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CENTER FOR GLOBAL POLICY

Transcript

CHINA IN THE WORLD PODCAST

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Guest: **Tong Zhao**

Episode 93: Approaching China's "Red Line"

On Korea

September 22, 2017

Paul Haenle: I'm glad to be joined today by my good friend and Carnegie-Tsinghua colleague, Tong Zhao here at our center in Beijing, China. Congratulations are in order to Dr. Tong Zhao who recently got married. Congratulations!

Tong Zhao: Thank you very much.

Haenle: I'm speaking with Dr. Tong Zhao just a few days after North Korea's latest missile test and a couple weeks after their sixth nuclear test on September 3, which was a hydrogen bomb, the most powerful test to date. The original estimates put it in the hundred kiloton range, but updated seismic data indicates it could have been up to 250-300 kilotons. Some estimates I've seen say that's 17 times more powerful than the bomb that the United States used on Hiroshima in WWII.

Dr. Tong Zhao, I just want to start out and get a sense from you on how the nuclear test earlier this month has changed the thinking of policy makers here in Beijing, if at all. Should we expect after this sixth nuclear test—this is the fifth nuclear test that Kim Jong-un has done; his father did one nuclear test—should we expect a policy change from China? And how does this impact the ability of the United States and China to cooperate going forward. Is this positive? Will this be helpful?

Zhao: Well, the sixth nuclear test was different in the sense that it really made many Chinese fearful about the direct impact of the test and about China's interests. Due to the very large explosion, there was real fear in China that this time North Korea might have screwed up. [The Chinese public believed] there might be a serious release of radioactive materials that would spread into China and that maybe the underground water could be effected after a period of time that might lead to unstable geological conditions near the border in the mountainous areas that could lead to the eruption of the volcano there. But after a little while there was new data coming out from the monitoring stations saying, "Okay, we actually find this fine. We are lucky again. There was no serious release of radioactivity. There was only some xenon gas that was detected in South Korea which poses no real threat to public health." So that sense of urgency quickly emerged but also faded away with time.

And also, the timing of the test was interesting. It occurred simultaneously with the opening of the BRICS Summit in Xiamen, which was attended not only by the Chinese president but by the Russian president—and, of course, China was the host. So it was a direct insult to two of North Korea's primary supporters, China and Russia. So there was wide spread believe that North Korea deliberately wanted to insult China. Although, personally, I have a different view about why it took place on September 3. I don't believe North Korea deliberately provoked China but I do think apparently North Korea did not mind making China feel displeased.

Haenle: But this is also not the first time that North Korea has done a nuclear test or a missile test on a date that really undermines China—of course, the Belt and Road Forum, there were a number of missile tests. I remember shortly after President Xi was elevated to Secretary General of the Communist Party back in 2012 there was a missile test, and then on the Spring Festival that year just a few months later there was another missile test. They do seem to be timed to Chinese events, and as a well to let China know that North Korea is not pleased with something. Is that your sense that increasing they are timed to events that significant to China?

Zhao: Personally, I'm a little skeptical about that theory because there are other theories. For example, North Korea has conducted major nuclear missile tests on important North Korean holidays. There was recent research that collected all the data and compared the timing of each event, and it showed that there was really no close coordination between the major nuclear tests and North Korean domestic holidays. I think sometimes we tend to see some testing happening at the same time as major Chinese events, but I think the reason is that there are so many high level events taking place all time—top leader summit meetings, phone calls between China and U.S. presidents, China's president visiting some countries for an event. It's more coincidence. If we look at the nuclear testing history of other countries—China, for example, China's own first nuclear test took place at the same time when Khrushchev stepped down from power. That was widely interpreted by the international community as deliberately testing its nuclear device to celebrate the stepping down of Khrushchev. But in fact, it was not planned at all. It was primarily determined by technical factors. I think major national defense events and testing of nuclear weapons tend to be determined more by technical factors, ie. weather conditions, logistical factors.

Haenle: Would you at least agree that North Korea is taking less into consideration in terms of when they do it, even if they decide the date by technical means? If it occurs on the day that President Xi is giving an important speech at the BRICS summit, perhaps in the past North Korea may adjust that date considering its main supporter, China, but today maybe they see things differently.

