Chapter 5

Shifting Tides: China and North Korea

Zhu Feng

The decision by Kim Jong-il’s regime to test-launch missiles in July 2006 and to test a nuclear device on 9 October 2006, dramatically impacted China’s foreign policy toward North Korea. These incidents served to undermine the Six-Party Talks hosted by China, and threatened to further exacerbate the forces destabilising regional security in Northeast Asia. Pyongyang’s defiance of China’s stern warnings regarding these tests finally signalled to Beijing that the ‘North Korea crisis’ was deteriorating catastrophically.

Following both the missile and nuclear tests, China voted in favour of United Nations Security Council (UNSC) Resolutions 1695, 1705 and 1718, clearly indicating that Beijing was seeking new policies to deal with North Korea. Today, there remains a degree of internal discussion on what that policy direction should be and the nature of China’s relations with North Korea. For a variety of reasons, a residual sympathy for North Korea remains in China which is preventing a showdown between Beijing and Pyongyang. Yet China is decisively working to expand its cooperation with the international community to force North Korea to discontinue its pursuit of nuclear weapons and lower the threat arising from its Weapons of Mass Destruction (WMD). Furthermore, if China’s own complex domestic and international cost-benefit calculus can be untangled, a significant shift in Beijing’s policy—entailing abandonment of its patron relationship with North Korea and coercion to roll back North Korea’s nuclear capabilities—may be just around the corner.

Missile tests: A turning point

North Korea’s last three missile tests conducted since the outbreak of the North Korean nuclear crisis in October 2002 had limited diplomatic impact, mainly because the test launches involved only short-range or shore-based anti-ship missiles. Since North Korea already possessed such missile capabilities, there was no evidence that North Korean missile technology had improved substantively since the Taepodong-1 was test-fired in 1998. However, when intelligence confirmed that North Korea was going to test-fire long-range missiles in June 2006—missiles capable of reaching the west coast of the United States—reactions by the United States and Japan fundamentally changed. These
tests were also significant because they damaged China’s credibility as an impartial mediator and decreased its presumed influence on North Korea.

Following the long-range missile tests on 5 July 2006, an intense debate arose in the United States regarding the possibility of using a preemptive strike capability on North Korean missile facilities. Although such a strike was ultimately ruled out by the White House, the United States announced that the missile defence system in Alaska would enter a higher alert level. In addition, the United States and Japan decided to deploy missile defences in Japan, and the United States sent its only Aegis cruiser equipped with a marine missile defence system into the offshore waters of North Korea. All these moves point to a marked escalation of the military confrontation revolving around the North Korean missile launch—a situation China had been working to avoid with its mediation efforts in the North Korean nuclear crisis and by hosting the Six-Party Talks.

The possibility of North Korea’s long-range missile tests did not at first draw a particularly swift or strong response from China, as it has grown accustomed to such threatening tactics from North Korea whenever the Six-Party Talks stagnate and China’s opinions are brushed aside. It was difficult to tell whether this particular test-launch of missiles by North Korea was yet another bluff in order to pressure the United States to lift the financial sanctions against it.

China’s reaction began to change, however, with the continuous string of reports published in June 2006 regarding the imminent tests. For the first time, the Chinese premier openly demanded that North Korea halt its erroneous action. On 28 June 2006, Chinese Premier Wen Jiabao openly called on North Korea to stop the test-launch in an attempt to avoid Chinese domestic alarm at growing tensions in the China-North Korea relationship.³ This reaction was unprecedented as China’s senior leaders had never officially demanded anything of North Korea, even when the latter withdrew from the nuclear Non-Proliferation Treaty (NPT), reopened its 5-megawatt graphite reactor or when it declared possession of nuclear weapons in February 2005.

The reasons for China’s change of position are numerous. First, it is important to note that the Chinese leadership’s direct call for a halt on the missile testing came after South Korea’s explicit request to China through official channels to prevent North Korea from carrying out the test launch. Since the second round of Six-Party Talks on the North Korean nuclear issue in February 2004, China and South Korea have been moving ever closer in their approach and coordination of policies. Considering South Korea’s deep concern over the test launch, its direct request for Beijing to take action against this provocative move by North Korea was a request that China could not decline.

