

Is China the Boss on North Korea?

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Keywords: China, North Korea, dependence, economic leverage

| ABSTRACT |

China is not North Korea’s boss, though Pyongyang is heavily reliant on Beijing. China wants North Korea to remain stable, and fear of instability has made China reluctant to exercise leverage over Pyongyang. Pyongyang understands that it can get away with its misbehaviors by taking advantage of its strategic importance. And the combination of a monolithic leadership system, juche ideology, and military-first politics has created unique political dynamics that makes the DPRK invulnerable to foreign pressures.

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I. Introduction

Is China North Korea's boss? Two contending perspectives exist. One points to Pyongyang's high degree of dependence on Beijing. The People's Republic of China (PRC) is the largest trading partner and a major source of food and energy aid to the impoverished and isolated Democratic People's Republic of Korea (DPRK). Simply put, North Korea would collapse without China. Foreign policies against Pyongyang's nuclear and missile programs by Washington and its allies in East Asia have assumed that Beijing is Pyongyang's lifeline and therefore demanded that Beijing rein in Pyongyang's dangerous weapon programs by exercising economic levers. However, there has been a strongly dissenting voice. Some scholars assert that China has never been North Korea's boss. Historically, North Korea has a deep-rooted suspicion of China's intention concerning its domestic politics and peninsula affairs.¹⁾

This study notes that the DPRK's reliance on the PRC is substantial, examining economic and security ties between the two countries, but asserts that China is not North Korea's boss. It takes sides with the skeptical views on Beijing's leverage over Pyongyang's domestic and foreign policies. However, unlike the existing studies focusing on historical narratives, this study speaks to theories of foreign economic relations among states and identifies sources for limited influence China has over North Korea. Theoretical debates on economic sanctions and interdependence show that there is little reason to believe that economic dependence is easily converted to a big power's leverage over a small state's domestic and foreign policies. Whether the dependent state becomes vulnerable to pressures from the patron hinges on the willingness and the credibility of the big power's exercise of economic levers,

1) Jae Ho Chung and Myung-hae Choi, "Uncertain Allies or Uncomfortable Neighbors? Making Sense of China-North Korea Relations, 1949-2010," *Pacific Review*, Vol. 26, No. 3 (2013), pp. 243-264; You Ji, "China and North Korea: A Fragile Relationship of Strategic Convenience," *Journal of Contemporary China*, Vol. 10, No. 28 (2001), pp. 387-398.

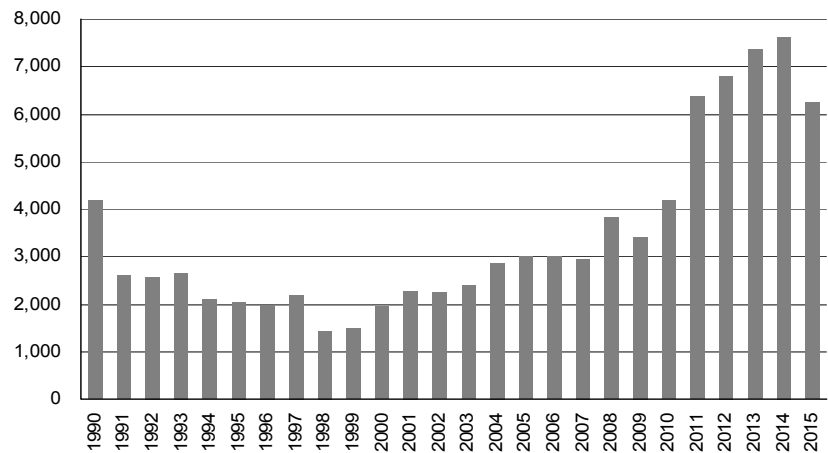
geopolitical interests at stake in their relations, and features of domestic institutions of the states involved.

China wants North Korea to remain stable. Instability in North Korea would undermine China's strategic and economic interests in the Korean Peninsula. Fear of instability inside and outside the DPRK has made the PRC reluctant to exercise leverage over Pyongyang and to push it into a corner. Pyongyang knows that it can get away with its misbehaviors even though they have infuriated Beijing. North Korea is well aware of how to take advantage of its strategic importance. And the combination of a monolithic leadership system, *juche* ideology, and military-first politics has created unique political dynamics within the DPRK that are impervious to foreign pressures.