Zhao: Exactly. I think that's what happened. So, maybe they chose the timing of the test due to technical reasons, but they also knew this is inconvenient for China. Given that the increasing anger against China due to growing Chinese economic pressure, they didn't mind making China feel a little displeased.

Haenle: You talked about the concerns of the Chinese citizens in Northeast Asia based on this latest test. This is not the first time we have seen those concerns surface. We saw this after the previously nuclear tests as well. There seems to be a growing concern in China for the safety of citizens of North Korea which continues to develop at a very fast pace under Kim Jong Un—both its nuclear program and missile program. What effect is this having on public opinion in China about China's policy toward North Korea? We often hear from the Chinese leadership that public opinion does have an impact on what the leadership can and cannot do. It provides certain constraints in certain areas based on public opinion, and they have to be responsive to public opinion in China. What changes have you seen or should we expect to see with regard to Chinese policy based on the growing concerns by the Chinese citizens and shifting public opinion?

Zhao: Yes, indeed. From the Chinese perspective, the North Koreans were increasing irresponsible in the way they conducted nuclear tests. They were increasingly willing to explode large nuclear devices with massive yields. This time, there were landslides after the explosion, which lead to a second seismic event. So, the reporting of all these events really concerned the Chinese general public. And there are also concerns about general safety of nuclear conditions in North Korea. North Korea has other nuclear reactors. One reactor that North Korea has is to produce spin fuel and then extract plutonium, which is the fissile material for building nuclear weapons from spin fuel. There is a new light water reactor—some reports indicate the new light water reactor is already operating. So if North Koreans screw up because they have very limited

experience running nuclear reactors (don't forget, even a very advanced, highly industrialized country like Japan can screw up and have major nuclear safety disasters), what would that mean if there is a major nuclear disaster? So the concern is real and growing. However, I have to say, it appears it is having some impact on the thinking of the Chinese general public, the thinking of Chinese experts, and maybe on the thinking of Chinese officials about North Korea, but, again, we have been lucky so far. There are more important geostrategic conditions on the Korean peninsula that tend to trump technical factors such as nuclear safety incidents. So the impact of China's North Korea policy over all still seems limited.

Haenle: Let's talk a little about those geostrategic factors. After significant events like this sixth nuclear test, my own sense is that U.S. policy makers step back and wonder whether this provides them a great opportunity for the U.S. and China to cooperate. That perhaps this was the event that crossed the Chinese red line. That where Chinese leaders say, "Enough is enough. We really need to work closer with the U.S. and maybe even partner with the U.S. in putting more pressure on North Korea to give up its nuclear program or to come back to the negotiating table to talk about giving up its nuclear program." Is that a possibility in the aftermath of this sixth nuclear test? Did it cross any Chinese red line and if not, are there red lines that China has drawn that North Korea might cross in the future? How do you see and analyze this dynamic of U.S.-China cooperation? I know that there are geostrategic considerations here and I wanted to get your sense of those.

Zhao: I personally don't see the recent nuclear test as crossing a Chinese red line. I don't think there is any clear red line on the Chinese part. If there is some major incident, like if North Korea conducts another nuclear test that they screw up and release a massive amount of radioactive materials that spread to China and raise the general public's fear and cause social instability, then that could fundamentally change Chinese calculations. Or if North Korea goes so far as to launch a real nuclear warhead on a missile in another test simply to test their capability to test a nuclear warhead on a missile, and they shoot the missile toward the middle of the Pacific Ocean and detonate the nuclear warhead into the atmosphere, that would break a long held nuclear taboo. I think those types of events could fundamentally change Chinese calculations, but short of that I think the Chinese basic calculations about its own geostrategic interests on the peninsula will remain the same.

Haenle: If a red line or an incident as you've just described were to take place, what options does China see in terms of policy? How would China's policy change vis-à-vis North Korea? What does China see as the options with North Korea to get them to stand down and reverse their nuclear program?

