

**THE CHANGING SITUATION IN NORTH KOREA:
OPPORTUNITIES FOR ROK-US COOPERATIVE POLICIES**

**26TH ANNUAL CONFERENCE OF THE COUNCIL ON US-KOREAN
SECURITY STUDIES**

**CAPITAL HOTEL, SEOUL, KOREA
OCTOBER 27-8, 2011**

Co-Sponsors

The Council on US-Korea Security Studies
The International Council on Korean Studies
The Sejong Institute
The Korea Institute for Maritime Strategy
Bando Air Agencies
The Hwajeong Peace Foundation and The Institute 21
For Peace Studies – The Dong-A Ilbo

Reported by

Patrick M. Morgan

University of California at Irvine

This report consists of four parts:

Executive Summary
The Short Version of the Report
The Conference Program
The Full Version of the Report

EXECUTIVE SUMMARY

The conference opened with a panel devoted to aspects of the North Korean situation. Of great interest was the political succession effort there. Kim, Jong-il's stroke on August 14, 2008 was of a sort that normally results in incapacitation or death within five years. As the *Suryong*, Kim has controlled all aspects of the nation, by holding a lengthy list of important positions and titles. The effort to prepare the way for his son, Kim, Jong-un, to take over began in 2009, including raising his visibility, making him a general and a high-level government official, promoting some people in Kim, Jong-un's generation, and creating a group of loyal and experienced officials around him to provide guidance and advice.

But the succession might go badly due to his youth and inexperience, struggles for power, missteps in periodically provoking the ROK and the US, anger over the grim economic situation, lack of popular support, etc. A particular problem is the economy. The "military first" policy for years has seriously damaged the economic system, along with reluctance to undertake serious reforms, and the abject failure of the few that have been instituted. The economy now fails to provide the basics of a decent living for many ordinary citizens and, at times, the elites, one reason for a sharp increase in refugees fleeing the country. There is a rising level of marketization or turning to markets for economic activity, due to state economy inadequacies,

rising crime, the priority given to using the dollar and the yuan, etc. – which now extends in part to the armed forces and powerful elites.

It seems the regime is losing some of its grip on society, and is surviving mainly on rising economic assistance, investments, and trade supplied by China. This is a dangerous environment for undertaking a political succession. The highlight of the conference, therefore, was scenarios presented by several participants on possible sources and routes to a regime collapse, including the stages such a development might go through. The goals of this educated speculation were:

- 1) to show how current development could incite or contribute to unraveling North Korean stability
- 2) to point out how this would pose serious threats, problems, and dilemmas for the allies, Japan, China, etc.
- 3) to indicate what the responses might be, eg., intervention by China, ROK efforts to ease humanitarian disasters, Japanese efforts to remove some citizens from harms way, etc.

Participants gained increased awareness of the need for prior planning, prior arrangements for cooperative action, strong efforts by the ROK to limit spillover effects (like refugees) of a succession crisis, and ROK insistence that the situation be seen as primarily a *Korean problem* with the ROK as the legitimate leader of efforts to deal with it.

A panel on the North Korean military threat produced additional concern. The North continues to modernizing its forces, particularly those that pose a serious threat to the greater Seoul area – artillery, missiles, chemical and biological weapons, special operations forces, etc. It continues its nuclear weapons programs and development of greater-range delivery systems to threaten all of the ROK, portions of Japan, Guam, and other parts of the US. The North continues offering to engage in negotiations and make concessions, while simultaneously mounting strengthening its military forces by asymmetric adjustments in forces and strategies, while also transferring weapons and military technology to other dangerous regimes. This compensates somewhat for the allies' vastly greater resources and military spending and their more modern, more effective forces. The North's significant capacity to greatly harm the Seoul area, hold that area, and thus much of the country, hostage to terror attacks. On the other hand, the armed forces are suffering from a shortage of food and other resources, morale problems, theft, the inability to keep up with the ROK, etc.

This also expands the possibility that the armed forces may become restive. The military has rising influence, and some steps taken to smooth the political succession increase the presence of top military personnel high in the party. If the succession goes badly, rising unrest and military intervention could result, perhaps with considerable instability, violence, and uncertainty. This would be of extreme concern to all the nations in the area and the United States, particularly because of the North's nuclear arsenal.

Of great interest at the conference was the increasing presence of China in the North. Beijing is the bulwark of the regime at the UN, in economic support, in increasing economic investments, etc. Some South Koreans worry China will readily intervene to quell serious domestic unrest and sustain a controlling position there indefinitely, treating the North like an additional province. China is of steadily less support on suppressing North Korean nuclear weapons, and more supportive of the North on its provocative military activities. The overriding Chinese objective is stability via continued existence of the regime. One analyst said the closer ties are due to the rising influence of the military in Chinese politics and its close association with the military forces growing more powerful in Pyongyang.

