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Xi Jinping’s Foreign Policy towards North Korea

Abstract
As North Korea’s biggest economic partner, China is believed to have the most leverage on Kim Jong Un’s regime. Nevertheless, North Korea’s nuclear ambitions cast a shadow on the relationship between the two countries. Apparently, the Xi Jinping government faces a dilemma in its policy towards North Korea, in particular, after recent nuclear and missile tests. Although China’s reaction to North Korea’s tests has been toughening by supporting the UN sanctions, its key strategic interest in North Korea is still to maintain stability and avoid collapse of Kim’s regime. Nevertheless, there are a lot of ongoing debates on a need for change in China’s policy towards North Korea.

This paper examines China’s foreign policy towards North Korea and its implications for the future Sino-DPRK relations. The paper will start with an overview of China’s policy on North Korea and the Sino-DPRK economic relations. The second part will provide information about recent developments in the Korean peninsula, in terms of key regional actors’ reactions to North Korea’s nuclear test. The third part will examine what key factors will determine China’s future policy towards North Korea under US pressure. In conclusion, the paper will argue why China needs two-track policy, nuclear sanctions and economic engagement, towards North Korea to achieve its long-term goal of de-nuclearization and stability in the Korean peninsula.

Overview of China’s Policy towards North Korea
China’s foreign policy towards North Korea has evolved over the past six decades since the Mao Zedong era. Mao Zedong described the Sino-DPRK relations as close as “lips and teeth”. Overall, the two countries have maintained good relations during the 1950s, 60s and 70s. Nevertheless, over the past six decades, it is interesting to see there were also some
changes and development in the Sino-DPRK relations.

China intervened the Korean War from 1950 to 1953, just one year after the establishment of PRC. Actually, Chairman Mao decided to save North Korean regime, which was facing imminent collapse in 1950, and Mao’s son joined this war voluntarily and died. So, during the Korean War, Chinese-North Korean relations can be described as a blood tie.

However, this blood-tie relation began to change when China initiated economic reforms and opened up its economy under Deng Xiaoping’s leadership. More seriously, when Beijing established diplomatic ties with South Korea in August 1992, North Korea complained of the Chinese decision. For a while, North Korea suspended tourism, culture and sports exchanges with China. Pyongyang also refused the invitation to visit Beijing and meet Deng Xiaoping and cancelled a senior Chinese official’s participation in Kim Il Sung’s birthday celebrations. This cold relationship continued until during Deng Xiaoping’s leadership, and their relations developed into so called “cooling pragmatic ties”.

During the Deng Xiaoping era, North Korea was quite stable, politically and economically. However, North Korea faced a food crisis during mid-1990s. Although China offered food aids to prevent massive number of refugees from crossing the border into Chinese territory, Kim Jong Il refused Chinese aid as Beijing gave pressure to North Korea to promote its opening up economic model. As a result, tens of thousands of refugees flowed into China in search of food that undermined China’s security interests. Given this experience, China started being concerned about the domestic situation and became engaged with North Korea by increasing economic aid to the country in the 2000s. With Chinese efforts in improving the Sino-DPRK relations, Jiang Zemin visited DPRK in September 2001, while Kim Jong Il made unofficial visits to China in May 2000 and January 2001. During Jiang Zemin’s visit, the Chinese side promised to provide aid of 200,000 tons of food and 30,000 tons of oil.

Overall, Beijing maintained its good relation with North Korea with its substantial economic assistance to Pyongyang under the Hu Jintao’s leadership. In the Hu Jintao era, even after the second nuclear test, Beijing emphasized friendship ties with North Korea and supported Kim’s regime, as China realized that North Korea’s stability is an essential factor for Chinese strategic benefits. However, many strategic interests between

\[ \text{To-hai Liou, ‘North Korea’s Diplomatic Strategies in The Post-Cold War Era: Fishing in Troubled Waters’, North Korea’s Diplomatic Strategies in the Post-Cold War Era,} \]
\[ \text{International Journal of Korean Unification Studies, vol. 10, no. 2, 2001, p. 84.} \]
the two countries have grown increasingly different, as China has become a pragmatic and global economic power. For example, since 2003, China doubled its overseas investment. Since 2012, Xi Jinping era, based on his more programmatic policy, the profile of the Sino-DPRK relations has become a normal country-to-country relation. Therefore, the overall Sino-DPRK relations from Mao to Xi have changed to normal state-to-state relations from the blood relations and pragmatic friendship relations. However, the Xi Jinping government has faced a dilemma in its policy towards North Korea, in particular, after the fourth nuclear test in January 2016, which has undermined China’s national security in the region. There are a lot of ongoing debates on a need for change in Xi Jinping’s policy towards North Korea.

