

## Great Powers and the Crisis on the Korean Peninsula

by Biren Nanda, Senior Fellow, Delhi Policy Group



The situation on the Korean Peninsula often reminds one of a pendulum swinging from a recurrent crisis to negotiations and back. The process is a vicious circle. The Trump Administration currently faces its first national security crisis in the wake of DPRK's relentless pursuit of an ICBM that can reach the west coast of the United States. President Trump has reached out to President Xi Jinping to restrain North Korea and put a freeze on its nuclear and missile capabilities that threaten the United States and its allies in the region, while holding out the possibility of unspecified US actions if China does not deliver.



*US President Donald Trump and Chinese President Xi Jinping at the Mar-a-Lago summit. Source: Reuters*

Speaking after the two-day US – China summit at the Mar-a-Lago resort in Florida on April 6 and 7, 2017, U.S. Secretary of State Rex Tillerson said that President Xi had agreed to increased cooperation in reining in North Korea's missile and nuclear programs – though he did not offer any new formula for cracking Pyongyang's defiant attitude<sup>1</sup>.

*Will China oblige? What are the goals and policy objectives of the great powers in the region? What is their desired end game? This paper seeks to examine these aspects and related questions having a bearing on the continuing security crisis in Northeast Asia.*

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**Ambassador Hemant Krishan Singh**

Director General

## The Democratic Peoples Republic of Korea

After the Cold War ended, the DPRK developed the State ideology of *songun* (military first) . More recently, Kim Jong Un adopted the *Byungjin Line*<sup>2</sup> calling for simultaneous emphasis on the economy and the development of civil and military nuclear technology. On March 31, 2013 a plenary session of the Korean Workers Party laid down the *byungjin line*<sup>3</sup>:

“ The DPRK’s nuclear armed forces represent the nations life which can never be abandoned as long as the imperialists and nuclear threats exist on earth...only when the nuclear shield for self defense is held fast, will it be possible to shatter the US imperialists’ ambition for annexing the Korean peninsula by force and making the Korean people modern slaves.”



DPRK President Kim Jong Un at the Korean Workers’ Party Central Committee Plenary Meeting on March 31, 2013. Source: KCTV screengrab

The DPRK has refused to discuss denuclearization as it undermines the basics tenets of the security strategy of the regime. In the past it has offered to return to the Six Party Talks to discuss regional security, nuclear disarmament and other issues – but not denuclearization. The DPRK’s steadfast stand has been that they will denuclearize when the rest of the world does.

North Korea has developed its nuclear weapons capability after renegeing on almost every agreement reached in past nuclear negotiations. The likelihood of North Korea returning to the negotiating table to discuss denuclearization is near zero. In January 2013, the National Defense Commission of the DPRK said

“ No dialogue on the denuclearization of the Korean peninsula will be possible in the future though there may be dialogues and negotiations on ensuring peace and security in the region including the Korean peninsula”

To date, Pyongyang has conducted five nuclear tests. It carried out two dozen missile tests last year and it has launched seven missiles since the beginning of the current year. North Korea tried to launch a Musudan missile on April 15 – the test ended in failure. So did the launch of an as yet unidentified missile type on April 16. The Musudan or BM 35 missile has an estimated range of 3500 Km which is enough to target the US territory of Guam where US strategic assets are located.



*North Korean Missile Test. Source: AFP*

Pyongyang cites external threats to justify its nuclear weapons program. The DPRK pursues a national narrative of never ending threats and external hostility. Repeated cycles of diplomatic engagement in the past have been short-lived and often quickly followed by an elevation of tensions.

In the past, Pyongyang's official position on returning to talks has been that it will return "without preconditions," whereas the US and the ROK contend that first Pyongyang must show its sincerity and be willing to implement previous denuclearization commitments.