Second, China had become painfully aware of the significance of North Korea’s test of a long-range missile (the Taepodong-2). This would be an open provocation
by North Korea, after which China would have little reason to further cushion North Korea from the United States and Japan. Prior to this, China had been hoping to ‘comfort’ North Korea through softening the ‘pressure and isolation’ policy adopted by the United States and Japan and to protect North Korea from any further setback and harm. With Japan’s extreme sensitivity to North Korea’s missile test-launch, the firing of the new Taepodong-2 missile would only give the United States and Japan a pretext for Japan to accelerate its cooperation with Washington in developing a ballistic missile defence capability, enhancing the US-Japan military alliance and promoting Japan’s plan to intensify its military development plan. These developments would in turn complicate China’s Japan policy considerably. Due to the current tension in China-Japan relations, any moves by Japan’s military have the potential of stirring domestic nationalism in China that runs high with anti-Japanese sentiment. These changes in China’s security environment would provide a basis for the Chinese military to demand a bigger budget and scale up its military forces. The Chinese leadership headed by Hu Jintao (China’s President) does not want to see the escalation of military confrontation between China and other big powers in the region; nor does it want China’s defence strategy to be manipulated by internal nationalist passions.

North Korea’s missile tests have diverse implications for China. First, they show that North Korea has little regard for China’s own security interests. China is deeply frustrated by North Korea’s intransigent behaviour and thinking, despite five rounds of Six-Party Talks and the signing of the Joint Statement in September 2005. China had hoped that it could influence North Korea through a multilateral mechanism to create—and make routine—an exchange acceptable both to North Korea and the other parties. China’s strategy in attaining these goals can be characterised as a ‘soft approach’, aimed at arriving at a diplomatic solution, and gradually but concretely affecting North Korea’s actions. Time and again, China sternly rejected calls by the United States to increase pressure on North Korea and even took various actions to protect North Korea from further isolation. At the same time, China teamed up with South Korea, continuously providing North Korea with substantial aid, supporting South Korea’s ‘peace and prosperity policy’ toward North Korea and respecting the requirements of Kim Jong-il for a ‘security assurance’ and ‘fair treatment’. The quid pro quo of such an approach, however, was the willingness by North Korea to fully cooperate with China and South Korea, to give up its brinksmanship behaviour and to respect China’s role as host of the Six-Party Talks. The launching of the missiles shows undeniably that North Korea not only lacks a basic appreciation of China’s painstaking efforts on its behalf, but is showing contempt for China’s security interests in Northeast Asia.

The missile tests also deepened the Chinese leadership’s belief in the North Korean regime’s ability to carry out reform and opening-up in emulation of China’s model. The Chinese people also hold highly negative views of the
North Korean regime. A February 2006 public opinion poll showed that 44 per cent of Chinese people dislike North Korea more than any other country (closely following Japan, which 56 per cent of people polled most dislike). Conversely, among the three East Asian nations, South Korea is considered by the Chinese public as the country with which China most needs to deepen bilateral relations (48 per cent), followed by Japan (40 per cent), with North Korea a distant last (12 per cent).\(^4\)

The Chinese leadership now understands it may have deluded itself about the North Korean Government. China has pursued a neighbourly policy with North Korea, thinking that it would gradually be won over by China’s approach. However, the missile tests have finally revealed to the leadership in Beijing the true nature of the North Korean Government. North Korea’s nuclear ambitions stem in large part from the need to safeguard its own security and interests rather than its country and people. It has also shown itself to be highly skilled in its resistance to internal reform.\(^5\) North Korea has refused to accept China’s advice and continues to take measures that intensify confrontation and defy the international community. This can only mean that the current mentality of its leaders is simplistic and arrogant. In the end, North Korea will not give serious consideration or cater to the interests of China, or take decisive steps on the road to reform and opening-up. China now objectively concedes that it is a delusion to expect the North Korean Government to make wise decisions and restart the process of merging into the world community.

