

CSIS WORKING GROUP REPORT

**a blueprint for
u.s. policy toward
a unified korea**

a working group report
of the csis international
security program

August 2002



Inter-Korean Relations

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Acknowledgments

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In addition, members of the working group provided initial drafts on which this report is based. Victor Cha and Paul Chamberlin were the principal authors of the Unification Outcomes and Social Institutions portions, respectively, of Section II. Derek Mitchell authored Section III on U.S. interests, with assistance from Mark Brilakis, who provided particular insight into the issue of U.S. military interests on the Korean Peninsula following unification. Kim Seung Hwan was the principal author of Section IV concerning Korean interests. Robert Dujarric, Ja Ian Chong, and Alexandre Mansourov drafted the regional perspectives for Japan, China, and Russia, respectively.

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This publication was made possible by the generous support of the Korea Foundation. The analysis, findings, and recommendations are the product of the working group alone, however, and solely the responsibility of the authors. This report is meant to stir necessary discussion and debate among interested policymakers and observers and to spur examination of the critical issue of U.S. policy toward a unified Korea.

I. Introduction

History tells us that there is no driver of international relations more important than geography. Process certainly matters; economic integration, globalization, and growth of nonstate actors are catalysts for changing relations between states, but these pale in magnitude and intensity to changes wrought by the shifting of sovereign borders, the death of old nations, and the birth of new ones. These events constitute turning points, rather than mere data points, in history.

In East Asia, unification of the Korean Peninsula will undoubtedly constitute a critical turning point in the region's history. Arguably, the creation of a new Korean nation-state, most likely through the demise of the Democratic People's Republic of Korea (DPRK or North Korea) and ascension of the Republic of Korea (ROK or South Korea) over the entire peninsula, will generate more variables and uncertainties than any other contingency in the international relations of East Asia. Korea occupies such an acutely strategic position that any changes in the status quo on the peninsula intimately engage the interests of all regional actors.

While not anticipated in the near term, the reunification of the Korean peninsula is a highly likely scenario for the future that needs to be anticipated by policymakers in both the United States and South Korea. Unification will, of course, occur on its own timetable, but regardless, there are actions that the United States can take today and in the immediate future to maintain its strategic interests by preparing for this eventuality instead of being resigned to react when it occurs. Failure to develop and implement forward-looking U.S. policies regarding Korean unification could destabilize regional security and ultimately lead to the withdrawal of U.S. forces from the peninsula. As the sole superpower likely to support the process of Korean reconstruction after unification, it is crucial that U.S. decision-makers begin to develop strategies to address the aftermath of Korean unification and sustain U.S. security interests. How the peninsula's division is ultimately resolved, will set the direction for future configurations of power and peace in the region.

This study anticipates the future state of the peninsula immediately following formal state unification, and designs a framework for U.S. political and security policy objectives in sustaining a durable alliance with the unified Korean state. The report assumes that reunification will occur largely under South Korean terms. The timeframe points specifically to the period after the creation of a unified governmental structure, but not necessarily unified societies or economic structures.

Specifically, Section II of this report outlines the differing visions of a unified Korea and anticipates dynamics on the ground given each unification scenario. It identifies the variables and engines for change and addresses the implications for U.S. involvement on the peninsula during unification for each outcome. This section also examines the constitution of the major social institutions following

reunification, including Korean family, religious, education, economic, and governmental structures.

Section III details American interests on the peninsula and in the region, and anticipates requirements and expectations for a future U.S. military presence in unified Korea. This section reiterates that the Korean peninsula will continue to be a focal point of U.S. interests in Asia well into the future.

Section IV examines Korean interests following unification in terms of domestic politics and society, as well as larger strategic interests including the presence of U.S. forces. Clearly, Korean interests will change significantly following conclusion of the enduring threat of war, and its key relationships in the region will necessarily come under review. Section IV argues, however, that South Korea's current relationship with the United States is crucial to its long-term strategic interests and will not dissolve after unification.

Section V looks at the perspectives of the major regional players, Japan, China, and Russia, to chart specifically how each player sees its own fundamental interests in the unified peninsula and changed regional environment. This section aims to inform U.S. policymakers of both competing and converging interests among Korea's neighbors.

Finally, Section VI outlines the findings of the report and discusses a potential U.S. approach toward Korea, detailing policy recommendation for both now and following unification.

II. Visions of a Unified Korea

Unification Outcomes

Many scholars, policy experts, and government officials have speculated on potential scenarios for unification. The range of such outcomes, however, generally fall under three broad types: (1) unification by peaceful integration; (2) unification by default; and (3) unification by war.

Unification Outcome 1: By Peaceful Integration

Peaceful integration refers to a group of unification outcomes tending toward the “benign” or less catastrophic end of the spectrum. In parlance first coined in the early 1990s, this was often referred to as the “soft landing” scenario for unification.

Defining this outcome in specific terms has always been problematic. In the early 1990s, soft landing scenarios were often defined in impressionistic fashion as those outcomes that were less apocalyptic than a “hard landing” (or as one U.S. official answered in response to the question, “it is anything but a hard landing”). They were operationalized largely in terms of cost (i.e., any outcome less expensive than a hard landing). There have been numerous attempts since the early 1990s to delineate the components of this type of unification outcome. Although the details may differ, most of these views include the following traits:

- ◆ Initial acceptance of the status quo by the two Koreas and the four major powers (United States, Japan, China, and Russia)
- ◆ Mutual diplomatic recognition along the two-plus-two model
- ◆ Formal peace treaty
- ◆ Protracted period of peaceful coexistence (this is a key aspect of this family of outcomes)
- ◆ Greater interaction between the two Koreas, largely on the economic front with limited political and social interaction (but the latter two at levels higher than today)
- ◆ Slow structural change evolving along the lines of a “one country, two systems, two governments” approach evident in past Republic of Korea proposals for unification
- ◆ Eventual unification

Observations

Three sets of observations are relevant with regard to unification outcomes at this end of the spectrum. First, the transition from peaceful coexistence between the two Korean entities to unification is *not* a function of political integration or

social exchanges. These exchanges are treated more as the effect of a successful integration process than the driver. For most of these views, the key driver is *economics*. Trade, investment, joint ventures, etc. create the functional interaction among individuals, movement of labor, mutual adjustment of legal systems, and other intermediary steps necessary for integration. These processes, in turn, create the foundation for political and social unity.

Second, what is left unclear in this family of unification scenarios is the status of the U.S. military presence on the peninsula. Few authors have addressed this question in their models.¹ Implicit in this family of scenarios, however, is the assumption that either the Northern entity acquiesces to maintenance of the U.S. military presence on the peninsula as part of the coexistence and integration process (thus dropping a long-held precondition), or the Southern entity requests American withdrawal in order to achieve peaceful coexistence and integration with the North (elaborated below).

Third, the triggers and end state of this family of scenarios are not clearly defined. Some authors argue that once formal recognition of the status quo and a peace settlement are achieved, then peaceful coexistence leading to economic integration will follow. And ultimately, unification will be the end product of a gradual, almost evolutionary conjoining of the two systems by mutual agreement and in harmonious fashion. This is, however, highly idealistic and unlikely. A more plausible outcome is that some nonlinear event forces unification somewhere along the peaceful coexistence timeline, but the negative externalities are minimized as a result of pre-existing levels of integration. At any rate, the most distinctive and critical component common to all scenarios under this type is the protracted time period. The peaceful integration scenarios are unfeasible without a long period (i.e., at least one decade or more) of coexistence and integration.²

U.S. Role

The United States can play important and useful roles if unification proceeds along the lines described above. These divide into tasks performed on the peninsula and those between the new Korean entity and the region. Between Seoul and Pyongyang, the United States could play the role of an honest broker, largely regulating as a third party the coexistence process between the two Koreas. Specific tasks under this mandate could include facilitating dialogue on

¹ For example, Kim Dae-jung's treatise on unification does not address the issue of the U.S. presence in any detail.

² Kim Dae-jung's view of coexistence is different: 1) Confederation phase: "one nation, two states, and two governments" (10 years, institutionalizing inter-Korean exchanges) with mutual recognition, a peace treaty, and binational decision-making bodies; 2) Federal phase: "one nation, one state, and two regions" with foreign relations and national defense conducted by a central government and internal issues handled by two regional governments; and 3) Unification: a central government with either integration of the two regions or federalization with provincial "states" (similar to a German or American system).

difficult security-related issues; managing confidence-building measures; and monitoring mutual force reductions that might emerge from a peace treaty.

Off the peninsula, the United States role would be largely to dampen any insecurity spirals that might emerge among powers in the region as a result of the new status quo on the peninsula. Tasks would include ensuring the non-nuclear potential of the peninsula; offering external security guarantees to the two Koreas to encourage the focus of the peninsula's indigenous resources on integration rather than on force projection in the region; and preventing other powers from trying to exercise undue influence or exploit a fluid situation on the peninsula.

To propose these tasks for the United States does not assume that the Koreans will welcome a continued American presence. As some experts have argued, in fact, Koreans most may not welcome an intruding American presence in this scenario. For example, some argue that the overwhelming desire on the peninsula for a soft landing outcome and the preemption of great power competition over the unification process will incline Koreans to push the United States out and declare neutrality. This outcome is especially likely, experts maintain, if North Korea holds out the U.S. presence as the primary impediment to true peaceful unification. The burden of proof will be on those willing parties in the United States and South Korea that value a post-unification role by the United States to shape the conventional wisdom. These roles and tasks are not superficial, but are critical and indeed requisite to the peaceful integration process. Moreover, they minimize the negative externalities that might flow from unification's impact on regional power relations.

Unification Outcome 2: By Default

Unification "by default" refers to a family of unification outcomes at the less benign end of the spectrum. All scenarios in this category posit some form of state failure in North Korea and an abrupt unification by means of absorption. "Hard landing" became the term of art for these scenarios under the Kim Young Sam government.

This view was particularly popular during the late 1980s-early 1990s with the end of the Cold War and the growing and insurmountable gap between North and South Korean economic development. Successive South Korean presidents spoke openly about the likelihood of a collapse in the North dating back to Roh Tae Woo, who predicted in 1991 that this would occur within seven years. After the death of Kim Il-sung in July 1994, many experts in and outside of government gave the regime little chance of survival beyond the calendar year. The permissive conditions for this scenario included Soviet collapse, ROK normalization with China (1992), ROK normalization with Russia/Soviet Union (1990), DPRK negative economic growth, and famine-like conditions in the North.

Again, the actual modalities of a collapse scenario differ depending on the author, but common to all are several defining characteristics:

- ◆ A triggering event precipitating regime collapse gives rise to a sudden unification process with little, if any, advance preparation or warning (triggers are discussed below).
- ◆ Some form of international intervention into the North is necessary to restore order.
- ◆ High priority interim measures as part of the intervention/unification process include mass population control such as border maintenance and patrol, refugee processing, controlled labor migration.
- ◆ Political, social, and economic integration issues become particularly acute, arguably even more so than in the unification by war scenario, given the sudden and uncontrollable nature of the potential North Korean collapse.

Observations

Three observations are pertinent to this group of scenarios. First, as noted above, there is little consensus on the triggering event or development for regime collapse. Such a precipitating event might be best understood as falling somewhere between two extremes. On the one hand, the precipitating factor could be mass disorder that derives largely from initial steps by the DPRK toward opening and reform (i.e., a “crumbling from below”); attempts at reform by Kim Jong-il thus create a “spiral of expectations” among the population that then energizes them as a force for change. On the other hand, the triggering event could reflect a “crumbling from above”—i.e., an elite-elite coup of some form, fomented by the spiral of expectations created by initial steps toward reform.

Second, the form of intervention necessary in case of northern collapse has not been discussed adequately at least in open-source, unclassified studies. Unanswered questions include: should this intervention to restore order in the North take place within the context of the US-ROK alliance as a joint military action? Should the South Koreans be primarily responsible? Do the South Koreans need to obtain U.S. consent and/or international consent to act on their own in the North? Or should a multinational force under U.N. auspices carry out the intervention?

Third, political and socioeconomic integration problems will be most acute under this scenario. This largely stems from two problems that unification by default scenarios face. One problem is that these scenarios include all of the same issues posed in potentially more bloody scenarios (e.g., unification by war), but without the clarity and authority of a postwar occupation or administration. Intervention in a failed state inherently will be a messy endeavor where sovereignty of Northerners cannot be usurped (as it might be in a postwar military occupation). Interim local governments would have to be countenanced. Unpopular policies about how to intervene and administer the territory (e.g., currency conversion, enfranchisement, border control) might be opposed by indigenous populations in ways that might not occur in a postwar military situation.

U.S. Role

The United States under this scenario could play constructive roles both in the immediate and longer terms. Initially, an overriding concern for U.S. interests in a state failure scenario would be locating and securing the North's nuclear, bio-chemical, and missile capabilities. Beyond that, the United States might play (or be called on to play) some role in the intervention to restore order and administer the North in cooperation with the South. It might be asked to provide logistics and intelligence support for potentially more dangerous intervention exercises related to renegade units of the North Korean military. The United States might also play a useful coordinating role among Japan, China, and other regional states regarding the potential negative regional effects of state failure in the North (e.g., refugees, IFF, SAR in waters around the peninsula).

After the completion of the initial intervention exercise, the U.S. longer-term role might be similar to that of the peaceful integration scenario (i.e., providing external security to Korea; dampening regional security dilemmas arising among major powers with the change in the Korean status quo). Because the monumental job of unification is thrust on Koreans, they might be desirous of maintaining the benefits and services of the U.S. alliance. At a minimum, the provision of these services to Seoul would mean one less issue to worry about as Koreans direct their energies inward.

The benefits the United States might think accrue to Korea from these services, however, have to be greatly discounted by the costs and pressures that a difficult unification process would have on popular Korean attitudes toward the American presence. A unification-burdened economy, for example, will not take kindly to the added cost sharing of maintaining U.S. forces in Korea. Political scapegoating of the American patron by Koreans frustrated with and disillusioned by the painful unification process is a distinct possibility. Protests and terrorist attacks on American bases and facilities (particularly if these have not been moved to less central locations) by xenophobic nationalists might increase. The net assessment of these two opposing forces is that the American presence and support will be welcomed by and critical to Koreans in the initial stages of the unification-by-collapse process, but as time passes and Koreans can begin to manage the situation, more negative sentiments might emerge.

