

POLICY BRIEF / APRIL 2017

Peace and Prosperity on the Korean Peninsula: Getting China to the Table

Hyun-Kyung Kim

Joy Li

Patrick Mayoh

Tom O'Bryan

Diana Park
(editor)

Commissioned by
Amb. Wendy R. Sherman

Introduction

North Korea is the most difficult and dangerous challenge facing the U.S. today. Pyongyang is on the path to developing a nuclear missile delivery system that could strike the United States. In fact, since 2013, the country has followed Kim Jong Un's version of his grandfather's "*byungjin* policy", which stipulates that simultaneous nuclear expansion and economic development are necessary for the regime's survival. North Korea shows no signs of abandoning its nuclear ambitions, which pose a mounting strategic threat to the Asia-Pacific region; the alternatives to a peaceful resolution are even more harrowing. Denuclearization of the Korean Peninsula will require all stakeholders in Northeast Asia—South Korea, Japan, the United States, and especially China—to cooperate on measures that could help precipitate North Korea's return to the negotiating table.

Sanctions are among these measures that require full support of and enforcement by international stakeholders in order to be effective. History demonstrates that multilateral sanctions can help sharpen the choice for belligerent regimes, such as North Korea, particularly for those seeking to acquire or develop nuclear weapons. November's United Nations Security Council Resolution 2321, which placed a cap on coal exports, is a step in the right direction. China's announcement in February that it would fully suspend all North Korean coal imports is also a welcome sign that a stronger international sanctions regime can indeed be implemented.



In this Dec. 8, 2012 photo, Chinese paramilitary policemen build a fence near a concrete marker depicting the North Korean and Chinese national flags with the words "China North Korea Border" at a crossing in the Chinese border town of Tumen in eastern China's Jilin province. (AP Photo/Ng Han Guan, File)

But for North Korea to negotiate a denuclearization agreement willingly, sanctions would need to be sufficiently severe to make the regime believe that they could trigger a near-term collapse or coup d'état. Indeed, this strategy is not without risks, as Pyongyang's reaction could be far more catastrophic, inciting a war rather than choosing to come back to the negotiation table. Therefore, China is reluctant to implement comprehensive sanctions tough enough to have a decision-altering effect on North Korea. First and foremost, China is concerned about the risk of conflict and their human, economic, and environmental costs to the region. It is wary of provoking a panicking North Korean regime to make use of its nuclear option, or incite an intractable civil war on the Korean peninsula. Even if a North-South conflict could be avoided, it is unwilling to increase the risk of miscalculation and conflict with the U.S. and its allies, as both China and the U.S. have an interest in inserting military forces during a collapse scenario. Second, the political transformation on the Korean peninsula would eliminate China's strategic advantage of having a buffer state between it and a major U.S. ally. In place of North Korea, China might be confronted with a unified, pro-U.S. Korea on its border.

This paper seeks to explore these and other considerations that have thus far dissuaded China from supporting a tougher stance on North Korea, particularly through sanctions comprehensive enough to impact Pyongyang's decision-making on nuclear nonproliferation. While it in no way seeks to promote regime change as the solution to the nuclear problem, it does assume that Pyongyang will need to be stripped of its lifeline before it would be willing to negotiate away its nuclear program. As North Korea's lifeline, China must be the linchpin of any effort to denuclearize the Peninsula.

Therefore, this paper focuses on ways in which the U.S. administration can assuage China's reservations about implementing comprehensive sanctions (that is, blocking all trade with North Korea). To do so, the U.S. must work with its allies to mitigate the repercussions of a potential collapse. This reassurance is one key way to convince Beijing to exercise the full scope of its leverage over North Korea.

This paper recommends that the U.S. engage China early and continually, holding bilateral talks parallel to any trilateral meetings with the U.S., Japan, and South Korea, to reassure Beijing that adverse risks to comprehensive sanctions can be mitigated. While this paper does not provide a detailed roadmap for the resumption of Six Party Talks, it aims to provide substantive discussion points with which the U.S. could engage China in dialogue in pursuit of its full support of a set of measures that will help sharpen the choice for North Korea. Though the U.S. has a range of options in its toolkit for dealing with North Korea's nuclear program, the stability and long-term security of the Northeast Asian region will ultimately rely on how well the largest players, Beijing and Washington, can coordinate their efforts on this most urgent issue.

