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China's Russia problem on North Korea by Joel Wuthnow

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The Trump Administration has hailed a recent 15-0 UN Security Council vote imposing new sanctions on the Democratic People's Republic of Korea (DPRK) as a diplomatic victory. The sanctions include a complete ban on coal, iron, and lead exports, a major source of foreign currency for Pyongyang. Success will depend on how effectively China, as North Korea's predominant trading partner, enforces the new sanctions. In deciding how vigorously to implement them. Beijing will have to weigh multiple competing factors, including assessments of North Korea's reaction, Chinese public expectations, and the possibility of additional secondary sanctions by the US on Chinese firms. A less obvious, but potentially crucial, variable in China's calculus is whether Russia will take advantage of a curtailed Sino-DPRK economic relationship to build its own influence in North Korea.

Russia's economic presence in North Korea is currently <u>marginal</u>, with a total trade volume of less than \$100 Million (compared to China's more than \$5 Billion). But that could change. Prior to the latest sanctions, US Ambassador to the UN Nikki Haley <u>warned</u> that Russia might "backfill" the DPRK as China's economic role diminishes. She added, "We don't have proof of that, but we are watching carefully." Around the same time, the US Treasury Department <u>blacklisted</u> two Russian firms, including one oil company, for evading sanctions on North Korea.

From a Chinese perspective, even the possibility that Russia could exploit a reduction of Chinese trade for its own benefit could give Beijing second thoughts about how aggressively to pressure Pyongyang. Stronger Russian-DPRK economic ties might not only negate the impact of sanctions on North Korea's decision-making regarding its missile and nuclear programs, but could also further weaken China's already limited political influence over North Korea. Beijing might try to avoid that outcome through lax enforcement of sanctions or by compensating with cooperation in other areas. (For instance, China coupled a recent reduction in coal purchases from North Korea with an <u>overall increase</u> in Sino-DPRK trade).

Chinese views on Russia's proclivity to buttress North Korea are mixed. There are two major concerns. First, Chinese analysts have long suspected that Putin's goal is to return to the "heyday" of pre-Gorbachev Russian-DPRK economic

relations. As early as 2003, Ji Zhiye, a Russia specialist at the influential China Institutes of Contemporary International Relations (and now its president), <u>argued</u> that Putin was developing North Korea as a market for Russian weapons, energy, and technology, and exploiting cheap DPRK labor to revitalize industry in the Russian Far East. In 2015, another CICIR analyst cited <u>"unprecedented"</u> developments in Russian-DPRK economic ties, including a planned tenfold increase in bilateral trade, loans in the form of Russian grain exports, and transit fees derived from a planned railway connecting Siberia with South Korea. Reduced Sino-DPRK trade might give Putin the opening to advance that agenda.

Second, despite the emergence of a China-Russia strategic partnership, and coordination between the two countries on many issues related to the DPRK, Chinese analysts remain concerned about Russia's geopolitical aims. One senior Chinese Academy of Social Sciences scholar, for instance, notes that as part of its own Asian "rebalance," Moscow is trying to bolster its influence in the region through stronger North Korean ties; this complements Pyongyang's desire to recruit new benefactors in the wake of worsening China-DPRK relations. A commentary posted on an official Chinese web portal similarly portrays Putin as a "master strategist" seeking to exploit North Korea's international isolation for Russia's strategic advantage. This could "weaken the efficacy of Chinese sanctions and snatch away China's influence over North Korea."

Other Chinese views point in the opposite direction. Seasoned DPRK hands <u>such as Zhang Liangui</u> are aware that North Korea tries to play major powers against each other, never becoming too reliant on any one. Thus even if Russia wanted to cultivate lasting influence, Pyongyang would hedge its bets and perhaps pivot back to China. In addition, a <u>recent</u> <u>Global Times editorial</u> offered two reasons to calm skeptics: first, that Russia lacks the economic wherewithal to compensate for North Korea's losses due to Chinese sanctions enforcement; and second, that Moscow would be careful not to undercut UN sanctions that it had supported (since this would degrade an institution where Russia has veto power). Beijing might also be confident that it can control Moscow's behavior in an area central to China's interests—especially as Russia is increasingly the <u>"junior"</u> member of the strategic partnership.

How aggressively China enforces the latest sanctions could depend on which of these perspectives becomes dominant at the official level. Beijing is more likely to pressure North Korea economically if it concludes that Russia will be unable to exploit the situation to pursue its own economic or geopolitical goals. The United States and its allies can support that more benign conclusion by proactively imposing further penalties on Russian firms found to be violating sanctions, and by continuing to press Moscow to abide by the terms of the resolution that it approved. Washington should also urge Beijing to use its status as the "senior" member of the strategic partnership to encourage Russian restraint. None of this will guarantee that the latest sanctions will curb Pyongyang's nuclear aspirations, which is unlikely, but it could help sustain pressure on North Korea while avoiding serious disruptions in US-China relations.

All this assumes China's sincerity in wanting to enforce sanctions in the first place. If Beijing concludes for strategic or political reasons that its interests are best served by evading sanctions or maintaining a high level of trade with North Korea, it might leverage the *perception* of Russian ulterior motives to its advantage. Specifically, Chinese officials could try to lower US and allied expectations of Chinese compliance with UN sanctions by insinuating that its hands are tied by Russian machinations – Beijing has no choice but to remain close to Pyongyang lest Moscow fill the vacuum. Foreign interlocutors should therefore suspect that these types of arguments could be disingenuous. Sorting out truth from fiction will only be possible through a careful assessment of both China's ultimate aims and Russia's ability and intent to circumvent sanctions.

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