Unification Outcome 3: By War

This refers to unification outcomes at the "worst" end of the spectrum. Unification in this instance is a by-product of war termination. Many experts view the trigger for this scenario to be a second DPRK invasion similar to 1950, but with missile-delivered chemical attacks on ROK ports and U.S. logistics nodes to delay reinforcements and enable advancing DPRK forces to take Seoul and replenish their supply lines, as well as Nodong or Taepodong missile attacks on Japan. The likelihood of this trigger, however, is greatly tempered by the robustness and credibility of the U.S.-ROK deterrent. Unpredictable and opaque as Kim Jong-il is, leaders (even autocratic ones) do not rationally choose what would amount to suicide when faced with such a credible deterrent to invasion.

Unification by war, nevertheless, is still plausible as an outcome. History has shown that war occurs more often through miscalculation or accident during a period of high tension as through cold, rational calculation. A more likely scenario, if Pyongyang is rationally deterred from invasion, is one where limited acts of DPRK violence and brinkmanship escalate out of control. This is particularly possible if Pyongyang reaches a point where the peaceful status quo presents such unbearable losses to it that Kim Jong-il lashes out in a desperate attempt to change or negotiate a new status quo. Characteristics of the unification by war outcome may include:

- ◆ Mass Korean and American civilian casualties, including both Korean and U.S. (and others); large-scale industrial devastation in Seoul and other major urban centers. North Korea in ruins.
- ◆ Potential chemical weapons environment in the South.
- ◆ Massive destruction in Japan due to DPRK missile attack to forestall U.S. and Japanese intervention.
- ◆ ROK or U.S. postwar occupation and administration of former DPRK (rather than humanitarian intervention as in outcome 2).

Observations

One of the major implications of unification by war termination is that integration/absorption problems become less immediate than in outcome 2 if the North is administered as postwar military occupation. Although this is the most catastrophic outcome, it is the one for which the United States is most prepared as a military contingency on the peninsula. Planning, however, appears to be limited to the actual counter-offensive against the North. Not enough hard thinking has gone into planning the outlines and details of postwar military occupation and unification.

Problems with China are most acute in this scenario. This stems not only from Chinese opposition to a shooting war north of the 38th parallel, but also from other actions Beijing might take in the course of protecting itself from the war. For example, if China creates buffer zones during the war to prevent refugee flows, such a zone would presumably be established on Korean soil across the Tumen and Yalu rivers rather than on Chinese soil. This in turn raises the question of how the U.S. and the ROK respond to the presence of Chinese military on Korean soil during the conflict.

U.S. Role

Of the range of potential unification outcomes, this one will have the largest American military presence on the peninsula at the time of unification. By virtue of the war termination exercise, the United States would probably play a central role in the military occupation of the North. Compared to scenario 2 (and 1), the United States would be the most “hands-on” in many aspects of the postwar administration of the North (at least in the initial stages). Again, locating and securing extant DPRK missile and WMD capabilities will be a priority.

In the longer term, the American role and rationales would be similar to scenario 2. The Korean threshold for tolerance of a prolonged American presence and role as security patron might be higher here than in scenario 2 based on the experience of the war, and the creation of a “new Korean war” generation in support of the alliance.

Unified Korea’s Major Institutions

The two Koreas are starkly different despite their homogeneity in 1945 prior to national division. Contemporary South Korea, the world’s twelfth-largest economy, is more liberal, sophisticated, democratic, and interdependent with other nations than at any time in its history. Scientific, technological, social, and psychological engines of change are propelling the ROK’s relatively rapid transition toward a knowledge-age society, and a future of seemingly unlimited potential. (See table 1 and table 2 at the end of this section.)

By contrast, at the dawn of the twenty-first century, the DPRK that Kim Il-sung established in 1945 has become a dynastic totalitarian socialist state, desperately poor with a decadent, self-reliant *juche* ideology that limits its ability to participate in the global economy. Kim Jong-il rules in accordance with the vision and authority of his dead father – the DPRK’s “eternal president” – supplemented by a de facto state religion comprising the cult of Kim Il-sung. Under this system, the ruling Kims assumed the two major Confucian relationships: ruler of the nation *and* spiritual father of each family. Citizens have no individual liberty, and indeed could not marry, travel, or indeed exercise any initiative without the permission of a state organ. By 2002, North Korea’s society was obedient, its economy stagnant, and people ill equipped educationally, psychologically and ideologically to benefit from globalization. Instead, the DPRK invested heavily in its military/security sector, and trafficked in narcotics, counterfeiting and military weaponry to raise capital.

Reunification and the process of rebuilding will involve countless adjustments to form the new society’s economic, political, and other major social institutions. Southern values are likely to dominate because of their demonstrated success in the global economy, and due to simple demographics: two-thirds of the unified society’s likely 75 million people will be South Korean. In forming societies, people typically create five major institutions to establish order and transmit their values to the next generation: family, religion, education, economics, and government. Describing a society that might not soon emerge is admittedly problematic; however, consideration of characteristics and trends in traditional, ROK, and DPRK societies may provide a foundation for anticipating some key challenges that are likely to emerge in a unified Korea.

Family

Families make up the bedrock of society. It is the family that instills basic values and behavior for every citizen. Korean families north and south of the Demilitarized Zone (DMZ) share some similarities and some striking differences

in the early twenty-first century that are likely to affect unified Korea's society. Perhaps the one constant in DPRK life that will survive a transition to a unified Korea will be the maintenance of a strong family unit. This will also be the one trait in common to both north and south.

Unified Korean families are likely to be nuclear and small by traditional standards. Adults will continue to select their own spouse, although new social freedoms in the north in a post-unification environment may ease requirements for parental approval. Some Confucian ethics – filial piety, for example – are likely to retain value in principle despite the general erosion of Confucianism among younger South Koreans. In practice, however, increased dependence on knowledge age tools and concepts – the Internet, democracy, and market economics, for example – over time are likely to transform families into sources of individual empowerment and accountability to an extent unprecedented in Korean history. North Koreans may have difficulty meeting this challenge.

Religion

Religion addresses people's spiritual needs, which of course can influence behavior. Establishing a philosophical foundation for the unified society will be a challenge. Confucianism and Buddhism were the primary underpinnings of Korea's social institutions when Korea formally lost its independence on August 29, 1910. For centuries Koreans had accepted Confucian teachings that social harmony was achievable by exercising filial piety, loyalty, good faith, and righteousness through five primary personal relationships: father-son, ruler-subject, husband-wife, elder brother-younger brother, and friend-friend. The resulting culture placed high value on loyalty, obedience, courtesy, respect for elders, and, of course, social harmony.

Not surprisingly, such emphasis on personal relationships complicated the emergence of the "rule of law" as known in Western societies. Confucianism retained influence in South Korea (ROK) after national division in 1945 but steadily declined through the end of the century due to the impacts of industrialization, globalization, and democratization. Christianity became the major religion in South Korea in the 1990s, and Christian influence could be perceived in the ROK's "sunshine" engagement policy toward North Korea, although ROK policy makers never articulate such an association. In North Korea, Kim Il-sung blended Confucian values with socialism to build a "neosocialist" corporate state and established a de facto state religion: the cult of Kim Il-sung (also called Kimilsungism).

Unified Korea is likely to be pluralistic regarding religion. The government probably will outlaw Kimilsungism religious practices, and will encourage missionaries and others promoting commonly accepted religions. Christian missionaries are likely to be particularly vigorous. Purging North Koreans of deeply ingrained understandings and loyalty to Kim Il-sung and his successor is vital to neutralizing challengers to unified Korean democracy. Complete success, however, may require at least a generation.

Education

Among unified Korea's social institutions, the educational system will be especially critical for "resocializing" North Koreans, by giving them the intellectual and emotional tools to live effectively in what will be for them a strange new society and to promote public support for the unified government. Unified Korea will undoubtedly implement South Korea's relatively liberal educational system to produce an individual who can improve the country's ability to succeed in the global economy and overcome the stresses of unification.

The education system will have to begin by assessing and then reversing the damage inflicted through North Korea's life-long education system based on promoting socialism and creating "a new socialist man of the *juche* (self-reliant) type." The Korea Worker's Party (KWP) in the DPRK envisioned the education system as a means to achieve "political mind control...of the young and mass public." As a result, the North Korean people at all levels have been inculcated with flawed facts and understandings of economics, politics, government relations, and history – including perspectives on the former Republic of Korea and DPRK, the United States, and a range of international issues – that will need to be rectified. Indeed, the United States may assist the re-education effort by opening its schools to selected North Koreans. The ability of former DPRK citizens to perform satisfactorily will be degraded until they properly understand the workings of a modern, interdependent, global economy and democratic society, including learning to exercise initiative in the pursuit of progress.

The new educational system will also have to adjust *juche's* self-reliant concepts to fit the needs of a unified Korea in the event any concepts retain value for members of the new society. Completely suppressing *juche's* highly nationalistic concept of independence will be a challenge despite its contradictions with globalization. However, a unified Korea will need to develop new understandings of Korea as an independent nation-state, without resorting to dysfunctional nationalism.

In this regard, despite the generally positive aspects of the post-Korean War relationship, Korean understanding of U.S.-Korea history may have serious implications for the unified Korea-U.S. relationship, if not properly managed. As Koreans ponder the security posture for a unified state, they may use history to argue that Korea should not depend exclusively on the United States, but should maintain a self-defense capability and/or join a collective security organization. Korean perceptions of three periods are particularly important: the "U.S. invasions" of 1866 and 1871,³ the "Taft-Katsura agreement,"⁴ and U.S. policy

³ In response to a U.S. effort to open the "hermit kingdom" for trade in 1866, Koreans sank the *General Sherman* in the Taedong River near Pyongyang, and in 1871 repulsed a U.S. reprisal attack on Kanghwa Island in the Han River Estuary.

⁴ Following Japanese invasion in November 1905, some Koreans blamed the United States for not only ignoring an 1882 bilateral treaty that Korea considered a kind of security alliance, but also encouraging Imperial Japan to annex Korea after the Russo-Japanese war. They cite a meeting involving U.S. Secretary of War William Howard Taft and Imperial Japan's Prime Minister, Count Katsura Taro, at which Secretary Taft suggested that the Theodore Roosevelt administration

toward Korea from the 1943 Cairo conference until June 1950.⁵ Korean perceptions of the Taft-Katsura agreement may be critical, especially among South Koreans who believe it ultimately led to national division, the Korean War, and extended Cold War on the peninsula.

Economics

A unified Korea undoubtedly will seek to implement free market economic principles and practices, while perhaps also trying to become part of a vast Eurasian market connecting Pusan, Paris, Moscow, and Beijing. Immediate challenges will be to neutralize socialist economic concepts and especially *juche's* influence on North Korea's workforce, managers and workers alike.

Establishing a stable economic environment will be difficult given potentially significant differences between the two economies. The GDP disparity between the North and the South is currently roughly 1/34 (\$22 billion to \$764.6 billion). The standard of living in the North is much lower than the South. The difference in GDP per capita is strikingly \$1,000 to \$16,100. (Source: CIA Factbook.) Improving the situation will require a vast amount of resources. The overall cost of unification is estimated to range from \$285 billion to five times that amount, which a unified Korea may not be able to bear. The cost burden will to some extent depend on the unification scenario; a slow reintegration or a buffer period would ease the need for a complete economic overhaul of the North.

Some North Koreans will surely want to move to prosperous but crowded and expensive South Korea, particularly if they have immediate relatives in the South, presenting economic and urban planning challenges. Some South Koreans will want to reclaim property their families abandoned when seeking refuge in the South. Massive North Korean migration to the prosperous south could be economically disastrous, although the high cost of living may deter some migrants. Prompt government action will be needed to promote investment in the North and to encourage North Koreans to remain.

Initial strategies to stabilize the national economy may include:

- ◆ Accepting international food and financial assistance to alleviate suffering in the North.
- ◆ Facilitating foreign direct investment for business activities in the northern provinces, including infrastructure projects, such as energy generation and distribution, food production, telecommunications, highways, ports, and railroads.

would accept Imperial Japan establishing "a suzerainty over Korea" that eventually led to formal annexation.

⁵ President Franklin D. Roosevelt took the position that Korea should be free and independent in "due course," advocating a lengthy trusteeship that disappointed many Koreans. Some Koreans also blame the U.S. for indirectly encouraging Kim Il-sung to attack South Korea in June 1950, as U.S. security policy announced on January 12, 1950 put the ROK outside of the U.S. defense perimeter.

- ◆ Providing incentives for South Korean firms to establish manufacturing or service facilities in the North to employ North Koreans.
- ◆ Converting North Korean heavy industry to consumer goods (although it may be more efficient to replace rather than convert DPRK heavy industry plants).
- ◆ Reducing the size of the defense/military sector, demobilizing military personnel, returning them to the productive workforce, and curbing export of controversial military products.
- ◆ Educating North Korean workers (especially managers and government officials) about how a market economy works.
- ◆ Expanding trade and participation in regional trading bloc(s).
- ◆ Becoming an integral part of the Eurasian market.

Government

A unified Korea's government likely will be a democracy. However, the legacies of Kimilsungism combined with widespread ignorance among North Koreans regarding the role of government in a capitalist democracy could jeopardize the unified government's ability to maintain order. In earning popular acceptance, the government will be challenged to meet significant variances in popular expectations between South and North Koreans. South Koreans will require an increasingly transparent government accountable to voters and oriented to help them achieve their socioeconomic objectives. North Koreans will probably be confused as to the role of government and their responsibilities as free citizens. Improperly managed, such confusion could produce serious instability.

Restructuring redundant ROK and DPRK political institutions such as the national legislature, police force, courts, and the military will be a delicate challenge, as will be incorporating former DPRK officials into unified Korean organizations. On the day of unification, for instance, the combined armed forces could comprise approximately 2 million active duty personnel, armed with modern ROK military weapons and a huge arsenal of former DPRK WMD and ballistic missile delivery systems. Decisions to restructure this force will be a critical, if sensitive function of any new government.

