

China-North Korea Economic Cooperation

Panel:	Session 6 (Orchid Room)
Date/Time:	Wednesday, December 12, 2012 / 15:15-16:30
Speakers:	Yin Zhibo, People's Daily (Moderator) Jin Jingyi, Peking University Man Haifeng, Eastern Liaoning University Park Byungkwang, The Institute for National Security Strategy Shi Yuanhua, Fudan University Lee Heeok, Sungkyunkwan University
Rapporteur:	Song Wenzhi, Yonsei University
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Panel Short Summary

Jin Jingyi

Jin Jingyi believes the recent changes in China-DPRK economic cooperation have occurred for the following reasons: 1) China's regional development focus has shifted to the northeast as a result of the Northeast Area Revitalization Plan. However, northeast China is limited by its geography and therefore requires access to North Korean ports. 2) North Korea is also in the process of implementing economic development programs, including the construction of special economic zones. 3) Since the Lee Myung-bak administration took office, relations between the South and North have broken down. This has left North Korea to rely only on China.

As to the character and significance of China-DPRK economic cooperation, Dr. Jin gave the following remarks: 1) Economic exchanges between China and the DPRK could give North Korea the impetus to allow Chinese investment in accordance with the rules of a market economy. Furthermore, engaging in trade exchanges with China would encourage the development of relevant laws and policies in North Korea. 2) The past China-DPRK trade relationship could be compared to periodic transfusions of blood to the regime, but now China stresses that North Korea must keep itself alive. 3) China-DPRK economic cooperation is not a zero-sum game, but rather a win-win relationship. This is a marked change from past

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China-DPRK relations in which political interests took precedence over economic interests.

The geopolitical significance of the Korean Peninsula is seen in the geostrategic clash of the great powers. It is the development of economic relations between China and the DPRK that will help to change the geopolitical environment of the peninsula.

Lee Heeok

Dr. Lee discussed the political factors that should be considered in the economic cooperation between China and the DPRK:

1) The first issue is the dilemma of influence. China holds more influence over North Korea than any other country, and this influence will only continue to grow in the future. However, China has found that when it attempts to apply pressure to the North Korean regime, it tends to then lose its influence altogether.

2) North Korea worries that its dependence on China is too great, thus threatening their security to some degree.

3) China and the DPRK desire to develop different geographic areas. China is more concerned about gaining port access to reduce logistics costs and keep Japan in check, but North Korea hopes to develop the Huangjinping area. China and the DPRK are at odds in their plans for strategic development.

Man Haifeng

On the topic of opening the North Korean economy, Man Haifeng focused on the problems facing China-ROK-DPRK cooperation. He believes that since the 1980s, cooperation has become the theme of social development. However, this type of cooperation requires a premise, and that is to seek common ground while reserving differences. Dr. Man believes that this concept is quite prominent in China-DPRK border cooperation.

Dr. Man also discussed the role of Dandong in the economic cooperation between China and the DPRK. China has launched the Northeast Area Revitalization Plan, but while Liaoning Province's economy has experienced double-digit growth, Dandong has not experienced significant growth. This is primarily due to the security situation at the border,

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and because North Korea's planned economy and the market economy in Liaoning are incompatible. Dr. Man believes that in order to aid China-DPRK economic cooperation, Dandong should play to their unique geographical strengths and serve as a bridgehead between the two countries.

Park Byungkwang

Dr. Park analyzed the background of Sino-DPRK economic cooperation primarily from South Korea's perspective. He believes that the reason China and North Korea are strengthening economic cooperation is related to China's estimation of its resultant strategic value. This comes into focus when considering China's behavior in hoping for North Korean regime stability, settlement of the North Korean nuclear issue, maintaining influence on the DPRK, and guiding North Korea towards reform and opening. This is also related to North Korea's need for China's assistance and exchanges.

Dr. Park also analyzed the significance of Sino-DPRK economic cooperation from South Korea's point of view. He believes that while many South Koreans fear that North Korea could become China's fourth northeastern province, this is basically impossible. This is because North Korea places such great emphasis on the Juche ideal and possesses such a high degree of autonomy.

Finally, Dr. Park stressed that the South Korean government can learn from China's handling of cross-strait relations, focusing first on the economy and later on politics. Following this model can improve ROK-DPRK relations and the economic exchanges of both countries.

Shi Yuanhua

Dr. Shi analyzed four strategic considerations for strengthening Sino-DPRK economic cooperation from China's point of view:

1) Economic cooperation between China and the DPRK has provided new ideas for solving the North Korean nuclear issue. During the Cold War the two Koreas were on an equal footing, but post-Cold War this balance has dissipated. The result has been North

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Korea's development of nuclear weapons to re-balance this relationship. Therefore, China must use economic cooperation to push North Korea forward into the international community. Only this path can gradually allow North Korea to recognize that nuclear weapons have no place in the development of its economy.

2) Cooperation in Northeast Asia should not go without North Korea. Sino-DPRK economic cooperation has begun North Korea's initiation into the cooperation of Northeast Asia.

3) Sino-DPRK economic cooperation is a new sphere for the economic cooperation of the region, as well as a new domain for economic growth.

4) Finally, Dr. Shi touched upon a new model for shaping harmonious diplomacy. The old ROK-US model of 'threat diplomacy' has not solved the issue of North Korea. The United States, Japan, and South Korea must change their thinking in diplomacy.

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