Even as the DPRK continues its inexorable pursuit of its nuclear ambitions, the uncertainty induced by political transitions the US, South Korea and China exacerbate the risks of dangerous escalation in the Korean peninsula. There is a new Administration in the US and South Korea will elect a new President in May this year. China will replace five out of seven politburo members in 2017. These will likely include the successors of Xi himself and his Premier. There is always the possibility that the DPRK may take advantage of the leadership transitions to further advance its agenda.

### **The Republic of Korea**

There is a wide range of opinion amongst the leadership and policymakers in the ROK on how to best deal with the threat from the DPRK. Policies pursued by each President have therefore covered the full spectrum, from engagement to deterrence and containment.

ROK conservatives believe that the endgame in the Korean peninsula should be the collapse of the North Korean regime followed by the unification of Korea. They are therefore skeptical of engagement with Pyongyang or any consideration of proposals for gradual reunification through political mechanisms like the establishment of a confederation as an intermediate step towards reunification. They strongly criticize former President Kim Dae-jung's "sunshine policy" and ex-President Roh Mu-hyun's "peace and prosperity policy" as measures of appeasement that gave Pyongyang time and space to pursue its nuclear and missile programs.

Leftists range from those who sympathize with the DPRK to those who prefer peaceful coexistence till peaceful unification can be achieved. Kim Dae-jung based his "sunshine policy" on deterrence and economic cooperation. He was of the view that economic cooperation and interdependence would eventually transform Pyongyang into a liberal free market economy and thus create conditions for eventual reunification. Roh Mu-hyun also deepened economic cooperation but liberals were disappointed when Pyongyang did not reciprocate on denuclearization and arms control issues. Roh also believed that sanctions had failed, dialogue should be resumed and the nuclear issue should be separated from inter-Korean issues to a certain extent.





*Moon Jae-in, left, of the Democratic Party, Mr. Ahn, center, of the People's Party at the National Assembly in Seoul, on Wednesday, April 12, 2017. Mr. Moon and Mr. Ahn are both Presidential candidates in the May 9, 2017 elections. Source: AFP*

South Korean elections are scheduled for May 9, 2017. The two leading candidates are both from the ideological left in ROK politics. They will vie with each other to replace former Conservative President Park Guen Hye who was impeached for her role in a multimillion dollar corruption scandal. Former human rights lawyer Moon Jae-in is molded in the tradition of the “sunshine policy” followed by liberal Presidents in power between 1998-2008. Moon has also called for caution in deploying the THAAD missile system meant to counter a missile attack from the North. Moon’s policy for dialogue stands in contrast to the confrontationalist approach of the Trump Administration. Moon’s rival Ahn, who favors the deployment of THAAD, has called for a more nuanced policy towards the DPRK and favors dialogue with the North. It is, therefore, likely that while the new leadership in the South will be inclined towards dialogue, the DPRK will play for time and enhance its nuclear capability in the shadow of the talks.

### The United States

The US feels threatened by the growing nuclear and missile capabilities of the DPRK. The United States’ alliance commitments mean it also has to consider the threats that these capabilities pose for the security of its allies – the ROK and Japan. The continuing growth of North Korea’s nuclear and missile capability also raises questions about the adequacy of the US “nuclear umbrella” or extended deterrence, the more so, as the US does not maintain any theatre nuclear weapons in East Asia. Both China and Russia feel the US exaggerates the capabilities of Pyongyang and the threat it poses to the US and its allies in the region.



*The USS Carl Vinson at a port in Busan, South Korea in March for joint exercises. Its US Navy strike group is now moving towards the Korean peninsula to provide a show of force against North Korea in the wake of its ballistic missile tests. Source: Yonhap South Korea / EPA*

The US view is that DPRK's offer to talk without preconditions neither shows flexibility nor goodwill and masks its refusal to honor earlier denuclearization commitments. Therefore, returning to talks with little prospect of success could risk a backlash from domestic public opinion.

