

Korean Unification and the Interests and Roles of Neighboring Countries

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Abstract

Korean unification could come about suddenly. As it was impossible to predict the East German and Soviet collapse at the end of the Cold War and the German unification that followed, it is impossible to predict when unification will occur on the Korean Peninsula other than to say it could happen, perhaps even within a decade. There is a great danger of unification occurring when South Korea and other neighboring states are not ready. The consequences of a poorly planned regional response to Korean unification, particularly in a scenario where North Korea is unstable, are potentially calamitous. Preemptive diplomacy—strong and forthright cooperation among the great powers, particularly between the United States, South Korea, China, and Japan—will be essential to mitigate the negative consequences of unification and ensure that it winds up benefitting the entire region. It is imperative that such efforts to smooth the path towards Korean unification begin today. Unless South Korea can assure all regional stakeholders to play a constructive role in unification, the process could become more messy, protracted, and costly than it would be otherwise. By contrast, if South Korea can succeed today in getting the support of its neighbors for a variety of unification scenarios, it can ensure that the creation of a unified Korean state, while still expensive, will be as smooth as possible under extremely challenging circumstances. The beneficiaries under such a scenario will be not only the people of the Korean Peninsula, but also the people of the neighboring states and indeed the people of Asia and the world. All would experience great benefits from the merger of North Korea into a new and unified Korean state with free markets and free elections.

Keywords: North Korea, South Korea, unification of the Korean Peninsula

Introduction

If Korean unification occurs, it will constitute one of the pivotal changes in the modern history of Northeast Asia, and it will have profound, far-reaching implications for the balance of power in the region. Depending on how various political, military, economic, and regional factors play out, the outcome of the Korean unification process could range from a vastly difficult and violent one to a more manageable endgame, providing many opportunities and challenges to not only the Korean people but neighboring countries as well.

Much of the success or failure of Korean unification will depend on the support and close cooperation of the U.S. as well as other regional powers. The consequences of a poorly planned response to instability or regime collapse in North Korea preceding unification are potentially devastating. Strong coordination and cooperation among the great powers will be essential to mitigating the harmful consequences of unification and ensuring that Korean unification winds up benefitting the entire region.

But how much are the U.S. and the regional powers prepared to support Korean unification? If that time comes, will these powers be able to work together effectively? Will the U.S. and the rest of the region see the net benefits of the unification of the two Koreas outweighing their respective security concerns?

Currently standing in the way of regional cooperation are very different interests and assessments that divide the U.S. and the regional powers, particularly the U.S. and China, over whether and how to intervene in the North preceding unification. The central aim of this paper is thus to explore how American and regional leaders currently view the prospects of Korean unification, and to examine whether the policy trajectories of Washington and the other regional powers can become more closely aligned. Will Korea unification inevitably be an arena for heightened U.S.-China or other regional rivalry, or is strategic cooperation and coordination between various regional powers possible?

In addressing these questions, this paper will first analyze the current state of views of the U.S. and other regional powers on the prospect of Korean unification. The paper will then identify convergence and divergence points of the regional powers, and assess the likely roles Washington and the other regional powers are likely to play in the unification process. Finally, the paper will conclude with specific recommendations for policymakers in Washington and Seoul.

Washington and the Region's Evolving and Conflicting Views on Korean Unification

The U.S. for the first time formally commit to Korean reunification as a desirable end-state in the June 2009 U.S.-Republic of Korea (ROK) Joint Vision Statement, and again in 2013, but in practice, until very recently, there has not been active discussion or detailed planning in Washington regarding how to bring about this objective, aside from military planning for various Korean contingencies.¹

For many years, conventional wisdom in Washington has held that even under the best of circumstances, the reunification of South and North Korea would be more expensive and more challenging than the unification of East and West Germany because the two Koreas are further apart when measured by standard of living, education, health care, technology, and a variety of other indices than the German situation. Some American academics and policy analysts even argue that a divided Korean Peninsula may be in America's interest, because it justifies a continuing U.S. military presence in South Korea, (which can be used to contain China), and the U.S. would likely find a unified Korea harder to influence than a South Korea, which depends on the U.S. for military support. Some American analysts fear that a more nationalistic, united Korea would be more likely to engage in hostilities with Japan. (In a similar vein, before the fall of the Berlin Wall, many American analysts believed that a divided Germany was in America's interest because of fears that a united Germany could chart an independent foreign policy path that would wind up destabilizing Europe.)

U.S. policymakers are also concerned about many pressing challenges that will likely accompany Korean unification, including concerns about securing North Korea's loose nuclear weapons in an instability scenario in the North and averting the kind of chaos that has gripped post-Qaddafi Libya. The U.S. is understandably concerned about the dispersal of the North Korean nuclear arsenal that could result in assembled atomic bombs, loose fissile material, pathogens, and toxic chemicals reaching the global market. This risk is indeed serious, because North Korea has a substantial Weapons of Mass Destruction (WMD) program, and to subsist in North Korea today many officials already engage in extensive black market activity.