On a smaller scale, Russia retains a modest relationship with the DPRK, opposes the most severe efforts of the US, ROK and others to pressure the North into more acceptable behavior, and opposes any collapse of the regime. And the Russian political system has been moving toward becoming more like the North Korean one, which adds to their improving cooperation. However, the stress on these kinds of domestic factors was challenged. While Chinese military officials seem more outspoken, independent, and aggressively oriented this may be a military version of what is taking place across governmental and other elites in China. And the closer Beijing-Pyongyang relationship may be just a continuation of China's "two-Koreas policy." Russian relations with Pyongyang could just reflect Russia's opposition to US and Western hegemony. In short, maybe no major shifts have taken place. The Chinese-North Korean relationship remains full of frustration, mistrust, and uneasy cooperation, and the DPRK's ties to Russia are not significantly altered..

There was an intense debate about reopening negotiations with the North. Several presentations offered extensive justification for approaching the talks in a serious and energetic fashion, asserting that the US and ROK should offer serious concessions in exchange for serious concessions from Pyongyang. The reasoning included the following. First, the US and its associates have often resisted serious concessions – they have taken a hard line, set harsh preconditions, applied great pressure through sanctions and other restrictions, delayed steps toward normalizing relations with the North, and – in the Bush administration – pursuing an underlying policy of trying to oust the regime. Second, there is little to show for this. The North has simply continued to pursue nuclear weapons, resisted reforms, rejected opening up to the world, continued its violations of human rights, etc. Third, this has made for continuing danger and insecurity on the peninsula and in the region, risking the disaster of another war. There continues to be deep distrust between the parties, high levels of conflict. Fourth, the focus has been on the nuclear weapon issue and getting commitments by the North to get rid of its nuclear weapons before it receives concessions meeting its needs and concerns, which is a mistake. The proper course is to try to build trust and habits of cooperation by tackling lesser, more readily resolved issues first.

There were very vigorous criticisms of this point of view. Some of the major points made in opposition were as follows. First, the human rights situation in the North is dreadful and should not be allowed to continue. The allies should be resolute in insisting on major preconditions the North must meet for an improvement in relations with it – including cuts in military spending, more transparency, reforms, and steps to improve the human rights situation. Second, the North has regularly used negotiations to squeeze concessions and aid out of others while continuing to seek military superiority, advance its nuclear weapons programs, etc. It will never give up its nuclear weapons – they are seen as crucial to its security. Third, it cannot afford to truly open up to the outside world and remains determined to undermine the ROK. Next, it has repeatedly taken steps that have caused the negotiations to collapse, and if negotiations are pursued they should include strong preconditions and insistence that the regime abandon its most dangerous military activities. Also, the Bush administration certainly said hard things about the regime and Kim, Jong-il but in fact they were true

The conference also heard the presentation of a plan for creating a Northeast Asian Security Dialogue Mechanism, reflecting the frequent suggestions that a multilateral regional security management develop out of the Six-Party Talks. Under this plan the parties in the talks would create an institutionalized body limited to themselves, that meets regularly whether all members attend or not, has an unrestricted agenda, and is ready to tackle a wide range of issues.

As in former Council conferences, the idea of greater trilateral military cooperation, particularly naval cooperation, among Japan, the ROK, and the US was raised, with cooperation to extend not only to possible North Korean attacks but to sharing intelligence, coordinating national missile defense efforts, plus anti-mine warfare and anti-submarine warfare activities. Concern was expressed that the Chinese would treat such arrangements as a containment posture targeting them. It was also suggested that the real problem is that China is seeking hegemony, so pursuing its cooperation would not be successful, a waste of time.

At a luncheon address, **General Bryan Bishop**, substituting for the CINC of the Combined Forces Command (General Thurman), repeated assurances of top US officials that the US remains committed to the alliance, to maintaining its strength, and to making the necessary expenditures despite approaching cuts in US defense spending. He reported that the US and ROK are discussing how to respond militarily to North Korean provocations, seeking to shape effective responses that would not be escalatory.

At a second luncheon, **James Wayman**, Minister-Counselor for Political Affairs at the US embassy, representing the Ambassador who was attending the annual SCM events, stressed the strong ties between the allies. Their policies are more integrated than in prior administrations, with close cooperation extending well beyond the peninsula. Their cautious approach to restarting negotiations includes seeking clear signals the North is serious, early commitments by the North on meeting some preconditions, plus progress on reforms and improvements in North-South relations

At the conference dinner, the **Honorable Young, Geol-lee**, ROK Vice-Minister of Defense, appearing on behalf of the Minister of Defense because of the SCM meetings, reported that renewal of the Six-Party Talks is pending, the ROK now has a policy of preparing tough responses to North Korean provocations, the security cooperation among Tokyo, Washington, Seoul, and even Beijing is increasing, and the US-ROK alliance is now stronger than ever. In some additional remarks, ROK **Ambassador Oh, Ja-lee** added that the alliance remains the basis of regional and peninsula security, and that the most effective step for regional peace and security would be for China to end backstopping North Korea

In closing remarks, **General Tillili** indicated this may have been the Council's best conference during his tenure as Co-Chairman, in terms of raising important issues and providing provocative discussions of them.

