

Can China Untie the Gordian Knot in North Korea?

by Niklas Swanström and Mikael Weissmann

The Democratic Peoples Republic of Korea (DPRK/North Korea) has since long been in the centre of international attention due to its attempts to develop nuclear weapon and its aggressive posture in international and regional affairs. There is an international, and not least a regional, fear that DPRK will acquire nuclear capability and the security consequences of this. It seems evident that DPRK has succeeded in developing rockets capable of delivering nuclear weapons and that this research has brought the North Koreans close to creating nuclear weapons. Many international actors and experts are certain that DPRK have, or is close to, developing nuclear weapons ready to strike targets outside DPRK. If these perceptions are founded in reality is difficult to asses as DPRK is an extremely closed society and little reliable information is accessible. The main question is however not so much if it has the competence, but rather how the perceptions regarding DPRK's nuclear capability from the outside world is developing. It is the idea of a DPRK with nuclear capabilities and its impact on security and stability in the peninsula, the region, and internationally that is threatening, not necessarily the weapons by themselves.

A great deal of effort has been invested, primarily by the Americans but also its allies, to prevent DPRK from acquiring nuclear capability and to create a peaceful future in the peninsula. The results have so far been mediocre and the commitments from DPRK could at best be said to be fluctuating. Despite its isolation and social and economic problems, DPRK has continued to disregard the negotiations with the US and have, according to US interpretation, violated established agreements. One shall here note that the US policy towards the DPRK has at times also been less than cooperative, a fact that has worried the Northeast Asian neighbors, especially the Republic of Korea (ROK/South Korea). Pyongyang's only reliable ally has traditionally been the People's Republic of China (PRC/China). It is clear that the PRC still has a special relationship with the DPRK, and that its impact both on the political and economic systems in DPRK are substantial, but even the Chinese have recently begun to reevaluate the advantages of supporting Pyongyang.

The ideological partnership between PRC and DPRK has rapidly decreased in importance as the Chinese leadership has moved into the fourth generation and distanced itself from the rigid communist system of the past.¹ The current Chinese support for the DPRK is partly born out of the fear of having US troops at the Chinese - Korean border, but also from the fact that a collapse of DPRK would, apart from a probable war, create huge refugee waves towards the PRC's northeastern provinces. China's position in, and impact on, negotiations has been affected by its ambivalence towards both the DPRK and

¹ Swanström, Niklas, *Foreign Devils, Dictatorship, or Institutional Control* (Uppsala University: Department of Peace and Conflict Research, 2001).

the US's military position in the Korean peninsula. The Chinese fear that an intervention by the US would lead to the dissolution of DPRK followed by the creation of a unified Korea controlled by the Americans is also high. There is also an acute concern in Beijing over Pyongyang's interest in developing nuclear weapons. Apart from the dangers of arming Kim Jong-Il with nuclear weapons, this would undoubtedly lead to a popular demand in Japan and the Republic of Korea to acquire nuclear capabilities. This is something that would further threaten regional security, especially according to the Chinese interpretation. The Chinese have shown an ambivalence in policy towards both the DPRK and the US, as well as the US military presence in the region and the peninsula, and the risk of a regional nuclear proliferation. This policy ambivalence has in combination with the risk of severe economic and political consequences in the case of war (and the linked refugee flows), in addition to the peacetime drain of Chinese economic resources to North Korea, made China an uncomfortable ally to Pyongyang.

Beijing has on the one hand been accused by the West to pressure Pyongyang to take a hard position against the US, rather than encouraging cooperation.² But on the other hand, Beijing has also been a positive force in making the North Koreans communicating with the US.³ The core negotiations have been between North Korea and the US, as both parties perceive the other party as their main counterpart and are reluctant to involve other actors. Despite this, China has been an important actor in the negotiations and the interplay between China and the two core actors has been crucial in determining the outcome of the latter's negotiations.

This article examines closer what role and impact PRC has had up to date in the negotiations between DPRK and the US with regard to the de-nuclearisation and related energy questions, and what role PRC could play in the future. This as the security issues addressed is central for the possibility of security and peaceful development on the Korean Peninsula and the Northeast Asian region. A considerable number of negotiations have also been undertaken with North Korea by the ROK, Japan, and to a certain extent Russia which are important especially for the economic development of DPRK. Although these negotiations have had a possible impact on the core US-DPRK negotiations regarding the main issue of nuclear capabilities they will not be included in this article. This since the negotiations on economic cooperation is dependent on successful US-DPRK negotiations on the nuclear issue.

Other actors have also impacted on the core negotiation, but to involve the interplay between all possible actors would be too complex for the purpose of this article, which is to examine the Chinese impact. Further, the Chinese impact on negotiations and developments in North Korea and on the Korean peninsula has been substantially larger than other actors, which largely is linked to a combination of a long history of Sino-Korean relations and the role of China as a major regional power. Moreover, China's influence on the negotiations concerning nuclear issues has been substantial, and can possibly

² O'Hanlon, Michael and Mike Mochizuki, *Crisis on the Korean Peninsula: How to deal with a nuclear North Korea* (New York: Brookings Institution, 2003).

³ Beijing has for example been an informal mediator between the two and has been a facilitating actor for both the four-party talks leading to the 1994 Geneva Agreed Framework and the more recent multi-party talks held in Beijing.

determine whether the knot will be possible to untie or not.⁴ The focus will initially be on the Sino-Korean relations as this has formed a particularly close relationship and since the US is a modern actor in the Korean peninsula, later parts will focus on the changes in the environment that has impacted the core negotiations. These changes are to a great extent Sino-American as DPRK has show to be a very closed society with little open involvement with the outside world.

Isolation and separation

The Chinese-Korean relations have not emerged out of thin air, but are in fact strongly founded in a historical relationship that has gone through occupation, cultural exchanges, warfare and cooperation. The people of Ko Choson, the oldest kingdom of Korea, are recorded as Tong-i, “eastern bowmen” or “eastern barbarians” in China. The eastern barbarians started to clash with the Zhou people in current China during the period of warring states (475 B.C. - 221 B.C.).⁵ This lead to an effort from the Chinese to pacify the Korean peninsula through occupation, and the establishment of four Chinese provincial commands in 107 B.C. signified the defeat of Choson. This was the first real substantial contact between the Koreans and the Chinese empire, a contact that would be expanded into a close relationship during the coming centuries that is still of major importance. The introduction of Buddhism and establishment of Chinese structures of government and organization during the Silla Kingdom (668-918 A.D.) and the Koryo Dynasty (918-1392) guaranteed that the cultural impact has been substantial and colors today’s Koreas, although China has not itself continuously occupy the region since 1st century B.C..⁶

The most important impact on Korean society was the establishment of a Confucian state in 1389 by General Yi Song-gye, as this turned Korea into a centre for higher learning of Confucian ideology.⁷ The

⁴ Japan’s negotiations have centred on bilateral relations trying to reconcile a turbulent past, with limited success both due to internal constrains in Japan concerning DPRK abductions and domestic politics, and in Pyongyang’s missile launches and non-confirmatory negotiation behaviour (Myonwoo Lee). The sJapanese have not been allowed to participate in the core negotiations until 2003, and then against the will of the North Koreans. There have been substantial and mostly positive negotiations with the ROK on reconciliation and economic issues with varied success. Seoul has not been directly involved in the central US-DPRK negotiations until 2003 except as an US ally affecting Washington’s strategy (for a detailed account see Oberdorfer, Don, *The Two Koreas: A Contemporary History* (New York: Basic Books, 2001). Russia has had limited relations and cooperation with Pyongyang in the 1990’s, but in 2001 President Vladimir Putin tried to repair Russia’s bilateral ties to DPRK as well as getting involved in the resolution of the Korean situation although so far with very modest success (Wishnick, Elizabeth, “Russian-North Korean Relations: A New Era?”, in *North Korea and Northeast Asia*, eds. Samuel S. Kim and Tai Hwan Lee (Lanham, Md.: Rowman & Littlefield, 2002)).

⁵ Fairbank, John, *China: A New History* (Cambridge: Harvard University Press, 1994:62, 77-78, 118).

⁶ Fairbank, John, *China: A New History* (Cambridge: Harvard University Press, 1994).

⁷ The conversion to Confucianism has had a major impact on the policies of today’s North Korea and can not be underestimated. North Korea is today the most Confucian society in the world, including China, this even if the North Korean government claim that they have eradicated the old habits of Confucianism. (Cornell, Erik, “Peculiar

other major factor for the development of Korean society and mind-set is isolation, an isolation being a consequence both of continuous occupation, and self-chosen isolation that North Korea chose after 1950. The Chinese, and later the Japanese, refused to open up Korea to the outside world and for the better part of its modern Korea was denied the revitalization that dynastic changes creates, as stability was guaranteed by outside powers. The isolation was taken so far that during the Chinese control of Korea, shipwrecked foreign sailors at the cost of Korea were arrested and brought to court in China, not in Korea as it was closed to foreigners.⁸ The Japanese invasion of Korea in 1876 and the outright colonization of Korea that begun in 1905 and was completed in 1910 was made to “open up” Korea, but the real intentions were to keep Korea closed for outside powers and to function as a springboard for the Japanese invasion of China.⁹

From 1910 to the defeat of the Japanese empire in 1945 the Korean state was under Japanese occupation and Korea as a political entity was non-existent during this time. The Japanese occupiers did everything in their power to eradicate the Korean nationality and the terms of occupation were extremely harsh for the Korean people. This has created strong sentiments against the Japanese in both South and North Korea which has disqualified Japan as a core actor in the Korean peninsula.

The closed borders of Korea were to open up after the Japanese (and the rest of the axis-powers) capitulation in 1945. Yet, the victorious Soviet Union and the US split the country along the 38th parallel leaving the South to come under US domination while the Soviet Union controlled the North. The United Nations (UN) planned for an election to determine the status of the peninsula, but prior to the elections, on the 25th of June, 1950, Kim Il-Sung decided to cross the 38th parallel in an attempt to get control of the whole peninsula.¹⁰ Despite some initial attempts by Kim Il-Sung to get support from China and the Soviet Union, the invasion itself took both Moscow and Beijing by surprise.¹¹ Despite of a great deal of reluctance to participate in the war, primarily due to domestic problems, China felt forced to assist the Communist regime in their war against the US, and on October 19, 1950 Chinese “voluntary” troops

Minds: In Pyongyang, a unique, unbending world view rooted in isolation, Confucianism and Communism”, *Newsday.com* (2003), <www.newsday.com/news/opinion/ny-vpcor053073070jan05.story> (accessed 6 January 2003), Cornell, Erik, *North Korea under communism: report of an envoy to paradise* (London: Routledge Curzon, 2002)). The linkage between North Korean foreign policy and Confucianism will be examined in close in the coming section.