**Sino-DPRK Economic Cooperation**

North Korea is heavily dependent on China in terms of economy. China provides most of its food and energy supplies. North Korea gets more than 70 per cent of its food and fuel from China. In terms of trade, China is North Korea’s largest trade partner, while North Korea ranked as 82nd (in 2009) as China’s trade partners. China provides about half of all North Korean imports and received a quarter of its exports. Trade between North Korea and China has grown steadily, whereas inter-Korean trade has fallen since 2007 due to the hard-line policy of South Korean President Lee Myungbak. This was in line with Lee Myungbak’s hard-line policy towards North Korea. Today, there is no inter-Korean economic cooperation since the end of the Mt. Kumgang and Kaesong projects.

Joint projects between China and North Korea have pursued along the northwest and northeast border to promote economic development in China’s three northeast provinces. Another reason is that China wants

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4. Ibid.

5. Ibid.
to secure natural resources like coal. China has invested a lot in the sectors of mining, such as coal, aluminium and iron in North Korea. Domestic supplies can hardly meet China’s resource consumption due to its rapid economic growth in the 2000s. Since 2003, the Chinese government has encouraged economic development in the three Northeastern provinces, Heirong Jiang, Jilin and Liaodong, and economic cooperation with North Korea is connected with the government’s project, which promotes economic development in the Northeastern part of China.

Recently, China and North Korea agreed on a number of joint economic projects. The joint projects focus on infrastructure construction and industrial development as well as operation of joint industrial complexes in border areas. Shortly after Kim Jong Il’s trip to northeastern China and his meeting with Hu Jintao in Changchun in August 2010, the two countries agreed on a plan to develop mainly two areas in the western and eastern sides of the North Korea-China border. Hwanggumpyong economic zone in the Yalu River at the western end, linked with the Liaoning Coastal Economic Belt Construction project, and at the eastern end the Rajin-Sonbong special zone is linked with the Changchun-Jilin-Tumen development project. Under the Hwanggumpyong project, China and North Korea connected the new bridge between Dandong and Shinuiju. Under the Rajin-Sonbong special zone project, China and North Korea paved the highway between Hunchu and Rajin. Also, China obtained the right to use the Rajin port for 10 years, giving them access to the East Sea. This is very significant for China in terms of military strategy.

Despite Xi Jinping’s tougher stance over North Korea’s nuclear issue, China-North Korea trade had steadily increased. In 2014, trade between the two countries hit $6.39 billion, up from about $500 million in 2000, according to figures from the Seoul-based Korea Trade-Investment Promotion Agency. However, when facing the increasingly dangerous Peninsula dynamics, how should China respond to external criticism against China’s "generous aid" to North Korea? China, with the stability-first mentality, has provided a great deal of food, oil and financial aid to North Korea. This has been criticized by the international community as providing aid to a country that insists on nuclear development. It is a difficult problem as to how China can convince the international community that its aid to North Korea has nothing to do with this country’s current

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words and behaviours.

**China's Economic Model**

China has been the most recent successful case of economic reform and development, providing important lessons to many developing and post-communist countries. This has been the case for North Korea. Most North Korean people, having seen Kim Jong Il go to China and exchange and cooperate over 15 years, are well aware that Chinese reform and opening has been a success. In fact, China has had an important impact on North Korean domestic economic policy, as a model and catalyst for the modest changes. In particular, North Korea has been interested in China’s model, which promises the pursuit of economic reform while maintaining strict political control.

Over the past two decades, China has pushed North Korea to follow its transition path as the China model became increasingly obvious. Under a certain amount of pressure, North Korea seemed to appear to attempt certain Chinese-style reforms in earnest during the 2000s in an attempt to recover from its economic difficulties.

