

Responding to Change on the Korean Peninsula

Impediments to U.S.-South Korea-China Coordination

A Report of the CSIS Freeman Chair in China Studies

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Bonnie S. Glaser
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ACKNOWLEDGMENTS

The authors would like to thank all the organizations and individuals who provided assistance and support to this project. In particular, we would like to thank the Smith Richardson Foundation, whose generous support helped to make this project possible. We also wish to thank all the individuals in China, the Republic of Korea, and the United States who provided their valuable perspectives on this sensitive topic. Additionally, we are grateful to Michael Finnegan, senior research associate at the National Bureau of Asian Research; Michael Swaine, senior associate in the China Program at the Carnegie Endowment for International Peace; and Jonathan Pollack, professor of Asian and Pacific affairs at the Naval War College, all of whom provided comments and invaluable suggestions on the draft manuscript. We would also like to thank Lee Ridley, research assistant and program manager for the Freeman Chair, for his administrative and logistical support. Finally, we would like to thank our colleagues at the Center for Strategic and International Studies and at the Asia Foundation who have helped to make this project a success, especially CSIS Japan Chair Michael Green, CSIS Korea Chair Victor Cha, and CSIS Freeman Chair Charles Freeman.



EXECUTIVE SUMMARY

Recent events in the Democratic People's Republic of Korea (DPRK) demonstrate that stability and regime survival are not guaranteed. Kim Jong Il's deteriorating health has led to speculation of coming leadership struggles, while currency revaluation and tightened international sanctions have resulted in runaway inflation, shortages of goods, and reports of unrest in a totalitarian nation with few prior episodes of dissent. North Korea's continued decline and the possibility that the country might eventually become a failed state pose threats to regional security and economic prosperity. Absent coordination of an effective response to spillover effects from possible instability in North Korea, the actors most directly involved, namely China, South Korea (Republic of Korea, or ROK), and the United States, are unlikely to build the mutual understanding necessary to stabilize the region and lay the basis for cooperative security over the long term.

Cooperation among China, South Korea, and the United States on North Korean contingency response has been hobbled by impulses toward political, strategic, and economic competition. The root causes of these impediments to cooperation are differing interests and approaches regarding North Korea. Chinese interests toward North Korea are peace, stability, the maintenance of a non-hostile relationship with its neighbor, and denuclearization. South Korea's interests are peaceful coexistence, dominance of the South Korean system during integration and eventual reunification of the Korean peninsula, the extension of South Korean influence in North Korea, denuclearization of the peninsula, and the continuation of a security relationship with the United States even after Korean reunification. The United States is tied to the future of the peninsula through its treaty commitment to the defense of the ROK, its interest in nonproliferation, and its increasingly important relationship with China.

Mutual suspicions also hamper cooperation. China harbors numerous suspicions about South Korean and U.S. intentions toward the North. It worries that South Korea may use instability as an excuse to push for reunification; that the ROK may seek to inherit the DPRK's nuclear weapons program; that the target of the U.S.-ROK alliance is China; that the allies would use a unified peninsula as a base for military operations in the Taiwan Strait; that the United States would station troops on China's border; and that the United States would reunify the peninsula to further its "encirclement" of China. South Korea's concerns and suspicions about Chinese intentions toward the North also inhibit enhanced multilateral cooperation. South Koreans suspect that China prefers the two-Korea status quo and would oppose any attempt at ROK-led unification. They also worry about increasing Chinese economic influence in North Korea and believe that China would use its influence to support a teetering DPRK regime in order to maintain stability. American analysts continue to debate whether China has ambitions to dominate the region at the expense of U.S. influence and military presence, including on the Korean peninsula.

This report proposes a set of policy recommendations for the United States, South Korea, and China requiring unilateral, bilateral, and trilateral actions that are aimed at ameliorating mistrust

and enhancing prospects for dialogue and cooperation on security issues, including coping with instability in North Korea. The key to building mutual trust is for each nation to identify potential common areas of interest regarding the principles and conditions that are needed to promote stability in North Korea and the region. On this basis, it should be possible for each to provide reassurances to the other parties about intentions and plans for responding to North Korean instability. Undertaking this effort will also likely increase the three nations' ability to more effectively coordinate and cooperate on other matters relating to North Korea, particularly denuclearization.

Our policy recommendations include the following:

- Discussions about responses to North Korean instability should be premised on the understanding that instability is possible, that it is undesirable for all the parties of the region, and that shared interests in stability and denuclearization constitute a basis for cooperation.
- The United States, the ROK, and China should discuss the circumstances under which foreign military intervention would be necessary and agree that international coordination is desirable prior to the deployment of any forces into North Korean territory.
- The three nations should affirm their shared interest in the comprehensive and verifiable denuclearization of the Korean peninsula and agree that all secured weapons of mass destruction (WMD) materials would be destroyed or removed from the peninsula in the event of a collapse of the DPRK government.
- To the extent possible, the United States and the ROK should increase the transparency of their joint plans to mitigate Chinese suspicions about this process and its effects.
- Beijing should be more forthcoming about its treaty obligations to North Korea; the circumstances under which Beijing would deem it necessary to dispatch forces to North Korea; and whether China would coordinate with the United States and the ROK for humanitarian relief operations and to locate and destroy WMD.
- The leaders of the United States, China, and South Korea should agree to the necessity and importance of coordination, and the three governments should establish “whole-of-government” task forces to address issues related to North Korean instability.
- All three parties should commit to maintaining the confidentiality of all coordination efforts.
- Japan's top leaders should be informed about the outcome of trilateral discussions.
- The United States should encourage China and the ROK to discuss complementary bilateral approaches to engage North Korea economically.
- The United States and the ROK should clearly define the twenty-first century missions of the alliance beyond the peninsula to assuage Chinese concerns about an alliance role in a Taiwan contingency.
- Regardless of the outcome or progress of a dialogue focused on North Korean instability, the three nations should agree to discuss the necessity of coordination to ensure effective emergency humanitarian relief operations.



RESPONDING TO CHANGE ON THE KOREAN PENINSULA IMPEDIMENTS TO U.S.-SOUTH KOREA- CHINA COORDINATION

Introduction

The decades-long North Korean nuclear crisis has led to unprecedented levels of multilateral cooperation among the major powers of Northeast Asia, exemplified by the Six-Party Talks process. These efforts have helped to develop a coordinated response to North Korea's nuclear program while at the same time building nascent mutual trust between the parties on nuclear issues. This cooperation, however, has focused entirely on denuclearization, given concerns that a nuclear North Korea could exacerbate existing security dilemmas in the region and could unhinge global efforts to halt nuclear proliferation.¹ To this point, other troubling North Korea-related questions—most importantly, how the major parties of the region would respond to potential North Korean instability—have been left unanswered.

Just as a nuclear North Korea could destabilize the region, an unstable or collapsing North Korea could lead to profoundly troubling consequences for its neighbors and others in the region. The immediate consequences of instability in North Korea are huge, including massive refugee flows into both China and the Republic of Korea (ROK), insecure weapons of mass destruction facilities and materials (“loose nukes”), and possible uncoordinated military actions in the North by South Korea, China, and the United States. Recent events in the Democratic People's Republic of Korea (DPRK) demonstrate that stability and regime survival are not guaranteed. Kim Jong Il's deteriorating health has led to speculation of coming leadership struggles, while currency revaluation and tightened international sanctions have led to runaway inflation, shortages of goods, and reports of unrest in a totalitarian nation with few prior episodes of dissent.² North Korea's continued fragility and the possibility that the country might eventually become a failed state are factors that could put the security and economic prosperity of the region at risk. Absent coordination of an effective response to spillover effects from possible instability in North Korea, it is unlikely that China, South Korea, and the United States will be able to build the understandings that will ultimately be necessary to stabilize the region and lay the basis for cooperative security over the long term.

Despite signs of DPRK instability, the parties most directly concerned, namely China, South Korea, and the United States, as the guarantor of South Korean security, remain constrained in their ability to prepare for the worst in North Korea. Coordination is hobbled by impulses toward

1. Scott Snyder, “The Korean Peninsula and Northeast Asian Stability,” in David Shambaugh and Michael Yahuda, eds., *International Relations of Asia* (Lanham, MD: Rowman & Littlefield, 2008), pp. 270–271.

2. Paul Stares and Joel Wit, *Preparing for Sudden Change in North Korea*, Council on Foreign Relations Special Report No. 42 (January 2009); International Crisis Group (hereafter ICG), “North Korea under Tightening Sanctions,” Asia Briefing No. 101, March 2010, p. 1; Choe Sang-Hun, “Economic Measures by North Korea Prompt New Hardships and Unrest,” *New York Times*, February 4, 2010, A4.

economic, strategic, and political competition over North Korea, and lack of mutual trust inhibits more active cooperation to address these issues. Beijing recognizes the inherent dangers in the prevailing situation, but its leaders still prefer the status quo, two-state peninsula. The Chinese worry that the process of change would be destabilizing; they are uncertain about whether Chinese interests would be protected under alternative arrangements and thus want to avoid any change in the balance of power in the region that would be detrimental to China. South Korea is hesitant to discuss how to manage the consequences of instability in North Korea with major power neighbors out of fear that such discussions would invite unwanted intervention or other limitations

that might thwart Korean hopes for eventual reunification. As for the United States, it is tied to the future of the peninsula through its treaty commitment to the defense of the ROK, its interest in nonproliferation, and its increasingly important relationship with China.

Whether these three countries cooperate or face conflict with one another in managing potential North Korean instability will likely influence the prospects for long-term stability in Northeast Asia.

Whether these three countries cooperate or face conflict with one another in managing potential North Korean instability will likely influence the prospects for long-term stability in Northeast Asia. Discussing interests and concerns regarding the effects of North Korean instability would certainly help the United States, China, and South Korea to better coordinate their actions in the event of contingency response. Moreover, enhanced cooperation and understanding will help to promote greater mutual trust among the three nations and improve their ability to effectively engage North Korea in diplomatic negotiations over denuclearization.

How can U.S. policymakers promote sufficient mutual trust among China, South Korea, and the United States to enable discussions to begin on the consequences of instability in North Korea and possible cooperative responses? To answer this question, this report will first explore Chinese and South Korean interests regarding North Korea, focusing on how those interests affect each nation's approach to managing the challenges posed by Pyongyang. Although Japan and Russia also have interests at stake in North Korea and should be included in future discussions, the major actors are likely to be China, South Korea, and the United States, and therefore this report will focus solely on those countries. The report then considers the impediments to cooperation on responses to possible instability in North Korea for both China and South Korea, which are deeply rooted in suspicions about the intentions of the other powers. Finally, the report (1) examines implications for U.S. policy as Washington attempts to promote regional cohesion as the basis for addressing the North Korean nuclear issue and (2) proposes recommendations for easing mutual suspicions to lay the groundwork for forging closer cooperation.

Chinese Interests and Approach to North Korea

Four primary interests on the peninsula dictate China's approach to North Korea: maintaining peace; ensuring stability; averting a hostile presence in the North; and promoting denuclearization.

The first two interests are inextricably linked in Chinese thinking; without peace on the periphery, Chinese stability and development cannot be guaranteed. Memories of the Korean War continue to haunt many in China today and influence policy making. During that bloody conflict, China fought alongside North Korea and suffered heavy casualties. The Korean War is also remembered as having persuaded the United States to block Chinese reunification with Taiwan, which has severely affected Chinese interests until today. Chinese experts insist that Beijing seeks to avoid circumstances in which it might have to again dispatch troops to Korea. Given that the 1961 Sino-North Korea Treaty of Friendship, Cooperation, and Mutual Assistance obligates China to provide military assistance in the event of unprovoked aggression against North Korea, any conflict on the peninsula could quickly draw in Beijing. Due in part to this concern, Chinese leaders are determined to prevent any outside aggression toward North Korea.³

Instability in North Korea, whether triggered by internal or external forces, would quickly affect the stability, prosperity, and development of China's northeastern provinces. A peninsular crisis would hurt Chinese production, liquidity, foreign direct investment, and trade, and it would adversely influence the huge Sino-South Korean trade relationship by diverting economic resources into North Korea.⁴ Another Chinese fear is that North Korean instability would lead to destabilizing refugee flows into China. Shen Dingli, director of the Center of American Studies at Fudan University, writes, "The nightmare of Korean refugees pouring into China is not theoretical."⁵ In the mid-1990s, when North Korea experienced a severe famine, tens and possibly hundreds of thousands of refugees flowed into China's Yanbian Korean Autonomous Region.⁶ China's recent experiences with refugees from Burma have only reinforced this concern. Referring to the August 2009 incident when Kokang refugees fled into China's Yunnan province, one Chinese interviewee said, "We learned that if there is a clash in a neighboring country, then large numbers of people will swarm into China. It can cause long-term trouble for our side."⁷

China's third interest is to avoid the presence of a hostile country on or near its border. This includes either the occupation of the peninsula by a potentially hostile foreign power or the deterioration of Sino-North Korean relations. Either situation could undermine the regional balance of power in Northeast Asia, and the Chinese worry that their interests may not be protected in a newly emerging power configuration. The fear that China's relationship with Pyongyang could turn sour is a factor influencing Chinese policy, although it is rarely discussed. In the wake of North Korea's first nuclear detonation, Central Party School scholar Zhang Liangui maintained

Four primary interests on the peninsula dictate China's approach to North Korea: maintaining peace; ensuring stability; averting a hostile presence in the North; and promoting denuclearization.

3. Bonnie Glaser, "China's Policy in the Wake of the Second DPRK Nuclear Test," *China Security* 5, no. 2 (Summer 2009): 1-11.

4. ICG, *China and North Korea: Comrades Forever?* Asia Report No. 112, February 2006, p. 12.

5. Shen Dingli, "Cooperative Denuclearization toward North Korea," *Washington Quarterly* 32, no. 4 (October 2009): 178.

6. Drew Thompson, "Border Burdens: China's Response to the Myanmar Refugee Crisis," *China Security*, Issue 15 5, no. 3 (2009): 17.