Despite these concerns, there are signs that U.S. policymakers are beginning to see that there is a compelling necessity for Korean unification and that there will be benefits as well as risks resulting from

Korean unification. To begin with, North Korea has proven to be one of the most vexing and persistent problems in U.S. foreign policy ever since the outbreak of the Korean conflict in 1950. The threat has not declined with the end of the Cold War, as many once expected that it would. North Korea continues to pose major risks to U.S. and regional security interests, including not just the threat of an attack on South Korea that would put U.S. troops in harm's way, but also the ultimate threat of nuclear proliferation or even possibly, in the future, the threat of actual attack on the American mainland from a North Korean ICBM armed with a nuclear warhead (a capability that North Korea is busy developing). Moreover, even though the United States has never had formal diplomatic relations with North Korea, three U.S. administrations going back to the days of Bill Clinton in the 1990s have tried to address the North Korean threat through negotiations—at first bilateral and then multilateral through the six-party mechanism. Such talks, in whatever form, have completely failed in their goal of achieving North Korean denuclearization.²

Given the somber realization of this reality and the intractability of the North Korean problem, combined with awareness of increased potential for instability in the North under Kim Jong-un, Washington's views and policies toward North Korea and the Korean Peninsula appear to be finally shifting from simply seeking denuclearization as a short-term goal. While the primary and most immediate focus of U.S. policy towards the Korean Peninsula will continue to be the North's nuclear and missile program and other immediate issues such as curbing the North's illicit activities, a consensus has formed that the U.S. needs to seek a broader long-term strategy—namely, to support South Korea in its effort to achieve a peaceful reunification of the Korean Peninsula into a single, democratic, free-market, pro-Western state that would be a bigger version of today's South Korea.³

While the U.S. is starting to see Korean unification as a net benefit overall for its long-term interest, this is not a view shared by Korea's other powerful neighbors. Korean unification is still a hard sell in China, where leaders fear that the collapse of North Korea would mean the disappearance of a buffer zone against the encroachment of American power. China has historically supported North Korea virtually unconditionally, sustaining the Kim dynasty for third generations in the hopes of ensuring a friendly nation to provide a buffer between China

and democratic, pro-American South Korea. Moreover, China is likely concerned that its diplomatic leverage on the Korean Peninsula will be reduced after unification, particularly because it will no longer play an international role in managing inter-Korean differences.

As a result, China today still continues to play a decisive role in sustaining the North Korean economy, and hence is an essential lifeline to the regime itself. China is North Korea's most important patron and ally, as well as the North's biggest trading partner. China is the North's major supplier of food (an estimated 45% of the total consumed), energy (90%), and consumer goods (80%).⁴ It also provides about half of all North Korean imports, including mineral fuels and oil, machinery, electrical machinery, vehicles, plastic, iron and steel.⁵ The bulk of foreign investment in the North, predominantly in extraction of mineral resources, port development, and closely related infrastructure, also emanates from Beijing, with business enterprises and provincial authorities in China's northeastern region playing a key role.⁶ China's trade with North Korea has also steadily increased in recent years. In 2013, trade between Beijing and Pyongyang grew by more than 10 percent from the previous year to \$6.5 billion.⁷ Overall, Beijing provides Pyongyang with what amounts to a trade subsidy of approximately \$1 billion per year.⁸

There have been indications recently that China's "special relationship" with North Korea is evolving and that Beijing's patience with Pyongyang is wearing thin, particularly in the aftermath of the North's third nuclear test in February 2013 and the execution in December 2013 of Jang Song-taek, who was the North's chief envoy to China and a proponent of Chinese-style reforms. Even before the third nuclear test and Jang's execution, the release of the Wikileaks documents from the U.S. government in 2010 showed that parts of the Chinese government were becoming extremely critical of North Korea.⁹ According to one cable from early 2010, then-South Korean Vice Foreign Minister Chung Yung-woo claimed that a number of Chinese officials had told him that they accepted as unavoidable a North Korean regime collapse and reunification under South Korean control in the not-too-distant future.¹⁰

Still, China has not reached the point of reversing its priorities and strategies vis-à-vis the Korean Peninsula, and is unlikely to apply the kind of pressure to the North that would be needed to bring about fundamental changes to the status quo on the Peninsula, such as cutting

off food and fuel for more than a few days. As exasperating as the current Kim Jong-un regime may be, China's leadership is more fearful of what will come afterward—instability in the North followed by a pro-American unified Korea. While China does not offer its views on Korean unification in any great detail, its rhetoric reflects its continued support for the status quo “two Korea” policy. Nevertheless, to publicly oppose unification would offend Koreans on both sides of the 38th parallel, so at least officially, China supports Korean unification as long as it occurs “peacefully” and through the efforts of the Korean people themselves.

If the U.S. on balance broadly supports South Korea's vision of unification under South Korean control and China is against it, Japan is more conflicted on its view. On one hand, with Korean unification, Japan will no longer have to fear North Korean threats, including missile strikes or the abduction of more of its citizens. Yet, Japan is likely looking askance at the prospect of Korean unification and the emergence of a single, strong, independent Korean state for the first time in modern history. (Korea was unified prior to 1945 but it was under Japanese colonial rule from 1905 to 1945 and before that it was a Chinese tributary state.) The Japanese-South Korean relationship remains fraught over Japan's dark colonial and historical legacy. There are still Japanese who recall the words of a military advisor from Germany, Major Jacob Meckel, who suggested to the Japanese government in the 1880s that Korea was “a dagger pointed at the heart of Japan.”¹¹ Moreover, Japan may fear that anti-Japanese animus, already deeply rooted in Korean society, could become even more virulent after unification especially with the potential growth of nationalism post-unification.

As for Russia, like China, it also prefers the status quo regarding the Korean Peninsula, and is wary of the encroachment of American power on the Korean Peninsula post-unification, but it is less virulently opposed to Korean unification than China. Russia has had a long economic and strategic relationship with North Korea, which unraveled in the early 1990s after the fall of the Soviet Union. Like China, Russia also views North Korea as an important buffer to greater U.S. influence in continental Asia, so it is concerned about the strategic implications of unification, including the emergence of a pro-American unified Korean state and increased U.S. leverage in Northeast Asia. At the same time, there are potential upsides to Korean unification for Russia. Korean unification could lead to the development of the economy of Russia's Far

Eastern provinces, providing a further boost for gas development by connecting gas pipelines from Russia to the entire Korean Peninsula. With the end of the fortified border between the two Koreas, the development of a long-envisioned gas pipeline from Vladivostok to Seoul could finally become a reality, bringing much-needed Russian oil and natural gas to the South. The distance from Vladivostok to Pusan, a southeastern port in the Peninsula, is a mere 700 kilometers (434.96 miles). In this regard, the interests of Russia and unified Korea converge, because unified Korea will badly need stable natural gas supplies while Russia wants to stimulate its Far Eastern economy by developing its Siberian gas fields.

