

## COULD THE COLLAPSE OF NORTH KOREA PRODUCE A CRISIS IN SINO-AMERICAN RELATIONS?

*The following is an analysis written by Harry Harding, the Dean of the Elliott School of International Affairs at the George Washington University.*

### *An Exhausted Regime*

In recent months, there has been much concern in Washington that Taiwan is once again becoming a controversial issue in U.S.-China relations. While there have recently been serious tensions between Taiwan and mainland China, my own judgment is that they can be successfully managed-- at least for the next several years. Instead, I am worried about another strategic problem in Northeast Asia: the Korean peninsula. My fear is that the collapse of North Korea could produce a serious crisis in U.S.-China relations.

The North Korean regime is clearly exhausted. Its economy is in deep trouble. Kim Jong-il has not yet fully consolidated his power, more than a year after his father's death. Pyongyang is not envisioning any significant reforms, but instead is placing all its hopes in the creation of a small export processing zone in the northeast corner of the country.

Neither this free-trade area, nor the limited food aid being envisioned by the international community, nor the loans to support the construction of North Korea's new light-water nuclear reactor can do any more than to slow the descent of the North Korean economy. And, even if North Korea should adopt wider-ranging political and economic reforms, the shock to its system could be so great that the regime could still collapse.

Thus far, discussions of the consequences of the collapse of North Korea have focused on two issues: the possibility that, out of desperation, a dying regime might launch a military assault on

the South; and the price that South Korea would have to pay to absorb and reconstruct the northern part of the Korean peninsula. These issues are real, although there is growing confidence in South Korea that it can handle the economic and social costs of reunification.

### *Unified Korea's Orientation*

There is, however, another issue that thus far has not received sufficient attention: what would be the strategic orientation of a reunified Korea?

There prevailing view is that a reunified Korea would in some respects resemble a reunified Germany: it would remain a treaty ally of the United States, and American troops would remain stationed on Korean soil after reunification had been accomplished.

The problem is that China may not be enthusiastic about either half of this proposition. At present, Beijing would prefer that a reunified Korea adopt a neutral, or at least equidistant, posture toward China and the United States. And Beijing may also argue that, once reunification has been accomplished, any acceptable rationale for the presence of American military forces on the Korean peninsula will have been removed.

Although Beijing might prefer that the North Korean regime survive by following the Chinese model of economic and political reform, it is unlikely that China will intervene to prop up the North Korean regime if it collapses, or to prevent unification. Instead, Beijing will place great pres-

*"At present, Beijing would prefer that a reunified Korea adopt a neutral, or at least equidistant, posture toward China and the United States."*

sure on a unified Korean government to redefine its relations with the United States and to remove U.S. forces from the peninsula. Given the rise of Chinese economic and military power in Asia, and the growing popular nationalism in South Korea, such demands could well be effective.

Taiwan – if only because the chances that an irrational regime in North Korea could produce sudden collapse are far greater than the likelihood that an irrational leadership in Taiwan would declare independence.

### *Early Preparations Needed*

### *Similar, Yet Different*

It has become part of the Clinton Administration's conventional wisdom that, whatever their differences on other issues, China and the United States have common ground when it comes to Korea. This may be true in the short-run, when the issue is preventing North Korea from developing nuclear weapons, and even in the middle-term, when the issue is preventing North Korea from collapsing.

Over the longer run, however, this assumption is dangerously misleading. Given the present mistrust between China and the U.S., the two countries do not share common interest with regard to the future strategic orientation of a unified Korea. Indeed, some thoughtful Chinese analysts believe that Korea could become a far more difficult and dangerous issue in Sino-American relations than

Managing this issue requires some early anticipatory discussions to determine where long term American and Chinese interests on Korea converge, and where they diverge. Indeed, it is also necessary to include Japanese and Russians in this conversation. At present, this is best done unofficially, by scholars and analysts unconnected with their governments but close to them.

It is also necessary to work to improve Sino American relations. The greater the tensions between Beijing and Washington at the time North Korea collapses, the greater the tensions between the two countries over the strategic orientation of a reunified Korea. Unless China and the United States can construct a sounder and more cooperative relationship, in other words, Korea could remain a hot spot in Asia even after the division of the Korean peninsula has ended. VIP

*"Indeed, some thoughtful Chinese analysts believe that Korea could become a far more difficult and dangerous issue in Sino-American relations than Taiwan."*

\* \* \* \* \*

*Editor's Note:*

*The following is a table for economic comparison between North and South Korea as of 1994.*

### Some Economic Indexes for North and South Korea

Items	North Korea(A)	South Korea(B)	Ratio(B/A)
Population	23 million	44 million	1.9
GNP	\$ 21.2 billion	\$ 376.9 billion	17.7
GNP per capita	\$923	\$8,508	9.2
Economic Growth Rate	-1.7%	8.4%	-
Export	\$ 0.8 billion	\$ 96 billion	114.3
Import	\$ 1.3 billion	\$ 102.4 billion	80.6

Source: Bank of Korea(1995)