7. Private interview with Chinese think tank researcher, Beijing, October 2009.

that “unequivocal opposition from China toward the DPRK is bound to cause vicious reprisal from North Korea.”⁸ In a commentary in *Huanqiu Shibao*, Wang Linchang from the Korean Peninsula Research Institute at the Chinese Academy of Social Sciences (CASS) writes, “If we overemphasize the impact of North Korea’s nuclear program on our security and consequently change our existing policy toward it, thereby causing relations between China and North Korea to deteriorate, North Korea may then become a threat to China.”⁹ Despite approving tough sanctions against the North in June 2009, Chinese officials have since “counterbalanced” that action with statements stressing the importance of friendly bilateral ties with the DPRK as well as actions to bolster the relationship.¹⁰ For example, Hu Jintao told a North Korean delegation in February 2010, “Under the current complicated and changeful international situation, it is in the fundamental interests of the two [Chinese and North Korean] peoples and also benefits peace, stability, and prosperity of the region and the world to further promote friendly exchanges and expand pragmatic cooperation between the two countries.”¹¹

China’s final interest on the Korean peninsula is denuclearization. North Korean nuclear weapons do not directly threaten China, but they have the potential to destabilize Chinese, regional, and even global security in numerous ways. First, the testing of weapons near China’s border would threaten Chinese stability if an accident occurred. Zhang Liangui warned in an article published in a Ministry of Foreign Affairs journal that an accident connected with a DPRK nuclear test would pose an “unprecedented danger” to China because of the proximity of the DPRK’s nuclear test sites to the Chinese border. He argued that such an accident would cause “serious harm” to China’s eastern coast and scuttle plans for reviving economic growth in its northeastern provinces.¹² Other prominent Chinese foreign policy experts, including Sun Zhe of Qinghua University, have argued that the nuclear tests have already had a profoundly negative ecological impact on China.¹³

Second, Pyongyang’s nuclear development threatens the current security balance in the region, something that Beijing holds dear. If the DPRK’s nuclear program advances, Japan and South Korea could feel compelled to develop nuclear weapons if they lose confidence in the U.S. nuclear umbrella, a worst-case scenario that could lead to a spiraling security dilemma in the region.¹⁴

8. Zhang also notes that “the worst outcome of the North Korean nuclear issue would be a secret American-North Korea deal. Such a solution could hinder both the goal of denuclearization and would not ensure that North Korea remains a friendly neighbor. See Zhang Liangui, “Coping with a Nuclear North Korea,” *China Security*, Issue 4 (Autumn 2006): 11, 16.

9. Wang Linchang, “The Tone of China’s Policy toward North Korea Must Not Change Just Because It Conducted Another Nuclear Test,” *Huanqiu Shibao*, June 12, 2009, authors’ translation, Open Source Center (OSC), CPP20090618710003.

10. Michael Swaine, “China’s North Korea Dilemma,” *China Leadership Monitor*, no. 30 (Fall 2009): 5–6.

11. “China Stresses Friendly Ties with DPRK as Its ‘Consistent Policy,’” *Xinhua*, February 23, 2010, OSC, CPP20100223968215.

12. Zhang Liangui, “Reality Starts to Teach Everyone a Lesson,” *Shijie Zhishi*, June 16, 2009, OSC, CPP20090619587001.

13. “Can the ‘Nuclear Umbrella’ Ensure Security on the Peninsula?” *Jin Ri Guan Zhu*, June 16, 2009, OSC, CPP20090617073001.

14. Yu Sui, research fellow from the Research Center on China’s Contemporary World Studies, argues, “The most disastrous consequence of the DPRK’s nuclear test is that it may trigger chain reactions among its neighbors.” Chia Lei, “A PRC Scholar Says that China Sticks to Its Original Just Stance on the DPRK Nuclear Issue,” *Ta Kung Pao*, October 10, 2006, OSC, CPP20061010710013.

Both nations have already taken steps to construct ballistic missile defense systems to counter the North Korean threat, thus altering the strategic landscape of Northeast Asia in ways that are detrimental to Chinese security.¹⁵

Third, the North Korean nuclear issue threatens global nonproliferation efforts and the future success of the Non-Proliferation Treaty (NPT). Acceptance of North Korea's nuclear program could provide precedent for other insecure states, such as Iran or even Burma, to begin or accelerate nuclear weapons production. Finally, Beijing is concerned that Pyongyang may sell or transfer nuclear material, technology, or expertise to other nations or non-state actors. Aside from fearing the obvious consequences of proliferation, the Chinese worry that the transfer of nuclear material would prompt harsh international reaction and might even provide the pretext for U.S. and/or South Korean use of force against the North.¹⁶

Given these interests, North Korea has put China in a difficult position with no clear path to success. On the one hand, because of the priority accorded to stability, China wants to maintain the political status quo, as a DPRK crisis could spill over into China and trigger the demise of the North Korean state without sufficient Chinese influence to shape the process and outcome. On the other hand, the Chinese have come to view a nuclear, unstable, and unpredictable DPRK as a danger to Beijing. China wants to denuclearize the North because nuclear weapons on the peninsula could lead to nuclear proliferation, military intervention, or an alteration of China's strategic environment, all of which would damage Chinese interests. To achieve denuclearization, greater pressure by Beijing on the DPRK is necessary but could easily destabilize the North or permanently affect Sino-DPRK relations, both of which possibilities are against Chinese interests.¹⁷ Thus, despite the threats to Chinese interests posed by North Korea's nuclear weapons, denuclearization can only be pursued under the premise that the other three interests are protected: peace, stability, and avoiding a hostile relationship with China's neighbor.

This quagmire has led to an open debate among China's foreign policy community as to how the country should approach the North Korea situation. Although views of Chinese scholars on this subject are complex, the debate can be generalized as revolving around two schools of thought: whether North Korea is a strategic asset for China or whether it is a strategic liability. The traditional view, held by conservatives and military thinkers, is that the status quo of a divided peninsula serves Chinese interests in peace and stability, and that any change in the status quo would be more detrimental to China's interests than would a nuclear North Korea. Scholars supporting this view argue that "the tone of China's policy toward North Korea must not change just because it is in possession of nuclear weapons."¹⁸ These scholars also tend to emphasize friendly relations with North Korea and even go so far as to blame the United States for intensifying North Korea's insecurity, thereby compelling Pyongyang to protect itself by developing nuclear weapons. For example, Liu Jianguo, a leading Japan expert from Qinghua University who formerly worked at the China Institutes of Contemporary International Relations (CICIR), has frequently

15. U.S. Department of Defense, *Ballistic Missile Defense Review Report* (Washington, D.C.: Department of Defense, February 2010), pp. 32–33.

16. Zhang Haizhou and Zhang Xin, "China Plays Down Visit Delay," *China Daily*, June 3, 2009, OSC, CPP20090603167003; Glaser, "China's Policy in the Wake of the Second DPRK Nuclear Test," pp. 5–6.

17. Swaine, "China's North Korea Dilemma," pp. 8–9; Glaser, "China's Policy in the Wake of the Second DPRK Nuclear Test," pp. 5–6.

18. Wang, "The Tone of China's Policy toward North Korea Must Not Change."

argued that China should not push the North too hard, saying after the May 2009 nuclear test “no move should be taken to subject the DPRK to threat; instead, considerations should be given to the DPRK’s security concerns as well as its external security environment.”¹⁹

This strategy was widely espoused prior to the October 2006 nuclear test. Since then, however, a growing number of Chinese scholars and policymakers have argued that the DPRK is increasingly a strategic liability to China because its provocative behavior and nuclear development threaten peace, stability, and security.²⁰ For example, Wang Zaibang and Li Jun, both from CICIR, write in the institute’s monthly journal that China should not unquestioningly support its friend’s “unscrupulous” behavior. “China resolutely supports the DPRK’s reasonable security concerns, development interests, and all legitimate interests, but it cannot support in an unprincipled way the DPRK’s moves in stubbornly following its own course and heightening regional tension,” they maintain.²¹ Similarly, in a *Global Times* article, Sun Zhe calls on his government to reexamine its North Korea policy, saying, “There is no need for China to maintain its past policy toward its trouble-making neighbor any longer.”²² For Chinese policymakers, this growing debate has only complicated the future decisions they must make toward North Korea.

The lack of good policy choices afforded to Beijing due to its conflicting interests has led China to adopt a multipronged approach to North Korea. In the short term, China hopes to convince all parties to continue the use of diplomatic means to denuclearize North Korea while supporting limited sanctions that can pressure the DPRK to return to negotiations. Indeed, Beijing has recognized that a policy that relies solely on positive incentives is unlikely to succeed and has accepted the positive role that sanctions and other forms of pressure can play in influencing North Korea’s calculus. Nevertheless, growing signs of instability in North Korea have heightened Chinese concerns and reduced Beijing’s willingness to push its denuclearization objective more forcefully.

After the April 2009 missile launch, China convinced the United States, Japan, and the ROK to accept a strongly worded but non-binding presidential statement against the launch in place of a binding United Nations Security Council (UNSC) resolution.²³ In May 2009, after the North’s second nuclear test, China condemned the action and agreed to impose targeted sanctions against the DPRK’s military and nuclear sectors.²⁴ Since then, Chinese officials have looked to calm all sides and bring the parties back to the Six-Party Talks, a mechanism that guarantees Beijing, as host, a leading role in negotiations and boosts China’s international image as a responsible stakeholder.²⁵ Foreign Ministry spokesman Qin Gang made China’s position clear after the UNSC resolution was approved in June: “China calls on relevant parties to maintain cool-headed [sic], refrain from any action which could worsen the situation, and work out solution through consultations and dialogue. China will continue its unremitting efforts to this end.”²⁶

19. Zhang Weiran, “PRC Expert Liu Jianguyong Stresses Need to Guard Against the Possibility that the DPRK Nuclear Crisis Would ‘Step Back Amidst Imbalance,’” *Zhongguo Xinwen She*, June 13, 2009, OSC, CPP20090613066008; CCTV-4, *Today’s Focus*, July 4, 2009, OSC, CPP20090705136011.

20. ICG, *Shades of Red: China’s Debate over North Korea*, Asia Report No. 179, November 2009, pp. 5–7; Swaine, “China’s North Korea Dilemma,” pp. 6–7.

21. Wang Zaibang and Li Jun, “Searching for the Root of the DPRK’s Second Nuclear Experiment, and Diplomatic Thoughts,” *Xiandai Guoji Guanxi*, July 20, 2009, OSC, CPP20090811671001.

22. Liang Chen, “China’s Policy at Turning Point: Experts,” *Global Times*, May 26, 2009.

23. ICG, “Shades of Red,” p. 3.

24. *Ibid.*, pp. 12–13.

25. *Ibid.*, p. 2; private interview with Chinese think tank scholar, Washington, D.C., March 2010.

26. “PRC FM Spokesman: UN Resolution Demonstrates Int’l Opposition to DPRK’s Nuclear Test,” *Xinhua*, June 12, 2009, OSC, CPP20090612354001.

In the medium term, China hopes to convince the North to reform its economy, believing that a prosperous North Korea would be more conducive to long-term stability. To survive, North Korea must become economically self-sufficient. For over a decade, China has encouraged the DPRK to follow a path toward economic development modeled on China's successful policy of reform and opening up to the outside world. In January 2006, Kim Jong Il visited China, embarking on a "southern tour" similar to the one Deng Xiaoping used to launch the PRC's post-Tiananmen economic development push. Kim was accompanied throughout the trip by top-ranking Chinese officials who tried to convey by example that he could undertake economic reform without sacrificing political control. However, Kim used the event to secure additional food and energy aid for his nation and largely resisted Chinese pressure to reform the DPRK's economy.²⁷

Officially, Beijing supports eventual peaceful unification of the peninsula, but privately most Chinese analysts say that China's preferred end-state, rather than a unified nation under ROK rule, is a commonwealth arrangement that preserves North Korea as a separate entity.²⁸ Beijing's preconditions for unification are that it cannot come at the expense of peace and stability on China's periphery, it must be self-determined by the people of both Koreas, and it cannot be forced by outside actors.²⁹ The improvement in China's relations with South Korea, along with China's growing economic, political, and military leverage, has begun to build Chinese confidence that, if given enough time, they can ensure their country is positioned to protect Chinese interests if unification under the ROK becomes a fait accompli. While the view persists among some Chinese experts that North Korea must be preserved as a buffer between their country and a democratic South Korea allied with the United States, the view that a buffer state is no longer necessary is gaining support, and a minority of analysts even argue that a unified Korean peninsula would serve Chinese interests. A relatively unknown scholar, Zhang Quanyi, from Zhejiang Wanli University in Ningbo, argues, for example, that peaceful unification would benefit China by (1) reducing the possibility of crisis and leading to a more "harmonious" periphery; (2) creating new economic opportunities; and (3) serving as an example for China's anticipated reintegration with Taiwan.³⁰

South Korean Interests and Approach to North Korea

South Korea's approach to the DPRK has emphasized five primary interests: peaceful coexistence, dominance of the South Korean system during integration and eventual reunification of the Korean peninsula, the extension of South Korean influence in North Korea, denuclearization of the peninsula, and the continuation of a security relationship with the United States even after Korean reunification. Despite the fact that South Korean politicians and political parties demonstrate dramatic differences in tactics and policies that have created deep-seated cleavages over the South's approach to the DPRK, the interests identified above have largely endured regardless of the political affiliation of the ROK leadership.

27. Scott Snyder, *China's Rise and the Two Koreas: Politics, Economics, Security* (Boulder, CO: Lynne Rienner, 2009), pp. 153–154.

28. Private interview with Chinese think tank scholar, Washington, D.C., February 2010.

29. Wang Fei-Ling, *Tacit Acceptance and Watchful Eyes: Beijing's Views about the U.S.-ROK Alliance* (Carlisle, PA: Strategic Studies Institute, U.S. Army War College, 1997), pp. 7–8; private interview, Beijing, October 2009.

30. Zhang Quanyi, "What Korean Unification Means to China," Nautilus Institute, October 12, 2007; Zhang Quanyi, "Why China Supports Korean Unification," UPI Asia, November 6, 2008. A senior Chinese think tank scholar stated bluntly that "if China is strong, then we don't need a buffer zone anymore." Private discussion, Beijing, October 2009.