II. Sino-DPRK Relations

China's economic and strategic significance to North Korea cannot be overstated. First of all, the PRC is the DPRK's largest trading partner. North Korea's dependence on China as a major source of export and import has grown significantly since 2005, when China's share of North Korea's trade volume for the first time exceeded 50% of the DPRK's whole trade volume. China has expanded that share rapidly, reaching a peak of 91.3% in 2015. Indeed, dependence on China deepened in 2015 even though the absolute volume of trade between the two decreased by 17.4%. A glance at the trend of the DPRK's trade for the past decade shows that the changes in its total annual trade volume have been quite similar to those of its bilateral trade with the PRC except in 2007 and 2009. And beyond the sheer size of trade, Pyongyang has been heavily reliant on China for strategic raw materials. Substantial volumes of mineral fuels including oil and coke, machinery, electronic equipment, plastic products, and vehicles compose the lion's share of

〈Figure 1〉 The DPRK's Foreign Trade, 1990~2015



Amount Unit: Million USD

Source: Korea Trade-Investment Promotion Agency, 2015 Nyŏn Pukhan taemuyŏk tonghyang (Seoul, Korea: KOTRA, 2016)

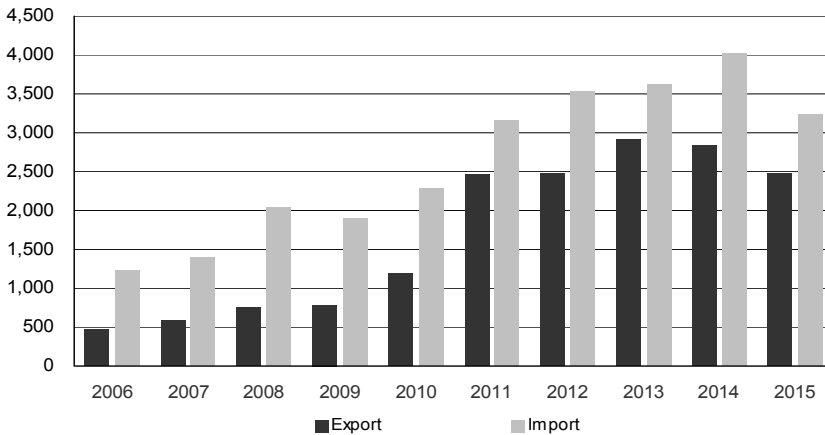
〈Table 1〉 The Ten Largest Trading Partners of North Korea, 2015

Country	Exports of the DPRK	Imports of the DPRK	Export-Import Total	Share
China	2,484.0	3,226.4	5,710.4	91.34
Russia	6.0	78.3	84.3	1.35
India	22.7	53.8	76.5	1.22
Thailand	6.9	43.1	50.0	0.81
Ukraine	2.0	33.7	35.7	0.57
Taiwan	29.8	0.1	29.9	0.48
Singapore	1.3	28.4	29.7	0.48
Philippines	5.9	16.0	21.9	0.35
Pakistan	20.8	0	20.8	0.33
Hongkong	14.9	5.0	19.9	0.32

Amount Unit: Million USD

Source: Korea Trade-Investment Promotion Agency, 2015 Nyŏn Pukhan Taemuyŏk Tonghyang (Seoul, Korea: KOTRA, 2016)

〈Figure 2〉 The Trend of China-DPRK Trade



Amount Unit: Million USD

Source: Korea Trade-Investment Promotion Agency, 2015 Nyŏn Pukhan taemuyŏk tonghyang (Seoul, Korea: KOTRA, 2016)

imports from China.²⁾ Major export items to China include mineral resources such as anthracite and iron ore. Textile and seafood products follow.

China has also been an important source of food aid to North Korea. From 1995 through 2012, according to data from the World Food Program (hereafter WFP), China provided 26% of all food aid to North Korea, while South Korea provided 27% and the United States 19%.³⁾ More importantly, China has been the most reliable donor, as food aid from South Korea and the United States fluctuated in response to military provocations by North Korea. In addition to regular foodstuffs such as rice, wheat, and corn, China also provides North Korea with ferti-

2) Jong-Woon Lee and Yi Kyung Hong, "Understanding China's Economic Engagement with North Korea: Realities and Problems," *Pacific Focus*, Vol. 30, No. 2 (August 2015), p. 183.

3) World Food Program, "Quantity Reporting," <http://www.wfp.org/faiss/reports/quantities-delivered-two-dimensional-report/form/donor/China/recipient/Democratic%20People%27s%20Republic%20of%20Korea%20%28DPRK%29/year/2012/cat/All/code/All/mode/All/basis/0/order/0>, (Accessed September 16, 2016).

lizer.⁴⁾

China is a major source of foreign investment in North Korea. It is a primary partner in Special Economic Zone projects over the northwestern part of North Korea. In addition to the promise to revitalize the existing Economic and Trade Zone in Rason, China and North Korea have agreed to establish two new special economic zones, one in Hwanggumphyong and another in Wihwa Island. Since 2005, the central government in Beijing has encouraged local governments and companies to expand their interactions with North Korea, by providing diplomatic support, infrastructure projects, and investment capital.⁵⁾ With this government guidance, Chinese firms, including state-owned enterprises, ventured into natural resource extraction and infrastructure building. According to figures from the Chinese Ministry of Commerce, 42% of the 110 Chinese companies registered as investors in North Korea arrived after 2008.⁶⁾ Chinese firms have implemented joint mining projects focusing on lucrative minerals such as coal, iron ore, and gold. Chinese capital has increasingly expanded its investment to other fields of the North Korean economy. Dozens of Chinese private enterprises have established joint venture companies with state-owned North Korean companies for the production of consumer goods and construction materials, and the processing of food, specifically fish. Recently, a large Chinese department store opened in downtown Pyongyang.⁷⁾ In sum, Chinese companies have risen as an important source of foreign credits.