⁸ Cornell, Erik, *North Korea under communism: report of an envoy to paradise* (London: Routledge Curzon, 2002:3).

⁹ Kie-Chiang Oh, John, *Korean Politics* (Ithaca: Cornell University Press, 1999: 20); Oberdorfer, Don, *The Two Koreas: A Contemporary History* (New York: Basic Books, 2001:5).

¹⁰ Catchpole, Brian, *The Korean War* (London: Constable & Robinson, 2000:1-17).

¹¹ Catchpole, Brian, *The Korean War* (London: Constable & Robinson, 2000:1-17); Goncharov, Sergei, John Lewis and Xue Litai, *Uncertain Partners: Stalin, Mao, and the Korean War* (Stanford: Stanford University Press, 1993); Ross, Madelyn, “International Economic Behaviour,” in *Chinese Foreign Policy: Theory and practice*, eds. Thomas Robinson and David Shambaugh (Oxford: Clarendon Press, 1984:438-439).

crossed the Yalu river.¹² The decision to support North Korea was not necessarily for ideological reasons, but more for the fear of having the Americans dominating Korea and positioning their troops at the Chinese border.

Despite the sacrifices China made in the Korean War, Kim Il-Sung was not a very appreciated guest in Beijing. It soon became clear to China that the North Koreans would be a problem for their foreign policy, and not only towards capitalist states but also fellow communist states. North Korea distanced itself from the outside world through its insistence on self-reliance and its distorted form of Marxist-Leninism (with the exception of China and Envar Xoxha's Albania). To a certain extent the Korean self-chosen isolation was a positive development for China as it was mainly concerned with keeping the North Koreans under its influence and the US out of the region. North Korea did for a short period break its isolation in the 1970's when it went on a buying spree around the world, but due to overspending and lack of implementation of the purchased machinery, an economic disaster followed. Once more it closed its border to the outside world. Interesting to note is that in the late 1950's North Korea was the success child of the Communist camp and North Korea's Gross Domestic Product (GDP) was double that of South Korea. Yet by 1996 North Korea's GDP was 1000 and South Korea's was 11,000.¹³ The North Korean economic standstill and eventual regression is unprecedented in the region, especially when taking its promising initiation into consideration.

The interaction between North Korea and China was initially high after the Korean War and during the Cold War in terms of meetings, but then these decreased in frequency and importance.¹⁴ It is clear that as China begins to open up to the outside world, it attempts to distance itself from North Korea so that its new relations and economic development will not be hindered. Looking a bit closer at China's foreign relations there is a strong correlation between its improvements of relations with the outside world (and change of leadership) and the decline of the "lips and teeth" relationship that once existing between the two.

¹² Home News Library of the Xinhua News Agency, *China's Foreign Relations: A Chronology of Events (1949-1988)* (Foreign Languages Press: Beijing, 1989:150). Peng Dehui, as the commander of the Chinese Peoples Volunteers crossed the Yalu River on October 25, 1950. This was a response to the security violation that the US presence at Chinas border constituted. This was noticed by the US president at the time, but Supreme Commander Macarthur refused to acknowledge this and Chinese involvement was a fact.

¹³ Cornell, Erik, *North Korea under communism : report of an envoy to paradise* (London: Routledge Curzon, 2002:138).

¹⁴ Home News Library of the Xinhua News Agency, *China's Foreign Relations: A Chronology of Events (1949-1988)* (Foreign Languages Press: Beijing, 1989:149-172); Tian Cengpei (ed.), *Gaige Kaifang Yilaide Zhongguo Waijiao* (Beijing, Shijie Zhishi Zhufashe, 1994); *Zhongguo Waijiao* (Beijing, Zhonghua Renmingongheguo Waijiaobu, Shijie Zhishi Zhufashe, selected years).

The Cold War

During most of the Cold War the Chinese interests clashed with the American interests in Northeast Asia in general, and over Taiwan and the Korean peninsula in particular. From 1950 to the initiation of the “ping-pong” diplomacy in 1971 the relations between China and the US were almost non-existent.¹⁵ This is not to say that there was instant overwhelming change only because a normalization process was initiated. The reality is that Sino-US relations were limited during most of the Cultural Revolution, and what has become known as the 10 lost years. China had in fact very little substantive contacts with any state outside the communist hardliners (Albania and North Korea).¹⁶ The Chinese relations with South Korea and Japan were if possible even frostier than with the US, this due to the Chinese refusal to deal with South Korea, which they regarded as illegitimate. This would continue up to 1992 when China and South Korea normalized their relations.¹⁷ Japan was for a long time, and to certain extent still is, considered by China to be a US puppy, and hence could best be dealt with through the US. Moreover, the war time experience with Japan and its refusal to deal with its past atrocities committed in China and the Korean peninsula, was a factor in the Chinese lack of relations with Japan, this despite its formal establishment of diplomatic relations in 1971.¹⁸

There was very little cooperation between the communist and capitalist camps over the dispute in the Korean peninsula during the Cold War and this could be explained by a few key factors. The Northeast Asian region was for the better part of the Cold War an ideological battlefield, this was especially apparent in the political sector as economic cooperation was initiated without parallel steps of political cooperation

¹⁵ Swanström, Niklas, *Foreign Devils, Dictatorship, or Institutional Control: China's Foreign Policy Towards Southeast Asia* (Uppsala: Department of Peace and Conflict Research, 2001).

¹⁶ Armstrong, James David, *Revolutionary Diplomacy: Chinese Foreign Policy and the United Front Doctrine* (Berkeley: University of California Press, 1977: 90-93). Swanström, Niklas, *Foreign Devils, Dictatorship, or Institutional Control: China's Foreign Policy Towards Southeast Asia* (Uppsala: Department of Peace and Conflict Research, 2001:52-3). During this time the Chinese developed a fear for instability and chaos (Luan), the chaos that was a direct result of the policies during the Cultural Revolution still affects Chinese policies. China and the Chinese people have developed a strong focus on stability and development, in contrast the disorder that existed for ten years in China. Policies that would threaten to throw China out in a new “chaos” is skilfully avoided, with or without military force, and Beijing would consider and reconsider more than twice before they would act in such cases. There are only a few instances where it would be possible to accept new internal chaos and that is in “defence” of its domestic borders (Tibet, Xinjiang and Taiwan), regional security (North Korea) and a possible direct attack on China.

¹⁷ Home News Library of the Xinhua News Agency, *China's Foreign Relations: A Chronology of Events (1949-1988)* (Foreign Languages Press: Beijing, 1989:172-174); Zhongguo, (Beijing, Zhonghua Renmingongheguo Waijiabu, Shijie Zhishi Zhufashe, selected years).

¹⁸ Home News Library of the Xinhua News Agency, *China's Foreign Relations: A Chronology of Events (1949-1988)* (Foreign Languages Press, Beijing, 1989:220-238); Cengpei, Tian, ed., *Gaige Kaifang Yilaide Zhongguo Waijiao* (Beijing: Shijie Zhishi Zhufashe, 1994); Swanström, Niklas, 2002, *Regional Cooperation and Conflict Management* (Uppsala: Department of Peace and Conflict Research, 2002:123-32).

at the end of the Cold War. Moreover, China and North Korea were involved in their own political purification processes, and the US and South Korea were involved in the Vietnam War and its political aftermath. The Korean peninsula was therefore not prioritized among the actors, which made it impossible for any of the states to effectively coordinate their strategies for cooperation rather than confrontation. Furthermore, there were no interests, or political possibilities, for China or North Korea to open up for increased cooperation with the outside world until the end of the Cultural Revolution. For the Chinese and the Americans (and the Russians) the Korean Peninsula was however an issue of influence and security, not to mention international and domestic political prestige. All states involved in the conflict wanted to keep the other side at bay, or if possible in retreat. This was especially true for China, which felt that it was surrounded by aggressive powers; the US in Vietnam, Taiwan, Japan and South Korea, Russia in the North and West, and India in the South-West. It is no surprise that China felt that keeping North Korea under their influence could enhance their security, even if only to a limited extent. The region was caught in a realist nightmare of increased military spending, insecurity and unpredictability and the options for a resolution of the disputes in the region were few.

It was first after the death of Mao Zedong and the rise of Deng Xiaoping that Chinese relations with the outside world really began to change. In the early 1980's China increasingly focused on economic development and engagement in trade without any major considerations for political suitability of the other actors.¹⁹ International trade became crucial for China's development as it realized that it would not be able to rely on its own production. This change was irreversible and impacted the political as well as the economic system in China.²⁰ It is interesting to note that economic cooperation with South Korea took place long before full diplomatic relations were established, and similarly, trade with Japan has been increasingly important despite some unresolved political issues. During the Cold War period, the Sino-US relations preceded the improvement of relations with all allies of the US, and this was a clear indication that China saw the US as the leader of the capitalist camp. Hence for China, perceiving itself as the leader of the developing world, the US was seen as the natural partner to interact and negotiate with.²¹

A New Tide

With the end of the Cold War the situation in the Korean Peninsula changed, much due to the fact that both China and the US dismantled their ideological rhetoric. Consequently, there was no longer an ideological struggle over the peninsula, even if in many aspects of the Cold War continued. After the fall of the Soviet Union, its inheritor Russia opened up diplomatic relations with Seoul and tried to enhance

¹⁹ China even traded with its "renegade province" Taiwan, even if this was done through Hong Kong. There where however no misunderstanding where the money originated from.

²⁰ Swanström, Niklas, *Foreign Devils, Dictatorship, or Institutional Control: China's Foreign Policy Towards Southeast Asia* (Uppsala: Department of Peace and Conflict Research, 2001).