Table 1: Demographics										
KS (South Korea, ROK) compared to KN (North Korea, DPRK)										
	Population (<i>millions</i>)				Median age		Fertility rate		Longevity	
	KS	KN	<i>Unified</i>	<i>% S. Korean</i>	KS	KN	KS	KN	KS	KN ^a
2000	47.5	21.6	--	--	31.4	29.9	1.72	2.3	74.4	40-70.7 ¹
2010	51.1	23.7	74.8	68%	36	33.2	1.72	1.9	76.6	73.5
2020	52.3	25.1	77.4	68%	40.1	35.6	1.71	1.85	78.5	75.8
2030	53.8	26.1	79.9	67%	43.1	38.5	1.71	1.8	79.9	77.8
2040	53.2	26.6	79.8	67%	45	42.2	1.70	1.75	81.1	79.4
2050	51.1	26.4	77.5	66%	46.8	43.3	1.70	1.7	82.0	80.7

Source: U.S. Census Bureau, <http://www.census.gov/cgi-bin/ipc/idbagg>, accessed 1/28/02

^a North Korean longevity may be overstated if it rests on 1995 UNDP data, as was the case with the International Federation of the Red Cross (IFRC), which used it to report current longevity of 71.6. Substantial malnutrition during the 1990s may have shortened longevity substantially. The IFRC reports that North Korea's death rate increased from 5.68 percent in 1996 to 9.3 percent in 1998, and infant mortality increased from 9.2/1,000 in 1990 to 23/1,000 in 1998, an approximately 155 percent increase.

Table 2: Developmental Indicators		
(Year 2000 except as noted)		
	North Korea	South Korea
Per capita GDP (Purchasing Power Parity)	\$1,000	\$16,200
Telephones per 100,000 of population ^a	5,156 (1997)	45,500 fixed phone subscribers ^c 57,920 mobile phone subscribers ^c
Televisions per 100,000 of population ^b	5,624 (1997)	34,480 (1997)
Airports with paved runways	39 (est.)	68
Railway	5,000 km	6,706 km ³

Source (except as noted): CIA World Factbook 2001, <http://www.cia.gov/cia/publications/factbook/index.html>, accessed 2/27/02

^a Total phones = 1.1 million, (DPRK) and 27 million (ROK)

^b Total TVs = 1.2 million (DPRK) and 15.9 million (ROK)

^c Source: ROK National Statistics Office, 2001

III. U.S. Interests

On the Peninsula and in the Region

Concluding a peace treaty and completing peaceful reunification of the Korean Peninsula will eliminate one of the most dangerous lingering threats to U.S. interests in East Asia. Still, U.S. strategic interests will not change substantially in its aftermath, although elements of the U.S. strategic approach, such as its regional force presence and alliances, will logically come under review. Overall, the United States recognizes its enormous interests and stake in the stability and security of East Asia as a whole, beyond the Korean peninsula. The period following unification of Korea will not alter these fundamental interests, and indeed may heighten them during what likely will be a tenuous period of uncertainty and instability.

The United States has clearly benefited from the Asia-Pacific region's exceptional economic development over the past half-century, and in an era of globalization, the U.S. economy is increasingly integrated with East Asia. Nearly a half million U.S. citizens live, work and study in the Asia-Pacific region. U.S. businesses conduct \$700 billion in trade and have invested more than \$200 billion in the region, about equal to the amount of East Asian investment in the United States. More than one-third of total U.S. trade is conducted with the region, with millions of U.S. jobs at stake in the continued growth and development of the area. Sustained regional economic growth through the promotion of market economies and open sea lines of communication, which are essential for the free flow of resources and trade into and within the region, will remain a core U.S. national security interest even in the aftermath of Korean unification.

Having fought three major wars in East Asia during the 20th century, including one on the Korean peninsula itself that incurred a substantial cost to American lives and treasure, the United States recognizes the importance of its engagement for security reasons to maintain peace and stability, prevent emergence of regional rivalries, and promote peaceful resolution of differences within and among regional nations. Tensions among major East Asian powers left over from history, and competing sovereignty/territorial claims throughout the region will continue to pose challenges to stability in the future. The prospect in East Asia of both rising powers and failing states over the next several decades will challenge management of relations among states. The lack of a regional security structure in Asia akin to NATO complicates resolution of these matters and reflects the lingering mistrust between states. Long-term U.S. active engagement in the region – whether political, diplomatic, economic, or military – has traditionally fulfilled the necessary function of promoting a peaceful security environment by providing both balance and buffer against tensions. Such a function likely will continue to be necessary in the period after Korean unification as before.

The United States will also maintain its fundamental interest in regional political development through open societies (civil liberties, free media, etc.) and promotion of democratic processes and institutions. U.S. interests are served both because democracy and openness are core U.S. values, and because the United States views transparency and accountability in both the political and economic realms as essential to stable societies and sustainable development.

Maintaining a hedge against the potential threats to regional stability and U.S. interests of a rising – or even failing – China will concern the United States even following Korean reunification. The question of China's future development will remain perhaps the most critical challenge the region will face for the foreseeable future. Stemming the development and proliferation of weapons of mass destruction, and their missile delivery systems, will also remain a core U.S. interest, as the United States views such proliferation as a destabilizing trend with profound implications on its own security and the security of allies and friends. Conceivably, reunification of the Korean Peninsula on South Korea's terms would stem a major source of such proliferation, although proliferation from other sources likely will continue. As a result, the United States likely will continue to oppose this development through the full range of diplomatic and military tactics – active defense (ballistic missile defenses), passive defense (neutralizing or minimizing the effects of any attack), isolation of aggressor nations, and diplomacy. Missile defense in particular will become an increasingly important element of any future U.S. strategic posture in the region. The United States will likely seek to establish an integrated or cooperative missile defense network among its key allies and friends, including Korea.

To preserve regional stability, United States opposition to the emergence of a regional arms race and hazards stemming from failed, failing or rogue states in the region will remain constant. The broader effects of state failure may include uncontrolled refugee flows, weapons proliferation, and international terrorism. The September 11, 2001 attacks on the United States highlighted indelibly the real dangers of failed, failing or rogue states to U.S. national security interests, and the necessity for the United States to undertake sustained attention to the national and trans-national conditions that can undermine both regional and international stability. The United States likely will further seek to maintain the resources and capabilities necessary to counter the effects of such developments should prevention fail. Similarly, the United States will maintain an interest in combating other less traditional transnational security threats, such as the spread of infectious diseases, environmental protection, piracy, arms trafficking, etc.

U.S. Strategic Approach

It is expected that the United States will consider changes in its strategic approach to the Asia-Pacific region upon the elimination of one of the region's most serious and long-lasting strategic threats, North Korea. Nonetheless, given the uncertainties of a post-unification environment and other lingering challenges to overall regional stability, U.S. fundamental interests are unlikely to change much.

The United States likely will continue to see an interest in maintaining its treaty alliances as the core of its security approach, and the cornerstone of peace and stability in East Asia, even after change on the Korean Peninsula. While the U.S.-Japan alliance will remain central to U.S. strategy, the United States will also want to maintain its special alliance relationship with Korea, redefined to support U.S. engagement region-wide as well as to maintain stability on the peninsula. Maintenance of the alliance would also prevent Korea from leaning too far strategically toward China following unification, potentially against U.S. or Japanese interests. U.S. alliances with Australia, Thailand, and the Philippines will continue to anchor U.S. engagement in Southeast Asia. The United States likely will seek to create closer operational and diplomatic links among its formal allies to facilitate enhanced cooperation among them on a range of regional security matters. Given that the transition following reunification on the peninsula likely will be difficult, the United States will consider maintaining the U.S. alliance-based security structure to be as critical as ever to its interests.

The United States will continue to have a profound interest in strengthening engagement and ties with other non-allied nations in the region, particularly China, Indonesia, Singapore, Malaysia, and Vietnam. Most of these nations recognize the role U.S. regional presence plays in their own development strategies. However, the United States engagement with these nations will remain essential for a balanced approach to regional affairs and to sustain broad support for the alliance structure.

The United States likely will maintain an interest in joining multilateral dialogues, such as the ASEAN Regional Forum and Asia-Pacific Economic Cooperation process, to address regional security and economic cooperation, respectively. However, respective U.S. views on the relative merits of formal multilateralism/regionalism for economic versus security issues will differ. On the economic front, the United States will continue to support the multilateral trend toward open markets and free trade developed through the APEC forum. However, the United States likely will be more wary about the prospects, and indeed desirability and effectiveness, of formal multilateral security institutions, particularly if they are intended to supplant U.S. alliances as pillars of regional security. The United States will view multilateralism in the region in the absence of U.S. security guarantees as tenuous, although the United States will be interested in examining various dialogue processes to enable nations of good faith to engage in cooperation and coordination on security matters. This could take the form of trilateralism – for instance, U.S., Japan, and China – or broader dialogues between major powers in the region, including Korea.

To give form to its continued commitment to regional security, the United States will continue to have an interest in maintaining a robust and credible military presence in the region following Korean unification. With resolution of the Korean conflict, the structure and size of U.S. forces in the region and on the peninsula will certainly change accordingly. Evolving U.S. military doctrine and capabilities will also be factors in considering the nature of future U.S. posture. However, the United States will want to maintain its commitment to an

appropriate “presence” – here defined as the ability of the United States to maintain its security commitments in the region (deterrence, open sea lanes, etc.) and preserve its essential role as regional balancer to prevent growth of rivalries, arms races, etc. – in the interest of regional stability.

U.S. presence is intended to enable the United States to both respond swiftly to regional challenges to peace and stability, and ideally prevent security challenges from developing at all. The United States will want the capability to both work with regional friends and allies, and the ability to respond unilaterally when necessary. In particular, the United States will continue to have an interest in developing a regional capability to form *ad hoc* coalitions of the willing among nations in the region to address potential non-traditional security challenges such as refugee support, humanitarian assistance/disaster relief, peacekeeping, peace enforcement, drug interdiction, anti-piracy, etc.

On the Korean Peninsula

U.S. interests on the Korean Peninsula per se following unification are straightforward: the United States desires a stable, non-nuclear, liberal-democratic, free market peninsula allied with the United States. A stable peninsula means strong political and civil control over the entire territory, with functioning institutions operating under the rule of law and general popular support. Such territorial control would prevent the emergence in a unified Korea of havens for illicit activities by rogue DPRK elements or others in the areas of terrorism, narcotics trafficking, etc., that might create regional instability or political uncertainty on the peninsula. Peaceful channels of communication within Korean society would exist to work out problems of transition. Third-party involvement in peacekeeping, reconstruction, etc., would be welcomed, as appropriate. Refugee flows would be manageable and limited, with overall social calm, and adequate sustenance for citizens on both sides of the former divide. Finally, any residue of excess military hardware, particularly in the DPRK, would be accounted for and placed firmly under appropriate control to prevent unsanctioned export or use.

U.S. interest in a “non-nuclear” peninsula includes not only the absence of a developed, stockpiled or deployed nuclear weapon capability. The concept should also be expanded to include production or stockpiling of weapons of mass destruction of any kind. The United States will view development and maintenance of WMD as highly destabilizing to the region, leading to reactions from major powers that can induce an arms race and insecurity spiral. Meanwhile, however, the United States, as indicated above, will remain interested in maintenance of a robust conventional Korean military capability necessary for defense, and prepared and trained to work with the United States to promote regional stability.

Similarly, U.S. interest in a “democratic, market-oriented” peninsula after unification reflects broader U.S. values, as discussed above. It is a society akin to that which has developed in the past half century in the ROK: rule of law, civil liberties, regular elections among representatives of freely constituted political

parties, with appropriate safeguards of transparency and accountability, private property, and free market capitalism. The United States would obviously oppose any excesses of Korean populism, including xenophobic nationalism that might be directed against itself or Japan.

U.S. Military Presence

Continuing U.S. interests in the region and on the peninsula provide the strategic rationale for maintaining U.S. military presence in Korea following unification. Through this presence of approximately 100,000 military personnel in East Asia, the United States, five thousand miles from the region, exerts significant political and military influence as regional security guarantor. American personnel, guns, tanks, and planes, forward based and organized specifically for the defense of the Republic of Korea, have performed a substantial deterrent function by representing U.S. commitment, force, and involvement in the security of not only Korea, but of the region as well. Retaining an effective military presence in the region after unification will remain critical to enable the United States to continue its role as regional security guarantor.

The question for U.S. interests, therefore, is not whether the United States should maintain a presence in the region, but how to do so, both from military and political standpoints. The Korean military's own unification and re-engineering program will be a significant challenge from both an institutional and operational standpoint. Close support from its principal ally will be essential during the transition. U.S. military force presence would not only help maintain a stable regional environment, but also offer a continued supplement to Korea's military to safeguard its external security requirements. Given its highly capable, trained force, the United States theoretically may also provide assistance to supplement the nation's internal policing capability, although this may be desirable to both sides only in extreme circumstances.

The structure of U.S. presence on the peninsula should be flexible, prepared to change its shape as the unification process proceeds. As it evolves, the structure likely will include a combination of basing and access agreements. The heavy, defense-oriented forces stationed in Korea prior to unification will have limited utility following unification given the demise of the DPRK threat. However, some may remain necessary to supplement Korean capabilities at least as insurance during an extended and potentially vulnerable transition. To meet U.S. regional needs, overall forces should transform into lighter, strategically and operationally mobile formations that can react swiftly to regional developments. This force should be combined with other U.S. military capabilities in the region to offer an integrated, joint force with the full range of mobility, strike, maneuver, and sustainability components.

In addition, the United States will need to improve command and control arrangements and reorient them toward regional security and engagement objectives. The force size should be significant enough to maintain regional mil-

to-mil initiatives, conduct combined training, provide sufficient deterrent capability, and offer quick response capabilities.

The actual structure, nature, and level of U.S. forces for these purposes must be carefully discussed with Korean authorities and, thus, cannot be anticipated here with any precision. However, U.S. policymakers may consider several options. The United States might seek to retain a division-sized organization comprising two reorganized, medium-weight brigades based in Korea, which include similar numbers of U.S. Army combat personnel but a somewhat reduced support establishment than exists in Korea today.¹ Such an organization will produce a lighter, more relevant force capability for operations outside the peninsula. If the U.S. Air Force were to maintain its current presence, the overall change in the size of the force would be somewhat lessened, but the increased capability and relevance outside of Korea would be significant. This option retains a significant Army capability, equivalent to the U.S. Marine forces in Okinawa, and thus requires the continued presence of a corps and possibly even army headquarters, which equates to significant numbers of personnel and facilities.