Lastly, China has been North Korea's sole ally since the end of the Cold War. The 1961 Sino-North Korean Treaty of Friendship, Cooperation, and Mutual Assistance states that "the two parties under-

4) James Reilly, "The Curious Case of China's Aid to North Korea," *Asian Survey*, Vol. 54, No. 6 (2014), p. 1170.

5) James Reilly, "China's Engagement in North Korea," *China Quarterly*, Vol. 220 (2014), p. 917.

6) James Reilly, "China's Market Influence in North Korea," *Asian Survey*, Vol. 54, No. 5 (2014), p. 901.

7) Reilly (2014).

take to adopt all measures to prevent aggression against either party by any state.” It also stipulates that “in the event of one of the parties being subject to armed attack by any state or several states together and thus being involved in a state of war, the other party shall immediately render military and other assistance by all means at its disposal.” The treaty automatically renews every 20 years, and can be revised only when both parties agree to modify the terms.⁸⁾

Noting the asymmetric relations, the United States and its allies in the region, particularly South Korea, have recognized China as a key country in handling North Korea’s military provocations. For example, the George W. Bush administration asked for Chinese help in restraining North Korea’s nuclear ambitions. Christopher Hill, then the U.S. special ambassador for North Korea’s nuclear program, said, “we need China to be very, very firm with ... the North Koreans on what is acceptable behavior and what is not.”⁹⁾ John Bolton, then the U.S. ambassador to the United Nations, emphasized that “countries that have leverage over North Korea ... bear the responsibility for trying to use that to bring the North Koreans back into compliance.”¹⁰⁾ The Obama administration exhibited the same desire to tap potential Chinese leverage over North Korea. John Kerry, secretary of state for the second Obama administration, frequently demanded that China play a more constructive and proactive role in the denuclearization of North Korea. He once stated, “There is no group of leaders on the face of the planet who have more capacity to make a difference in this than the Chinese, and everybody knows it, including, I believe, them.”¹¹⁾ The sentiment

8) Bonnie S. Glaser and Brittany Billingsley, *Reordering Chinese Priorities on the Korean Peninsula. A Report of the CSIS Freeman Chair in China Studies* (Washington D.C.: Center for Strategic and International Studies, November 2012), p. 7.

9) *New York Times*, “U.S. Seeks Strong Measures to Warn the North Koreans” (July 6, 2006) (Accessed February 2, 2017).

10) Yongho Kim, *North Korean Foreign Policy: Security Dilemma and Succession* (Lanham, MD: Lexington Books, 2011), p. 151.

11) *Financial Times*, “China is Urged to Rein in Pyongyang”(April 12, 2013) (Accessed January

has been shared across government branches and party lines in Washington. A treasury official traveling with Secretary Jacob Lew argued that “China has the ability to both create pressure and use that as a leverage that is a very important part of global efforts to isolate North Korea and get North Korea to change its policies.”¹²⁾ President Trump, during his candidacy, made similar statements. Right after North Korea’s fourth nuclear test, early in 2016, he asserted, “China has to get involved. And China should solve that problem. And we should put pressure on China to solve the problem.”¹³⁾ Later, he went further, to the extent of saying that “China has control — absolute control — of North Korea. They don’t say it, but they do, and they should make that problem disappear.”¹⁴⁾

Former South Korean President Park Geun-hye has also invested heavily in enhancing the relationship with China in the hope that Beijing would do more to restrain Pyongyang’s nuclear ambition. In September 2015 she attended the military parade commemorating the Chinese victory over Japanese imperialism during the Pacific War, despite concern that she might play into a Chinese plan to drive a wedge between Seoul and Washington. She also initiated a free trade agreement between Seoul and Beijing. Until North Korea’s fourth nuclear test, in January 2016, China-South Korea relations were so good they were being called a ‘honeymoon.’¹⁵⁾

26, 2017).

12) *Wall Street Journal*, “U.S. to Urge China to Put More Pressure on North Korea” (June 3, 2016) (Accessed January 5, 2017).

13) RealClear Politics, “Donald Trump on North Korea: ‘Without China They Wouldn’t Be Able to Eat’, ‘We Have Great Power over China’,” http://www.realclearpolitics.com/video/2016/01/07/donald_trump_on_north_korea_china_has_total_control_of_them_south_korea_should_pay_us.html (January 7, 2016) (Accessed February 16, 2017).