Patrick M. Morgan
Rapporteur

A SHORT VERSION OF THE REPORT

The conference is held annually to provide a forum for analysis by experts of the status and responsibilities of the US-ROK alliance in the context of the overall security situation in Northeast Asia. The conference was opened, as in the past, by the Council Co-Chairmen: **General Kim, Jae-chang and General John H. Tilelli**, each noting in his remarks that the topic this year is unusually significant, which is reinforced by North Korea's attacks on the ROK in 2010.

The Current Situation in North Korea

In past conferences very little attention was paid to the possibility that the North Korean state and regime might, at some point, begin to experience serious internal difficulties. The emphasis was typically on how elaborate the control mechanisms were, how pervasive the security apparatus, and thus how unlikely it was that a most desirable development, the weakening and collapse of North Korea, would come about. Thus it was quite interesting to see a large shift this time toward, first, seeing the North as vulnerable to serious internal troubles and, second, how the onset of major instability in the North would have huge implications and potentially dangerous consequences. The resulting situation could readily become very troubling and dangerous for Korea, the allies, and Northeast Asia.

The conference was imbued with concern about the overall situation in Northeast Asia and the Korean Peninsula, and this included considerable pessimism about how that situation will evolve over time. It was, in particular, a conference rich in hypotheticals, in scenario construction about how formerly unthinkable developments might emerge. This was part of how the participants grappled with possible future shocks, their potential implications, and what might be done to deal with them. As a result the conference offered serious debates and disagreements, sometimes intense, among the participants over the key elements involved in all those matters.

The starting point, reflected in the conference title, was concentration on what is apparently occurring in North Korea now. Several of the papers explained that we now know a good deal more about the situation there, though far from enough to really understand many of the most important details. Discussions swirled around a cluster of major aspects of the North Korean situation. One of the major topics was the *economic situation*. **Dr. Yang, Un-shul** depicted it as now in very bad shape, and several other presenters referred to this as well. North Korea's difficulties were ascribed ultimately to the regime's preoccupation with security to such a degree that it continues to pursue its "military-first policy" under which a very large portion of national income is devoted to national security. Its further preoccupation with its own survival and its ideological commitment to key elements of socialism have typically led to rejecting or curbing the serious economic reforms necessary to bring about serious and sustained economic development of the country. Contributing to the economic malaise are heavy sanctions imposed by the international community, partly in reaction to some of the things the regime has done in pursuit of national security. What is keeping the regime afloat under these circumstances is the considerable economic assistance and trade that China provides – China's goal being to prevent an outright collapse of the regime and to stabilize the country.

Available evidence points to considerable theft, corruption, and evasion of laws and rules by members of the elites, by officials, and by ordinary citizens. As a result of the dire economic situation, people have had to turn to markets (legal and illegal) – the state's rations are no longer sufficient. In effect, North Korea is undergoing marketization from the bottom up and now has three distinct economic systems operating: the "crony economy," operated at the highest levels

of the government to provide significant goods and services to the elites; the state economy composed of state owned enterprises, state distribution of goods to citizens, and semi-official corruption practices by state officials; the market economy which is now most of the population but in which state elements and the elites also participate by buying and selling goods. Government officials and workers in the state sector now often pay fees for the right to move into private market activities. There are reports that members of the armed services often participate in such markets too, such as by selling fuel, parts, etc. they have stolen, while some state enterprises apparently submit false reports on their production and sell the remainder in the market.

Conference participants saw this as a source of uneasiness and concern. It appears that state economic policies have little credibility, and that the state is losing control over big chunks of economic activity. It is apparent that much of the population is disenchanted by the economic situation and the state's inability to produce a prosperous society. Several major efforts at economic reform have had to be repudiated, information is seeping into the country from outside about the deficiencies in the economy, and in many restaurants and stores the required currency is now the dollar or the yuan. Several presentations suggested that the top leaders may even have trouble sustaining the crony economy sufficiently to keep the power elites' perquisites and high living standards intact, that if this continues it could open the door to elite disenchantment against the leaders and produce either efforts at a coup or considerable factional competition, both of which would be destabilizing.

Next, despite everyone's opposition to the North Korean regime there was considerable concern about the unhealthy political situation in the North as well, particularly in connection with the ongoing political succession effort to produce a smooth transition from Kim, Jong-il to his son Kim, Jong-un. Participants generally agreed or were informed that the political succession process has been going well. Papers by **Robert Collins** and **Bruce Bechtol** detailed many of the relevant political developments which have included: Steps to confirm the existing positions, and add additional positions, occupied by Kim, Jong-il, with the idea that they will eventually be filled by Kim, Jong-il designated heir either on an interim basis if Kim, Jong-il becomes incapacitated, or after Kim, Jong-il's death.