This trend can be seen when Kim Jong Il visited Beijing in May 2000, when Kim noted the ‘great achievements of opening up the country’ by the Chinese reformer Deng Xiaoping and announced that ‘North Korea supports the reform policy pursued by the Chinese side’. These comments suggested a new receptiveness to economic reform on the part of the North Koreans and opened up the possibility of the Chinese adopting their natural role as mentors in this regard. This possibility received another boost with Kim Jong Il’s January 2001 return trip to China, in which he visited economic venues such as the Shanghai stock exchange and a semiconductor factory. Soon thereafter, North Korea’s policy experiments expanded to include special economic zones (SEZs) and the new economic incentives set forth in the July 2002 reforms.

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Chinese pressure for an opening has increased powerfully in the 2000s.¹⁰ Yet, China’s economic reform model can be defined as encompassing aspects of simultaneous internal reform and external opening, accompanied by conscious efforts to create linkages between the two types of reform. So far, Kim Jong-un has not addressed a clear external opening policy as part of the recent economic reform plans. Kim Jong-un is still waiting for the engagement policy of the next South Korean government. Nevertheless, it seems unlikely in North Korea’s economic system, which emphasizes rigid control and where genuine reform has been largely eschewed for fear of its implications of that control. North Korea might have learned from the past economic reform in 2002 that the Chinese style reform is not a safe model for Kim’s regime survival.¹¹ North Korea remembers the Tiananmen Square protests of 1989. Due to China’s rapid economic reform and spread of outside information, the gap between rich and poor people and corruption of the party elite were increasing rapidly by the late 1980s. The demonstrations, organized by local working residents as well as students, called for government accountability, freedom of speech and the restoration of workers’ control over industry. The regime thinks that a similar political event could happen in North Korea, and they fear that Pyongyang might not have capacity to control such turmoil.

In addition, there is one fundamental difference between the North Korean open door policy and that of China. Kim’s reforms opened export doors without affording much import liberalization. Even though both countries’ open door policies aimed at attracting foreign capital and technology, the motives behind the policies are different. In the Chinese case, through the open door policy or outward-oriented development strategy, it attracted foreign capital and technology to promote light industry based on the law of comparative advantage. However, North Korea’s motives for adopting an open door policy are not to promote exports but to acquire foreign exchange needed to continue its import-substitution development strategy. Thus, North Korea attracts foreign capital, not to invest in export promotion industries but to resolve its urgent foreign

currency shortage by selling natural resources.

For sustainable economic recovery and growth, North Korea should embrace overall economic reform based on the market principle, as China has done. Nevertheless, North Korea is reluctant to introduce international market mechanisms in the domestic economy to distinguish it from the “socialist market economy” in China, which has introduced a full-scale market and opening up mechanisms in domestic economy. More important, as many policy analysts as well as former diplomats and intelligence officials state, is that the late Kim Jong Il never trusted the Chinese and did not want to implement policies that would effectively allow North Korea to become an economic appendage to Beijing.

China’s Sanctions on North Korea since 2016
After the fourth nuclear test, China’s policy has been determined by re-calculating North Korea’s strategic value and burden, and the Xi government had to reset its new policy towards North Korea. Xi Jinping has taken relatively “hard” stance towards North Korea after the country’s third nuclear test. A main reason for China to pursue North Korea’s de-nuclearization is that the nuclear programme undermines the stability in Northeast Asia. Furthermore, North Korea looks more stable in recent years, and from the Chinese perspective there is no need for a strong engagement towards North Korea at the moment, compared to the past when North Korea faced the food crisis in the mid-1990s and the power transition in 2011. Therefore, Xi Jinping has had more room to implement no nuclear policy, and being more active China joined the strongest international sanctions ever after the third nuclear test in 2013.

It has been also influenced by the US policy towards North Korea and Northeast Asia. The United States increased its pressure on China after the fourth test by calling on Beijing to play a “special role” in tightening sanctions against North Korea. The North Korean nuclear programme has been a key issue in the US-China cooperation. Since the Bush government, the US has stressed that the US-China strategic cooperation is the key factor in resolving the North Korean Nuclear crisis. However,

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since the Obama administration, the frustration with China’s ineffective role in North Korea has increasingly grown, and there is a negative view on the Six-party talks in the US. In this sense, the pressure from the US has increased by pushing China to take tougher measures in solving the North Korean nuclear problem, in particular, after the fourth nuclear test.