Stakeholders will need to discuss not only these two primary concerns—mitigating the risk of conflict and the prospective presence of a U.S. ally on China's borders—but also a range of other issues. These include the management of humanitarian and refugee challenges in the event of North Korea's collapse, strategies to ensure political and economic stability on China's border, and the custodianship of fissile material. This paper will address each of these concerns and suggest specific, actionable ways in which China can be reassured, and therefore be recruited, to help sharpen North Korea's choice for denuclearization. While it may not be realistic for Beijing to negotiate its most favorable outcome on each concern, a discussion along the agenda outlined in this paper will likely provide a forum that could best allow for a meaningful consideration of its interests and reservations.

However, political obstacles continue to inhibit multilateral cooperation on these issues; deft diplomacy will be required. After North Korea's fourth nuclear test in January 2016, South Korea announced its decision to deploy the U.S.-built Terminal High-Altitude Area Defense (THAAD) missile defense system, with the support of the U.S. to counter the mounting missile threat posed by Pyongyang. President Park proceeded with this decision in the face of vociferous opposition from China. Beijing's diplomatic chastisement of South Korea and the economic consequences it brought to Seoul demonstrated how easily diplomatic capital with China, earned through years of trust-building efforts, can

evaporate. The March 2017 deployment of the first elements of the system to Osan Air Base compounded Beijing's displeasure.

The future landscape looks yet more unpredictable, in the wake of President Park's impeachment on March 20, 2017, and with uncertainty surrounding President Trump's foreign policy agenda. A new U.S. administration nevertheless presents an opportunity to re-engage China in order to address the core issues that hamper effective cooperation on denuclearization of the Korean Peninsula.

Japan, meanwhile, has been—and will likely remain—a consistent ally to the United States. How Japan can be integrated into efforts to engage China requires a nuanced consideration of regional dynamics. Due to lingering political tensions between Japan and China, it is important to recognize that, if Japan is to be integrated into multilateral discussions on North Korea, she would have to be brought in judiciously and quietly. It is possible that simultaneous U.S.-Japan bilateral talks may provide the best alternative to multilateral arrangements that would otherwise preclude Japan's participation.

While we have framed this study to center around the goal of achieving the best-case scenario—full denuclearization—we recognize we could have opted to analyze the steps needed for a less ambitious goal, such as a freeze. However, by beginning with the most difficult task of full denuclearization and considering what would be required for the key players to commit to a plan for achieving this outcome, we believe we were able to bring the most value to the body of literature on this topic.

In brief, time is an enemy for all players in this negotiation, with the exception of North Korea. Therefore, President Trump should vigorously pursue engagement with all stakeholders in Northeast Asia in this race against the clock.

China's Concerns Regarding North Korea's Collapse

This section considers the main concerns that prevent China from supporting more robustly multilateral efforts to apply pressure on North Korea to denuclearize. Specifically, it analyzes China's concerns that, in the event of North Korea's collapse:

- The threat of miscalculation would increase, multiplying the potential for conflict on its border.
- China would face the potential presence of a U.S.-allied, unified Korea on its borders and lose the strategic advantage of having North Korea as a buffer state.
- There would be large-scale movements of North Koreans as refugees and migrants across the border and into China.
- There would be potential longer-term economic and political instability on the Korean Peninsula that would adversely affect China's security and prosperity.
- Fissile materials and nuclear expertise could fall into the hands of belligerent and non-state actors who pose a threat to China's national security.

Concern 1: The threat of miscalculation would increase, multiplying the potential for conflict on its border.

China's reticence to sign onto comprehensive sanctions that could cripple the North Korean regime is rooted primarily in its fear that North Korea's collapse could yield an environment in which there is an increased chance of sustained armed conflict on the Korean Peninsula. In a worst-case scenario, fearing its imminent collapse, the North Korean regime could choose to instigate a conflict with the South, opting to "go out fighting," rather than giving up its power peacefully. Even the best-case scenario, in which a nuclear or conventional civil war is avoided, however, could still ratchet up the threat of strategic miscalculation between Chinese, American, and South Korean forces on the Peninsula.

Namely, North Korea's collapse would likely trigger immediate military action by China, as well as the U.S. and South Korea, to stabilize the Peninsula. Each country would have a different impetus for inserting military forces into former North Korean territory. While

the U.S. would be concerned with securing and eliminating weapons of mass destruction (WMD) materials and sites, for example, China would likely intervene primarily to prevent the U.S. or its allies from occupying its treaty ally and to prevent large-scale refugee flows into Chinese territory.

Remaining factions loyal to the former North Korean regime could also present a security threat were they to reject a peaceful transition of power. The increased risk of violent conflict provoked by pro-Kim military elements fuels the Chinese government's reservations about sanctions that would endanger the status quo and internal stability in North Korea.

