#### THE RISE OF CHINA AND KOREAN UNIFICATION

The rise of China can be seen as the single most important strategic problem which Korea faces currently. In the late 1970s, China entered a phase of high-speed economic growth, which still seems to be almost unstoppable. According to World Bank estimates, the average annual increase in China's GDP in the years 2000-2009 was 9.7%. This is the world's highest growth rate. Perhaps for the first time in modern history, the country which has the highest growth rate is the country with the largest population.

The future of Korea depends on its ability to find how to handle the Chinese challenge. It is going to be difficult, but there are hopeful signs, too: Chinese political elite may be remarkably realist, even Machiavellian, in their outlook but also rational and averse to adventurism. This gives Korea some hope that compromises with China will be possible. Without such compromises no unification of Korea will be possible in a new world where China is bound to be a major player.

#### Korean Unification: What Does China Want?

What are the goals of China on the Korean peninsula, and how can these goals be reconciled with the national interests of Korea? It appears that Chinese interests on the Korean peninsula form a strict hierarchy. China needs:

first, a stable Korean peninsula;

second, a divided Korean peninsula;

third a non-nuclear Korean peninsula.

These goals are hierarchical: from the Chinese point of view, stability is more important than division, while division is more important than denuclearization.

The need for stability is deeply related to the Chinese economic and domestic political situation. Chinese leaders believe that time is on their side. They know that if they manage to maintain their current rate of growth, China's international power will keep increasing. But in order to maintain the high levels of growth, China needs international stability. This is especially true when it comes to China's neighborhood, and China has reason to see the Korean peninsula as essentially its own backyard.

The Chinese leaders also believe that their ability to stay in power is conditional upon economic growth. Chinese decision-makers worry that a sudden disruption of growth might lead to an outbreak of domestic discontent, perhaps even to a revolution.

Therefore the maintenance of stability is the overarching goal of Chinese foreign policy. As we shall see later, for Korea this is good news, since it makes compromise possible.

China's second goal is division. Like all major international players (with the possible exception of the United States), China prefers a divided Korea. There are many reasons that make Beijing pessimistic about Korean unification. First, China would prefer to have a buffer zone, keeping US forces a bit further away from China's borders. Second, the division of Korea provides China with plenty of opportunities to use the rivalry of the two Korean states to Beijing's advantage. Third, China can use the economic and political weakness of North Korea to obtain economic concessions (for example, mining rights and the right to use transportation networks) at very cheap rates. Last but not least, China worries that the emergence of a unified Korean state will encourage irredentist claims over large areas of Manchuria. The willingness of some Korean nationalist groups and Korean media to raise the "Kando issue" does not go unnoticed in Beijing.

Contrary to what is often stated, China is by no means supportive of North Korea's nuclear program. China is officially recognized as a nuclear power. This position makes China a member of an exclusive and highly powerful international club. The proliferation of nuclear weapons will necessarily undermine the exclusive standing of China and therefore, proliferation is not welcome in Beijing. Apart from that, North Korea's nuclear program is threatening stability in North-East Asia which, as we have mentioned above, is within the sphere of China's perceived vital interests. A nuclear North Korea might lead to the emergence of a nuclear Japan, a nuclear South Korea, and perhaps even a nuclear Taiwan and Vietnam. This is clearly not what China wants.

However, there is no reason to believe that China will be able to or willing to exercise sufficient pressure over the North Korean government over denuclearization issue. China will never dramatically reduce its aid to North Korea, let alone enforce an efficient sanctions regime targeting Pyongyang. Chinese aversion to North Korea's nuclear program is large, but China's need to maintain a stable and divided Korean peninsula is much more pressing. Because excessive pressure on the North Korean regime is likely to jeopardize stability on the Korean peninsula and this is why one should not expect China to sincerely participate in an efficient international sanctions regime against the North.

# What Does China Think Of Koreas' Future?

China is sometimes described as "North Korea's ally", but this is not really the case. The author's contacts with Chinese diplomats and academics makes him suspect that the Chinese attitude to North is generally similar to the attitude the Soviet Union took toward North Korea in the 1970s. Under the thin veneer of fraternity rhetoric, there is a great deal of hostility, suspicion and plain contempt. For the Chinese, North Korea is a bizarre and almost comical picture – it is to them a caricature of China in the 1970s, the embodiment of all that was wrong with China back then.

A majority of Chinese observers fail to appreciate the reason for North Korea's unwillingness to emulate the seemingly attractive and successful methods of China.

Until now, some Chinese diplomats and politicians still entertain the hope that North Korea might be somehow pushed towards Chinese style openness and reform. That said, it seems that the majority has lost this hope.

