Commentary:
North Korea & Sanctions: Why Going After China is a Bad Idea
By Zhan Zhou
In the News

North Korea Says U.N. Sanctions Are Causing ‘Colossal’ Damage
Choe Sang-Hun
The New York Times, September 29, 2017

“North Korea said that American-led international sanctions were causing ‘colossal’ damage in the impoverished country, but added that it would be foolish for Washington to think the sanctions would stop the country’s nuclear weapons programs.”

Xi Sends Condolences to Trump over Las Vegas Shooting
Reported by Xinhua
Xinhua News, October 3, 2017

“Chinese President Xi Jinping on Monday sent a condolence message to his U.S. counterpart, Donald Trump, over the mass shooting in Las Vegas in the U.S. state of Nevada. The shooting caused heavy casualties, Xi said as he extended deep sympathy to the U.S. government and people, profound condolences to the victims, and sincere solicitude to those wounded... At least 58 people were killed and more than 500 others injured in the mass shooting ... making the incident the deadliest in U.S. history.”

Chinese Ships Spotted Anew Near Pag-asa Island, Lawmaker Says
RG Cruz
ABS-CBN News, October 3, 2017

Magdalo Rep. Gary Alejano claimed that Chinese ships were seen again in waters near the Philippines’ Pag-asa island and 3 nearby sandbars, following the mid-August convergence of Chinese vessels from the Navy, coast guard and maritime militias. The sandbars are close to the Subi Reef held by China. Chinese forces are allegedly “employing new tactics,” “harassing our patrolling vessels by continuously sounding their sirens,” said Alejano.

China, Russia Conclude Naval Exercise Following North Korea Nuclear Test
Sarah Zheng
South China Morning Post, October 5, 2017

Chinese navy ships have recently returned to port after completing the second joint annual naval drills with Russia. “The naval exercises, which took place not far from Russia’s border with North Korea, followed Pyongyang’s sixth and largest nuclear test on September 3 that came despite tougher international sanctions and calls for the hermit nation to halt its nuclear programme.”
10km from Doklam Face-off Site, Chinese Troops Widen Existing Road
Rajat Panditi
The Times of India, October 6, 2017

“China is now upgrading and widening its existing motorable road in the Bhutanese territory of Doklam after Indian troops stopped People's Liberation Army from extending it towards the Jampheri Ridge, which overlooks the strategically-vulnerable Siliguri Corridor or so-called 'Chicken's Neck' area, in mid-June.”

“India has not yet objected to China's fresh road-construction activity, which is around 10-km from the earlier troop face-off site, because it is not southwards towards the militarily-sensitive Jampheri Ridge area like before.”

IMF Raises China Growth Forecast for 2017 to 6.8 Percent
Reported by AFP
South China Morning Post, October 10, 2017

The International Monetary Fund raised its growth forecast for China from its previous estimate of 6.7 percent to 6.8 percent. It praised President Xi Jinping for China’s economic performance, but also warned of risks stemming from the buildup of debt in the world’s second largest economy.

U.S. Warship Sails Near Islands Beijing Claims in South China Sea
Idrees Ali
Reuters, October 10, 2017

On Tuesday, the guided-missile destroyer USS Chafee sailed near the islands claimed by China in the South China Sea.

“The operation was the latest attempt to counter what Washington sees as Beijing’s efforts to limit freedom of navigation in the strategic waters. But it was not as provocative as previous ones carried out since Trump took office in January.”

“Chinese Foreign Ministry spokeswoman Hua Chunying said China had lodged ‘stern representations’ with the United States, and reiterated that the Paracels were Chinese territory.”
Contrary to popular American belief, China has little sway over its North Korean ally. For decades, the Sino-North Korean relationship has been cooling, and there is a significant history of mistrust and friction between the two.

Despite this, “asking China to solve the North Korean problem remains Washington’s default policy for dealing with Pyongyang. Basing American strategy for dealing with the North Korean threat on the flawed assumption that Beijing exercises enormous political clout in Pyongyang and would be willing to carry Washington’s water, is a recipe for continued failure.”

