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China's Contingency Planning on North Korea

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Thank you to the members of the U.S.-China Economic and Security Review Commission for the opportunity to testify on some of the key issues in China's contingency planning on North Korea. This testimony seeks to answer how China assesses various contingency scenarios in North Korea. It also aims to analyze how China might seek to advance its long-term goals for the Korean peninsula with such contingencies.

Traditionally, the Korean peninsula is perceived by China as having a critical impact over China's national security and external environment. This is not just because China still maintains a binding security treaty with North Korea, but, more importantly, is because of the existence of the U.S. security alliance with South Korea and consequently the U.S. troops' presence to the south of the 38th parallel. China is concerned with the scenario of a unification of the Korean peninsula led by South Korea through South Korea's absorption of North Korea. For China, this scenario will inevitably lead to the expansion of the U.S. security alliance to cover the whole peninsula, with U.S. troops crossing the 38th parallel and deploying right on the Chinese border. In China's contingency planning, therefore, how to avoid any hastened and premature reunification so as to protect China's existing sphere of influence and national security interests has generally been its implicit priority. Furthermore, because a contingency in North Korea conceivably will have a direct impact over China's border security through refugee inflows, it is widely speculated that China would intervene to maintain the security of the border. However, the timing and the scope of such a military intervention is largely subject to debate.

Contingency Scenarios and China's Potential Reactions

Generally speaking, the Chinese discussion on a North Korea contingency is focused on three scenarios: internal instability of North Korea, a conflict scenario with the U.S./ROK, and a nuclear contingency. Depending on the specifics of the crisis, including the action by U.S. and ROK, the policy consultation/negotiation, as well as the origin and the severity of the crisis, each could generate different levels of Chinese intervention.

China's planning and preparation for a North Korea contingency before 2017 had been mostly focused on an internal instability scenario, most likely an implosion caused by a military coup or an unexpected death of the North Korean leader. In such a scenario, the common expectation is that China is prepared to politically and if necessary, militarily to preserve a functional North Korean government as well as the survival of North Korea as a country, especially if South Korean and/or American intervention is detected. Such a government does

not have to be led by Kim Jong-un or a member of the Kim family as long as the new leader has sufficient political authority and capacity to maintain the internal stability of North Korea.

In the second scenario, North Korea would be in a military conflict with South Korea, most plausibly due to North Korea's provocative behaviors toward South Korea, whose retaliation escalated the confrontation. This is also the scenario that China has focused on most since the beginning of the Trump Administration. In this conflict scenario, Chinese analysts speculate that Seoul would invite U.S. intervention or support, which in the Chinese perception would put North Korea at a significant disadvantage. The key question, of course, is how China should respond to such a vital threat to North Korea's regime and national security. There appears to be no consensus in China at this stage on this issue. While some analysts argue that if the conflict is caused by North Korea's provocation, China has less legal obligation and moral justification to intervene, the counterargument maintains that an arrangement regarding the future of North Korea would have to be negotiated rather than based on the total annihilation of the North Korean state. Since the beginning of the Trump Administration, for China, there is also a plausible scenario of a U.S. preemptive or preventative strike against North Korea. While the Chinese do not subscribe to the legality of such a strike, its potential reaction most likely will depend on the nature and level of North Korean response. But it is unlikely that China will intervene in the same manner it did in 1950.

Despite the Chinese preparation for a political/military contingency in North Korea, however, a North Korea contingency due to damage to its research reactor's core causing the core to burn or a nuclear meltdown at its light water reactor is much less discussed in the Chinese policy community. This could be because the probability of a nuclear contingency is significantly smaller than the probability of political instability or a conflict between North Korea and South Korea, and therefore it has not been prioritized. China will see the handling of a nuclear crisis within North Korean territory primarily as the responsibility of the North Korean sovereign government. After all, a crisis with North Korea's nuclear reactor does not automatically constitute the sufficient justification for international intervention. However, given the widely shared assumption that North Korea's capacity, equipment, resources, and ability to handle a nuclear crisis are extremely limited, China as North Korea's sole ally and main supporter will likely be the first country to be asked to provide assistance. And given the nature of a nuclear disaster, the Chinese agencies to provide such assistance are more likely to be military rather than civilian.