Unless the U.S. and China reach understandings on the following issues in the event of a hypothetical North Korean collapse, China will continue to view regime collapse as the worst-case scenario that needs to be avoided at all costs:

- stability operations, including direct humanitarian relief and policing of major cities and roads;
- border control for migrant and refugee flows;
- securing and eliminating WMDs;
- disarmament of conventional weapons;
- deterrence or defeat of military resistance by insurgents who might violently challenge international peacekeepers' presence.¹

While ideally all parties should work together and collaboratively plan for such contingencies, the reality is that most of these plans have been drawn up separately without any coordination between the Chinese and the U.S.–South Korean alliance. As a result of contemporary strategic realities, the U.S. and South Korea never share with the Chinese their classified contingency plans for regime collapse in North Korea. China reciprocally does not share its own contingency plans with South Korea or the U.S.

This lack of information-sharing could create a dilemma whereby each side then miscalculates the other's intent to deploy military forces inside North Korea. Discussions between Beijing and Washington prior to a collapse would transparently need to address

1 Bruce Bennett and Jennifer Lind, *The Collapse of North Korea: Military Missions and Requirements*

each party's level of participation, the missions each country would assume responsibility for in a stabilization operation, and the geographic limitations of any such operation.²

To mitigate the risk of conflict, these stakeholders will also need to discuss coordination mechanisms for hypothetical future stabilization operations in North Korean territory. Ideally, in the event of a collapse, China, the U.S., and South Korea should establish a mechanism to coordinate intelligence, capabilities, equipment, and logistics to execute jointly key missions, such as eliminating nuclear weapons, peacekeeping operations, and disarmament, demobilization, and reintegration.³ While developing such a coordination mechanism would require considerable effort by the parties through prior consultation and coordination, it would substantially decrease the likelihood of a miscalculation occurring.

In dialogues with China, the U.S. administration should also consider the merits of supporting the deployment of a UN peacekeeping operation to support North Korea's post-collapse stabilization. Such a multilateral force would pose less of a perceived threat to China than the unilateral presence of American troops, and could also diminish the risk of confrontation between regional stakeholders. Research suggests that the presence of UN peacekeeping personnel reduces the risk of another conflict by 84 percent,⁴ highlighting the potential benefits of the deployment of an international force with UN Security Council authorization. It is important to note that the composition of peacekeeping forces would need to be coordinated carefully; for example, China would likely oppose the presence of Japanese troops in such a mission, given persistent friction between Beijing and Tokyo.

Furthermore, the parties would need to discuss communication and consultation mechanisms, as well as rules of engagement for military action in initial stability operations. Through early engagement, China would likely have the opportunity to assert the autonomy of action needed to provide protection for its citizens in North Korea. For example, it would likely emphasize its freedom of movement for its military, which could include a naval or air component, to conduct noncombatant evacuation operations in the lead-up to or during a collapse.

2 Michael Spangler, *Preparing for North Korea's Collapse: Key Stabilization Tasks*

3 Bennett, *Preparing for the Possibility of a North Korean Collapse*, 277

4 Fortna, *Does Peacekeeping Keep Peace?*, 269, 281, 285; Doyle and Sambanis's quantitative analysis further finds that UN missions with a mandate and resources to build peace increase the chance for peace after civil war, controlling for levels of hostility and local capacities (Doyle and Sambanis, *Making War and Building Peace*, 4)

Concern 2: China would face the potential presence of a U.S.-allied, unified Korea on its borders and lose the strategic advantage of having North Korea as a buffer state.

North Korea serves as a strategic buffer for China, much like the Atlantic and Pacific Oceans provide strategic depth for the U.S. It is understandable, then, that China is concerned by the prospect of a Korean Peninsula unified under the South Korean government, historically a close U.S. ally. Though there is no telling how this alliance might shift after unification, the fact remains that the collapse of North Korea would cost China this guaranteed strategic buffer and would be a significant setback for China's conceptions of its own security.⁵ Richard Bush writes:

"Imagine what East Asia looks like in the view of China's leaders looking east. There is a chain of islands, all of whose governments have security ties with the United States: Japan, Taiwan, and the Philippines. Then there is the southern half of the Korean peninsula, whose government, the Republic of Korea, has a defense treaty with Washington. The only state on China's periphery that does not have close and friendly relations with the United States is North Korea. ...If unification is to happen, Beijing wants it to occur peacefully and result in a new, united Korea that is friendly to China and not closely aligned to the United States."⁶

China's ideal post-collapse outcome would likely be to maintain a North Korean state under a new, stable, China-allied regime modeled after the Chinese system. China would likely be unwilling to relinquish the idea of an independent North Korean state unless the U.S. could offer China a credible guarantee that a unified Korea would be at the very least neutral and not allied with the U.S. From China's perspective, it would be making a significant concession by putting pressure, or perhaps even giving up, on its buffer state. In return, China could demand a similarly substantial concession from the U.S., perhaps even diminished security ties with South Korea.

