GOING STRAIGHT, BUT SOMEWHAT LATE: CHINA AND NUCLEAR NONPROLIFERATION

Denny Roy

Asia-Pacific Center for Security Studies
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Overview

- Beginning in the 1980s, Beijing earned a reputation for violating its commitments to uphold international nonproliferation norms despite Beijing's own oft-stated position that "China does not advocate, encourage or engage in proliferation of nuclear weapons nor assist other countries in developing nuclear weapons."

- Analysts widely agree that China has demonstrated a more robust commitment to nonproliferation in recent years, including strengthening export control procedures and participating in international nonproliferation regimes.

- Nevertheless, the problem of Chinese nuclear proliferation persists. The focus of attention has shifted from transfers directed by officials as an instrument of government policy to sales by Chinese firms that occur because of gaps in the Chinese domestic enforcement network.

- Although many Americans see China as primarily part of the problem of nonproliferation rather than part of the solution, the Chinese believe their recent efforts qualify them to be considered partners rather than outlaws. This perceptual disjuncture is a point of friction in the U.S.-China relationship.

- China opposes the deployment of nuclear weapons by North Korea, but stability on the Korean Peninsula is a higher priority goal for the Chinese than denuclearization. Beijing has therefore been unwilling to exert stronger pressure, such as economic sanctions, that might result in a collapse of the Pyongyang regime.

- China's continued economic and administrative development, growing stake in international stability, and desire for a positive global reputation should help sustain the present trend of greater Chinese compliance with nonproliferation norms.

In January 2004, China applied to join the Nuclear Suppliers Group (NSG), an international organization of over 40 countries that attempts to regulate nuclear-related trade in order to prevent peaceful nuclear energy programs from contributing to the proliferation of nuclear weapons. China's application, already controversial, coincided with two related developments. In late 2003 and early 2004 the world learned of Pakistani nuclear scientist A. Q. Khan's proliferation network, which was based partly on years of Chinese nuclear assistance to Pakistan. In March, media reports said China had agreed to supply Pakistan with a second reactor at its Chashma facility, apparently in violation of the very NSG guidelines China wanted to sign up to. Debate over China's application brought out the conflicting conventional views of the People's Republic of China (PRC) and nuclear proliferation. According to one view, since China had a record of cheating on its nonproliferation commitments while denying any wrongdoing, allowing China to join the NSG would therefore unjustifiably reward the Chinese and potentially compromise the integrity of an important nonproliferation regime. The opposing view was that China had recently made great efforts to improve its contribution to nuclear nonproliferation, and further progress by China was more likely if international organizations included the Chinese rather than shunning them. Both of

these views have merit. Beijing indeed has a checkered past in the area of nuclear proliferation, but China's evolutionary path suggests this problem is waning.

Many nonproliferation experts argue that China has made serious efforts in recent years to back up Beijing's claims that the Chinese are as opposed to nuclear weapons proliferation as the United States and many other countries. The Chinese have enacted several domestic laws that regulate and restrict the export of nuclear-related technology and material. In 2003 Beijing published a White Paper on "China's Nonproliferation Policy and Measures." The content of the document suggests it was written to persuade the international (and particularly the U.S.) audience that China has addressed their concerns. Lacking the defensiveness and blame-casting rhetoric of past statements on the subject, the White Paper endorses multilateral nuclear transfer control regimes and specifies the roles of various agencies involved in the process and the criteria for granting approval for proposed transfers of nuclear technology.

Analysts praised the White Paper as an important step in the establishment of an effective legal and bureaucratic framework in China for controlling sensitive exports and as an indication that China is increasingly acceptant of international nonproliferation norms. Commentators also recognized, however, that important procedural questions remain unanswered, such as what mechanism ensures that an application for an export license makes its way through a series of agencies with differing areas of jurisdiction. An even larger issue is primarily political rather than procedural: will Chinese authorities abide by their newly-established export-control laws when faced with strong economic or political incentives to circumvent these restrictions?

Nonproliferation Words, Proliferation Deeds

Beijing's original orientation toward nuclear nonproliferation emphasized the right of all countries to build peaceful nuclear energy programs and anticipated opposition from the developed nations to Third World nuclear power aspirations. The Chinese therefore viewed nonproliferation regimes such as the Treaty on the Nonproliferation of Nuclear Weapons (NPT), the NSG and the International Atomic Energy Agency (IAEA) safeguards system as "discriminatory" attempts by the wealthy and industrialized to suppress the poorer countries. This was consistent with the Marxist worldview of the Chinese Communist Party leadership and with China's relative aloofness from what it viewed as a Western-dominated international system that was hostile to the interests of a rising socialist power. China's position also reflected its self-appointed role as leader of the Third World and champion of the interests of the less developed countries.