There is therefore, very little likelihood that the US will resume talks with the DPRK due the trust deficit based on the experience of the 1990s – even more so under the Trump Administration – on account of the potential for a domestic blowback from a failed diplomatic effort. In case there is a continued impasse, Washington may have to fall back on deterrence and containment.

The Trump administration has already identified the DPRK's pursuit of nuclearization as the most important national security issue for the United States. Not unsurprisingly, the issue featured prominently in Trump's summit meeting with Xi Jinping in April this year.

The DPRK is the most likely candidate to trigger the first national security crisis of the Trump Administration. The US has reached out to China for help in restraining the DPRK and bringing it to the negotiating table. China will counsel strategic restraint and put up a show of compliance, but also ask for its pound of flesh. Which means that confronting China on trade or its territorial assertions in the South and East China Seas will have to take a back seat for now. It will take a few months for the Trump Administration to realize that China is unable or unwilling to restrain the DPRK from provocative actions. In the medium term, should the DPRK continue with its brinkmanship, Japan may revisit its position on nuclear deterrence and develop a pre-emptive strike capability.

### **The Peoples Republic of China**

China and the DPRK have much in common. First, as Communist states, Beijing and Pyongyang share an ideological bond. Second, national unification is a core objective for both countries. Third, the imperatives of geopolitics unite them – however unstable and unpredictable, North Korea is China's ally.





*Chinese Communist Party official Liu Yunshan – a member of the standing committee of the Politburo of the CPC with DPRK President Kim Jong Un in Pyongyang during the 70th anniversary celebrations of the Korean Workers Party on October 10, 2016. Source: Kyodo/Reuters*

Geography and history have made the Korean peninsula vitally important for China. The two countries share a 850 mile long border. Korea had been the route Imperial Japan used for invading China in the early 20<sup>th</sup> century. US forces had intervened in the Korean war by crossing the 38<sup>th</sup> parallel and approaching the Chinese border in 1950. China has therefore, tended to regard the DPRK as a buffer state between the US alliance in the Korean peninsula and the PRC.

The Korean peninsula is a vital part of the regional balance of power in East Asia where China seeks to balance with the DPRK and Russia – to the extent possible – against the US-led alliance with Japan and the ROK. On the Korean peninsula, however, it is the two bilateral alliances – the US with ROK and China with the DPRK that are pitted against each other.

South Korea has tried to balance its security alliance with the US with the reality of a substantial and growing economic relationship with China. The progress has been rocky to say the least. After North Korea's fourth nuclear test in January this year, Chinese President Xi refused a direct phone call with President Park for a whole month. China would like South Korea to move away from the US on account of geopolitical compulsions, using the leverage China enjoys on account of economic relations with the ROK. China seeks to drive a wedge into ROK-US ties. At the same time, China does not wish to see an enhanced US presence on the peninsula.

China also opposes steps taken by the US and its allies to counter Pyongyang's nuclear and missile threats. China has protested strongly against the deployment of the THAAD anti-ballistic missile system as it dilutes the effectiveness of the Chinese nuclear deterrent. When South Korea disappointed with the lack of support from China over North Korea, began discussions with the US on THAAD, China began imposing informal sanctions on the South Korean economy and criticized the ROK Government. In fact, Beijing's hostile actions may have had the opposite effect and pushed the ROK closer to the US.

A number of questions arise here. *Is China leveraging North Korea against the US at a time of heightened tensions with the United States over Chinese territorial assertions in the South and East China Seas?* That might or might not be so, but the highest national security priority attached by the United States to the situation on the Korean Peninsula has certainly had the effect of pushing other issues into the background. The inaugural summit meeting between Presidents Trump and Xi downplayed highly contentious issues, especially trade and economic relations but also Taiwan, the South China Sea, the islands dispute in the East China Sea, and others. But the differences on both sides ran deep, and frustration was palpable on both sides. Trump has put the ball in Xi's court for now, but patience is likely to run out soon if China fails to deliver.