14) *Washington Post*, “Donald Trump Wants China to Make North Korea’s Kim Jong Un ‘Disappear’” (February 10, 2016) (Accessed January 5, 2017).

15) Tiejun Yu, “The Significance of the Korean Peninsula in Xi Jinping’s Global Strategy,” In Tienjun Yu, Yuanzhe Ren, and Junsheng Wang (eds.), *Chinese Perspectives Towards the Korean Peninsula in the Aftermath of North Korea’s Fourth Nuclear Test* (Washington D.C.: Stimson Center, June 2016), p. 22.

There have been a few publicized events in which the PRC allegedly cut economic assistance to the DPRK: in 2003, after North Korea disclosed its uranium enrichment program and claimed to the United States that it possessed nuclear weapons; in 2006, a few months before North Korea's first nuclear test; and in 2013, after the North's third nuclear test and amid signs of another impending test.¹⁶⁾ Pyongyang conducted the fourth test in January 2016, almost three years after the third test. However, the extent of Chinese influence should be under scrutiny. There is no affirmative evidence to conclude that Pyongyang delayed the test because of pressure from Beijing, not because of unknown technical problems and strategic calculations.

III. Theoretical Debates

There is no conclusive answer regarding when economic and financial leverage can be transformed into influence over domestic and foreign policies of other states. But we can get some insights from theoretical discussions of debt, economic interdependence, and sanctions.

First, if a target country has little or limited access to alternative markets and sources of credit, it will be vulnerable to economic and financial pressure. The reason why the international financial institutions traditionally possess leverage in their lending programs is that state recipients have exhausted every other resource.¹⁷⁾ Second, expectations of future conflict also affect the likelihood that coercive pressure will yield significant concessions. According to Drezner, because of con-

16) Shale Horowitz, "Why China's Leaders Benefit from a Nuclear, Threatening North Korea: Preempting and Diverting Opposition at Home and Abroad," *Pacific Focus*, Vol. 30, No. 1 (April 2015), p. 23.

17) Daniel W. Drezner, "Bad Debts: Assessing China's Financial Influence in Great Power Politics," *International Security*, Vol. 34, No. 2 (Fall 2009), p. 18.

cerns about reputation effects and future bargaining chips, states tend to make concessions to friends rather than enemies.¹⁸⁾ In this view the PRC should be able to enjoy the upper hand over the DPRK, since the latter is economically isolated and heavily dependent on the former, and the two are allies.

However, most scholars studying economic sanctions are skeptical of the convertibility of economic and financial influence into political leverage. For example, Pape has noted that states in the contemporary world have developed mechanisms to minimize external shocks incited by foreign countries' economic statecraft.¹⁹⁾ States have their own conservation system. They have also transferred the cost of economic hardship to marginalized groups, appropriating all available resources to enrich ruling elites to secure their loyalty to leaders. Another reason for the ineffectiveness of coercion through economic means is that sanctions are mutually expensive for both enforcer and target.²⁰⁾ A ban on exports and imports will hurt economic actors in the target country, but it will also hurt actors within the enforcing states who have been involved in economic and financial interactions with the target country, as they have to search for alternative markets for or sources of goods.

Debates about the impact of economic interdependence on state behaviors also call for caution about the convertibility between economic influence and political leverage. Generally speaking, a high degree of economic interdependence induces a virtuous cycle in foreign relations among states.²¹⁾ A growing economic interdependence generates material

18) Daniel W. Drezner, *The Sanctions Paradox: Economic Statecraft and International Relations* (Cambridge, MA: Cambridge University Press, 1999).

19) Robert A. Pape, "Why Economic Sanctions Do Not Work," *International Security*, Vol. 22, No. 2 (Fall 1997), pp. 90-136.

20) Klaus Knorr, *The Power of Nations: The Political Economy of International Relations* (New York: Basic, 1975), p. 155.

21) Stephen G. Brooks, *Producing Security: Multinational Corporations, Globalization, and the Changing Calculus of Conflict* (Princeton, NJ: Princeton University Press, 2005); Ernst B. Haas, *Beyond the Nation-State: Functionalism and International Organization* (Stanford, CA: Stanford University Press, 1964); David Mitrany, *A Working Peace System: An Argument*

benefits for actors involved and increases incentives for maintaining friendly relations to sustain a favorable business atmosphere. Economic interactions between actors at both government and private levels also produce a web of communication channels, both formal and informal, to settle any potential conflict in a peaceful manner, delivering their governments' intention and resolve. At the same time, as stakeholders in peaceful commerce, these actors will exert pressure on governments not to escalate conflict into any extreme form.