Divergent Priorities and the Roles of the U.S. and the Region

As a result of these major powers' conflicting views on the desirability of Korean unification, we are likely to see sharp differences among regional powers over whether and how to intervene if a North Korean contingency occurs preceding unification. One cannot possibly trace in advance how every disparate detail of the various scenarios that will affect long-term transition and unification issues will unfold. However, regardless of how unification comes about—whether quickly or slowly, explosively or implosively—the most disputed element of any scenario will be the point at which surrounding powers deem North Korea to have ended as a viable sovereign state.

It is highly likely that there will be disparate interpretations of this metric. For example, South Korea (and the U.S.) are more likely to define this critical point in political terms once initial signs of political discontinuity and erosion of the Kim family's control emerge. China, and to a lesser extent Russia, however, will likely define this metric very conservatively through legal definitions of sovereignty to preserve the North Korean state buffer, that is, preserving sovereign borders until there is clear evidence of near-total anarchy inside of the country. Narrowing this gap is critical, because it could define subsequent longer-term cooperation among external powers on transition imperatives.

The gap is also problematic because the consequences of an uncoordinated regional response to a North Korean contingency scenario are potentially calamitous. Rapid cooperation will be essential as many response missions will be time-sensitive. For example, the longer it takes to organize humanitarian efforts by the regional powers, the more North Korean citizens who might perish or decide to leave their homes. In

addition, the longer North Korean WMDs are left unsecured, the larger the risk will be that they will disappear across international borders.

The problem is that there may be conflicting views on how, and even whether, to respond. Even South Korea, the key U.S. ally, might have a differing priority and goal than the U.S. South Korea, at the onset of an instability scenario in the North, will understandably seek the leading role in restoring civil and military order. The question is whether Seoul will view the resolution of the crisis as a solely *Korean* issue and thus seek to minimize foreign military involvement and political interference, particularly from China but also from the U.S. Seoul may very well seek to minimize any U.S. presence north of the Korean Demilitarized Zone out of fear that a more direct U.S. military role might trigger Chinese intervention. The U.S. may be satisfied with not playing a direct or leading role or, concerned with securing WMD in the North, it could choose to act quickly or even unilaterally without necessarily securing South Korea's consent. In the case of the latter scenario, this would obviously create friction even among the closest of allies.

Below are the potential challenges and questions regarding the roles of the U.S. and the regional powers:

The United States

The United States' most immediate concern would be locating North Korea's nuclear weapons and associated delivery systems to prevent the possibility of their export. Consequently, Washington is preparing to play a major role in dealing with the effects of a North Korean collapse, should one occur, while closely coordinating with Seoul. Washington's concern is that the situation in the North might require American forces to enter into North Korean territory at the last minute to secure the North's nuclear arsenal, which risks a repeat of the dynamics that led to Chinese involvement in the Korean War. The demands on American forces could vary greatly from scenario to scenario; there is, in particular, a possible role for U.S. Special Operations Forces in helping to search for nuclear weapons that would not be likely to trigger Chinese military intervention.

China

China's long-term core objectives on the Peninsula have been to preserve stability and ensure a strategic environment favorable to China's interests. As mentioned previously, from a geopolitical

standpoint, Beijing continues to see North Korea as an important buffer zone between Chinese and U.S. spheres of influence. To that end, Beijing prefers the continued existence of a friendly North Korean state under a viable regime. Moreover, due to their shared border, China views the prospect of instability in the North or loose nukes as a serious security threat. Chinese leaders also worry about a massive refugee flow that would add to the tens of thousands of North Korean refugees already residing within China.

Thus, if the current North Korean regime began to unravel and made a request to Beijing for humanitarian assistance and help in stabilizing the political situation, how would China respond? Would China intervene and support a faction that it identifies as the new, legitimate government of North Korea? It could also claim that it is intervening to assist the North Korean government in suppressing an insurgency.

Beijing's immediate goals would most likely be to stabilize the border, prevent an influx of refugees, and avoid a U.S. military presence near its border. Certainly, China would send the People's Liberation Army to the border, but it may not necessarily send troops beyond the border into North Korean territory. Given Beijing's heightened sensitivity to instability across the Sino-North Korea border, Washington is concerned that Chinese intervention could come quickly if the North implodes or erupts in civil war.¹² The specter of Chinese forces racing south while U.S. and South Korean troops race north is of the greatest concern given the experience of the Korean War and a climate of suspicion that continues to exist between the three countries.

Japan

Japan shares many of the same interests as its neighbors. It dreads the prospect of loose nukes and fears that instability in the North would create regional instability. Even Japan faces a potential refugee crisis, because many North Koreans have emigrated from Japan and still have relatives there. In the event of a government collapse, some North Koreans may seek refuge in Japan. Despite such apprehensions, Japan is likely to provide key support to South Korea once the process of unification begins. The Japanese people are likely to oppose direct military participation, since the dispatch of even peacekeeping forces overseas remains controversial. Japan's military participation is also ill advised because of Korean sensitivities about past Japanese military aggression.

Japan instead could make important nonmilitary contributions by allowing international stabilization forces to use its base network to transport soldiers and supplies to Korea from Japan. It could also donate aid, particularly food and medicine. It might even send civilian medical personnel, aid workers, and even possibly police officers to participate in the stability operation. In the longer term, Japan could offer development assistance and aid. In fact, a Korean transition would represent an opportunity for Japan: Japanese generosity at such a momentous time in Korean history could help to repair the still fragile relationship between the two countries.

