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Concerns over nukes have been growing in Beijing

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Concerns over nukes have been growing in Beijing

# SANCTIONS ARE AN IMPORTANT TOOL IN CHINA'S NORTH KOREA DIPLOMACY

**Beijing has imposed sanctions on North Korea each time the latter has conducted a nuclear test, sometimes leading Pyongyang to return to the negotiating table. The aim is to make North Korea abandon its nuclear program and open up its economy.**

It is widely believed that China holds the key to resolving the North Korean nuclear issue because China is North Korea's biggest economic benefactor, accounting for around 90% of the latter's trade, and being the main aid provider and investor. Many American and Japanese politicians and analysts do not believe that China is genuinely pursuing denuclearization in North Korea and is not willing to pull North Korea's lifeline. However, an examination

## RECOMMENDATIONS

- Denmark should support UN inspections of North Korea's denuclearization activities, as well as the implementation of the Non-Proliferation Treaty (NPT) by the signatory states.
- Denmark, in collaboration with other countries, can monitor the implementation of economic sanctions against North Korea while at the same time joining the EU's discussions on the option of gradually easing sanctions.
- Denmark should also prepare for the possibility of diplomatic and political normalization between North Korea and the rest of the world in the medium to long term.

# China has recently advocated gradually lifting sanctions to induce North Korea to abandon its nuclear weapons

Beijing is seeking to retain its leverage over Pyongyang and its seat at the North Korea nuclear talks. Sanctions have also become a tool for Beijing to negotiate with the US on trade and to enhance its international position more generally.

of China's use of economic sanctions against North Korea shows that it is indeed very sensitive about North Korea's nuclear program, having imposed economic sanctions on North Korea each time the latter has conducted a nuclear test.

Moreover, China's pressure on North Korea through sanctions, though so far not comprehensive or devastating to North Korea's economy, seems to have worked to change the behavior of the regime in Pyongyang in some instances, with the imposition of sanctions being followed by North Korea returning to the negotiating table. Recently, China has reportedly followed a strategy of gradually lifting sanctions, in particular since the first summit between North Korean Supreme Leader Kim Jong-un and U.S. President Donald Trump in June 2018. China's aim is to induce North Korea to abandon its nuclear program and carry out economic reform under Beijing's mentorship. Sanctions against North Korea have also become a tool for Beijing to negotiate with the US on trade and other broader issues and to enhance its international position more generally.

## China's concerns regarding North Korea are multifaceted. They include:

- Achieving denuclearization of the Korean Peninsula
- Preventing North Korea from falling under US influence
- Preventing military conflicts and a humanitarian crisis on the Korean Peninsula, which might affect the stability of China's northeast region

## Adopting a new sanctions policy

China is sensitive to North Korea's nuclear tests, as they provoke Beijing to carry out unilateral or collective UN-authorized sanctions. Prior to the first nuclear test conducted by North Korea in 2006, China opposed economic sanctions, arguing that they were not an effective way of resolving conflicts and might produce catastrophic results. However, in 2006 China began to change its policies. After North Korea tested its conventional missiles in July 2006, China followed the US' campaign by freezing North Korea-related assets at the Macau branch of the Bank of China in August of that year. This was the first time that China had imposed explicit economic sanctions on North Korea.

After North Korea's first nuclear test in October, China approved UN Security Council Resolution 1718 and conducted intensive mediation between North Korea and the US, which led at the end of the year to the return of North Korea to the Six Party talks— since 2003 the main China-sponsored forum for negotiating the North Korea nuclear issue.

In 2009, after North Korea tried to launch a satellite (in preparation for launching long-range missiles) and conducted a second nuclear test, China stopped oil exports to North Korea for four months, as well as endorsing UN Security Council Resolution 1874. In response to UN condemnation of its satellite trial, North Korea announced it was permanently pulling out of the Six-Party talks. After North Korea carried out a long-range rocket launch in December 2012 and its third nuclear test in February 2013, China endorsed two new sets of UN Security Council sanctions. The newly installed Chinese president Xi Jinping said that 'no country should be allowed to throw a region and even the whole world into chaos for selfish gains'.