However, a growing number of scholars have pointed out that these pacifying effects do not set in automatically.²²⁾ In particular, Gelpi and Grieco suggest that economic interdependence reduces the likelihood of conflict between democracies but not for nondemocracies; when the joint democracy level is low, growing interdependence has neither pacifying nor disciplining effects.²³⁾ Why? Bueno de Mesquita's selectorate theory provides some insights. The theory starts from the assumption that all political leaders' primary interest is in job security. According to him, states have different economic goals depending on the size of winning coalitions incumbent leaders need to stay in office. Leaders can stay in office either by providing 'private goods' exclusively to coalition members or by generating policy successes that benefit the entire citizenry.²⁴⁾ To survive in democracies, leaders must win in elec-

for the Functional Development of International Organization (London: Oxford University Press, 1944); Bruce Russett and John Oneal, *Triangulating Peace: Democracy, Interdependence, and International Organization* (New York: Norton, 2001).

- 22) Dale C. Copeland, *Economic Interdependence and War* (Princeton, NJ: Princeton University Press, 2015); Edward D. Mansfield and Jon C. Pevehouse, "Trade Blocs, Trade Flows, and International Conflict," *International Organization*, Vol. 54, No. 4 (October 2000), pp. 775-808; Patrick McDonald, *The Invisible Hand of Peace: Capitalism, the War Machine, and International Relations Theory* (New York: Cambridge University Press, 2009); John J. Mearsheimer, *Tragedy of Great Power Politics* (New York: Norton, 2001); Kenneth N. Waltz, *Theory of International Politics* (Reading, MA: Addison-Wesley, 1979).
- 23) Christopher F. Gelpi and Joseph M. Grieco, "Democracy, Interdependence, and the Sources of the Liberal Peace," *Journal of Peace Research*, Vol. 45, No. 1 (January 2008), pp. 17-36.
- 24) Bruce Bueno de Mesquita, James D. Morrow, Randolph M. Siverson, and Alistair Smith, "Policy Failure and Political Survival: The Contribution of Political Institutions," *Journal of Conflict Resolution*, Vol. 43, No. 2 (April 1999), pp. 147-161.

tions where all citizens equally exercise one vote. Electoral victory requires relatively large selectorates and winning coalitions. Exclusive payments of private goods to a small segment of society would not help, and payments of private goods to a wide breadth of the selectorate are virtually impossible. Thus, democratic leaders must provide broader policy successes that are enjoyed by their large constituency. Economic growth is one type of such policy success. Therefore, foreign economic relations such as trade and investment are of great importance to political leaders in democracies. By contrast, autocratic leaders are less concerned with foreign economic relations. Different political dynamics confront them. Generally, their selectorates and winning coalitions are small. Whether and how long they can retain office hinges on their ability to keep their loyal coalitions satisfied with the provision of private goods. As long as they can feed their loyal supporters, the deleterious economic effects of a breakdown of foreign trade should not be of great concern to authoritarian leaders.

The theoretical discussions thus far suggest that economic influence can be converted into political influence under limited conditions. Even if state X is heavily dependent on state Y, state Y may not be the boss of state X. Whether the dependent state becomes a puppet of the patron may depend on the willingness of the big power, geopolitical interests at stake in their relations, and unique features of domestic institutions of the states involved. In order to understand whether the PRC is the boss of the DPRK, this paper examines in the following sections geopolitical interests Beijing has in Pyongyang and Pyongyang's unique political features, which have generated a recalcitrance to foreign pressure.

IV. China Is Not the Boss

The asymmetric relations described above certainly generate latent influence of the PRC over the DPRK. Yet China has been reluctant to translate its economic power into political leverage over the DPRK's domestic and foreign policies. For example, China has delivered warnings against nuclear and missile tests whenever North Korea displayed signs of launching. Multiple tests for the past decade have been a slap in China's face. After each provocation, China has conveyed its opposition and dissatisfaction by voting in favor of the United Nations Security Council resolutions condemning and penalizing North Korea. However, China appears to have resigned itself to living with a nuclear DPRK for the time being.²⁵⁾ The PRC has been reluctant to impose and implement potentially crippling economic restrictions on the DPRK. Despite China's vitriolic rhetoric against North Korea's third nuclear test in 2013 and its commitment to the enforcement of UNSC Resolution 2094, its trade volume with North Korea grew rather than declined from previous years. Again, against the fourth nuclear test in January 2016, China vowed to strict implementation of UNSC Resolution 2270. However, there is a critical loophole that China has refused to close. Throughout the deliberation and writing of the resolution, China insisted on an exemption stipulating that the "livelihood" of ordinary North Koreans must not suffer. As a result, the ban on transactions involving North Korea's natural resources can be eased if sales are determined to be exclusively for livelihood purposes and unrelated to generating revenue for the DPRK's nuclear or missile programs. China has space to interpret the exemption flexibly.²⁶⁾ In short, Beijing has refused to be bossy towards Pyongyang for the goal of denuclearization of North

25) International Crisis Group, "Fire on the City Gate: Why China Keeps North Korea Close," *Crisis Group Asia Report*, No. 254 (December 9, 2013).