A second option involves reducing the overall number of combat and support forces within Korea, and transforming or replacing remaining units with forces better-suited to an expanded security role in Northeast Asia. Retaining a reinforced, independent brigade as the major army command in Korea, with a similarly reduced air force capability, tied organizationally to forces assigned to Japan would provide necessary military presence to support Korean stability as appropriate, and be capable of performing regional security missions. Retaining a division headquarters in Korea, under a regional standing joint headquarters or sub-unified command structure that has operational control over all U.S. forces in Northeast Asia, would provide a well integrated, regionally focused and coherent U.S. presence in the region.²

As it considers changes to its presence on the peninsula, the United States will need to recognize that any changes may likely affect the status of its presence elsewhere, particularly in Japan. Both Korea and Japan will have difficulty sustaining domestic support for hosting U.S. forces if it is perceived to be bearing a disproportionate burden. Balancing support for U.S. regional military presence among more than one East Asian nation serves to share the security burden, and

¹ United States Forces, Korea (USFK) consists not only of combat forces but also the supporting organizations and infrastructure designed to rapidly receive and support hundreds of thousands of U.S. forces in fighting in a major theater of war. That level of support becomes less essential after unification and can be reduced.

² This option also necessitates changes to the size and structure of forces in Japan. III MEF in Okinawa would be downsized, perhaps to a Marine Expeditionary Brigade of some 15,000 marines and sailors. This brigade would then be under the operational control of the joint headquarters established over all U.S. forces in the region. During operations, the brigade could then come under the operational control of the divisional headquarters for ground operations. With respect to air force and naval elements, the relative size and composition of forces would remain relatively constant.

make such a presence more palatable to domestic constituencies. The United States will also need to remain highly sensitive to the location of any bases or training, and to local populations in Korea situated around such areas to ensure that disruptions and inconveniences are minimized. Continually fine-tuning its “good neighbor” policies, to serve as respectful guests on the peninsula, will continue to serve as a critical component of an overall strategy to sustain U.S. force presence over the long term.

In a unified Korea, the United States likely will lose a degree of influence in Korean defense planning and actions. However, as a key defense partner, the United States should continue to work closely with Korean military and civilian leaders to coordinate their defense structures and objectives. In facing North Korea during and after the Cold War, the ROK accepted an American as the commander in chief of the United Nations Command and Combined Forces Command. With unification, the United Nations Command would lose its reason for being, and thus should be disestablished. The Combined Forces Command may be reduced to a planning headquarters reorganized to coordinate U.S./ROK military activities in the region, or might even be abolished entirely in favor of a Japan-style parallel alliance command structure. The latter option is perhaps preferable to preserve maximum flexibility for U.S. forces to operate in the region, and plausible deniability should either side decide it needed to engage in a military initiative that was politically, if not militarily, uncomfortable to the other. After unification, Korea likely will exert greater de facto control over the movement of U.S. forces based on its soil, and may require the U.S. to seek Korean permission for the use of airspace, airfields, and seaports, when an overseas deployment is contemplated. The two sides will need to establish clear guidelines and understandings on such matters. Changes in their security ties may create frictions in U.S.-Korean relations that will need to be managed.

Some may suggest that simply maintaining access to bases or pre-positioned equipment in Korea will suffice for U.S. defense needs in the region. Such a posture would not be sufficient for a number of reasons. First, lack of basing will undermine much of the deterrent function of U.S. forces. Such an arrangement may also undermine the burden-sharing requirement vis-à-vis Japan. The time required deploying units to Korea or the region would be extended, making it more difficult for the United States to reassure its allies and friends that it may meet its security commitments in the region in a timely fashion from remote locations. Finally, stationing of troops will ensure maintenance of the special relationship and competencies forged between the two militaries over many decades, and reassure Korea that its military will remain at the cutting edge in military training, technology, and doctrine.

IV. Korean Interests

Domestic Politics and Society

Given demographics, economic standing, and a probable resolution on South Korea's terms, the ROK perspective will likely dominate the shape and course of a unified Korea. The mutual mistrust, historic political and military hostility, and extreme differences in economic, social, and cultural development since the Korean War, as outlined in Section II, will complicate the integration and unification of the two Koreas for many years. Despite this uncertain environment, however, one may anticipate unified Korea to have certain interests in a post-unification environment.

The foremost domestic interest of a unified Korea will be to establish a stable, democratic government based upon an open market economy, akin to that which exists today in the ROK. The temptation may exist for the South to impose a more restrictive, perhaps occupation-style control over the North, or to curb full participation in unified Korean affairs during at least a transition. The challenge for the new government will be to balance what it will view as its internal security needs with an overall commitment to sustaining democratic development through development of transparent institutions, civil liberties, electoral processes, and the rule of law in the north over the longer term.

Indeed, public opinion polls reflect the ROK public's support for such an approach. In one poll, two-thirds of respondents favored a capitalist system of government while only 8 percent favored a socialist system following unification.¹ Asked whether its "economic system should be based on the principles of free competition," 84 percent agreed. The general South Korean public largely supports generous treatment of North Koreans upon reunification. Large majorities support full political rights for former DPRK citizens (83 percent), equivalent jobs and salaries (75 percent), and the same pensions that South Koreans enjoy (67 percent).² However, close to a majority (49 percent) opposes the appointment of former Communists as government officials. ROK citizens favor political reconciliation with North Korea, but only to a point.

Strategic Interests in the Region

A unified Korea will continue to have vital interests in preserving stability and peace in the Asia-Pacific region to promote its economic and political interests. At present, South Korea conducts more than two-thirds of its trade within the region. The amount of current ROK trade through Asian sea lines of communications (SLOCs) reaches over 40 percent of its total trade, and about two-thirds of its energy supplies flow through the South China Sea. These trends

¹ Gi-Wook Shin, "South Korean Anti-Americanism," *Asian Survey*, August 1996, p. 797.

² Norman D. Levin, *The Shape of Korea's Future* (Santa Monica, Calif.: RAND, 1999), pp. 9–16.

will not change substantially in the post-unification era. Korea will have a substantial stake in open flows of commerce, communication, and transport. In the absence of a stable regional security environment, Korea would be severely challenged to garner sufficient resources for reconstruction or enjoy sustained economic progress thereafter.

It is likewise in the interests of a unified Korea to maintain and expand its political and economic integration with the Asia-Pacific region. Korea will continue to seek benefits by actively participating in the activities of Asian multilateral organizations such as APEC and ASEAN Regional Forum, in the interests of promoting economic and security cooperation, respectively. A unified Korea will likely favor development of a free trade area in Northeast Asia. The new Korea would also likely support development of smaller regional forums, such as the Northeast Asia Security Dialogue to mitigate regional rivalries, political hostility, and an arms race in its neighborhood.

In this regard, a unified Korea does not have an interest in developing or deploying nuclear weapons or other weapons of mass destruction. Such an act would likely spur a regional arms race and create tensions with the international community over nonproliferation. This calculation will ultimately depend on the shape of the regional security environment at the time of unification, including the state of Korea's alliance with the United States and the maintenance of the U.S. nuclear umbrella, Korea's relationship with Russia and China, and whether Japan develops nuclear weapons.

In the aftermath of reunification, the Korean military will likely transition to a defense-oriented, crisis-management strategy and away from a war-fighting posture. Korea will be unlikely to face any serious regional threats to its territory upon reunification, particularly should it retain its alliance with the United States. Korea will be preoccupied for some time with internal instability, as Southern authorities focus on decommissioning the DPRK military and integrating its personnel productively into general Korean society. The ROK military will need to safeguard and account for residual DPRK military equipment and materiel, particularly any weapons of mass destruction, delivery systems, or laboratories associated with them. It will also likely partner with civil authorities and coordinate with international forces who will assist to maintain law and order on the peninsula, repatriate refugees, etc., for a period of time following reunification.

The outlines of a unified Korea's military structure cannot be anticipated, as it will depend on conditions of the moment, including Korea's strategic relationships (i.e., maintenance of the U.S. alliance), the state of East Asian affairs, and Korea's internal security requirements. Nonetheless, it may be anticipated that the military of a unified Korea will develop capabilities and increasingly seek to join the regional community in coordinated efforts to address regional contingencies other than war, such as peacekeeping, humanitarian assistance, disaster relief, piracy, etc., as a confidence-building measure to promote stability and integrate Korea into regional security affairs.

Alliance with the United States

Following unification, a new Korea will carefully reassess its long-term security strategy and orientation. This will include whether to sustain its alliance with the United States. In lieu of the alliance, there are perhaps three options open to a unified Korea: neutrality; involvement in a regional security system in East Asia; and close partnership with a selected Asian nation(s), such as China.

None of these options is ultimately viable for the Korea's overall security and political interests. Given Korea's history and geography, full neutrality cannot be sustained without the agreement and support of all the major Asian powers, which is highly unlikely and a risk upon which Korean security cannot afford to be based. Participation in a regional security system akin to NATO in Europe appears untenable, as such a system is unlikely to emerge in the foreseeable future. Reliance on a close partnership with a strong Asian nation, such as China, would put Korea at the uncertain mercy of that power, and tip the regional power balance in a manner that may create insecurity for other powers and shake East Asian stability.

Ultimately, it is in Korea's interest to retain its alliance with the United States following unification. Despite some frictions, the alliance has served the ROK well over many decades to preserve Korea's essential freedom of action, and to facilitate its historic political and economic development. Maintaining the alliance will also continue to serve Korean interest of preserving a stable balance of power in the region, hedging against the rise of an aggressive regional power, and protecting Korea from becoming once again the political, if not military battleground upon which the major Asian powers have historically sought regional advantage.³ A unified Korea will need the stability and reassurance of a continued alliance with the United States more than ever during the many years of transition following unification, particularly under collapse or war scenarios. Korea will further require substantial international assistance and support, which maintaining a special relationship with the United States would also facilitate.

In the process, however, Korea will likely seek greater independence in its relationship with the United States. Unification may bring about a resurgence of Korean nationalism and self-confidence commensurate with its growing national strength and increased international prestige. As a result, the new Korea will strongly desire to change the bilateral relationship from patron-client to equal partnership.

U.S. Military Presence

To support not only a balance of power in Northeast Asia but also stability throughout East Asia, a unified Korea will likely accept a U.S. military presence on the peninsula following unification as a key element of its continued alliance relationship. Continuing to host U.S. forces will sustain the special relationship

³ Most recent examples include the Sino-Japanese War in 1894–95, the Russo-Japanese War of 1904–05, and, of course, the Cold War.

between the governments and armed forces of both sides, facilitate their coordination of regional strategy, and continue to serve as a deterrent to others seeking advantage on the peninsula. Failing to support U.S. presence would call into question the basis of the continued alliance, and challenge U.S. regional presence more broadly. Japan would shoulder the entire burden of U.S. military bases in Northeast Asia, and would likewise face pressures to evict the United States and assert its independence from U.S. military influence should Korea do the same. Korea views U.S. military presence in Japan as crucial to its own interests to prevent the resurgence of Japanese militarism. Sharing the burden with Japan would reassure Korea that such a development would not occur.

At the same time, the Korean government likely will face strong public pressure over the location and size of U.S. military bases, and over the nature of the U.S.-Korea Status of Forces Agreement (SOFA) governing them. According to a recent public opinion poll, even those South Koreans who favor the alliance and a continued U.S. military presence following unification think there should be reduction in the number of U.S. forces in Korea.⁴ Korea will need to determine the best balance for its security and domestic requirements between permanent basing on the peninsula, and access agreements for U.S. forces passing through or seeking to operate in the region. Korea will seek to renegotiate the SOFA to bring its terms at least to a level equal to U.S. arrangements with Germany and Japan regarding environmental hazards, and matters of legal jurisdiction over U.S. military personnel on its soil. A unified Korea will also desire to renegotiate host nation support for the costs of stationing U.S. forces on the peninsula, particularly given the expected high costs of unification itself. Korea will view such issues more than ever as matters of national sovereignty and pride, affecting its overall opinion not only of U.S. military presence, but also U.S. good faith as an ally and partner.

Finally, a unified Korea can be expected at least to seek an adjustment in the structure of the U.S.-ROK Combined Forces Command. With the official end of the Korean War, most Koreans will want to see the return of operational commandship of their armed forces to their national leaders, even as operators will seek to reorient its mission toward cooperation in addressing regional rather than peninsular contingencies. Indeed, whether Korea will have an interest in retaining the Combined Forces Command structure at all, or whether its interest lies in a transition to a Japan-style, independent but parallel and coordinated operational relationship with the U.S. military is hotly debated within Korea, and therefore cannot be anticipated here.

Popular Attitudes toward the United States

While Korea's objective national security interest may favor a continued special relationship with the United States following unification, Korean popular attitudes toward the United States may be a wildcard in the equation. Traditionally the

⁴ "Post-Reunification Security: South Koreans Say Keep Alliance, Trip USFK," *Opinion Analysis*, Office of Research, U.S. Department of State, September 12, 2001.

United States has been Korea's most favored country, viewed as the liberator or Korea in World War II, a savior during the Korean War, and a benefactor who has provided economic assistance and facilitated Korea's economic development. Those of the Korean/Vietnam War generation in particular have an emotional friendship with Americans based on shared experience during the Cold War.

This generation is an aging and diminishing percentage of Korea's population, however. Younger South Koreans have more complex attitudes toward the United States. They may recognize the importance today of the alliance with the United States for their security against North Korea, but as Koreans have matured politically and economically, a sense of discontent, resentment, and skepticism has developed over American policies and attitudes towards Korea. General impressions of U.S. arrogance, and a sense of political and economic domination by the United States during the history of their alliance have led to a degree of resentment and even humiliation among some in Korean society. Specific incidents such as U.S. unilateral actions during the nuclear crisis of 1994, support for anti-democratic ROK regimes during the Cold War, and George W. Bush's "axis of evil" comment about the DPRK in early 2002, have fed such perceptions. Issues surrounding U.S. base presence, including noise and environmental pollution, Yongsan's location in midtown Seoul, and the Status of Forces Agreement, have rankled Korean pride, and offended notions of sovereignty. U.S. policies toward the peninsula are viewed in some circles as favoring American rather than Korean interests, in which the United States benefits more from the relationship than does Korea.

To a much lesser degree, so-called "ideological anti-Americanism" has also existed in South Korea among a small minority of urban leftists and extremists from academia, the press, labor unions, and churches. In the 1980s and into the 1990s, these groups openly displayed their anger towards the United States through violent street protests, with demands often identical to those of North Korea (promotion of *juche* ideology, expulsion of U.S. forces from the South, etc.). They failed to penetrate the general ROK public, and their activities have dissipated in recent years following the collapse of the Soviet Union, and the evident failure of the DPRK system over the past decade.