Since the end of the Cold War, South Korea has promoted its interest in peaceful coexistence between the two Koreas as the first step toward eventual reunification of the peninsula. The 1991 inter-Korean Agreement on Reconciliation, Nonaggression, Exchanges, and Cooperation, commonly known as the Basic Agreement, provided a roadmap for a wide range of political, military, economic, and cultural exchanges between the South and North designed to ensure peaceful coexistence.³¹ The Basic Agreement included three chapters on reconciliation, non-aggression, and exchanges and cooperation, each of which contained practical measures designed to lessen tensions and advance reconciliation. Although implementation of the Basic Agreement was suspended after the first DPRK nuclear crisis in 1992, the agreement provided a framework that remains relevant to the situation today. In fact, the 2000 Joint Declaration between the two Koreas included many of the cultural and economic components of the Basic Agreement; however, almost no progress has been made at reducing military tensions or promoting confidence building in the security sphere.

The unfinished business of normalizing the security relationship has been an issue of contention in South Korean politics. South Korean progressives have promoted economic engagement as a means for advancing security normalization, while conservatives have maintained that the ROK should get the security relationship with the DPRK “right” before engaging the North economically. This differing approach has been reflected in South Korean policies toward the North over the past decade. Following the June 2000 summit talks between Kim Dae Jung and Kim Jong Il, the South Korean president optimistically declared that there would be “no more war” in the region.³² Seven years later, in the run-up to the second inter-Korean summit, an editorial in the conservative *Chosun Ilbo* indicated that “the security situation on the peninsula has worsened” since Kim Dae Jung’s statement and warned that if the “politically charged summit delivers only euphoria without concrete results, we may have to face another seven years of threats to our security.”³³ Current president Lee Myung-bak has pledged to take a pragmatic and principled approach to North Korea, insisting on reciprocity and pledging that “I will never use inter-Korean relations for political purposes. We need to devise fundamental strategies for inter-Korean coexistence and co-prosperity.”³⁴

The ROK’s second interest has been in Korean reunification on the basis of democratic and market-oriented principles. This interest was enshrined in South Korea’s 1988 constitution in Chapter 1, Article 4 (as well as in the preamble): “The Republic of Korea shall seek unification and shall formulate and carry out a policy of peaceful unification based on the principles of freedom and democracy.”³⁵ The comprehensive blueprint for achieving reunification has been the Korean National Community Unification Formula (KNCUF), developed in the 1990s by the Roh Tae Woo administration. When launching the formula, President Roh proposed the creation of a “National Commonwealth” as an interim step toward unification and called on the North to “genuinely

31. “Agreement on Reconciliation, Non-aggression, and Exchanges and Cooperation Between South and North Korea (The Basic Agreement),” December 13, 1991, <http://www.unikorea.go.kr/english/EUL/EUL0101R.jsp>.

32. “2 Koreas Pledge Nonaggression; Seoul to Activate Task Force,” *Korea Herald*, June 16, 2000.

33. Lee Ha-won, “Let’s Not Kid Ourselves about the Summit,” *Chosun Ilbo*, August 13, 2007.

34. “Lee Vows Non-political Approach to North Korea,” *Yonhap*, January 1, 2009.

35. Constitution of the Republic of Korea, October 28, 1987, http://www.ccourt.go.kr/home/att_file/download/Constitution_of_the_Republic_of_Korea.pdf.

abandon its policy of unification through communization of the South.”³⁶ The long-term objective of “democratic unification,” which implies South Korea will be the dominant player in a reunified Korea, has remained a core part of the South Korean approach. Although Kim Dae Jung introduced a dramatically different approach to North Korea that emphasized inter-Korean reconciliation, his government never formally renounced the KNCUF. Under the Lee Myung-bak administration, this interest has shown itself most clearly in the June 2009 Joint Vision Statement between the United States and South Korea, which calls for “establishing a durable peace on the Peninsula and leading to peaceful reunification on the principles of a free democracy and a market economy.”³⁷ As an alliance document, this statement ties the United States to the achievement of reunification as a joint political objective of the United States and South Korea.

A third interest that has characterized South Korea’s approach to the peninsula has been a commitment to denuclearization of the Korean peninsula, although this objective has from time to time been subject to domestic political challenge. South Korea’s commitment to this denuclearization was initially expressed in the inter-Korean Joint Declaration on the Denuclearization of the Korean Peninsula in 1992, under which both sides committed to not “test, manufacture, produce, receive, possess, store, deploy or use nuclear weapons,” to use nuclear energy solely for peaceful purposes, and to not possess nuclear reprocessing and uranium enrichment facilities.³⁸ Although the Joint Declaration has been considered a dead letter since North Korea abandoned its pledges, the ROK has generally maintained its adherence to the agreement. Progressive administrations, such as that of Kim Dae Jung, have prioritized engagement and reconciliation, but they have also shown a commitment to denuclearization of the Korean peninsula. Conservative Lee Myung-bak made denuclearization a central campaign and agenda issue by adopting the “Vision 3000, Denuclearization and Openness” (DNO3000) proposal, and he has made discussions of denuclearization of the Korean peninsula a precondition for major progress in inter-Korean relations.

The ROK regards North Korea as future South Korean territory and thus has sought to extend its influence into North Korea while remaining sensitive to the influence of outside powers.

Fourth, the ROK regards North Korea as future South Korean territory and thus has sought to extend its influence into North Korea while remaining sensitive to the influence of outside powers. In the early 1990s, the South Korean government responded negatively to a visit to North Korea by Japanese politician Kanemaru Shin, in part because of a fear that Japan’s influence in North Korea might outstrip that of the South. Kim Young Sam felt distinctly uncomfortable with the Clinton administration’s efforts to bilaterally negotiate the Geneva Agreed Framework with North Korea despite active and continuous consultations by U.S. negotiators with their South Korean counterparts. After a July 1995 summit with President Clinton, Kim tried to hem in the United States from any independent actions, saying, “I believe that the United States will not make any decision

36. “President Roh Tae Woo’s Special Address for the Korean National Community Unification Formula,” September 11, 1989, www.unikorea.go.kr.

37. “Joint Vision for the Alliance of the United States of America and the Republic of Korea,” Washington, D.C., June 16, 2009, http://www.whitehouse.gov/the_press_office/Joint-vision-for-the-alliance-of-the-United-States-of-America-and-the-Republic-of-Korea/.

38. “ROK-DPRK Joint Declaration of the Denuclearization of the Korean Peninsula,” January 20, 1992, <http://www.nti.org/db/china/engdocs/snkdenuc.htm>.

with regard to its relationship with North Korea before the United States has a full sufficient prior consultation with Republic of Korea. I think that is a very wise decision of the United States, given the importance of U.S.-Korean alliance.”³⁹

Fifth, South Korea has remained committed to maintaining its alliance with the United States, even after reunification; even during the tension-filled years of the Roh Moo-hyun administration, the South Korean government never seriously considered abandoning its alliance relationship with the United States. The Roh Moo-hyun administration’s national security strategy emphasized “cooperative self-reliant defense” but also affirmed the necessity of a continued strong alliance with the United States with greater “equality” in the alliance relationship.⁴⁰ U.S.-ROK alliance coordination has remained a strong foundation for approaching North Korean denuclearization, and defense cooperation to deter North Korea continues to be an essential part of the alliance. Although some progressives have contested the future of the alliance in a reunified Korea, both the Kim Dae Jung and Roh Moo-hyun administrations made the U.S.-ROK security alliance the foundation for their security policies. As the Chinese media highlighted, Kim Dae Jung told visiting U.S. legislators in July 2000 that maintaining a strong U.S.-ROK alliance is essential to reconciliation with the North and that U.S. troops should remain on the peninsula even after Korean reunification.⁴¹ During Roh’s visit to Korea-U.S. Combined Forces Command (CFC) headquarters in January 2003, the president stated that “U.S. troops are necessary at present for peace and stability on the Korean peninsula and will be in the future as well.”⁴²

Despite a continuity of interests, various South Korean administrations have prioritized objectives differently and have applied widely differing tactics in pursuit of these objectives. These differing tactical approaches have engendered deep political divisions on the issue of how best to approach North Korea. They also reflect an evolution of South Korea’s approach to North Korea based on perceived lessons learned from the efforts of previous administrations. These various approaches remain active components of South Korea’s contemporary debate over how to approach North Korea. The following section summarizes the major priorities and results of the respective approaches, highlighting implications of each for South Korea’s prioritization of interests toward North Korea and for expectations toward China.

1. Kim Young Sam’s “Soft Landing” Policy

Inter-Korean policy under Kim Young Sam was a source of great frustration, due to South Korea being cut out of U.S.-DPRK negotiations and the uncertainties that accompanied the three-year succession period between Kim Il Sung’s death in July 1994 and formal acknowledgement of Kim Jong Il as chairman of the National Defense Commission in 1998. Kim Young Sam provided food assistance to North Korea but also publicly anticipated North Korea’s collapse after Kim Il Sung’s death, poisoning hopes for a warming of inter-Korean relations. Although President Kim asserted during his inauguration in February 1993 that “no alliance can supersede our nation,” thus indicating a prioritization of relations with the DPRK over those with the United States, he adopted

39. CNN, “South Korean President Pleased with Results of Visit,” July 28, 1995.

40. Scott Snyder, “A Comparison of the U.S. and ROK National Security Strategies: Implications for Alliance Coordination toward North Korea,” in *North Korea: 2005 and Beyond*, eds. Philip W. Yun and Giwook Shin (Stanford: APARC, 2006).

41. “Kim Dae-jung: U.S. Military Will Stay after Unification,” *People’s Daily*, July 10, 2000.

42. “Roh Adopts Pragmatic Approach to Korea-US Relations,” *Korea Times*, January 20, 2003.

a tough approach toward Pyongyang following its withdrawal from the NPT.⁴³ The South Korean media blamed Kim Young Sam's "inconsistent policies and emotional approaches toward North Korea" for drawing criticism of the ROK from Washington, while the United States proceeded to negotiate the 1994 U.S.-DPRK Agreed Framework.

South Korean efforts to gain an advantage with China on North Korea-related issues made little headway despite rapidly growing economic ties following Sino-ROK normalization in 1992. A minor political breakthrough in Sino-ROK relations came with China's decision to allow North Korea's highest-ranking defector, Hwang Jang Yop, safe passage to Seoul via the Philippines in 1997. Overall, though, South Korean political influence in Beijing on Korean peninsula issues was still relatively weak during this period.

2. Kim Dae Jung's "Sunshine" Policy

Kim Dae Jung's "Sunshine Policy" marked a radical shift in South Korean tactics toward the North. In his inauguration speech on February 25, 1998, Kim declared the end of containment and the separation of the economy from politics while also vowing to defend South Korean territory against North Korean aggression.⁴⁴ As discussed above, the 2000 Joint Declaration issued at the historic first inter-Korean summit emphasized the importance of autonomous Korean efforts to achieve reunification and opened the way for a wide range of inter-Korean economic and cultural exchanges.⁴⁵ But progress was marred by numerous controversies, including revelations of cash payments of up to \$500 million in advance of the summit, the failure of the Joint Declaration to address security confidence-building measures, and the one-way nature of exchanges from South to North. The Sunshine Policy privileged progress in inter-Korean relations and anticipated improvements in North Korea's relations with the rest of the world, including the United States; its consequence was a polarization of South Korean society and difficulties in the U.S.-ROK alliance.

Sino-South Korean relations during this period continued to improve, and the Sunshine Policy dovetailed nicely with Chinese interests in peace and stability and efforts to induce gradual North Korean economic reform. During summit talks with Kim Dae Jung in November 1998, Chinese president Jiang Zemin expressed support for Seoul's policy of engaging Pyongyang and noted that improved inter-Korean ties benefit not only the two Koreas but also Chinese efforts to reform and liberalize.⁴⁶

3. Roh Moo-hyun's "Peace and Prosperity" Policy

Roh Moo-hyun's policy approach toward North Korea built on and extended Kim Dae Jung's efforts to promote inter-Korean reconciliation, and his administration tried to maintain these efforts throughout the second North Korean nuclear crisis. During the 2002 presidential election, the candidate of the conservative Grand National Party (GNP), Lee Hoi-chang, called for an overhaul of the Sunshine Policy while progressive Roh Moo-hyun also expressed skepticism, telling Japa-

43. Sanghyun Yoon, "South Korea's Kim Young Sam Government: Political Agendas," *Asian Survey* 36, no. 5 (May 1996): 511-522.

44. "Words of Kim Dae Jung: Call for Reconciliation," *New York Times*, February 25, 1998.

45. "South-North Joint Declaration," June 15, 2000, http://www.usip.org/files/file/resources/collections/peace_agreements/n_skorea06152000.pdf.

46. "China Pledges to Play Constructive Role to Ensure Permanent Peace on Peninsula," *Korea Times*, November 12, 1998.

nese reporters in July 2002 that “Kim’s sunshine policy has spawned several problems in the course of its implementation.”⁴⁷ During the Roh administration, domestic political divisions over North Korea policy deepened, and the South Korean public began to show signs of fatigue after the accrual of meager returns from inter-Korean economic engagement.

The fact that Roh was more concerned about the hostility of U.S. policy toward North Korea than about North Korea’s nuclear development was an initial source of friction in the U.S.-ROK security alliance, but the Roh administration came into line with the Bush administration’s approach following North Korea’s October 2006 nuclear test. Roh deferred opening of new inter-Korean projects but continued to pursue existing projects, including the development of the Kumgang tourist zone and the Kaesong Industrial Complex, both of which were of significant economic benefit to North Korea. Amid rising perceptions of strains in the U.S.-ROK alliance, Sungkyunkwan University professor Lee Sook-jong wrote that “a new inter-Korean nationalism advocating rapprochement and reunification is on the rise,” but Lee also argued that “South Korean public support for the U.S.-Korea alliance itself is still strong despite growing anti-American sentiments.”⁴⁸

Sino-South Korean economic relations continued to grow rapidly under Roh Moo-hyun, and China felt comfortable with Roh’s efforts to dampen tensions over North Korea’s nuclear program (and with tensions in the U.S.-ROK alliance). However, by the end of Roh’s term, some South Korean officials were publicly fretting over increasing Chinese influence in North Korea and justified Roh’s October 2007 summit meeting with Kim Jong Il as a means of countering rapidly growing Sino-DPRK trade and investment in natural resources.