### **Pressuring North Korea to return to the table**

Beyond UN sanctions, China unilaterally stopped exports of oil to North Korea in February, June and July 2013, citing technical problems. The Bank of China also halted all business with North Korea's Foreign Trade Bank beyond the list of institutions targeted by UNSC sanctions. These measures were followed by a conference chaired by the Chinese Minister of Foreign Affairs, Wang Yi, in Beijing with the aim of re-launching the Six-Party talks. North Korea's chief nuclear negotiator, Kim Kye-gwan, subsequently stated that North Korea was willing to return to the negotiating table without preconditions.

China was shocked when the young North Korean leader Kim Jong-un executed his uncle Jang Song-thaek in December 2013, as he had been a major conduit between Beijing and Pyongyang. In response, China stopped exports of crude oil to North Korea for five months in the first half of 2014. China also reduced food aid, halted investment in the special economic zones on the border, and started restricting work visas for North Koreans. In January 2014, China's official news agency Xinhua said on Twitter that North Korea had agreed to a resumption of the Six-Party talks, although ultimately nothing came of this.

### **Assassination triggering more restrictions**

After North Korea's fourth and fifth nuclear tests in 2016, China endorsed UN Security Council Resolutions 2270 and 2321, which sought to limit North Korea's coal exports. But it was the assassination of Kim Jong-un's half-brother Kim Jong-nam in February 2017 that induced China to take a significant step in suspending coal imports from North Korea for the rest of the year. Chinese state-owned commercial banks also restricted the financial activities of North Korean individuals and businesses in mid-2017.

After North Korea's sixth nuclear test in September 2017, China moved to explicitly impose limitations on the supply of oil in October of that year in line with UN Security Council Resolution 2375. Although this fell short of being a complete ban on oil exports to North Korea, it led to soaring petrol prices in the country. Combined with restrictions on coal, textiles, agricultural and other imports from North Korea, the latter's many economic activities came to a halt, and its foreign currency reserves dropped sharply.

### **North Korea responds to the Chinese approach**

The summit between Kim Jong-un and Donald Trump in June 2018 can be seen as the culmination of a combined strategy of US military threats and



Satellite image of the Korean Peninsula at night, showing urban and industrial lights. China (upper left), North Korea (upper centre), South Korea (centre) and Japan (lower right) are shown, along with the Sea of Japan, the Yellow Sea and the Korea Strait.



A woman carries a boxed flat-screen television on her back as she crosses a road in Pyongyang. China is pushing for economic reforms in North Korea.

President Trump's openness to meeting Kim, coupled with harsh sanctions, including those imposed by China, and the mediation efforts of the South Korean president, Moon Jae-in. The three meetings in March, May and June 2018 between the Chinese leader, Xi Jinping, and Kim Jong-un show that China supports the approach of gradually lifting sanctions to induce Pyongyang to denuclearize, as well as this being a card to negotiate trade with the US and to enhance China's international position overall.

Although North Korea announced a unilateral halt to nuclear and missile tests in April, Kim later asked for the gradual lifting of sanctions in return for North Korea reducing its nuclear facilities, an example of the reciprocal approach that China has advocated. According to Dan De Luce and Ken Dilanian of NBC News, China has relaxed its sanctions against North Korea since the first meeting between Kim and Trump was announced in March 2018. This can be understood as a move by Beijing to retain its leverage over Pyongyang and its seat in the North Korea nuclear talks. This also serves as a bargaining chip in China's trade war with the US.

### Neighbours getting ready for normalization

Moreover, according to an unpublished UN report cited by Colum Lynch in Foreign Policy, North Korea has increasingly turned to Russia as a partner in its oil and coal trade, in violation of UN sanctions. South Korea has called for an easing of sanctions against North Korea, while Japanese companies are waiting to enter North Korea when the situation with the latter has been normalized. They all have the potential to become Pyongyang's new benefactors in the place of Beijing.

China's relaxation of sanctions, if any, can also be understood as a reflection of the reciprocal approach. For China, the relaxation of sanctions and ultimately increases of investment and trade can serve as an incentive for North Korea to abandon its nuclear weapons and take the Chinese path of economic reform. Sanctions are still a useful diplomatic card for Beijing in shaping North Korea's behavior, as well as to negotiate with the US on nuclear, trade and other issues.

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