China’s Recent Relations with North Korea—Look Beyond “Stability”

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Abstract

The growth in Chinese economic and military power may help to overcome recent setbacks on the Korean peninsula but the experience of the past two years makes clear that China continues to face trade-offs that will hamper and complicate advancing Chinese influence.

Keywords: China; North Korea; South Korea; stability; United States; Japan
American and South Korean officials and commentators were surprised and angered by China’s refusal to condemn North Korea’s recent military provocations, the sinking in March 2010 of the South Korean warship Cheonan, killing 46 South Korean sailors, and the artillery attack on South Korea’s Yeonpyeong Island in November 2010, killing some South Korean soldiers and civilians. China’s deepening leadership ties and growing economic relations with and support for Pyongyang during a period of leadership transition in North Korea also appeared to enable North Korea’s egregious nuclear proliferation despite United Nations’ sanctions and international pressures in place since the North Korean nuclear tests of 2006 and 2009. Pyongyang’s disclosure in November 2010 of what appeared to be a fully operational uranium enrichment facility—a major step forward in North Korea’s nuclear proliferation, followed China’s months-long block of the release of a report by UN experts charging North Korea with supplying nuclear technology to Syria, Iran, and Myanmar.

At one level, Chinese behavior and actions can be explained as the latest episodes in China’s often twisted relations with North Korea since the end of the Cold War. The record shows China repeatedly put in a reactive position as it was compelled to deal with crises caused by North Korea’s nuclear weapons development, often abrupt and wide swings in North Korea’s posture toward its neighbors and the United States, and economic crises and leadership transition in Pyongyang. US policy toward North Korea and that of South Korea have also changed markedly over time, forcing adjustments in Chinese policies and practices.

The stakes for China have been high. With the possible exception of Taiwan, there is no more important area on China’s periphery for Chinese domestic and foreign policy interests than the Korean peninsula. The stakes have grown with rising Chinese equities in improving relations with South Korea, and often intense US and other regional and international involvement to curb North Korea’s advancing nuclear weapons development.

China’s frustration with North Korea followed its nuclear weapons tests in 2006 and 2009 and other provocations. Contrary to past practice, the Chinese administration allowed a public debate in which relations with North Korea were often depicted as a liability for China, requiring serious readjustment in Chinese policy. Meanwhile, some foreign experts and commentators suspect that China, in order to weaken
US power and influence in Northeast Asia, is somehow manipulating the North Korean brinksmanship and avoiding using its influence in conjunction with the United States in order to get North Korea to reverse its nuclear weapons development.\textsuperscript{5}

The evidence of growing Chinese frustration with North Korea is strong while the evidence to support the charge of self serving Chinese manipulation of the North Korean nuclear crisis is not. On balance, the overall record of Chinese policy and practice shows continuing caution: China endeavors to preserve important Chinese interests in stability on the Korean peninsula through judicious moves that strike an appropriate balance among varied Chinese relations with concerned parties at home and abroad. China remains wary that North Korea, the United States and others could shift course, forcing further Chinese adjustments in response.

Chinese leaders recognize that their cautious policies have failed to halt North Korea’s nuclear weapons development; they probably judge that they will be living with a nuclear North Korea for some time to come, even as they emphasize continued diplomatic efforts to reverse North Korea’s nuclear weapons’ development and create a nuclear free peninsula. They appear resigned to joining with US and other leaders in what is characterized as “failure management” as far as North Korean nuclear weapons development is concerned.\textsuperscript{6} They will endeavor to preserve stability and Chinese equities with concerned powers. As in the recent past, they probably will avoid pressure or other risky initiatives on their own, waiting for the actions of others or changed circumstances that will increase the prospects of curbing North Korea’s nuclear challenge and allow for stronger Chinese measures to deal with nuclear North Korea.

China’s often repeated overarching goal in the Korean peninsula remains “stability.” China’s behavior in the face of various crises, initiated mainly by North Korea, seems to underline this goal; by emphasizing stability, Chinese officials and commentators help to explain why China eschews pressure on North Korea that could provoke a backlash or other developments adverse to stability on the peninsula.