4. Lee Myung-bak’s “Denuclearization First” Policy

The administration of Lee Myung-bak transitioned back to a conservative approach toward North Korea, reflecting widespread public frustration with a perceived lack of reciprocity in the inter-Korean relationship. Lee’s DNO3000 plan offered generous South Korean assistance designed to raise North Korean per capita income to \$3000 if the regime abandons its nuclear programs and opens its economy to the world. Upon coming to office, Lee called the approach of his progressive predecessors a “lost decade” and vowed to restore the U.S.-ROK alliance. Though Lee promised to “lay the foundation for peaceful unification” and promoted DNO3000 as “the way to advance unification,”⁴⁹ the first 18 months of the administration witnessed a negative spiral in inter-Korean relations, with the North refusing food assistance, limiting South Korean access to the Kaesong Industrial Zone, demanding wage hikes for North Korean workers at the zone, and holding a South Korean worker at the zone for more than four months. But the North Korean leadership used the Pyongyang visit of Hyundai Asan chairwoman Hyun Jung-eun in August 2009 and the sending of a delegation to pay regards upon the death of President Kim Dae Jung to open new dialogue channels. Through early 2010, Lee Myung-bak has insisted on a “denuclearization first” approach to North Korea and, in a speech in New York in September 2009, proposed a “Grand Bargain”

47. “Trivializing Sunshine Policy: President Kim Dae-jung’s ‘Sunshine Policy’ of Engaging North Korea Is in Trouble,” *Korea Times*, July 5, 2002; “For the First Time, Roh Sees Cloud over ‘Sunshine Policy,’” *Korea Herald*, July 24, 2002.

48. Lee Sook-jong, “Anti-U.S. Sentiment Roils Alliance,” *Korea Herald*, June 10, 2004.

49. “President Lee Myung-bak’s Inaugural Address: Together We Shall Open A Road to Advancement,” February 25, 2008, http://www.korea.net/news/Issues/issueDetailView.asp?board_no=18994.

that emphasized “one-step denuclearization” in return for massive incentives, including security guarantees and foreign assistance.⁵⁰

Sino-South Korean economic cooperation continues to expand and the relationship has reached the level of a “strategic cooperative partnership,” but increased tensions in inter-Korean relations and Lee’s emphasis on the U.S.-ROK alliance have been accompanied by a feeling of wariness among close observers of the Sino-ROK relationship. Some South Korean experts indicate that while the U.S.-ROK alliance remains strong, the China-ROK relationship appears to have deteriorated over the past year. Yonsei University’s Chung-In Moon notes that China remains suspicious not only of Lee’s Grand Bargain but also of the operationalization of Concept Plan 5029, a plan first developed in the late 1990s that outlines the joint U.S.-ROK military response to crisis scenarios involving political instability or system collapse in North Korea rather than aggression from North Korea.⁵¹

Chinese Concerns and Suspicions Regarding Discussions of DPRK Instability

As Victor Cha, former director of Asian affairs for the U.S. National Security Council in the second term of George W. Bush’s administration, has written, there are plenty of unanswered questions regarding the possible intervention of various interested parties in the event of instability in North Korea. Cha asks:

Do parties in the region have an agreed upon definition of what constitutes state failure in the North? Who determines when to intervene? Should humanitarian intervention take place under a UN Security Council mandate or under U.S.-South Korea authority? Who is responsible for securing borders? Who is authorized to make contact with internal elements in a collapsing North Korea? Who is responsible for securing nuclear and missile sites? Who is responsible for neutralizing artillery?⁵²

Chinese consultation with the ROK and the United States to answer these questions (along with multilateral cooperation between the three, Japan, and Russia) would be the most effective way to contain a crisis and minimize its negative consequences.⁵³ Further, holding such discussions long before instability occurs would help to build mutual trust among the three parties and reduce suspicions and concerns.

A small number of Chinese scholars, including influential scholar Zhang Liangui of the Central Party School, have expressed the view that it would be “irresponsible” for China not to cooperate with the United States and the ROK on North Korean instability responses.⁵⁴ However, Zhang’s views toward North Korea are notably forward leaning and may not be representative of those held

50. “Meeting with His Excellency Lee Myung-bak, Council on Foreign Relations,” New York, September 21, 2009, http://www.cfr.org/publication/20255/meeting_with_his_excellency_lee_myungbak.html.

51. Chung-In Moon, “South Korea in 2009: From Setbacks to Reversal,” *Asian Survey* 50, no. 1 (January/February 2010): 56–64.

52. Victor Cha, “We Have No Plan,” *Chosun Ilbo*, June 9, 2008.

53. Michael J. Finnegan, “What Now? The Case for U.S.-ROK-PRC Coordination on North Korea,” *PacNet*, no. 48 (September 2008).

54. Qiu Wei, “Allowing Collapse of North Korea Unacceptable: Experts,” *Huanqiu Shibao*, August 3, 2009, OSC, CPP20090803722001.

by Chinese leaders. Because China has prioritized the need for stability on the Korean peninsula, it is difficult and perhaps even risky for many Chinese analysts to even consider the potential for and ramifications of instability in North Korea, especially in published articles or in conversations with foreigners. Even if stability were in question, China's interest is in using all available tools to forestall instability while reassuring other actors that North Korea is indeed stable. Professor Wang Jisi, dean of the School of International Studies at Beijing University, recently wrote, "There are few signs that the political order in the DPRK is in great jeopardy.... It is hard, if not impossible, to get the Chinese to discuss contingent plans and future arrangements in North Korea unless real dangers were in sight."⁵⁵ Wang told an audience in Seoul in February 2010 that Beijing was "loath" to discuss instability, largely because it did not see instability as an imminent threat.⁵⁶ One Chinese source claims that the United States has repeatedly invited China to discuss issues related to North Korean instability, but the Chinese have thus far rejected these efforts.⁵⁷

Aside from a desire to maintain an outward air of confidence regarding North Korean stability, China's reluctance to discuss these issues stems from deeply held suspicions and concerns about how the United States' and South Korea's responses to instability would affect Chinese interests. China does not trust ROK and U.S. intentions on the peninsula, fearing that the two allies intend to alter the regional security balance and marginalize Chinese influence. Additionally, China has an interest in not undermining its relations with the DPRK or in being seen as having betrayed the DPRK, which most Chinese analysts believe would be the likely consequences if Beijing were to engage in discussions with the United States and the ROK about how to cope with instability in the North.⁵⁸ Finally, in many ways, China has attempted to maintain strategic ambiguity regarding its responses to instability so as to deter all parties involved from seeking to change the status quo. These suspicions and concerns have thus far stood in the way of important cooperation on the matter of North Korean instability.

Although relations between South Korea and China have developed relatively smoothly since the establishment of diplomatic ties in 1992, there is considerable mistrust in the relationship regarding their respective ambitions on the peninsula and their likely actions in the event of instability in North Korea. Chinese scholars are suspicious that the ROK may not take into account the will of the North Korean people and may use instability in the North as an excuse to execute its grand strategy of reunification. Some Chinese analysts have argued that the ROK may face an "irresistible temptation" to use instability in the North as an excuse to push for reunification.⁵⁹ In a private discussion, one senior Chinese official voiced concern that the ROK places a "higher premium" on reunification than on stability and that it might even take actions that "undermine stability."⁶⁰ Another scholar from the People's Liberation Army (PLA) expressed concern about the

55. Wang Jisi, "Resolve and Patience: A Chinese View of the North Korean Nuclear Issue," conference paper presented at "Northeast Asia Forum: North Korean Nuclear Problem and Northeast Asian Security Architecture," hosted by the Asian Institute for Policy Studies, Seoul, Republic of Korea, February 23, 2010.

56. Kim Ji-hyun, "China Shunning N.K. Contingencies," *Korea Herald*, February 24, 2010, OSC, KPP20100224971043.

57. Shi Ren, "Clinton's 'Lightning' Visit to the DPRK Allows China To Reconsider Its Policy toward the DPRK," *Zhongguo Tongxun She*, August 7, 2009, OSC, CPP20090807066008.

58. Private interviews, Beijing, October 2009; private interview with Chinese scholar, Washington, D.C., March 2010.

59. Scott Snyder and Joel Wit, "Chinese Views: Breaking the Stalemate on the Korean Peninsula," USIP Special Report No. 183 (February 2007), p. 7.

60. Private interview, Beijing, November 2008.

possibility of South Korean military intervention in the North, warning that if the ROK were to send forces across the demilitarized zone (DMZ), China “won’t stand by [and do nothing]” as the sovereignty of the DPRK is violated.⁶¹ Chinese scholars reject South Korea’s constitutional claim of sovereignty over the North. Such a claim, they believe, is antithetical to international law and violates North Korea’s sovereignty as a UN-recognized state. One Chinese analyst stated bluntly, “My view is that ROK sovereignty doesn’t extend to the North. It is ridiculous for the South to say that it has the right to intervene based on its constitution.”⁶² This interpretation of South Korean thinking, that it favors or may even promote instability in order to reunify the country, makes cooperation on instability difficult, as China does not want to acquiesce to or be drawn into a scheme that could be harmful to Chinese interests.

In recent discussions, Chinese scholars have also expressed concern about the growing strength of the ROK alliance with the United States, particularly about the actions the two countries might take in the event of instability in North Korea and the role of the alliance in a future unified Korea. The alliance is viewed by some in China as directed in part against their nation, and a strengthening of the alliance thus may damage Chinese interests in regional peace and stability. Recent revelations that the allies are planning for North Korean contingency response and have discussed the “strategic flexibility” of the alliance beyond the peninsula only enhance those concerns. Regarding the former issue, some Chinese analysts are concerned about reports that the United States and the ROK have operationalized a plan for military action against North Korea in the case of instability.⁶³ In discussions in October 2009, one Chinese scholar extensively questioned his U.S. interlocutors about the plan, known as plan 5029, stating that “if 5029 is aimed at restoring stability, then the United States should share the plan with China. China should not be kept in the dark about the scope of U.S.-ROK cooperation.”⁶⁴ If the alliance is indeed directed against China, the logic goes, then U.S.-ROK military actions against North Korea would likely result in hostile forces on China’s immediate periphery.

Regarding the latter issue, “strategic flexibility” has been a term used primarily by U.S. defense officials to describe a future American force structure on the Korean peninsula that would be regionally and globally deployable for missions beyond traditional peninsular deterrence and combat, such as counterterrorism and humanitarian and disaster relief. However, many in China (and some in South Korea) have long worried that a strategically flexible U.S. force would be primarily intended for use in a Taiwan Strait contingency.⁶⁵ For example, in a 2008 analysis,

[One PLA scholar warned] that if the ROK were to send forces across the demilitarized zone, China “won’t stand by [and do nothing].”

61. Private interview, Beijing, October 2009.

62. Ibid.

63. Sun Ru, “US, Republic of Korea Beefing up Strategic Alliance,” *Renmin Ribao*, June 24, 2009, OSC, CPP20090625702003.

64. Private interview with Chinese think tank scholar, Beijing, November 2008; private discussion, Beijing, October 2009.

65. Li Chuan, “US Military Plan for Taiwan Strait Combat Operations Exposed, Secret Preparations for Help to Rush from Three Directions,” *Zhongguo Tongxun She*, February 10, 2010, OSC, CPP20100210004017; Jung Sung-ki, “USFK Seeks to Expand Role Outside Peninsula,” *Korea Times*, February 24, 2010.

Li Xuewei, associate professor in the Department of International Politics at Yanbian University, wrote, “The direct target of the U.S. forces in South Korea is China, and the United States has constantly required South Korea to coordinate with it for more ‘strategic flexibility’ in intervening in a Taiwan Strait conflict.”⁶⁶ After negotiations on the subject in 2006, the two allies issued a statement that reads as follows:

The ROK, as an ally, fully understands the rationale for the transformation of the U. S. global military strategy, and respects the necessity for strategic flexibility of the U. S. forces in the ROK. In the implementation of strategic flexibility, the U. S. respects the ROK position that it shall not be involved in a regional conflict in Northeast Asia against the will of the Korean people.⁶⁷

This suggests that involvement of U.S. Forces Korea (USFK) in a Taiwan operation is extremely unlikely.⁶⁸ Despite this public statement, however, Chinese experts call for the United States and the ROK to be more transparent about the off-peninsula contingencies in which U.S. forces might be used.⁶⁹ These concerns about the alliance and its potential to undermine the current stability of regional security make Chinese leaders very hesitant to sit down with South Korean and American officials to discuss potential cooperative responses to North Korean instability.

Chinese scholars also warn against efforts by South Korea to “inherit” DPRK nuclear weapons in the event of instability intervention.⁷⁰ As discussed above, one of China’s primary interests is denuclearization of the peninsula, and from that perspective, a South Korea with nuclear weapons is just as damaging to Chinese interests, if not more so, than a nuclear North Korea is. In addition to destabilizing the regional security balance, there is an anxiety in China that a nuclear South Korea, allied with the United States, could turn hostile toward China. In an interview, one Chinese scholar said that the top priority for the United States and China in the event of North Korean instability should be to secure the DPRK’s nuclear facilities and stressed that the two nations “should prevent the ROK from becoming involved.”⁷¹ Statements that the allies have a “shared responsibility” to locate and secure the North’s WMDs, such as those by the commander of USFK, Gen. Walter Sharp, during the U.S.-ROK “Key Resolve” exercise in March 2010, only exacerbate Chinese anxieties about this issue.⁷²

A less-frequently mentioned concern of some Chinese analysts is that an ROK-led unified peninsula may result in a Sino-Korean border dispute. At the center of this anxiety is Koguryo, an ancient kingdom that spanned both the Korean peninsula and Northeast China. Historical records of this kingdom have led some South Koreans, including a handful of legislators, to claim that a

66. Li Xuewei, “Strategic Progress in Solving North Korean Nuclear Issue through China-South Korea Cooperation,” *Taipingyang Xuebao*, November 28, 2008, OSC, CPP20090406671001.