26) In-taek Hyun, "An Enduring Dilemma on the Korean Peninsula," *Korean Journal of Defense Analysis*, Vol. 28, No. 2 (June 2016), p. 171.

Korea despite the fact that Pyongyang's nuclear provocations have undermined Beijing's interests in East Asia and across the globe.

The reason is that China is afraid of losing a lot by pushing North Korea too far into a corner. After the third nuclear test by Pyongyang in 2013, there was a call from the Chinese intellectual community that "Beijing should give up on Pyongyang," as North Korea had become a strategic liability.²⁷⁾ However, key policy makers still recognize strategic value in their rogue client. They believe that China's interests are best served by the stability and the survival of North Korea.

First, North Korea is still a useful buffer for China. The north has geographically separated China from two enemies, Japan and the United States. Some may argue that this notion of 'North Korea as a buffer' is outdated, since the importance of geographic proximity and ground forces has declined in a world of war by aircraft carrier groups and missiles. True. However, Chinese leaders cannot dismiss the adverse security implications that a fall of North Korea may entail. The demise of Pyongyang, as an outcome of strong external pressure, would give South Korea momentum for unification. The unification of the Korean Peninsula under South Korea's control would mean an advance of its military alliance with the United States onto China's doorstep. It would expand the scope of operations by the U.S. military to the border of the PRC across the northern part of the Korean Peninsula. Washington expanded NATO's presence eastward after the unification of Germany and the fall of the Soviet Union. China reasonably expects that the United States will do the same in any scenario involving Korean reunification.²⁸⁾

Second, the DPRK has been a menace to U.S. foreign policy for East Asia which Beijing considers the biggest threat to its geostrategic

27) *Financial Times*, "China Should Abandon North Korea" (February 27, 2013)(Accessed November 15, 2016); Dengli Shen, "Lips and Teeth: It's Time for China to Get Tough with North Korea," *Foreign Policy* (2013).

28) Andrew H. Kydd, "Pulling the Plug: Can There Be a Deal with China on Korean Unification?" *Washington Quarterly*, Vol. 38, No. 2 (Summer 2015), pp. 63-77.

interests. Pyongyang has complicated Washington's military planning and caused it to divert resources that might otherwise be directed at Beijing.²⁹⁾ For example, former Secretary of State Hillary Clinton once noted that security crisis and other issues involving North Korea had diverted the U.S. from devoting more attention to Chinese internal problems.³⁰⁾ Simply put, Pyongyang has thwarted U.S. domination around the area. Third and relatedly, an independent Pyongyang, with the PRC as its sole window for external relations, creates a constant demand for Beijing's diplomatic assistance.³¹⁾ For the past two decades, Washington and Seoul have sought help from Beijing in dealing with Pyongyang and thus elevates the latter's diplomatic standing.

Fourth, although Pyongyang's portion of Beijing's trade is small, accounting roughly for 0.17% of its entire annual trade volume, any instability in North Korea might jeopardize China's economic interests. As is noted above, the Beijing government has encouraged local governments and Chinese companies to expand their economic interactions with North Korea. As a result, both state-owned enterprises and private companies have started joint ventures with North Korea in many industrial sectors including manufacturing, mining, and textiles. At the same time, the DPRK has risen as a source of the PRC's imports of natural resources such as coal, iron ore, and rare earth materials—mainly because North Korea wants hard currency, but also because China needs to fuel its own economic development. In other words, China has a growing economic interest in North Korea as part of its grand strategy of utilizing new sources of energy and markets in the developing world to sustain its own national growth.³²⁾ Thus Beijing's exercise

29) Horowitz (2015), pp. 21-22.

30) *CNN*, "Clinton: Chinese Human Rights Can't Interfere with Other Crisis" (February 21, 2009) (Accessed February 4, 2017).

31) Doug Bandow, "Will China Solve the North Korea Problem?: The United States Should Develop a Diplomatic Strategy to Persuade Beijing to Help," *Policy Analysis*, No. 806 (December 6, 2016), p. 10.

32) Lee and Hong (2015), pp. 175-175.

of economic leverage over Pyongyang might function as a double-edged sword hurting not just Pyongyang's economy but also Beijing's own economic interests.

Lastly, China is worried about the refugee problem that instability inside North Korea would create. The collapse of North Korea as a consequence of growing external pressure would certainly trigger chaos on the Chinese border.³³⁾ The inflow of a huge number of starving North Koreans would result in economic, political, and social disruptions across the northeastern provinces of China. Beijing would not fancy the notion of North Korea as a Northeast Asian version of the pre-2001 Taliban-ruled Afghanistan or present-day Somalia and Syria.³⁴⁾

V. North Korea Is Not a Puppet

Pyongyang is highly dependent on Beijing. However, it is misleading to depict China-North Korean dynamics as a conventional big power-small nation relationship where asymmetry generally works against the latter.³⁵⁾ In other words, the DPRK is not a puppet of the PRC. On the contrary, North Korea has been resistant to pressures from the PRC in many cases, including economic reform on the Chinese model and denuclearization. What has enabled Pyongyang to withstand pressures from Beijing?