At the same time, a comprehensive assessment of China’s recent policy toward North Korea needs to take account of the wisdom of South Korean officials and experts, US specialists and other veteran observers who have often judged that China has a longer term interest in seeing the strengthening of Chinese influence and the reduction of US and Japanese
influence on the peninsula. Recent Chinese policy and practice have not highlighted this goal, though China’s strong objections for several months in 2010 to US and ROK military exercises in the Yellow Sea raised questions about China’s continued willingness to coexist with the US-ROK alliance.

In general, Beijing has been careful not to be seen as directly challenging US leadership in dealing with North Korea’s nuclear proliferation and broader Korean affairs. The Chinese administration apparently judged that Chinese interests in the Korean peninsula after the Cold War were best met with a broadly accommodating posture that allowed for concurrent improvements in China’s relations with South Korea and effective management of China’s sometimes difficult relations with North Korea. The net result was 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 periodic crises over North Korea’s nuclear program since 2002, China’s cooperation with the United States, South Korea, and other concerned powers in seeking a negotiated solution to the problem has enhanced overall positive development in China’s relations with these countries, while managing tensions over the North Korean program in ways that have avoided conflict or have helped to reduce the instability caused by Pyongyang’s provocative actions.

China’s cautious and incremental efforts to strengthen its influence in the Korean peninsula and thereby reduce US, Japanese and other potentially adverse influence along this critically important bordering area seem very much in line with China’s overall approach to advancing its interests in Asian and world affairs in the post Cold War period. The pattern of Chinese post Cold War interaction with neighboring states has been slowly but surely to spread Chinese influence through diplomatic, economic, and security interaction that emphasizes the positives and plays down the negatives in the Chinese-neighboring country relationships. China also relies heavily on the steady growth of what senior Chinese foreign policy officials call China’s “weight” to cause neighbors to improve over time their relations with China, eschew foreign connections and practices opposed by China, and thereby create a regional order more supportive of Chinese interests. Chinese officials suggest that China’s “weight” includes its salient and rapidly growing economic importance to Asian neighbors, its leadership in Asian
multilateral groups and international diplomacy, and the rapidly expanding reach of advanced Chinese military forces.10

The Chinese administration generally is patient in pursuing regional influence. Domestic Chinese priorities require continued regional stability. While there remains active debate among commentators and officials in China over how assertive China should be in dealing with Asian and world affairs, the central leadership appears recently to have reaffirmed a cautious approach that continues to avoid risks, costs, or commitments with potentially adverse consequences for the Chinese administration’s goals centered on sustaining its rule in a supportive environment in China and abroad.11

In sum, when assessing reasons for China’s refusal to cooperate closely with the United States and South Korea in response to North Korea’s provocations, it is important to look beyond immediate concerns with stability on the Korean peninsula. China’s approach to North Korea also is driven by a broad, albeit slow moving and low-risk, drive to establish an order in the Korean peninsula more influenced by China and less influenced by foreign and other elements seen as adverse to Chinese interests.

China’s encumbered rise in the Korean peninsula

Reviewed below are some of the important developments in the past two years; several have challenged and slowed China’s rising influence in the Korean peninsula. They come against the backdrop of China’s efforts to sustain and advance its interests and influence amid repeated changes challenging stability on the Korean peninsula in the post cold war period.

Post-Cold War developments, 1989-2009

A review of Chinese policy and practice toward North Korea since the end of the Cold War shows the Chinese administration’s endeavoring to sustain a leading position in relations with both North and South Korea as it reacts to changing circumstances on the Korean peninsula. Growing Chinese frustration with the twists and turns of North Korean behavior, especially Pyongyang’s nuclear weapons development, has not resulted in a major change in China’s reluctance to pressure North Korea to conform more to international norms and eschew provocations and confrontation. China’s focus has been to preserve stability in an uncertain environment caused by internal pressures and international
provocations of North Korea, and erratic policies by the United States and South Korea. China continues to follow practices that give priority to positive incentives rather than pressure in order to elicit North Korean willingness to avoid further provocations and to return to negotiations on eventual denuclearization. Developments in the two decades since the end of the cold war can be divided into three periods:

- **1989-2000** featured Chinese angst over North Korean leadership transition and instability and economic collapse, and crisis with the United States prompted by North Korea’s nuclear weapons development;

- **2000-2001** saw a period of unprecedented détente, during which China facilitated North Korean outreach and endeavored to keep pace with expanding North Korean contacts with South Korea, the United States, Russia and others; and,

- **2002-2009** featured periodic and intense North Korean provocations and wide swings in US policy ranging, from thinly-disguised efforts to force regime change in North Korea to close collaboration with Pyongyang negotiators. South Korean policy also shifted markedly from a soft to a harder line in dealing with North Korea.