Russia

In comparison to China, Russia faces a much smaller threat of North Korean refugees. However, Russia does still have economic and political interests in North Korea, and in the event of a North Korean collapse and unification process, it would probably want to assert its role as a major regional power. Like China, Russia views North Korea as an important buffer to greater U.S. influence in continental Asia, so it would be concerned about the strategic implications of unification. Still, Russia would be most likely a minor player in such an effort. Its immediate objective in an instability scenario would probably be to close its 19-kilometer border with North Korea and establish some refugee camps on the Russian side of the border.

Because of these divergent priorities among regional powers, multilateral planning efforts thus far have been stymied, particularly with Beijing. Despite increasingly showcasing its displeasure with the North, China continues to be reluctant to provoke the North by coordinating plans for unification with other countries, believing that doing so would be tantamount to discussing the North's "demise" with its "enemies." Beijing is concerned that open discussion of unification or North Korean collapse could increase the probability that it occurs.

Challenges of Korean Unification for the Region

The lack of cooperation and coordination on Korean unification scenarios is problematic as it is widely believed, that even under the best of circumstances the challenges to a successful Korean unification will be great—far greater than those that Germany faced. The world has never seen a unification of two societies so disparate in their economic and technological levels and their respective worldviews.¹³

Unification of the two Koreas will be therefore fraught with numerous difficulties not only for the Koreans themselves, but also for the region as a whole. Most immediately, particularly in a North Korean collapse or instability scenario leading to unification, some of the key challenges will include the following:

Elimination of WMDs

As previously discussed, in the event of instability or a North Korean government collapse leading to unification, the elimination of WMDs would be most challenging. North Korea's WMD program is spread across numerous facilities, both known and covert, with most of North Korea's critical known WMD facilities located north of Pyongyang; reaching these facilities would take a great deal of time, because stabilization forces would first need to secure their lines of communication and move northward through the mountainous northern region with its extremely poor road networks.

As difficult as this may be to accept, foreign leaders may have to wait weeks or even months before stabilization forces could secure and inspect most North Korean WMD facilities. One study done by Bruce W. Bennett and Jennifer Lind estimated that some 3,000 to 10,000 ground forces personnel would be required to find, secure, and eliminate North Korean WMD when facing even negligible resistance.¹⁴ It may be quite possible that South Korean and U.S. forces would face opposition at many of the 200 or so WMD sites, therefore requiring a commitment of roughly a maneuver battalion (i.e., around 1,000 soldiers) to secure each site until the weapons can either be consolidated with other stocks or eliminated on site (safety would be also a concern). Also compounding the WMD problem is that following a North Korean state collapse, in the period of even a couple of weeks, any weapons and fissile materials could be removed from the country. North Korean scientists and engineers who would be worried about food, money, and safety could also be lured by opportunities abroad to sell their WMD knowledge to terrorist organizations or countries seeking to develop their own nuclear and other weapons.

Nuclear Weapons and a Unified Korea

Even if the WMD were to be secured, a natural question follows: what would a unified Korea then do with the North's WMD? On this question, the U.S. and all the regional powers will be in an agreement.

These regional powers, along with international bodies such as the International Atomic Energy Agency, would press for a unified Korea give up the North's WMD, especially its nuclear arsenal. And indeed it is possible—even quite likely—that U.S. and South Korean forces might wind up deactivating or removing North Korea's nuclear weapons during the process of reunification.¹⁵ But if that does not occur and if unified Korea inherits a nuclear arsenal from the North, there is likely to be a contentious debate within the government over whether to give it up or not, which poses a significant problem for the region.

Advocates of nuclear disarmament will argue that keeping the WMD arsenal would irretrievably harm relations with Korea's neighbors, severely strain the alliance with the U.S., and possibly trigger a nuclear arms race with Japan. Such a move could endanger the international support that Korea will need during the costly process of unification. Nevertheless, there will be some Korean hard-liners who argue that it is foolhardy to give up nuclear weapons. The hardliners in united Korea could point to the example of Ukraine, which did give up its nuclear weapons program after the dissolution of the Soviet Union—and has since seen its territorial integrity violated by Russia. Such concerns could further gain currency if at the time of unification, Japan has a right-wing prime minister—think Abe plus—who espouses a nationalist line and has succeeded in considerably expanding Japan's military capacity.

The case for remaining nuclear would be further strengthened if the United States had by then retreated from its leading role on the global stage and was no longer seen as a credible guarantor of Korean security. Under such conditions, the Korean government could very well decide to remain a nuclear power, even if such a move would likely trigger a decision by Japan to go nuclear as well.¹⁶ Thus, while the most likely scenario is still for a unified Korea to forego nuclear weapons—particularly at the time of Korean unification, if it has more moderate leadership, if tensions with Japan subside, and if the U.S. remains a leading power in Asia – the nuclear question for unified Korea is nonetheless an important concern for the U.S. and the region.

Disarmament of Conventional Weapons and Dealing with Armed Resistance

In the more immediate term, there will also be a challenge of disarming the North's army and securing its conventional weapons. In numerous cases of civil war or in the wake of a government collapse,

looters raid arms caches, and soldiers disappear with their weapons. Indeed, inadequate or nonexistent disarmament efforts have often contributed to the unraveling of a tenuous peace and the resumption of hostilities: Libya is one prominent recent example. In the North Korean case, the failure to disarm or retool North Korea's vast security apparatus would similarly raise the risk of insurgency, banditry, and other criminal activity.