Establishment of a network of experienced officials, highly loyal to Kim, Jong-il around Kim, Jong-un. Purges of a significant number of top officials, in part to make room for more people of what is roughly Kim, Jong-un's generation. Installation of a considerable number of high-level military officers in important positions in the party so the party may once again be the central body for running the country. Major promotions for Kim, Jong-un, plus his installation in several high level positions were in security affairs and the promotion of some of his close associates. Arrangements for Kim, Jong-un to hold high military rank, participate in certain provocative military activities, be assigned credit for some military achievements, and be designated first in line to succeed his father as head of the Military Commission, the body through which his father has run both the country and the military since the death of Kim, Il-sung.

As with the economic situation, conference participants worried about how instability might arise, with uncertain and potentially disastrous consequences if the succession process does not work out as planned. To begin with it was pointed out that political successions, especially within a family, are difficult to pull off successfully, something particularly true in autocratic political systems. It is easy to see how a new, very young and inexperienced, leader coming to power might breed concern for the future of the country and, among the elites, fear that their personal situations might deteriorate.

Collins outlined a number of hypothetical scenarios for a failure of the succession effort. One would be that Kim, Jong-il is incapacitated, such as by another serious stroke. This would open the door to struggles for power, which participants tended to assume would flourish in the context of a young leader coming to power amidst great uneasiness among officials and others as to how this could affect them. The result could well be substantial unrest, with splits and rivalries emerging among elements of the regime, and with a good possibility of splits among and within the power elites. After all, Kim, Jong-un's rapid rise means will take power lacking in legitimacy, in part because his father has lost some legitimacy of his own in recent years and thus has less to pass along to his son, which was not the case during his elevation of the son of Kim, Il-sung. The resulting power struggles might involve people like Chang, Song-taek who has been Kim, Jong-il's right hand man in recent years, the personal guards around Kim, Jong-il, the top military leaders, the state security officials, and Kim, Jong-un himself.

Another plausible scenario would start with Kim, Jong-il's death and the sudden elevation of Kim, Jong-un. Participants largely assumed that there would be serious concern about his judgment in view of his age and lack of experience, and that he might therefore be liable to make mistakes, misjudging his abilities because of sycophants or failing to listen to good advice. It was pointed out that to cement his rule in place he would need to assume a broad range of important positions in order to obtain something like his father's executive power and authority, that he must sustain the welfare of the major elites and not antagonize them politically if he is to retain their support, and that he must avoid serious missteps in foreign policy and security matters that could elevate the strains on the state from outside powers. In addition, in the transition there will be winners and losers among the bureaucracies and high level officials, and the losers will be potential threats to the regime. He will need to deal with many decisions and officials with sufficient ruthlessness to ensure and enhance his position, always a very delicate, difficult, and complex process, open to mistakes and misjudgments.

In the next scenario Kim, Jong-un falls victim to making serious miscalculations, for instance in conducting a foreign policy that has frequently involved significant brinkmanship, provocations, and thus the possibility of strong US and ROK reactions for which the North might not be prepared. Or, in another scenario, the North's nuclear activities could lead to actions against recipients of materials or technology sent by the North and, by extension, tough actions against the North itself. Or there could be miscalculations in Pyongyang in regard to the domestic operation of the nuclear programs and in the negotiations (particularly the Six-Party Talks) that take place on their future. In the fifth scenario the threat to the regime comes from the economy. For example, Kim, Jong-il's image was damaged by November 2009 currently reform that went so badly, and the announcement of a huge housing unit construction effort – 100,000 units – that led to only a few hundred being built. This has led to a sharp increase in the flow of refugees, a good sign of deteriorating support for the regime, not the sort of economic situation a successor regime want to have to live with.

Obviously, there is now at least the possibility of a serious loss of popular support, although the power of the security service and the various control mechanisms remain very potent. Finally, it could be that Kim, Jong-un's hubris gets the better of him in making important decisions, particularly by indifference to the advice from his "keepers," people put around him to avoid missteps, so that his inexperience brings consequences that put the regime in peril.

Presenters pointed out how the regime has long been centered on a *Suryong* who is literally above the law, a ruler who is the essence of legitimacy, the ideological leader, and that it would be important that Kim, Jong-un grasp that position relatively early in his reign. Also he will have to take over or dominate the top offices to which the bureaucracies, the security service,

the armed forces, and the party report, and there were suggestions that this was unlikely to go smoothly with such a young and inexperienced successor. Chances of success would rise if Kim, Jong-il remained in decent health for at least several more years to guide the succession process and the concerns of the nation – the longer the better. But while that would give Kim, Jong-un more time to grow into his roles and responsibilities, it was pointed out that up to now he does not seem to have been assigned, and to have exercised, major responsibility for running large and important agencies and operations, something Kim, Il-sung arranged for Kim, Jong-il for a number of years

The conference was offered several other scenarios to illustrate how to envision a deterioration of the regime and the state. One, prepared some time ago, was outlined by **Robert Collins** on an impromptu basis. It starts with envisioning:

Economic instability, leading to

Social instability, leading to

Political instability, leading to

Severe events – explosions, violence, etc. leading to

Rising chaos and efforts to suppress it, leading to civilian deaths leading to

Fall of the regime, emergence of new leadership, leading to

Stability operations, to restore order.