China’s relationship with Russia has changed significantly over the last two decades. When the two countries established a strategic partnership in 1996, they were on similar trajectories with like minded ambitions. But by 2010, China’s economic weight and influence had surpassed Russia, and it now has the second largest economy in the world. As a result, China no longer mentions promoting multipolarity in its major official documents, which Russia still does.

Unlike Moscow, Beijing now frequently emphasizes cooperation with the international community. China-Russia relations remain better than either of the two countries’ relations with the United States, but the fact is that the Washington’s most important bilateral relationship is no longer with Moscow, it has shifted to Beijing.

U.S. President Donald Trump’s upcoming trip to Asia, which will include a visit to Beijing, “will shine a potentially unforgiving spotlight on his administration’s approach toward Asia and appetite for a continued regional leadership role.”
The author argues that “a little over eight months into the Trump presidency, things could be worse for the United States in Asia. America’s Asian alliance network remains fundamentally intact and Washington has managed to mobilize a significant amount of international support in its campaign to isolate North Korea. But there are also a number of glaring shortcomings and contradictions to the Trump administration’s Asia policy.”

**China Preparing to Bypass Russia’s Northern Sea Route in Arctic**


As the arctic icepak recedes, new economic opportunities are emerging in the region. Russia has long sought to establish “reliable guidance and communications networks along the Northern Sea Route (a maritime passage that mainly hugs Russia’s northern coast),” but has largely failed to do so. “These factors, combined with China’s desire to find a cheaper sea route from Asia to Europe, has led Beijing to start planning to exploit what it calls ‘the central seaway’ in the Arctic, north of the Russian route and closer to the pole.”

**The White House Could Inadvertently Goad North Korea into Nuking the Pacific**

Dave Majumdar, *War Is Boring*, October 4, 2017

“The Trump administration may inadvertently be provoking North Korea into conducting a live-fire test of a nuclear-tipped ballistic missile. While it is clear that North Korea has both ballistic missile technology and a working hydrogen bomb, the U.S. State Department recently suggested in a tweet that Pyongyang does not have such capabilities. ... Similar statements in previous decades prompted China to conduct a risky live-five nuclear missile test on Oct. 27, 1966. Pyongyang — feeling the pressure to prove its capabilities — might do the same.”

**Past Events, Videos, and Discussions**

**China’s Economy After the Party’s Congress**

Event Hosted by *Carnegie Endowment for International Peace*, October 2, 2017

“As China’s Nineteenth Party Congress approaches, it is important to identify the economic factors that challenge China and the new leadership that will emerge from the Congress. How will the Chinese frame their policy choices? How should they? What are the implications for policymakers and business people who deal with China over the next five years?” Michael Pettis addressed these questions in this event. Please click here for the full video.
On the Brink with Iran and North Korea
Event hosted by Center for American Progress Action Fund, October 4, 2017

“As North Korea advances its nuclear and missile programs, the United States is faced with a serious challenge in confronting this major national security threat on the Korean peninsula. And yet, as tensions with North Korea mount, the Trump administration is talking about ripping up the international deal that has prevented Iran from getting a nuclear weapon.”

“Oh October 15, the Trump administration will once again be required to certify under U.S. law that Iran is complying with the terms of the nuclear deal. While the United Nations and the Trump administration have confirmed that Iran is complying, there is a growing chorus of voices inside and outside the administration looking to undermine the deal.”

“The consequences of the administration’s decision on Iran could be monumental, especially as we face a growing crisis with North Korea.”

The China Order: Centralia, World Empire, and the Nature of Chinese Power
Book Launch hosted by CSIS, October 5, 2017

In his new book, The China Order, Fei-Ling Wang argues that “the Chinese ideation and tradition of political governance and world order—the China Order—is based on an imperial state of Confucian-Legalism as historically exemplified by the Qin-Han polity.”

According to Dr. Wang, “the People’s Republic of China has been a reincarnated Qin-Han polity without the traditional China Order, finding itself stuck in the endless struggle against the current world order and the ever-changing Chinese society for its regime survival and security.”

At the event, he also offered “new discoveries and assessments about the true golden eras of Chinese civilization, explains the great East-West divergence between China and Europe, and analyzes the China Dream that drives much of current Chinese foreign policy.”