A careful review of the gains China has made in improving relations with Asian neighbors and others in recent years shows South Korea to be an area of considerable achievement. The Chinese advances also coincided during the earlier years of the last decade with the most serious friction in US-South Korean relations since the Korean War. Thus, China’s influence relative to the United States grew on the Korean peninsula.

Meanwhile, US policy evolved in dealing with North Korea, working much more closely with China in order 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 interchanges with North Korea presumably would boost US influence relative to that of China in peninsula affairs, the US government often has seen 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.\textsuperscript{13}

Against this background, China’s relations with South Korea improved markedly.\textsuperscript{14} China became South Korea’s leading trade partner, the recipient in some years of the largest amount of South Korean foreign investment, and the most important foreign destination for South Korean tourists and students. For many years, it was a close and often like-minded partner in dealing with issues posed by North Korea’s nuclear weapons program and related provocations, and the Bush administration’s hard line policy toward North Korea. South Korea’s trade with China has grown rapidly in recent years. In 2004 it 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 reached $115 billion in 2006.\textsuperscript{15} Until the global economic crisis of 2008-2009, the two countries were on course to meet a goal of $200 billion in trade in 2010. South Korean investment in China in 2004 amounted to $3.6 billion, almost half of South Korea’s investment abroad that year. The amount in 2008 was $3.14 billion.

After South Korean efforts to stabilize South Korea’s currency with the help of a $30 billion line of credit from the US Federal Reserve in October 2008, China joined Japan in December in pledging its own $30 billion currency swap with South Korea. China was the most important foreign destination for South Korean tourists (4 million South Korean trips to China and 2 million Chinese trips to South Korea in 2007) and students (38,000 in 2005). In the face of the Bush administration’s tough stance toward North Korea from 2001-2006, South Korea and China were close partners in dealing more moderately than the United States with issues posed by North Korea’s nuclear weapons program and related provocations.\textsuperscript{16}

As relations developed, China’s economic importance to South Korea was seen more in both negative and positive ways. Periodic trade disputes came with growing concerns by South Korean manufacturers, political leaders, and the public about competition from fast-advancing Chinese enterprises. China’s economic attractiveness to South Korean consumers declined markedly as a result of repeated episodes of Chinese
exports of harmfully tainted consumer products to South Korean and other markets. South Korean leaders strove to break out of close economic dependence on China through free trade agreements and other arrangements with the United States, Japan, and the European Union that would insure inputs of foreign investment and technology needed for South Korea to stay ahead of Chinese competitors.\(^{17}\)

Other differences between the two countries focused on 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. These disputes had a strong impact on nationalistic South Korean political leaders and public opinion. Polls showed a significant decline in positive South Korean views toward China and its policies and practices from earlier in the past decade.\(^{18}\)

Regarding Chinese relations with North Korea, China’s frustration grew with North Korea’s continued development of nuclear weapons and other provocative actions. Chinese officials obviously miscalculated when they argued that North Korea’s nuclear weapons program was not a serious one but represented an effort to elicit aid and other support from the United States, South Korea and others. China’s more recent working assumption has seemed to be more realistic—North Korea is intent of keeping nuclear weapons. In response, China has been more willing, albeit with continued reservations, to join US-backed efforts in the United Nations to criticize and impose limited sanctions on North Korea until it resumes negotiations leading to denuclearization. Meanwhile, a debate about the need to shift Chinese policy toward a harder line has become more public in active discourse in official and unofficial Chinese media. Chinese officials have noted frequently in recent years the need to take account of such public debates. In general, the open Chinese discussion of policy toward North Korea has displayed more frustration with North Korean provocations than the officially recorded interchanges between Chinese and North Korean officials.\(^{19}\)