²¹ Shambaugh, David, "Patterns of Interaction in Sino-American Relations", in *Chinese Foreign Policy: Theory and practice*, eds. Thomas Robinson and David Shambaugh (Oxford: Clarendon Press, 1984:438-439).

its relations and cooperation with the United States. Parallel to this, the Chinese post-Cold War policy was first and foremost focusing on economic issues, with emphasize on enhancing the Sino-US trade and economic relations.²² These policy changes among its primary allies made Pyongyang begin to doubt the validity of its mutual defense pact with Moscow, as well as the level of Chinese protection.²³ The North Koreans believed that they no longer could put their trust into the security gained from foreign powers and their promised protection, including being under their nuclear umbrella.²⁴ As a response to the new situation Pyongyang decided to accelerate its own nuclear program, a policy option that included the evasion of existing International Atomic Energy Agency (IAEA) treaty obligations with the excuse that it was not allowed to examine US nuclear facilities in the South.²⁵ This was the beginning of an escalating game of crisis diplomacy and brinkmanship negotiations, a crisis that up to today has not been resolved. At the same time, this was a period of inter-Korean engagement in the legacy of Roh Tae Woo's Nordpolitik, a situation that arguably Pyongyang utilized to receive maximum benefits from Seoul as well as the US. For each concession Pyongyang received from Washington or Seoul it consequently raised its demands even higher.²⁶ A similar evasion strategy was used towards IAEA to avoid having to comply with its, and the international community's, demands concerning its nuclear program.²⁷ This pattern peaked with Pyongyang's announcement on March 12, 1993 that it intended to withdraw from the Non-

²² Naughton, Barry, "The Foreign Policy Implications of China's Economic Development Strategy", in *Chinese Foreign Policy: Theory and practice*, eds. Thomas Robinson and David Shambaugh (Oxford: Clarendon Press, 1984:438-439); Ross, Madelyn, "International Economic Behaviour," in *Chinese Foreign Policy: Theory and practice*, eds. Thomas Robinson and David Shambaugh (Oxford: Clarendon Press, 1984:438-439); Swanström, Niklas, *Foreign Devils, Dictatorship, or Institutional Control: China's Foreign Policy Towards Southeast Asia* (Uppsala: Department of Peace and Conflict Research, 2001).

²³ Kiesow, Ingolf and Emma Sandström, *Spelen Kring Kärnvapnen i Nordkorea och Iran* [The Nuclear Games in North Korea and Iran] (Stockholm: FOI, 2003), <http://www.foi.se/raw/documents/32741_korea.pdf> (accessed 10 December 2003). Section on North Korea is in English.

²⁴ Since the conventional military balance weight towards the South, this even without including US forces, North Korea can not put there trust into security through their conventional military. Even if the North counted in numbers DPRK has a substantial military force, it should be noted that the North Korean equipment are outdated and there is a lack of functional equipment and hence the capacity is not what it first might seem like (Kiesow, Ingolf and Emma Sandström, *Spelen Kring Kärnvapnen i Nordkorea och Iran* [The Nuclear Games in North Korea and Iran] (Stockholm: FOI, 2003), <http://www.foi.se/raw/documents/32741_korea.pdf> (accessed 10 December 2003). Section on North Korea is in English.

²⁵ Mazarr, J. Michael, *North Korea and the Bomb: A Case Study in Nonproliferation* (London: Macmillan Press, 1997: 56).

²⁶ Snyder, Scott, *Negotiating on the Edge: North Korean Negotiating Behavior* (Washington, D.C.: United States Institute of Peace, 1999).

²⁷ For a detailed account see Oberdorfer, Don, *The Two Koreas: A Contemporary History* (New York: Basic Books, 2001).

Proliferation Treaty, citing Article X's provisions allowing withdrawal for supreme national security considerations.²⁸

Political changes and engagement

The Non-Proliferation Treaty includes a 90 days notification period before a signatory withdrawal takes effect. This left 90 days within which the crisis had to be managed, a conflict that was primarily between North Korea and the US. When this serious and acute crisis erupted the Clinton administration had yet to consolidate power and there was a lack of clear signals from the newly elected President Bill Clinton on what he intended to do with regard to North Korea. This created a most problematic situation in Washington, and although there was a consensus on negotiation no decision to start negotiations was taken until Pyongyang forced the issue in the beginning of May.²⁹ Within the political structures in the US there was a struggle between hawks and doves on how to approach the North Koreans. President Clinton leaned towards the doves, and a softer approach as favored by most officials in the US State Department was chosen. Washington would now accept to negotiate directly with Pyongyang, a reversal of previous US policy refusing to negotiate without involving Seoul (including Seoul was seen as unacceptable by Pyongyang). This was also the approach recommended by the newly elected Kim Young Sam's administration, which argued for a stick and carrot approach, combining the threat of United Nation Security Council sanctions with the possibility of trade benefits, security guarantee and possibly the cancellation of the ROK-US annual Team Spirit Exercise.³⁰ Assistant Secretary of State Robert L. Gallucci was selected as the US representative, and the first formal negotiations were held in New York on June 10 and 11, 1993 with DPRK's first vice foreign minister Kang Sok Ju. The parties agreed on a joint statement suspending the DPRK withdrawal from the Non-Proliferation Treaty in exchange for US security assurances and an agreement to continue the dialogue "on an equal and unprejudiced basis".³¹ At first, these negotiations were limited to the nuclear issue, but over time extended to include other areas. This was part of the Clinton administration's change of strategy from a limited step-by-step approach to dealing with Pyongyang, to one focusing on a "through and broad" (comprehensive) approach for solving the crisis in the Korean peninsula.

At this point of the unfolding crisis, the Chinese leadership was in a period of transition. The third generation of leaders was consolidating their positions and powers, while at the same time trying to handle the post-Cold War world order as well as the aftermath of the Tiananmen Square incident. Deng Xiaoping

²⁸ Arms Control Association, *Chronology of U.S. – North Korean Nuclear and Missile Diplomacy*,

<<http://www.armscontrol.org/factsheets/dprkchron.asp>> (accessed 23 December 2003); Oberdorfer, Don, *The Two Koreas: A Contemporary History* (New York: Basic Books, 2001:279-80).

²⁹ Oberdorfer, Don, *The Two Koreas: A Contemporary History* (New York: Basic Books, 2001).

³⁰ This approach was opposed by several other sectors of the US administration, as well as some elements in Seoul, who saw this as unacceptable nuclear blackmailing.

³¹ Joint Statement of the Democratic People's Republic of Korea and the United States of America (New York, June 11, 1993), <<http://www.armscontrol.org/factsheets/1993NKagreement.asp>> (accessed 18 November 2003).

and his elders were successively retiring, and Jiang Zemin consolidated his power. China continued with its “open-door” policy, encouraging foreign investment and the development of a market economy and a private sector. A foreign policy that had to be carefully managed to minimize the risk for internal problems due to outside influences. In other words, the DPRK crisis erupted at a most inappropriate time when Beijing was occupied handling its own internal problems and political changes.

The international community appealed to China to pressure Pyongyang to change its position, but China preferred to maintain a low profile, wielding its influence through hidden channels and at the same time consolidating the domestic situation. This policy choice was at least partially a recognition of the danger of forcing DPRK to negotiate under duress. Beijing had but limited success in convincing Pyongyang to reconsider its policy. This was largely due to the Chinese refusal, of even the idea, of using any form of coercive measure towards DPRK, something that led the North Koreans to assess and believe that they had the implicit backing of Beijing. Further, Beijing’s policy of informal and non-threatening interaction with regard to North Korea limited the possibility for either US or the international community to convincingly threaten Pyongyang with sanctions. Here one should note that the withdrawal of Deng Xiaoping and his generation of leaders, whom had strong personal ties to Kim Il-Sung and his regime, impacted on the effectiveness of the Chinese influence on Pyongyang. It is however difficult to assess to what extent, although it is obvious that North Korea did not appreciate the new leadership in Beijing and their “betrayal” of the communist cause.

At this time, the Sino-US relations focused on engagement and economic cooperation that take priority over the ideological considerations. In Beijing, economic growth was seen as essential to secure comprehensive national strength (*zhonghe guoli*), and was largely overriding ideological considerations.³² Hence, the creation of favorable conditions for economic growth and good economic-, and trade relations with the outside world, especially with the US, was of foremost importance. The Chinese focus on economic growth was also encouraged by the US. This was part of an attempt to by integrating the PRC in the global economy facilitate for political reforms, a policy that most clearly be seen in the Clinton administration’s separation of economic and political issues. Although this policy was met with some objection from the US congress, the result was an initiation of a more positive relationship between Washington and Beijing. The Chinese was not only focusing on economic growth but another important policy objective was to develop a reputable position in the international community, both to be perceived as a responsible power and to counter the China threat theory (*zhongguo weixian lun*) that most countries in the region adhered to. The DPRK crisis was a potential stumbling block for the fulfillment of Beijing’s policy goals since it endangered the improved Sino-US relations. But on the other hand not giving DPRK support could allow, according to the Chinese perception, the US to use a strategy of US control that would give them the upper hand in the Korean peninsula.

³² Kim, Samuel and Tao Hwan Lee, “Chinese-North Korean relations: Managing Asymmetrical Interdependence”, in *North Korea and Northeast Asia*, eds. Samuel S. Kim and Tai Hwan Lee (Lanham, Md.: Rowman & Littlefield, 2002).

Ideology and openness

The Sino-DPRK relationship has, as opposed to the Sino-US one, deteriorated during the 1990's. The "lips and teeth" relationship that once existed is now gone. This was due both to the fact that the fourth generation leaders in Beijing represented by Hu Jintao had very little ideological connections to Pyongyang, but also due to the economic insignificance of DPRK for the Chinese economy. The DPRK's dependency on the Chinese however, increased as it became more isolated over time, politically as well as financially. Pyongyang's reliance on the PRC as its sole ally and economic partner, and the impact China has as the major regional power has given Beijing a large leverage and influence over all negotiations with DPRK, even after the decline of personal ties between the regimes.³³ Over time the Chinese policy has changed from one refraining from publicly criticizing Pyongyang, as they believed they could control them in combination with a perception of the US agenda to be more threatening than any possible situation that could erupt in DPRK to one of more active engagement. Prior to 1993 Beijing had been actively against any pressure towards the DPRK. But with the increased importance of its relations with the US (as well as its regional neighbors) vis-à-vis an increasing frustration with DPRK's positions and brinkmanship games, Beijing started to change this previously absolute position in 1993. There had also been significant pressure from the international community, including Washington and Seoul, on Beijing to soften its stance on the non-use of coercive measures. With Beijing's increasing frustration a retraction of support to the DPRK followed, and the Chinese also made an unprecedented move to get openly involved in the DPRK negotiations. In May 1993 Beijing abstained from, rather than blocking, a Security Council resolution calling for DPRK to change its position on the nuclear issue.³⁴ This was the beginning of a Chinese change in policy on the possible use of coercive measures towards DPRK. In 1994, Beijing's frustration had increased further. This was signalled by a statement that Beijing "would not support" sanctions, which should be seen as an indicator that Beijing might refrain from using its veto in the UN Security Council.³⁵

China's policy changes were difficult to predict due to a lack of transparency in Chinese policy making, and an almost total lack of communication between Beijing and the other involved parties. This limited the possibility for the US and the international community to adjust their policies to China's, thereby decreasing the possibility to maximize their leverage on Pyongyang. It is however debatable if the US ever has been keen on including China in the negotiations. A general lack of communication and coordination between the US and the members of the international community further hindered the possibility to keep up a united front towards Pyongyang. Moreover, the lack of transparency in the Chinese policy intentions in combination with the US and its allies' limited measures to influence North Korea, made more forceful

³³ It should be noticed that also after official retirement the Chinese elders has a substantial, though difficult to measure, influence on the new leadership.