Soon after the missile tests of 15 July 2006, China voted in favour of UNSC Resolution 1695 (which condemned North Korea’s missile launches and imposed limited sanctions on North Korea), clearly indicating the most significant change of China’s policy toward North Korea in recent years. It signifies China’s growing resentment toward North Korea and implies an end to China’s ‘umbrella’ policy for North Korea—a policy that has been in effect since the end of the Cold War and is meant to prevent the UNSC from getting entangled in North Korean affairs, and to protect North Korea from UN sanctions. With North Korea’s deep dependence on China’s economic and diplomatic assistance, anything that causes China to distance itself from North Korea will no doubt have implications for the survival of the Kim Government in North Korea. From the latter’s perspective, China’s support of the Resolution was an act of treachery by its socialist big brother. China’s refusal to continue as North Korea’s ‘protector’ in the UNSC opens the door for the possibility of new, tougher UN sanctions.

**The nuclear equation: A new era**

China’s ire over North Korea’s missile test had not yet subsided when North Korea decided to test a nuclear bomb on 9 October 2006. In Beijing, ire turned into fury. North Korea’s nuclear test was a reckless violation of the September 2005 Joint Statement and squandered China’s goodwill policy to accommodate
North Korea in its legitimate pursuit of security guarantees and national interest demands. The test shows that North Korea has been indifferent to China’s continuous opposition and warnings against its pursuit of nuclear weapons. There is little doubt that North Korea considers its nuclear capability more important than its friendship with its only patron state, China. Without question, China has become fully disillusioned about the nature of the North Korean regime, and has come to recognise that its previous nuclear appeasement policy for North Korea must come to an end.

There is a range of speculation as to why the North Korean regime risked jettisoning China’s long-term support in favour of going nuclear. Some in China argue that Kim did not believe that China would truly punish him by cutting off oil and other provisions. Certainly, North Korea is convinced that an anti-American North Korea has been a valuable strategic buffer for China vis-à-vis the US military presence in East Asia. Kim likely calculated that China would never abandon him for this reason. Others contend that Kim and his diplomats frequently hint to China that North Korea will do an ‘about-face’ and embrace the United States if China pushes too hard. In this way, North Korea probably believes that it holds a ‘trump card’ over China by playing such ‘cat and mouse’ tricks. However, following the nuclear test, the traditionally defined ‘friendship’ between the two countries evaporated. Even though China did not fully flex its muscles against North Korea, the reality is that China’s resolve to dismantle the North Korean nuclear program has intensified. Its harsh words of protest over the nuclear test fully reinforce this. China called North Korea’s action ‘flagrant’ (‘han ran’ in Chinese)—a word that is normally employed only for criticising actions by an adversary—and represents a clear break from past language by the Chinese leadership and a lucid expression of dissatisfaction and even resentment toward Kim Jong-il.

China’s interest in preventing North Korea from developing nuclear weapons is fundamentally no different than the interests of both Japan and the United States. Although it is unwilling to speak with one voice alongside Tokyo and Washington in public statements, and therefore its opposition and threats toward North Korea are watered down to some extent, a North Korea with nuclear weapons is unacceptable to China.

Of primary concern, in China’s judgement, is that the North Korean nuclear test has decisively shifted the nature of the problem from the ‘North Korean nuclear issue’, which has revolved around concerns over nuclear proliferation, to the far more dangerous and broader ‘North Korean issue’. China has long tried to limit its approach with North Korea to the nuclear issue rather than the comprehensive problems—regime legitimacy, its refusal to end the Cold War on the Korean Peninsula and integrating itself into the regional community, and
the unpredictability of its behaviour—fearing negative influence on China-North Korea relations and a destabilisation of the North Korean regime itself.

If North Korea fully develops and possesses nuclear weapons, fissures in the geopolitical landscape of East Asia will emerge. In the long run, this will negatively affect China’s strategic interests. Since the brunt of dealing with a nuclear North Korea in the region will primarily fall to China and South Korea, they will have to strengthen their coordination efforts to this end. China simply cannot shoulder the burden alone. Closer China-South Korea cooperation could alert Japan and further drive the US-Japan military alliance. North Korea’s nuclear tests might also cause Japan to accelerate its conventional military build-up and to reopen the debate in Japan on its pursuit of nuclear weapons. This will instigate a backlash in China and South Korea, further aligning the two countries while driving a bigger wedge between them and Japan. A Japan rearmed with nuclear weapons is entirely unacceptable to China, but may be welcome to the United States. This divergence of interests will lead to increased divisions between China and South Korea on one side and the United States and Japan on the other—a separation of continent states versus sea powers.