Zhao: One fundamental concern that has prevented China from taking very radical measures, such as a comprehensive economic embargo against North Korea to completely cut off North Korea's economic lifeline, is the concern that, in doing so, China would run the risk of turning North Korea into a China enemy. And that would make North Korea another nuclear armed enemy in China's neighborhood.

Haenle: I often hear Chinese scholars say to me, "Paul, those missiles are not pointed at us—yet." There's an apprehension in China to take steps that they believe would lead to the redirection of those missiles toward China, and that's basically what you're referring to.

Zhao: Right, if it's China that is using economic pressure to threaten the stability of the regime, why wouldn't the regime use the same missiles and nuclear weapons to threaten China? I think in that situation, North Korea can be as hostile to China as it is to the United States. There were reports that senior North Korean officials already said in their internal meeting that their ICBM missile can cover every corner of China. So there is already a very thinly veiled threat from North Korea on China as China steps up its economic pressure on North Korea. So that's the worst case scenario for China: making to North Korean nuclear weapons a direct threat to China.

So if North Korea conducted nuclear tests in very irresponsible ways that caused a direct impact on Chinese public health and its interests, that could change the Chinese calculation. Maybe (then) China would be willing to run the risk of provoking North Korea and try to work with the United States to address the North Korean issue once and for all. But, short of that, I don't see China wanting to risk that worse-case scenario from happening.

Haenle: As we look at the policy options, I would argue that all parties, including the U.S., would like to find a way of resolving this diplomatically, peacefully, but there seems to be some disagreement on when and how the parties should come to the table and under what conditions. It seems that the U.S.—the administration is putting this forward—of the use of sanctions and coercive diplomacy, where you maximize pressure through financial pressure and diplomatic isolation to bring North Korea to the bargaining table to get them to give up their nuclear weapons. It's a maximalist approach—it seems to be the one the U.S. is using and the Trump administration seems to be pursuing.

There's another approach of immediate diplomacy, and China seems to push this, where there is a desire to reopen diplomatic talks without any preconditions to get an understanding of the situation before it spirals out of control. This doesn't necessarily involve coercive diplomacy, sanctions—it's to come to the table as quickly as possible and begin talking, that the idea of talking to North Korea will somehow improve the conversation.

And then third, there's a lot of talk these days about this notion of preemptive strikes to mitigate the North Korean threat. I want to a sense of your view on each of those options. Maybe you have a different option in mind? And are there advocates in China for each of these views, and if so, who is winning the debate?

Zhao: I think the Chinese consideration on these issues is determined by how China understands the North Korean motivations, and how China understands possible North Korean reactions to such measures, such as a comprehensive economic embargo. My understanding is, if China adopts a comprehensive embargo—completely cut off crude oil supply, everything—it might gradually threaten the stability of the North Korean economy and therefore might lead to social instability, and ultimately might lead to the regime collapsing. But that will take time to take effect. During this time North Korean reaction would include, first, shifting the supply of oil products from the civilian sector to the military sector. There's research that already shows that after oil is cut off, the North Korean civilian sector could quickly cut its consumption of oil products by 40% and shift resources to military use. And also, the military has its own reserve of oil, the amount of which we don't know, but it could last for a little while. And even among the military, nuclear and missile programs always receive the top priority in terms of supply of resources. And the North Korean nuclear missile programs are now past the stage when they can be contained by the supply of oil.

The only restraint on North Korea's nuclear missile program is technical and if they continue testing they will overcome the remaining technical bottleneck, and that's just a matter of time.

So, in other words and comprehensive embargo won't stop North Korea from making fast progress on its nuclear programs in the near future. It's very possible that's what North Korea is trying to do. They know the economic impact is coming, so they are doing everything they can to complete the last step of their nuclear missile program. And if they can achieve this very quickly by conducting a very small number of missile tests, especially ICBM tests and maybe one more nuclear test, then they can quickly soften their position and launch a diplomatic offensive. At that time, the decision becomes, the increasing pressure is making the civilians suffer—there might be increasing news reports of civilians starving and even dying from hunger—so the international pressure of U.S. on China who imposed the embargo will be serious and increasing. At the same time, North Korea is now suffering, offering diplomatic engagement, walking to talk, and international opinion, I think, will shift. Look, North Korea is not asking for dialogues, and the U.S. is still keeping the sanctions that are making the civilians suffer, so I think that's the North Korean calculation—that they want to use the time to complete their program, the shift the pressure to the international community. So, in that scenario, I don't see how we can really force North Korea to give up its nuclear weapons.