³⁴ UN Security Council, Resolution 825 (1993).

³⁵ Center for Nonproliferation Studies, *China and the North Korean Nuclear Issue* (Updated 25 June 2003),

<<http://www.nti.org/db/china/koreapos.htm>> (accessed 26 December 2003).

measures virtually impossible to implement. Even though China had taken steps towards a harder stance towards Pyongyang, this made it possible for the North Koreans to continue using negotiation strategies and tactics maximizing this lack of coordination among their opponents to their own benefits.

In the negotiations with the North Koreans the Chinese impact was not only affecting the process negatively, but it was also a facilitating factor. Beijing's impact as an intermediate and facilitator of formal and informal negotiations was considered positive by all parties. Pyongyang did still view PRC as an ally and its involvement in negotiations made Pyongyang feel confident enough to participate even though frustration was growing as Beijing no longer seemed to give complete and unconditional support to Pyongyang. The importance of the Chinese impact is apparent in for example the 1991 "Joint Agreement on the De-nuclearisation of the Korean Peninsula", in the acceptance of IAEA inspections 1992, and the four-party talks in 1994 leading to the Geneva Agreed Framework. In these cases, without the Chinese influence through the use of both informal and formal channels, it would most likely not have been possible to force North Korea to participate. But at the same time, Beijing's general reluctance to force the North Koreans to participate in formal multilateral negotiations and its continued refusal, which was still the case even after the slight change described above, to use coercive measures, gave Pyongyang the impression that it was relatively safe to continue its brinkmanship game. Not surprisingly, the Chinese impact as a facilitator was in the end limited although it made the Geneva Agreed Framework in 1994.

The 1994-2001 Momentum

After the Geneva Agreed Framework negotiated between Robert Gallucci and Kang Sok Yu signed on October 21, 1994, a period of relative calm followed during the remaining period of the Clinton administration.³⁶ The North Koreans' interaction with the outside world following the Geneva framework focused on dialogue and engagement as opposed to confrontation. During the coming years, Pyongyang

³⁶ The main elements of the agreed framework have been summarized by Don Oberdorfer (*The Two Koreas: A Contemporary History* (New York, Basic Books, 2001:357)).

- The United States would organise an international consortium to provide light-water reactors, with a total generating capacity of 2,000 megawatts, by a target date of 2003. In return, North Korea would freeze all activity on its existing nuclear reactors and related facilities, and permit them to be continuously monitored by IAEA inspectors. The eight thousand fuel rods unloaded from the first reactor would be shipped out of the country.

- North Korea would come into full compliance with the IAEA which meant accepting the "special inspections" before the delivery of key nuclear components of the LWR project estimated to be within five years. The DPRK's existing nuclear facilities would be completely dismantled by the time the LWR project was completed, estimated in ten years.- The United States would arrange to supply 500,000 tons of heavy fuel annually to make up for energy forgone by North Korea before the LWRs came into operation.

- The two states would reduce existing barriers to trade and investment and open diplomatic liaison offices in each other's capitals as initial steps toward full normalisation of relations. The United States would provide formal assurances against the threat or use of nuclear weapons against North Korea.

- North Korea would implement the 1991 North-South joint declaration on the demilitarisation of the Korean peninsula and reengage in the North-South dialogue."

opened up for both external aid and NGO's after the torrential typhoon rains in August 1995 and the flooding that followed. This even if North Korea with all likelihood had been forced to open up for aid as the economic situation was disastrous.³⁷ This was an unprecedented admittance by Pyongyang that it was not able to meet its people's needs, which was a large step to take for a country that emphasizes the importance of self reliance. As a consequence of increasing aid dependency Pyongyang had to depend on the outside world to a higher degree. Improved relations with the outside world were fundamental in order to increase economic assistance, and following this led to an increased willingness to participate in negotiations- and cooperation can be identified from the DPRK side.

When Kim Il-sung died on the 9th of July 1994 the negotiations with the US was suspended for one month and reinitiated on August 5th. The political transition in North Korea was not without problems and Kim Jong-Il was not safely in power for months to come. Nonetheless, when the negotiations were reinitiated it seems as there were no difference between the Great leader and his successor the Dear Leader approach to the negotiations.

Nonetheless, when the Korean Peninsula Energy Development Fund (KEDO) failed to fulfill its undertakings in accordance with the 1994 Geneva Agreement, due to a lack of willingness of the KEDO member states to provide the funding for the promised Light Water Reactor and the promised oil deliveries, Pyongyang retaliated.³⁸ North Korea threatened to "open and readjust" its Yongbyong facilities on 7 May, 1998, and on 31 August Pyongyang continued its provocations further by launching its three-stage Taepo Dong-1 rocket over Japan (causing major economic and political effects, including a revision of the Japanese defense policy).³⁹ After these incidents and as a response to the extreme situation in DPRK, Washington decided to send former Secretary of Defense William J. Perry to Pyongyang in an attempt to discuss the possibility for new initiatives to improve US-DPRK relations. This could be seen as a partial success of the nuclear blackmail that DPRK has been accused of doing against the international community. Pyongyang was however intrigued by Perry's suggestion of step-by-step trying to develop the strained relations in a positive direction, and new negotiations were initiated in the summer of 1999.⁴⁰ At this point in time, Pyongyang reached out not only to the US; in May for the first time in five years Kim

³⁷ Snyder, Scott, "The NGO Experience in North Korea," in *Paved with good intentions: the NGO experience in North Korea*, eds. L. Gordon Flake and Scott Snyder (Washington D.C.: The Mansfield Center for Pacific Asia, 2003:2).

³⁸ Kiesow, Ingolf and Emma Sandström, *Spelen Kring Kärnavapnen i Nordkorea och Iran* [The Nuclear Games in North Korea and Iran] (Stockholm: FOI, 2003:78-79), <http://www.foi.se/raw/documents/32741_korea.pdf> (accessed 10 December 2003). Section on North Korea is in English.

³⁹ Diamond, Howard, "N. Korea Warns On Nuclear Freeze Halts DOE Cleanup at Yongbyon", *Arms Control Today* (May 1998), (Arms Control Association, 1998) <http://www.armscontrol.org/act/1998_05/hd5my98.asp> (accessed 19 November 2003), and Diamond, Howard, "N. Korea Launches Staged Rocket That Overflies Japanese Territory", *Arms Control Today* (August/September 1998), (Arms Control Association, 1998), <http://www.armscontrol.org/act/1998_08-09/nk1as98.asp> (accessed 19 November 2003).

⁴⁰ Oberdorfer, Don, *The Two Koreas: A Contemporary History* (New York: Basic Books, 2001:420-3).

Jong-Il summoned the Chinese ambassador, received the Russian foreign minister in November, and a Japanese parliamentary group in December.⁴¹

This positive development continued in 2000. Russian President Putin visited Pyongyang in August, and in October US Secretary of State, Madeleine Albright met with Kim Jong-Il and held, what she referred to as serious, constructive and in-depth discussions including the possibility of President Clinton visiting Pyongyang.⁴² The planning of such a visit received strong support from Kim Dae Jung, the South Korean President at the time. However, many experts claimed that the time was too close to the upcoming US election and as it was a politically sensitive issue it could threaten Vice-President Al Gore's election campaign. It is also apparent that the North Koreans did not view Clinton as a legitimate negotiation party as he would not be in power after the upcoming elections, having already served two terms. Finally, on December 28th President Clinton cancelled the trip citing "insufficient time to complete the work at hand," but emphasized that the diplomatic progress made over the past several months held "sufficient promise to continue the effort."⁴³ The background to this cancellation was that the Democratic Party and Vice-president Al Gore were losing the election, in combination with the escalating crisis in the Middle East, in which Clinton tried to mediate.⁴⁴

Conflicts and brinkmanship

The build-up to crisis

On January 20, 2001, Kim Jong-Il ended a six-day unofficial visit to PRC where Jiang Zemin held talks with the North Korean leader.⁴⁵ During this visit Kim Jong-Il reportedly praised the accomplishments of the Chinese economic reforms after having visited the Shanghai stock market and a General Motor Joint venture.⁴⁶ On the same day George W. Bush was installed as the President of the USA, a change of US administration that would soon change the rules of engagement with the DPRK in an effort to achieve more thorough concessions. Further, it would also change the path of Pyongyang's policy. Soon a conflict re-emerged within the US administration between doves and the hawks. The doves, such as the Secretary of State Colin Powell had indicated that the administration planned to pursue what appears to have been a nearly complete deal by the Clinton administration to end North Korea's missile development and missile

⁴¹ Oberdorfer, Don, *The Two Koreas: A Contemporary History* (New York: Basic Books, 2001:425).

⁴² The New York Times, "In the Land of Kim Jong Il", *The New York Times*, 25 October 2000:26; Shin Il, Park, "Why Be a Prop for Pyongyang?", *The New York Times*, 3 November 2000:31.

⁴³ Arms Control Association, "Clinton Decides Not to Visit North Korea", *News Briefs January/February 2001* (2001), <http://www.armscontrol.org/act/2001_01-02/briefsjanfeb01.asp> (accessed 17 November 2003).

⁴⁴ Oberdorfer, Don, *The Two Koreas: A Contemporary History* (New York: Basic Books, 2001:440).

⁴⁵ KCNA, *Kim Jong-Il pays unofficial visit to China* (Pyongyang: KCNA, January 20 2001).