67. “Korea, U.S. Agree on Strategic Agenda, USFK Deployment Flexibility,” Yonhap News Agency, January 19, 2006.

68. It was subsequently reported that South Korea retained the right to veto the deployment of U.S. forces based in South Korea for operations off the peninsula. Reported in Larry A. Nicksch, “Korea: U.S.-Korean Relations—Issues for Congress,” CRS Report for Congress (Washington, DC: CRS, January 21, 2006), p. 15.

69. Private interview, Beijing, 2009.

70. Kurt M. Campbell, “Nuclear Proliferation beyond Rogues,” *Washington Quarterly* 26, no. 1 (Winter 2002–2003): 13; Glaser, “China’s Policy in the Wake of the Second DPRK Nuclear Test,” p. 6.

71. Private interview with Chinese scholar, Beijing, October 2009. Another participant noted that after North Korea’s second nuclear test, there were reports that the United States agreed that the ROK could take possession of nuclear facilities in the North.

72. “U.S. Crack WMD Team Takes Part in Joint Exercises,” *Chosun Ilbo*, March 12, 2010.

large swath of northeast China is Korean territory. In response, the Chinese Academy of Social Sciences launched the “Northeast Project,” a “study group” intended to disprove Korean claims.⁷³ Many Chinese analysts fear the issue may incite nationalist fervor among the more than one million Chinese-Korean residents of Yanbian Korean Autonomous Region in Northeast China that could pose a challenge to the central government. The competing claims have already led to major outpourings of popular nationalism in both nations, and the unification of the peninsula would likely rekindle those sentiments.⁷⁴

Discussing instability in North Korea also brings to the forefront Chinese concerns about U.S. intentions that, in many ways, eclipse their concerns about South Korea. As noted above, North Korea is still viewed by some scholars, officials, and military officers as a buffer zone between Chinese territory and U.S. troops stationed in the ROK.⁷⁵ Shen Dingli of Fudan University calls the DPRK “a guard post for China, keeping at bay the tens of thousands of U.S. troops stationed in South Korea.”⁷⁶ Another Chinese scholar recently framed it this way: “The 38th parallel is necessary to preserve stability until relations among the major powers are changed.”⁷⁷

This “buffer zone” argument is part of a larger Chinese concern over U.S. military presence near China. Chinese thinkers have frequently expressed anxiety that a unified peninsula would pose the danger of U.S. troops being stationed close to China’s border. Fudan University’s Wu Xinbo has written that continuation of U.S. military presence on the peninsula after unification would be “of grave concern to China.”⁷⁸

When asked in December 2009 whether the United States would deploy forces north of the 38th parallel in a reunified Korea, USFK commander General Sharp said only that he would not take any options off the table.⁷⁹ The deployment of U.S. forces so close to China, most Chinese scholars believe, would “fundamentally alter China’s strategic security environment.”⁸⁰ In a recent discussion, one leading PLA researcher argued, “The Korean peninsula cannot be made into a sphere of influence for the United States and the ROK... The Chinese government won’t accept the U.S.-ROK alliance breaching the 38th parallel.” The officer continued, “We won’t allow U.S. troops deployed along the Yalu River.”⁸¹

Beyond concerns about U.S. military presence, any discussion of post-DPRK security arrangements brings out Chinese anxieties that the United States is trying to diminish Chinese influence in the region and tighten its encirclement of China.⁸² For example, after the release of the inter-Korean Joint Declaration in 2007, the Chinese Communist Party newspaper *People’s Daily* carried a signed commentary by senior editor Wen Xian arguing that “China’s role in the Korean issue

73. ICG, “North East Asia’s Undercurrents of Conflict,” Asia Report No. 108 (December 2005): pp. 6-7.

74. Timothy Savage, “Big Brother is Watching: China’s Intentions in the DPRK,” *China Security* 4, no. 4 (Autumn 2008): 53–57; private interviews, Beijing, November 2008.

75. ICG, “Shades of Red,” p. 7.

76. Shen Dingli, “North Korea’s Strategic Significance to China,” *China Security*, Issue 4 (Autumn 2006): 20.

77. Private interviews, Beijing, October 2009.

78. Wu Xinbo, “U.S. Security Policy in Asia: Implications for China-U.S. Relations,” Brookings Institution, September 2000, http://www.brookings.edu/papers/2000/09northeastasia_xinbo.aspx.

79. Public comments by Walter Sharp made at “U.S.-ROK Alliance—The Future,” Military Strategy Forum, CSIS, December 14, 2009.

80. ICG, “Shades of Red,” p. 17.

81. Private interview, Beijing, October 2009.

82. Snyder, *China’s Rise and the Two Koreas*, p. 146.

cannot be neglected,”⁸³ and some Chinese scholars publicly fretted that “if the United States is an indispensable power, China is an equally important player that can by no means be bypassed.”⁸⁴ Dai Xu, a PLA Air Force colonel and frequent media commentator who is known for his harsh criticism of U.S. policy, sees U.S. calls for cooperation on instability response through this same lens: “The United States seeks more control over the North by coaxing China into its initiative of a contingency plan to eventually form a pro-U.S. Korean peninsula.”⁸⁵ In a private discussion, one Chinese scholar charged that “the U.S. intention is to weaken China’s relationship with the ROK and support domination of the Peninsula by the ROK,” while another insisted that “the United States wants to be the sole power dominating the Peninsula.”⁸⁶ Gong Keyu, vice director of the Shanghai Institute of International Studies’ Center for Asian-Pacific Research, argues that China’s role in North Korea should be to “contain U.S. expansionism.”⁸⁷

Along these lines, a February 2010 *China Daily* article argues that the United States has used rising tensions in Northeast Asia as a pretext to “encircle” China by a “chain of U.S. anti-missile systems.” In the article, Ni Lexiong, a military affairs expert with the Shanghai Institute of Political Science and Law, is quoted as saying that the U.S. missile defense system in East Asia is “a replica of [U.S.] strategy in Eastern Europe against Russia.” The article’s authors also cite comments by China’s foreign minister Yang Jiechi, who has said that missile defense systems “undermine global strategic stability.”⁸⁸

Similar Chinese anxieties about U.S. influence on the peninsula have surfaced before, notably during periods of thawing in U.S.-DPRK relations. Many Chinese scholars worry that the United States and North Korea may forge a closer relationship that will adversely affect Chinese interests by undermining stability and potentially leading to a hostile Chinese neighbor.⁸⁹ For example, after Christopher Hill’s sudden trip to Pyongyang in June 2007, Chinese analysts openly discussed their fears that a rapid U.S.-North Korean rapprochement “could be the leading edge of broader U.S. strategy to encircle China.”⁹⁰ Some analysts voice concern that the United States and DPRK will reach a bilateral agreement that will permit North Korea to keep its nuclear weapons in return for a pledge to not transfer nuclear material or knowhow abroad. Such a deal would leave China isolated in insisting on denuclearization, which would severely affect Sino-DPRK ties. Chinese leaders still recall Washington’s calls for Beijing to pressure India after that country’s 1998 nuclear test. After China agreed to adopt a tough stance, the United States changed course, accepting India’s nuclear weapons and leaving China virtually alone in its condemnation of India.⁹¹ With such deep suspicion

83. Wen Xian, “China’s Role in Korean Issue Cannot Be Neglected,” *People’s Daily*, October 10, 2007, OSC, CPP20071010702010.

84. Ren Xiao, “Korea’s New Administration and Challenges for China’s Relations with the Korean Peninsula,” *Asian Perspective* 32, no. 2 (2008): 182.

85. Qiu Wei, “Allowing Collapse of North Korea Unacceptable.”

86. Private interviews, Beijing, October 2009.

87. Gong Keyu, “Tension on the Korean Peninsula and Chinese Policy,” *International Journal of Korean Unification Studies* 18, no. 1 (2009): 103.

88. Qin Jize and Li Xiaokun, “China Cirled by Chain of US Anti-Missile Systems,” *China Daily*, February 22, 2010, OSC, CPP20100222167001.

89. Bonnie Glaser, Scott Snyder, and John Park, “Keeping an Eye on an Unruly Neighbor: Chinese Views of Economic Reform and Stability in North Korea,” United States Institute of Peace Working Paper, January 2008, p. 9.

90. Snyder, *China’s Rise and the Two Koreas*, p. 146.

91. Glaser, Snyder, and Park, “Keeping an Eye on an Unruly Neighbor,” pp. 9–10.

toward U.S. intentions on the peninsula and in the region, cooperation on North Korean instability issues, despite its potential to allay concerns and build mutual trust, remains difficult to achieve.

Another impediment to Chinese cooperation on responses to North Korean instability is China's fear of North Korea's reaction. China has worked tirelessly to maintain a friendly relationship with its neighbor and discussing that neighbor's potential collapse with "hostile states" is still a "diplomatic taboo" for China.⁹² This view was confirmed during private interviews, with one Chinese expert arguing that "if we discuss collapse scenarios with the United States and nuclear disasters with the United States, which has no relations with the DPRK, imagine how the DPRK would feel. If we include the ROK, a country that opposes North Korea, then North Korea will feel there is a threat to its regime."⁹³ Until now, China perceives that the risks of participating in any official dialogue on the subject with the United States or the ROK are greater than the potential gains.

Finally, as Wang Weimin of Fudan University's Institute of International Studies has argued, China is hesitant to discuss responses to North Korean instability because maintaining "strategic ambiguity on Sino-DPRK relations conforms to protecting China's national interests."⁹⁴ This idea of strategic ambiguity is linked to the 1961 Sino-DPRK Treaty of Friendship, Cooperation, and Mutual Assistance. Chinese ambiguity regarding the treaty helps to deter military intervention by Seoul or Washington out of concern that China would fight alongside North Korea. In interviews, many Chinese scholars reminded their American interlocutors that the treaty includes a mutual security clause.⁹⁵ One scholar went so far as to say that the greatest risk to China from North Korean instability would be for the United States to know in advance how China might respond.⁹⁶

Strategic ambiguity also benefits China by deterring a provocation by Pyongyang that might lead to instability or conflict.⁹⁷ When asked in June 2009 whether the treaty was still valid after the second nuclear test, a spokesman from the Chinese Ministry of Foreign Affairs avoided the question, leading to speculation that China was reconsidering its obligation to the defense of the DPRK.⁹⁸ In July 2009, Chinese authoritative media for the first time in at least 25 years failed to report the anniversary of the PRC-DPRK treaty. Chinese experts confirm privately that Beijing has sought repeatedly to gain North Korea's acquiescence to excise the security clause, but the DPRK has refused.⁹⁹ At the same time, however, Chinese scholars occasionally privately offer a reminder that the treaty remains valid. In one recent conversation, a Chinese scholar emphasized that the treaty has not been revised and that the clause on defense obligations is still in effect.¹⁰⁰ The deterrent effect of not clarifying China's position prevents the United States, South Korea, or the DPRK from upsetting regional stability, and thus discussing its likely response to instability may run counter to Chinese interests.

92. Qiu, "Allowing Collapse of North Korea Unacceptable."

93. Private interview, Beijing, October 2009.

94. "Phoenix TV Views PRC Refusal to Discuss Possibility of DPRK Collapse with US," *Feng Huang Wei Shih Chung Wen Tai*, August 3, 2009, OSC, CPP20090804715041.

95. Private interviews, Beijing, October 2009.

96. Private interview with Chinese scholar, Washington, D.C., March 2010.

97. Glaser, Snyder, and Park, "Keeping an Eye on an Unruly Neighbor," p. 9.

98. ICG, "Shades of Red," p. 11.

99. Private interview with PLA researcher, Washington, D.C., February 2010.

100. Private interview, Washington, D.C., February 2010.

South Korean Concerns and Suspicions Regarding Discussions of DPRK Instability

South Korea has thus far been reluctant to cooperate with most other nations on issues of North Korean instability. At times, this has even extended to coordination with its ally, the United States, although the ROK government has recently been able to move past its concerns and has expanded cooperative planning with the United States (discussed below). Other nations, though, know little about South Korean plans, and, in particular, the ROK has been loath to share any information with Beijing. South Korean reticence about China stems from suspicions regarding perceived Chinese interests in maintaining the status quo on the Korean peninsula, the Sino-DPRK economic relationship, and the potentially negative implications for Korean reunification of Beijing's possible responses to instability.

1. China's Perceived Preference for the Status Quo

As discussed above, South Korean interests lie in reunification of the Korean peninsula under a democratic and free market system. However, many in the South fear that China prefers the two-Korea status quo and would oppose reunification. Anxieties about Chinese preferences have manifested themselves on numerous occasions over the past decade. Before Kim Jong Il's first visit to China as DPRK leader in 2000, one South Korean media outlet wrote:

Beijing needs to keep Pyongyang as its ally, despite its burdensome economic situation, and their national interests seem to conjoin at this particular time. China wants the status quo to persist on the Korean Peninsula and its prescription for peace and stability in the area is for the North to follow the path it has taken itself over the past few decades to achieve economic advancement. A balance in economic power between the two halves of the peninsula is desired in order for the North to avoid absorption by the South, which would leave China in direct confrontation with a unified Korea that is regarded as under U.S. influence.¹⁰¹

When Kim Jong Il secretly traveled to China just before the first inter-Korean summit, South Korean analysts argued that Chinese calls for "peace and security on the Korean peninsula... could be interpreted as [China's] expression of a strong attachment to a status quo on the Korean peninsula."¹⁰² After the summit, then-ROK Ambassador to the United Nations Lee See-young stated that "the Chinese government is comfortable with the status quo" but also noted that "how China would regard a unified Korea in the future depends on what kind of unified Korea would emerge."¹⁰³

Throughout the early 2000s, when North-South relations were steadily improving, South Korean officials frequently commented on Chinese preferences. In his discussion of China's response to the first inter-Korean summit in June 2000, former ROK foreign minister Han Sung-joo indicated that "China has the most to gain diplomatically from radically improved relations between North and South Korea." Han noted that Kim Jong Il's "secret visit" to China before the summit underlined China's "center-stage" role in Korean affairs as a result of its friendly relations with both

101. "Improving P'yang-Beijing Ties," *Korea Herald*, June 8, 1999.