China appears to have implemented the new UN Security Council (UNSC) sanctions on North Korea. The Security Council passed a resolution in March, which expanded UN sanctions. China has tightened its restrictions on goods banned for export to North Korea: the list of restricted goods has been posted on the Internet by the Chinese commerce ministry; it includes potential “dual use” products that can be used either for weapons or non-military nuclear purposes. China’s Ministry of Transport has blacklisted 31 North Korean vessels, and banks in Dandong (Chinese city near the North Korean border) had also apparently been ordered to halt remittances to North Korea.  China has restricted imports of North Korean coal and sales of jet fuel under UN sanctions.  While China’s restrictions allow some North Korean materials to be imported for civilian use, any trade of minerals connected with the North’s missile or nuclear programmes has been prohibited.

As a result, daily shipments of bilateral trade in their border area had declined by as much as 30% from March to June. As relations with China have cooled, bilateral trade between North Korea and China fell 2.79 per cent from a year ago to $6.36 billion in 2015, marking the first annual decline in six years. One of the later toughest components, a requirement that countries inspect all cargo entering or leaving North Korea for banned goods, is also not enforced in Dandong, the most scrutinized area of the border. Although some curbs have been put in place in

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14. ‘China, South Korea step up sanctions on North Korea,’ Reuters 9 March 2016.
15. Serina Sandhu, ‘China announces sanctions against North Korea; coal, iron, gold and titanium are among the resources that will be banned’, Independent News, 5 April 2016, http://www.independent.co.uk/news/world/asia/china-announces-sanctions-against-north-korea-a6969256.html
17. Ibid.
Dandong, trade and shipping sources at ports in Northeastern China stated they had received no instructions from the government on any new rules on coal imports from North Korea. The slowing trade, especially import of coal, may be driven by China’s slow economic growth and China’s will to develop the renewable energy sector.

There is hope that this new round of sanctions, known as “the strongest ever,” cause enough distress in Pyongyang that leaders will be forced to make concessions, but the real question is whether China will continue to implement the sanctions, as the effectiveness of the UNSC sanctions depends upon China. Even if China does, it is questionable whether the regime will suffer enough that North Korea will give up its nuclear weapon.

China’s Nuclear Policy
North Korea has conducted nuclear tests five times so far, in 2006, 2009, 2013 and 2016, with a three-year interval on average. However, this year has been unusual since North Korea has tested two times, in January and in September. Through five rounds of nuclear tests, North Korea has made progress in developing nuclear technologies. Overall, the fourth test can supposedly be distinguished from classic atomic bombs by being a – considerably more powerful – 'boosted' fission weapon, and such technology can be step towards developing actual H-bombs. Furthermore, North Korea has stated that the most recent test on the 9th of September had successfully detonated a nuclear warhead. Based on the seismic waveforms, the blast is estimated to have been about 10 kilotons, more than twice as large as the previous test in January.\footnote{‘North Korea accused of 'maniical recklessness' after most powerful nuclear test yet', the Telegraph, 9 September 2016, http://www.telegraph.co.uk/news/2016/09/09/north-korea-believed-to-have-carried-out-nuclear-test-after-smal/} This is by far the most powerful test by North Korea, and according to the North Korean media (KCNA), the DPRK is now able to produce a variety of smaller, lighter and diversified nuclear warheads.

There is no doubt that China wants the de-nuclearization of the Korean peninsula, and Beijing is implementing the last sanctions against North Korea to show the international community that it is acting as a responsible stakeholder. However, despite vast pressure from the US on Beijing’s role in de-nuclearization in North Korea, China has avoided taking responsibility for North Korea’s nuclear issue as, in fact, China is unlikely to be able to control this, and it is not a top priority in China’s
national security context.

China has been worried about losing its leverage over North Korea's nuclear issue, as the Six-party talks have been deadlocked since 2008. In January 2011, China proposed three steps for resumption of the Six-party talks, which can be started with the inter-Korean talks, followed by the bilateral talks between the US and North Korea and thereafter followed by the Six-party talks. However, this idea also became a stalemate after North Korea broke the February 29 agreement in 2012 between the US and North Korea, with the missile test.

