

# The Sinking of the Cheonan, the Shelling of Yeonpyeong and China-North Korea Relations

ZHU Zhiqun\*

*North Korea's alleged sinking of South Korean warship Cheonan in March 2010 and its shelling of South Korean island Yeonpyeong in November 2010 once again exposed the dilemma China faces in dealing with North Korea. The deeper the mistrust between the United States and China, the more valuable North Korea is to China. There are three distinct scenarios for the future of North Korea: maintenance of the status quo, collapse and subsequent absorption by South Korea, and integration into the international community.*

**A SOUTH KOREAN** warship, *Cheonan*, was hit by a torpedo and sank on 26 March 2010 in the waters near the border between the two Koreas, killing 46 South Korean sailors. A South Korean investigation, with a number of experts from Australia,

---

\* ZHU Zhiqun is MacArthur Chair of East Asian Politics and Associate Professor of Political Science and International Relations at Bucknell University in Pennsylvania.

Britain, Sweden and the United States, published a report in late May, attributing North Korea for the attack.

South Korea presented the case to the United Nations, hoping to obtain a resolution from the UN Security Council condemning North Korea. North Korea rejected the investigation result and urged the UN Security Council to bring to light the truth of the incident impartially and objectively. The UN Security Council issued a presidential statement condemning the attack on the *Cheonan* without naming North Korea on 9 July 2010, largely due to China's opposition to a stronger measure against North Korea.

Chinese leaders condemned the sinking of the warship and expressed condolences to the South Korean families affected by the tragedy, but stopped short of blaming North Korea for the attack.

On 23 November 2010, the North Korean army fired artillery shells on the Yeonpyeong Island on the South Korean side, killing four people. In response, the US dispatched an aircraft carrier, USS George Washington, to the region and conducted a joint naval exercise with South Korean troops in the Yellow Sea. The US also held a massive military drill with Japan afterwards, sending clear warnings to North Korea. Chinese leaders simply expressed opposition to any provocative military behaviour that would escalate tensions on the Korean Peninsula, despite calls from the US and its allies to openly criticise North Korea.

The *Cheonan* and Yeonpyeong incidents put the China-North Korea relationship in the global limelight and exposed the dilemma China faces in dealing with North Korea.

## **China's Relations with the Korean Peninsula**

China-North Korea relations date back to the 1950-53 Korean War, during which the "Chinese People's Volunteers" joined the North Korean People's Army and fought the US-led UN forces to a standstill. The China-North Korea relationship was described to be as close as that between "lips and teeth".

During the so-called "War to Resist US Aggression and Aid Korea", 70% of the forces of the People's Liberation Army (PLA) were dispatched to Korea as the Chinese People's Volunteers, along with more than 600,000 civilian workers. The Chinese People's Volunteers suffered 148,000 deaths. There were also 29,000 missing, including 21,400 POWs. China spent 6.2 billion *yuan* in the war and owed US\$1.3 billion to the USSR. Among those killed in action was Chairman Mao Zedong's son, Mao Anying, who was buried near Pyongyang.

In 1967, China and North Korea signed the "Treaty of Friendship, Cooperation and Mutual Assistance", whereby China pledged to immediately render military and

---

**The *Cheonan* and Yeonpyeong incidents put the China-North Korea relationship in the global limelight and exposed the dilemma China faces in dealing with North Korea.**

other assistance to its ally against any outside attack. This treaty was renewed twice, in 1981 and 2001, with a validity date till 2021.

During the Cold War, North Korea managed to maintain good relations with both China and the USSR, which in turn provided support and aid to North Korea. As the USSR's power declined and eventually disintegrated, North Korea lost major security guarantees and economic support that had sustained it since its founding.

The demise of the Soviet Union, combined with the gradually warming relationship between Beijing and Seoul, significantly altered Pyongyang's ties with Beijing and Moscow. North Korea sought to maintain good relations with China despite Beijing's growing ties with South Korea. Since the mid-1990s China has been North Korea's largest source of aid.

Since August 1992, when China and South Korea established diplomatic relations, Beijing has adopted a "two Koreas" policy. China's traditional relations with North Korea have been preserved, but economic, political, cultural and educational relations between China and South Korea have grown exponentially. China and South Korea established the so-called "strategic partnership" in 2008, and China has become the largest trade partner, the biggest export market and the largest source of imports of South Korea, while South Korea is the fourth largest trade partner of China.

North Korea tested a nuclear weapon in October 2006 for the first time, defying protests from the international community. Its *Taepodong-2* long-range missile test in April 2009 and its second nuclear test in May 2009 further complicated its relations with China, which joined the international community to condemn North Korea and supported a UN Security Council presidential statement to expand sanctions on North Korea.