Another was a list of possible scenarios, each consisting of a set of events operating alone or possibly combined with one of more of the other scenarios, and with each coming envisioned as coming after the end of Kim, Jong-il and the failure of the political succession process:

1) a power struggle leading to lack of rule with resulting instability and uncertainty

2) a lengthy power vacuum so that there is much more disorder, rising violence, and greater chaos

3) rebellion and civil war breaking out because the power vacuum has continued, disorder has multiplied – chances of civil war or outside intervention then become quite high.

4) elite military forces mounting a coup, trying to seize power to end a power vacuum, civil disorder and fighting

5) Kim, Jong-un or another new ruler conducting an attack on the South, fearing that external intervention is coming and that a ROK takeover due to the internal situation could take place.

The point was to promote consideration of the possible complications and and consequences, such as:

The political pressure that would arise in the South to intervene to protect North Koreans caught up in repression, fighting, chaos, etc.

The conditions that would promote, or compel, Chinese intervention

The necessity from the start to develop plans to deal with the refugees: important specialists such as WMD personnel, fleeing North Korean power elite members, and perhaps many thousands of ordinary North Koreans pouring over the border as well.

The necessity of trying to establish that the main responsibility for dealing with such developments *should rest primarily with South Korea* – and thus the enormous importance of trying to confine major developments to the peninsula so the pressures on other governments to intervene are contained.

The necessity of recognizing that China would very likely be opposed to a ROK occupation and absorption of North Korea, and that Russia would also prefer that an independent North Korea continue to exist, and thus the need to consider how to prevent a Chinese intervention to prevent a ROK occupation.

Even the preliminary thinking along these lines led participants in the conference to suggest such things as:

- 1) Greater trilateral planning by Japan, the ROK, and the US – for instance, on how Japan would evacuate its citizens caught up in a North Korean collapse
 - 2) Contingency plans for a wide variety of possible developments to uncover and prepare for potentially stunning, shocking events.
 - 3) Consultations between the ROK and US on potential developments and close coordination of responses to them.
 - 4) Discussions among the allies and with others of how to deal with North Korean nuclear weapons – who should gain control of them, under what conditions, and under what obligations.
 - 5) Attempts to draw China into these kinds of anticipation exercises and analyses.
- Various presenters and participants emphasized how deeply the interests and emotions of various states and societies might be engaged – that a major crisis in the North would not readily allow various governments to sit idly by, and would attract broad international attention.

Also raised in this connection was the argument, by **Professor Mel Gurtov**, that such an intensely important and convoluted set of developments makes it all the more clear that the regional system needs a Security Dialog Mechanism, a multilateral institution composed of the participants in the Six-Party Talks that is charged with tackling just these kinds of serious strains on regional stability and security.

In short, the conference started by reviewing and reinforcing feelings that something serious was possibly or potentially amiss in North Korea, that the idea it might begin to fragment or collapse could no longer simply be dismissed. Then ways in which such a development could be very damaging to regional peace and security were highlighted, along with observations that necessary preparations for dealing with that had so far emerged in only a preliminary way, and that there would be serious difficulties in getting profound discussions among the relevant governments on it, because of political disagreements that could readily limit or prevent suitable consensus and collective action. Topping this off was a dawning realization that in the next year there would be elections in the ROK and the US and Russia, a leadership change in China, and the ongoing steps in the succession process in North Korea that could bring on a new leadership at almost any time, leading **General Kim, Jae-chang** (Council Co-chairman) to suggest at one point that it could be a very tough, very difficult year.

What about China?

Time and again papers and discussions on the situation in North Korea and speculation about what might develop there and how to deal with it turned rather quickly to China, to how China would inevitably be a crucial factor. There was substantial agreement that the Chinese government has become more aggressive in its foreign policy pronouncements and at least some of its actions, and that it is now less helpful than earlier on the problem of North Korea. The sharp increase in Chinese investments in and aid to North Korea and the rapidly rising trade between the two (from 370 million in 1999 to 3.47 billion in 2010) was noted, as was Beijing's unwillingness to identify North Korea as guilty of sinking the Cheonan, and its blocking any Security Council condemnation of Pyongyang for the incident and the subsequent shelling of the island. Emphasis was placed on how much more China is now responsible for sustaining the DPRK, how much larger its investments in the North are, how meetings between top Chinese and North Korean officials have become more frequent. One participant said that some South Koreans are worried that China intends to make the North its 4th Northeastern Province someday!

There was broad agreement that China's chief objective on the peninsula is *stability*, which it identifies as the continued existence of North Korea without serious economic and political burdens on Beijing. Thus it supports renewing the Six-Party Talks to ease North Korea's

situation and hopefully normalize its relations with others, it undermines the effects of sanction imposed by others to at least some degree, it works to contain North Korean provocations, and it tried to keep the George Washington out of the Yellow Sea to cut risks of further provocations. However, it was pointed out that China does not, and will not, provide the necessary assistance to pull North Korea out of its depressed economic state without prior serious reforms – it transfers only enough resources to prevent a collapse, perhaps to also keep the North dependent, and maybe because its relations with Pyongyang are really not cordial and it has a bad case of “Pyongyang fatigue.”

