Behind the NSG and Six Party Talks
Chinese Strategic Interests

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The Institute of Peace and Conflict Studies (IPCS), established in August 1996, is an independent think tank devoted to research on peace and security from a South Asian perspective.

Its aim is to develop a comprehensive and alternative framework for peace and security in the region catering to the changing demands of national, regional and global security.
The Indo-US nuclear deal evoked different reactions from the East Asian countries where another nuclear issue has taken priority. While the East Asian countries supported the pro-India consensus at the Nuclear Supplier’s Group (NSG), they are simultaneously making efforts to ‘denuclearize’ North Korea. China, Japan and South Korea are member of the NSG and also participants in the Six-Party Talks (SPT) with the US, Russia and North Korea. Japan and South Korea’s support for the Indo-US nuclear deal can be attributed to their alliance with the US. However, given that China is a de-facto ally of North Korea and its awkward historical relations with India; its responses require consideration from various angles.

I
THE NUCLEAR SUPPLIERS GROUPS
CHINESE STRATEGY

The Indo-US nuclear deal highlights the bilateral relationship between the two countries. Its essence lies in separating India’s military and civilian nuclear facilities, and placing the latter under the International Atomic Energy Agency (IAEA) safeguards, after which India can commence nuclear technology cooperation with other countries. On 1 August 2008, the IAEA approved the safeguards agreement with India. Following this, the US government sought an India-specific waiver from the NSG to allow nuclear trade and technology transfers. The NSG required a consensual decision for allowing the waiver. The effort to persuade the 45 member nations to grant the same however, was a daunting task, in addition to the problems thrown up by American and Indian domestic politics. On 6
September 2008, the NSG finally approved the deal, allowing India to commence nuclear trade with other countries.

Initially, China’s diplomacy in the NSG appeared silent. While not openly opposing the deal, China backed the Group of Six (G-6: Austria, Ireland, the Netherlands, New Zealand, Norway and Switzerland) which, until the eleventh hour, was opposed to the American proposal to allow a special exemption for India. Consensus was finally reached when the Netherlands, Norway and Switzerland conveyed their assent to the US and Japan gave up its opposition, followed by China and then the last three. Though there are some views which suggest that China delayed responding positively to the deal owing to its annoyance with the US for taking China for granted by not consulting with it about the deal; other opinions suggest that Beijing’s procrastination derived from its hostility towards the US. While it remains uncertain whether the Chinese position was constructive, as claimed by its government; eventually, China did approve the deal.

The North Korean nuclear crisis recurred in 2003 after it restarted the reprocessing of 8,000 fuel rods for plutonium extraction. With the start of the second crisis, the SPT, involving the two Koreas, the US, Russia, Japan and China, were arranged, to find a peaceful solution. As the SPT geared up to end the nuclear program, North Korea promised to dismantle its nuclear program in 2007 in return for diplomatic benefits and energy aid, in addition to being delisted from the ‘terrorist list’ of the US. The road to resolving the nuclear crisis in the Korean Peninsula has been difficult, with continuous quagmires placing progress in peril. North Korea removed 100 seals and 20 cameras and other surveillance equipment set up by the IAEA under the ‘action for action principle’¹ in August to express dissatisfaction with the US for having failed to delist North Korea from its terrorist list. On 13 October, the North finally allowed nuclear inspection of its Yongbyon nuclear complex² in tandem with the Bush administration agreeing to remove the North from its terrorist list.

By hosting the SPT and establishing the office for resolving the Korean Peninsula issue,³ and engaging in shuttle diplomacy for resolving the second nuclear crisis, China has been actively involved in the process of denuclearization. Through its active response, China has clearly shown its interest in denuclearizing the Korean Peninsula.

II
TWO NUCLEAR ISSUES
SIMILARITIES IN CHINESE PERCEPTION

Despite China’s differing responses to the Indo-US Nuclear Deal and the North Korean issue, there is a clear similarity between them. Chinese perceptions have been shaped in response to the US grand strategy towards the international order.