First, North Korea understands exactly how to take advantage of its geostrategic value. Military provocations by Pyongyang have discomforted Beijing. Thus, China has intermittently let off steam by con-

33) Bruce W. Bennett and Jennifer Lind, "The Collapse of North Korea: Military Missions and Requirements," *International Security*, Vol. 36, No. 2 (Fall 2011), pp. 84-119.

34) Gregory J. Moore, "Beijing's Problem with an Operationally Nuclear North Korea," in Gregory J. Moore (ed.), *North Korean Nuclear Operationality: Regional Security and Nonproliferation* (Baltimore, MD: Johns Hopkins University Press, 2014), p. 96.

35) Chung and Choi (2013), p. 258.

demning and penalizing North Korea. Yet Pyongyang is very well aware that these threats lack credibility given the PRC's vested economic and security interests in the stability of the DPRK. China's sanctions on North Korea have been focused more on rhetoric than substance.³⁶⁾ North Korea understands that China will forgive its misbehaviors after showing displeasure and anger for a while.

Another important factor in North Korea's resistance to external pressure is its domestic political mechanism. Three pillars uphold the North Korean regime: the monolithic leadership system, *juche* ideology, and military-first politics.³⁷⁾ The monolithic leadership system and *juche* ideology are twin brothers born through the consolidation of Kim Il-sung's political power. He strengthened his leadership through fierce political struggles against rivals. And *juche*, defined as self-reliance in politics, economy, and national defense, has justified the concentration of political power in one person and hereditary succession, calling for absolute loyalty to the supreme leaders who will complete a revolution on the Korean Peninsula and save the entire Korean race.³⁸⁾ Military-first politics was introduced in the mid-1990s as a means to shore up the declining legitimacy of the government in Pyongyang. Kim Jong-il, then leader of North Korea, needed to secure the loyalty of the military for his political survival as the country confronted economic collapse caused by the end of Soviet assistance and severe famine.

Once international society hoped that the western-educated Kim Jong-un might pursue a different course of action. The announcement in early 2013 of the *byungjin* line, a call for equal emphasis on nuclear

36) Seong-Hyon Lee, "Why Did We Get China Wrong? Reconsidering the Popular Narrative: China will abandon North Korea," *International Journal of Korean Unification Studies*, Vol. 25, No. 1 (2016), p. 79.

37) Yong Soo Park, "Policies and Ideologies of the Kim Jong-un Regime in North Korea: Theoretical Implications," *Asian Studies Review*, Vol. 38, No. 1 (2014), pp. 1-14.

38) Young-chul Chung, "The *Suryŏng* System as the Center of *Juche* Institutions: Politics of Development Strategy in Postwar North Korea," in Jae-Jung Suh (ed.), *Origins of North Korea's Juche* (Boulder, CO: Lexington Books, 2013), pp. 89-117.

weapons and economic development, is interpreted by some as a strategic shift away from military-first politics.³⁹⁾ Kim Jong-un stated, “the new equal emphasis line decisively increases the state’s security capacity without additional military expenditure, so that it will be able to concentrate on economic construction and improvements of living conditions of the people.” However, what is going on inside North Korea does not warrant any optimism. The regime still relies heavily on the military.⁴⁰⁾ The byungjin line has explicitly prioritized the country’s nuclear and missile programs. Kim Jong-un’s statement quoted above is read as though nuclear weapons add a layer of military capability for defense, freeing up resources previously dedicated to military expenditure to be directed to economic development.

The monolithic leadership, juche ideology, and military-first politics have made North Korea’s foreign relations unique. First, they played a critical role in holding back the investment of foreign capital and the development of trade with foreign countries. The DPRK has maintained very restrictive and selective policies for foreign trade and investment even though it has searched for opportunities for economic cooperation with foreign countries since the mid-1980s. In the end, ‘mosquito net’ special economic zones represented the type of economic cooperation most favored by the North Korean authorities, as they are lucrative and, more importantly, controllable.⁴¹⁾ The isolation has impoverished the country, but it has also helped make North Korea invulnerable to foreign pressure.

39) Dong-ho Cho, “Kyŏngje-Haek Byungjinnosŏn-ŭi Uimiwa Kim Jong-unsidae-ŭi Kyŏng jeŏngch’aek Chŏnmang,” *Kukkajŏnhyak*, Vol. 19, No. 4 (2013), pp. 33-56; Young-chul Chung, Yong-hyun Kim and Kyungyon Moon, “State Strategy in the Kim Jong-un Era: The ‘Byongjin’ Policy of Pursuing Economic and Nuclear Development,” *Korea Observer*, Vol. 47, No. 1 (Spring 2016), pp. 1-33.