⁴⁶ Oberdorfer, Don, *The Two Koreas: A Contemporary History* (New York: Basic Books, 2001:441)

exports.⁴⁷ The hawks, on the other hand, viewed the mere act of talking to Pyongyang as unthinkable and unacceptable and did not want to continue negotiations. President Bush embraced the latter. Consequently President Bush adopted a harder line towards DPRK than his predecessor, and on March 7 he announced that his administration would not immediately resume negotiations with Pyongyang. He also expressed strong skepticism towards Kim Jong-Il as a person and the possibility to verify any agreement with such a closed society as DPRK.⁴⁸ Pyongyang's response was to cancel a planned cabinet level discussion in Seoul, and on March 15 threatened to "react to the enemy's hardliner stand with the toughest position and take thousand-fold revenge on aggressors."⁴⁹ The detente that had been reached during the Clinton administration had been reversed.

In June 2001 the Bush administration presented its DPRK policy that differed greatly from the Clinton administrations. This policy was a move away from the previously used, and by Pyongyang preferred strategy, which focused on a "broad and through" negotiation approach. Instead the Bush administrations step-by-step issue specific strategy aimed at rewarding actual progress from the DPRK side. President Bush pointed out that DPRK should not be rewarded for previous commitments. The new administration also included a ban on North Korean missile exports and demanded that it changed to a "less threatening" conventional military presence on the peninsula, items which had not been on the negotiation agenda before. Focus was to be not on comprehensive discussions trying to lay a problem-solving puzzle involving all aspects of the Korean crisis, but on specific negotiations regarding for example how to compensate Pyongyang for electricity losses resulting from delays in the construction of reactors in accordance with the 1994 Agreed Framework.⁵⁰ Washington also demanded that Pyongyang should take the first step and fulfill its commitments before it would receive any rewards from the US. The logic behind this policy was that DPRK's non-compliance and nuclear blackmail should not be rewarded. This strategy was seen by Pyongyang as "unilateral and conditional in its nature and hostile in its intention".⁵¹ The revised US policy was the opposite of Kim Dae Jung's sunshine policy and focus on flexibility in negotiations.⁵² The Washington-Pyongyang relationship continued to deteriorate with

⁴⁷ On March 6 Collin Powell had said that the US "do plan to engage with North Korea and pick up where President Clinton and his administration left off." and that "some promising elements were left on the table" and that the US had "a lot to offer that regime if they will act in ways that we think are constructive." (cited in Wagner 2001)

⁴⁸ Wagner, Alex, "Bush Puts N. Korea Negotiations On Hold, Stresses Verification", *Arms Control Today* (April 2001), (Arms Control Association, 2001), < http://www.armscontrol.org/act/2001_04/korea.asp > (accessed 10 December 2003).

⁴⁹ KCNA, *U.S. hostile policy toward DPRK under fire* (Pyongyang, KCNA, March 15 2001)

⁵⁰ Wagner, Alex, "Bush Outlines Terms For Resuming Talks With North Korea", *Arms Control Today* (July/August 2001), (Arms Control Association, 2001), <http://www.armscontrol.org/act/2001_07-08/northkoreajul_aug01.asp> (accessed 20 December 2003).

⁵¹ KCNA, *Spokesman of DPRK Foreign Ministry on Bush's statement on resuming negotiations with DPRK* (Pyongyang: KCNA, June 18 2001).

⁵² Feffer, John, *North Korea, South Korea: U.S. Policy at a Time of Crisis* (New York: Seven Stories Press, 2003).

President Bush's state of the union address on 29 January, 2002, where he named DPRK together with Iran and Iraq as constituting "an axis of evil, arming to threaten the peace of the world", and DPRK being "a regime arming with missiles and weapons of mass destruction, while starving its citizens".⁵³

The relation deteriorated further with President Bush showing his animosity for Kim Jong-Il by calling him a "pygmy" and "a spoiled child".⁵⁴ To further problematize the situation the US new National Security Strategy that was released in September 2002 emphasized the use of pre-emptive strikes on states developing weapons of mass destruction, explicitly mentioning DPRK.⁵⁵ In October the existing tension turned into a full-blown crisis after James Kelly's visit to Pyongyang, during which DPRK reportedly admitted having a secret uranium enrichment program.⁵⁶ This was the initiation of what people in general refer to as the 2002 Korean crisis. The following month the US halted oil shipments to DPRK. In return North Korea expelled two nuclear inspectors, and announced that it would restart the Yongbyon nuclear facilities that had been frozen since 1994. Moreover Pyongyang announced its withdrawal from the Nuclear Non-Proliferation treaty in January 2003.⁵⁷ The stage was now set for an alarming conflict between North Korea and the US which could become a reality if no preventive initiatives had been taken.

The Chinese involvement

The Chinese became a key player in the 2002 nuclear crisis, as both the US and DPRK were seeking Chinese backing for their respective positions. In an effort to maintain its own maneuver space, Beijing called for both sides to remain calm and exercise flexibility, giving Beijing the time and opportunity needed to communicate with the two actors and attempt to influence both parties positions, especially the DPRK. The Americans were irritated by Beijing refusing to formally pressure DPRK; China continued its focus on informal influence. The Chinese in turn were frustrated by the Bush approach to handling the crisis, which they believed would only aggravate the situation. However, China also became increasingly

⁵³ Quote from President Bush's 2002 State of the Union address. Available at <<http://www.whitehouse.gov/news/releases/2002/01/20020129-11.html>> (accessed 1 November 2003).

⁵⁴ Fineman, Howard, "I Sniff Some Politics", *Newsweek*, 27 May, 2002.

⁵⁵ *The National Security Strategy of the United States: September 2002*, available at <http://www.whitehouse.gov/nsc/nss.pdf> (accessed 15 December 2003).

⁵⁶ Kerr, Paul, "North Korea Admits Secret Nuclear Weapons Program", *Arms Control Today* (November 2002), (Arms Control Association, 2002), <http://www.armscontrol.org/act/2002_11/nkoreanov02.asp> (accessed 17 November 2003). It shall be noted that the US intelligence suspected that DPRK had such a program, although this does not decrease the diplomatic impact of this statement.

⁵⁷ During this crisis both Washington and Pyongyang accuse each other to have violated commitments under existing agreements. The US stated that DPRK had violated the 1994 Agreed Framework, the Nuclear Non-Proliferation treaty, and its safeguard agreement with IAEA. Pyongyang on the other hand argued that past US actions had already violated the agreed framework, citing reactor construction delays, US economic sanctions and threats of pre-emptive strike, arguing that it was <a unique/special case> in regard to the non-proliferation treaty.

frustrated with Pyongyang, which continued to escalate the crisis by restarting the Yongbyon nuclear plant and the testing of short-range ballistic missiles over the Japanese Sea, this seemingly without taking consideration of Chinese interests.⁵⁸ Restarting the Yongbyon plant was for example solely a political manifestation since the plant does not have any economic value due to its smallness and this can only be seen as a bargain chip against the US.⁵⁹

In 2003, Beijing increased its pressure on Pyongyang and it was made very clear that if the North Koreans did not change position, Beijing might reconsider its “would not support” position on sanctions (towards a harder one).⁶⁰ High level delegations were sent to Pyongyang and vice versa, and the Chinese message was clear: stop the provocations or suffer the consequences.⁶¹ PRC did also at one point close the oil pipeline supplying oil to DPRK for three days due to “technical difficulties” to make the seriousness of its position clear.⁶² The Chinese pressure ultimately led to a trilateral meeting held in Beijing 23-24 April, a compromise between the preference of Pyongyang for bilateral talks and Washington for multilateral talks, and an opportunity for China to increase its influence. This meeting was cancelled after the first day when Li Gun, the head of the Korean delegation, according to US reports, told James Kelly that DPRK already had nuclear weapons. This was arguably a diplomatic move made by the North Koreans to show Beijing their level of frustration over being subjected to Chinese pressure and having an “ally” engaging with its adversaries.

This incident made PRC move closer to Japan, Russia, ROK, and the US, making it more open to deal

⁵⁸ The New York Times, “North Korea Fires Antiship Missile In Test Launch”, *The New York Times*, 10 March 2003; Struck, Dough, “N. Korea Fires Missile on Eve of Transition In the South”, *The Washington Post*, 25 February 2003; The Washington Post, “N. Korea Test-Fires Missile Into Sea of Japan”, *The Washington Post*, 10 March 2003; Watts, Jonathan, “US bombers practice attacks as North Korea tests another missile”, *The Guardian*, 11 March 2003; Watts, Jonathan and Patrick Wintour, “N Korea fires missile warning to Powell – First rocket ...”, *The Guardian*, 27 February 2003; Gittings, John and Jonathan Watts, “IAEA condemns North Korea for reviving reactor”, *The Guardian*, 22 February, 2003; Kerr, Paul, “North Korea Restarts Reactor; IAEA Sends Resolution to UN”, *Arms Control Today (March 2003)*, (Arms Control Association, 2003),

<http://www.armscontrol.org/act/2003_03/nkorea_mar03.asp> (accessed 17 December 2003).

⁵⁹ Pincus, Walter and Glenn Kessler, “N. Korea Restarts Nuclear Facility; U.S. Expects 2nd Site to Go Online”, *The Washington Post*, 27 February 2003:A23.

⁶⁰ Fong, Leslie “China washes hands of N. Korea's antics.”, *Straits Times*, 5 April 2003; Pomfret, John, “China Urges N. Korea Dialogue; Beijing Sees Risk of Losing Influence in Area Vital to Security”, *The Washington Post*, 4 April 2004:16.

⁶¹ Fong, Leslie “China washes hands of N. Korea's antics.”, *Straits Times*, 5 April 2003; Pomfret, John, “China Urges N. Korea Dialogue; Beijing Sees Risk of Losing Influence in Area Vital to Security”, *The Washington Post*, 4 April 2004:16.