A nuclear North Korea will have its greatest direct impact on the relationship between Japan and China, and each country’s domestic reactions to developments. The problem of North Korea is a double-edged sword and has the potential of either promoting or seriously harming China-Japan relations. Naturally, China’s hope is that the North Korea problem will become the lubricant for better communication between the two countries. It could be a catalyst for greater discourse over regional security and cooperation. This environment probably will not lead to breakthroughs on the historical issues, but it may be a beginning in bringing the two closer. However, there is a real danger for a worsening of China-Japan ties if a spirit of cooperation is lacking and Japan’s tough stand toward North Korea unsettles China. Japan also has strong nationalist sentiments against China, which will inevitably instigate a similar nationalist response from China, further engendering hostility toward one another.

As for China and the United States, while recent events are an important factor between them, their relationship also has a dynamic substantially independent of the North Korean issue. There is no question that US policy towards North Korea has been a failure and conservatives and moderates in the United States continue to be divided over China’s role in the North Korean nuclear issue. As serious as it is, the side effects in solving this problem will not hugely impact the China-US relationship in the near and medium term. Nevertheless, in this context, there are many uncertainties for China’s national security if force is used to resolve the North Korean nuclear issue. One great uncertainty is the future orientation of North Korea. In the past 40 years, resistance against the United States formed the basis of the China-North Korea
relationship. But in 1992, by establishing diplomatic relations with South Korea, China sent a clear message that it would not support North Korea’s extreme anti-US stance. This action by China was regarded by North Korea as a betrayal and its distrust still factors in the latter regime’s thoughts. If China uses force to dissuade North Korean nuclear aspirations it is possible that China would not only ‘lose’ North Korea, but that North Korea could become anti-Chinese in nature. Most Chinese policymakers are loath to see this happen. Another uncertainty comes from America’s future military presence in the Korean Peninsula. Will it decrease or increase its presence? If China and the United States can come to a consensus on North Korea, a future North Korean regime would at least not be hostile to China, alleviating one of China’s concerns.

Most critical from China’s perspective is to confirm whether and to what extent the United States will commit to collaborating with it in firmly yet constructively rolling back North Korea’s nuclear program. Until now, Beijing has not received sufficiently clear signals from Washington on its real intention to dismantle North Korea’s nuclear capability. That confirmation and trust notably revolves around issues from America’s resolve to settle the issue as well as sharing in the costs and responsibilities between Beijing and Washington in any solution. One of China’s greatest fears is that if China was at the forefront of any confrontation with North Korea, the United States would back down and China would be caught flatfooted and be forced to deal with North Korea on its own. China and the United States may be trapped in a dilemma where each side is unwilling to get too close to one another and act together decisively to deal with North Korea due to the logic of great power politics.

Perhaps the greatest casualty of North Korea’s nuclear tests has been the Six-Party Talks. Some in the United States have wanted to kick-start such a mechanism with China at the helm. However, this was always a false hope. It was never going to be realised in the medium-term or near-term without strong buttressing by others, especially the United States. As a regional security coordination mechanism, China has been carefully examining the Six-Party Talks and their potential. However, the reality is that a regional security structure evolving from the Talks is not something China can do by relying on its own strength; nor is it a mechanism in China’s interests. It is not practical and is therefore no longer a policy priority for China.

Former US President George W. Bush has said that the Six-Party Talks are the best way to resolve the North Korea problem, to which Japan and South Korea have agreed as well. All are talking about a multilateral security mechanism in East Asia; however, neither the United States nor Japan nor South Korea has a feasible blueprint. Therefore, such a regional security mechanism has lost substantial attraction to China.
The current status is that the Six-Party Talks cannot reach any agreement and cannot solve the problem effectively. The Talks will not disappear in practice, though they will be in a temporary shock or paralysis. No matter where the situation goes, as long as there is any agreement in terms of North Korea’s nuclear weapons, it has to be the result of a Six-Party agreement.