Complementing the modest hardening in China’s stance toward North Korea have been a series of recent positive steps China has taken to offer unspecified but apparently substantial economic and other incentives to North Korea amid a major burst of high-level official engagement between the two sides during the past two years.\(^{20}\) The mix of Chinese actions, seemingly involving more carrots than sticks, has
underlined Chinese concern to preserve stability and China’s position as the foreign power with the best relationship with both North and South Korea. China has been prepared to accept a nuclear North Korea for the foreseeable future, rather than risk dangers associated with strong pressure on Pyongyang. The future of North Korea could be violent and disruptive. China has sought to avoid such negative outcomes and to sustain a position of influence in determining the future of the peninsula. The latter goal has also supported continued Chinese efforts to improve relations with South Korea, a policy pursued throughout the post cold war period.

**Recent developments—setbacks for China**

China has made gains since the start of 2010 in solidifying its position as the most important and avid supporter of the North Korean leadership as it undergoes the most significant leadership transition in a generation amid poor domestic conditions and generally unfriendly international circumstances.\(^{21}\) China has also deepened economic relations with both North and South Korea. Though China-North Korean discussions remain secret, it appears that bilateral relations have registered significant improvement, despite differences over North Korea’s proliferation and military provocations.

The same cannot be said about China’s relations with South Korea. In 2010, those ties reached the lowest point since the establishment of China-South Korea diplomatic relations; recent contacts designed to improve relations have barely hidden deep differences. China’s refusal to criticize North Korean military attacks against South Korea left a lasting and widespread impression of China’s priorities when choosing between North and South Korea. Against this background, and contrary to China’s longer-term objective to diminish US and Japanese influence on the Korean peninsula, China faced strengthened US-South Korean and US-Japan alliance relationships, and closer strategic coordination between South Korea and Japan. Adding to South Korean and US differences with China has been Beijing’s unexpectedly strong public opposition in 2010 to US-ROK military exercises in the Yellow Sea, operations that were targeted at showing allied resolve and deepening deterrence against further North Korean military provocations.\(^{22}\)
Chinese advances

China’s top leader, Hu Jintao, has been in the vanguard of Chinese representatives’ seeking to underline Chinese support for the leadership transition in North Korea. Hu hosted visiting North Korean leader Kim Jong-il during two trips to China, in May and August 2010, and another in May 2011. The visits presumably were related to the beginnings of a formal transition from Kim Jong-il to other leaders, including Kim’s son Kim Jong-un, who were elevated to top positions at the first Workers Party of Korea conference in 44 years in September 2010. There followed a blizzard of speeches and publicity efforts marking close China-North Korea relations. An important speech by China’s heir apparent Vice President Xi Jinping, and a wide range of high-level party and security exchanges came in 2010 and high-level attention continued into 2011, including the Hu-Kim meeting in Beijing in May 2011.23

These public displays of solidarity came along with reports of differences between Beijing and Pyongyang over North Korea’s proliferation activities and military attacks against South Korea. On balance, the Chinese leadership was clearly emphasizing the positive in its public posture toward Pyongyang. It backed its support of North Korea by thwarting South Korean-led efforts in the United Nations and elsewhere to press North Korea to bear consequences for sinking the Cheonan and for attacking Yeonpyeong Island, and for its nuclear proliferation activities at home and abroad.

China also advanced various economic ties with North Korea. According to Chinese customs data, China-North Korea trade in the first half of 2010 amounted to $1.29 billion, a 16.8 percent annual increase. North Korea imported $940 million in goods from China and exported $350 million during the period. North Korean imports from China rose markedly, with flour rising by 383 percent. North Korea’s crude oil imports from China remained the same. Minerals and other natural resources continued to account for a large portion of North Korean exports to China. China also provided unspecified humanitarian assistance in 2010. China’s trade and aid ties with North Korea raised concerns about the effects of those ties on United Nations and other international sanctions. Meanwhile roads, railways, bridges and other projects facilitating transportation between China and North Korea were under construction.24

Economic ties also grew between China and South Korea. China-ROK trade during 2010 amounted to $171 billion, according to official
South Korean figures, a 21 percent increase from $141 billion in 2009. China remained South Korea’s top destination for investment, which totaled over $30 billion in 2010 and represented 21 percent of South Korea’s total foreign direct investment (FDI). It was anticipated that China in 2010 would overtake the United States as South Korea’s top FDI destination. Meanwhile, the number of Chinese visitors to South Korea rose 48 percent in 2009, reaching 1.21 million. South Korean tourists were the largest group of foreign tourists visiting China in the first half of 2010, totaling 1.95 million; this marked an increase of 30 percent from the same period in 2008, and accounted for 15.5 percent of the total foreign tourists in China.  