The Indo-US Nuclear Deal

The Indo-US Nuclear Deal is understood by many Chinese scholars as the US encirclement of China by drawing India closer to it, as part of its containment policy. On 9 September 2008, in an

1 Under the aegis of the Six-Party Talks, the US, South Korea, China, Russia and Japan have agreed to take steps to fulfill their commitments in tandem with actions taken by North Korea to fulfill its commitment to denuclearization.

2 This is the site of the North Korean Radiochemical Laboratory of the Institute of Radiochemistry, the Nuclear Fuel Rod Fabrication Plant, and a storage facility for fuel rods.

3 Feeling it necessary to handle the crisis effectively Beijing, based on its assessment of the current situation, established the office that would take responsibility for the nuclear program. The office came into being in January 2004, bringing 8 experts respectively from each of the foreign relations departments.
interview with Xinmin wang, Shen Dingli, director and professor, Center of American Studies at Fudan University and Sun Shihai, director of the South Asia Research Center of Chinese Academy of Social Sciences (CASS), commented that the Deal was part of a united containment policy against China.² Prof. Shen had already expressed the view on 7 September 2008 that Indo-US nuclear cooperation could not provide much benefit to India. Rather, he argued, it made India lose face. Nevertheless, the reason for India and the US to cooperate with each other stems from their geostrategic calculations of containing China.⁵ Hu Shisheng, director, South Asian Studies at the China Institutes of Contemporary International Relations (CICIR), in an interview on 5 March 2006 to Huashang wang said, “President Bush actually draws India closer to the US whether in the military or the nuclear field. . . the US wants India to became one of its strategic wings just like Japan, Australia, to constrain China.”⁶ Similar views were expressed in the article, “An analysis of the American-India Relations and its influence on China” by Prof. Wei Ling, of the China University of Social Sciences and Law, who insisted that the US wanted to have a close relationship with India to help with its grand strategy for handling world affairs.⁷

Li Shuangjin and Wen Xuming in their article, “On the triangular relationship of China, India and the US and the Chinese strategic alternatives in the new century,”⁸ and Yan Yuanyuan and Pan Yuanqiang in “The US-India nuclear deal’s strategic interpretation (Meiyin minyong he hezuo xieyi de zhanlue jiedu),”⁹ also argued that the US wanted to constrain China through India. Zhang Li, director of the center for South Asia-West China Cooperation and Development Studies, Sichuan University, considered the deal as having been motivated by the US which regarded India’s nuclear weapons as non-threatening to itself, but as capable of being used against China to prevent another super power’s appearance in the new security order.¹⁰

North Korean Nuclear Crisis

China regards North Korea’s development of weapons as deriving from US hostility and a Cold War mentality which suffocated North Korea by isolating it in the international system. Between 10 to 12

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⁷ Wei Ling “Meiyin guanxi jiqi dui yingxiang” (“An analysis of the US-India relations and their influence on China”), Xuexi yu yanjiu (Social Sciences and Humanities), No. 5, 2007.


November 2005, at the Changshu Institute of Technology, Jiangsu Province, the Chinese Association for Asia-Pacific Studies, Institute of CASS, Jiangsu Academy of Social Science, Jiangsu World Economic Society, and Chang Shu Institute of Technology co-sponsored an annual conference titled, “China and its Periphery Relations Under a Peaceful Environment,” with nearly 100 experts and scholars from some 40 institutes from around China. The consensus was that even though East Asian security cooperation had developed into and entered a practical phase, tensions in the Korean peninsula seemed difficult to ease out, since the US was giving prominence to the DPRK’s missile tests and conventional arms issues. Therefore, ending the Cold War in East Asia was contingent on whether the US, North Korea and Japan could establish diplomatic relations.11 At a CASS and China Asia-Pacific Academy-sponsored forum in Beijing, titled “Review and Prospect for 2003 Asia Pacific Politics and Security Situation,” experts discussed the Asia-Pacific’s ongoing issues, and argued that as the US tries to establish a US-centered East Asia security system, using the pretext of the DPRK nuclear crisis, reconciliation between the South and the North will suffer complications.12