Even as it criticized international nonproliferation regimes, however, the Chinese leadership professed an opposition to nuclear weapon states sharing the bomb with non-nuclear weapon states and proclaimed that China would assist other countries' nuclear energy programs but not weapons programs. China has engaged in nuclear energy cooperation with at least 20 governments, including countries in both the West and the Third World.

China's engagement with the international economy in the post-Mao reform era saw a widening gulf between China's rhetoric and behavior. The Chinese leadership allowed and even encouraged defense-related industries to sell their products abroad to help raise hard currency. The result was a surge in China's proliferation of nuclear technology and material. At the same time, Beijing set out to maximize its international economic opportunities by cultivating a positive image as a responsible country interested in promoting peace and stability rather than turmoil and revolution. Chinese participation in international organizations demonstrated China's willingness to follow international norms, which was necessary to overcome the inhibitions of some countries toward economic cooperation with China. The Chinese particularly sought nuclear energy cooperation with the advanced

countries, which required Beijing to exhibit support for widely-accepted nonproliferation guidelines.

Consequently, China's policy during the 1980s and 1990s was a contradictory mixture of reasserting support for international nonproliferation norms while repeatedly violating these norms. Evidence pointed to Chinese assistance to nuclear weapons programs in India, Pakistan, Iran, South Africa, Argentina, Brazil, and Algeria. Throughout this period, Chinese officials maintained that "China does not advocate, encourage or engage in the proliferation of nuclear weapons, nor assist other countries in developing nuclear weapons."

In 1984 China joined the IAEA and agreed to partial safeguards over its nuclear exports rather than agreeing to the stronger program of full-scope safeguards (under which a government places all of its nuclear facilities under IAEA monitoring). In 1992 China signed the NPT and incurred the obligation, as a nuclear weapon state, not to abet nuclear weapons proliferation to any non-nuclear weapon state. The NPT also required that any Chinese (peaceful) nuclear technology transfers and their recipient facilities be placed under IAEA safeguards, but did not require that the states importing the technology be under full-scope safeguards.

In 1985 the Chinese and U.S. governments signed a Nuclear Cooperation Agreement (NCA) that, when enacted, would allow American firms to apply for licenses to sell nuclear reactors to China. Implementing the agreement on the U.S. side required the president to certify to Congress that China was not a nuclear weapons proliferator. The desire to gain certification spurred Beijing to take several actions to demonstrate a commitment to nonproliferation. Caught selling ring magnets (used in the process of enriching uranium to weapons grade) to Pakistan, Beijing in May 1996 publicly reiterated its NPT and IAEA commitment that "China will not provide assistance to unsafeguarded nuclear facilities." Beijing addressed U.S. concerns over Chinese nuclear assistance to Iran by promising to quickly phase-out Sino-Iranian nuclear cooperation. Beijing promulgated domestic laws on nuclear and dual-use export controls in 1997 and 1998. The Chinese joined the Zangger Committee, which formulates guidelines on nuclear transfers based on the NPT, in 1997. In early 1998 the Clinton Administration certified that China had met the conditions for enacting the NCA, and American companies began obtaining licenses to supply nuclear reactors to China later that year.

The Chinese further burnished their nonproliferation credentials by releasing the White Paper in 2003, joining discussions of the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Technologies in April 2004, and becoming a member of the NSG in May 2004. This has not, however, convinced all American observers that Chinese nuclear weapons proliferation is no longer a concern. Recent CIA reports note continued suspicion of Chinese assistance to an alleged Iranian bomb program. Stephen G. Rademaker, assistant secretary of state for arms control, said in his testimony to the U.S.-China Economic and Security Review Commission in March 2005 that Beijing's "inability to take action against serial proliferations calls into question China's commitment to truly curb proliferation to certain states."

China, A. Q. Khan and North Korea

Although both the Chinese and Pakistani governments continue to deny it, Chinese assistance was evidently crucial to the development of the Pakistani bomb, dramatically unveiled in 1998 in response to a series of nuclear tests by India. Chinese proliferation to Pakistan, however, had an impact beyond South Asia. It indirectly contributed to the most compelling proliferation issue of the day, which is the crisis over the North Korean nuclear weapons program. China is doubly involved in this issue. Although the Soviet Union was the major supplier in the establishment of Pyongyang's program, the PRC served as a midwife. Now China is the country Washington calls upon to persuade North Korea to give up the bomb.