⁶² The Economist, “Desperate straits - North Korea's desperate reliance on China.”, *The Economist*, 3 May 2003; Watts, Jonathan, “China plays key role in Korea talks - Bringing America to table raises profile of Asia's economic power.”, *The Guardian*, 23 April 2003:15.

with DPRK in a more coercive manner, and started emphasizing the importance of multilateral forums. This multilateral approach has been further emphasized after the Pyongyang decision to scrap the “Joint Agreement on the De-nuclearisation of the Korean Peninsula”, and its stated ambition of creating nuclear deterrence. On 1 August 2003, the Chinese did manage, by informal pressure, to convince DPRK to participate in six-way talks in Beijing.⁶³ The outcome of this meeting was only a consensus on the need to meet again, and it was called “the beginning of a process” by the American State Department. However, this process was “cancelled” on October 1 by DPRK’s Deputy Foreign Minister Choe Su Hon in his speech in the UN General Assembly. The North Korean ambivalent position was a consequence of an aversion of the US demands that North Korea first had to dismantle their nuclear program before they would give any concessions to North Korea, while Pyongyang wanted a non-aggression treaty before starting any dismantling. It is unclear how big the differences in policy between the two are in reality, since different accounts exist concerning the possibility for the US to accept a step-by-step approach that does not demand the complete dismantlement before addressing Pyongyang’s concerns, but it seems clear that North Korea at least, has to make the first move.⁶⁴

It is noteworthy that before the talks Chinese officials had discussed that if North Korea did not cede anything during the talks and proceeded with its nuclear program, China would not try to block American efforts to organize sanctions against North Korea through the United Nations Security Council.⁶⁵ This was something that Pyongyang previously had made clear was equivalent to a declaration of war.⁶⁶ Soon after the failed talks the Chinese reinforced their armed forces by letting the military assume guard duty instead of the police in the border region, allegedly a “normal adjustment”. The reason for this move was dual; firstly to protect China from the wave of refugees that could follow a possible destabilization of North Korea,⁶⁷ but also as a signal to Pyongyang that China both disapproved of their behavior and perceived the situation to be most treacherous.

Changes, opportunities and stalemate

Due to the Chinese preference for wielding its influence through hidden channels and the delicateness of the situation in the Korean peninsula, as well as that of the Sino-North Korean relations, the Chinese

⁶³ It should be noticed that Russia was included in the negotiations as a concession to DPRK that refused to agree to a negotiation where the US and its allies (Japan and South Korea) has a numerical advantage over China and DPRK. Russia was believed, by the DPRK, to be more supportive of their situation than any of the US allies and a negotiation including Russia would be more balanced.

⁶⁴ Foster-Carter, Aidan, “Bush’s North Korea policy still a shambles”, *Asia Times Online*, 26 November 2003, <<http://www.atimes.com/atimes/Korea/EK26Dg01.html>> (accessed 15 December 2003); Kerr, Paul, “U.S. Shows More Flexibility in North Korea Talks”, *Arms Control Today (October 2003)*, (Arms Control Association, 2003) <http://www.armscontrol.org/act/2003_10/NorthKorea.asp> (accessed 10 December 2003).

⁶⁵ The Economist, “All together now – North Korea Talks”, *The Economist*, 30 August 2003.

⁶⁶ The Economist, “All together now – North Korea Talks”, *The Economist*, 30 August 2003.

⁶⁷ The Economist, “Preparing for the Worst – China and North Korea”, *The Economist*, 20 Sep 2003.

policy towards North Korea has been most difficult to predict. The same is the case with Pyongyang's standing, which also has been ambivalent and possibly even harder to fully comprehend and predict. But also the American North Korean policy has neither been clear, nor consequent during the Bush administration. The Bush administration's has been swinging back and forth between, on the one hand, propositions of engagement and the suggestion of a step-be-step approach to US-DPRK negotiations, and on the other hand, the refusal to negotiate with Pyongyang and personal attacks on Kim Jong-Il and the regime in Pyongyang. A good example of a tough stand would be Undersecretary of State for Arms Control and International Security John Bolton's statements that North Korea is a "hellish nightmare" and prefiguring a collapse of North Korea.⁶⁸ The pattern of both favoring engagement, but at the same time adhere to a contradictory tough stand, can even be seen in the statements of President Bush himself, who has been discussing both the possibility of a diplomatic solution, but at the same time arguing for the need of regime change in North Korea and the untrustworthiness of Kim Jong-Il as a person. These US policy inconsistencies have, as a consequence, created a situation where Pyongyang is most suspicious of US policy intentions and goals. Henceforth, it has become most difficult to find a compromise between the US and DPRK that is convincing enough for the latter to get over its fear of US military actions. To further add to the North Korean suspicions, the US (through KEDO) suspended the light-water reactor project at Kumho on 5 November, 2003, and further stating a week later that the US has no plans to revive the project.⁶⁹ In conclusion, the DPRK's lack of trust towards the US is on an equal level with the latter's distrust of North Korea and their ability to honor agreements.

Towards the end of 2003, there has however been a softening of US policy. This was largely due to the situation in Iraq, which limits the possibility of the US using military actions towards North Korea. The United States military capabilities are today strained, and Washington has shown a decreased willingness to get military involved in a new conflict as a result of the lessons learned from Iraq (and Afghanistan), operations that have been more problematic than initially expected.

Also, military intervention in North Korea would without question be both more dangerous due to the close proximity of South Korea and Japan, and the risk of Chinese intervention. An intervention in North Korea would also have more far ranging effects than the one in Iraq considering the importance and dynamics of the Northeast Asian region, both for the world order and US economic and security interests.

⁶⁸ Hayes, Peter, "Bush's Bipolar Disorder and the Looming Failure of Multilateral Talks With North Korea", *Arms Control Today* (October 2003), (Arms Control Association, 2003)

<http://www.armscontrol.org/act/2003_10/Hayes_10.asp> (accessed 10 December 2003); Kerr, Paul, "U.S. Shows More Flexibility in North Korea Talks", *Arms Control Today* (October 2003), (Arms Control Association, 2003)

<http://www.armscontrol.org/act/2003_10/NorthKorea.asp> (accessed 10 December 2003).

⁶⁹ Kerr, Paul, "KEDO Suspends Construction of Nuclear Reactors", *Arms Control Today* (December 2003), (Arms Control Association, 2003) <http://www.armscontrol.org/act/2003_12/KEDO.asp> (accessed 16 January 2004); Kerr, Paul, "U.S. Shows More Flexibility in North Korea Talks", *Arms Control Today* (October 2003), (Arms Control Association, 2003) <http://www.armscontrol.org/act/2003_10/NorthKorea.asp> (accessed 10 December 2003).

Lately Pyongyang has also shown an increased interest in constructive engagement with Washington and its allies. This is possibly largely due to a combination of the continuously increasing Chinese pressure and the signals from that, regardless of the dangers and risks of military actions, in the end one can never be certain that the US will not utilize its pre-emptive strike doctrine; even if the Afghanistan and Iraq has strained the US military capacity, it has also shown a willingness to use force. However, both Washington and Pyongyang have over time softened their stances. On Oct. 19 2003, President Bush said that the US was willing to provide a written, multilateral guarantee that the United States will not attack North Korea.⁷⁰ Later the same month in connection to a Chinese state delegation led by Wu Bangguo, KNCA reported that North Korea had “in principle” accepted a new round of multilateral talks but that no date had been set.⁷¹ Towards the end of 2003 the North Korean stand softened, and step-by-step the number of strings attached to a freeze of its nuclear program decreased and the North Koreans seemed to be ready to make the first move rather than expecting the US make concessions simultaneously. Also, the White House official rhetoric had soften somewhat, and China had increased its pressure on Pyongyang further, according to some sources even to the level of moving the next six-party talk out of Beijing.⁷² To assess the prospects of these talks is difficult, but it seems like Pyongyang has begun to understand the seriousness of the situation and Washington has begun to understand how to handle the North Koreans, which in combination with China’s determination, might at least make it possible not to replay the incident of the last six-party talks.

Reasons for success and failure

To better understand the reasons for success and failure in negotiations with North Korea one has to look closer at the Chinese behavior and its impact on the negotiations. There are a number of central factors that can be singled out as crucial.

One underlying factor of foremost importance can be identified in the continuously increasing economic interdependence of the PRC. The economy is a fundamental factor, especially with regard to the progressive changes both in the Chinese approach to negotiations and policy standing towards DPRK. China is today highly dependent on international trade and economic relations with the outside world to sustain the social and political stability, and there are no longer any attempts on behalf of the Chinese government to become self-sufficient. This change in economic reality and subsequent alteration of PCR

⁷⁰ Kerr, Paul, “Bush Hints at North Korea Security Agreement”, *Arms Control Today* (November 2003), (Arms Control Association, 2003) <http://www.armscontrol.org/act/2003_11/NorthKorea.asp> (accessed 16 December 2003).

⁷¹ BBC, “N Korea “to resume nuclear talks””, *BBC NEWS*, 30 October 2003, <<http://news.bbc.co.uk/2/hi/asia-pacific/3227293.stm>> (accessed 30 November 2003).

⁷² Faiola, Anthony, “China Confirms North Korea Talks: New Round of Nuclear Talks to Start Feb. 25”, *The Washington Post*, 3 February 2004.

policy has not surprisingly been followed by a change in the political leadership.⁷³ China is in its fourth generation of leaders, very few of whom have any connections to the extreme version of communism that exists in DPRK. Consequently, as the North Koreans can offer neither economic development nor political support for the Chinese government, but on the contrary has become a liability, the incentive for Beijing to uphold its traditional all-endorsing support towards the North Koreans has substantially decreased. Consequently, Beijing has progressively opened up for changes towards a hardening its position towards its more and more uncomfortable ally of DPRK.⁷⁴

The new tide of leadership in China has embraced a more pragmatic view of the outside world and is much more concerned about relations with the international community, than with its ideological ties to DPRK. This is true not only with regard to its economic policy, but also to its general foreign policy stance and international engagement. For Beijing, it is of foremost importance to improve its international credibility and reputation as a responsible and constructive actor in the international community.

In addition, the ideological reasons for supporting Pyongyang, which for the lion part of the Cold War made it impossible for the Chinese to deal with the US enemy over key issues with regard to the Korean peninsula, is today largely gone. These factors has made the Chinese involvement more internationally originated, and the Chinese policy towards- and relations with DPRK is today solely based on economic and security reasons.

Nonetheless, North Korea still is crucial for Chinas perceived security interest and the Korean peninsula has been singled out as the “core problem” (hexin wenti) in Northeast Asia.⁷⁵ It is essential for Beijing to keep control over, and ensure the continued existence of, the DPRK for a number of reasons. A stable DPRK is essential for Chinese border control and regional influence. A destabilized, or even worse, collapsing North Korea would lead to a large influx of refugees from the state, something that creates problem in the Jilin province already today.⁷⁶ A destabilized North Korea would also risk undermining the stability of the Northeast Asian region as a whole, and from a Chinese perspective even worse it would also risk creating a unified Korea under US control. It is also essential for Beijing not to give the impression that it has failed in its North Korean policy. Such a failure would be most difficult to hide, and jeopardize Beijing’s reputation and credibility in the region and in the international community.

⁷³ Swanström, Niklas, *Foreign Devils, Dictatorship, or Institutional Control: China’s Foreign Policy Towards Southeast Asia* (Uppsala: Department of Peace and Conflict Research, 2001).