102. "China Emerges as Guardian of N. Korea," *Korea Times*, June 3, 2000.

103. "'Excerpts' from an interview with Lee See-young, ROK Ambassador to the United Nations," *Korea Herald*, February 15, 2000, OSC, KPP20000214000083.

Koreas. “From China’s point of view,” Minister Han said, “a breakthrough in North-South Korean relations is consistent with its other interests. China prefers peace and stability on the peninsula, maintaining a balance between North and South, and avoiding any conflict into which China could be drawn.”¹⁰⁴

Since North Korea’s first nuclear test in October 2006, many South Korean experts have seen China’s moderate response to the North’s provocative actions as another indicator of Chinese preference for the status quo. According to Nam Sung-wook, who at that time was director of Korea University’s North Korean studies department, China’s diplomatic policy toward North Korea constitutes a hierarchy of three related interests: (1) DPRK regime survival; (2) conciliatory and non-provocative DPRK behavior on security issues; and (3) DPRK regime reform.¹⁰⁵ Based on China’s cautious response to the 2006 nuclear test, Nam argues that “China’s priority is stability” and that changes in China-DPRK relations after the nuclear test were unlikely “since China does not believe that the test fundamentally changes China’s calculations of its national interest.” Given China’s policy priorities toward the North, Nam concludes:

China does not like the word “influence,” frequently used in expressing its power over and special relationship with North Korea, since it implies that China has an exclusive responsibility for solving the nuclear issue. China is instead placing great emphasis on a common and equitable burden. Even if Pyongyang is unruly, flagrant and brazen, sacrificing an ally to help achieve the goals of stopping the spread of nuclear weapons would require a much stronger consensus among China’s leader groups and elites. In conclusion, China does not want to change the status quo on the Korean Peninsula.¹⁰⁶

A May 2008 report by the Korean Institute of National Unification on factors influencing North Korean stability assesses that since the nuclear test, “China has continued its strategy of pursuing geopolitical hegemony in the region and maintaining pro-North Korea policy, and this contributes a lot to stabilization of the Kim Jong Il regime. . . . China needs the Kim Jong Il regime to be stable and its socialist system to exist for a considerable period not because of Beijing’s close relationship with it or ideological blood alliance but because of geopolitical necessities.”¹⁰⁷

After the DPRK’s second nuclear test in May 2009 and the subsequent United Nations Security Council Resolution (UNSCR), China’s halfhearted implementation of many aspects of international sanctions has been seen by some as a demonstration of its continued preference for the status quo on the peninsula—in spite of North Korea’s continued provocative behavior.¹⁰⁸ In South Korea, the media voiced concern that the major development assistance package to the DPRK proffered during Chinese premier Wen Jiabao’s October 2009 visit might not be in compliance with UNSCR 1874. One newspaper charged that Beijing’s “liberal interpretation” of the resolution demonstrates its “intent to continue economic aid to North Korea despite the world body’s resolution to punish the regime.”¹⁰⁹ These South Korean perceptions of Chinese intentions manifest

104. Han Sung-joo, “International Dimension of the Korean Summit,” *Korea Herald*, June 16, 2000.

105. “China’s N.K. Policy Unlikely to Change; Maintaining the Status Quo on the Korean Peninsula Is in Beijing’s Best Interests,” *Korea Herald*, October 26, 2006.

106. *Ibid.*

107. Suh Jae-jean and Huh Moon-young, “A Study of the Stability of the North Korean System” (in Korean), Korea Institute of National Unification, May 28, 2008, OSC, KPG20080529024002.

108. Dick K. Nanto, Mark E. Manyin, and Kerry Dumbaugh, “China-North Korea Relations,” Congressional Research Service Report for Congress, January 22, 2010, pp. 2, 6.

109. “Officials Question China Aid Promised to North,” *JoongAng Ilbo*, October 8, 2009.

underlying suspicions that motivate South Korea to take the initiative in dealing with the North Korean nuclear issue in order to counter China's preference for the status quo.¹¹⁰

2. China's Pursuit of Economic Advantage in North Korea

The weakness of North Korea's system has stimulated competition between South Korea and China for economic influence in the DPRK. This competition has been driven primarily by ROK fears that China's expanded economic clout in the North might diminish South Korean influence there and serve as a future barrier to Korean reunification. South Korean analysts have expressed discomfort with North Korea's dependency on China; this concern was often cited as one rationale for intensified inter-Korean engagement during the Roh Moo-hyun administration, when many observers called increasing Sino-DPRK economic ties a Chinese effort to make the North "China's fourth northeastern province."¹¹¹ In the run-up to the second inter-Korean summit, former president Kim Dae Jung urged the United States and the ROK to prevent China from gaining a competitive edge in the DPRK, adding that the North's economic potential should be a major area of common interest for the two countries.¹¹²

Figure 1 shows that both South Korean and Chinese trade volumes and shares of trade with North Korea have increased steadily since 2002. In its July 2007 report on North Korea's trade trends, the Korea Trade-Investment Promotion Agency (KOTRA) warned that "the North's economic reliance on China is intensifying more than ever," with some experts indicating that about 90 percent of industrial goods in North Korea were from China.¹¹³ According to a Hyundai Research Institute analyst, "There is a clear pattern in the North's trade with China. North Korea's reliance on China became heavier when South Korea halted economic assistance to the North."¹¹⁴

North Korea expert Andrei Lankov argues that Beijing has made a strategic decision to encourage Chinese firms to invest in North Korea as a means to ensure the continuation of PRC influence in Pyongyang after Kim Jong Il dies.¹¹⁵ According to the Korea Development Bank (KDB), Chinese investors in North Korea have shifted the focus of their investment from small-scale commercial opportunities to strategic deals to secure energy resources.¹¹⁶

South Korean scholars have shown particular sensitivity to the development of Sino-North Korean joint ventures in the natural resource sector from 2005 to 2007. Over those three years, the South Korean media reported that China secured 50-year rights to North Korean iron, coal, copper, zinc, gold, and molybdenum mines; 50-year usage rights to the Rajin Port; and construction rights to the Tumen River-Chongjin railway.¹¹⁷ Two reported contracts drew particular attention in South Korea: a 25-year contract between China's Zhaoyuan Gold and North Korea's biggest copper mine, Hyesan Youth Copper Mine, which granted China a 50 percent share of operational

110. "President Says Korea's Time Is Now," *JoongAng Ilbo*, October 1, 2009.

111. Han Ki-heung, "China's Next Province?" *Dong-A Ilbo*, March 23, 2006.

112. "Former S. Korean President Urges Seoul, Washington to Tap into N.K. Resources," *Yonhap*, September 18, 2007.

113. Chae Byeong-gun, "China's Influence over the North Rapidly Gaining Economic Weight," *JoongAng Ilbo*, June 2, 2008.

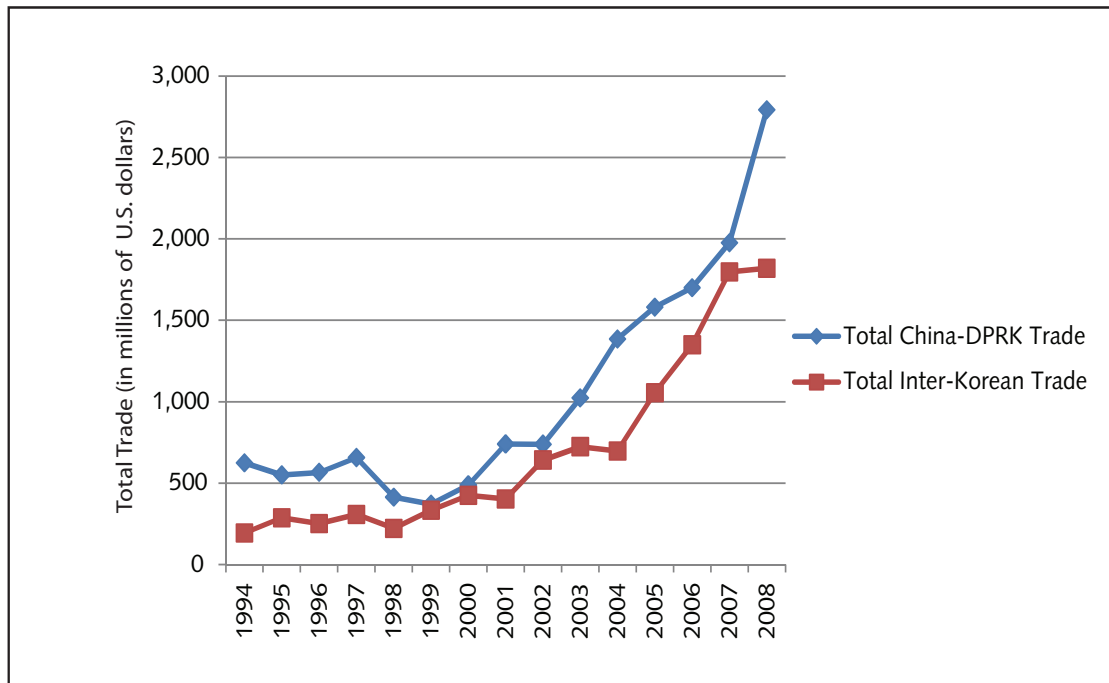
114. Kang Hyun-kyung, "Pyongyang's Growing Dependency on Beijing Worries Seoul," *Korea Times*, November 25, 2009.

115. Andrei Lankov, "Bankrolling. Pyongyang," *Wall Street Journal Asia*, July 4, 2006.

116. "China Investing Heavily in N. Korean Resources— Report," *Chosun Ilbo*, April 12, 2007.

117. "Surrendering Korea with a Smile," *Chosun Ilbo*, March 7, 2007.

Figure 1: China-DPRK Trade vs. Inter-Korean Trade (1994–2008)



Source: ROK Ministry of Foreign Affairs and Trade, "Evaluation of Inter-Korean Relations in 2008," September 9, 2009; UN Comtrade Database, <http://comtrade.un.org>.

rights for an investment of \$11.84 million; and a 50-year contract between the Jilin Department of Commerce and North Korea's biggest iron ore mine, Musan Iron Mine, which reportedly gave China mining rights for 10 million tons of iron ore per year in return for an investment of \$942 million.¹¹⁸ By comparison, one of South Korea's major investment deals in North Korea in 2006—the development of the Jeongchon Black Lead Mine—amounted to just \$5.1 million. A 2007 Korea Chamber of Commerce (KCCI) report indicated that while South Korea's \$1.2 billion trade with the North in 2006 was only slightly lower than China's \$1.6 billion, South Korea's \$59.73 million of imports of North Korean mineral resources equaled only one fifth of China's \$274.5 million.¹¹⁹

In 2007, the KDB Research Institute called for the ROK to take measures to counter Beijing's expanding influence over the North Korean economy. The institute showed that Chinese investment in North Korea increased tenfold between 2002 and 2005, from \$1.5 million to \$14.37 million, or, in terms of share of North Korea's total foreign direct investment, from 4.6 percent to 43.7 percent.¹²⁰ It also indicated that since 2002, China invested \$13 million—70 percent of its total investment in the North—in natural resource development. This revelation led some South Korean observers to warn that Chinese bargain investments could deplete DPRK mineral resources by the time the 50-year contracts expire.

One apparent motivation for the second inter-Korean summit in October 2007 was the desire to expand South Korean investments in DPRK natural resources in order to level the playing field

118. "China Feared Grabbing up Resources in N. Korea," *Chosun Ilbo*, November 22, 2007.

119. *Ibid.*

120. *Ibid.*

with China. In the run-up to the summit, the South Korean media complained about China's economic domination of North Korea and expressed concerns about the implications of China's influence for future Korean interests. One *Chosun Ilbo* editorial argued, "These common resources of the Korean people, which will one day be used to build a unified Korea, are being handed over to the Chinese in such a helpless manner." The editorial also suggested that Seoul must offer tangible benefits in order to close the gap with China over economic influence in the North: "If you look at the amount of economic assistance to North Korea, South Korea does not lag behind China. But South Korea has almost no influence over North Korea's economy.... To prepare for post-unification of the Koreas, Seoul must focus on material gains for the Korean people, rather than generosity in its economic cooperation efforts with the North."¹²¹ The widening gap between inter-Korean trade and Sino-North Korean trade since 2002 is perceived as having increased pressure on Seoul to deepen economic ties with the North to minimize the costs of reunification.¹²²

Since taking office in 2008, Lee Myung-bak has ended South Korean competition with China over trade and investment in North Korea, preferring instead to withhold economic benefits as leverage to compel North Korea back to the negotiating table.¹²³ This policy approach has drawn domestic criticism within South Korea on the basis that it cedes influence in North Korea to China. One South Korean lawmaker in 2009 indicated that "North Korea's increasing dependency on China will not only weaken the role that South Korea can play in inter-Korean relations but also eventually make it difficult for the South to build infrastructure for unification."¹²⁴ Choi Seong-keun of the Hyundai Research Institute believes that expanded Sino-DPRK trade will pose a threat to South Korea even in the event of reunification, suggesting that as "North Korea becomes more and more reliant on China, South Korea will have a lot of work to do when trying to deepen economic integration with the North in the future."¹²⁵ South Koreans continue to view Chinese investments in North Korea as having the strategic objectives of heightening North Korea's dependency on China and diminishing the possibility of a South Korea-led reunification of the peninsula.