In light of the significant humanitarian crisis that will result from any of these scenarios, China will first be forced to deal with the reality of a North Korean refugee flow that will jeopardize China's border security and the stability of its northeastern region. Therefore, China's first priority in any of the North Korea contingency scenarios is speculated to be setting up a buffer zone between the two countries to settle the refugees in refugee camps. The exact size and location of such a buffer zone is subject to debate. A media report in December of 2017 suggested that China planned refugee camps in Changbai county and two cities in the northeastern border province of Jilin.ⁱ However, if the number of refugees exceeds China's capacity, most of the speculation points to the area to the south of the Sino-North Korean border, with a depth varying between 10 and 30 kilometers. International humanitarian aid will be solicited and most likely provided. However, HADR (humanitarian assistance and disaster relief) efforts by foreign militaries other than China and Russia most likely will be rejected unless there is a U.N. Security Council consensus over the nature and the scope of such a mission.

From these Chinese deliberations on the contingency scenarios, it is not difficult to identify two key sources of threat perceptions among the Chinese. The first is the intention of and potential actions by the U.S.-ROK alliance in the event of a North Korea contingency. The Chinese identify the primary goal of the alliance during a North Korea contingency as elimination of the North Korean regime and reunification of the Korean peninsula under South Korea's leadership through absorption. Unless the U.S. and South Korea will consider

and accommodate China's security concerns, it is regarded as a highly negative consequence that China will seek to prevent.

The question is whether China will resort to military intervention to prop up the North Korean regime or to prevent the country from being absorbed. According to the China-DPRK Treaty of Friendship, Cooperation and Mutual Assistance, China is committed to adopting all measures to prevent aggression and immediately rendering military and other assistance by all means at its disposal to assist North Korea.ⁱⁱ There is no consensus as for whether China is prepared to fulfill its treaty obligation. Beijing appears perfectly pleased with the strategic ambiguity on this issue. For example, in recent years, one counterargument to free China from fulfilling such a commitment is that if the foreign aggression is the result of North Korea's own provocation and such provocation has been launched without prior consultation with and approval from China, then China's obligation to mutual defense should and could not be taken for granted.ⁱⁱⁱ

This points to the second threat perception in China's assessment of the development on the Korean peninsula. And that is the threat in fact posed by North Korea. China's frustration with North Korean leader Kim Jong-un has been growing exponentially since his ascension to power in late 2011. In the Chinese perception, Kim Jong-un has focused on a wayward, dangerous pursuit of the nuclear weapons programs, defied China's strategic preference of a diplomatic approach to address its insecurity, disregarded China's vital interest in border security given the proximity of the nuclear test sites to the Chinese border and its potential radioactive contamination of Chinese territory and disrespected the Chinese top leader's repeated calling for restraint. When Kim's adventurism and brinkmanship risk a significantly higher chance of a U.S. military strike, China is forced to face its worst nightmare of instability, chaos, war, and a potential China-unfriendly reunification.

At the peak of Chinese anxiety over a war scenario, such as in the spring of 2017, the Chinese internal discussion has increasingly leaned toward a differentiation between the North Korean state and the North Korean regime. In such deliberations, it is argued that North Korea the country remains to be China's strategic leverage and buffer vis-à-vis the U.S.-ROK alliance, and it is the capricious and belligerent North Korean regime led by Kim Jong-un that has created the most acute threat to China's security interests. The logic continues that the most direct solution to China's North Korea threat is to prompt a leadership change in North Korea. Ideally, such a new leadership would agree to the denuclearization of North Korea in the short run, which would fundamentally remove the grounds for U.S. intervention in North Korea. Preferably, the new leadership would also pursue the Chinese-style reform and opening up in the long run, therefore embarking on a new path of economic development and political legitimization. The popularity of this argument in 2017 indicates an interesting possible direction of China's policy in the event of North Korea's continued provocations. So far, the uncertainty associated with this approach and China's lack of experience in regime change have prevented such a Chinese intervention. However, it is fair to say that this policy is at the minimum listed as an option in China's policy playbook.

Factors in China's Decision-making

Given the volatility of the developments on the Korean peninsula, especially North Korea's behavior, China's positions on how to react to a North Korea contingency have been evolving. China's desired endgame remains to be the shaping and creation of a China-friendly Korean peninsula free or neutral of American influence. However, with the unpredictability of North Korea's behavior, South Korea's recalibration of relations with China, and the perceived transactional nature of U.S.-China relations under President Trump, the Chinese see no definitive answer on the best path to achieve such an endgame. As such, on North Korea contingency planning, there is not one definitive strategy that China will resort to other than the shared consensus that China will set up a buffer zone along the border for North Korean refugees. China's further reactions, such as military intervention, will depend on several factors.