Yet a unified Korea would not necessarily be a natural American ally. Although South Korea has maintained a longstanding alliance with the U.S., domestic sentiments toward China and the U.S. have fluctuated in recent decades.⁷ Polls as early as 2004 found that 49 percent of Koreans consider China to be South Korea's most important partner, with

5 Richard Bush, China's Response to Collapse in North Korea

6 Bush, China's Response to Collapse in North Korea

7 Suk-hee Han, South Korea Seeks to Balance Relations with China and the United States: Current Issues in U.S.-ROK Relations

only 38 percent selecting the U.S.⁸ There are also vocal calls in South Korea for American troops stationed there to leave. And in the event of Korean unification, the former South Korean government might also have to distance itself to some degree from the U.S. to draw support from the North Korean public.

Regardless, China will not leave the question of a unified Korea's neutrality to either chance or the winds of Korean domestic politics. The U.S., Korea, and Japan will have to offer China a robust guarantee of neutrality in the form of a multilateral treaty, perhaps similar to the Austrian State Treaty of July 1955, which paved the way for Austria's Declaration of Neutrality just three months later.⁹ To be credible, such an offer would have to run the gamut of military, diplomatic, and economic issues.

On the military front, during and immediately following the collapse, China would need to feel confident that U.S. troops would not take control of North Korean territory, even if they are supporting South Korea's military. The policy proposals outlined in *Concern 1* above, including geographic limitations on American troops in stabilization operations and a coordination mechanism set up in the event of a collapse, could help to assuage this concern.

But to address China's requirements for a neutral unified Korea comprehensively, diplomatic measures will be critical. A regional peace agreement would be necessary in which China, Russia, the U.S. and Japan all pledge to refrain from intervening militarily on the peninsula. Enforcement would, of course, be a key challenge. Yet the lack of a highly revisionist, expansionist power in the region today gives grounds for hoping that such a neutrality agreement could be reached. Russia under Putin has demonstrated that it is a revanchist power, but its focus lies in the former Soviet Union, not Northeast Asia. China has demonstrated its willingness to seek territorial control over contested territories, especially in the South China Sea, but has been very reluctant to dedicate extensive military force to potential high-intensity combat environments. Furthermore, there would likely be a strong deterrent effect driven by the expectation that other parties would quickly engage if such an agreement were to be breached.¹⁰

To pull off such a grand bargain, however, both the U.S. and China must recognize that it might require issue linkage with other concerns in their bilateral relationship—potentially including highly sensitive or strategic issues, such as concessions on the South China

8 Hankwon Kim, *Cultural and State Nationalism: South Korean and Japanese Relations with China*, 131

9 Department of State, "Austrian State Treaty, 1955"

10 Kim, *Cultural and State Nationalism: South Korean and Japanese Relations with China*, 348

Sea, military assistance to allies in the region, or even the withdrawal of troops from the Korean Peninsula.

In the medium to long term, such an agreement would require the U.S. to work with South Korea and China to negotiate and potentially set terms for the withdrawal of American troops from the Korean Peninsula. The U.S. would be loath to lose a key element of its strategic presence in East Asia by withdrawing its troops from the Korean Peninsula. This would be a contentious topic among South Korean politicians, as well. Today, experts, politicians, and the public remain divided on whether U.S. troops should stay or go.¹¹ However, this could be a red line for China.

The implementation of such an aspirational neutrality agreement could be made practical by establishing a forum involving all regional stakeholders, including Japan, including a regular Strategic & Economic Dialogue (S&ED), much like the annual S&ED between the U.S. and China. This would create a platform for all parties to come together on a regular, predictable basis—and, crucially, guarantee China that it would have the opportunity to engage diplomatically with a unified Korea on a regular basis.

Concern 3: There would be large-scale movements of North Koreans as refugees and migrants across the border and into China.