**Chinese setbacks**

China’s response to the Cheonan incident and other North Korean military provocations and proliferation activities, however, placed the greatest strain on China-South Korean relations in a generation. They brought relations to a new low. They sparked significant debate in South Korea, highlighting the relative weakness of China-South Korean political and security ties and strategic coordination despite close trade ties. These weak links contrasted sharply with Beijing’s concurrent strengthening of political ties with the current leadership in Pyongyang and increasing trade and economic exchanges at a time of stalled inter-Korean relations.  

Among other setbacks for China:

- China’s political and economic support of North Korea at a time of international condemnation of Pyongyang undermined perceptions of China’s regional and international role as mediator of the six party talks and as a responsible stakeholder in the international community. President Obama seemed to capture the sentiment of many world opinion leaders in criticizing China’s “willful blindness” in the face of North Korean provocations.

- North Korea’s provocations introduced a high level of frustration into China’s relations not only with South Korea but also with the United States, Japan, Australia and a number of Western powers.

- North Korea’s provocations pushed the North Korean issue to the top of the US policy agenda with China; China’s
failure to curb North Korea was accompanied by senior American leaders, including Secretary of Defense Robert Gates warning bluntly in public that the North Korean nuclear program had come to be viewed as a direct threat to the United States. One implication was that if China didn’t act to rein in North Korea, the United States would have to take actions on its own.  

- China’s weak response to North Korea’s provocations and its unanticipated assertions in 2010 that US-ROK military exercises to counter North Korea were a threat to China helped solidify the already close US relationship with South Korea. They also enhanced trilateral cooperation among the US, South Korea and Japan in order to deal effectively with North Korea in the absence of significant support from China.

In sum, China faced a Korean peninsula marked by growing tension and deepening involvement by the United States and Japan at odds with Chinese interests. China’s credibility and broader international reputation were battered. In return, China solidified relations with North Korea. Unfortunately for China, there remained large questions about North Korea’s future trajectory. North Korea’s uranium enrichment program and other proliferation activities showed nuclear ambitions opposed to Chinese efforts to lead North Korea to denuclearization. North Korea’s emphasis on self-reliance as its national development strategy also contradicted Chinese efforts to promote Chinese-style reform and the opening of the North.

**Conclusion**

Over time, China may be able to put the negative implications of events of the recent period behind it and continue efforts to advance Chinese influence on the Korean peninsula as the overall economic, diplomatic and military power of China grows. The experience of the recent period nonetheless makes clear that China is not in control of salient variables determining developments on the Korean peninsula; China will continue to face trade-offs that will hamper and complicate advancing Chinese influence; and South Korea, the United States, Japan and others have been put on guard in anticipation of further Chinese actions that work against their interests.
Notes:

1 Robert Sutter, Professor of International Affairs, Elliott School, George Washington University, Washington DC. This paper benefitted from comments by Dr. Hugo Wheegook Kim and Dr. Young Whan Kihl at the conference “Political Succession in North Korea and Regional Peace and Stability,” sponsored by the Korean Economic Institute of America and International Council on Korean Studies, Washington DC, June 15, 2011.


9 This paragraph and the next two paragraphs rely on Robert Sutter, Chinese Foreign Relations: Power and Policy Since the Cold War (Lanham MD: Rowman and Littlefield, 2010), 203-208.


18 Snyder, “Lee Myung-bak and the Future.”


On China’s setbacks, see Snyder, “DPRK Provocations” and Snyder, “Consolidating Ties.”


Snyder, “DPRK Provocations,” 94.

Snyder, “Consolidating Ties.”

Ralph Cossa and Brad Glosserman, “US Profile Rises, China’s Image Falls, North Korea Changes,” *Comparative Connections*, 12:3 (October 2010), 1-5; Snyder, “Consolidating Ties.”


Cossa and Glosserman, “Profile Rises,” 3-5.