The material Libya turned over to investigators as part of its agreement to dismantle its nuclear weapons program included a Chinese nuclear warhead blueprint originally given to Pakistan. Evidence from Libya and from follow-on investigations uncovered an international proliferation network run out of the laboratory of Khan, who is lauded at home as the father of the Pakistani bomb. Khan's black market had customers in several countries, including North Korea. The evidence implicating China was so strong that rather than offering the usual denial, PRC Foreign Ministry spokeswoman Zhang Qiyue said "the Chinese side is seriously concerned" and "we are trying to get more information on the issue."

With China assisting missile development in North Korea and nuclear weapons development in Pakistan, these two Chinese clients evidently developed a symbiotic relationship wherein the Pakistanis shared nuclear expertise in exchange for North Korean missile know-how. China's involvement in this secondary proliferation is unknown, but many analysts suspect Beijing at least passively assented. It is unlikely that Chinese intelligence services would not have known about this Pakistani-North Korean cooperation. Furthermore, transport aircraft flying between North Korea and Pakistan would likely have passed over Chinese airspace if not actually landing in China to refuel. The Chinese have also allegedly provided direct assistance to North Korea's nuclear program. According to a *Washington Times* report, in December 2002 a Chinese firm sold to North Korea 20 tons of tributyl phosphate, which can be used to extract weapons-grade nuclear material from spent fuel. (The Chinese government insisted the report was false.)

Since the beginning of the second North Korean nuclear crisis in late 2002, Beijing has reiterated its opposition to nuclear weapons on the Korean Peninsula. In addition to public calls for denuclearization, numerous reports say Chinese officials have pressured Pyongyang to reach a compromise with the United States and other Northeast Asian countries that will result in dismantling of the North Korean nuclear weapons program. If Beijing previously approved of Pyongyang possessing the bomb but now opposes it, this would appear to indicate a shift in China's strategic calculus. From a Chinese standpoint, proliferating to North Korea might have included the following possible advantages: offering security assurance to the Pyongyang regime in the face of its waning conventional military strength relative to South Korea; creating an additional constraint on the exercise of U.S. military power in Northeast Asia; and increasing Chinese influence in Pyongyang (by providing a valuable service to the regime), which Beijing could employ to encourage further economic reform in North Korea.

There are, however, formidable strategic disadvantages of a nuclear North Korea as well, which now appear to hold sway in Beijing. There has always been the risk of bringing on a preventive military conflict between Pyongyang and others in the Asia-Pacific region unwilling to accept a Kim regime armed with nuclear weapons. North Korea's deployment of nukes carries the danger of a nuclear domino effect, with other countries in Northeast Asia seeking to respond in kind. These might include South Korea, Japan and even Taiwan, all of which have the technological capability to build nuclear weapons. Any of these countries going nuclear would be highly unwelcome from China's standpoint. And to the extent that Chinese thinking on nonproliferation has actually converged with that of the United States and other countries with a longer history of supporting nonproliferation regimes, there is the general consideration that any additional country building a nuclear weapons program adds to the danger of a destabilizing global event from which all nations, and particularly a major economic player such as China, would suffer.

Recent developments may have contributed to or reinforced a negative Chinese net assessment of the prospect of a nuclear-armed North Korea. China's relationship with South Korea has greatly improved over the last decade, reducing Chinese worries about the strategic consequences of a Korean Peninsula dominated by Seoul. Some prominent Japanese have recently begun discussing in public fora the question of Japan acquiring nuclear weapons.

The case for Japan going nuclear would be greatly strengthened by a nuclear threat from Pyongyang. September 11 made the United States government less likely to tolerate nukes in North Korea because of the heightened fear the North Koreans might transfer nuclear weapons technology or material to a terrorist group targeting America. The risk of military conflict over nuclear weapons in North Korea has therefore grown since China first contemplated the desirability of Pyongyang having the bomb.