Since 2003, China has played a central role in the Six-Party Talks, the multilateral framework aimed at denuclearising North Korea whose members also include the United States, Japan, Russia and the two Koreas. China is North Korea's most important ally, biggest trading partner, and main source of food, fuel and investment. One of the biggest challenges in China's foreign policy, this relationship compels China to achieve a delicate balance between its own national interests and its global responsibility as a peaceful and responsible great power.

## **Recent Developments in North Korea**

North Korea's state-controlled economy struggled in the first half of the 1990s. A serious famine in North Korea from 1995 to 1998 caused the death of as many as three million North Koreans. North Korea has been unable to feed its people since the mid-1990s and is still heavily reliant on food aid from China. Aid reductions and UN sanctions over its nuclear programme have further damaged its faltering economy. The 1990s famine forced the government into easing its grip on the economy, leading to the emergence of limited free markets. But in recent years it has sought to clamp down on them.

In November 2009, North Korea redenominated its national currency, the *won*, by knocking two zeros off the nominal value of its banknotes in a bid to curb inflation and

fight black-market currency trading. The reform fell well short of its target, prompting food shortages and provoking public outrage. Pak Nam-gi, the government's finance and planning department chief, was reportedly executed for failing to carry out this currency reform.

Kim Jong-il paid two visits to China in 2010. In May he toured Dalian, Tianjin and Beijing. In August, he travelled to Changchun, Jilin, Harbin and Tumen. Many believe that he visited China to seek more economic aid and introduce his youngest son Kim Jong-un to Chinese leaders. Kim Jong-il, who succeeded his father Kim Il-sung when the senior Kim died in 1994, reportedly suffered a stroke in August 2008. His health has been declining since then.

Kim Jong-il previously visited China in 2000, 2001, 2004 and 2006. During those trips he travelled to several other prosperous coastal cities including Shenzhen and Shanghai. It is a mystery why Kim has not followed China's path to liberalise North Korea's economy.

At the Korean Workers' Party Congress in late September 2010, Kim Jong-un (born in 1982 or 1983), was promoted to be a four-star general and Vice Chairman of the National Defence Commission as the much speculated power succession officially began. It is reported that Kim Jong-un attended the English-language International School of Bern in Bern, Switzerland, until 1998 under a pseudonym. It is interesting to see how this international experience will affect his policy if he indeed becomes the next leader of North Korea.

In September 2010, Kim Jong-il's sister, Kim Kyong-hui, was also named a four-star general. In June 2010, her husband Chang Sung-taek was promoted to be Vice Chairman of the National Defence Commission. North Korea watchers believe the promotion of close family members will allow them to use their influence to help Kim Jong-un consolidate power after his father's death.

---

**North Korea watchers believe the promotion of close family members will allow them to use their influence to help Kim Jong-un consolidate power after his father's death.**

## **North Korea's Nuclear Programme and Northeast Asia Security**

North Korea reportedly began pursuing nuclear technology as early as the 1950s shortly after the Korean War. In 1965 it obtained a small research reactor from the Soviet Union. By the mid-1970s, North Korean scientists had increased the capability of that reactor and constructed a second one. In the 1980s, North Korean weapons programme grew rapidly with the building of a facility for reprocessing fuel into weapons-grade material and the testing of chemical high explosives. In 1985 when the US

intelligence discovered a third, once-secret reactor, North Korea agreed to sign the Nuclear Non-proliferation Treaty (NPT).

In 1990, US intelligence discovered that North Korea had built a structure that appeared to be capable of separating plutonium from nuclear fuel rods. Under pressure, North Korea signed a safeguards agreement with the International Atomic Energy Agency (IAEA) in May 1992 and for the first time allowed a team from the IAEA to visit the facility at Yongbyon. Over the next several months, the North Koreans repeatedly blocked inspectors from visiting two of Yongbyon's suspected nuclear waste sites and IAEA inspectors found evidence that the country was not revealing the full extent of its plutonium production. In March 1993, North Korea threatened to withdraw from the NPT.

On 12 October 1994, the Clinton administration and North Korea signed the "Agreed Framework", under which North Korea agreed to freeze and eventually dismantle its nuclear programme in exchange for fuel oil, economic aid and the construction of two modern light-water reactors that could not produce potential weapons-grade fuel.

The 1994 Agreed Framework fell through since neither side strictly abided by it. North Korea continued to develop nuclear technology secretly and the United States Congress did not allocate funds for the construction of the two nuclear reactors for North Korea. On 31 August 1998, North Korea launched a modified *Taepodong-1* missile over Japan, creating a security alarm in Northeast Asia.