Since the Xi Jinping government, leverage over the nuclear issue has been reduced even further as North Korea has refused to take steps towards de-nuclearization, as the 7th congress of the Workers' Party made it clear in May that North Korea has become a strong nuclear power state, and no de-nuclearization may be expected. Kim's congressional message has two obvious external goals. One is to make its nuclear status official and the other is to inform the world of its stance on nuclear deals. Two months later, a North Korean nuclear envoy, Choe Son-hui, attended the 22nd North East Asia Cooperation Dialogue (NEACD) meeting in Beijing in June and expressed that the Six-party talks on North Korea's nuclear weapons programme are "dead".

Instead of resuming the talks, only the Security Council resolutions and sanctions on North Korea have been imposed, but nothing so far has prevented North Korea from conducting nuclear tests and launching missiles. Thawing the icy relations depends on the will of the US, but Washington does not appear to act on resolving the nuclear issue while being distracted by its presidential race. Rather, in July 2016, the Obama administration sanctioned North Korea's leader, Kim Jong-un, for human rights abuses for the first time. It seems the US policy towards North Korea has been set up with the regime collapse. The United States has voiced the need for tougher stance against North Korea. The Obama administration thus has little choice but to increase pressure on Pyongyang.

Therefore, the Xi Jinping government has faced a dilemma where the nuclear issue in North Korea has appeared to be far more out of Beijing's control, but the US has increased its pressure towards China after the fourth test by calling on Beijing to play a "special role" in tightening sanctions against North Korea.

The de-stabilization of North Korea through a loss of political control makes its possible for military conflict on the peninsula. Chinese analysts are particularly sensitive to the fact that instability in North Korea might
create an “irresistible temptation” for South Korea, with US support, to reunify the peninsula. There is clear concern that the United States would intervene militarily regardless of the views of the international community (or China), as it did in Iraq. Some of these outcomes might directly conflict between China and the United States and South Korea. For instance, China clearly would prefer future South Korean governments to have friendly relationships with China but would like to see diminished role for US military and political influence on the peninsula. China consistently maintains the principle that de-nuclearization of the peninsula should be resolved through the “principle of dialogue”. Beijing hopes the Six-party talks will be resumed through “joint efforts”.

**US Pressure on China’s Policy**

North Korea’s recent nuclear tests and missile launches increase the dilemma of how the international community should respond to Pyongyang’s nuclear ambitions. Led by the United States, the international community has reacted strongly to recent tests, pushing additional punitive sanctions against Pyongyang and raising the prospect of additional military deterrence measures. In fact, the US is willing to remove or self-limit its actions on law enforcement, sanctions and military actions towards North Korea, despite political discord with China.

The United States realized that previous sanctions did not work well as the US has so little economic engagement with North Korea. The act calls for 'secondary sanctions' (third-party sanctions), which are to be enforced at the discretion of the administration. Therefore, a new resolution and US bilateral sanctions have sought to include third party countries (obviously focusing on China) to toughen existing measures against North Korea. Some hardliners think that secondary sanctions could bring North Korea’s economy to the brink of collapse, if the US could designate Chinese entities doing business with North Korea. However, this measure has constituted some complication to the US-Chinese relations. As 90% of North Korea’s external trade is with China, in practice the implementation of a ‘secondary boycott’ would result in sanctions on China, which would be a choice, burdensome to both China and the US. Indeed, after the fifth nuclear test, the US has imposed secondary sanctions on the Chinese trade company, Liaoning Hongxiang industrial group, which is involved in selling nuclear and missile materials to North
Korea. In the future, the US is likely to pressure China even more to accept secondary sanctions. The US has also attempted to strengthen efforts to the UN sanction by including third party entities to create additional measures that would prohibit ships flying North Korean flags or North Korean air carriers from accessing certain ports and airports around the world. With the potential for the Obama administration’s full implementation of this act in the event that strict UN sanctions were not passed looming over China, China had little choice but to agree to UN sanctions.