And let's consider a more radical scenario, which is that the embargo can quickly destabilize the regime. In that scenario the regime faces two options. One is, of course, to back down, but the second option is that the regime can choose to be more provocative. It can enhance its military threats towards South Korea, Japan, Guam, etc. I can follow up with its threat to launch missiles toward the waters around Guam. And when the regime is in a desperate situation facing collapse, its military threats will become very credible. And in that scenario, how do we deal with a very provocative North Korea? I don't think even the U.S. has a good strategy in that exit scenario. I think that's one reason why many Chinese experts just don't understand, even if we are put in that situation can we make sure we are put in a desirable outcome?

Heanle: So that kind of comprehensive economic pressure, sanctions, coercive diplomacy, you've laid out a number of concerns, including the stability, the potential collapse it could cause for the regime. You didn't mention it, but I'm sure millions of refugees coming across the border is part of that thinking. You also mention even if the U.S. and China were to come together and put that pressure on North Korea, Kim Jong Un has got the pedal to the metal, and he is speeding forward as quickly as possible with that immediate urgent goal to get a nuclear device on top of an intercontinental ballistic missile that could reach the U.S., and once he gets to that point he can back off and, perhaps, move to diplomacy. So, even if we tried to use that coercive diplomacy, he is going to beat us to attaining that capability and it wouldn't even be feasible, wouldn't even be an effective approach. You also talked about the Chinese red lines for lack of a better word, and if an accident were to occur in China with radioactive fallout, or if they were to test a nuclear missile that landed in the Pacific Ocean, that these potentially would cause China to shift to something more along the lines of coercive diplomacy. Under that scenario, what would the Chinese goal be? Because one of the things that I'm sensing is that American administrations sense this situation as much more urgent, and as a result, wants a very aggressive and robust coercive diplomacy. China things that there's still time and doesn't see it as urgent. If China saw it as urgent, and moved to this coercive diplomacy, what would the goals be? Because the potential risk that you've outlined under a U.S. lead coercive diplomacy strategy, would still be there under a Chinese lead coercive diplomatic strategy? So, what would the goals be, would they be different and how would China

consider those risks that you've just laid out in a situation where China decided to move toward coercive diplomacy?

Zhao: If North Korea chooses to be an immediate threat to China as well, I do see the possibility that China takes more radical measures. But I think it's more likely that China would allow or give consent to the U.S. and let the U.S. take a military option against North Korea. I still don't see China practically considering a military option by itself against North Korea.

Haenle: An oil embargo?

Zhao: Right, in that scenario, yes. I think if Chinese interests are directly affected I do see China maybe wanting to consider cutting oil—

Haenle: Trade—

Zhao: —cutting trade. Trade is already minimized. Basically all the exports—mineral resources, seafood, textile—all the major trade is already prohibited.

Haenle: So it sounds like what you're saying is, if North Korea were to do something, whether it was an accident, or the type of test as you've described, that China would see as extremely dangerous, that if North Korea took steps that were really undermining China's interests, then there could be a decision to move more towards the kind of approach that the United States has been advocating for some time.

The other approach on diplomacy, where China has pushed reopening talks without preconditions... Can you give me a sense, if the United States and North Korea were to agree to convening talks, what kind of format would they take and what role would China play? Of course, China has been the chair of the Six Party Talks when I was the White House representative to the Six Party Talks. China had a very central role in those negotiations. What countries would be involved and what should the U.S., China, and North Korea put on the table?

Zhao: I think many Chinese are very pessimistic about the prospect about making North Korea agree to denuclearize in the year future. It appears to us that North Korea is fully determined to keep its existing capabilities. It might be open to discussing refraining from improvements to its capabilities, refraining from further enlarging its arsenals. That's possible to negotiate about. But there is no chance to negotiate with North Korea about rolling back its existing capabilities.