A significant explanation for a lot of China’s behavior was offered by **Gordon Chang**. He suggested China is becoming more decentralized, that politics there is now more competitive among the major bureaucracies and other interests, and that the major beneficiary has been the armed forces. In this view, the military struck a deal with President Hu to help him undercut the Jiang clique which, in turn, loosened the limitations on the military and brought about the rapid rise in its spending. As a result the role of the military in Chinese politics has expanded and it may well be in the position of king maker in the upcoming rearrangements of government officials next year. This is a remilitarization of sorts of the Chinese government, which explains why the military is more outspoken, more self-confident, and more ready to take a tough line on various international issues.

He then used this picture of Chinese politics today to suggest that the rise of the salience of the armed forces in the party in North Korea, paralleling the rise of the military in China, has allowed the two military forces, each of which is, in its country, closest to its counterpart in the other to coordinate fairly well, improving DPRK-China relations along lines which have both behaving more aggressively. Each simultaneously benefits from greater dependence on it by its national political elite, a dependence enlarged because of rising public apathy, protests, and the like that have led to huge numbers of demonstrations and incidents in China, and reflects the economic distress, rising corruption, and widespread flouting of the law and the government in North Korea. As panel chair **Dr. Hong Nack Kim** put it, this probably explains the recent improvements in Sino – North Korean relations.

This interpretation was contested by **Dr. Gurtov**. He asserted that the PLA in China has not notably increased its power. Instead, the entire state administrative structure is growing more professional, younger, and more outspoken, including the armed forces officers. There is little sign of a militarization of Chinese politics or any military defiance of civilian authority. In its approach to North Korea, Beijing is continuing its two-Koreas policy, trying to keep North Korea from decay and collapse while widely interacting with the ROK. As a result the North can use its military provocations to compel China to come to its aid. Thus the military-to-military links are not a good explanation for either state’s recent behavior. Nonetheless, China remains an important actor in charting the future of the region and the peninsula.

Less attention was paid to the role of Russia, but there was an interesting overlap between the Chang analysis of China, and the **Lee, Ji-sue** diagnosis of Russia’s role in the region. He argued Russia has been developing a political system that is moving toward being more like North Korea’s, in which popular support is of diminishing importance, power is much more centralized, the intelligence services are having rising power and influence, relations with the West are deteriorating, etc. He predicted that as a result Russia will continue improving relations with North Korea and opposing developments which might lead to its collapse. However, there was some skepticism expressed about this particular version of citing a domestic factor, in this case political culture, as the key to explaining foreign policy behavior.

The North Korean Threat

A standard component of Council conferences is an updated assessment of, and debate about, the threat posed by North Korea to the US-ROK alliance and the peace and security of Northeast Asia. Charged with undertaking this, **Dr. Bruce Bechtol** confined his analysis to nonnuclear elements. In an important shift, there are signs that North Korean forces are facing serious difficulties in resources, morale, welfare, readiness, and efficiency. There are reports of food and fuel shortages, and of troops selling military goods on black markets. North Korean forces cannot readily keep up with the modernization of the alliance forces. However, they have cleverly shifted their focus to nontraditional military units and to continuing to improve their missiles, long range artillery and submarines to reduce the value of, or militarily compensate for, the alliance's advantages.

Thus the North's artillery and rocket launchers continue to increase in numbers (now over 13,000), many being of fairly long range, readily able to hit Seoul, capable of targeting every inch of the ROK, and in some cases now suitable for targeting Japan. North Korea is believed to have sizeable quantities of chemical and biological weapons including at least some warheads. These systems hold Seoul hostage, and are often based in tunnels so as to be very difficult to destroy. The North is working on a missile that will be capable of reaching US forces on Guam as well as US bases in Japan. It retains its huge Special Operations forces for potential use by submarines, tunnels, and armed helicopters. The sinking of the Cheongan illustrated the North's antisubmarine capabilities (and may have been carried out by a Special Operations Forces torpedo) and the North has been developing ample cyberattack capabilities as well. These force adjustments have been made possible by cutting back on some other units, particularly ones based in isolated areas, for instance along the northern border of the country.

Dr. Cheon, Seong-whun added that North Korea's basic strategy has remained basically unchanged from its early years and which he termed a "digging tunnel strategy." The North uses various means to try to convey the impression of wanting to relax conflict and improve relations, seeking concessions, aid, etc. Simultaneously, it works to strengthen itself militarily in hidden ways, and constantly tries to undermine the alliance and the presence of US forces. During the Cold War at one point, the North was signing agreements to relax tensions on the peninsula while digging extensive tunnels under the DMZ for its forces to use in surprise attacks at some future date. Since the Cold War this has included pressing to get a peace treaty with the US and major economic assistance, plus the normalization of relations with the US and others, while at the same time secretly developing nuclear weapons and missiles. This means that it was consistently and deliberately taking advantage of efforts like South Korea's "sunshine policy," and US desires to try to negotiate a solution to the North Korean problem.