However, upon unification of Korea, particularly in a peaceful scenario, ideological remnants from the North could join with ROK leftists to foment anti-American sentiments more widely within Korean society, taking advantage of nationalism, emotionalism or generalized grievances as discussed above to complicate the bilateral relationship. It is difficult to predict the trajectory of popular attitudes over time. Should the United States end up proving more helpful than harmful to the interests of Korean unification or ROK security prior to unification, for instance, negative trends in attitudes toward the United States may abate. Nonetheless, the development of general discontent or frustration with the United States within South Korean society, if allowed to develop, cannot be dismissed lightly in favor of considerations of objective Korean national interest, as discussed above. Popular attitudes indeed may ultimately serve as a critical wildcard in the future of the bilateral relationship.

Relations with Regional Nations: China, Japan, Russia

While it will be in the best interest of a unified Korea to maintain a strong alliance with the United States, its interests also require development of cordial relations with neighboring nations, including China, Japan, and Russia. As in its relationship with the United States, Korea has complex interests and attitudes toward each of these key nations.

China

A unified Korea will recognize the importance of developing friendly relations with China through close cooperation in the areas of economic and international affairs. While China has the potential to become the chief economic competitor, as well as the chief military rival, of Korea in the Asia-Pacific region in the long run, most Koreans view China as valuable to Korea's interests. They highly praise the economic complementarity Korea has with China and see growing economic ties with China as a positive direction for Korea to move.

Politically, Korean opinion surveys cite a growing appreciation of China based upon a shared history and culture, sometimes even surpassing the United States. A divide exists on this topic between elite policymakers who focus more on the benefits of the U.S. alliance, and the general public. It is clear, however, that China's popularity is increasing within Korean society. How strong, deep, or lasting such sentiment will prove over time is uncertain, but Korea is unlikely to sacrifice the benefits of its special security relationship with the United States for a closer relationship with China due to such attitudes, for the reasons outlined above. Ultimately, China will remain a strategic uncertainty for Korea given its enormous population, proximity, and history of seeking dominant influence over the Korean peninsula. China's communist/authoritarian political system also limits the trust and appreciation Korea's populace will have for Chinese politics and ambition. A change in China's political system, however, could lead to a more favorable assessment of China as a regional partner.

In the end, given geography and other interests, Korea will want a friendly relationship with China and seek to avoid any unnecessary tensions between the two sides. In this regard, a unified Korea will not be sympathetic to any efforts to focus a U.S.-Korea alliance toward China, including supporting U.S. operations over Taiwan. Nonetheless, the alliance will serve as a quiet hedge against China's military development and should China eventually pose a direct threat to Korean security.

Japan

The issue of history continues to shape Korean popular attitudes toward Japan, and will likely be a key factor in a post-unification environment absent reconciliation in the interim. Memories and propaganda in both the North and South over colonization and atrocities at the hands of Japan over the past century continue to resonate in Korean society, exacerbated by Japan's perceived inability to acknowledge and account adequately for its past. Just as the common North

Korea threat has served as a unifying force for ROK-Japan relations, bitterness toward Japan may serve as a common attitude of a unified Korea.

Many Koreans at both the popular and elite level continue to view Japan as a potential future security threat and economic competitor. Such a trend is likely to continue through unification. The objective interests of a unified Korea, as today, however, will lead it to continue, if not expand security and economic cooperation with Japan, in cooperation with the United States, to promote regional stability and national prosperity. Korea will continue to require the benefits of trade and investment with Japan, particularly in a post-unification environment, which will limit animosity as it does today. Nonetheless, Korea will certainly watch closely the political, military and security posture of Japan, and will strongly support the maintenance of a U.S.-Japan alliance as a hedge against Japanese power. It is unlikely that Korea will formally join the United States and Japan in a trilateral alliance, preferring an unofficial approach to cooperation, and to preserve a general balance in its relationships with Japan and China, consistent with its historical approach to these major Asian powers.

Russia

Russia's legacy as an expansionist power in the Far East, and as a principal supporter of North Korea, will continue to influence unified Korea's attitude toward its large neighbor to the north. In recent years, Russia's perceived value has drastically diminished in accordance with the significant reduction of Russia's influence in international politics, as well as its political instability, faltering economy, and social confusion. Economically, Russia will not be a major economic partner or competitor. In 2001, for instance, Korea's total trade volume with Russia reached only one-eleventh of that with China and one-fifteenth of that with Japan. Such a trend is likely to improve, but not drastically in the short to medium term.

Nevertheless, a unified Korea will continue to have an interest in developing a close and friendly relationship with Russia. While Russia will probably attempt to exert either direct or indirect influence on the peninsula, as it has done in the past, it will not be a military threat for the foreseeable future, particularly if an alliance with the United States is maintained. In the long run, Russia is a country of great strategic and economic potential in Asia. It is a nuclear power with enormous natural resources of great benefit to Korea, particularly in the energy sector. Russia will be in a position to serve an important balancing role for Korea in the event of competition among Asian powers. The influence of Russia, however, depends upon how quickly it can achieve internal stability, economic recovery, political development, and a strong record as a reliable and constructive security partner. In the absence of these conditions, Korea will continue to view Russia warily but practically in limited areas of mutual interest.

V. Regional Perspectives

Understanding regional perspectives toward a reunified Korea, particularly those of major powers such as Japan, China, and Russia, should serve as an important component for constructing effective U.S. policies in the event, as reunification in any form will have profound implications for the region politically, economically, and militarily. Although not a determining factor for U.S. policy, accounting for the interests of the major powers of Northeast Asia, allied and non-allied alike, will enable development of both a current and postunification approach that is more realistic, integrated, and sustainable.

Japan

As indicated above, Korea historically has served as a potential battleground or launching point for aggression between the major powers of Northeast Asia, including Japan. Ultimately, Tokyo wants to make sure that no hostile power can use Korea against Japan.¹ Japan obviously will want a Korea that is friendly, or at least not antagonistic toward it or aligned with a hostile or threatening nation. Japan wishes to avoid a unified Korea that is a nuclear-weapon state and that attempts to constrain or undermine Japan's role in regional diplomacy and security.

The status quo that emerged after the 1953 armistice on the peninsula has been satisfactory from Japan's point of view. It has ensured that both Koreas devote most of their martial energies against one other rather than against Japan. American forces in the ROK further guarantee that South Korea will not engage in hostilities against Japan, and protect the South not only from the DPRK but also against possible encroachments by China (or Russia) that would be detrimental to Japanese interests.

Protecting Japan's Interests: Strategic Policy Issues

Japan may face several challenges to its interests upon reunification of the peninsula. Foremost is the question of Korean popular sentiment toward Japan. Japan's colonial history on the peninsula remains a huge liability in its dealing with Korea. Reminders of their difficult past, and perceived insensitivity of Japan to the nature and lessons of past injustices perpetrated by Japan on Korea in the twentieth century, continue to inform negative, if not hostile Korean popular attitudes toward Japan.

Many Japanese policy experts today recognize that Korea will play a key role in Japanese security, and that, regardless of ethical aspects, it is in Japan's interest to make amends for its actions during its colonial era. However, many Japanese, including numerous leading politicians and organizations, especially those

¹ For instance, the Yuan dynasty of China in the twelfth century deployed battle ships from the Korean Peninsula to attack Japan's mainland. It failed largely due to heavy storms.

affiliated with World War II veterans and their families, take the view either that Japan has already apologized enough, or that Koreans and Chinese exaggerate reports of Japanese atrocities. Other matters, such as fishing rights disputes in the Northern Territories (Southern Kuriles), and conflicting sovereignty claims over Tok-do (Takeshima) have further irritated the Korean-Japanese relationship, and will need to be addressed if the overall bilateral relationship is to develop constructively for Japan in a postunification environment. Although difficult to predict how significant the history question and other disputes might be in the future, hostility within Korean society toward Japan is deep-seated, and can potentially be determinant in relations between the two powers once the common DPRK threat dissolves.

Tokyo has an interest in preventing any third country from taking advantage of political transformation or anti-Japan hostility on the Korean peninsula to expand its influence there at the expense of Japan. China has appealed to common cultural and historical bonds between itself and both Koreas in order to safeguard its long-term strategic relationship with the peninsula. Chinese and Korean common sense of victimization at the hands of Japan have further facilitated this bond. Similarly, Russian nationalism over conflicting claims to the Northern Territories/Kurile Islands may resonate with Koreans concerned about Tok-do. The nightmare scenario for Japan would be a China-Russia-Korea entente that considers itself opposed, even if unofficially, to Japanese, or U.S.-Japan, influence and interests in the region.

Lastly, while Japan will have limited ability to affect the content of a unified Korean government, it is nonetheless in its interests to limit the influence of former DPRK officials in the formation of policy. Japan will strongly support institutionalization of ROK-style liberal democracy on the peninsula, but will be wary about involving itself directly in the development of a unified Korea's government or political society, given its colonial legacy. Still, given the legacy of common values and working relationships developed with ROK leaders, Japan will prefer that South Koreans hold key positions, especially on security and foreign policy, as well as in the military and intelligence branches.

Military Issues

Unless Japan's security strategy changes drastically, Japan will favor continued U.S. military presence on the peninsula following unification. As suggested above, the USFK serve Japan's interest in guaranteeing that Korea will be neither hostile nor in alignment with unfriendly countries. It is also in Japan's national interest that a U.S. military presence in the region maintain the regional balance of power, and, in turn, allow Japan – and the region – to focus on economic rather than military competition. If U.S. forces were withdrawn entirely from the peninsula, Japan would be the only remaining East Asian nation hosting American forces, placing Japan under intense domestic political pressure concerning this uneven burden and threatening the entire U.S. regional military presence. Maintaining a strong and mobile USFK dedicated to promoting regional stability – whether as a deterrent force or partner in regional operations other than

war, etc.—would also serve Japanese security interests and save Japan from standing out politically in Asia as the only evident U.S. military ally.

Finally, Japan has a concrete interest in ensuring that the weapons of mass destruction/missile arsenal of the DPRK is decommissioned under international control. Unless the DPRK physically destroys its missiles, nuclear facilities, and biochemical arsenal, a united Korea will inherit the North's WMD and delivery systems. Japan has a profound interest in preventing the emergence of a reunified Korea as a quasi-nuclear or WMD power with missiles capable of striking Japan.

Economic Issues

Economic implications of Korean unification will keenly affect Japan's own economic health. Japan currently conducts \$40 billion in total trade with South Korea, Japan's third largest trade relationship. The ROK served as Japan's third largest market for its exports in 2001 (at \$24.14 billion). Although Korea was only the seventeenth-largest target for Japanese foreign direct investment overseas from 1989 to 2000, Japan nonetheless has substantial interest in a stable environment for future investment and continued trade, and in maintenance of open-market capitalism in a unified Korea.

Indeed, unification is likely in due time to provide added opportunities for Japanese industry to invest in Korea in such areas as infrastructure development and labor-intensive production—although excessive Japanese FDI might create tensions given the sensitivities of Koreans to foreign investment, and particular competitiveness with Japan. Japan and Korea have traditionally had a competitive trade relationship internationally given their similar economic and market strategies of export-promotion, electronics, automobiles, etc. However, their extensive overall economic and trade relationship reflects an underlying mutual reliance and complementarity that would damage Japan (and Korea) if it were lost.

Japan likely will be on the front lines when Korea and the international community look for donors to help with postunification assistance. The requirement to provide aid to unified Korea is simultaneously good and bad for Japan interests. On the one hand, being the leading aid donor can help Japan protect its interests in Korea, create a positive image in the Korean public, and give it a voice in what happens there (although obviously Tokyo would have to be very careful to avoid Korean resentment). On the other hand, if Japan's economy has not recovered from its economic woes, Tokyo may find it difficult to meet expectations. This could hurt Japan's ability to shape events in Korea and possibly damage its relations with Korea and the United States.

Japan will also seek to prevent a situation where refugees could spill over into Japan as a result of deteriorating economic conditions in the former DPRK. In principle, Japan does not accept refugees, although individual requests are decided on a case-by-case basis. A mass flow of refugees into Japan would pose challenges to domestic stability while leading to considerable international pressure on Japan to handle the humanitarian situation appropriately.

Japan's Role in Asia

What would Japan's role be in Asia, postunification? Obviously, there is not a single Japanese point of view on this question and will depend largely on conditions at the time, including Japan's relationship with key neighbors and the United States. One may anticipate, however, that Japan's relations with Korea and the region more broadly will remain colored by history, and that the region will remain suspicious of a Japan that seeks an independent defense posture outside the U.S. security umbrella. Under such circumstances, and given its desire to become more "normal" over time, it is likely that Japan will seek a postunification role in regional affairs that is more active, with more independent capabilities, but one that remains within the context of a U.S.-Japan alliance.

Indeed, Japan's East Asia strategy following Korean unification will largely depend upon U.S. policy. If the United States decides to remain military engaged in the region and to maintain forward deployed forces in East Asia, it is unlikely that the Japanese government will seek to radically alter its approach to regional security. U.S. military presence provides Japan with peace in East Asia, deterrence against potential foes, and diffuses anti-Japanese sentiment on the part of other Asians by reassuring them that Japan will never become a hostile hegemon. The U.S. connection provides the SDF an opportunity to interact and work with the most powerful military in the world and to acquire advanced weapons systems. The alliance further provides an umbrella under which Japan may engage increasingly in regional security affairs. Following Korean unification, Japan may make some adjustments to its relationship with the United States, including some aspects of U.S. military force structure based in Japan, but likely will not alter the fundamental course of its East Asia strategy.

If anything, the challenge for the Japanese government will be to strengthen bilateral relations with both the United States and Korea to facilitate development of a virtual Japan-Unified Korea-U.S. alliance over time that will sustain itself through Korean unification. As indicated above, ensuring that Korea does not align with a hostile power will be a key Japanese security interest, and would be ensured by development of such a trilateral partnership.

Alternatively, the risks to Japanese security of changing its security strategy in a postunification environment are substantial enough to give policymakers pause when considering such changes. Should the United States disengage from East Asia after unification, for instance, Japan will necessarily have to compensate for the vacuum, not only militarily but also psychologically. Japan would need to revise or drastically reinterpret its constitution to allow for greater proactive engagement in regional security affairs. The government would likely decide to strengthen its military capabilities substantially. The termination of the U.S. nuclear umbrella would severely tempt Japan to renounce its Three Non-Nuclear Principles and develop a nuclear weapons capability to compete with China, leading to a regional arms race. The combination of these actions and reactions would endanger relations with the entire region, including Korea, and its risks will thus lead Japan to be conservative in its security strategy following unification.