This risk could be lessened if the Korean People's Army (KPA) would cooperate with a stabilization force; after a period of screening and training, some North Koreans soldiers could assist in many of the stability missions – policing, guarding of weapons caches, and so on. The Iraq experience shows the risks and pitfalls of military planning that assumes no resistance as well as the risks of overly rapid demobilization of an army loyal to an ousted despot. In North Korea, individual soldiers or even entire units, could refuse to report to their garrisons for disarmament. Soldiers could refuse to turn in their weapons because they felt they needed them to feed and protect their families and neighbors. Soldiers or units could also keep their weapons to engage in predatory behavior – for example, to intercept humanitarian aid flowing into the North and sell it on the black market. Potential armed resistance is most likely to come from specialized units. The North's special forces, numbering around 180,000 individuals, elements of the Pyongyang Defense Command, and the Kim family's bodyguard units, are more likely to intervene against the people given their tight organization, closeness to the leadership, and lack of interaction with the broader society.

Averting a Humanitarian Crisis

Instability in the North would raise the specter of a major humanitarian disaster requiring massive external assistance to prevent or alleviate famine and epidemics. North Korea currently has inadequate supplies of food, medicines, and other humanitarian needs. A collapse scenario is likely to cripple already limping public services, disrupt communication and distribution systems, and slow agricultural and industrial production. The hoarding of food and other humanitarian supplies could therefore become one of the greatest challenges.¹⁷

Refugees and Internally Displaced Persons

There's a potential for large numbers of internally displaced people and refugees to emerge. Food shortages, poor security conditions, and

the collapse of regime controls on population movements could spur waves of refugees fleeing to neighboring countries. During the height of the famine in mid-1990s, the North Korean people demonstrated a willingness to flee their homes in search of food, despite the security forces deployed to stop them. Many people became refugees in China.

The first refugee pressure would be felt along the borders with China and Russia, with desperate refugees seeking to cross the Yalu and Tumen Rivers in the North, but some would also attempt to cross the DMZ even though it is highly mined, fenced, and fortified.¹⁸

Once people leave their homes and jobs, their humanitarian needs grow and their ability to become self-sufficient is greatly impeded. That is why as a first step, it's imperative that South Korea work with the U.S. to prepare to deliver humanitarian aid throughout North Korea promptly and in significant quantities. This aid needs to be delivered throughout the country to avert North Koreans from displacing from their homes in search of food and security, thereby posing a more serious humanitarian aid challenge. Prompt delivery of humanitarian aid will require South Korean and U.S. military forces to take a major role in aid delivery because of the magnitude of deliveries required and the desire to avoid misappropriation of aid by the North Korean military, security services, or criminals (categories that may overlap). Because about half of the North Korean people live in the interior of North Korea, rapid action should be taken to neutralize the North Korean air defense networks so that aircraft can also be used for aid delivery.

The Financial Cost of Unification

The ultimate fear of unification is that the financial cost of assimilating the North will be so great that not only will it cripple South Korea for decades to come. The U.S. and neighboring states will most certainly be tapped to pick up part of the tab. Simply providing the humanitarian aid required in North Korea and stabilizing the country will be very expensive. A recent estimate put the total costs of the U.S. campaigns in Iraq and Afghanistan at \$3.2 trillion to \$4 trillion to date.¹⁹ The South Korean military has lower unit costs and would be operating closer to home, without, one hopes, facing so much armed opposition; even so, the South Korean military's costs to achieve unification could easily top \$500 billion. And that is before calculating the bill for developing North Korea.

Many economists warn that the total bill of unification likely would

be considerably higher than the cost of German unification, estimated to be \$1.9 trillion over twenty years (1989-2009). Of course one of the difficulties of compiling an accurate cost analysis of such an event is the lack of transparency from Pyongyang regarding its current economic condition. According to one estimate by South Korea's Finance Ministry, expected initial costs of unification will be 7% of South Korea's current annual gross domestic product (GDP) every year for a minimum of ten years.

Benefits and Opportunities of Korean Unification for the Region

While many scholars focus on the challenges and costs of unification, they too often ignore the manifold potential benefits of a unified Korean state, not only for the Koreans but for the rest of the region as well. The unification of the Korean Peninsula will be a boon not only to Korea, but to the entire region, at least to the other four, more powerful nations that have a direct stake in the Korean Issue—China, Japan, Russia, and the United States.

Better Security

Unification, assuming that North Korea's nuclear weapons and ballistic missiles could be secured and its army peacefully demobilized, would produce incalculable security gains for the region. The disappearance of North Korea would eliminate one of the biggest sources of instability and weapons proliferation in northeast Asia. Gone will be concerns about North Korea selling its nuclear weapons, fissile material, or missiles abroad, staging armed attacks against South Korea, and potentially drawing the U.S. forces into a second major war on the Korean Peninsula. Japan would no longer have to fear North Korea hitting it with missiles or abducting its citizens. South Korea would no longer have to worry about North Korean artillery pulverizing Seoul and the North Korean navy torpedoing its ships.

Even China will benefit. The existence of North Korea serves as one of the primary justifications for a U.S. commitment in Northeast Asia, as well as its missile defense program. With North Korea gone, there will be less justification for the U.S.-led missile defense system in the region. If Beijing were to think strategically, it might be able to see that unified Korea will be able to provide more stability in the region and ultimately for China itself. The disappearance of North Korea could even allow for better relations between Washington and Beijing by removing a major

irritant from the relationship—China’s support for the Kim regime. Furthermore, China’s attempts to establish its reputation as a responsible international “stakeholder” would be enhanced if it were no longer associated with propping up the most despotic regime in the world.

Of course, from the U.S. perspective, it may be true that a unified Korea would not be as closely aligned with the U.S. as South Korea is today. However, the odds are it would still be democratic, capitalist, and broadly aligned with the U.S. The model here is unified Germany which, despite its relatively warm ties with Moscow (at least until the Ukraine crisis), remains a member of the NATO alliance and a close U.S. ally. In all likelihood, unified Korea will be a non-nuclear, non-aggressive state that will comply with the Non-Proliferation Treaty and various other international laws.