From my talks in Beijing, it appears that a significant majority of China's Pyongyangologists assume that in the long run the North Korean regime is doomed to collapse. They also assume that the eventual outcome of such a collapse is likely to be the unification of Korea under the auspices of the Seoul government.

The recent Wikileaks scandal confirmed that such expectations are widespread among Chinese officials. However, Wikileaks cables did not reveal anything particularly new to someone who interacts with the Chinese sufficiently often.

Needless to say, China sees unification as detrimental to its interests. So, it hopes that the end-game in North Korea will last as long as possible. That said, many of Chinese experts and diplomats believe that in the long run the unification of the Korean peninsula is unavoidable.

Talking privately, but on at an international seminar a few months ago, an influential Chinese academic/official said frankly: "North Korea is a strategic asset for China, but the actual value of this asset is not particularly high and diminishes as time goes by. We are willing to help North Korea as long as it remains relatively cheap, but we are not going to bail the Pyongyang government out of serious trouble."

This approach seems to be fairly representative.

# What Can Korea Do To Prevent A Chinese Unilateral Intervention?

The future is unpredictable by definition, but the present author believes that the North Korean issue is not going to be gradually resolved through prolonged negotiations between two Korean states. A manageable and gradual unification of the two Koreas may be highly desirable, but is absolutely impossible. If North Korea tries to implement Chinese style reforms, it is likely to collapse. If it doesn't implement reforms, it's likely to survive for some time, but it will eventually collapse nonetheless, most likely in a violent and dramatic fashion.

What will happen if regime collapse and civil disorder, the so-called 급변사태 engulfs North Korea? Of course, the major question is, what will China do if faced with this scenario?

Many on the South Korean Right believe that China will use a crisis in order to install a pro-Beijing satellite regime in Pyongyang. However, judging by personal interactions with Chinese officials and scholars, I got a completely different impression. Actually, China would much prefer to not get directly involved in a coming North Korean crisis.

A couple of years ago, sitting in a Russian restaurant in Seoul, I was discussing the future of North Korea with an influential Chinese academic. He was frank: "Let's assume for a moment that there is a crisis in North Korea and China moves in, and installs a friendly government in Pyongyang. What are the likely results? First, we will mobilize Korean nationalism against China. At present Koreans love to hate Japan, but China can become the major object of Korea's nationalist hatred virtually overnight. We will have problems inside North Korea too, since a significant part of the North Korean population will despise us. Last, but not least, such an intervention in Korea will lead to an upsurge in anti-Chinese sentiment among China's neighbors. Of course, there might be reasons which will make a large scale intervention in North Korea necessary. But, we should think very carefully before intervening."

It is difficult to add much else to this list of problems that China can create for itself by getting involved in a North Korean collapse crisis. It is also encouraging that at least some Chinese analysts have a clear understanding of these problems. However, as my interlocutor said, this does not necessarily mean that Beijing would not get involved in a North Korean crisis, in spite of the serious side-effects such a decision would induce. The goal of South Korean diplomacy is to create a situation where Chinese policy makers will decide that a unilateral intervention in a North Korean crisis does not serve China's interests and will see the unification of Korea as an acceptable outcome. How can this be achieved?

China's main goal is to maintain stability. China would prefer to see Korea's division maintained. Nonetheless, it would probably be willing to accept a unified Korea, if such a Korea is not a challenge to China's long-term interests.

Chinese perception of eventual regime collapse in the North as a problem has nothing to do with China ideological affinity with Kim's family regime (as a matter of fact, such affinity does not exist). Chinese politicians will worry about a North Korean crisis largely because such an emergency might have a negative impact on stability in and around China. They do not want nuclear material to be smuggled from North Korea, they don't want to deal with crowds of refugees, many of who will be armed former soldiers of the Korean People's Army. And they don't want to have an unstable area so close to Beijing.

Hence, a potential Chinese intervention into a North Korean crisis will not happen if China sees that other states and/or international forces have the skills and resolve to take responsibility for the situation. In other words, if South Korea and its allies were to establish order in a post-collapse North Korea, China would accept this with much relief.

Until recently, one could presume that in case of an emergency (급 也 사 明) in the North, the South Korean government and public will be more than happy to establish control over the North. Things are not so certain nowadays. The younger generation of South Koreans still pays lip-service to the idea of unification but is not willing to sacrifice much for this supposed overriding national goal.