3. China's Potential Response to Instability

Finally, South Korean observers are wary of China's role and strategic interests in a reunification scenario because China is both a signatory to the Korean War Armistice and a military ally of the DPRK. South Korean concerns about China's potential response to instability in North Korea are linked to the perceptions discussed above that China's strategic interests on the peninsula include a desire to preserve Korean division and to extend Chinese influence on the peninsula. Nevertheless, it has been a longstanding article of faith among leading South Korean analysts that cooperation with China will be essential both to manage instability in the North and to achieve Korean reunification.¹²⁶

121. Ibid.

122. Chae Byeong-gun, "China's influence over the North rapidly gaining economic weight," *JoongAng Ilbo*, June 2, 2008.

123. A ROK Unification Ministry report in 2009 indicated that North Korea's dependency on China in terms of economic assistance jumped to about 50 percent in 2008 from 20.4 percent in 1999, leading some liberal party lawmakers in Seoul to blame Lee's decision to link economic aid to denuclearization for the North's deepening reliance on China. Kang Hyun-kyung, "Lawmaker warns of N. Korea's growing dependency on China," *Korea Times*, November 6, 2009.

124. Ibid.

125. Kang Hyun-kyung, "Pyongyang's growing dependency on Beijing worries Seoul," *Korea Times*, November 25, 2009.

126. Private interviews, Washington, March 2009 and Seoul, October 2009.

Much has been written in South Korea about the likelihood that China will attempt to prop up a faltering DPRK regime. Han Sukhee of Yonsei University argues, “The key to China’s policy change toward the North is whether China accepts the possibility of a North Korean regime collapse. But given the current situation, China would never allow the collapse of the Kim Jong Il regime.”¹²⁷ According to former foreign minister Han Sung-joo in 2000, one method of ensuring the stability of the regime in Pyongyang has been to promote inter-Korean rapprochement: “China is particularly interested in preventing the collapse of North Korea. An improved relationship between North and South Korea, and the resultant improvement in North Korean economic situation, will not only help prevent the collapse of North Korea but also obviate the need [for China] to provide massive assistance to it.”¹²⁸ After the October 2006 nuclear test, Korea University’s Nam Sung-wook argued that Beijing resisted economic pressure on the North because it would undermine Beijing’s preference for regime stability: “Instability would seriously destroy China’s status quo policy. Instability would be a worst case scenario, so Beijing has refused to use its enormous leverage, fearing that too much pressure could topple the North Korean government and unleash a mass of refugees over its border.”¹²⁹

Based on comments by Chinese scholars (see below) as well as China’s security commitments to North Korea, many South Korean scholars speculate that China would intervene in the North in the event of sudden instability, and some ROK scholars have even gone so far as to argue that the PRC would seek to occupy the North to protect its strategic interests.¹³⁰ A 2008 study by Ko Chae-hong of the Institute for National Security Strategy assesses a range of potential scenarios and responses of neighboring countries if a coup d’état were to materialize in North Korea. He speculates that China “will concentrate all its efforts on preventing the situation from worsening from the moment when a military coup takes place.” Ko further speculates that China might provide sanctuary to ousted North Korean forces in order to gain influence or thwart the development of a pro-American successor.¹³¹

The ROK media have highlighted recent U.S. reports suggesting that China would intervene militarily in the event of North Korean collapse, such as an April 2009 report by the U.S. Army War College Strategic Studies Institute that stated that “the likelihood is high that the People’s Liberation Army would be used in the vicinity of the North Korea-China border in the event of instability in North Korea.”¹³² While ROK media reports recognize that China is expected to consult

Many South Korean scholars speculate that ... in the event of sudden instability ... the PRC military would seek to occupy the North in order to protect its strategic interests.

127. Han Sukhee, “Prospects for Change in the Beijing-Pyongyang Nexus,” East Asia Institute, December 31, 2009.

128. Han Sung-joo, “International Dimension of the Korean Summit,” *Korea Herald*, June 16, 2000.

129. “China’s N.K. policy unlikely to change; Maintaining the status quo on the Korean Peninsula is in Beijing’s best interests,” *Korea Herald*, October 26, 2006.

130. “Contingency Plan,” *Korea Times*, January 7, 2008.

131. Ko Chae-hong, “The Possibility and Countermeasures for North Korea’s Military Coup,” Kunsan Nondan in Korean, October 1, 2008, OSC, KPP20081030024002.

132. “China to Intervene if N. Korea Collapses,” *Korea Herald*, May 6, 2009; Larry M. Wortzel, “PLA ‘Joint’ Operation Contingencies in South Asia, Central Asia and Korea,” in Roy Kamphausen, David Lai, and Andrew Scobell, eds., *Beyond the Strait: PLA Missions Other than Taiwan* (Carlisle, PA: Strategic Studies Institute, U.S. Army War College, April 2009), p. 360.

with the United States or its neighbors before taking such actions, South Korean concerns about such a scenario are reinforced by China's commitment to intervene in any military conflict on the peninsula under its bilateral security treaty with Pyongyang.

In response to reported U.S.-ROK military coordination in November 2009 to update plan 5029 and formally adopt it as an operational plan to respond to regime collapse in the North, a *Korean Herald* editorial argued that “no contingency plans...will have much significance without considering how China will respond when a chaotic situation prevails in North Korea....The focus of any such plan should be on how the allies can prevent China's military intervention in the event of a North Korean collapse. Most important is assuring Beijing that a unified Korea would pose no threat to China, possibly with a practical proposal about what to do with the North's nuclear arsenal.”¹³³ Such views underscore continuing ROK concerns about potential Chinese military intervention in instability scenarios on the peninsula and perceived Chinese strategic concerns over a unified Korea, but they also suggest South Korean recognition of the importance of coordination with China on such issues.

Moon Chung-in of Yonsei University has warned that U.S.-ROK contingency response planning “will only stiffen the hard-line stance of North Korea and invite hostile reaction from China.”¹³⁴ According to Moon, “China, in particular, is vital to ensuring stability in the North and alone among major regional players has attempted to develop an open line of communication with North Korea to influence its decision-making.” As Moon suggests, South Koreans are aware of the need to engage China as a key partner for coordination on potential instability in the North. At the same time, South Koreans are wary of being excluded from any discussions about potential instability in the North involving the United States and China. Following U.S. reports about Chinese contingency planning for North Korea in 2008, one South Korean observer urged ROK policymakers and scholars to “prepare their own contingency plans on North Korea” and hold active consultations with U.S. and Chinese counterparts “in order to prevent South Korea from being alienated in issues related to the Korean Peninsula.”¹³⁵

Chinese Planning for Instability

To say that China has been reluctant to discuss North Korean instability with the ROK and the United States does not mean that it has not considered the consequences of instability or the need to prepare to respond to instability should it occur. In recent years, China has taken actions to increase its emergency response preparedness near the North Korean border. In 2003, the PLA officially took control from the People's Armed Police (PAP) of the North Korea and the Myanmar borders, making these the only military-controlled borders in the country.¹³⁶ Chinese sources also noted that the shift involved the relocation of additional PLA units to the region from other parts of China, and that the PLA is now responsible for blocking the immediate border and operating checkpoints and observation posts further inland, jobs typically reserved for the PAP and the

133. “Contingency Plan,” *Korea Herald*, November 3, 2009.

134. Moon Chung-in, “Dealing with N. Korea under Uncertain Leadership,” *Korea Times*, September 24, 2008.

135. “Contingency Plan,” *Korea Times*, January 7, 2008.

136. “Border and Coastal Defense,” in *China's National Defense in 2006*, <http://english.people.com.cn/whitepaper/defense2006/defense2006.html>.

Public Security Bureau.¹³⁷ Authorities in Jilin and Liaoning Provinces have also invested extensively in contingency planning and stockpiles of relief materials.¹³⁸ These changes and activities have not gone unnoticed by the international community; South Korean, Japanese, and Hong Kong media have frequently cited rumors of increased PLA activity in the region near North Korea, including reports of Chinese military exercises simulating contingency response.¹³⁹

Moreover, China has considered what role its military forces would play in North Korea in various contingencies. Chinese scholars emphasize that the most important mission of the PLA would be to secure the border with North Korea so as to prevent a destabilizing influx of refugees into China.¹⁴⁰ Further, in a private discussion, one PLA researcher laid out three possible missions that the PLA might be asked to undertake if Beijing determined it was necessary to send forces into North Korea during a crisis. First, the PLA could be asked to conduct relief operations so as to limit the humanitarian consequences of instability. Second, the PLA could have a peacekeeping or “order keeping” mission to reestablish and maintain domestic stability. Finally, the PLA could be called on to clean up nuclear contamination created by U.S. or South Korean conventional strikes on North Korean nuclear facilities or to prevent a nuclear, biological, and chemical disaster by securing materials, facilities, and know how.¹⁴¹

China has considered what role its military forces would play in North Korea in various contingencies.

That military researcher, and other Chinese military and civilian analysts, stress that in the event that a collapsing North Korea requires external assistance that can be provided only through military intervention, China’s strong preference is not to act unilaterally but rather under UN auspices. Chinese scholars also insist that, in the event of North Korean instability or regime collapse, Beijing would support a multilateral peacekeeping force endorsed by the UN Security Council whose goal would be to establish a legitimate regime in the North that could then decide the nation’s fate.¹⁴²

One Chinese scholar laid out five principles that should be adhered to in the event that intervention in a destabilized North Korea is necessary. First, international law should be respected; second, responses should be under the auspices of the UN; third, humanitarian relief operations could be conducted; fourth, there should be no military confrontation and no use of force; and finally, all major powers that are stakeholders should cooperate.¹⁴³ Given China’s permanent membership on the UNSC, the insistence that any response to North Korean instability be conducted

137. Carla Freeman and Drew Thompson, “The Real Bridge to Nowhere: China’s Foiled North Korea Strategy,” United States Institute of Peace Working Paper, April 2009, pp. 23-24.

138. Thompson, “Border Burdens,” p. 18.

139. “China Deploys Sukhoi-27s To Deter U.S., S. Korean Forces: Report,” *Yonhap*, May 12, 2008, OSC, KPP20080512971016; Yuri Momoi, “China Activating Practical Military Exercises To Prevent North Korea’s Second Nuclear Test, Adopts Carrot-and-Stick Policy,” *Nihon Keizai Shimbun*, October 21, 2006, OSC, JPP20061022032003; “Rumor: PRC Simulates Going to War in North Korea,” *Tung Fang Jih Pao*, September 10, 2006, OSC, CPP20060911718003.

140. Private discussions, Beijing, October 2009; private discussions, Beijing, November 2008; private discussions, Beijing, April 2006.

141. Glaser et al., “Unruly Neighbor,” p. 19.

142. Snyder and Wit, “Chinese Views,” p. 7.

143. Private interview, Beijing, October 2009.

multilaterally through the United Nations ensures that China has a strong influence over how such operations are conducted and in shaping the end-state of the peninsula. A multilateral response under UN auspices also would constrain the actions of the ROK and the United States in responding to instability and developing a post-conflict Korean peninsula, two concerns that China has about American and South Korean intentions.

South Korean Planning for Instability

South Korea remains concerned that external players may seek to reduce ROK influence in a reunified Korea. This fear has inhibited South Korean dialogue on instability not only with China but also with Japan and, in some instances, with the United States. Most notably, South Korea has long been disinclined to share with other regional players its plans for responding to instability in the DPRK, plans that have existed since 1998 when the U.S. and ROK militaries adopted plan 5029-98 for responding to North Korean contingencies arising from North Korean state failure rather than aggression. In 2005, attempts to update this plan addressed five scenarios: (1) civil war; (2) natural disasters; (3) massive refugee flows; (4) kidnapping of ROK citizens; and (5) loss of control over weapons of mass destruction. Little progress was made, however, due to the Roh administration's concerns about both Pyongyang's response and U.S. influence.

Under the progressive administrations of Kim Dae Jung and Roh Moo-hyun, South Korean planning for instability in the North was put on the back-burner because both administrations prioritized engagement with the DPRK; senior officials believed that contingency planning, if it were to become public, would undermine efforts to improve ties with North Korea. Contingency plans prepared under the Kim Young Sam administration remained in place, but efforts to update them and maintain currency were stymied. Domestic concerns that preparations for DPRK instability might either provoke a negative reaction from the North or inhibit inter-Korean reconciliation prevented the development of contingency plans, much less international coordination to prepare for North Korean instability or collapse. President Lee Myung-bak reportedly requested Combined Forces Command (CFC) to finalize operational plan 5029 by the end of April 2010 as a full-fledged joint action plan, and USFK Commander General Sharp affirmed that his command was working with the ROK Joint Chiefs of Staffs on a plan that would include specific actions in the various instability situations.¹⁴⁴ In March 2010, General Sharp asserted that U.S. troops “are carrying out daily exercises with South Korean troops to practice locating, securing, and eliminating the North's weapons of mass destruction.”¹⁴⁵

The June 2009 U.S.-ROK Joint Vision Statement specifies “peaceful reunification on the principles of free democracy and a market economy” as a shared goal but emphasizes that both sides should understand the processes leading to this goal and what measures each side is willing to take.¹⁴⁶ Michael Finnegan, a former Korea desk officer at the Department of Defense, argues that there is a need for a comprehensive, “whole-of-alliance” plan that fully integrates all the elements of respective U.S and ROK national power (diplomatic, informational, military, and economic).¹⁴⁷

144. Jung Sung-ki, “S. Korea, U.S. Chart Contingency Plans on N. Korea,” *Korea Times*, April 22, 2009.

145. “US anti-WMD Troops Join Military Drills in South Korea,” Associated Press, March 11, 2010.

146. “Joint Vision for the Alliance of the United States of America and the Republic of Korea” Washington DC, June 16, 2009, http://www.whitehouse.gov/the_press_office/Joint-vision-for-the-alliance-of-the-United-States-of-America-and-the-Republic-of-Korea/.

147. Finnegan, “Preparing for the Inevitable in North Korea.”

Interagency coordination is critical for developing a joint comprehensive plan that integrates political and military aspects of contingency planning. South Korea currently has no central mechanism responsible for coordinating between agencies, such as the Ministry of Strategic Planning and Finance, Ministry of Health and Welfare, and Ministry of Justice. Further, although U.S. and ROK national security councils are likely to play a leading role, neither side has sufficient capacity to support long-term policy coordination on North Korea.