China

Developments on the Korean Peninsula over the past century have left a painful mark on the Chinese national psyche. Underlying these concerns is the perceived strategic geographic importance of the Korean landmass to China, as a buffer to both resurgent Japan militarism and on U.S. Cold War “imperialism.” Influence in Korea was the rationale behind the first Sino-Japanese War in 1894, and many in China view the Japanese colonization of Korea in 1910 as a prelude to the occupation of Manchuria in 1931 and subsequently the Sino-Japanese War of 1937–1945. In 1950, the historical memory of these events helped provide popular support for Chinese participation in the Korean War. Many Chinese then felt that strong military involvement in Korea was necessary to prevent a repeat of Japanese-style aggression by the United States. Today, due to Korea’s geographical proximity, Beijing hopes to maintain a political and security situation friendly to Chinese interests. China alternatively describes Korea either as a dagger pointed at China or “as close as lips to teeth” to reflect this situation.²

For these reasons, China remains deeply interested in developments on the Korean Peninsula. It remains one of the staunchest supporters of the DPRK, a role it has played consistently since the 1950s. The formal communist status of both countries and shared Confucian traditions have buttressed the strong relationship. Leaders from North Korea and China meet to discuss political, strategic, and economic issues, and Beijing is an active member of the four-party talks regarding developments on the peninsula. China is also a large donor of aid, both economic and military, to the North, although this amount has decreased as political and economic relations with the South improve. Given the importance of Korea to Chinese interests and China’s political memory, Beijing will want to have a major role in shaping postreunification Korea.

Strategic Worldview and Interests

A constant theme in Beijing’s foreign and security policy since the Cold War is opposition to “hegemony and power politics”—a euphemism, initially, for the Soviet Union, and more recently, for the United States—and support for “multipolarity.” This approach in the post-Cold War era has sought to increase Chinese influence in regional and international politics by attempting to foster more balance, if not opposition to U.S. predominance and freedom of action internationally.

As part of its policy of “anti-hegemony” and “multipolarity,” China has also consistently opposed the formation of alliances for security reasons since the 1960s. Over the past few years, Beijing updated this outlook into a new strategic concept that defines alliances in the post-Cold War world as inherently destabilizing. This view is likely to lead Beijing to seek to prevent the continuation of a strong military alliance between the United States and a

² The phrase “lips and teeth” draws from the Chinese proverb that says, “If the lips die, the teeth will freeze.” This means to say that China feels that Korea’s stability closely relates to its own.

postunification Korea, especially if Beijing suspects that this relationship may be directed against China.

In light of these interests, China is likely to seek a reunified Korea that is more independent of the United States, and an ability to exert significant influence over political and security developments in the new Korean state. China may not seek a formal alliance with Korea, but it will certainly prefer a unified Korea to lean toward China. Such a position aims to create an immediate neighbor that does not have too close of an alignment with the United States or Japan—two potential adversaries. Beijing also hopes that a newly unified Korea outside the U.S. alliance system will weaken Washington's overall influence in the Asia-Pacific, constrain U.S. freedom of action, and reduce the potential of encirclement.

This view is due in part to Korea's unique geographical, cultural, and historical situation. Korean society shares both traditional cultural ties with China and memories of Japanese imperialism. And as mentioned, Korea sits strategically between China and Japan. These elements make a reunified Korea a useful friend and buffer for China in the event of hostilities with Japan or the United States.

Since the 1980s, another persistent feature of Chinese policy is the maintenance of regional peace and stability to provide an environment that is conducive to its economic development. In the context of a unified Korea, Beijing's interest lies in maintaining social and political stability on the peninsula despite the inevitable difficult transition. A breakdown in social and political order in a reunified Korea may result in violence that can spillover into Chinese provinces bordering Korea, especially areas with substantial ethnic Korean populations.

Economic, social, and political unrest in Korea could also cause a massive influx of Korean refugees into Northeastern China that may severely strain resources and social infrastructure while upsetting the ethnic balance in some regions. In their perspective, a peaceful and stable unified Korea also means that Korea may be less likely to make strong irredentist claims on disputed border territories under Chinese control, since a rapidly growing Korean refugee population in disputed areas may fuel Korean claims. In that case, the status of the migrants together with strong Korean nationalism in China's northeast could be a potential source of tension between China and Korea.

Political Interests

For China, the most salient political issue of a unified Korea is its political alignment. Beijing favors a unified Korea that is at least fundamentally friendly toward China, and able to act independently from countries hostile toward it. Although China may recognize U.S. contributions to peace and stability on a reunified Korea, Beijing does not wish to see a reunified Korea that remains a strong ally of the United States given its fears of encirclement, and particularly should the latter adopt an anti-China policy. Maintaining a strong U.S.-Korea alliance following unification would greatly strengthen the U.S. position in East Asia. On a more immediate level, it would create a U.S. ally that shares an almost

1,400 kilometer border with China with no buffer area in between. The tension between peace and stability, and Chinese fears of encirclement is something that senior leaders in Beijing have yet to resolve.

Chinese leaders in fact expect that a unified Korea would be more independent or at least in a looser alignment with the United States. This is probably the minimum acceptable situation for China as it is likely to weaken U.S. regional influence and reduce the risk of containment by the United States. It would also ensure that Korea would not support its territory being used as a platform for U.S. assistance in a Taiwan military contingency. Beijing would further feel more confident of its political influence in a unified Korea absent strong, constant backing from Washington.

China has no apparent preference for the composition of a unified Korean government, nor does Beijing seem to favor any particular political system for a postunification Korea. This is consistent with China's stated policy of respect for sovereignty and non-interference in the domestic affairs of other countries. A democratic, unified Korea could conceivably create a demonstration-effect challenge to China's political system, but it is very unlikely that China will oppose a democratic system in Korea. Beijing's primary concern will most likely be that stability be maintained on the peninsula and that it retains effective influence that will prevent the new regime from taking policy positions harmful to greater Chinese interests.

Military Interests

The presence of U.S. troops on the peninsula following reunification is a primary Chinese concern. Beijing is unlikely to accept a strong, indefinite U.S. military presence on the peninsula that could be part of a containment strategy against China. The ideal situation would be a drastic reduction of U.S. ground troops leading to an eventual withdrawal. However, Beijing might accept an initial increase of U.S. forces in Korea for peacekeeping purposes even above the 38th Parallel, but only if leading to an eventual withdrawal.

Beijing believes that Washington's balancing role can help maintain a peaceful and stable security environment critical for Chinese economic development. However, Beijing is also confident that a growing trend of anti-Americanism in Korea will ultimately cause a significant reduction of U.S. forces after unification. Perhaps Beijing is hoping that growing anti-American sentiment on Korea will allow for a stabilizing U.S. peacekeeping presence in short-run, leading to an eventual U.S. troop withdrawal in the long-run. This may effectively solve Beijing's conundrum over stability on the peninsula and fears of U.S. encirclement.

One additional Chinese military concern regarding a unified Korea is the status of ballistic missiles and possible Nuclear, Biological, and Chemical (NBC) weapons on the peninsula. The worst-case scenario for China would be a unified Korea that retains most of the ballistic missile and potential NBC capabilities of North Korea. At best, the Chinese hope that the unified Korean state eliminates all

NBC capabilities under United Nations auspices and maintains a nuclear-free Korea. They generally expect that the reunified Korea will gradually reduce the capabilities now in possession of the North.

Still, China may accept the preservation of a limited number of ballistic missiles that stay within Missile Technology Control Regime (MTCR) regulations for defensive purposes. The minimum acceptable outcome ultimately rests upon the political alignment of reunified Korea. Beijing is more likely to accept a Korea with ballistic missile and NBC capabilities if the new government is close to China. After all, Beijing has provided assistance in the past for the ballistic missile and NBC capabilities of North Korea, as well as neighboring states such as Pakistan and Iran.

There also appears to be little consideration in Beijing of a Korea's greater military and security role in the region postunification. This may indicate that China sees a unified Korea as playing a limited role in regional security, much like Vietnam. In contrast, the vast literature on Tokyo's future role in Asian security suggests that Beijing may remain far more concerned over security issues vis-à-vis Japan than Korea, even after unification.

Economic Interests

The primary interest of China's communist regime is to promote stability and economic development within the country to provide the legitimacy necessary to maintain its hold on power. In this respect, China hopes for relatively steady and sustainable economic growth on the peninsula to both maintain China-Korea trade, and prevent the influx of economic migrants. China will support the development of a open, capitalist, market economy in the North to facilitate further growth in trade and investment between the two sides. In this way, a reunified Korea could even become a large market for Chinese products. Conversely, a situation where the costs of reunification cause an economic collapse that leads to social instability would be economically damaging for China. Given that South Korea is currently a large investor in China, the Chinese economy would also suffer in the event of a drastic redirection of Korean investment away from China and toward North Korea.

Ideally, the international community will provide enough aid for the rebuilding of North Korea to avert an economic collapse. At the very least, Beijing may be willing to provide enough aid to maintain stability, and to gain a degree of political influence and good will within Korean society. Beijing expects to divide a significant proportion of the aid between itself and other major actors in Asia, particularly Japan and the United States.

Russia

Historically, Russian perceptions of Korea tended to be mixed. A friendly Korea was perceived as a remotely controlled "umbrella" and a "buffer state" protecting Russian Far Eastern outposts from unwelcome storms in Northeast Asia. A hostile Korea was seen as a "bridgehead" or jumping-off point for all those forces

deemed as intent on mounting aggression against and undermining Russian power in the Far East.

Over the past century, Russia fought two limited wars against maritime powers in the Korean peninsula: the first against Japan in 1904–1905 and the second against the United States and its overseas allies 50 years later, in 1950–1953. Both times Russia suffered considerable setbacks and failed to achieve its primary goal: to keep the peninsula free of influences hostile to its continental power.

Due to its geographic proximity, unification of the peninsula, with radical transformation of the existing political and socioeconomic frameworks, cannot leave Russia disinterested and passive, despite its lingering internal woes. Nonetheless, the Korean peninsula has always occupied a secondary place in the Russia's Far East policy, which has placed primary emphasis on relations with the regional heavyweights: China and Japan. As a result, Russian-Korean relations are subordinated to broader regional goals and dependent on the dynamics of Russian relations with other major powers, including China, Japan, and the United States. Above all else, Russia's main priority is to create a situation of peace and stability on the peninsula in order to successfully complete its own economic and democratic transition.

Three Visions of a Postunification Korea and Russia

The “best case or ideal scenario” from the Russian standpoint, is the emergence of a unified Korea based on an open society, free markets, and transparent liberal democracy. It is in the best interest of Russia to forge a free trade union, perhaps including the entire Northeast Asia region, and establish close political coordination in international forums with such a Korea, without exchanging any mutual defense commitments. This special partnership should be aimed at mediating the influences of the United States, China, and Japan in Northeast Asia. Although this kind of close relationship is derivative of past Soviet relations with North Korea, it is highly improbable and almost impossible to achieve.

The “worst case scenario” envisions the emergence of a unified 70-million-man Korea with 1.7 million men under arms, robust nuclear, missile, and chemical weapons development programs, tenth-largest world-class economy, with territorial claims to every neighbor, aggravating domestic political and socioeconomic upheavals, upsurge in pent-up nationalistic ambitions, acting as a spoiler in the regional international system, nonaligned and striving to play its neighbors against one another for its own selfish gains. This kind of dangerous development would be unacceptable, and the Russian government will work hard to avoid the emergence of such a long-term destabilizing nation in Northeast Asia.

The most likely scenario involves the formation of a unified Korea aligned with either a dominant land power, namely China, or with a preponderant maritime power, i.e., the United States. Russia's preference between a China-alignment versus a United States-alignment would depend on the state of its relations with each state and the nature of the political regime and economic

system in Russia at the time of Korean unification. In general, Moscow views Beijing's role in the Korean peninsula as more benign and constructive than that of Washington. However, Russia is interested in free and open trade, peace and stability, and favorable relations, which can be assured by a U.S.-leaning unified Korea. Historically, Russia and the United States have cooperated in Korea much better than have Russia and China. Ultimately, Russia wishes to see a balance of influence between the two major powers to preserve its own relations with each.

Overall, the official Russian Foreign Ministry position is that the process and modalities of unification of Korea are up to Koreans themselves to decide, and the Russian government will support any choice they will make as long as it is pursued on a democratic basis and in a peaceful manner. However, since Korean unification involves a major geopolitical change on the Russian Far Eastern border, Russia will want to be part of the process to make sure that its interests are taken into consideration. Specifically, Moscow likely will display reluctance if the postunification Korea is not aligned with Russia.

Although Russian policymakers have tended in the past to pay more attention to geopolitical concerns, ruling ideology, and political affinity of governing regimes in Korea than consideration of Russian economic interests or humanitarian concerns, economics are a growing factor in Russian policymaking, especially under President Putin. Desire for stability and economic development therefore may increasingly influence decisions toward the peninsula in the future.

Indeed, Russian scholars are particularly concerned with Korean economic strength postunification. An assumed ROK-led absorption of the DPRK likely will divert all South Korean and much Japanese financial resources from Russia to the rehabilitation of the North, and would deprive the cash-strapped Russian economy of badly needed investments from Seoul and Tokyo. As well, unification may create a hot spot of political and social tensions on the border of the Russian Far East, which could contribute to an economic downturn. On the other hand, an economically successful unified Korea could act to boost the Russian economy, particularly with the connection of rail links to the trans-Siberian railway, and as a market for its energy resources and investment alternative to an economically declining Japan. This approach is linked with the process of economic integration in Northeast Asia and the objective desire to participate in regional free trade areas.

U.S. Forces

Russia has traditionally opposed the presence of foreign forces, including U.S. troops, on the peninsula at least since the days of the Cold War. Although Russian officials recognize that the question of U.S. military presence in unified Korea belongs in the realm of bilateral relations between Seoul and Washington and even concede that the current ROK-U.S. Mutual Defense Treaty appears to contribute to the maintenance of peace and stability on the Korean peninsula, they still consider the deployment of the U.S. troops in the ROK as being against fundamental Russian national interests. Given changes in the security relationship between Russia and the United States, some argue that Russia, though not

supporting U.S. presence, does not oppose it, and take the pragmatic view that U.S. troops can play a constructive role in the region. Russian proponents who describe the force as an anachronism of the Cold War, which must be done away with in the process of eliminating the Cold War legacy around the world, remain active in Russian ministries today, but under President Putin, Russian policy and attitudes toward U.S. presence in a postunification era likely will remain moderate in practice, largely dependant upon the overall state of U.S.-Russia security cooperation.