Several participants suggested that the North may not be significantly improving its *relative* military position, and that a net assessment analysis would clearly show this. The South and the US have been making major military improvements, and one paper pointed out that the ROK spends a great deal more on its defense budget than the DPRK. In turn Pyongyang tries to compensate somewhat by continuing with its "military first policy" which is so damaging to the economy. Nevertheless, the two attacks in 2010 show how dangerous the North remains, and it is clear that artillery and missile barrages could easily damage Seoul, especially if WMD were employed. Perhaps 200,000 casualties might result and US and ROK forces' operations would be significantly disrupted. This gives the North a significant deterrence/blackmail capability by threats to terrorize the South.

Far more controversial was the question of what to do about the North Korean threat. A major debate on this occurred, along familiar lines. **Dr. Mel Goodman, Dr. James Matray, and Professor Choi, Wooseon** offered extensive arguments for resuming negotiations with the North in a vigorous way as soon as possible. The case rested on a number of arguments. First, there is no sign that taking a very tough line on the North had been or would ever be successful – it has been too frightened to make serious concessions, it has had significant support from Beijing, and it has had a hardened regime that remains unlikely to disintegrate or even significantly weaken under pressure. All that has really happened is that without successful negotiations the North has proceeded to develop nuclear weapons and the necessary delivery systems, and to transfer nuclear materials and technology to other parties.

Second, there are signs that the North will negotiate seriously on a concession-for-concession basis, with no significant preconditions such as having to give up its nuclear weapons in advance before receiving a major reward, and therefore with the ability to retain its nuclear weapons and other forces, including its hidden capabilities, as insurance against its opponents deciding after all to skip fulfillment of their promises of aid, normal treatment, diplomatic recognition, etc. Third, the ultimate objective of the allies would have to be to normalize relations with the North – economically and politically - because the chief difficulty in dealing with the North remains its profound insecurity, especially its belief that outside countries are seeking to destroy its regime and its existence as a nation.

Fourth, the negotiations must be honestly pursued. Past failures in the negotiations have too often been generated by the way in which the US and others failed to act properly. The Bush Administration, for example, did not negotiate in good faith; it was quite often motivated by the desire to destroy the North Korean regime rather than come to a reasonable settlement. And some of the North's provocations over the years have actually been stimulated or encouraged by provocative US and South Korean behavior. Fifth, failure to strongly pursue negotiations will only allow the North Korean problem to fester, with a good possibility of further clashes and even war, which could be terribly harmful to South Korea as well as Japan, and very damaging to peace and security in the region.

Finally, the proponents of pursuing negotiations as soon as feasible asserted that this should be undertaken with limited or no preconditions being set. While the point could be to tackle the nuclear weapons problem in the best way possible, it could also simply be to at least start building a better negotiating atmosphere by initially taking up lesser, more easily resolved issues. This approach, properly applied, would include such things as suspending provocative military exercises, reaffirming earlier agreements and the promises contained in them to the North, and indicating that normalization and other concessions would readily be forthcoming for better North Korean behavior. Ultimately, the negotiations might not only relax the situation on the peninsula and in US and Japan relations with Pyongyang, but lay the basis for creation of a regional security multilateral institution.

Vigorous opponents of this view included **Dr. Song, Dae-sung, Dr. Bruce Bechtol, and Dr. Kim, Jae-chun**. They were equally energetic in their critique and their proposals as to what to do instead. Their major point was that talking with North Korea was hardly likely to be unsuccessful – the North is not going to give up its nuclear weapons since they had been its main objective all along. And the regime cannot not afford to accept domestic reforms and greater transparency, as its opponents want, because that would endanger its survival. Instead the regime will simply continue using negotiations as an arena for threats and as bait to attract concessions and benefits without giving up anything of substance. Next, therefore, any negotiations should take place only with significant preconditions – the North has too often gone back on past

agreements, dragged out talks while continuing to improve its military capabilities, etc. And significant pressure on the North should continue in arranging for and then conducting any negotiations, including steps to limit the North's ability to transfer nuclear technology or conduct other hidden actions that strengthen its flow of foreign funds. Finally, the North must be required to establish normal relations with and treatment of South Korea.

Opponents, particularly **Greg Scarlatoiu** asserted that human rights had to play an important role in any negotiations, and that preconditions on this score should be set for talks. The broad argument was that in many respects the basic condition and operation of the North Korean regime constitutes serious harm to the human rights of its citizens – the economic damage from the military-first policy, the large numbers of political prisoners, the lack of transparency about human rights conditions in the country, the repression, etc. They also suggested that some proponents of talks have been misled by North Korea or are even sympathizers with the regime. One participant defended the Bush Administration approach, particularly the president's description of certain states including North Korea as an "axis of evil" and North Korea as a despicable regime. He said that in fact the president's description, however undiplomatic, had been accurate.