*How close are the relations between China and the DPRK?* The answer to this question has a direct bearing on the leverage China has with the DPRK. Relations have been cordial on the surface but tensions have surfaced in the past when China improved relations with Seoul or when China encouraged Pyongyang to reform the economy.

Reports suggest that China may have provided a degree of technical support for Pyongyang's nuclear and missile programs. North Korea had launched an earth observation satellite in February last year on a rocket believed to be the precursor of an ICBM that could reach the West Coast of the United States. Post recovery analysis of rocket parts that fell to earth by the ROK revealed the foreign (Chinese) origin of many parts<sup>4</sup>.

Pyongyang always had a weak economy and never recovered from the Soviet aid cut off in 1991. Trade with the USSR stood at US \$ 2.6 billion in 1990 and suddenly shrank to US \$ 365 million the next year. Since then, GDP and trade has shrunk further though Beijing remains Pyongyang's largest trading partner<sup>5</sup>.

China has considerable leverage on the DPRK, but does not wish to see the fall of the Kim regime. International trade accounts for less than half of the DPRK's GDP. Ninety percent of the DPRK's trade is with China. 70,000 DPRK nationals live and work in China. In addition the DPRK depends on China for its essential supplies, including petroleum products and food grains.

China will most likely continue to maintain close ties with Pyongyang; the policy owes itself to a fundamental judgment about the geopolitical balance of power vis a vis the United States in the Korean peninsula.

When and if talks resume, China is likely propose a two-track approach – parallel dialogues on peace mechanism and denuclearization. While China supported the UNSC Resolution 2270 which imposed sanctions on North Korea, this did not necessarily imply a change in China's approach, since the implementation of sanctions is very much in China's hands.

China frequently calls for dialogue to resolve the nuclear issue and regional tensions. China views dialogue as a means to manage tensions and to pursue incremental gains whenever the opportunity arises. Thus China repeatedly asks

*“ ...all parties to exercise mutual restraint and settle there differences through dialogue in order to achieve denuclearization..,”*

The situation on the Korean peninsula is influenced by **two trends**. **The first** is the tension and competition between China and the US where DPRK is for China the 'enemy of the enemy' and a buffer state between a US ally (ROK) and China. **The second trend** is a by-product of China's assertion of influence and effort to create client states on its periphery.

*What is China's desired endgame on the Korean peninsula?* There can be three likely alternatives. **First**, China continues to support DPRK but changes the regime into a pliant pro-Chinese one. **Second**, China recognizes the nuclear status of the DPRK creating a new balance of power dynamic in East Asia – one that may end in a nuclear ROK and a nuclear Japan. **Third**, China joins the US in bringing about a regime change in North Korea and thereby unleashing a chain of events that could lead to the unification of Korea.

China's priority has been to stabilize and strengthen the regime in Pyongyang, whereas the US would appear not to be averse to the idea of regime change in the North. Beijing's first priority is regime survival whereas Washington's focus is on denuclearization or at least freeze on the development of nuclear weapons by the North. Getting Pyongyang to the negotiating table appears to represent the outer limits of what China is willing or able to do. Progress beyond that point depends upon Pyongyang and Washington.

China seems to be diplomatically proactive in getting Pyongyang to the negotiating table most when it is under pressure from the US. The Iraq war, for example, made a deep impression on the DPRK and China and spurred China into an intense round of diplomatic activity aimed at bringing Pyongyang to the negotiating table.

## Japan

Through repeated cycles of nuclear and missile testing by the DPRK followed by negotiations and sanctions, Japan has gradually lost its ability to shape events on the Korean peninsula. During the visits of Prime Minister Koizumi to Pyongyang in 2002 and 2004, he did to a limited extent succeed in strengthening the strategic position of Japan. However, since the succession of Kim

Jong Un, Japan has focused more on military preparedness and sanctions. On denuclearization Japan has worked with the United States, the ROK and others in the region.