In the event of instability in North Korea, some South Korean experts have argued that ROK forces should lead the process of unification while minimizing foreign intervention in order to avoid repeating the experience of the UN protectorate.¹⁴⁸ The ROK Army would need to be prepared to lead multinational stability operations in coordination with major powers. At the same time, South Korea would require substantial support and participation from the international community to implement the main security priorities in the post-contingency phase, including dismantlement of WMD and missiles, conversion of military facilities into civilian ones, and the screening and re-education of DPRK military personnel. U.S.-ROK tactical coordination would provide for the defense of Korea through the alliance, and the spread of political disorder in North Korea would demand an immediate international political response within which specialized tasks must be embedded. Recent ROK contributions to U.S.-led peacekeeping and post-conflict reconstruction efforts in Afghanistan and Iraq present important experiences from which to apply lessons for North Korea.¹⁴⁹

South Korea has long been disinclined to share with other regional players its plans for responding to instability in the DPRK.

In terms of humanitarian relief, ROK experts nearly unanimously argue that South Korea should take the lead in the event of North Korean instability, but they also recognize the South's limited capacity and need for substantial support from regional partners and international organizations.¹⁵⁰ That support includes financial and technical assistance from international financial institutions to secure the North's long-term development. The ROK Ministry of Unification, the lead agency likely to coordinate national and international efforts, is already overstretched by its handling of refugees, raising the question of whether the ROK government would be prepared within a short timeframe to cope with an influx of an estimated 250,000 refugees into the South in the event of contingency. South Korea has been aiming to build capacity to receive only 100,000 refugees, or 40 percent of the expected total, using such facilities as empty schools near the DMZ area, and addressing this resource gap remains a major challenge for Seoul.¹⁵¹

148. Moo Bong Ryoo, "The ROK Army's Role When North Korea Collapses Without A War in the ROK," U.S. Army Command and General Staff College, January 2001.

149. Michael J. Finnegan, "U.S.-ROK Cooperation in Post-Conflict Stabilization and Reconstruction," Paper presented at "Expanding the Agenda for Cooperation between the United States and Republic of Korea," Center for U.S.-Korea Policy and The Brookings Institution, January 5, 2010, Washington DC, <http://asiafoundation.org/resources/pdfs/FinneganPostConflictAbstract.pdf>; and Balbina Y. Hwang, "Cooperation on Global Issues: Peacekeeping," Paper presented at "New Areas of Cooperation in the U.S.-Korea Alliance," November 4, 2009, Seoul, <http://asiafoundation.org/resources/pdfs/HwangPeacekeepingAbstract.pdf>.

150. See-Won Byun, "North Korea Contingency Planning and U.S.-ROK Cooperation," Center for U.S.-Korea Policy, September 2009.

151. Private interview, Seoul, October 2009.

As for long-term North Korean economic development, Lee Myung-bak's DNO3000 policy offers a broad framework, covering the five areas of trade, education, finance, infrastructure, and public services, which Seoul could promote as the model for an international reconstruction program.¹⁵² With regard to the process of North Korea's economic opening, ROK experience suggests that such forms of engagement as the Keumgang and Kaesong projects and special economic zones like Rajin-Sonbong offer limited social benefits but can be useful as initial steps toward reform.¹⁵³ Public-private partnership will be essential for promoting private sector-led development in North Korea given the likely uncertainties of the investment environment. ROK institutions like KOTRA and the Korea Export-Import Bank (Eximbank) will play an important role in supporting North Korea's long-term development.

Recommendations for Reducing Mistrust and Promoting Cooperation

Although this report has focused on the interests and concerns of China and South Korea as they relate to the Korean peninsula, the U.S. role cannot be ignored. The United States is linked to any cooperative effort on DPRK issues as a consequence of its numerous commitments on the peninsula and in the region. First, the U.S.-ROK security alliance obligates the United States to defend South Korea from the threat posed by the North, a threat emanating not only from the DPRK's extensive long-range artillery and short-range missile force and its gradually expanding nuclear and longer-range missile capabilities but also from its weakening social, political, and economic situation. Second, the United States is deeply involved in attempts to maintain strategic stability in Northeast Asia and will continue to lead efforts to respond to North Korea's nuclear weapons challenge. Finally, the great-power relationship between the United States and China is a factor that may influence the future development of inter-Korean relations and broader regional stability.

Just as Chinese and South Korean suspicions have hampered effective trilateral cooperation, its own suspicions have also limited the willingness of the United States to fully cooperate with other regional actors to prepare a coordinated response to North Korean instability. For example, the United States remains uncertain about China's long-term intentions, and Americans continue to debate whether China has ambitions to dominate the region at the expense of U.S. influence and military presence, including on the Korean peninsula. Further, suspicions between the United States and the ROK during the Roh Moo-hyun administration adversely affected coordination between the two countries, including developing an effective response to North Korean instability, although the allies have subsequently increased mutual trust and expanded cooperative planning.

While the United States would experience little to no direct effects of instability in North Korea, its ties and influence in the region give it a direct interest in working with both South Korea and China to promote trilateral cooperation on instability issues.¹⁵⁴ Both Seoul and Beijing may prefer direct and exclusive engagement with Washington on these issues, while the United States may, at times, prefer to engage only with its South Korean ally; however, the interests of all

152. Yoon Duk-min, "Vision 3000, Denuclearization and Openness: Tasks and Priorities," *East Asian Review* Vol. 20, No. 2 (Summer 2008).

153. Marcus Noland, "Between collapse and revival: A reinterpretation of the North Korean economy," Peterson Institute for International Economics, March 2001.

154. See "The China-South Korea-United States Security Triangle," in Snyder, *China's Rise and the Two Koreas*, pp. 163–182.

three nations intersect in North Korea, and trilateral consultation and coordination are needed to complement bilateral alliance engagement. Indeed, a trilateral U.S.- ROK-China strategic understanding on the future of North Korea and its implications for Northeast Asia would be the optimal foundation upon which to build a common and cooperative approach to North Korean instability issues. In addition, an expanded structure that acknowledges proper roles for Japan and Russia—nations that also have a stake in the stability and future of the Korean peninsula but that would be difficult to include in initial discussions—should be created.

Current U.S. strategy toward North Korea emphasizes the need for cohesion among the other five members of the Six-Party talks to respond to the DPRK's provocative behavior. Returning from his visit to North Korea and the region in December 2009, Ambassador Stephen Bosworth, U.S. Special Representative for North Korea, remarked that "the unity of the five [parties] is very important in trying to deal with North Korea" and continued to stress the value of direct U.S. engagement with Pyongyang "in the context of the Six-Party framework."¹⁵⁵ As part of its effort to promote regional cohesion and encourage cooperation among all the members of the Six-Party talks, the Obama administration should pay special attention to ensuring that China and South Korea are on the same page in their policy approaches toward North Korea. This is necessary to effectively promote a negotiation process that will encourage Pyongyang to pursue denuclearization, normalization of North Korea's relationships with concerned players, and an approach to North Korea's long-term development that is characterized by international cooperation rather than by competition. If a combined effort by the three countries in the context of revived Six-Party talks fails to bring North Korea back to the path of denuclearization, these discussions may provide a foundation for other forms of cooperation. The United States should continue to pursue discussions with China and South Korea that encompass both the negotiated denuclearization path and methods by which all parties can hedge against North Korean instability without contributing to suspicion among them that any might be seeking to gain strategic advantage.

We propose a set of policy recommendations for the United States, South Korea, and China requiring unilateral, bilateral, and trilateral actions aimed at ameliorating mistrust and enhancing prospects for dialogue and cooperation on security issues, including coping with instability in North Korea. The key to building mutual trust is for each nation to identify potential common areas of interest regarding the principles and conditions that are needed to promote stability in North Korea and the region. On this basis, it should be possible for each side to provide reassurances to the other parties about intentions and plans for responding to North Korean instability. Only if suspicions are assuaged and a modicum of trust is established regarding respective common interests as they relate to North Korea can all three parties proceed to prepare for North Korean contingencies. Undertaking this effort will also likely increase the three nations' ability to more effectively coordinate and cooperate on other matters relating to North Korea, including denuclearization, and on broader issues relating to long-term Northeast Asian stability and prosperity. It is our proposition that a process of providing mutual reassurances will enhance the sense of shared interests and concerns about the situation in North Korea as well as the future of the peninsula and Northeast Asia.

155. Stephen W. Bosworth, Special Representative for North Korea Policy, "Briefing on Recent Travel to North Korea," Washington D.C., December 16, 2009, <http://www.state.gov/p/eap/rls/rm/2009/12/133718.htm>.

Providing mutual reassurances will enhance the sense of shared interests and concerns about the situation in North Korea as well as the future of the peninsula and Northeast Asia.

- *Discussions about responses to North Korean instability should be premised on the understanding that instability is possible, that it is undesirable for all the parties of the region, and that shared interests in stability and denuclearization constitute a basis for cooperation.* The United States and South Korea should make clear that they do not seek to induce instability to promote regime change in North Korea. As long as a government remains in place with full control over the North Korean military and society, Washington and Seoul should remain committed to pursuing cooperation through negotiations with DPRK authorities.

- *All three nations should discuss the circumstances under which foreign military intervention would be necessary and agree that international coordination is desirable prior to the deployment of any forces into North Korea.* At a minimum, each party should pledge to notify the other

two of its actions and objectives prior to sending forces into North Korea. The United States and China should also state that in the event that either country dispatches forces into the North, it has no interest in establishing a long-term military presence and would withdraw its forces within a reasonable timeframe.

- *The United States, the ROK, and China should clearly affirm their shared interest in the comprehensive and verifiable denuclearization of the Korean peninsula.* There should be agreement that no country would inherit the North's weapons and that all secured WMD materials would be destroyed or removed from the peninsula under international safeguards in the event of a collapse of the DPRK government.

- *To the extent possible, the United States and the ROK should increase the transparency of their joint planning to mitigate Chinese suspicions about this joint process and its effects.* This could take place in the form of a briefing to Beijing on the objectives, roles,

and missions of U.S. and ROK forces as part of the joint contingency planning. Undoubtedly, some military aspects of joint war plans would be too sensitive to share with China, but limited conceptual information could be provided to ease suspicions and avoid potential accidental conflict in the event of a crisis.

- *The United States and the ROK should discuss the following three issues with China:* First, based on existing U.S.-ROK plans the allies need to clarify the circumstances under which they would deploy military forces north of the 38th parallel. Second, the United States and the ROK should affirm their shared understanding regarding the authority (UN, unilateral, or bilateral) under which such missions would be conducted. Third, the allies should make clear the roles and missions of their forces and the likely duration of a military intervention. This should include clarifying what role, if any, South Korean forces will play in securing North Korean nuclear facilities and the duration of any plans that might call for U.S. forces to be deployed in the North.
- *In return for U.S.-ROK transparency and reassurances that a reconfigured Korean peninsula would not be damaging to Chinese interests, Beijing should be more forthcoming about the following three issues:* (1) its plans to cope with large numbers of refugees, including whether it intends to establish refugee camps on the Chinese or the North Korean side of their common border; (2) its treaty obligations to North Korea and the circumstances under which Beijing would deem it necessary to insert forces into North Korea, including the roles and missions

those forces would perform; and (3) whether it would coordinate operations with the United States and the ROK for humanitarian relief and to locate and destroy WMD. Such a dialogue would provide the United States and South Korea with the opportunity to clearly understand China's "red lines" regarding U.S. and South Korean responses to instability in North Korea.

- *To enhance prospects for successful trilateral coordination, engagement must be structured appropriately.* First, an understanding should be reached among the U.S., Chinese, and South Korean presidents that dialogue and cooperation on possible responses to instability in North Korea is necessary. Second, channels should be established among the three nations to share information and analyses of North Korean political, economic, military, and social developments to gain a better understanding of the domestic situation and prospects for instability. Third, to ensure that a "whole-of-government" approach is taken by all three countries, a task force should be created that includes both military planners and civilian officials responsible for humanitarian relief and reconstruction operations. Optimally, these discussions should begin with all three countries at the table; however, if Beijing is reluctant to do so, parallel United States–China and China–South Korea task forces could be established as an interim step.
- *China and South Korea should discuss details related to a possible process of reunification.* The exact method and circumstances for reunification would depend on the situation on the ground in the North (i.e., what toll instability or regime collapse has taken on the nation's economy, infrastructure, and society), but Beijing should be willing to recognize the South's political, cultural, and historical imperative to lead the efforts at integration.
- *All three parties should commit to maintaining the confidentiality of all coordination efforts.*
- *Japan's top leaders should be informed about the outcome of U.S.-South Korea-China discussions.* Due to logistical, legal, and trust issues, it would be difficult, if not impossible, to include Japan directly in cooperative efforts on instability response planning; however, as an ally of the United States and as a base for U.S. forces that would respond to contingencies on the peninsula.
- *The United States should encourage China and the ROK to discuss complementary bilateral approaches to engage North Korea economically.* Instead of competing for economic influence in the North, the two countries could work together to chart a shared path for future economic relations with the DPRK that would seek to enable the country to become self-sustaining economically and eventually prosper. Such a discussion might begin by routinely sharing information with each other regarding development and investment plans.
- *U.S. policymakers should make greater efforts to assuage Chinese concerns about U.S. strategic encirclement.* This can be done in the context of a multilateral dialogue on North Korea and/or through bilateral consultations. The United States should make clear the intentions of its security policy in Northeast Asia and, in particular, the purposes of its regional military capabilities, including missile defense.
- *The United States and the ROK should be more transparent about the twenty-first century missions of the alliance beyond the peninsula to ease Chinese concerns about an alliance role in a Taiwan contingency.* Along with explaining alliance missions, the allies should consider choosing a term to define this new vision that does not carry the baggage for China (and even South Korea) that "strategic flexibility" seems to imply. Moreover, to the extent that an open discussion with China regarding strategic flexibility assuages Chinese concerns, that will help strengthen Korean support for the concept.

- *Regardless of the outcome or progress of a dialogue focused on North Korean instability, the three nations should agree to coordinate to ensure timely and effective emergency humanitarian relief operations. An important lesson from the international response to North Korea's famine in the mid-1990s was that the biggest problems resulted from poor delivery capability; effective advance coordination will enable greater efficiency in the execution of humanitarian response that will help save lives.*



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