Negotiating refugee and humanitarian solutions will be an integral part of the diplomatic effort to bring China to the table in addressing the North Korean challenge. One of China's main concerns in the event of a collapse is the potential flow of refugees across its border with North Korea,¹² with Chinese leaders fearing a humanitarian emergency in their Northeast provinces.

China and North Korea share an 880-mile border—more than five times the length of the border between North and South Korea. Given the presence of landmines and troops along the Korean Demilitarized Zone, it is likely that a substantial number of North Koreans would seek refuge in China, should the Pyongyang regime collapse.¹³

11 Glaser and Snyder, *Responding to Change on the Korean Peninsula: Impediments to U.S.–South Korea–China Coordination*; Yong-Sup Han, *The ROK-US Cooperation for Dealing with Political Crises in North Korea*

12 Bush, *China's Response to Collapse in North Korea*

13 Tara O, *The Collapse of North Korea*, 103

While China's People's Liberation Army (PLA) has developed contingency plans to intervene in North Korea for possible humanitarian, peacekeeping, and environmental control missions,¹⁴ existing literature suggests that the PLA would struggle to prevent refugees from crossing the border. One conservative estimate (presuming a stabilization mission is also in place) suggests that more than 24,000 guards would be needed along the Chinese border to prevent North Koreans from crossing the border. Research indicates that even officers in China's PLA lack confidence that they could close the border.¹⁵

China, however, need not shoulder this burden alone. The U.S., Japan, and South Korea could work with China to plan a coordinated response to humanitarian challenges posed by a collapse scenario. Critical issues would include planning the location of humanitarian camps; provisioning food, water, medical supplies, and shelter (including to former DPRK political prisoners); and establishing a coordinating authority. The U.S. and China could build on momentum from an existing history of joint humanitarian relief exercises. The militaries of China, Japan, U.S., South Korea, and even Russia worked alongside each other in humanitarian and disaster relief (HADR) drills coordinated by the Association of Southeast Asian Nations in 2013.¹⁶ More recently, in November 2016, China and the U.S. conducted a three-day humanitarian relief drill in Kunming, China.¹⁷

The parties could begin by identifying all food and water storage areas in North Korea and plan to transport supplies from South Korea.¹⁸ They could also explore options to deliver aid through ports along the coast, or via cargo aircraft given North Korea's poor road infrastructure.¹⁹ With regards to medical provisions, the Center for Strategic and International Studies suggests that South Korea, the U.S., and Japan could collaborate to send out forward-deployed medical teams to address malnutrition, tuberculosis, and vector-borne diseases.²⁰ This latter element of the humanitarian operation would be particularly important given that North Korea has the highest tuberculosis infection rate in the world outside of sub-Saharan Africa.²¹

14 Stares and Wit, *Preparing for Sudden Change in North Korea*

15 Bonnie Glaser, Scott Snyder and John Park, *Keeping an Eye on an Unruly Neighbor: Chinese Views of Economic Reform and Stability in North Korea*

16 Scott Cheney-Peters, *Southeast Asian Rivals Work Together in Disaster Relief Exercise*

17 Ben Blanchard, *China, U.S. look past tensions for joint relief drill*

18 Pacific Forum/ CSIS, *Kim Jong-Un-prepared: Allied Contingency Plans for Korean Peninsula Unification*

19 Bennett, *Preparing for the Possibility of a North Korean Collapse*

20 Pacific Forum/CSIS, *Kim Jong-Un-prepared: Allied Contingency Plans for Korean Peninsula Unification*.

21 Ferial Ara Saeed and James Przystup, *Korean Futures: Challenges to U.S. Diplomacy of North Korean Regime Collapse*, 6

Designating the first responder(s) would also be critical. Experts opine that, in the event of a collapse, China would likely move military and other units between 30 to 60 miles across the border into North Korea to establish a zone to shelter and support internally displaced peoples (IDPs).²² With 560,000 active duty and three million reserve personnel, the South Korean army could support China in these early humanitarian outreach efforts. It could quickly deploy two divisions for disaster relief and community assistance.²³ South Korea, working with non-governmental organizations (NGOs) and South Korean families, could focus on safe and managed southern border crossings, potentially easing the flow of North Korean refugees into China.