The foremost factor in China's decision on intervention, paradoxically, is the intervention by South Korea and the U.S. In the Chinese perception, any internal stability of North Korea due to an implosion or change of leadership essentially is the internal affairs of a sovereign nation and by no means immediately translates into an authorization for reunification based on absorption. Unless there is a U.N. Security Council resolution and mandate, no foreign country, South Korea or China included, has the innate authority and legal ground to intervene militarily, although political intervention, such as mediation, is well-expected. In this case, if South Korea and especially the U.S. unilaterally decide to intervene militarily for stabilization and reunification, it is highly improbable that China will refrain from its own intervention. China's hostility might be mitigated if such intervention is conducted by South Korean troops without U.S. troop participation. However, without sufficient communication and consultation with China in order to acquire Beijing's buy-in for such an action, China will still see an American hand in South Korean actions, albeit behind the scene, given the military alliance between the two.

This points to another key determining variable in China's decision-making. That is to what extent South Korea and the U.S. will consult and coordinate with China on the goals and details of their actions. As the contingency in North Korea pans out and each side calculates their own game plan, will they consult with each other and negotiate a shared vision, or will they act unilaterally and solely for their own national interests? In the past, the common speculation in China about the Chinese government's planning for a North Korea contingency was relatively linear and simple: a stabilization operation to preserve the North Korean state. However, in the past few years, China's growing great power status and image hardly allows for such a unilateral approach toward an issue that affects the critical interests of other countries and the peace and stability of the whole region. In addition, also in the past few years, China's willingness to continue to carry the burden of North Korea as a strategic liability has been gradually wearing thin. Whether there will be a negotiated and joint approach among China, the U.S., and South Korea will greatly affect China's decision on its intervention.

Holding the variables on South Korean and U.S. intervention and policy coordination, consultation, or negotiation constant, two more independent variables will likely have a major impact over China's intervention decision: the cause of the contingency and the severity of the crisis. The cause of the contingency matters because it explicitly strengthens or weakens the legality and justifiability of potential Chinese intervention. For example, if the contingency is caused by North Korean provocation (such as an attack on South Korea), China will face a significant challenge to justify its intervention unless the operations by South Korea and the U.S. show complete disregard of China's national interests and the Chinese desire for negotiation. On the contrary, if the contingency is the result of the U.S.'s preemptive, or even preventative, strike, China will see a much more compelling case and moral ground for China to intervene if the strike escalates into full conflict. Chinese public opinion will also be more likely to support or even call for Beijing to intervene if North Korea appears to be the victim rather than the victimizer. In comparison, if the North Korea contingency is purely domestic (such as a regime implosion), China is likely to hold off its military intervention until 1) South Korea or the U.S. intervenes; 2) the North Korean government demands Chinese intervention; or 3) the total anarchy or civil war in North Korea undermines China's national security and interests.

The severity of the crisis will be a key factor in China's decision-making on a North Korea contingency. In the case of an internal instability scenario, if the transition of power is relatively swift and smooth without major disruption to the social order (similar to the 2017 coup in Zimbabwe that removed Mugabe), China is highly unlikely to intervene. However, if the internal instability evolves into a prolonged civil war among political factions and drives millions of North Korean refugees across the border, beyond setting up a buffer zone along the border, China is likely to first resort to political intervention followed by military intervention if the severity of the crisis continues to escalate.

China's Desired Endgame

China has three stated goals on the Korean peninsula: stability, peace, and denuclearization. China is strongly averse to an armed conflict on the Korean peninsula. Reasons for the fear are abundant, including but not limited to refugee inflows, humanitarian disasters, China being drawn into the conflict, and the negative consequences of potential reunification. China is also afraid of the use of nuclear weapons right on the Chinese border. Although the strategic utility of North Korea for China as a buffer state has long since been mitigated by the liability China has to carry for Pyongyang's provocative behavior, Beijing nevertheless treats North Korea as leverage in bilateral negotiations with Washington, a leverage that will be erased if North Korea ceases to exist. All in all, the Chinese war anxiety is so severe that "no war and no chaos" is a clear redline for Chinese President Xi.^{iv}