*President Kim Jong-il and Prime Minister Koizumi Junichiro in Pyongyang, September 17, 2002. Source: Asia Pacific Journal, Feb 22, 2012.*

The lack of leverage on North Korea has been a major handicap for Japanese policymakers. Japan stopped imports from North Korea after nuclear tests by the DPRK in 2006; exports to the North were banned in 2009 in similar circumstances; remittances by the North Korean community in Japan – a major source of funds for the DPRK were tightened the same year. Prime Minister Koizumi's efforts to negotiate the release of Japanese abductees and the successful negotiation of a moratorium on missile tests was forgotten in a huge domestic backlash against his handling of the abductees issue. The resolution of that issue became a precondition of talks with Pyongyang.

North Korean provocations have had a profound impact on the Japanese defense posture. There were new rules of engagement with North Korean agents and suspicious vessels entering Japanese waters. The Japanese coast guard was responsible for the first post war sinking of a DPRK vessel in December 2001. The DPRK's growing nuclear and missile capabilities resulted in Japan developing a ballistic missile defense capability.

Three developments have influenced Japanese strategic thinking. **First**, DPRK's acquisition of growing missile and nuclear capability and China's rapidly increasing military might have caused concern about the reliability of the United States' extended deterrence. **Second**, China's maritime and territorial assertions in the East China Sea have alarmed the Japanese establishment. **Third**, these developments are gradually testing and in the longer term are likely to erode the Japanese domestic consensus on its peace constitution. One indication has been the ability of the Abe Government to get the Diet to reinterpret article 9 of the Constitution to allow Japanese Self Defense Forces to participate in collective self-defense under the security alliance with the US.

### Russia

Russia is preoccupied with other security issues and has limited capacity to influence events on the Korean peninsula. It likely believes that the United States exaggerates the security threat and mutual deterrence will maintain the status quo on the



Korean peninsula. Russia stresses dialogue as the way to influence developments in the Korean peninsula. During his September 4, 2016 meeting with South Korean President Park Guen-hye at Vladivostok, Russian President Vladimir Putin said:

"I want to stress that our countries [Russia and South Korea] do not accept the self-proclaimed nuclear status of Pyongyang. Russia believes that the solution to the nuclear issue on the Korean Peninsula should be found within the overall military and political detente in Northeast Asia."



*Vladimir Putin shakes hands with North Korean leader Kim Jong Il ( Kim Jong-un's father) in 2001. Source: AP*

The imposition of sanctions against Russia post Ukraine has led to a search for new economic partnerships and opportunities in the East. Russia prioritizes economics in its Northeast Asia policy. In September 2013, a refurbished railway line was opened from Khasan to Rason in the DPRK. Russia and DPRK have also signed an agreement to renovate a railway from the west coast port of Nampo through to Pyongyang. The two countries have agreed to a \$ 25 billion agreement to restore 3500 Km of railway lines in October 2014. In September 2012 Russia signed an agreement to cancel US \$ 10 billion in debt owed by the DPRK and to reinvest US \$ 1 billion of payments in the DPRK's economy. Russia possibly believes that's its investment in transportation and infrastructure in the DPRK will eventually bring benefits from future linkages with the ROK economy.

## Conclusion

For the first time after eight years the threat of military action by the United States against North Korea is on the table. The US is attempting to convince North Korea that the price it will have to pay for going down the path of developing its nuclear weapons and missile capabilities will far outweigh any strategic advantage it may seek to gain through its escalatory policies.

The US is looking to China to put economic pressure on North Korea. President Trump believes that China is on board with US expectations. He tweeted on April 16, 2017 that:

"Why should I call China a currency manipulator when they are working with us on the North Korean problem?"

Though China has been wary of using economic pressure on North Korea in the past for fear of precipitating a collapse of the North Korean regime, China has begun to tighten economic levers against the North. China banned coal imports from the DPRK

in February. As a consequence, China's coal imports from North Korea came down by 51.6% in the first quarter of 2017, even though, the total trade volume *increased* by 37.4% during the same period. The Chinese national carrier, Air China, suspended flights to Pyongyang on April 14, 2017<sup>6</sup>.