Unfortunately, resolving a crisis in the North is unlikely to be clean and easy. The emergency will probably involve a lot of internal unrest, akin to what we can see in Libya. The supporters of the Kim family regime are a minority – numbering perhaps one or at most two million people, but the pro-Kim forces are likely to fight if a major disturbance occurs. The central reason for this is that the privileged minority believe that they have no future without Kim's family. They have the weapons, the organization

and skill, so in order to establish control over the North, South Korean forces will probably have to fight their way to Pyongyang, subduing armed resistance of the Kim supporters and elements of the North Korean military. The present author is not certain whether a South Korean government would agree to send the South Korean army to the North if the North is engulfed in bloody civil war.

Nonetheless, the possible reluctance of the South to take care of a crisis will greatly increase the possibility of Chinese intervention. Once Chinese decision makers discover that the South Korean public and/or government lacks the resolve to get involved in the chaos in North Korea, they will have no choice but to do so themselves. The result would be the establishment of a puppet regime and the perpetuation of Korea's division.

Needless to say, this is not a good outcome if one looks at Korea's national interests, but it can be prevented. If South Korean government decides not to intervene in an emergency in North Korea due to domestic or international reasons, South Korean diplomacy should strive to internationalize the "North Korean issue". In other words, if Chinese unilateral intervention looks eminent, it would make sense to lobby for an international peace-keeping operation in what is now North Korea. Such an operation can be mandated by the UN, even though the actual preparations might be better made by through the 6-party talks or other similar mechanisms, with a small number of relevant participants.

China is likely to accept such a solution. An international operation will be quite efficient in restoring law and order in North and maintaining stability in the region. At the same time it will help China to avoid the side-effects of such an operation. If a peace-keeping operation is technically international and approved by the UN, China can present itself not a imperialist power but as a responsible member of the international community. An international operation will have additional benefits from the Chinese point of view: other participants can be persuaded to make significant financial contributions, so the financial burden for China will diminish significantly.

For Korea, an international operation is less desirable than a unilateral intervention by the South, but it might be seen as an acceptable option. Definitely, from Seoul's viewpoint an international operation is also much preferable to a unilateral Chinese intervention. If Chinese forces intervene in North Korea as a part of, say, a UN mandated force, they will have to leave the country sooner or later, thus opening the way to the eventual unification. If Chinese come alone, in a unilateral operation, they are likely to stay for long time, and also will probably establish a pro-Beijing regime which will keep Korea divided.

# **How To Placate Chinese Fears?**

It is important to consider other fears and worries that China is likely to have in regard to post-unification Korea. As we have mentioned above, one of the reasons why China would prefer to see the division of the Koreas maintained, is the fear about the possibility of US forces being stationed near the Chinese border. So, when the end-game in North Korea comes, it will make sense to negotiate an agreement which will explicitly ban the US from stationing forces in the northern part of the Korean peninsula. Such a compromise will do much to placate the Chinese and will also be acceptable for the

Americans too, since it will not result in any significant deterioration in US power in the East Asia (and the US is the only major power positioned to gain from Korea's unification).

Another potentially contentious issue is the possible territorial claims to what is now Chinese territory. Some Korean nationalists love to boost their sense of national pride by talking of Korea's possible territorial claims to Kando and Manchuria. In this regard they are not so dissimilar to Japanese nationalists who indulge themselves in talking of Japan's allegedly rightful claim to the Dokdo islets. Understandably the Chinese public is as inflamed by these claims to Chinese territory as the Korean public is to Japanese claims to Korean territory.

Korean nationalists probably fancy themselves to be promoters of Korea's national destiny, but the loud talk of the so-called 'Kando Issue' is producing an opposite effect – it makes China more uneasy about unification and increases the likelihood of Chinese intervention into the eventual end-game in the North.

So, in the case of emergency, the ROK government should explicitly and unequivocally assure China that the current borders between North Korea and China will be accepted if and when unification happens. The Korean government should also keep its distance from NGOs which push claims to Kando.

Lastly, if a crisis were to erupt, China should be assured that the government of unified Korea will honor all economic agreements that will exist between China and North Korea. Frankly, many of these agreements are unfair and unequal, but accepting these agreements is a small price to pay for the eventual unification of the two countries.

#### Be Careful, Be Realistic, Be Optimistic

Few people would doubt nowadays that China is the major challenge when it comes to the future of Korea and especially the question of Korea's unification. Nonetheless, the 'Chinese problem' has solutions. A detached analysis of the current situation demonstrates that compromise is possible.

In order to achieve such compromise, Korean side should be ready to give some reasonable concessions whilst keeping in mind the major strategic goal of national unification. Korean diplomats cannot afford to be too emotional. We don't know when the final crisis will strike: it might happen next year, but it also might not happen for the next decade or two. But we know that when the final days of the North Korean regime come, it will be necessary to act swiftly and decisively. There will be little time for deliberation and discussion, and this is the reason why frank discussion of possible solutions should take place now, when we still has time to think, argue and analyze.