China has been sympathetic toward North Korea's vulnerability and sense of insecurity vis-à-vis the U.S.-ROK alliance and sees the North Korean nuclear programs as the direct result of North Korean insecurity. Therefore, in the Chinese logic, the path to denuclearization lies in how to remove Pyongyang's deeply embedded sense of insecurity, and the most direct path is to have a peace mechanism, including a U.S. security guarantee and diplomatic normalization. In the view of the Chinese, the Korean War has not ended on the peninsula because the 1953 Armistice was never replaced with a peace treaty. So, for China, ushering the U.S. and North Korea onto the path of negotiation toward a peace mechanism is the indispensable condition for North Korea to denuclearize. To this end, China has proposed a dual track process featuring parallel negotiations on a peace mechanism and denuclearization.

People have long believed that Beijing's agenda in North Korea is strictly limited to its three stated goals. If this were true, China would not be so opposed to reunification led by South Korea since it will bring stability, peace, and denuclearization. The fact that Beijing has preferred to support the DPRK's continued separate existence indicates that it has bigger and more important considerations: the endgame on the Korean peninsula. In the event of a North Korea contingency, the U.S. and ROK would likely pursue not just a policy of denuclearization but also one of stabilization leading to reunification. Successful implementation of this policy would inevitably lead to the demise of North Korea and alter the power equilibrium on the Korean peninsula.

China's desired endgame on the Korean peninsula is centered on the future of the U.S.-ROK military alliance. China is not opposed to the reunification of the peninsula, but it is opposed to a unified peninsula as a military ally of the United States. In China's vision, a unified, politically stable and economically prosperous Korean peninsula is in China's interests and is a far more superior option than the current state. However, such a unified Korea needs to be at the minimum neutral between the U.S. and China, and preferably pro-China and paying its deference to China on key regional and global issues. According to some Chinese analysts, China might consider the acceptance of a unified Korea continuing to be a U.S. ally under the condition that all U.S. troops are withdrawn from the peninsula, making the alliance more symbolic rather than substantive.

U.S.-China on North Korea Contingency

The belief that the U.S., China, and ROK should pursue cooperation on North Korea contingencies is based on two assumptions. First, since the three countries have vested interests in North Korea and most likely would all have an interest in intervention in a contingency scenario, joint planning is necessary to avoid misinformation, miscalculation or even confrontation. The second assumption is the three countries share certain common interests in securing North Korean weapons of mass destruction and denuclearization. Therefore, such shared interests would provide a solid foundation for cooperation.

As mentioned in the previous sections, China's reservation about joint contingency planning has been essentially due to different strategic outlooks and desired endgames from the U.S. and ROK. Until recently, Chinese thinkers and decision-makers had generally perceived Beijing's top priority in the long run as lying in

North Korea's strategic utility, not only as a buffer, but also as an element of strategic leverage vis-à-vis the U.S. and South Korea. If instability were to occur, beyond the immediate concern of WMD leakage and refugee inflows, Beijing's top agenda item would be to protect China's strategic stakes. This most certainly would mean the existence of a pro-Chinese (or at least China-leaning) North Korean regime, regardless of whether it would still be led by Kim Jong-un.

This perception, however, has undergone subtle changes since the beginning of 2017. With the Trump administration's vigorous war preparation and its incessant rhetoric on "preemptive strike," "preventative strike," as well as a "bloody nose," Chinese anxiety about an upcoming war between the U.S. and North Korea has been elevated significantly since the inauguration of the Trump administration. At several junctures throughout 2017, especially after North Korea detailed its plan to attack Guam in August and its successful test of the Hwasong-15 missile in December, the Chinese policy community was particularly stressed and fearful of the imminence of a military conflict between the U.S. and North Korea. China's war anxiety was so severe that it began to implement local contingency plans along the border and started discussing contingencies with the U.S., a conversation that Beijing consistently refused to have in the past.^v

Information about the contingency discussion has been scarce. However, a popular view among Chinese and American observers is that the two militaries discussed their respective views and potential actions in the event of a North Korea contingency, but did not engage in joint planning for such a contingency. If this is indeed the case, such discussions will be helpful to facilitate communications and understandings and to avoid unexpected miscalculations or even confrontations. Presumably, the discussion between the U.S. and China over a North Korea contingency at this stage has been mostly on the operational and technical level without touching on the sensitive long-term issue of the endgame in North Korea. To address that central issue, a political dialogue, or a grand bargaining, is indispensable, although it may not happen in the near future.