In the publicly broadcast Junshi guancha (Military Observation), the presenter, Wang Yisheng, from the Academy of Military Science, stated, “during the Cold War period, the US employed around 1,500 tactical nuclear weapons, even though North Korea strongly insisted on a nuclear-free Korean peninsula and the US disagreed because of the US’s deep Cold War mentality.”13 Shao Feng, from the Institute of World Economics and Politics, CASS, also stated that the DPRK nuclear crisis started from the early 1990s, because of the US’s and South Korea’s continued “Team Sprit” military training, while the IAEA pushed for investigating North Korean military facilities.14 Li Dunqiu, director of the Division of Korean Peninsula Studies at the Institute of the World Development Center of Development Studies, in an interview with the China Internet Information Center, which is the authorized government portal in China, published by the State Council Information Office and the China International Publishing Group in Beijing, stated, “That’s why the most important part (of solving the nuclear crisis) is of whether the US completely changes its policy towards North Korea or not.”15 Vice Director of the CASS Japanese research center, Jin Xide stated that the main reason for the DPRK nuclear program stems from the US, South Korean and Japanese’s ‘southern three angle’ - alliance, because it threatens the DPRK’s existence. More important is the US’s implicit and explicit threats of a


13 Wang Yisheng on Junshi guancha (Military Observation), broadcast on 1 March 2003, quoted in Haixiezi shengwang (Cross-straits Voice), 6 March 2003.


"preemptive attack." According to Piao Jianyi, Assistant Director and a senior fellow at CASS, the origins of the nuclear crisis are such that,

Before the US asked the DPRK to resolve the nuclear program in 1988, the DPRK had already signed the NPT in 1985. And due to the US' deployment of nuclear weapons in South Korea, the DPRK refused to sign the safeguards agreement. Later, in 1991, when the US got rid of the nuclear weapons in South Korea, the DPRK signed the safeguards agreement and also accepted IAEA's investigations. However, later, DPRK withdrew its membership from the NPT because the US and South Korea conducted the “Team Sprit” exercises. This is how North Korean nuclear crisis has come to the fore.

Piao also added that the Bush Administration spurred North Korea further into isolation through its criticism concerning the DPRK's different political system, labeling the DPRK a member of the “axis of evil” and defining it as an “outpost of tyranny.” His argument ended by questioning why the US was still maintaining a Cold War mentality in its treatment of the DPRK.

III
CHINA'S REASONS: STRATEGIC CALCULATIONS

Despite these viewpoints, the reasons for China going along with the NSG consensus, while simultaneously engaging in efforts to denuclearize the Korean Peninsula, seem like contradictory responses. But they stem from China's strategic choices. Four reasons could help explain these responses.

Relationship with the US

China’s support for the pro-India nuclear deal came not only from its desire to sustain good relations with the US and gain goodwill from India, but also secure its geopolitical interests in these regions. First, and most significantly, it shows that China’s relations with the US played the main role.

As the NSG talks on the waiver extended into the third day on 6 September 2008, and China had still not provided a clear answer, President Bush called the Chinese President, Hu Jintao, asking his country to clear the deal. Nobody knows what the exact content of their conversation was, but one can safely presume that the US sought Chinese cooperation either by reminding it of America’s support for its entry into the NSG or by mollifying China’s concerns about the US’s possible containment policy against China.

Since the 1990s, China has made efforts to join the international nuclear regime. In 1996, it issued a statement promising to make nuclear transfers only under safeguards and in 1997 it joined the Zangger Committee. In 2003 it took more positive steps to join the nuclear regime by publishing a White Paper on “China's Nonproliferation Policy and Measures,” hoping to persuade the West to accept China as a trustworthy partner in the

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18 Piao Jianyi and Huang Xiangrong, “Ruhe kandai Chaoxian” (How to deal with North Korea”), Huangqiu (Globe), No. 22, 2003.

19 It pledged that China did not support, encourage or assist any country to develop WMDs and their means of delivery. It stated that the Chinese government had devoted a great deal of effort to improving non-proliferation export control measures, publicizing the relevant policies and regulations, conducting education for enterprises, and investigating instances of violations. “China’s Non-Proliferation Policy and Measures (2003),” Gov.cn, December 2003, http://english.gov.cn/official/2005-07/28/content_17957.htm.
regime. Following this, on 26 January 2004, China applied to join the NSG, and on 28 May of that year it became a member. This progression however, was not as smooth as it seemed on the surface.