Remnant Missiles and WMD

Moscow does not share the United States' concerns over the current North Korean missile programs. The Russian government attaches great importance to the DPRK government's statement that the North Korean missile program is of peaceful character and is not designed to pose a military threat to any country. However, because of its fundamental interest in enhancing the global missile non-proliferation regime, Moscow continues to encourage Pyongyang to abide by its unilateral moratorium on missile launches, even past its 2003 deadline, and to talk to the United States regarding the resolution of the "missile issue." This suggests that in the longer-term, Russia likely will press for a moratorium on missile development on the peninsula.

Regarding remaining weapons of mass destruction, the Russian government has expressed consistent opposition to the presence of any kind of WMDs in Korea and supported transforming the entire Korean peninsula into a nuclear weapons free zone backed by international guarantees of the concerned nuclear powers. In exchange, Russia has expressed willingness to guarantee the nuclear security of a unified Korea.

VI. Findings and Recommendations

Findings

In considering a blueprint for U.S. policy toward a unified Korea, this report has examined not only U.S. interests, but also the national perspectives of Japan, China, Russia, and, most importantly, Korea itself, as factors for consideration. Further, it has examined how different reunification scenarios might affect U.S. involvement and interests in a postunification environment. While understanding and accounting for the national security interests of the United States should be the primary driver of U.S. international policy, it is central to the success and sustainability of such a policy to anticipate external variables when preparing and shaping its approach.

The United States is fundamentally unique since it has assumed global responsibilities and global reach to safeguard its interests in international stability and security. U.S. principles of political democracy, civil liberty, peaceful resolution of differences, open-market capitalism, free trade, and rule of law both internally and externally in international society will apply to a unified Korea as they have applied (at least generally) to U.S. foreign policy interests elsewhere in the world. U.S. commitment to serve as principle guarantor of regional security to enable these principles to flourish in East Asia is essential to U.S. national interests, and will drive U.S. policy into the postunification era.

Nonetheless, in practice, it should not be surprising that the major powers of Northeast Asia will hold both common and differing perspectives on the implications of Korean reunification for their strategic interests. As indicated in this report, Korea has long served as a strategic battleground for these powers to safeguard their security, primarily serving as a buffer against the aggression of others. China, Japan, and Russia can point to moments in history in which their borders were at risk due to vulnerabilities from the Korean periphery, and such memories will continue to inform their future strategic perspectives. The United States, while less concerned about Korea as buffer state, nonetheless must be concerned about the future of one of its key strategic allies in East Asia.

For its part, Korea will be consumed by the enormous, long-term domestic challenge of reconciling two vastly different societies and economies, despite the common ethnicity, language, and culture of the two sides. As discussed in Section II, the fundamental institutions of family, religion, education, economics, and government have developed differently over the past several generations of North and South Korean life, and the reconciliation of these differences will be profound.

The trajectory of a future Korea in transition is difficult to predict regardless of the best hopes or intentions of today's South Korean leadership. Will Korea's instinct for regionalism lead to a de facto divide in the society and complications

for central control? Will the requirements of maintaining stability through a difficult transition challenge South Korea's commitment to democracy? What political divisions will develop within South Korean society over the inevitable hardships and sacrifices involved in unification with the North? And what personal hostility will persist between the two Koreas that may complicate reconciliation? Whether Korea succumbs to instability, hyper-nationalism, or xenophobia, or becomes a relatively stable and constructive regional player, will determine how the region will welcome a reunified Korea to the international community, and how individual nations will determine their strategy for handling the new strategic environment.

Indeed, while these variables are inherently unknowable, accounting for the likelihood of such complications in the process of unification is important for the United States as it considers its postunification approach to the peninsula. The commentary and analysis presented in this document lead to several findings in this regard from which recommendations for U.S. policy toward a reunified Korea may be derived:

Regional Affairs

- ◆ *Balance of power politics will continue to inform East Asian security relationships, despite many shared regional security interests among nations following Korean reunification.* In regional affairs, the commonality of interests on issues of regional trade, free flow of shipping, and overall peace and stability suggests an essential unity in perspectives on fundamental issues that holds the potential for cooperation and coordination of approaches to regional security and the peninsula following unification. However, it is important to recognize that residual tensions among the major powers (due to history, overlapping territorial claims, border disputes, etc.), the lack of effective institutions to address differences and safeguard common security, and continued mistrust and uncertainty over the future trajectory of major powers, particularly China and Japan, will remain critical questions for regional security. As a result, despite the absence of the DPRK threat on the Korean Peninsula, balance of power considerations in the region will remain central to regional peace and stability.
- ◆ *Each of the major powers in East Asia shares a common interest in a socially stable, economically vibrant, capitalist Korea following unification, free of nuclear or other weapons of mass destruction.* Fundamentally, the interests of the major powers of Northeast Asia, as reflected in Sections IV and V of this document, are equal in their desire for a unified Korea that will not complicate, but rather contribute constructively to regional affairs, particularly economic development. Each of these nations has based its future development on commitment to free trade and investment flows, and will support the emergence of a reunified Korea that conforms to such capitalist

norms. Each recognizes the essential linkages between the economic health of itself and its neighbors, and includes Korea's economic development in that calculation.

Most of these powers have committed themselves to liberal democracy and open societies as the most effective method of maintaining internal stability and external relations, and will likewise support its emergence in Korea, perhaps akin to the democratic tradition established by the Republic of Korea. Each fears the potential flood of refugees and other monetary and social costs of reconstruction that may result from a difficult political, economic and social transition on the peninsula. None have an interest in the introduction or maintenance of weapons of mass destruction on the peninsula, recognizing the destabilizing nature of such a development on regional strategic calculations, and the potential for an unproductive arms race. Indeed, the commonality of regional interests on these fundamental issues bodes well for stability as the region considers a common approach toward a unified Korea.

- ◆ *The circumstances under which reunification occurs will serve as an important, if unpredictable, variable for U.S. policy interests following unification.* As discussed in Section II, the reunification scenario will affect the interests of the region's major powers, including the United States, and the strategic environment on the peninsula following unification. Whether reunification is achieved through a peaceful process of integration, collapse, or war will condition the nature and degree of international involvement in the unification process, the outlook of Korea toward its external environment, and the context in which Korea will make its strategic choices. For instance, should a collapse scenario occur, the need for U.S. engagement and external security guarantees may be greater than would be the case upon peaceful integration over time. Should the United States fight alongside the South in a war with the North, the fresh strategic and personal bonds created will tie the two sides closely together for many years thereafter. While the reunification scenario is an essentially unknowable variable in the achievement of U.S. policy interests in Korea following unification, it is important to note that how each of the major nations responds during the period leading up to and upon reunification may have a profound impact on its longer-term interests on the peninsula.

Bilateral Relations

- *A united Korea will continue to have substantial interests in maintaining an alliance with the United States following reunification.* A reunified Korea will require a peaceful and stable regional environment to enable itself to focus inward during what likely will be a difficult transition politically, economically, and socially. As discussed in Section IV, a

continued alliance with the United States will be a point of essential continuity and stability in an environment of great turmoil, and will ensure Korea's continued defense and serve as an effective deterrent during the transition. The absence of a viable regional security structure to take the place of the U.S. alliance structure would further intensify Korea's desire to potentially chart its own course, as it would shake the foundations of regional stability. Some Korean voices from the media and political left may promote a non-aligned, neutral Korea, perhaps leaning toward China for cultural and strategic reasons given the latter's growing power in Asia and Korea's disinclination to antagonize its neighbor. From a practical perspective, however, the risks of relying on China's uncertain future development as a basis for safeguarding Korean security likely will incline Korea to hedge with a continued alliance relationship with the United States for many years following reunification.

- ◆ *The United States likewise will retain an interest in maintaining its treaty alliance with Korea following unification to safeguard its alliance-based security strategy in East Asia.* Although Korean reunification will eliminate a primary threat to U.S. regional security interests and challenge to peace and stability in the region, the United States will continue to have substantial interests in East Asian security broadly, as indicated in Section III. Given the likelihood that the U.S. alliance structure and regional military presence will remain the only viable guarantor of regional security in the foreseeable future, the United States will retain an interest in maintaining this structure to tackle abiding challenges and preserve its strategic position.

U.S. Forces

- ◆ *U.S. military presence on the peninsula will remain an important symbol and executor of the U.S. regional security commitment, but necessarily will be altered structurally and quantitatively to address a new domestic environment in Korea and security environment in the region.* As indicated in section IV and above, the United States will want to maintain a military presence on the Korean peninsula as part of its overall commitment to preserving regional security and stability. A ready, forward deployed U.S. force on the peninsula will meet important political, symbolic and operational interests of deterrence, commitment, and burden sharing that a fully remote posture off the peninsula could not effectively perform. However, given the elimination of the DPRK threat and the highly sensitive nature of U.S. military presence in Korean society even during the present period, the United States necessarily will need to consult closely with the new Korean government concerning the nature, location, and structure of any presence. The United States likely will seek a balance of bases and access agreements to enable a rapid response, expeditionary capability

of light and mobile forces to fulfill its broader regional function effectively.

- ◆ *Financial burdens inherent in the process of unification likely will constrain Korea's ability, if not inclination, to support U.S. troop presence and alliance obligations.* As addressed in section III, the financial and social cost of Korean unification on South Korean society will be enormous. In a potential period of severely constrained resources, host nation support for maintenance of U.S. forces on the peninsula will be highly controversial, if not politically difficult to sustain. Similarly, the Korean military itself will undergo reorganization to focus on internal challenges such as civil defense, civil reconstruction, etc., constricting its ability to work with the United States on regional operations for some period. The United States will need to anticipate and account for such complications to its postunification strategy and policy toward the peninsula.
- ◆ *One wildcard to future U.S. strategy and policy in a unified Korea is the continued commitment of the U.S. populace, including Congress, to remain engaged and committed to its role as security guarantor in East Asia, and to expend the resources necessary to maintain this role through military presence, etc.* No evidence exists today that the United States will attenuate its commitments to East Asia in the future, following Korean unification or otherwise. However, given the nature of democracy, one cannot ignore the potential for U.S. domestic politics or public opinion to complicate U.S. international policy. The state of the region, the world, and the domestic environment in the United States at the time of reunification is impossible to predict. Variables include developments in the war on terrorism, the U.S. fiscal situation, U.S. relations with other regional states, and political, military, and financial support of regional allies and friends for U.S. interests. Nonetheless, given the tremendous interests the United States will retain in the peace and stability of East Asia following unification, as indicated above, it is expected that the U.S. regional security strategy of alliances, military presence, and sustained diplomatic engagement will abide, regardless of such potential complications.
- ◆ *The United States should be aware that any effects of Korean reunification on U.S. strategic position on the peninsula will have concurrent, ripple effects on U.S. position in Japan, and regionally.* Japan and Korea watch closely U.S. alliance relations with the other and seek as much parity in their arrangements as possible. Concessions or alterations to host nation support, Status of Forces Agreements, troop presence, etc., in Korea likely will be used as ammunition for critics or reformers of U.S. presence in Japan. The result could potentially lead to a destructive spiral affecting the entire U.S. position in Asia. A sustainable burden-sharing arrangement will be critical to

prevent this development, and will require close consultation between the two major U.S. allies in northeast Asia.

- ◆ *China, and perhaps Russia, will question, if not openly oppose, a U.S.-Korea alliance and maintenance of U.S. military presence on the peninsula following reunification.* China and Russia likely will see the end of the Korean conflict as an opportunity to challenge U.S. predominance in Asia. At minimum, they will question the purpose and intention of a continued alliance and military presence, and suspect that the maintenance of both over the longer term will allow the United States to assert its power and interests at their expense. China, in particular, will view both as elements of a U.S. containment strategy. Indeed, the loss of its DPRK buffer will leave China feeling exposed on its northeast flank, and create strategic uncertainties that will be exacerbated by a U.S. troop presence. For its part, Russia's perspective on a U.S.-Korea alliance and U.S. military presence on the peninsula, more so than China, will ultimately depend upon the state of its overall strategic relationship with the United States – if not China – at the time of reunification, a situation that cannot be anticipated with certainty today.

Korean Domestic Affairs

- ◆ *A unified Korea will avoid any sense that it is siding strategically with either the United States or China against the other.* Korea's future development will depend greatly on good relations with—and between—both its traditional ally and its huge neighbor. Although Korea may choose to retain its security alliance with the United States, given its substantial economic and security interests in both the U.S. and China, Korea cannot afford to antagonize either side. Korea will seek above all to retain maximum flexibility in its foreign policy, and to avoid being tied too closely with the policies or attitudes of either side in any U.S.-China rivalry, including on the issue of Taiwan.
- ◆ *Growing anti-American sentiment within Korea's body politic serves as one of the greatest dangers to U.S. interests on the peninsula following unification.* As discussed in section III, public opinion polls and anecdotal evidence in South Korea today reveal that, despite residual good will toward the United States for its commitment to Korean security, and admiration for U.S. culture, anti-American sentiment within Korean society is growing. The nature, depth and sustainability of this sentiment over time is not clear, but leaders in the United States and Korea should not dismiss lightly its potential development into a complicating factor in future bilateral relations. Reunification of the peninsula may exacerbate any such attitudes should it lead to resurgent nationalism and to greater attention to perceived grievances and humiliations inflicted on Korea during its recent history.

- ◆ *Growth in the scope and intensity of anti-Japanese sentiment following unification is an obvious corollary and may also complicate any future coordination of U.S. alliance policies.* Likewise, potential growth in popular attraction to China for ethnic and cultural reasons, of which evidence exists today, may also develop, further complicating Korea's relations and attitudes toward Beijing's likely future rivals.

Recommendations

As a result of these findings, we offer the following recommendations for U.S. policy toward a reunified Korea.

