of the consumer goods in North Korea came from China. Chinese investment in the North Korean economy rose from $1.1 million in 2003, to $50 million in 2004, and to $90 million in 2005. Trade was predicted to be worth $1.5 billion in 2006. This gave China half of North Korea’s foreign trade along with the lion’s share of its foreign investment. The Chinese goal was seen as a long term effort to encourage a reformed, China-friendly North Korea.38

Significantly, some South Korean officials and elite opinion makers reacted with concern over China’s economic leadership in the North. South Korea was unable to keep pace with China in its efforts to promote inter-Korean economic cooperation. South Korean trade with North Korea was valued at $700 million in 2004 and $1 billion in 2005. More importantly, South Korean officials privately and publicly voiced uneasiness over perceived Chinese intentions to foster economic reforms and development as a means to perpetuate a separate North Korean state. They saw this being at odds with South Korean efforts to use asymmetrical economic engagement to facilitate a gradual process of integrating North Korea into South Korea’s orbit, eventually leading to Korean unification with South Korea in the lead. A stronger North Korea, heavily dependent on China, was seen as adverse to longstanding South Korean interests and emerged as a significant issue in China-South Korean relations in 2005-2006.39

Conclusion

Chinese leaders presumably remain far from confident that China can continue to manage effectively the challenges posed by North Korea’s actions and threats. Although Kim Jong-Il maintained a façade of Sino-North Korea friendship by making a rare public visit to the Chinese embassy in early 2007, senior North Korean negotiator Kim Gye-gwan at about the same time publicly vented strong North Korean frustrations with China.40 A cautiously optimistic scenario for Chinese interests would see North Korea avoid egregiously provocative actions as the Six Party process continues with the constructive participation of all parties. This would meet China’s key concerns about maintaining stability on the peninsula and would allow Beijing to keep on reasonably good terms with concerned powers. If one had to guess, under present circumstances North Korean nuclear weapons seem likely to remain in North Korea. For China this poses a continuing danger that Pyongyang may test again or undertake other proliferation actions that could lead to actions very negative for Chinese interests vis-a-vis the United States, Japan, Taiwan and others. Meanwhile, the internal stability of the North Korea regime remains unsteady, even as China seems likely to continue aid, trade and investment as important elements in China’s relations with and influence in North Korea.

China also seems prepared to deal calmly regarding China’s differences with South Korea and the perception that an increase in direct US negotiations with North Korea indirectly weakens China’s position in Korean affairs. The new US approach is something China has long advocated in the interests of encouraging Korean peninsular stability. The differences with South Korea thus far pale in comparison with the strong positive forces developed in recent years that continue to support ever closer China-South Korean relations.
Notes:


4 For a recent review of complications in Chinese relations with North and South Korea, see Scott Snyder, “Strategic Maneuvers for the ‘Sandwich Economy,’” Comparative Connections 9: 2, 121-127.


7 Jiang Wei, “Trade with South Korea to reach US@115b,” China Daily October 14-15, 2006, p.5


12 Sutter, Chinese policy priorities, p. 100.


23 Interviews and consultations with Chinese officials and foreign policy specialists, Beijing and Shanghai, May-June 2006.

24 Roy, China and the Korean peninsula

25 Kim, “The making of China’s Korea policy in the era of reform.”

26 Samuel Kim, “Chinese-North Korean relations at a cross-roads.” 44.


28 See quarterly reviews of China-Korean relations by Scott Snyder in Comparative Connections www.csis.org/pacfor


32 Ibid.

33 Sutter, Chinese policy priorities, p. 103.

34 Ibid