Demystifying the Chinese Party Congress
Event hosted by Carnegie Endowment for International Peace, October 6, 2017

“The upcoming Nineteenth National Congress of the Communist Party of China is a milestone event beginning October 18. Analysts differ on whether or not it will mark a coronation of sorts for an all-powerful General Secretary Xi Jinping, and the extent of the changes he may enact as a result.”
The principal authors of the premier China-waching online journal, the China Leadership Monitor, addressed the topics on the composition and character of the new leadership team, economic policy continuity and change, and military and security consequences of these changes in the event. Please click here for the full video.

See Also: China and the World After the 19th Party Congress
Leading scholars from the Carnegie Endowment for International Peace offer their take on the likely outcomes of the 19th Party Congress.

The Path Forward for Dealing with North Korea
Event hosted by The Brookings Institute, October 10, 2017

“North Korea continues to dominate the headlines as its leader, Kim Jong Un, and President Trump trade barbs amid growing concerns about Pyongyang’s nuclear and missile programs and the heightening risk of escalation on the Korean Peninsula. While the United States has articulated a policy of ‘maximum pressure and engagement,’ the Trump administration has repeatedly sent mixed signals, ranging from threats to ‘totally destroy’ North Korea to an emphasis on diplomatic resolution.”

This event featured the following questions: “who is Kim Jong Un and what drives his decisionmaking? To what extent can past policies toward North Korea inform our current approach? Are there historical lessons that can be drawn from other international crises and scenarios?” Please click here for the full video.

The Seventh Annual China Defense and Security Conference
Event hosted by The Jamestown Foundation, October 11, 2017.

This annual conference examined a range of topics concerning the People’s Liberation Army’s (PLA). China security experts and observers discussed the PLA modernization progress, specifically the efforts towards joint operations among the Navy, the Air Force, and the Rocket Force in the East China Sea, and the role of PLA Strategic Support Force in intelligence operations against Taiwan. The conference also featured presentations on the 19th Party Congress and Taiwan’s role in the East China Sea.

Notable comments included retired U.S. Admiral Mike McDevitt’s observation that China has launched “99 Far Sea-capable warships since 2004” and “will be the world’s 2nd most capable navy in 18 months to 2 years.” Another key observation was offered by Dr. Oriana Mastro, who noted that PLA flight patterns clearly demonstrate an “interest in monitoring and preparing for Korean contingencies,” which is also evident from the location and nature of the PLA Rocket Force.
Taiwan’s relationship with the United States has become all the more important since the inauguration of Tsai Ing-wen in May 2016. On October 12, the Center for East Asia Policy Studies at Brookings held a public forum on U.S.-Taiwan relations featuring a keynote address by Ambassador James Moriarty, chairman of the American Institute in Taiwan. Richard Bush, senior fellow and co-director of the Center for East Asia Policy Studies, moderated a panel with Shirley Lin, David G. Brown, Abraham Denmark and Ryan Hass, on economic challenges, domestic politics, security dynamics, and U.S. policy toward Taiwan.

Upcoming Events

Crashback, the Power Clash between the U.S. and China in the Pacific
Book Launch hosted by CSIS, October 25, 2017
Commentary

North Korea & Sanctions: Why Going After China is a Bad Idea

By Zhan Zhou

During the last two months, the crisis on the Korean Peninsula has quickly escalated as North Korea has ramped up its nuclear and ballistic missile testing. In response, the UN Security Council agreed on September 11th to implement the “toughest-ever” sanctions regime against North Korea. The goal of these sanctions, to quote Joseph DeThomas, is “to slow [its] proliferation programs and steer Pyongyang toward a negotiated reversal of those programs.” Despite this optimistic rhetoric, whether or not this sanctions regime will prove effective in the long run is a large question mark.