In the event of an intervention by the U.S. and ROK in a North Korea contingency, if the goals of the U.S. and ROK were to stop at safeguarding WMDs and denuclearization, the likelihood of cooperation with China would indeed exist. If the U.S. and ROK were to withdraw their troops from north of the 38th parallel, as former Secretary of State Tillerson indicated, China most likely would find that arrangement acceptable, or even desirable.^{vi} However, the caveat lies in the Chinese concern about the credibility of such a U.S. commitment. After all, in the event of a crisis, the situation will be highly volatile, and without credible guarantee independent from U.S. verbal commitment, the Chinese will not be comfortable with what they essentially perceive as an empty promise, especially given the unpredictability of the policy of the current administration. The second caveat lies in the policy and preference of the South Korean government, which may not support a U.S. withdrawal and could lead to a change of heart by the U.S.

Without proper communications and sufficient conversations, in the worst-case scenario, a North Korea contingency and its aftermath could spark a broader U.S.-China conflict on the peninsula. If both sides miscalculate each other's resolve to protect what they see as their legitimate national interests and pursue a unilateral approach in their dealing with the contingency, the peninsula could fall into a second Korean War. If China decides that such a war serves as a perfect opportunity to achieve its own reunification, or Taiwan sees it as an opportunity to pursue its own independence, a broader conflict that includes the Taiwan Strait could escalate into a larger war between the U.S. and China.

On the bright side, in recent years, the U.S. and China have maintained steady and open dialogue mechanisms to discuss differences and manage crises. The rules that the two countries have reached over the military encounters in the South China Sea in 2015 and 2016 attest to the possibility for them to resolve their differences and avoid conflict when the high stakes are mutually recognized.^{vii} While the political dialogue or a grand bargaining over the future of the Korean peninsula may be premature or unrealistic at the moment, the U.S. and China both have an intrinsic interest in avoiding a conflict and therefore should engage each other to

achieve better understanding of and better coordination with each other. In this sense, the contingency dialogue between the U.S. and China is not only necessary but indispensable for the peace and stability of the region.

ⁱ Jane Perlez, "Fearing the Worst, China Plans Refugee Camps on North Korean Border," *New York Times*, December 11, 2017, <https://www.nytimes.com/2017/12/11/world/asia/china-north-korea-border.html>.

ⁱⁱ "Treaty of Friendship, Co-operation and Mutual Assistance Between the People's Republic of China and the Democratic People's Republic of Korea," Chinese Communism Subject Archive, https://www.marxists.org/subject/china/documents/china_dprk.htm.

And "Is China-North Korea friendship treaty outdated?" *Global Times*, May 3, 2017, <http://www.globaltimes.cn/content/1045251.shtml>.

ⁱⁱⁱ "Is China-North Korea friendship treaty outdated?" *Global Times*, May 3, 2017, <http://www.globaltimes.cn/content/1045251.shtml>.

^{iv} Michael Martina, "China won't allow chaos or war on Korean peninsula: Xi," *Reuters*, April 27, 2016, <https://www.reuters.com/article/us-china-northkorea-xi/china-wont-allow-chaos-or-war-on-korean-peninsula-xi-idUSKCN0XP05P>.

^v Charles Clover, "US and China broach sensitive topic of N Korea regime collapse," *Financial Times*, December 19, 2017, <https://www.ft.com/content/074feca0-e485-11e7-97e2-916d4fbac0da>.

^{vi} David Sanger, "A Tillerson slip offers a peek into secret planning on North Korea," *New York Times*, December 17, 2017, <https://www.nytimes.com/2017/12/17/us/politics/tillerson-north-korea-china.html>.

^{vii} Phil Stewart, "U.S., China agree on rules for air-to-air military encounters," *Reuters*, September 25, 2015, <https://www.reuters.com/article/us-usa-china-pentagon/u-s-china-agree-on-rules-for-air-to-air-military-encounters-idUSKCN0RP1X520150925>; and "U.S., Chinese officers tout use of rules for unplanned encounters at sea," *The Japan Times*, January 20, 2016, <https://www.japantimes.co.jp/news/2016/01/20/asia-pacific/u-s-chinese-officers-tout-use-rules-unplanned-encounters-sea/#.WsaDQljwZm8>.