**Internal dynamics**

The question of how China’s policies toward North Korea are determined is not straightforward. First of all, the current policies adopted by China are not dominated by military authorities. North Korea is now considered far less of a vital strategic ‘buffer zone’ than in the past. Any ultimate decision regarding China’s policy toward North Korea is directly subject to judgement and selection at the highest level. Yet, the influence over that policy has always oscillated between the Ministry of Foreign Affairs (which focuses on coordination with the international community), and the International Department of the Chinese Communist Party’s Central Committee (CCPCC) (which stresses the relationship between China and North Korea). While the former camp can hardly be called a ‘pro-West’ group, it does advocate coordination with the West. The latter camp, on the other hand, can be called ‘pro-Pyongyang’ and advocates strongly for cooperation with North Korea.

The CCPCC’s International Department oversees exchanges with other political parties and is generally sympathetic to North Korea, often calling for a strengthened relationship between the Chinese and the North Korean political parties and governments and advocating full ‘political trust’ in Pyongyang. This pro-Pyongyang element also believes that, in the end, North Korea will accept China’s advice to reform and open up and that China has great influence over North Korea.

Beginning with North Korea’s decision to launch the missile tests, and now the nuclear tests, the International Department has had a declining influence on the formulation of Chinese policy toward North Korea. This is evidenced by a meeting held by the Central Committee on Foreign Affairs in late August 2006 which said that China would adhere to its new concept for diplomacy, including ‘taking the road of peaceful development’, ‘opening up and mutual benefit’, ‘building of a harmonious world’, and a ‘focus on the individual’. Most importantly, the conference proceedings proclaimed that a nuclear North Korea is a formidable challenge to China’s ‘core interests’. In Beijing’s discourse, only Taiwan’s independence movement has been previously interpreted in that way. The gist of these principles is that China will strengthen coordination of its own diplomacy with that of the mainstream of the international community.

The policies currently being adopted by North Korea strongly conflict with China’s diplomatic goals and have greatly narrowed its space for diplomatic
manoeuvring in the Six-Party Talks. It has impaired China’s ability to influence the United States, Japan and others to compromise with North Korea. These difficulties, plaguing China’s mediation efforts on the North Korean nuclear issue, are generating unprecedented political pressure within the Chinese Government. However, the reassessment of its North Korea policy does not automatically lead to more decisive and harsher actions against Pyongyang. It is not so easy for the Hu Jintao–Wen Jiabao team (President and Premier of China respectively) to stand up to the threat imposed by a nuclear North Korea. China is still weighing all its options and considering the most workable ‘roadmap’ to proceed with its policy objective of denuclearisation. Considering the delicacy and complexity of its options, Beijing will not make up its mind quickly. It is clear that a nuclear North Korea holds bleak and adverse implications for China and threatens to undermine almost all the elements of Hu Jintao’s foreign policy strategy of a ‘harmonious world’, in which he has invested so much.  

The decision by the Chinese Government in May 2003 to mediate the North Korean nuclear crisis was a defining moment for Chinese diplomacy. It signalled that China would become more proactive and self-confident in its diplomatic efforts and strive to make innovative use of China’s rising international influence toward playing a positive role in maintaining the country’s important peripheral diplomacy. This has proven successful with the five rounds of Six-Party Talks on the North Korean nuclear issue. This is why China’s participation in the Talks received extensive support in domestic mainstream public opinion. However, some academic and policy circles in China have opposed the nation’s role as mediator, suggesting that China’s hosting of the Six-Party Talks is tantamount to ‘a small horse pulling a large cart’—that China’s diplomatic clout is insufficient for the task.

In a similar vein, Hu’s proactive and rational international policy approach is facing new challenges. Some in China have expressed sympathy for North Korea, believing that its actions are still a kind of support to China’s strategic position and even a counter-balance to the United States and Japan. Such voices grew louder following the North Korean missile launch and did not fade even after its nuclear test. Some arguments, characterised as ‘conspiracy theory’ (that the United States deliberately delayed the resolution on the nuclear issue with North Korea in order to reanimate Japan’s rearming process) and ‘transference theory’ (that US intentions were to transfer more strategic pressure on China by broadening hostilities among East Asian regional members) arose to contradict the Bush Administration’s moderate response and non-military intimidation against North Korea. For the ossified forces within the conservative camp that were originally discontent with Hu and Wen and their new-style government, the missile launches and nuclear test only provided them with new fodder for attacking the Hu–Wen team. Chinese politics entered a sensitive period in the
run up to the 17th Party Congress. North Korea’s actions had, on balance, damaged the diplomatic prestige of the Chinese reformists represented by Hu and Wen. If China’s policy toward North Korea is dragged into the domestic struggle over political power, the future orientation of China’s diplomatic policies towards North Korea will become even more complicated.