To ensure the effectiveness of the new sanctions, the American government seems to have turned its attention to North Korea’s biggest trade partner: China. The U.S. Treasury Secretary Steve Mnuchin intimated that if China fails to comply fully with the primary sanctions against North Korea, he would seek “secondary sanctions” – sanctions targeting at Chinese state-owned business or other large firms, cutting off Beijing’s access to the U.S. financial system. This hostility toward China is shared by many, and is marked by its lack of necessity. Sanctioning China would only be helpful if it served a purpose, that there was a realistic expectation that doing so would induce China to crack down on North Korea. However, it is far from clear that China would be able to do so, even if they wanted to.

The truth is that North Korea is deeply sceptical of the intentions of its Chinese ally, and in recent years, that scepticism has developed into borderline hostility. Consider this. Since the succession of Kim Jong-Un, the dictator has never visited China as his father and grandfather did. On September 22nd, North Korea’s central news agency published a commentary that directly criticized China’s state media People’s Daily for its negative view on the peninsula’s nuclearization. Perhaps the most stunning evidence of a Sino-North Korean chill is that President Xi’s new envoy for North Korean nuclear negotiations, Kong Xuanyou, is unable to travel to Pyongyang to do his job because the North Korean’s won’t let him.

Despite the deterioration of the Sino-North Korean relationship, it is virtually impossible for China to embrace a full trade embargo against North Korea. From a national security standpoint, there is only one thing that China fears more than a nuclear North Korea, and that is the collapse of the North Korean regime. If the Kim Jong-Un regime were to fall, millions of north Korean refugees would pour across China’s southern border, destabilizing the region and placing an enormous financial burden on Beijing. It would also mean that the nuclear weapons that Pyongyang already has would be up for grabs, right in China’s back yard. China’s nightmare scenario though, is that a collapse of the North Korean regime would bring about Korean unification on South Korean terms. This would bring one of America’s strongest military alliances right to China’s doorstep, a scenario that Beijing will seek to avoid at all costs.

Thus, China can only afford to go so far in sanctioning North Korea. On the one hand, there is a genuine desire to pressure Pyongyang to abandon their nuclear weapons program, but China cannot afford to push them to the breaking point that causes the regime to collapse. And that is precisely what Trump is asking China to do.
In this context, it is irrational and premature to advocate secondary sanctions on China. Furthermore, there is no telling how much harm secondary sanctions could bring to the United States. China would likely retaliate in some fashion to U.S. sanctions, and it is hard to guess how severe they might be. As of August 2017, the U.S. trade balance with China had already amounted to a staggering -$239 billion. Such economic dependence on China is strengthened by the fact that many of the critical goods for national security, such as rare-earth elements, are almost exclusively imported from China. It would be nothing short of a disastrous scenario if, while North Korea entrenches its position as a nuclear armed state, the United States and China are sacrificing their economies through bitter infighting. Initiating secondary sanctions simply misses the point of sanctions.

Speaking from a pragmatic perspective, enforcing sanctions on China would be virtually impossible. As Alex Capri recently highlighted, Beijing would be unlikely to provide accurate documents regarding the targeted companies, and even if they were to go through, the targeted companies could still conduct their business by establishing shell companies. Rather than spending resources on such impractical secondary sanctions, it is more relevant to focus on the primary task at hand, which is freezing the progress of North Korea’s nuclear program. At this crucial moment, the United States and China cannot afford to be distracted by another unhelpful drama.

Washington should pay heed to the fact that China’s North Korean policy is already being reevaluated, rather than issuing unhelpful threats of secondary sanctions. This is evident from China’s support to the most recent round of sanctions at the UN. Notably, North Korea’s test of a hydrogen bomb occurred on the same day that President Xi Jinping presided over the opening of the BRICS summit. This is widely perceived as having been intended to humiliate China, and the insult was ill received. According to Chinese scholar Shen Zhihua, Beijing China should “abandon the stale myths of fraternity that have propped up its support for North Korea … We must see clearly that China and North Korea are no longer brothers in arms, and in the short term there’s no possibility of an improvement in Chinese-North Korean relations.”

China’s increasing impatience with Kim Jong-Un is an opening for the United States to secure China’s cooperation in resolving the crisis on the Korean peninsula. This is the time for the two countries to consider their shared interests, exploring the middle ground on which both of them can stand. This approach holds far more promise than threatening secondary sanctions that are likely to worsen an already tense and rapidly deteriorating situation.

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