On the other hand, China is also giving indications that it will blame the US, ROK and the DPRK for a worsening of tensions on the Korean peninsula. Referring to the DPRK threat to test a nuclear weapon and the US dispatch of a Naval Task Force to the peninsula, Chinese Foreign Minister Wang Yi reportedly stated on April 14, 2017 that:

“The United States and South Korea and North Korea are engaging in tit for tat, with swords drawn and bows bent, and there have been storm clouds gathering...If they let war break out on the peninsula, they must shoulder that historical culpability and pay the corresponding price for this.”<sup>7</sup>

The US-China bargaining game is presently at its first stage. The outcomes are unlikely to bring comfort to China. The less it is able to deliver on North Korea the more pressure it will face to maintain a low profile on trade and its regional assertions for the present. Meanwhile, we wait with bated breath for stage two of this great East Asian game.

*How realistic are US expectations for desired outcomes in the Korean Peninsula?* Despite US insistence on a dialogue for denuclearization of the DPRK, this is unlikely to happen. On the contrary, in accordance with the *byungjin line*, the DPRK will continue to press for an international recognition of its nuclear status. Faced by this deadlock, the United States will likely blame China for not putting sufficient pressure on the DPRK and China will likely blame the United States for not being sensitive to Pyongyang's security concerns.

Despite the United States' reservations, 'engagement' and a mix of 'deterrence', 'containment' and 'sanctions' seems to be the only way forward for the United States and the ROK. If the DPRK bites on the economic reforms pushed by China and the ROK in the past and a degree of interdependence is created between the economies of the North and the South, it will be a factor for stability on the Korean peninsula in the long term, but the unresolved nuclear overhang will remain a destabilization factor in East Asia.

Meanwhile, the status quo suits China, giving it leverage on the US, the ROK and Japan in a number of ways. **First**, China remains the sole intermediary with some restraining influence on the DPRK. **Second**, the present situation keeps the US and its alliance partners under pressure and from the Chinese perspective contributes to a wider regional and narrower peninsular balance of power.

South Korea is caught between the imperatives of reunification, economic interdependence with China and the security alliance with the US. It remains for Japan to ponder how best it can defend itself - as a member of the alliance with the United States or independently through an indigenous nuclear weapons option. Consideration of the latter, though, is some way off into the distant future, – subject to the glacial pace towards a new domestic consensus, away from the peace clauses in the constitution. In the short run, Japan will have to depend on strengthening its conventional capability and missile defenses, and rely on the reassurance of US alliance commitments.

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<sup>2</sup> <http://www.globalsecurity.org/military/world/dprk/byungjin.htm>

<sup>3</sup> “Our party's line on carrying out the economic construction and the building of nuclear armed forces simultaneously is a strategic line for reinforcing and developing the nuclear armed forces... so as to impregnably bolster the country's defense capabilities and channel greater efforts into the economic construction, thereby building a powerful state [kangso'nggukka] where our people enjoy the wealth and honor of socialism to their hearts' content.”- extract from concluding speech of Kim Jong-n at the Korean Worker's Party Plenum on March 31, 2013.

- <sup>4</sup> “North Korea’s Been Building Missiles with a Little Help from Their Chinese Neighbors” by Ryan Pikrell, The National Interest. <http://nationalinterest.org/blog/the-buzz/north-koreas-been-building-missiles-little-help-their-20166>
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Delhi Policy Group  
Core 5A, First Floor  
India Habitat Centre  
Lodhi Road  
New Delhi 110003

Phone: +91 11 48202100

Website: [www.delhipolicygroup.org](http://www.delhipolicygroup.org)

Email: [dg@dpg.org.in](mailto:dg@dpg.org.in); [dgoffice@dpg.org.in](mailto:dgoffice@dpg.org.in)

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