Re-orienting China’s North Korean policy

The test launch of missiles by North Korea shook Beijing’s confidence in its past policy toward North Korea. The nuclear test conducted by North Korea was the last straw to substantively spur Beijing to rethink its relationship with the North.

China has implemented a range of measures in response to North Korea’s defiant attitude, its missile test firing and to the negative consequences that may arise in North Korea’s internal situation as a result of its actions. In terms of its overall approach, following the missile test and before the nuclear test, China began to initiate coercive diplomatic measures toward Pyongyang. This can be seen by a number of changes in China’s actions toward North Korea. To begin, total trade volume between China and North Korea was reduced, especially on key products such as iron, steel, chemical and plant products. China temporarily froze an existing agreement for a large-scale development project for border trade between the two countries. An important outcome of Kim Jong-il’s visit to China in January 2006 was to increase economic and trade cooperation between the border cities and regions. A large-scale border trade summit, originally scheduled for September 2006 and to be attended by high-ranking officials from both sides, was cancelled.

Meanwhile, China delayed large-scale aid measures for North Korea following the flood disaster in July 2006 and only initially provided some symbolic aid through the Red Cross. Although South Korea announced large-scale aid worth 200 billion Korean won, China stated subsequently on 30 August that ‘the Chinese government is very concerned about the disaster in North Korea, and has decided to give humanitarian assistance, including grain, food, diesel and medicine’, although China had yet to decide on the specific amount of goods. China later decided to provide 50,000 tonnes of aid—the equivalent of half of South Korea’s aid. It is a rare occurrence that China lags behind South Korea in providing disaster relief for North Korea, and it is a bellwether of China’s new tendency to use economic leverage to punish the North Korean regime. As shown in Table 1 and Table 2, China-North Korea trade between July 2005 and January 2006 basically remained stagnant.
### Table 1: China’s Imports from North Korea from January–July 2005 to January–July 2006 ($ in US millions)

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<tbody>
<tr>
<td>Total Value</td>
<td>281.626</td>
<td>236.687</td>
<td>-44.939</td>
<td>-15.96</td>
</tr>
<tr>
<td>Animal Products</td>
<td>66.616</td>
<td>18.055</td>
<td>-48.561</td>
<td>-72.90</td>
</tr>
<tr>
<td>Mineral Products</td>
<td>112.300</td>
<td>124.712</td>
<td>+12.412</td>
<td>+11.05</td>
</tr>
<tr>
<td>Chemical Products</td>
<td>0.368</td>
<td>0.235</td>
<td>-0.113</td>
<td>-30.71</td>
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<tr>
<td>Leather, Fur and Fur Products, Rubber</td>
<td>0.077</td>
<td>0.009</td>
<td>-0.068</td>
<td>-88.31</td>
</tr>
<tr>
<td>Wood and Wooden Products</td>
<td>7.124</td>
<td>14.112</td>
<td>+6.988</td>
<td>+98.09</td>
</tr>
<tr>
<td>Jewellery and Precious Metal</td>
<td>0.015</td>
<td>0.033</td>
<td>+0.018</td>
<td>+120.00</td>
</tr>
<tr>
<td>Basic Metal</td>
<td>50.413</td>
<td>25.942</td>
<td>-24.471</td>
<td>-48.54</td>
</tr>
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</table>