NGO partners would play a critical role in this effort. Analysts have argued that the role of the U.S. and South Korea in the humanitarian relief effort should be to provide security to the civilian humanitarian professionals delivering aid, and then to focus their own assistance on areas of North Korea that international humanitarian organizations cannot reach,²⁴ coordinating with and involving China as much as possible. China may nevertheless seek to avoid intervention by international agencies and NGOs within its borders.²⁵

Multilateral negotiations between the U.S., China, Japan, and South Korea should also address the role of multilateral organizations in relief efforts, including the Office of the United Nations High Commissioner for Refugees (UNHCR). While China has had a difficult relationship with the UNHCR (in view of China's repatriation of DPRK refugees,²⁶ turning down of UNHCR's assistance offers,²⁷ and denying UNHCR access to North Koreans at the border),²⁸ UNHCR could be a valuable partner to assist the parties in establishing a network of IDP camps across the country. While the goal should be to provide adequate and sustainable housing under a unified Korea, the parties should work with UNHCR to establish relocation opportunities for North Koreans seeking refuge in the short term. Negotiating these core humanitarian and refugee issues should be part of the diplomatic outreach to China.

Finally, it is important to recognize the significant disparity in health and education standards between North and South Koreans. The ability to manage a potential humanitarian

22 Bush, China's Response to Collapse in North Korea; Tara O, *The Collapse of North Korea*, 103

23 O, *The Collapse of North Korea*, 93 (referencing a 2001 report by Moo Bong Ryoo)

24 Pacific Forum/CSIS, Kim Jong-Un-prepared: Allied Contingency Plans for Korean Peninsula Unification

25 O, *The Collapse of North Korea*, 103

26 Roberta Cohen, *China's Repatriation of North Korean Refugees*

27 Human Rights in China, *The Invisible Refugees*

28 Roberta Cohen, *North Koreans in China in Need of International Protection*

crisis in a unified Korea would be complicated by the challenge of absorbing a physically stunted population with minimal education. In order to assuage China's concerns regarding increased refugee flows, South Korea and the U.S. would need a clear roadmap for integrating North Koreans into an eventually unified Korea should the North collapse. This would require, *inter alia*, access to health services, housing, employment, and education institutions.

Concern 4: There would be potential longer-term economic and political instability on the Korean Peninsula that would adversely affect China's security and prosperity.

China's reticence to support comprehensive sanctions on North Korea likely stems in part from fear that a post-collapse unified Korea would struggle to build new political and economic structures that integrate the former North Korean population, or, worse yet, that those institutions would be hostile to China's interests.

In reaction to the power vacuum created after North Korea's hypothetical collapse, China, however unlikely, could try to forcefully establish a pro-China regime, sparking conflict with the U.S. and South Korea. Alternatively, a federation could develop between North and South Korea that gradually aims to develop into a single polity. Still, in another scenario, the present-day South Korean government could effectively absorb the former North Korean territory under its existing system of rules and institutions.

China fears this type of political uncertainty, given the substantial differences between the current institutions and systems of the North and South. While the form of governance for a unified Korea must ultimately be decided on a democratic basis by the majority of the Korean people, China, the U.S., and South Korea should be prepared to engage early and proactively on these issues.

One potential strategy to mitigate the shock of the immediate absorption of North Korea into the South's governance structure for China could be to suggest a gradual process that begins with a confederate system. Limited policy authority—excluding foreign and security policy—could be devolved to a parliament in Pyongyang, with a timeline for a transition into a federation under a single chief executive for a unified Korea. Consistent with international law on self-determination, China, the U.S., and South Korea should discuss measures to provide support for a self-determination referendum in North Korea to determine the most appropriate and legitimate unified governance structure.

China also fears that economic instability, sparked by the uncertain political trajectory or institutional structure of a unified Korea, might adversely affect China's own economic interests. While a unified Korea could provide an economic boon for the region, leveraging North Korea's untapped resources, labor, and market opportunities, the reconstruction process in the North would be extremely costly—between \$200 billion and \$2 trillion. This would drain the state's financial resources in the critical early years and decades of a reunified Korea. To finance these reconstruction costs, South Korea would be required to increase public spending significantly, potentially requiring a doubling of current South Korean tax rates.²⁹

Multilateral discussions should therefore be held between the U.S., China, and Japan on financial commitments to share the economic burden of reconstruction with South Korea. U.S. support could focus on humanitarian assistance, technical support and capacity-building for economic reform, health systems reform, agricultural development strategy, and investment in infrastructure projects through international financial institutions.