In 2003, China’s support for Pakistan’s nuclear programme was revealed.\(^{20}\) In 2004, China agreed to build a second nuclear reactor at Chashma, despite Pakistan’s violation of the NSG guidelines. Despite these unfavorable circumstances, the major reason why China managed to enter the NSG, was US support. In 2004, when China joined the NSG, it appreciated this as a positive gesture on the part of the US.\(^{21}\) China greatly valued US help at the time and therefore, could be persuaded this time to support the Indo-US Nuclear Deal.

In addition, rather than challenging or becoming the ‘outsider’ in the US-led international regime, China’s decision to remain within it was possibly another reason why China supported the Deal. Huang Ping, director of the Institute of American Studies of CASS, opined that the current transformation of international relations required China to learn from the international system. China had to acquire a good understanding of the international system, making efforts to accommodate itself as a late comer.\(^{22}\) Although until the last minute, China had silently opposed the Deal, in tandem with the G-6 countries; it seems obvious that China also wanted peaceful relations with the US, as long as the latter did not greatly hamper or threaten its ‘vital’ national interests.

**Differing Status of India and North Korea in Chinese Perceptions**

Second, in the international setting, China is differently situated; hence it understands the differences in the situations of India and North Korea. For the former, the nuclear deal has been handled by the NSG at the international level and India is already a de facto ‘have’ country. The deal was not about whether the international community was going to grant a nuclear weapons status to India, but about allowing for civilian nuclear energy to hasten India’s modernization. Though China regards the deal as part of the US strategy to constrain China by drawing India closer, it has claimed to only allow India to acquire nuclear energy and, in the interest of bilateral relations with India, China has also had to make certain diplomatic choices. In comparison, the North Korean issue is about whether the state would be denuclearized or not, especially since it has an international image of being a ‘rogue’ state which frequently violates its citizens’ human rights. Though North Korea, like Pakistan, is a de facto ally of China and a buffer state, to prevent Western influence from entering China’s northern provinces; as a responsible stakeholder and permanent member of the UN Security Council, it had become increasingly difficult for China to ignore or condone North Korea’s open acquisition of nuclear weapons.

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20 In 2003, a retired Pakistani general, Brig. Gen. Feroz Khan while a visiting scholar at Sandia National Laboratories in New Mexico, stated that “One country Pakistan cannot afford to anger at any cost is China...it is certain, we will never do a thing to anger China. We would lose them as a strategic partner.” See David McGlinchey, “Pakistan-North Korea: Former Pakistani General Denies Nuclear Cooperation,” *Global Security Newswire*, 14 May 2003, [http://www.nti.org/d_newswire/issues/2003/5/14/7p.html](http://www.nti.org/d_newswire/issues/2003/5/14/7p.html).


In addition, the nuclear imperialism of the ‘have’ countries can be considered another factor, whereby, nations with nuclear weapons do not allow other countries to acquire them. China, in tandem with the other ‘have’ countries, has been trying to prevent other states from going nuclear.  

**Differences at the Regional Level**

Third, at the regional level, Chinese perceptions of South and East Asia are different. Though South and East Asia are China’s neighbors, when it comes to its geopolitical and strategic thinking, the two regions have different meanings for China. From the perspective of China’s history, its northern and eastern neighbors have usually been more important to China in terms of security than its southern and western neighbors because the former were much closer to China’s political and economic centers. It is also instructive to compare China’s attitude towards India and Japan. China has adopted policies that do not allow other regional powers like India and Japan - both globally acknowledged as powerful players in the international arena – to gain advantage or superiority over China. Pakistan and North Korea’s strategic importance arises from this regional setting. Japan is kept under check by North Korea, and India, by Pakistan.

Despite the similarity between North Korea and Pakistan as close allies of China, both countries also differ in an important respect - while one is a ‘nuclear have’ country, the other is in the process of acquiring nuclear weapons. While Pakistan’s nuclear weapons could help constrain India; North Korea’s nuclear weapons on the other hand, might incite Japan and South Korea to go nuclear, thereby fostering a potentially volatile environment around China.

