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the Nuclear and Missile situations in Both Nations”  
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### **Introduction**

Thank you for this opportunity to appear before the Commission.

In the time available, I would like to address three sets of questions:

First, where does the North Korean nuclear issue fit into the bigger picture of China’s policies for dealing with the Korean peninsula, East Asia, and the wider world?

Second, regarding the nuclear issue itself: what, exactly, is Beijing up to? What is its strategy and what are its objectives?

Third, to the extent that China’s goals and strategy in this confrontation deviate from our own, is there anything we can do to bring them more closely into alignment? Or, to put it more bluntly, what would we have to do to get China to be more helpful in compelling North Korea to abandon its nuclear ambitions?

### **The nuclear issue in strategic context**

Since the mid-1990s, China has been pursuing an overall national strategy (or “grand strategy”) that can be summarized in three axioms:

“Avoid conflict” (especially with the United States)

“Build Comprehensive National Power (CNP)”

“Advance incrementally”

I believe (though I cannot prove) that China’s current leaders hope eventually to displace the United States as the preponderant power in East Asia – constricting its influence and presence while increasing their own. They see this as a gradual process, one that will likely take several decades to unfold.

Chinese strategists recognize that, while the United States is a Pacific power by virtue of geography, it is an Asian power largely by invitation. Its physical presence and, to a considerable degree, its ability to project and sustain military power into the region, are heavily dependent on a handful of political relationships, of which its alliances with Japan and South Korea are the most-long standing, and arguably the most important. If China is to emerge eventually as the dominant power in East Asia it is going to have to find some way of weakening, and possibly breaking, these alliances.

Instead of trying to woo Tokyo away from the Washington (which it might conceivably have been able to do in the immediate aftermath of the Cold War) Beijing has sought instead to bully and intimidate it. This has been counterproductive, to say the least, and has tended to drive Japan into even closer alignment with the U.S.

Having failed to make progress with Japan, Beijing has chosen instead to concentrate on South Korea. Here it has made considerable gains in the past decade, dramatically increasing the volume of PRC-ROK trade, investment and travel, bolstering high level diplomatic ties and establishing military-to-military contacts.

Since the late 1990s China has been trying to broaden and deepen its relations with South Korea, while at the same time working hard to remain close to its traditional, but often troublesome, allies in the North. The PRC has continued to supply enough aid to keep the DPRK afloat, even as it seeks to nudge Pyongyang down the path towards Chinese-style economic reform. Beijing's longer-term goal appears to be to maneuver itself into a position where it can exert a decisive influence over the timing and terms of eventual Korean reunification. Chinese strategists may hope that they will be able one day to orchestrate the creation of a united Korea that is no longer allied with the U.S. and, preferably, "leans" toward China. For the time being, however, they want to insure that they retain a substantial physical barrier between their own border and the potential contaminating influence of a liberal democracy aligned with the United States.

### **The current stand-off**

The eruption of the current nuclear crisis in 2002 presented real risks to China, but also some significant chances to advance toward its broader strategic objectives. To date Beijing has been remarkably successful at seizing the opportunities while avoiding potential dangers.

Early on in the crisis (especially in the period immediately preceding the American invasion of Iraq), Beijing may have feared that the U.S. would actually attack North Korea, thereby forcing China to choose between its desire to maintain good relations with Washington and its commitment to a traditional ally. This concern is probably what forced the PRC off the sidelines in the spring of 2003 and caused it to take an active role in facilitating and hosting three-way (later six-way) negotiations.

Aside from the possibility of direct military action, Beijing was (and is still) worried that sanctions and other external pressures might cause the Pyongyang regime to collapse,

sending a flood of refugees across its northern border and leaving a massive mess, and a potential power vacuum, on China's doorstep. To prevent this from happening Beijing has inserted itself as a buffer between North Korea and those (led by the U.S. and Japan) who seek to squeeze it even harder. Since the crisis began not only has China refused to ratchet up economic pressure, it has actually increased its assistance to the North.

A final risk for China is that the open acquisition by North Korea of nuclear weapons could encourage others in the region to follow suit, including Japan and Taiwan. Pyongyang's provocative actions and bombastic claims have already increased this danger. The best that Beijing can do to keep things under control is to make sure that the North does not remove all doubt about its capabilities by conducting a weapons test. This is probably a "redline" that the Chinese have warned Kim Jong-Il not to cross.