### Table 2: China’s Exports to North Korea from January–July 2005 to January–July 2006 ($ in US millions)

<table>
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<tr>
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<tbody>
<tr>
<td>Summary</td>
<td>618.100</td>
<td>678.498</td>
<td>+60.398</td>
<td>+9.77</td>
</tr>
<tr>
<td>(Mineral Fuel, Mineral Oil, Asphalt, etc.)</td>
<td>168.965</td>
<td>211.699</td>
<td>+42.73</td>
<td>+25.29</td>
</tr>
<tr>
<td>Fertilizer</td>
<td>16.482</td>
<td>21.618</td>
<td>+5.136</td>
<td>+31.16</td>
</tr>
<tr>
<td>Ceramics, Glass and Other Mineral Products</td>
<td>12.793</td>
<td>8.695</td>
<td>-4.098</td>
<td>-32.03</td>
</tr>
<tr>
<td>Jewellery and Precious Metal</td>
<td>0.067</td>
<td>0.043</td>
<td>-0.024</td>
<td>-35.82</td>
</tr>
<tr>
<td>Basic Metal</td>
<td>46.212</td>
<td>34.501</td>
<td>-11.711</td>
<td>-25.34</td>
</tr>
<tr>
<td>Machinery &amp; Electronics</td>
<td>60.517</td>
<td>106.365</td>
<td>+45.848</td>
<td>+75.76</td>
</tr>
</tbody>
</table>


Besides economic and aid measures, China has sent more troops to the China-North Korea border region. Although the Chinese media reported that China was sending reinforcements to the border and carrying out missile drills in the Changbai Mountains in mid-July 2006 as part of a ‘routine military exercise’, the fact is that China wants to enhance its ability to react in case of a contingency involving North Korea. This does not represent the position of the military; rather, it indicates that China’s senior leadership is very concerned about the possibility of an emergency in North Korea and has to intensify any preparation for it in the near future.

China has also tightened visa management for North Koreans entering China in an attempt to prevent North Korea from making further use of China as a conduit for illegal activities, such as smuggling and the lynching of its own citizens who try to seek sanctuary in China.
In addition, China is participating in multilateral sanctions for the first time. Furthermore, it is carrying out bilateral sanctions against North Korea. China will not obstruct strict economic sanctions and may temporarily suspend oil supplies to North Korea via the UNSC, though it would likely stop short of allowing military action against North Korea.

Yet, despite the tremendous diplomatic and political pressure exerted on China by North Korea’s missile and nuclear tests, China’s leaders will continue to explore the boundaries of influencing its southern neighbour. They will continue to maintain the principle of a soft approach to head off the North Korean nuclear issue. Before the North Korean nuclear test, Beijing would not have pushed its close neighbour and ‘brother’ into a corner, because this would not only have contravened China’s own interests but also departed from the broadly accepted thinking of the Chinese people. However, if sanctions cannot move North Korea to abandon its nuclear weapons, the possibility that China will employ other means to roll back North Korea’s nuclear weapons program is real. If this is the only alternative, China will use a variety of methods to accomplish that goal, including coercive diplomacy. The crucial issue here is that China will have to make a decision on how best to proceed.

How China addresses the problem of a nuclear North Korea has more to do with its resolve and less to do with its policy. Prior to the nuclear test, China saw no imperative to act decisively against North Korea: now the situation has changed dramatically. China has no alternative but to employ any and all means to get North Korea to return to its commitments to abandon nuclear weapons (exemplified in the September 2005 Joint Statement) and to map out with other parties a feasible plan to trade its nuclear capabilities for economic compensation and diplomatic normalisation. Thus, as Ambassador Wang Guangya said at the United Nations, ‘no one is going to protect North Korea if it continues with its bad behaviour’. China has lost its patience and its will to allow this issue to stagnate in multilateral talks. Hu Jintao presently looks to have more resolve than ever before to safeguard China against any diversion from the country’s economic construction. Firmly addressing a nuclear North Korea is a big test for Hu and for China. It will add significantly to his capability and power within China and also bolster China’s prestige internationally.

ENDNOTES
1 An earlier version of this paper was published in China Security, Autumn 2006, pp. 35–51. It is reproduced here with the permission of the editors of China Security.
9 Zhu Feng, ‘Why the U.S. has Moderate Response to North Korea’s Nuclear Test’, Global Times, 1 November 2006.
11 Qiu Yongzheng, ‘Who is Fabricating Rumors about the PLA?’, Elite Reference, 6 August 2006.
12 ‘Who is Fabricating Rumors about the PLA?’, Elite Reference, 6 August 2006.