Economic Gains

Economically, too, like unified Germany, unified Korea would be a particularly valuable trade partner for its region. South Korea’s success in utilizing the North’s untapped mineral resources and relatively young workforce could boost not only the Korean economy, but also the economy of its close trading partners, particularly the U.S. and China.

For China, its perennial, unrequited resource transfers to North Korea for fuel, food, and other goods (around U.S. \$500 million-\$1 billion annually) can be replaced by capital investments and corresponding yields in a unified Korea. These investments would also likely be accompanied by the acceleration of economic growth and gainful employment within North Korea, which would ease the pressure of potential refugee flows into China’s northern provinces.

Korea was historically a tributary state of China, and while that relationship will not be reestablished, unified Korea would probably triangulate its foreign policy between Beijing and Washington. Beijing already has extremely close economic relationship with South Korea, in many ways, closer than with the North – and these close ties would be expected to continue after unification. In 2013, the total trade volume between China and South Korea reached over \$270 billion, which is more than the value of South Korea-U.S. and South Korea-Japan trade combined. Unified Korea would be an economic dynamo particularly for the northern region in China, contributing to investment and cross-border prosperity. It would also permanently end the refugee problem posed by Northern poverty.

Moreover, in the event of unification, China would be even more economically important to Korea. Korea would face a massive rebuilding project in the underdeveloped and impoverished north. China would be the logical choice to help jump-start this region's new economy, which would fulfill China's long-held dream of full access to North Korean markets and resources. In addition to reaping the economic benefits of new contracts and trade flows, China would also make itself even more indispensable as an economic partner for a unified Korea.

For Russia, the unification of the two Koreas, as previously noted, would bring great promise for expanded Russian energy export in the Far East. Currently, its chief limitation is a lack of distribution infrastructure. A great deal of Russia's resources are ideally situated to serve Pacific Rim markets, from vast oil and natural gas fields in eastern Siberia to reserves on Sakhalin Island. By itself, Sakhalin Island, just north of Japan, holds 25 percent of Russia's oil and 6 percent of its natural gas. Due to lack of reliable infrastructure, these resources remain largely untapped. To add to that inefficiency, there is a lack of access to a true ice-free port in Russia's Far East. This has led to Russia's interest in North Korean ports. By gaining access to North Korean ports, Russia hopes to relieve congestion in Vladivostok, increase year-round trade with South Korea and Japan, and make progress on connecting its railroad network to a trans-Korean railroad.²⁰ If Russia can connect its rail network to an ice-free port and eventually to South Korea, it would not only expand the volume of its own exports but would also create a land bridge stretching from Pusan to Europe. Eventually the overland transit route of goods from Asia to Europe could replace circuitous shipping lanes via the Indian Ocean as the route of choice. The overland route would be two to three times faster than the route by sea and also safer as pirate-infested shipping lanes could also be avoided.²¹

These examples only scratch the surface of the potential economic opportunities for the region from Korean unification. There are potential investment opportunities for reconstruction and expansion of infrastructure such as energy, transportation, and telecommunication networks, as well as opportunities related to steel manufacturing and shipbuilding industry.

Human Rights Boon

The creation of unified Korea—and the disappearance of North Korea as it currently is—would also be a tremendous human-rights boon for the region. Just imagine the benefits of freeing 25 million people from the grip of the world's last remaining Stalinist dictatorship. Average North Koreans could move from a starvation diet, both literally and intellectually, to the plentiful availability of food, information, consumer products, and all the other benefits of modern capitalism. Most of the North's 80,000 to 120,000 prisoners could leave the government's slave-labor camps, where most have been consigned for political, rather than criminal, offenses. Like apartheid South Africa, North Korea is a moral abomination. The North Korean human rights abuses constitute a core threat not just to the people of the North but also the region's stability and prosperity, and this threat is as severe as that posed by the regime's nuclear weapons programs. Since the current character and system of the Kim regime--and its cult of personality leadership--lie at the core of the human rights abuses in the North, only the unification of the Korean Peninsula will resolve the dismal humanitarian situation in the North.

Looking Ahead: Policy Recommendations for Washington and Seoul

Miscommunication, misunderstandings, and competing strategic interests between the U.S., South Korea, and the regional powers could complicate a coordinated multilateral response to Korean unification. If sufficiently severe, miscommunication and misunderstandings could even lead to an inadvertent conflict between the powers, for example, the U.S. and China, in attempting to intervene on the Korean peninsula, particularly in a sudden and dramatic North Korean contingency.

Keeping this in mind, the U.S. and South Korea should expand track-1 and track-2 strategic dialogue with each other on unification first and foremost followed by trilateral discussion with Tokyo and then initiate multilateral discussions with Beijing and Moscow. Washington and Seoul should launch a deliberate and intensive diplomatic effort with each other to augment current joint military planning with a coordinated political, diplomatic, economic, and legal strategy to tackle the core unification issues likely to arise. Both sides have much to gain from this process: South Korea's Unification Ministry and other agencies could contribute years of expertise devoted to precisely this scenario, while the U.S. could contribute lessons learned from its experiences, both good

and bad, with nation-building in states such as Germany, Japan, Kosovo, Iraq, and Afghanistan. Bilateral topics should also include candid discussions about the future of the U.S.-South Korea, alliance, stabilization operation, South-North military integration, the economic reconstruction of North Korea, and the role of U.S. forces.