On 29 January 2002, President George W Bush in his State of the Union Address named North Korea as part of the "axis of evil" and direct official contact between the US and North Korea was shelved.

China convened the first round of the Six-Party Talks in Beijing in August 2003. By the end of September 2007, six rounds of talks had been held, without much success to de-nuclearise North Korea. North Korea announced in April 2009 that it "will never again take part in such [six party] talks and will not be bound by any agreement reached at the talks." Meanwhile, North Korea expelled nuclear inspectors from the country and also informed the IAEA that it would resume its nuclear weapons programme.

North Korea's nuclear programme is closely linked to Northeast Asian security. The US started to place nuclear weapons in South Korea in 1957. It was not until Jimmy Carter's administration, in the late 1970s, that the first steps were taken to remove some of the hundreds of nuclear weapons from South Korea, a process that was not completed until 1991, under the first Bush administration. Today, South Korea and Japan are still under US nuclear protection. North Korea also feels threatened by the presence of US troops in South Korea and Japan.

Over the past decade, North Korea has requested direct dialogue with the US, hoping to sign a peace treaty and establish diplomatic relations with the US. The US has preferred to deal with North Korea multilaterally, primarily through the Six-Party Talks, and has not granted North Korea's desires for diplomatic recognition, a peace treaty and more economic aid.

The *Cheonan* and Yeonpyeong incidents indicate that the Cold War has not really ended on the Korean peninsula. With the US and Japan backing South Korea, and

China and Russia unwilling to abandon North Korea, the Cold War-style political and strategic divide persists in Northeast Asia.

North Korea will be a constant source of instability in Northeast Asia if the current situation continues. North Korea's nuclear programme poses a particular security challenge to China. China already has more nuclear neighbours than any other power. A nuclearised North Korea will only exacerbate China's security environment since South Korea, Japan and even Taiwan may be agitated to develop nuclear weapons, even without US permission. A nuclear arms race in East Asia is a real possibility.

The US and China have a common interest in a non-nuclear Korean peninsula but have not come up with an effective measure to persuade North Korea to abandon its nuclear programme, partly because North Korea is not a top policy concern for either great power, and partly because they are still searching for a better way to deal with North Korea without sacrificing their respective national interests.

### **China's Dilemma**

In recent years, China has expanded its global reach and enhanced its soft power, creating an image of a peaceful and responsible power. These diplomatic efforts include increasing aid and investment to developing countries; promoting trade and cultural and educational exchanges with countries in different regions; participating in peace-keeping, anti-terrorism and anti-piracy activities; and establishing Confucius Institutes globally. Overall, China's foreign policy has been successful. Yet, North Korea presents a unique challenge for China.

North Korea is a recalcitrant member of the international community and an isolated dictatorship ruled by the Kim family. To befriend such a regime deeply hurts China's international image. Nevertheless, North Korea is a traditional ally, with strategic values to China. China does not want to side with North Korea all the time or support North Korea's many repulsive policies, yet it cannot simply let North Korea fail and collapse.

North Korea has increasingly become a liability for China. Economically, North Korea has been a burden for China. It is like a black hole, endlessly absorbing China's supply of food and fuel. What China gets in return is an unruly North Korea that frequently challenges the international system and embarrasses China. Diplomatically, North Korea has consumed way too many resources of China. A large part of China's diplomacy today revolves around North Korea's nuclear issue, constraining China's

---

**A nuclearised North Korea will only exacerbate China's security environment since South Korea, Japan and even Taiwan may be agitated to develop nuclear weapons, even without US permission. A nuclear arms race in East Asia is a real possibility.**

ability to conduct diplomacy in other countries and regions. Politically, the perceived China-North Korea alliance based on shared communist ideology seriously tarnishes China's image as an open, plural and dynamic society. Strategically, to use North Korea as a buffer zone against US presence runs counter to China's claims to treasure relations with other countries in the region and especially with the US.

China has its own national interests such as maintaining good relations with its traditional friends and keeping a peaceful regional environment for domestic growth. However, offering continuous support for a repressive regime and sometimes tacitly condoning its reckless behaviour are not commensurate with China's aspiration to be a responsible great power.

China's dilemma lies in that it cannot simply cut off its long-standing relations with North Korea out of its key strategic and economic interests. China has used North Korea as one of its bargaining chips in US-China relations. It is trapped in a strategic vicious cycle: the deeper the mistrust between China and the US, the more valuable North Korea is to China. Ironically, China's policy of maintaining regional security is dependent on a strong China-North Korea relationship. Failure to support North Korea, which will lead to its eventual collapse, could bring far worse consequences for China than most outside observers realise.