In terms of military tensions over the Korean Peninsula, these US measures have drawn aggressive reactions from the North that can bring military conflicts on the Korean Peninsula and arms race in Northeast Asia, which undermines China’s national security. Pyongyang has been counting on such action, firing short/mid-range missiles and submarine-launched ballistic missiles (SLBM). Some analysts suggest these US actions are instead better interpreted as indirect geopolitical warnings to Beijing as part of US stance on Asia strategy.

In response to North Korea’s nuclear and missile threats, the staging of large-scale US-ROK joint military exercises and the deployment of the Terminal High Altitude Area missile defence (THAAD) as means of enhancing defence cooperation with South Korea (and Japan) would be seen by Beijing as augmenting US strategic assets at the expense of China. Beijing could see tougher US sanctions and military measures that not only target North Korea’s regime but also directly undermine China’s economy and strategic benefits in the region as the US policy for isolating China. In this case, China’s future approaches to North Korea’s nuclear issue has focused on and will focus on increasing its strategic benefits in Northeast Asia against the US policy, rather than resolving common problems through cooperation. Under such conditions, North Korea’s strategic value will grow for China in countering the US “pivot to Asia” policy. As a result, the North Korea nuclear issue will be even more difficult to resolve by precluding the prospect of Chinese cooperation.

On 2nd of June, the meeting between Xi Jinping and Ri Su Yong came as a surprise for international observers convinced that something had changed. Instead, Ri Su Yong, head of the delegation, delivered an oral

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message from top DPRK leader Kim Jong Un to Xi. In his message, Kim expressed that DPRK hopes to work with China to strengthen and develop the bilateral traditional friendship, and maintain peace and stability in the Korean Peninsula and Northeast Asia.\(^{20}\) Xi, also General Secretary of the Communist Party of China (CPC) Central Committee, welcomed the delegation, saying the visit was evidence of the tradition of strategic communication between the two parties on major issues. Moreover, Xi met Kim Jong Un’s envoys without making a big deal of North Korea’s commitment to develop nuclear weapons.

This seems to be the case of the "strategic change" of China’s dealing with North Korea. China uses the "special relationship" with North Korea to counter the US in the region. Indeed, Chinese leadership has become very annoyed to be the target of US pressures, and the decision on the deployment of a THAAD system in South Korea is not well regarded by Beijing. If added to the tension in the South China Sea and the United States policy of ‘pivot’ to Asia, it understands that China and the US cannot have cooperative relations and that China cannot simply alienate North Korea. Thus, Xi wants to strategically engage North Korea to show to the US that it has big leverage on Pyongyang, and as a sign against the US efforts to encircle China in the region. To sum up, the Sino-DPRK relations are developing under the new geopolitical situation, as both countries want to preserve their core interests.

Therefore, for sanctions to be more effective, this relies on greater international coordination, not least with China – a fact recognized by the US. While China has expressed strong disapproval of North Korea’s nuclear programme, it has different strategic value of North Korea with the recent USs ‘pivot policy’ towards Northeast Asia.

*China’s priority: No Collapse Policy*

The main goal of China’s foreign policy towards North Korea has pursued de-nuclearization and stability in North Korea. Therefore, China’s policy has been a mixture of two goals to achieve no nuke and no collapse in North Korea. In practice, this policy has been implemented by promotion of dialogue, nuclear sanctions and economic aid against North Korea. Sometimes, this approach has been confrontation with each other, but all Chinese administrations have used two-track policy to maximize

China's influence on North Korea.

After the fourth nuclear test, there have been lots of talks about the end of friendship between China and North Korea. Especially since the fourth nuclear test, the Chinese leadership has clearly shown its disappointment and frustration regarding Pyongyang “provocative” actions. The fact that China has joined the international community in sanctioning North Korea has been interpreted as a sign of change in the relations with North Korea, as well as its commitment to the implementation of such tough measures. While China has expressed strong disapproval of North Korea's nuclear programme, it is unwilling to exert leverage on North Korea.

In line with the fundamental character of Sino-DPRK relations, Chinese officials have said China would “earnestly” implement the sanctions, but those should not affect the well-being and humanitarian needs of the North Korean people. Indeed, on the 7th of March, Hong Lei, spokesperson for the Chinese Ministry of Foreign Affairs stated that ‘the UNSC resolution must not have a negative impact on the public or humanitarian needs’ and emphasized that it can never agree to sanctions that shake the foundation of the North Korean regime. On the other hand, China has also firmly affirmed that sanctions are not the answer and that only a resumption of talks can resolve the dispute over North Korea's nuclear and weapons programmes. In other word, the stability in North Korea is more important for China than no nuke in the Korean peninsula, although there is some flexibility in implementing no nuclear policy, depending on degree of stability in North Korea.