40) Stephan Haggard, Luke Herman and Jaesung Ryu, “Political Change in North Korea: Mapping the Succession,” *Asian Survey*, Vol. 54, No. 4 (2014), p. 775.

41) Tat Yan Kong, “The Political Obstacles to Economic Reform in North Korea: The Ultra-cautious Strategy in Comparative Perspective,” *Pacific Review*, Vol. 27, No. 1 (2014), pp. 73-96.

The second characteristic of North Korea's foreign relations is that the safety of the Kim family has become the regime's primary foreign policy goal.⁴²⁾ With the collapse of the public distribution system, the leaders have failed to deliver goods to their subjects. With the anemic economy and the loss of Cold War allies, the balance of power on the Korean Peninsula has grown unfavorable to Pyongyang. The only source of legitimacy for the leadership has been to create a strong military. Specifically, the pursuit of nuclear weapons has been an inevitable choice, allowing the leadership to boost the morale of a starving population, promote the prestige of the military, restore the strategic balance with South Korea, protect itself from attack by a potential adversary, and, ultimately, guarantee the survival of the Kim family.⁴³⁾ Hence Pyongyang has shrugged off repeated calls and warnings from Beijing for denuclearization: the DPRK has not had the luxury of making concessions. China's influence is limited in issues where North Korea's core interest, the political survival of the Kim family, is at stake.

VI. Conclusion

China is not North Korea's boss. The DPRK is heavily reliant on the PRC for aid, investment, trade, and security. Beijing is Pyongyang's lifeline. However, China also has important economic and security interests vested in the independence, stability, and survival of North Korea. The fact that Pyongyang is still a significant strategic asset offsets the

42) Yongho Kim, "North Korea's Threat Perception and Provocation Under Kim Jong-un: The Security Dilemma and the Obsession with Political Survival," *North Korea Review*, Vol. 9, No. 1 (2013), pp. 6-19.

43) Jian Cai, "The Korea Nuclear Crisis and the Changing Sino-DPRK Relationship," in Su Hoon Lee (ed.), *Nuclear North Korea: Regional Dynamics, Failed Policies, and Ideas for Ending a Global Stalemate* (Seoul, Korea: Institute for Far Eastern Studies, Kyungnam University Press, 2012), pp. 52-57.

latent influence Beijing has. The DPRK is not a puppet of the PRC. It has been playing the game of bilateral relations intelligently, taking full advantage of its strategic and geopolitical standing. Furthermore, it has created a unique confluence of domestic political institutions to resist foreign pressures driving it into concession.

This essay's claim suggests that the United States and its allies in the region recalibrate their policies for China and North Korea. First, they need to remember that the PRC will continue to refuse to exert strong pressure over the DPRK. Beijing has been uncomfortable with military provocations from Pyongyang. Calls for 'giving up on North Korea' have resonated since the third nuclear test in 2013. However, China understands that strong pressure on North Korea would threaten the survival of the leadership in Pyongyang and that sanctions would not solve North Korean problems.

Second, Washington and its allies in Asia need to shape more realistic policies toward Pyongyang. They should maintain and strengthen security coordination to deliver a message to the Kim dynasty that its nuclear and missile programs are simply a waste of time and resources. At the same time, they need to open up to talk with Pyongyang. While they have passed a buck to China in reining North Korea's provocations, North Korea has made steady but remarkable progress in nuclear weapon programs and missile capabilities. China is a key player in dealing with North Korea. However, the United States and its allies in the region need to understand that Beijing has limited influence over Pyongyang because of its own vested interests in the small ally and that it will not move first in Washington's favor. Instead of waiting and expecting Beijing to be squarely aligned with them, they should make bold diplomatic overtures towards Pyongyang. North Korea is a notoriously unpredictable and unreliable business partner. However, diplomacy is the only way of conveying non-hostile intention toward it and the sole window into the strategic mind-set of Pyongyang. Seoul and Washington should never give up efforts to directly deal with North Korea.

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[초 록]

중국은 북한의 보스인가?

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중국은 북한의 보스인가? 본 논문은 북한의 점증하는 대중 의존도를 인정하면서도 중국의 대북 영향력은 제한적이라고 주장한다. 분명 북한은 정치, 경제, 안보에 있어 중국에 의존하고 있다. 그러나 중국은 북한의 보스가 아니며, 북한 역시 중국의 꼭두각시는 아니다. 중국에게 북한은 여전히 중요한 지정학적 이해관계가 걸려 있는 전략적 자산이기에 중국은 북한의 경제, 안보적 의존을 지렛대로 행사하는 것에 부정적이었다. 북한 역시 자신의 전략적 가치를 잘 이해하고 양자관계에서 활용해 오고 있다. 또한 북한의 주체사상, 수령체제, 그리고 선군정치는 북한체제를 외부 압력으로부터 격리완화시켜 왔다.

주제어: 북한, 중국, 의존, 지렛대

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