- ◆ *The United States should reaffirm its commitment to the terms of the 1954 U.S.-ROK Mutual Defense Treaty, and expand its scope to encompass a postunification alliance focused on maintenance of regional peace and stability.* The broadening of the U.S.-Korea alliance to encompass regional, not merely peninsular security, will require that the United States remain engaged comprehensively in the political, diplomatic, economic, and military affairs of the region. Reaffirmation of the U.S.-Korea alliance will reassure the region of continued U.S. commitment to its alliance-based regional security strategy, and promote investment in U.S. power as regional security guarantor. The alliance should become a more equal partnership, involving regular, close consultation on regional security matters in coordination with other U.S. allies in the region. The alliance should not be defined or perceived as directed at any particular third country, though it should serve as a hedge against the uncertain development of China, Indonesia, and others. The alliance should be transparent about its purpose and nature.
- ◆ *As symbol and executor of continued security commitment, the United States should maintain a military presence on the peninsula, and consult closely with Korean authorities concerning an appropriate structure according to regional security needs and domestic Korean sensitivities.* The United States should be flexible as to the structure of its presence on the peninsula, but firm on the importance of maintaining some form of presence after unification. Indeed, during a difficult transition, a continued U.S. presence on the peninsula will alleviate the need for a unified Korea to focus on its external security but instead on the challenges of domestic development, including the long process of reconciliation. As indicated the nature of U.S. capabilities should evolve from a heavy, dug-in force focused on peninsular security to a light, mobile, expeditionary presence that can deploy quickly and effectively elsewhere in the region. With reunification, the United Nations Command should dissolve. The Combined Forces Command should also be disbanded, in favor of a parallel command structure under which independent U.S. and Korean

forces may cooperate and coordinate activities, akin to the arrangement under which U.S. and Japan armed forces operate. Independent parallel forces provide both sides maximum flexibility and plausible deniability should either side deploy for operations the other may find undesirable, either for political or strict military reasons. Nonetheless, both sides should immediately establish guidelines for future cooperation to allow for joint training and operations, which should prove relatively smooth given their long experience as a combined force. U.S. forces on the peninsula, meanwhile, should be fully integrated into the operations of other U.S. defense assets in the region.

The United States should be prepared to consider a combination of basing and access arrangements to sustain its presence, and enable the two sides to continue close personal contact and joint/combined training. The United States should seek to maintain pre-positioned equipment to facilitate regional operations and training. Such training should be oriented toward both warfighting and non-warfighting regional operations such as search and rescue, anti-piracy patrols, counter-terrorism, sea-lane security, humanitarian assistance, disaster relief, and peacekeeping/peace enforcement. The two sides should enact any reductions in numbers or changes in arrangements for U.S. military personnel on Korean soil (e.g., Status of Forces Agreement, Host Nation Support, etc.) in close cooperation with Japan to ensure an appropriate balance and mix of U.S. capabilities in the region, and to alleviate potential domestic pressures in Japan on U.S. forces induced by changes on the peninsula.

- ◆ *The United States should maintain its nuclear umbrella over a unified Korea (and Japan) to solidify the U.S.-Korea security alliance and prevent a regional arms race.* The U.S. nuclear umbrella over South Korea (and Japan) over the past 50 years has been an essential element of the bilateral security alliance, and effective in maintaining ROK security. The U.S. commitment has enabled the ROK to renounce the development, stockpiling, or deployment of nuclear weapons, and prevented emergence of a regional arms race. In a postunification environment, the United States likely will have a similar interest to prevent such an arms race and preserve a stable regional military balance, while remaining at the forefront of international efforts to prevent proliferation of weapons of mass destruction, including nuclear arms. Encouraging a unified Korea to renounce WMD through maintenance of a U.S. nuclear umbrella will serve this end, and solidify further the basis of a postunification security alliance.
- ◆ *The United States should encourage a unified Korea to join an integrated regional missile defense network to protect allied assets, as an essential element of a postunification alliance.* Over time, missile defense will become an increasingly important element of U.S.

defense doctrine, posture, and conceptions of international security. The United States has committed itself to developing and deploying such a capability in East Asia to protect its allies, friends, and forward-deployed personnel from future missile attack by rogue nations or others with hostile intent. As a key regional ally, Korea should be encouraged to participate in a regional missile defense network to support this goal and to solidify the overall framework of a postunification alliance. At the same time, a unified Korea should be part of a broader regional – and, indeed, international – dialogue among responsible nations on an offense-defense doctrine appropriate for a new era of missile proliferation to prevent missile defense deployments from becoming a rationale for a destabilizing regional arms race.

- ◆ *The United States should be prepared to fill gaps in logistics support and other domestic functions for Korea during its transition period.* The Korean people must handle the process of reunification on the peninsula themselves. However, particularly under a war or collapse scenario, the challenges to domestic security in the aftermath of reunification may be substantial. Despite the high quality of Korean personnel, such turmoil may prove overwhelming for Korean capabilities. The United States will have substantial interests in ensuring that the peninsula is stable and under sufficient police control to prevent the emergence of havens for transnational crime, including terrorism, narcotics trafficking, counterfeiting, and proliferation of weapons of mass destruction (see below). The United States, as it is able, should be prepared to organize and provide assistance to Korean civil authorities as requested by the Korean government, perhaps in conjunction with regional or UN forces. Such assistance might take the form of transport, construction, engineering, refugee repatriation, or other public safety initiatives.
- ◆ *The United States should provide extensive material support for the political and economic reconstruction effort in a unified Korea, potentially playing a leadership role in any international effort, as appropriate.* The political, economic, and social challenges of reunification will be many, and will impose enormous financial and social costs on the Korean people. Similar to the above, the United States should be prepared to provide longer-term, sustained support for the considerable reconstruction effort that will be required following reunification on the peninsula, as the trajectory of Korea's transition will have an effect on U.S. and regional interests of peace and stability.

The United States should lead through its own efforts, and through the United Nations and international financial institutions, to provide political and material assistance to promote the development of a stable, prosperous liberal democracy on the peninsula, even as it takes

care not to usurp the sovereign rights and responsibilities of the Korean government. U.S. aid agencies should provide resources for official and non-governmental U.S. organizations to take common U.S. and ROK political values of democracy, free enterprise, civil liberty, and rule of law to the North through education and other services – and maintain vigilance at the same time against retreat from such values in the South due to the stresses of managing the unification process. By seeing the task of reconstruction to the end, the United States would affirm its abiding ties with the Korean people, and fulfill a solemn security commitment to a close ally begun in war and continued for generations through a cold peace.

- ◆ *The United States should make a priority commitment to account for and ensure responsible control of the North's nuclear, biochemical, missile, and conventional capabilities, and the decommissioning of DPRK forces.* An immediate task for the United States and the international community following (if not before) Korean reunification, particularly under a collapse or war scenario, is ensuring that Korea be free of weapons of mass destruction. The United States and Korea must work with the International Atomic Energy Agency and regional nations through existing treaties in this endeavor. To ensure Korea's continued commitment to abjuring the development, stockpiling or deployment of nuclear weapons, the United States should reaffirm its regional nonproliferation strategy, including support for Japan's Three Non-Nuclear Principles, as developments in nations like Japan will affect key political and military calculations of a reunified Korea.

The United States must also work closely with Korea to ensure that no rogue elements on the peninsula are able to engage in illicit activities involving WMD amidst the turmoil of a postunification environment. In its own interest and as Korea's ally and security guarantor, decommissioning of DPRK soldiers and their weapons will be an immediate and central concern for the United States following reunification.

- ◆ *The United States should lead in facilitating the development of mini-lateral dialogues among Northeast Asian nations following Korean unification to ensure maintenance of mutual trust concerning the trajectory of a reunited Korea.* The security environment in Northeast Asia following Korean unification will change substantially as Korea's traditional status as strategic buffer for Japan, China, and Russia is once again thrown into question. Although the United States should remain committed to alliances as the core of its security approach to East Asia, the United States should help establish trilateral, quadrilateral, or other such "mini-lateral" dialogues to address peninsular and regional security issues. Such dialogues may serve to promote trust and transparency concerning the orientation and

trajectory of a reunited Korea, and provide strategic reassurance necessary for maintaining a stable regional security environment. Indeed, how the United States handles its Asia-Pacific affairs in general, particularly with Japan and China, may affect Korea's desire to remain closely affiliated with the United States over the long term. Building on cooperation established within the Four-Party process to establish an official Northeast Asian Security Dialogue process involving the United States, Korea, Japan, China, Russia, and Mongolia could serve such a function.

U.S. Policy Today to Prepare for a Unified Korea

The United States should consider several policy initiatives *today* to prepare for pursuing a postunification strategy toward the Korean peninsula.

- ◆ *To garner public support in Korea for a continued alliance and military presence following unification, the United States should work now in cooperation with Korean leaders to address conditions that may promote anti-American sentiment within the Korean body politic.* As indicated in the Findings, the proud and emotional nature of Korean society leads Korean citizens to be sensitive to any sense of U.S. obstruction in North-South affairs, humiliation through treatment as less than an equal alliance partner, or casual disregard on issues of national well-being and sovereignty, including impacts of U.S. military presence. Although some of this sentiment cannot be avoided due to the nature of the relationship and the imbalance of power between the two sides, the United States should nonetheless take greater care in its initiatives and rhetoric concerning peninsular affairs to avoid the appearance of arrogance or other perceived affronts to Korean national pride and sovereignty.

U.S. Forces Korea and their political-military leaders should similarly pay substantial attention to any measures that will reduce the footprint of U.S. military personnel based or stationed on the peninsula. This includes consolidation and reduction of bases where possible, Good Neighbor initiatives to promote understanding and good will between base personnel and local communities, and heightened sensitivity to environmental (including noise) and other hazards of U.S. military presence to local populations. The United States should also consider reforms in the combined military command structure that provide greater responsibility and authority to Korean leaders.

In the process, the United States should do a better job at promoting general knowledge of its good works and other benefits of the alliance as part of an active public diplomacy campaign. For instance, the United States might promote greater exchanges between members of Congress and the ROK National Assembly to develop personal relationships and comprehensive understanding of U.S. policies and

perspectives. The United States might provide Seoul greater face by enhancing the stature of its ambassadors to Seoul akin to the elder statesman model the United States follows in Japan. The United States should also ensure that the senior foreign policy, defense and economic leadership, including the President, travel regularly to Seoul to show due respect to the consultation and coordination functions of the alliance.

Perhaps most importantly, the United States should lean heavily on the Korean leadership itself to do more to promote understanding of the U.S. role in Korean security and development, and aggressively counter misperceptions that fester through the media concerning U.S. policies, presence, and alliance. Korea's leaders perhaps have the most critical role in shaping public perceptions and attitudes toward the bilateral relationship over the long term, and thus must take the lead in this effort.

- ◆ *The United States should continue to strongly support reconciliation between Japanese and Korean societies as a key component of future security in East Asia.* Given U.S. interest in maintaining its alliances with both Japan and Korea in the long term, and desire to increasingly link these alliances together to address security concerns in East Asia, it will be imperative that relations between the two U.S. allies improve. Historical enmity rooted in Japan's colonial domination of Korea earlier in the century, and the inability of Japan to fully account for, or be sensitive to the raw emotions that remain in Korean society concerning the period have led to deep divisions and recurring tensions between Japanese and Korean societies. Such lingering anger and resentment prevents full reconciliation between the two sides and threatens any U.S. effort to sustain trilateral coordination in the long term. Today, South Korea and Japan are brought together by a common concern over the DPRK threat. In the absence of such a common threat, cooperation may founder in the face of resurgent Korean nationalism, and lead to severe bilateral tensions if unchecked. The United States should actively work to avoid such a destabilizing development for regional security and U.S. security strategy by elevating positive Japan-Korea relations to the status of a key strategic concern. Current official and unofficial trilateral dialogues help this process. The United States might promote interaction and exchanges at the legislative level, aimed perhaps at the younger generation, to further facilitate personal bonds. Ultimately, however, the United States cannot, and should not, seek to mediate such a sensitive divide between the two sides as the history question, whose resolution necessarily resides in national good faith efforts on both sides.
- ◆ *The United States should engage in regular consultations with strategic planners and key policymakers in Japan and Korea to discuss the outlines of a postunification security structure.* Although

Korean unification is unlikely to occur in the near term, it is critical that the United States and its two northeast Asian allies begin the process of talking seriously about their respective visions of a postunification security environment in East Asia. As indicated above, changes in the U.S. relationship with either of these allies will affect U.S. relations with the other. This dynamic requires that the three nations consult with each other and coordinate their visions to ensure stability and control of the postunification security environment. Issues that may be discussed in such consultations would include the structure and nature of U.S. military presence, roles and missions of the three forces in safeguarding regional security, and anticipated complications to their respective visions. Either the current Defense Trilateral process (among the three defense ministries) or an entirely new forum may be developed to serve as the vehicle for such talks. These discussions should not occur within the Trilateral Coordination Group (TCOG) process, which should remain focused on common approaches to the current North Korea threat. The three sides should eventually engage other allies and friends who may serve as partners in regional security in the process of consultation and dialogue.

Appendix I. Mutual Defense Treaty between the United States of America and the Republic of Korea, Signed October 1, 1953

The Parties to this Treaty,

Reaffirming their desire to live in peace with all peoples and all governments, and desiring to strengthen the fabric of peace in the Pacific area,

Desiring to declare publicly and formally their common determination to defend themselves against external armed attack so that no potential aggressor could be under the illusion that either of them stands alone in the Pacific area,

Desiring further to strengthen their efforts for collective defense for the preservation of peace and security pending the development of a more comprehensive and effective system of regional security in the Pacific area,

Have agreed as follows:

ARTICLE I

The Parties undertake to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered and to refrain in their international relations from the threat or use of force in any manner inconsistent with the Purposes of the United Nations, or obligations assumed by and Party toward the United Nations.

ARTICLE II

The Parties will consult together whenever, in the opinion of either of them, the political independence or security of either of the Parties is threatened by external armed attack. Separately and jointly, by self help and mutual aid, the Parties will maintain and develop appropriate means to deter armed attack and will take suitable measures in consultation and agreement to implement this Treaty and to further its purposes.

ARTICLE III

Each Party recognizes that an armed attack in the Pacific area on either of the Parties in territories now under their respective administrative control, or hereafter recognized by one of the Parties as lawfully brought under the administrative control of the other, would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes.

ARTICLE IV

The Republic of Korea grants, and the United States of America accepts, the right to dispose United States land, air and sea forces in and about the territory of the Republic of Korea as determined by mutual agreement.

ARTICLE V

This Treaty shall be ratified by the United States of America and the Republic of

Korea in accordance with their respective constitutional processes and will come into force when instruments of ratification thereof have been exchanged by them at Washington.

ARTICLE VI

This Treaty shall remain in force indefinitely. Either Party may terminate it one year after notice has been given to the other Party.

IN WITNESS WHEREOF the undersigned Plenipotentiaries have signed this Treaty.

DONE in duplicate at Washington, in the English and Korean languages, this first day of October 1953.

For the United States of America:

JOHN FOSTER DULLES

For the Republic of Korea:

Y. T. PYUN

Appendix II. Working Group Participants

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