If the North Korean crisis has tested China's commitment to nonproliferation, the results by mid-2005 indicated this commitment was subject to being overridden by a higher-priority objective. In this case, the pre-eminent objective is stability. Beijing has considerable influence in Pyongyang because of North Korea's heavy reliance on economic and diplomatic support from China. U.S. officials have called on Beijing to exert greater pressure on the Kim regime to give up its nuclear weapons program. U.S. Ambassador to South Korea Christopher Hill said in May, "[T]here is enough influence there that [the Chinese] should be able to convince a country that they call a very close friend . . . to come to the table, and they haven't done it." Some Americans have suggested China could bring the crisis to a quick end by discontinuing its supply of energy and food to the North Koreans until they comply. The Chinese, however, are unwilling to take measures they fear might push the regime toward collapse. Such a collapse is a nightmare scenario for China, likely to create huge economic costs and political uncertainties. Beijing has therefore consistently opposed moves toward levying economic sanctions against North Korea.

Impact on U.S.-China Relations

The issue of Chinese nuclear proliferation has been a point of contention in the U.S.-China relationship, but paradoxically it has also spurred bilateral engagement. From the American perspective, nonproliferation has been one of the areas in which securing Chinese cooperation is necessary to the fulfillment of U.S. global objectives. For the Chinese, the possibility of decreased proliferation has been a potential bargaining chip as it has sought enhanced cooperation with the United States. On several occasions, what the United States would consider progress or lack of progress by the Chinese on this issue has reflected the larger state of bilateral relations.

The U.S. government's concerns about Chinese nuclear proliferation persist. The Bush Administration's position, reiterated in March 2005 by Stephen G. Rademaker, Assistant Secretary of State for Arms Control, is that "Beijing has taken important steps to strengthen its nonproliferation laws and polices, [but] more work remains to be done by Beijing toward effective and consistent implementation and enforcement of its laws and policies. Unacceptable proliferant activity continues." Washington continues to impose sanctions on Chinese companies, some of which are state-owned, over the proliferation of technologies related to weapons of mass destruction.

This creates a glass-half-full versus glass-half-empty perception problem. For many Americans, China is still basically a proliferation outlaw state despite the recent improvements. Hence the opposition in some quarters to China joining the NSG. Chinese officials involved in the nonproliferation issue are resentful that Americans are, in the Chinese view, unappreciative of China's efforts to create an export control system and to support international regimes. Many Chinese analysts argue that lingering Chinese proliferation problems stem mostly from the private sector rather than from a government-sanctioned policy of cheating on commitments. They say enforcement is a difficult challenge given China's huge economy, the rapid changes being brought about by economic liberalization, and lack of knowledge among traders of which technologies are considered sensitive.

Americans who assume they occupy the moral high ground on the proliferation issue might be surprised by some Chinese attitudes. The Chinese believe they have more credibility within the developing world than does the United States because China has consistently stood

up for the rights of the poorer countries to break the nuclear "monopoly" and because, the Chinese say, America enforces nonproliferation norms selectively—winking at the nuclear ambitions of a friendly country such as Israel but insisting that hostile countries such as Iran and North Korea must not have nuclear weapons. Beijing has also expressed reservations about the U.S.-sponsored Proliferation Security Initiative, questioning the legality of intercepting shipping in international waters on the strength of suspicions based on U.S.-supplied intelligence.

Generally speaking, the desire to gain the benefits of improved relations with the United States and of a favorable international image has gradually prodded Beijing to move through different phases of nonproliferation policy. Initially China rejected participation in international nonproliferation regimes, characterizing them as part of a hidden agenda to deny nuclear energy to the developing world. Later China sought to enjoy the international respectability that came with committing to support international nonproliferation guidelines, while at the same time reaping the under-the-counter political and economic benefits of violating these guidelines. This proved unsustainable, as the accumulation of evidence of Chinese cheating harmed China's image and opportunities for increased cooperation with the United States and other countries that value nonproliferation. In the present phase of this evolution in Chinese policy, the government has made serious efforts to curtail nuclear proliferation proscribed by widely-accepted international guidelines, and some Chinese officials appear dedicated to supporting in deed the nonproliferation principles often proclaimed by Chinese authorities since the 1980s.

In sum, one of the long-standing areas of bilateral friction may recede because of the apparent trend toward greater Chinese alignment with international nonproliferation norms. The modernization of China's economy, the continued development of the Chinese legal infrastructure, and the global outlook engendered by China's rise to great power status should reinforce this trend. In specific cases, however, the North Korean crisis shows that even if Beijing's commitment to nonproliferation is presumed to be sincere, it remains subject to being compromised by competing, higher-ranked political or economic interests.