On the positive side of the equation, Beijing has used the nuclear crisis to draw still closer to Seoul and to drive a wedge between South Korea, on the one hand, and the U.S. and Japan, on the other. Like the South (and in marked contrast to the allegedly reckless war-mongering of the Americans and Japanese) China prefers to handle the North with great delicacy and caution, using inducements rather than punishments to try to bring it to heel.

At the same time as it ingratiates itself with the South Koreans, Beijing has sought to earn maximum credit from the U.S. for agreeing to orchestrate the Six Party Talks. Chinese spokesmen are quick to point out how helpful they have been and to use their role in the nuclear crisis as evidence of their commitment to countering nuclear proliferation and becoming a "responsible stakeholder" in the international system.

Finally, albeit thus far with few tangible results, Beijing appears to be using the present stand off, and its willingness to protect the North, as leverage to try to encourage Pyongyang to adopt meaningful economic reforms.

Beijing has managed the current crisis with skill and, provided that tensions do not rise precipitously, it may see little advantage in bringing it to a conclusion. If the stand off is to be resolved, China's first priority will be to ensure that North Korea remains intact and that it continues to be ruled by a friendly regime. A settlement that brought in more outside aid and investment would have the added benefit of shifting the economic burdens for the North's continued support onto other nations. With an eye on their longer-range objectives, Chinese strategists will doubtless prefer an outcome that further boosts their perceived influence while subtly reducing the status of the United States. China's leaders probably hope that Washington will eventually agree to back away from its demands for the complete, verifiable, and irreversible dismantlement of Pyongyang's nuclear activities and settle for an Agreed Framework-like "freeze" of indefinite duration, perhaps accompanied by security guarantees or a non-aggression pledge. Such an outcome, which would leave Pyongyang with a "recessed" nuclear deterrent and enhanced international standing, while at the same time being widely viewed as a setback for American "cowboy diplomacy" and a victory for China's "sober-minded realism."

### **Getting China to do more**

Given Kim Jong-II's evident commitment to developing nuclear weapons, it is highly unlikely that he will ever agree to give them up unless the alternative to doing so is his own imminent demise. If it wanted to, China could certainly do a great deal more to confront Kim with such a choice, including suspending aid, restricting trade, controlling unauthorized movements of people and goods across the North Korean frontier, cracking down on illicit activities conducted through or from Chinese territory, and perhaps threatening to terminate the PRC-DPRK alliance. While there is no guarantee that Kim Jong-II would capitulate if faced with such pressure, it is at least conceivable that he might, especially if he were offered face-saving economic and diplomatic rewards for doing so, and if the alternative was total isolation and the mounting likelihood of regime collapse.

What would it take to convince China's leaders to apply real pressure to Pyongyang? Attempts at pure diplomatic persuasion have thus far produced few results. Nor have veiled threats of dire consequences been any more successful. Aware of American and South Korean fears of a possible conventional counterattack, Chinese strategists appear to have discounted the possibility of a U.S. strike on the North's nuclear facilities and have likely come to regard statements that "all options are still on the table" as little more than bluff. Beijing also does not seem overly worried at this point by American suggestions that North Korea's behavior may unleash a wave of proliferation across Northeast Asia. Nor does China seem to fear that failure to do all it can to bring the nuclear confrontation to a satisfactory conclusion could eventually jeopardize its overall relationship with the United States.

Recent U.S. moves against parts of North Korea's illicit financial network appear to have gotten Pyongyang's attention, but they have probably caused concern in Beijing as well. If the United States continues down this path, bringing legal action against more banks, businesses and individuals involved in funneling cash to Kim Jong-II and his cronies, it could end up causing serious embarrassment, or worse, in China.

If the present stand off continues, and Pyongyang begins to accumulate a substantial stockpile of fissile material, the danger that it will be tempted to sell or transfer some of it to terrorists or other rogue states is likely to grow. In such circumstances, the U.S. may be forced to impose some kind of air and sea blockade on the North, even if, by doing so, it runs a heightened risk of direct confrontation and escalation.

Faced with either of these possibilities Beijing might prefer to take matters into its own hands, pressuring Pyongyang to back down rather than allowing it to drag China into a deepening crisis with the United States.