Once a common bilateral vision is developed, the U.S. and South Korea should then actively encourage first Tokyo and then Beijing and Moscow's participation in multilateral talks. It will be best to frame the discussion in terms of preparation for a "peaceful unification" rather than "unification by absorption" given the political anxieties domestically in South Korea as well as in countries such as China and Russia. While rhetorically committed to "peaceful unification" and genuinely planning for it, Seoul and Washington must simultaneously prepare for a hard-landing scenario since it is still the most likely of all the unification scenarios.

Undertaking a unification dialogue will not be easy with Beijing but if the message is delivered patiently and persuasively, over time it may start to sink in with the Chinese Politburo. Chinese receptivity to such a message may have increased because of the growing strains between Beijing and Pyongyang. Instead of standing by, hoping that China will change its policy toward the North on its own, Washington and Seoul should be working hard in behind-the-scenes talks to make China understand that a unified Korea could be in its interest as well as ours, and that continuing to provide the Kim family dynasty with a virtual blank check is a strategic liability for China. Even if such talks do not succeed in the short term, the process of simply initiating them and continuing them over a long period could increase China's comfort level with Korean unification. That, in turn, could be the key to ensuring that Korean unification occurs in as orderly a manner as possible, while avoiding some of the worst-case scenarios associated with this massive geopolitical shift.

Such efforts to shape the political and security environment through dialogue with key regional powers prior to unification could provide the foundation for a coordinated, broader multinational approach in managing the transition to a reunified Korea. A key objective for such discussions should be assuaging China's concerns over any potential military deployments that the U.S. might deem necessary for defensive and counter-proliferation purposes.

Seoul and Washington's diplomatic and public relations campaign in favor of unification should not be limited to the major regional stakeholders. Seoul, in particular, should build a network of key middle powers in Asia, such as Malaysia, Indonesia, and Australia, to support unification. The significance of wider diplomacy has already been proven by the "two plus four" negotiations by which West Germany secured the support of the U.S., the U.K., France, and the Soviet Union for German unification. Expanding public diplomacy towards the international community would be helpful to Korea in pushing for unification. Thanks to advances in media and the Internet, public opinion has a great influence on international issues; the anti-apartheid campaign in South Africa shows the impact the global public opinion can have.

It is imperative that such efforts to smooth the way for Korean unification begin today. Unless South Korea can assure all of the regional stakeholders to play a constructive role in unification, the process could become more messy, protracted, and costly than it would be otherwise. By contrast, if South Korea can succeed today in getting the support of its neighbors for a variety of unification scenarios, it can ensure that the creation of a unified Korean state, while still expensive, will be as smooth as possible under these extremely challenging circumstances. The beneficiaries under such a scenario will be not only the people of the Korean peninsula, but also the people of the neighboring states and indeed the people of Asia and the world. All would experience great benefits from the merger of North Korea into a new and unified Korean state with free markets and free elections.

Notes:

¹ In 2009, the "Joint Vision" statement from the U.S.-Republic of Korea Presidential Summit said: "Through our Alliance we aim to build a better future for all people on the Korean Peninsula, establishing a durable peace on the Peninsula and leading to peaceful reunification on the principles of free democracy and a market economy." See "Joint Vision for the Alliance of the United States of America and the Republic of Korea," The White House, Office of the Press Secretary, June 16, 2009. The 2013 Summit concluded: "We pledge to continue to build a better and more secure future for all Korean people, working on the basis of the Joint Vision to foster enduring peace and stability on the Korean Peninsula and its peaceful reunification based on the principles of denuclearization, democracy and a free market economy." See "Joint Declaration in Commemoration of the 60th Anniversary of the Alliance Between the Republic of Korea and the United States of America," The White House, Office of the Press Secretary, May 7, 2013.

²The path of negotiations has proven no more promising in the era of Kim Jong-un than during the days of his father or grandfather. The first bilateral agreement concluded on February 29, 2012 with the new supreme leader of North Korea—the so-called “Leap Day” accord involving the provision of aid in return for freezing some nuclear and missile activities—fell apart after Pyongyang launched a satellite in April 2012 in a clear violation of that agreement as well as of several United Nations Security Council resolutions. Mark Fitzpatrick, “Leap Day in North Korea,” *Foreign Policy*, February 29, 2012.

³ In a panel discussion on Korean reunification, for example, former U.S. Ambassador to Seoul Kathy Stephens articulated the U.S. desire for “shared prosperity, shared peace and genuine stability.” She added that “we support reunification—too long postponed, too long delayed, too tragically prolonged—by peaceful means and in accordance with the wishes of the Korean people.” Evan Ramstad, “U.S., Japan, Russia on Reunification: Good!” Korea Realtime, *The Wall Street Journal Asia*, April 8, 2011. <http://blogs.wsj.com/korearealtime/2011/04/08/u-s-japan-russia-on-reunification-good/>

⁴ “North Korea: U.S. Relations, Nuclear Diplomacy, and Internal Situation,” Congressional Research Service, 10. Also see for background information, Dick K. Nanto and Mark E. Manyin, “China-North Korea Relations,” CRS Report R41043.

⁵ CIA, *The World Factbook*, North Korea. <https://www.cia.gov/library/publications/the-world-factbook/geos/kn.html>

⁶ Drew Thompson, “Silent Partners: Chinese Joint Ventures in North Korea,” A US-Korea Institute at SAIS Report, February 2011, 22.

⁷ Beina Xu and Jayshree Bajoria, “The China-North Korea Relationship,” *The Council on Foreign Affairs*, updated on August 22, 2014.

⁸ Mark E. Manyin and Mary Beth Nikitin, “Foreign Assistance to North Korea,” Washington D.C.: Congressional Research Service, R-40095, June 1, 2011, 22.

⁹ “China concerned with North Korean nuclear missile tests, Wikileaks shows,” *CNN*, November 29, 2010.

¹⁰ Mitch Lerner, “Wikileaks on North Korea Reveal Nothing New,” *History News Network*, December 5, 2010.