Therefore, in any case, China will not accept measures that could bring the regime collapse. Should a collapse occur, it would undermine China’s security interests, mainly in the border area, resulting in massive number of refugees, which could be more of a panic situation than the refugee crisis in Europe as there is only one border between the two countries. In this sense, China has adjusted the degree of sanctions against Pyongyang not to damage the regime but to warn it to not go beyond the red line in Beijing’s no nuclear policy. Targeted sanctions, therefore, have a limited impact on Pyongyang’s decision-making circle, as China still thinks stability on the Korean peninsula is more important than the issue of de-nuclearization. Thus, China does not want to see the collapse of North Korea’s regime as North Korea still represents a “buffer zone” to

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protect China’s interests. China also prefers the status quo to the reunification of the Korean peninsula under the banner of US and South Korean forces. China’s increasing investment in North Korea also serves Beijing’s general policy towards North Korea. These include China’s economic policy priorities that require stability on the Korean peninsula and no changes in North Korea’s current regime.

Among all of China’s diplomatic ties with its various neighbours in Northeast Asia, relations between China and North Korea have been relatively stable, with plenty of flexibility. Geographic proximity, a condition neither party is able to change, makes it unrealistic for the two sides to break off relations. China, concerned with foreign and internal security, has common interest in ensuring that relations with North Korea contribute to China’s overall stability. In particular, they likely envision that goal as being achieved by avoiding conflict and ensuring peaceful resolution of security issues on the Korean peninsula, promoting a stable political situation in North Korea, thus, improving political and military relations with North Korea.

China cannot afford to turn away from North Korea. Keeping a distance is part of diplomacy between two countries with normal relations. Xi Jinping’s policy towards North Korea does show a tougher approach compared to policy under Jiang Zemin and Hu Jintao. But in essence, the bilateral ties between China and North Korea are not challenged by any major, hard-to-bridge differences, especially ideological differences, such as those China has with the United States, South Korea and Japan.

Conclusion

As it has done in the past, North Korea could engage in a series of provocative actions—most likely a sixth nuclear test or long-range missile test—to overcome diplomatic difficulties. The nuclear test might be a good option for North Korea to gain attention from the US and other parties. It seems that North Korea is frustrated with Obama’s strategic patient policy, as the US has not paid much attention to North Korea’s nuclear issue. If advanced nuclear technology is successfully used in the test, in terms of the size and weight of the nuclear warhead, North Korea could increase pressure on the next US government. If there were further

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23 Ibid.
nuclear and missile tests, China is likely to support UN sanctions again, condemning North Korea. In view of their real national interests, however, China's top priority of no collapse policy will not be changed in the near future.

Furthermore, North Korea can take advantage of the increasing frictions between China and US. As mentioned earlier, more competition in the region between the US and China, two key regional actors, has gradually appeared, and North Korea's nuclear issue will become more difficult to be solved under this situation. Thus, North Korea can try to maximize its strategic position between the US and China in order to gain benefits from both superpowers. What is more, North Korea has proven to be skilful at exploiting divisions among the other five parties and taking advantage of political transitions in Washington to stall the nuclear negotiating process.

Therefore, Pyongyang's recent willingness to negotiate has appeared to be driven by this strategic mind, dividing other parities political goals regarding its nuclear issue, which could potentially push North Korea to re-engage in talks. In this sense, the US is the most important actor with which North Korea wants to have a dialogue because it can resolve Pyongyang's security dilemma(s) and thus, provide guarantees to the political survival of the Kim regime. Pyongyang also believes that Beijing will inevitably control the degree of its sanctions as time passes in order to avoid North Korea's unrest, which might lead to setback in economic projects in Northeastern China.

In short, although China's recent reaction to North Korea's test has been toughening by supporting the UN sanctions, its key strategic interest in North Korea is still to maintain stability and avoid the collapse of Kim's regime.