⁷⁴ Kim, Samuel and Tao Hwan Lee, “Chinese-North Korean relations: Managing Asymmetrical Interdependence”, in *North Korea and Northeast Asia*, eds. Samuel S. Kim and Tai Hwan Lee (Lanham, Md.: Rowman & Littlefield, 2002:109-133).

⁷⁵ Kim, Samuel and Tao Hwan Lee, “Chinese-North Korean relations: Managing Asymmetrical Interdependence”, in *North Korea and Northeast Asia*, eds. Samuel S. Kim and Tai Hwan Lee (Lanham, Md.: Rowman & Littlefield, 2002:11).

⁷⁶ Human Rights Watch, *The Invisible Exodus: North Koreans in the Peaople’s Republic of China* (Human Rights Watch, Vol. 14, No. 8 (C), Nov 2002) <<http://www.hrw.org/reports/2002/northkorea/norkor1102.pdf>> (accessed 23 December 2003).

This is augmented by the long Sino-Korean relationship and the Chinese view of the Korean peninsula as being under Chinese tutelage, a perception that still has very much impact on Chinese behavior in the question. In short, even though being pragmatic on the issue, the Chinese also have security considerations as well as reputation and prestige invested in the Korean Peninsula.

Even taken the above factors into account, the Chinese engagement in Korea has mostly leaned towards a pragmatic view, placing its dependency on international trade and stability in the Northeast Asian region at the forefront of policy considerations. The changes in the political leadership, in contrast to many beliefs, has made the Chinese more inclined to assist the international community in its strive to de-escalate the crisis in the Korean peninsula and to restrain other regional states from acquiring nuclear weapons. Despite reluctance towards a US presence in the region and specifically on the peninsula, which would not be acceptable, Beijing has realized that the situation is going out of hand and the current situation needs to be stabilized before DPRK either collapses or is attacked by the US. Hence, it is not unfounded that Beijing has opted for strengthening rather than weakening the DPRK, and such a development can not be successfully undertaken without at least implicit US support, as a US aiming at isolation of, and change of regime in, North Korea undermines such attempts. The benefits of a Sino-US collaboration is apparent, as a strengthening of the DPRK and a de-nuclearisation policy are not mutually exclusive. The political system in DPRK is under dispute, even if both the US and China would like to see an opening of the economy in DPRK.

North Korea is also stuck in its traditional negotiation behavior, a negotiation behavior characterized by a unique combination of Confucianism, a distorted form of Marxist-Leninism and isolation.⁷⁷ The almost total isolation of North Korea has resulted in social and economical chaos and the creation of a surrealistic perception of the world and DPRK's role in it. Having reached "the highest form of political thought", in accordance with Kim Il-Sung's teachings, the leaders in Pyongyang have the moral right, and obligation, to educate the lesser people. The system becomes impenetrable against criticism as it is based on what is perceived as the scientific truth in combination with a hierarchical world based on Confucianism where leaders can not be questioned. As a result of the (partly) self-chosen isolation, and a perception of the external world as an ignorant oddity that has not understood the teachings of Kim Il-Sung, North Korea has shown a total ignorance of the outside world. But at the same time the North Koreans have a strong feeling of vulnerability for the outside world, an environment they do not

⁷⁷ Cornell, Erik, "Peculiar Minds: In Pyongyang, a unique, unbending world view rooted in isolation, Confucianism and Communism", *Newsday.com* (2003), www.newsday.com/news/opinion/ny-vpcor053073070jan05.story (accessed 6 January 2003), Cornell, Erik, *North Korea under communism : report of an envoy to paradise* (London: Routledge Curzon, 2002), Snyder, Scott, *Negotiating on the Edge: North Korean Negotiating Behavior* (Washington, D.C.: United States Institute of Peace, 1999)

understand.⁷⁸ The North Korean system of belief and thinking is underlying Pyongyang's insistence on bilateral negotiation with the US. This insistence is a consequence of the perception that the US and the DPRK is the only legitimate parties of the Korean conflict, as the Republic of Korea is considered illegitimate by the North Koreans. Pyongyang's behavior is affected by a feeling of being surrounded by the US and its "puppets" Japan and ROK, and being abandoned by its only ally, the PRC, whom they perceive as having engaged with the enemy (i.e. the US). As has been seen above, this perception has had an empirical validity as China has turned more towards the international community and engaged not only economically but also politically with the US and South Korea, while moving away from North Korea. To be properly understood, Pyongyang's behavior and policies has to be understood in the context of the above described world view and feelings of vulnerability.

The outcome in the North Korean question has not only been dependent on North Korean and Chinese engagements. The changes in the US position regarding negotiations with North Korea have also been crucial for both the success and failure of the negotiations. The more conciliatory and accepting position of the Clinton administration in its negotiations with the North Koreans arguable made some progress, even if not solving the underlying problems. With the Bush administration's tougher stand, the conflict has escalated and the differences between the parties have increased. The case might be that the Bush administration has clearly showed the North Korean leadership what the US position is, but this has in no way affected the negotiations in a positive way. Moreover, the Clinton administration was more prepared for the erratic behavior of the North Korean leadership, something that enhanced their ability to successfully negotiate with Pyongyang.

The difference between the two US administrations is largely dependent on the personalities of the leading actors in the US (Bill Clinton and George W. Bush) and impact on the communication over the Korean peninsula. Kim Jong-Il has taken, for his part, what appears to be, an irrevocable position based on his superior moral, principles of Juche, and his need for internal and external security. The same was true for his predecessor Kim Il-Sung. Bill Clinton who did not, at least in public, take a strong ideological or irrevocable position against either Kim Jong-Il as a person or North Korea as a state, showed more acceptance for the North Korean way of thinking and their behavior. This was the logic of his pragmatic approach towards North Korea and the Korean conflict, and instead he sought for an acceptance for Kim Jong-Il and the North Korean interests, and attempted to find compromises and conciliation regardless of what he thought about him as a person for the best of negotiations. This can be contrasted with George W. Bush who has taken an almost irrevocable position based on high moral principles to combat North Korea, and their leader Kim Jong-Il who he considers to be a "godless person that is evil".⁷⁹ Both individuals have based their attitudes on stances that are based on superior moral and this has made it

⁷⁸ Cornell, Erik, "Peculiar Minds: In Pyongyang, a unique, unbending world view rooted in isolation, Confucianism and Communism", *Newsday.com* (2003), www.newsday.com/news/opinion/ny-vpcor053073070jan05.story (accessed 6 January 2003), Cornell, Erik, *North Korea under communism : report of an envoy to paradise* (London: Routledge Curzon, 2002).

⁷⁹ Fineman, Howard, "I Sniff Some Politics", *Newsweek*, 27 May, 2002.

difficult to revert from their positions. Despite that some attempts to bridge the differences between George W. Bush and Kim Jong-Il has been undertaken by the Chinese, but these attempts have been largely unsuccessful.

There have been a lack of communication between all the different actors, a failure that no longer can be dismissed as unsolvable or natural due to ideological factors to the same extent as during the Cold War. A failure of communication exists not only between Pyongyang and Washington and its allies, but also between China and Pyongyang. There is also a lack of effective communication between Beijing and Washington, as well as among US and its allies Japan and South Korea, this has decreased the international impact and given North Korea a possibility to play China and the US against each other. The communication failure between the North Koreans and the US and its allies are apparent, and is an expected problem that is part of the negotiation process and that it is the relationship that is most difficult to change. This both because it is part of the North Koreans negotiation strategy to be unclear in their communication, and due to a general lack of incentive among the parties to firm, and clear, state their intentions. The most important communication failure has however been between China and the US between whom the communication has been mediocre, to say the least. This is most unfortunate as the North Korean situation can hardly be solved without China, as it has a leverage over North Korea that all other states lack. It is probably the only state that in the end can have a real impact on North Korea's strategies, at least with non-violent methods. This is the case even if Beijing arguable does not have the same influences on the North Korean regime as has previously been the case. There are in fact several commonalities between the Chinese and US positions that could be developed, but no effective strategies have been taken in cooperation with each other. The most apparent common denominators are possibly the fact that both the US and China would like to see the Korean peninsula as a nuclear free zone, even if the reasons might differ, and to open up the North Korean economy. The same positions are shared by all other states in the region. These shared goals could have been used as a base for cooperation, would not the communication have been so mediocre and the distrust between the parties so great. This lack of communication has been used skillfully by North Korea, which has played out the Chinese and Americans against each other. Noteworthy, even if less central, is the lack of effective communication between Washington and its two regional allies in Seoul and Tokyo. Tokyo has had its own interests that it has pursued without any extensive communication and coordination with its allies. In the case of Seoul there have been more attempts to communicate and coordinate with the US. The failure in communication has as a consequence resulted in a situation where Seoul and Washington have sent separate and different signals on their policy stand towards Pyongyang, sometimes even to the extent that it has shown an open division between US hard line policy and a South Korean focus on engagement and dialogue.

As a consequence of the failure in communication there has been a lack of policy coordination, something that is especially important with regard to the PRC and the US policies. That the policy coordination between the two has been lacking, or at best been mediocre, is painfully apparent. There have been no political interests from neither the Chinese nor the Americans during the period from 1950

to today to communicate and cooperate on their Korean policies, with a short exception during the Clinton administration where we could see some progress in communication between the two. The fundamental problem has been that Beijing has not been ready to support the US in the Korean peninsula out of fear of a unified Korea under dominated by the US, and without Chinese participation it has been, and still is, extremely difficult to be successfully solve the Korean issue. The point of division has been security; the Americans have after the Cold War had little understanding for the perceived Chinese security needs. China has on the other hand not shown much understanding and acceptance of the US domestic politics.

This problem in policy coordination is closely linked to the lack of communication between the actors and the lack of predictability in their respective Korean policies. Neither China, nor the US, have been ready to disclose their agendas or in any effective way communicate their intentions. This has been, and is, the case regardless of the negative impact on the possibility to reach a negotiated solution of the Korean conflict. The secrecy regarding the domestic policies and the reluctance to discuss options has been an unfortunate characteristic of the conflict, not to mention the lack of transparency of the North Korean policy objectives. The North Korean strategy has been hidden in a cloud of mist that not even the Chinese have been able to penetrate. This has made it necessary for all involved parties to calculate according to worst case scenarios, in the Chinese case either American troops at their border or a war at the Korean peninsula.