¹¹ Peter Duus, *The Abacus and Sword: The Japanese Penetration of Korea, 1895-1910* (Berkeley, CA: University of California Press, 1995), 49.

¹²In December 2013 and January 2014—almost immediately after Jang Song-thaek was executed—a series of major exercises occurred in China’s Liaoning Province, which borders North Korea, including one in which the number of participating PLA soldiers from the 16th and 39th Army Groups of the Shenyang Military Region was reported to be as many as 100,000. While China’s Ministry of National Defense insisted that “the drill is a normal military exercise to train soldiers to fight in winter and long-range conditions,” PLA sources describe winter-time drills of this size and scope as highly unusual, and a number of China scholars speculated that they were training in preparation for Korean peninsula crisis. “PLA mobilizes 100,000 troops for North Korea border exercise,” *Want China Times*, January 15, 2014; “Shenyang Drills were ‘Regular Training’ MOD,” *Global Times*, January 21, 2014; Paul Joseph Watson, “China Mobilizes 100,000 Troops in Preparation for Korean Peninsula Crisis,” *Infowars.com*, January 16, 2014.

¹³ “German precedent bodes ill for Korean reunification,” *Oxford Analytica*, November 27, 2014.

<https://www.oxan.com/analysis/dailybrief/samples/KoreanReunification.aspx>.

¹⁴ Bruce W. Bennett and Jennifer Lind, “The Collapse of North Korea: Military Missions and Requirements,” *International Security*, Vol. 36, No. 2, Fall 2011, 86.

¹⁵ The South Korean leadership has consistently promised to give up nuclear weapons after unification. As President Park Geun-hye noted in her March 2014 speech at Dresden, “free from fear of war and nuclear weapon, the unified Korea will be able to make greater contribution on a variety of global issues.” Minister of Foreign Affairs Yun Byung-se has also stated in 2014, “The united Korea will be a peaceful non-nuclear state. The country will pursue peace policy and keep the Korean Peninsula free of nuclear weapons.” See, for example, Park Geun-Hye, “An Initiative for Peaceful Unification on the Korean Peninsula. Dresden - beyond Division, toward Integration,” March 28, 2014, <http://www.koreaherald.com/view.php?ud=20140328001400>.

¹⁶ Even today, a number of hardliners and other conservative commentators in South Korea have been calling for either the reintroduction of American tactical nuclear weapons to the South or a straight nuclear option for the South, claiming that the South has the technology and wealth to develop nuclear weapons in a short period of time. And public opinion is growing more sympathetic to this argument, particularly following provocations from the North. A South Korean think tank, the Asan Institute for Policy Studies, announced a week after the North’s third nuclear test in February 2013 that two-thirds—some 66%—of those polled “supported a domestic nuclear weapons program” and only about half of those polled believed that the U.S. would provide the South with a “nuclear umbrella” in the case of a North Korean attack. K.J. Kwon, “Under threat, South Koreans Mull Nuclear Weapons,” *CNN*, March 19, 2013; Barbara Demick, “More South Koreans Support Developing Nuclear Weapons,” *Los Angeles Times*, May 18, 2013; Mark Hibbs, “Will South Korea Go Nuclear?: What the North’s Provocations Mean for Washington’s Relations with Seoul,” *Foreign Policy*, March 15, 2013.

¹⁷ In the aftermath of the December 2009 currency revaluation, the North Korean won had depreciated to the point that it needed a 100:1 revaluation (trading 100 old won for 1 new won). But to wipe out much of the financial capital stock merchants and traders possessed, the exchange was initially limited to roughly \$100 worth of won at the black market exchange rate. Therefore, at least some North Koreans exchanged money for food, planning to hoard that food and use it to hold wealth. Apparently, this hoarding dramatically reduced the food supply; the normal laws of supply and demand caused the price of food to increase 1,000 percent in two month.

¹⁸ Estimates vary on the number of North Korean refugees who might attempt to flee the North after a collapse. Official South Korean estimates of refugee flows in case of unmanaged North Korean collapse amount to around 3 million people. Na Jeong-ju, “3 million North Korean refugees expected in crisis: BOK,” *Korea Times*, January 26, 2007. At the high end, a report by the Korea Employees Federation (KEF) predicted that if the North Korean regime collapsed suddenly, up to 3.65 million people from the North may attempt to enter South Korea. Even under a conservative estimate, up to 1.6 million North Koreans may flee the North. “Sudden Unification Could Cause 3.65 Million North Koreans to Enter South Korea: Report,” Yonhap News Agency, January 24, 2012.

¹⁹ Brown University, “Costs of War,” August 2012.

²⁰ Bernard A. Gelb, *Russian Oil and Gas Challenges* (Washington: Congressional

Research Service, January 3, 2006); James Brooke, "North Korea's Other Axis: With Moscow," *The New York Times*, 24 March 2002, <http://www.nytimes.com/2002/03/24/world/north-korea-s-other-axis-with-moscow.html>; "Russia, North Korea, South Korea: Hurdles to a Strategic Rail Project," Stratfor Global Intelligence, 20 May 2008, http://www.stratfor.com/analysis/russia_north_korea_south_korea_hurdles_strategic_rail_project; Georgy Bulychev, "A Russian View on Inter Korean Summit," Nautilus Institute <http://www.nautilus.org/fora/security/07068Bulychev.html>.

²¹ See Xu Shu, "The New Asia-Europe Land Bridge—Current Situation and Future Prospects," http://www.jrtr.net/jrtr14/pdf/f30_xu.pdf. Boris Dynkin, "Comments on the Regional Railroad Network and Electric Grid Interconnection" (Khabarovsk, Russia: Far Eastern State Transport University, 2002), <http://www.nautilus.org/archives/energy/grid/2002Workshop/materials/DYNKIN.PDF>