**China’s Faith in India’s Future Direction**

Finally, at the bilateral level, the Chinese have faith in India’s future role in world affairs. Though China believes that the nuclear deal is part of the US grand strategy for drawing India closer, to contain China, it does not believe that India would follow this strategy. Most Chinese experts are skeptical whether Indians would allow themselves to be drawn into an alliance with the US against China. According to the magazine, *Shijiezhishi* (World. Knowledge), supervised by the Ministry of Foreign Affairs of the People’s Republic of China, it would be hard for India to give up its steadfast and firm position of non-alliance in return for the nuclear deal. India has gexing (“strong personal character”) and it would strongly resist the influence of great power countries in the South Asian region. Fan Mingfang and Hu Suge presented a similar view that although the US wants to constrain China via India and the latter acknowledges this, India does not want to be one of the pieces on America’s international politics chessboard.

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27 Wei Ling, “Ximeiyin guanxi jiqi duihua yingxiang” (“An Analysis of the American-Indian Relations and Its influence on China”), *Jiaxue yu Yanjiu (Teaching and Research)*, No. 5. 2007, p. 71.

IV
CONCLUSIONS

Before the ink on the US-Indo nuclear deal could dry, another nuclear deal was finalized in South Asia, with China agreeing to help Pakistan build two nuclear reactors, which would give Pakistan an additional 680MW of power a year. While Pakistani Foreign Minister, Shah Mahmood Qureshi mentioned very few details of this latest China-Pakistan nuclear deal and Chinese newspapers merely cited foreign media on the issue, there was immense interest in the foreign media with regard to the deal. On 13 October, Qureshi said that the main objective of Pakistani President, Asif Ali Zardari’s visit to China was to strengthen a strategic partnership with China\textsuperscript{29} and suggested that the deal between China and Pakistan would help restore the balance of power in South Asia, following the Indo-US nuclear deal.\textsuperscript{30} Contrary to Pakistan’s loud statements on the latest nuclear deal between China and Pakistan, China has been quicker in terms of action, but verbally more reserved. While the Chinese President, Hu Jintao remained silent on the nuclear deal with Pakistan and there was no official Chinese response or immediate comment on Qureshi’s remarks, the Chinese Foreign Ministry spokesman, Qin Gang, on 21 October, mentioned that China was willing to help Pakistan’s peaceful nuclear program, supervised by the IAEA. However, he did not mention any details of the deal.

It is instructive to compare China’s actions towards Pakistan with those towards North Korea. Even though China strongly criticized the DPRK for conducting its nuclear test in October 2006, China did not stop its assistance and support to the DPRK.\textsuperscript{31} China has never clearly mentioned how much aid it granted or what exactly it gave to the DPRK.\textsuperscript{32} On the surface, even though Chinese actions toward its two de-facto allies have been muted, it has been active in supporting them. This suggests firstly, that China regards the international response as important and values its relationship with the US and India. Second, despite the first implication, it is too early to say that there is a fundamental change in China’s strategic thinking regarding these allies.

Another point to remember is that though China has played an active role in putting an end to the North Korean nuclear program along with other countries, China understands that its role in denuclearizing North Korea would not have succeeded had the latter been truly determined to acquire nuclear weapons.

\textsuperscript{29} “President’s visit to strengthen strategic partnership with China: Qureshi,” Embassy of the People’s Republic of China in the Islamic Republic of Pakistan, 14 October 2008, \url{http://pk.china-embassy.org/eng/zbgx/t517798.htm}.


\textsuperscript{31} Even though it strongly criticized the DPRK for conducting its nuclear test in October 2006, China did not stop its assistance and support for the DPRK. The Korea Trade-Investment Promotion Agency’s (KOTRA) statistics showed that exports of crude oil and grains from China during October to December were more than for the same months of the previous year. In the middle of the second nuclear crisis, China’s border trade and unconditional aid was increased. According to KOTRA, the previous unconditional aid was US$27.56 million in 2000, US$69.13 million in 2001, US$15.97 million in 2002, and US$10.89 million in 2003. However, the so called “additional amount of aid” is hard to estimate.

\textsuperscript{32} “Zoonggoog e musang wonjo eulmana duina” (“How much unconditional amount of money has China given to North Korea?”) \textit{Yon Hap News}, 20 February 2005.