Haenle: So, if we take the coercive strategy off—this very robust attempt to get North Korea under so much pressure—that it changes the political calculus of North Korea and they may consider giving up their nuclear programs, absent that, are you saying then that it's nearly impossible that North Korea would give up its nuclear weapons and if that's the case, would China change its policy then to recognize North Korea as a nuclear power and abandon the goal of denuclearization?

Zhao: I would challenge you and even argue that even if we used coercive diplomacy to threaten the regime, it's more likely that North Korea will be more provocative rather than choosing to back down. North Korea, I think, has commented that it can win this competition of risk taking

against the United States. North Korea believes that it has much higher stakes in this game. It can take more risk than the United States, therefore its strategy of brinkmanship will eventually win, so if it insists on demonstrating its nuclear capabilities, enhancing its military threat, the United States will ultimately come to recognize the reality of a nuclear North Korea. So I tend to disagree with your precondition.

Haenle: Precondition that coercive diplomacy—

Zhao: —That coercive diplomacy will lead to North Korea to agree to give up its existing capabilities and that the more likely result is that North Korea becomes more provocative, threatening military attacks, missile launches, etc.

Haenle: And the last area that I mentioned was this notion of preemptive action. A lot of talk these days about preemptive strikes meant to mitigate the North Korea threat. The U.S. administration continues to say all options are on the table, including military options. How do you assess those and how are they looked at from within China?

Zhao: Yeah, everyone is interested in knowing the American capability to conduct a preemptive strike against North Korea, completely wiping out its nuclear missile weapons. Secretary of Defense Mattis recently said that there are military options that wouldn't undermine the security of South Korea or wouldn't undermine the security of Seoul, which seems to indicate American confidence that it can completely destroy North Korean nuclear weapons in the first strike and making North Korea completely incapable of retaliating. No one knows exactly where the American capability lies, but if we look at previous North Korean missile launches, it appears that the U.S. intelligence community has been capable of detecting early signs of every North Korean missile launch preparation and was able to monitor the entire process of launch preparation, so it indicates a very capable U.S. capability to monitor North Korean missile activities. If that's true, maybe the U.S. is indeed capable of doing the preemptive strike, but without access to classified information I don't think anyone outside has a very good assessment about exactly how capable the United States is.

Haenle: Your description of General Mattis' comment and the possible U.S. capability are more optimistic than many American experts. Is that a widely held view in China?

Zhao: I don't think there is a consensus view in China about American capability to conduct a preemptive strike against North Korea. People have different theories, guesses about U.S. capability, but no consensus.

Haenle: Finally, there's an important meeting here in China in October, the 19th Party Congress, and shortly after that, President Trump is expected to travel to China on an official visit. Perhaps in November around the East Asia Summit and APEC meetings in Vietnam and the Philippines. Does this present opportunities for the U.S. and China to do something more in collaboration with regard to North Korea. How should we see the importance of that trip?

Zhao: That trip will take place after the conclusion of the 19th Party Congress, which means the Chinese leadership might have more bandwidth to deal with foreign security policy issues.

Previously, they would have been preoccupied by domestic issues. That might mean China can be more flexible in dealing with North Korea. However, I still believe that the basic calculations of Chinese interests over the Korean Peninsula might not change dramatically. And China already feels that it is cornered by both sides—U.S. and North Korea. Again, North Korea is increasingly threatening China, so China is taking on an increasingly higher security price for pressuring North Korea. The room for China to do more before it turns North Korea into a nuclear armed enemy of China is very small. So I really doubt how much more China can do. And of course, that also depends on what North Korea will do in the next couple months. Will North Korea conduct more nuclear tests, ICBM tests? If so, will that change Chinese perception? But again, I tend to be more skeptical about the argument that after the 19th Party Congress with the visit of Mr. Trump, China will take a fundamentally different approach toward North Korea.

Haenle: Well, I really appreciate your time. You have shed quite a bit of light on these issues from a Chinese perspective, and I think it's extremely helpful and constructive as we deal with this challenge that appears to be growing and growing every day and is quite serious.

Zhao: Thank you for having me.