In fact, the perceived Chinese support for North Korea has already led to situations inimical to China's interests. China has been uncomfortable with continued US military presence in East Asia and its implicit target of China. Yet China's indecision on the *Cheonan* and Yeonpyeong incidents has given Japan and South Korea (and countries in Southeast Asia) an additional reason to welcome a continued US forward deployment in Asia.

Japanese Prime Minister Yukio Hatoyama's resignation and the sudden resolution of the status of the Futenma Air Station on Okinawa illustrated how regional countries will pick the US over China if they are forced to choose sides. Trilateral alliance among the US, Japan and South Korea has also been strengthened as a result of recent North Korean provocations and China's hesitancy.

Integration of North Korea's economy and China's northeastern provinces, particularly Liaoning and Jilin, ensures that northeast China will pay a significant price should North Korea implode. Economic stability in these "rust belt" provinces is a key concern for China. Having banked on trade with North Korea as a central part of their development plan (about half of the Chinese investors in North Korean joint ventures come from these two provinces), these northeastern provinces may suffer significant economic impacts from further instability in North Korea.

In fact, some parts of China depend on North Korea economically. Regional authorities in Jilin have invested billions of *yuan* in infrastructure to create an economic corridor from Changchun, running across the border, and ultimately linking China's lease on a pier at North Korea's port city of Rajin. Jilin's plans have been blessed at the highest levels in Beijing. Should North Korea fail, the catastrophe would hit Beijing in the heart and the northeast in the wallet. China also covets North Korea's rich mineral resources and does not wish to see them under the control of South Korea or the US.

## China's Options

There are three distinct scenarios for North Korea in the future: maintenance of the status quo, collapse and subsequent unification with or absorption by South Korea, and opening up and integration into the international community like China and Vietnam. The last scenario is arguably in the best interests of China and North Korea itself.

Supporters of the status quo argue that North Korea provides a friendly buffer zone between China and South Korea and the US.

China also fears a massive influx of starving and desperate North Korean refugees triggered by the sudden collapse of the Kim Jong-il regime. Simply put, China is not ready or willing to pay the heavy price for taking care of a failed North Korea. Viewed from this prism, China has to maintain the status quo on the Korean peninsula, no matter how fragile and uneasy it is.

On the other hand, China is ambivalent about and unprepared for the future of a unified, pro-US Korea. It is afraid that a united Korea, with heightened nationalism, may pose a more serious challenge to China. The two Koreas already have historical, territorial and cultural disputes with China now. A unified Korea is likely to be emboldened to officially claim part of northeast China as its own. A unified Korea may also deny China access to minerals and ports in the North. Clearly a speedy Korean unification as a result of North Korea's collapse does not serve China's interests.

The best option for China is neither maintaining the status quo nor helping achieve Korean reunification. China must adjust its North Korea policy in order to get out of the current dilemma. China should continue to engage North Korea and offer aid to it, conditional upon Pyongyang's concrete actions to relax the grip on its society and liberalise its economy. North Korea can learn from China and Vietnam to gradually lift political restrictions on economic development. Kim Jong-il has observed personally the fruits of China's economic reform. The Chinese leaders can assuage his concerns for regime survival by offering political protection if he truly carries out reforms.

Meanwhile, as power transfer proceeds in North Korea, China should start to develop a strong working relationship with Kim Jong-un, heir apparent of Kim Jong-il. Unlike his father and grandfather, Kim Jong-un has first-hand experience in the West. It would be a mistake to dismiss the possibility that he may introduce political and economic

---

**Ironically, China's policy of maintaining regional security is dependent on a strong China-North Korea relationship. Failure to support North Korea, which will lead to its eventual collapse, could bring far worse consequences for China than most outside observers realise.**

reforms to North Korea after he consolidates his power. Consider the case of China: Mao Zedong, who only spent a few months in Moscow and never ventured to the West, kept China in isolation and constant conflict with foreign powers while Deng Xiaoping, who studied and lived in France as a teenager, brought sea changes to post-Mao China.

What North Korea needs most is not nuclear weapons but security guarantees and diplomatic recognition. China would do well to inject more confidence in Kim Jong-il and Kim Jong-un by offering political and security support and inviting them to visit China more frequently.

Two decades after Russia and China recognised South Korea, neither Japan nor the US has taken serious steps towards normalising relations with North Korea. China should encourage the US and Japan to reach out to North Korea instead of always resorting to punitive measures against the Kim regime.

China alone cannot and should not be responsible for the future of North Korea and the Korean peninsula. All parties concerned have huge stakes in achieving and maintaining prosperity and peace in Northeast Asia. The *Cheonan* and Yeonpyeong incidents are reminders that the North Korea issue must be dealt with in the context of East Asian security and development. China can continue to play the mediatory role in resolving the nuclear issue, but the burden should not be on China alone. ☐