Conclusion – the necessity of China

When looking closer at the North Korean negotiation one is not only struck by the lack of constructive dialogue and cooperation between the two most important actors, China and the US, but also by the lack of incentives for China to protect North Korea as long as their security and regional influence is guaranteed. This sets a scene that seems to be ripe for a more cooperative behavior between China and the US. Considering that the situation could easily escalate towards a new conflict on the Korean peninsula, a conflict that no one would benefit from, enhances the prospects for such a cooperative development from both the Chinese and American governments. The risk for escalation and lack of communication also applies to the other parties, especially to South Korea and Japan, but also to Russia that have been trying to play a role in the negotiations during the last couple of years. Further, when assessing the importance of preventive actions and the possible impact of a crisis in the Korean peninsula one also has to take the very real, possibly imminent, risk of a regional nuclear proliferation which both raises the stakes further, and makes the possible consequences of military conflict even more devastating.⁸⁰

Beijing's active involvement in the negotiations has to be increased, this despite the fact that China has preferred to take the back-seat for a long time and both the US and DPRK has been reluctant to involve

⁸⁰ A proliferation of nuclear capabilities in the Northeast Asian region would possible also undermine the international non-proliferation regime, legitimizing the development of pursuing nuclear capabilities.

China. There are a manifold of reasons for incorporating China, but most important is the leverage China has over North Korea. There is simply no single- or coalition of states that can wield the same leverage over North Korea as China can, not even a united international community can act effectively without Chinese involvement. This have been particularly clear with regard to the energy sector and food supplies, and as long as Pyongyang believes that China will continue to support them they will have little incentive to change. This dependence on China could be used both as a carrot and a stick. We have for example seen that China has used its energy leverage to effectively threaten the government in Pyongyang, and the North Koreans are well aware that Beijing would not hesitate to use their leverage with regard to the North Korean dependency on Chinese energy again, if this serves their purposes. This is also one of the main reasons why North Korea is trying to open up for international trade and cooperation with other partners, since this would decrease the Chinese leverage.

One possible path that has been widely discussed among scholars, as well as in policy circles, is the possibility to use more coercive measures, including sanctions, to increase Pyongyang's willingness to make compromises and concessions, and to at least honor agreements. Needless to say, the inclusion of China is necessary if sanctions are to be used successfully against the government in Pyongyang. Without a doubt, sanctions would pass unnoticed if China continued to support North Korea. This is not to say that sanctions are a preferred strategy, but simply that Chinese support is central. The possible effectiveness of sanctions is however more problematic than being dependent only on Chinese support. Currently most of the North Korean revenues are gathered through illegal trade with weapons and drugs. A major proportion of the North Korean economy is based on these trades⁸¹. It is for example believed that the Russian mafia is cooperating with the North Koreans over the drug trade going both to- and through Russia to Europe, and the North Korean community in Japan is also believed to be part of this trade in

⁸¹ North Korea is thought to produce more than 40 tons of opium a year making it the world's third largest opium exporter and the sixth largest heroin exporter, and further it is also producing and exporting large quantities of amphetamine to Japan. It has been estimated by US Officials that the North Korean regime earns between \$500 million and \$1 billion a year on the illicit drug trade, although there is a lack of verifiable data. In 2001 North Korea earned about \$560 million on missile sales. (Geopolitical Drug Newsletter, "New Amphetamine Connection," *Geopolitical Drug Newsletter*, No 9 (June 2002:7); Drug Policy Alliance, "UN At Odds With US Claims Over North Korea Drug Trade", *Drug Policy News*, May 7 2003, http://www.drugpolicy.org/news/05_07_03nthkorea.cfm (16 Dec 2003); Woosang, Kim, "Human Security in the Korean Peninsula: A Case of the North Korean Drug Trafficking" (paper presented at the international conference on "Human Security in East Asia" organized by UNESCO, June 16-17, 2003); Boyd, Alan, "North Korea: Hand in the cookie jar," *Asia Times*, 29 Apr 2003, <<http://www.atimes.com/atimes/Korea/ED29Dg01.html>> (20 Dec 2003); Ah-Young, Kim, "Halt North Korea's drug habit", *Herald Tribune*, 18 June 2003; Wortzel, Larry, "North Korea's Connection to International Trade in Drugs, Counterfeiting, and Arms" (testimony before the Governmental Affairs Subcommittee on Financial Management, Budget, and International Security, United States Senate, 20 May 2003); Bach, William, "Drugs, Counterfeiting, and Arms Trade: The North Korean Connection (testimony before the Governmental Affairs Subcommittee on Financial Management, Budget, and International Security, United States Senate, 20 May 2003))

cooperation with the Japanese Yakuza. Needless to say, Beijing can not control the illegal parts of the Korean economy and the Chinese have limited effect on these trades, but there is a possibility that Chinese pressure on the North Korean regime in combination with a fight against the part of the illegal trade that crosses over Chinese territory would have some impact. Chinese support is also essential if one shall be able to do something about the problem related to the legal status of some of North Korea's exports, such as missile technology that is one of North Korea's main sources of revenue. One incentive for the Beijing to pursue its policy on these issues is the fact that the illegal trade in arms and drugs is threatens to arm rebels in China and to increase the drug usage in the country.

To the importance of China in the economic sector, it should also be added that, even if a reluctant one, it is North Korea's only ally. The regime in Pyongyang can not expect any assistance from any other state, even if South Korea has been one of the more reconciliatory states and has attempted to cooperate rather than to clash with the North Koreans. This is, needless to say, because the South Koreans has the most to lose as the North Korean war machine is directed towards them, and also as a consequence of the aim of reunification. Despite its promises, although increasingly vague ones, to defend North Korea China has neither the financial capacity, nor the military capability, to fight a full scale war in Northeast Asia against its main trade partners. This is not to say that a Chinese intervention in a conflict in the Korean peninsula is not possible, but it would be a disaster for the Chinese regime which would risk being undermined, and it would without a doubt be a catastrophe for its international position, reputation, and economy.

The importance of China can be seen in the pattern of the development of Chinese and North Korean policy changes, where Pyongyang reacts to changes in Beijing's policy. Pyongyang knows that it has to react with precision on China's policy changes, this as they are highly dependent on China, their only ally at the time, and due to its dependence of China's support, even when being an increasingly reluctant support. The North Koreans do not necessarily always follow in the direction that would be preferred by Beijing, but it does offer an alternative to open negotiations that so far has suited both Beijing's and Pyongyang's interests of keeping a low profile and the US out of DPRK.

Having but one reluctant ally, it is only good fortune for Pyongyang that there has been little or no cooperation between China and the US over the Korean issue. The reluctance of China to cooperate with the US, and the US refusal to engage China in the negotiation process due to their respective, perceived as divergent, security interests has been masterly used by the North Koreans, who have maneuvered skillfully between both states. This has changed in the last few years with an accentuation of engagement in the question after the nuclear crisis in 2002. The changes in the Chinese position has emerged from its need to be incorporated in the international economy and its need for regional stability to sustain its current economic development, but also a political maturation that has distanced them from the North Korean regime. This positive trend towards better communication between the US and China is crucial to continue and develop further. It can be established that China and the US are crucial for the possibility of a peaceful development in the peninsula, the former due to its position in the region and its relation with

North Korea, and the latter through its financial and political engagement.⁸² Beijing and Washington do have agendas that differ in more than one aspect, but there are several aspects of the Korean peninsula that all actors agree on, such as the importance of preventing nuclear proliferation in the region, the need to avoid a new war in the peninsula, and the importance of good economic development in the region, and the opening up of North Korea's economic relations with the outside world. Continued communication should be focused on what the actors do agree on, not their differences. Furthermore, they need to do their utmost to convince North Korea to adhere to the negotiated outcomes.

The tricky part is that all parties need to accept that there are different political systems in the region and that the agendas and security needs differ. Regardless if North Korea is considered to be a country controlled by a "godless and evil" individual or not, the short-term focus should be on increasing the security in the region, rather than to change the region in its fundamentals. This does not mean that the US can not work for political change in North Korea, but only that regional security has to be the primary issue, leaving the long-term questions to be dealt with at a later stage. The kind of approach taken by the US in recent years with policy continuously shifting between trying to change the regime in Pyongyang and to have sincere negotiations, often at the same time, has not worked, will not work, and can not work. The mix up of these different policy objectives do not only prevent the current situation from being resolved, it can also potentially throw the region into a full scale war.

This is not to say that the DPRK conflict will be solved once China and the US agree on how to proceed, but only that this is the first road block that needs to be removed to be able to effectively negotiate with DPRK and reach a satisfying solution to the conflict. To move the negotiations forward and to prevent an intensification of the conflict, all actors in the region, including the US, will have to accept DPRK as a political entity and accept that they have legitimate security concerns. Due to the vulnerability and isolation of the North Koreans, the other actors need to understand their special situation and take it into consideration. This is not to say that bad behavior should be rewarded or that DPRK should be handled with silk gloves, but the situation is however in need of de-escalation and for the long term benefits of the international community might have to be lenient towards DPRK in the short term.

Regardless of the improvements in communication and coordination between PRC, the US, and its

⁸² The US involvement in the conflict is the most unclear, this as the other actors such as South Korea, Japan and China physically can not separate them from the problem and the engagement in the region is high. The engagement from the US is dependent on several issues such as domestic opinion and the support from the congress. It would today be highly unlikely that the Congress would support a pre-emptive strike against North Korea as they do not see this issue as the most pertinent, but still its policies largely hinder constructive engagement with DPRK. Afghanistan, Iraq, and the war on terrorism are prevailing on the US security agenda. The financial commitment is also pending on domestic support and currently the US is bogged down by the largest budget deficit ever in the US and a decreasing support from President Bush to deal with the "Axis of Evil" powers, as long s it costs huge amounts of financial resources and increased domestic taxes.

allies, there also needs to be an adjustment of the DPRK position if the negotiations are going to be successful. The US has had a point in that Pyongyang has been noncompliant and it needs to open up for multilateral negotiations and prove its reliability. The Chinese leverage should be used both as a carrot and a stick to encourage Pyongyang's compliance with the negotiated agreements. In recent years, Beijing has illustrated that it has both the political will and the tools to use its leverage, and the Chinese are instrumental for future success of negotiations with the DPRK and consequently for the peaceful future of the peninsula. Beijing needs to both accept and understand its instrumental role, and demonstrate a determination in its policy. Also, Beijing must show a willingness to enforce punishment for DPRK non-compliance, enhance cooperation and coordination with the US and other parties. There is also a need among all parties to recognizing the necessity for everyone to look beyond their own national agendas to resolve a possibly devastating crisis.