China could also be a critical asset to the reconstruction process, drawing upon its own experience in building its critical domestic infrastructure to support the economic development and prosperity of a newly unified Korea. The immediate delivery of aid and reconstruction assistance would, in turn, benefit China by enhancing human security on the Korean peninsula and prevent a mass exodus of refugees through the Sino-Korean border.³⁰

Furthermore, Japan could provide crucial financial assistance to ensure the economic well-being of a unified Korea. This could come in the form of debt forgiveness, export credits, and official development assistance funneled through bilateral and multilateral channels. International financial institutions, such as the Asian Infrastructure Investment Bank, could also play a central role in mobilizing and supervising the efficient use of resources, and in supporting the transformation and reconstruction of a reunified Korea.³¹

In order to mitigate against potential future economic and political instability in the event of North Korea's collapse, all regional stakeholders should begin discussion early to discuss how best to channel their economic and political support to a unified Korea.

29 Bennett, *Preparing for the Possibility of a North Korean Collapse*

30 Pacific Forum/CSIS, Kim Jong-Un-prepared: *Allied Contingency Plans for Korean Peninsula Unification*

31 Stares and Wit, *Preparing for Sudden Change in North Korea*

Concern 5: Fissile materials and nuclear expertise could fall into the hands of belligerent and non-state actors who pose a threat to China's national security.

China's concerns regarding the uncertainty and difficulty associated with securing North Korea's nuclear weapons after its potential collapse are another hurdle in securing its cooperation on comprehensive sanctions. A failed state with a nuclear program on its border would be a major security concern for China. Yongbyon, a major North Korean nuclear site, is located a mere 180 miles from the Chinese border.

In order to provide assurances to China that the task of securing nuclear fissile material, enrichment technologies, nuclear weapons, ballistic missiles, and nuclear scientists would be swiftly executed immediately following the event of a collapse, the U.S. would need to engage early not only to provide assurances but also to allow for discussions on how the burden of securing WMDs could be shared among the Northeast Asian countries.

At the very least, the scope of the overall counter-WMD mission in a post-collapse scenario would include the following tasks:

- seal off North Korea's coastline and its borders;
- deploy special forces for reconnaissance;
- secure high priority WMD targets during an overall stability operation phase;
- secure and inspect all WMD sites.³²

While all parties likely possess individual contingency plans to secure the country's WMDs in the event of a collapse, the U.S., China, and South Korea would need to negotiate the division of responsibility for different components of these operations.

Driven by environmental and safety concerns for the millions of Chinese citizens living in close proximity to North Korea, China has a strong incentive to deploy troops quickly to secure these materials. Yet, China may in fact prefer to allow the U.S. to take the lead, given the latter's Special Forces and intelligence capabilities have more experience finding and securing WMDs.³³ It is estimated that this operation may require almost 100,000 troops to locate and control the nuclear arsenal of North Korea over the course of two

32 Bennett and Lind, *The Collapse of North Korea: Military Missions and Requirements*

33 Kent Harrington and Bennett Ramberg, *The United States and South Korea: Who Does What if the North Fails?*

months.³⁴ By participating in intelligence-sharing and coordination, however, China could reduce the amount of time required for U.S. troops to complete this mission. Therefore, there is much to gain in providing assurances to China from early and substantive discussions on nuclear risk management.

Furthermore, multilateral discussions should also consider the role of international organizations in assisting in planning for the task of securing North Korea's fissile materials. The International Atomic Energy Agency (IAEA), for example, could provide expertise in developing a plan for securing fissile material, while instituting safeguards and suggesting best practices. Meanwhile, gaining UN Security Council authorization would provide increased international legitimacy for a coordinated military intervention to secure WMDs, which could include guaranteeing assurances to China, for example, if U.S. Special Forces should be operating in known sites near the Chinese border.³⁵

In addition to reservations about nuclear security, Chinese concerns about the long-term nuclear ambitions of a unified Korea may also contribute to its reluctance to move away from the status quo too quickly. Track II diplomatic talks have indicated that China fears that South Korea may prefer inheriting North Korea's existing WMD programs if reunification does occur.³⁶ By way of ongoing bilateral and multilateral dialogues, South Korea could reaffirm its commitment to denuclearization and take steps to reassure the international community that this would take place in the future.

When it comes to the reemployment of former North Korean nuclear scientists, there are a plethora of initiatives that could be modeled after the experience of former USSR states immediately following the collapse of the Soviet Union. For example, the South could commit to coordinating the resettlement and reemployment of former North Korean nuclear scientists in a unified Korea in professions that channel their expertise into projects that do not raise proliferation concerns. In fact, in the short run, keeping these nuclear scientists fully employed and integrated into post-collapse efforts would be highly beneficial to the task of securing WMD-related material, especially in the support they could lend to intelligence collection and mission planning.³⁷

In the medium to long term, the Chinese, U.S., Japanese, and South Korean governments could create collaborative research opportunities that would keep these experts

34 Harrington and Ramberg, *The United States and South Korea: Who Does What if the North Fails?*

35 Yong-Sup Han, *The ROK-US Cooperation for Dealing with Political Crises in North Korea*

36 Ferial Ara Saeed and James Przystup, *Korean Futures: Challenges to U.S. Diplomacy of North Korean Regime Collapse*

37 Stares and Wit, *Preparing for Sudden Change in North Korea*

gainfully employed, while the unified Korean leadership could commit anew to the Nonproliferation Treaty and subsequently accept IAEA safeguards.

The Way Ahead

China's national interest is best served by engaging in high-level talks with the U.S. to maximize the likelihood of sustainable security and prosperity on a nuclear-free Korean Peninsula.

China will be the linchpin for changing North Korea's strategic calculus about the costs and benefits of its nuclear weapons program, and will be a critical partner in implementing the comprehensive sanctions needed to sharpen the choice for North Korea. In short, bringing China to the table is critical for addressing the North Korean nuclear threat.

The first step for President Trump's administration and that of South Korea should be to establish a high-level forum to discuss the North Korean nuclear threat with China. China's recent approval of tightened multilateral sanctions on North Korea, including a cap on coal exports, suggests that China's patience for the Kim regime is waning. It would be prudent for the U.S. and South Korea to use this opportunity to engage China more intensely.

Japan, the U.S., and South Korea should be prepared to provide assurances to China on the core concerns outlined in this paper. Any agreement between these stakeholders on the issues addressed above will inevitably require a degree of compromise from all parties: options considered will be determined based on the compromise of one tradable issue in return for the other parties' compromise on a non-tradable issue.

Assuaging China's concerns on refugee flows, for example, may require the U.S. to compromise on a delimitation of movement of its military personnel beyond a specified point within the Korean Peninsula. Diplomats negotiating with Chinese officials might have to propose a package deal to come to an agreement. This paper has identified key elements of such a package that China is most likely to care about when discussing North Korea.

It is important that the new U.S. administration also continues consultations with Japan throughout this process. There is a risk, however, that early Japanese engagement in the

context of a multilateral setting would substantially decrease the likelihood of Beijing's coming to the table. However, the close relationship that Abe has established early on with President Trump provides evidence that U.S. alliances in the region will not be foregone but reinforced in his strategy in Northeast Asia. In fact, it is important to note that Japanese reparations for World War II are a substantial, yet underutilized, negotiation tool; this illustrates just one way that Japan will continue to lend support to U.S. objectives in this region. Closer trilateral ties between the U.S., Japan, and South Korea will likely continue, especially on missile defense.

There is a clear tradeoff between strengthening the U.S. alliance system in response to the North Korean threat and seeking to gain the support of China on any coordinated attempt to bring Pyongyang to the table. For this reason, the U.S. should seek to engage China early and continuously, holding bilateral talks parallel to any trilateral discussions with the U.S., Japan, and South Korea. Providing confidence-building measures would be a more effective method to acclimatize China to the growing U.S.-Japan-South Korea trilateral alliance relationship. Maritime HADR exercises with the militaries from all four countries, for example, could lessen the edge, while providing practice in coordinating a potential humanitarian crisis at sea. Other assurances could be offered: for example, promising to secure Japan's commitment to providing financial and logistical support for peacekeeping and reconstruction, while refraining from military intervention by the Self-Defense Forces on the Korean Peninsula.

Fostering greater collaboration among international stakeholders on the North Korean nuclear issue will not be simple or straightforward. But, while ambitious, such an effort is essential for finding a diplomatic solution to one of President Trump's top national security challenges.

We would like to thank our dear friend, **Ali Wyne**, for taking the time out of his very busy schedule to help us finally bring this paper across the finish line. Without him, we would still be mulling over our twentieth draft today.

We would also like to thank Dr. **John Park** for his expertise and mentorship.

We are indebted to Dr. **Gary Samore** for sharing his time in countless office hours and meetings from the beginning of this project, right to the very end.

To Ambassador **Wendy Sherman**, thank you for your support and belief in this project. Your encouragement, wisdom, guidance and expertise have been indispensable to its success.

Statements and views expressed in this policy brief are solely those of the authors and do not imply endorsement by Harvard University, the Harvard Kennedy School, or the Belfer Center for Science and International Affairs.



Belfer Center for Science and International Affairs

Harvard Kennedy School
79 JFK Street
Cambridge, MA 02138

www.belfercenter.org

Copyright 2017, President and Fellows of Harvard College