A regular feature of the annual conference is assessing the state of the US-ROK alliance. On this occasion, the general view was that the alliance is in good shape – the best shape it has been in for years, according to one participant. While the North Korean threat is still significant, as reflected in the two attacks on the ROK in 2010, ROK and US improvements in their military forces that have been instituted or soon will be, have been quite significant. Still, **Admiral Jung, Ho-sup** pointed to the need to better prepare for North Korea provocations, urging trilateral naval cooperation between the US, Japan, and the ROK on a much larger and more elaborate scale than heretofore, at least partly because ROK public opinion has been insisting that future DPRK attacks be met with serious military retaliation. The North Korean nuclear threat is slowly increasing but did not seem to arouse strong concern at the conference. Participants found it unlikely the North would agree to give up its nuclear weapons and there was no clear option for getting rid of them, even though several asserted that a nuclear-armed North Korea would be intolerable.

The Obama effort to rebuild relations with the ROK was depicted as having been effective and reassuring. Attention was given to the fact that President Obama, Hillary Clinton, and Leon Panetta had all gone out of their way to assert that coming cuts in US military spending would not apply to the expenditures needed to retain the US commitment to the ROK – that the US will provide the necessary spending. Defense Secretary Panetta offered reassurances to this effect during the annual SCM being held at the same time as the conference. It was that event which prevented the usual appearance by the CINC of the CFC to deliver a speech to the participants. A notable complaint about US behavior vis-à-vis the alliance was that the US had sent the wrong message in initially bowing to Chinese complaints about the plan to send the carrier George Washington into the Yellow Sea, which weakened the deterrence effect being sought. But the allies have agreed to the development of a globally oriented strategic alliance.

In bringing the conference to a close, **Gen. (Ret.) John Tilleli** Council Co-Chairman) said that had been the best conference held by the Council during his tenure in terms of the wide ranging discussions and disagreements over important issues facing the US-ROK alliance.

Patrick M. Morgan
Rapporteur

CONFERENCE PROGRAM

THE 26TH ANNUAL CONFERENCE OF COUNCIL ON U.S.-KOREA SECURITY STUDIES

October 27-28, 2011, Thursday and Friday
Capital Hotel, Yongsan, Seoul, Republic of Korea

THE CHANGING SITUATION IN NORTH KOREA: OPPORTUNITIES FOR ROK-U.S. COOPERATIVE POLICIES

October 27, 2011 (Thursday)

08:00 : Registration

08:45-09:00: Opening Remarks

Co-chairman of COKUSS, Gen.(ret.) Jae- Chang Kim and Gen.(ret.) John H. Tilelli, Jr.

09:11:45 Panel I: Regime Succession - the Political and Economic Dimensions

Chair: Dr. Yong Soon Yim, Emeritus Professor of Sungkyunkwan University

"Political Dimension: Regime Succession and the Potential for Political Crisis"

Mr. Robert Collins, Korea Institute for Maritime Strategy

"Economic Dimension: North Korea's Economy and Its Political and Military Implications"

Dr. Un-Chul Yang, Director of Unification Strategy Center, Sejong Institute

Discussants:

Dr. Paul Clarke, U.S. Naval Postgraduate School

Dr. Taejoon Han, Professor, Jung- Ang University

12:00-1:45 Luncheon Speech: U.S. Ambassador to ROK

Hosted by the Hwajedng Peace Foundation & the Institute 21 for Peace Studies

1:45-3:45 Panel 2: The North Korean Military Threat and Its Implications for Negotiating Strategy

Chair: Gen (ret.) John H. Tilelli, Jr., Cochairman, USA Council of COKUSS

"North Korea's Conventional Military and WMD Capabilities"

Dr Bruce e. Bechtol, Jr, Professor, Angelo State University

"Negotiating with South Korea and the U.S.: North Korean Strategy and Objectives"

Dr. Seong-Whun Cheon, Senior Researcher, Korea Institute for National Unification

Discussants:

Mr. Robert Collins, Korea Institute for Maritime Strategy

Dr. Chung Min Lee, Professor, Yonsei University

3:45-4:00 Break Time

4:00-6:00 Panel 3: North Korea's Relations with China and Russia

Chair: Dr. Hong Nack Kim, Professor, West Virginia University

"Policy Implications of DPRK-PRC Relations"

Mr. Gordon Chang, Forbes.Company

"Policy Implications of DPRK-Russia Relations"
Dr. Ji-Sue Lee, Professor, Myung-Ji University

Discussants:

Dr. Mel Gurtov, Professor, Portland State University
Dr. Eunsook Chung, Vice President, Sejong Institute:

6:15-8:30 Dinner Speech: ROK Defense Minister Kwan Jin Kim

October 28, 2011 (Friday)

09:00-11:45 Panel 4: North Korea's Policies toward the ROK and the United States

Chair: Dr. Hugo Wheegook Kim, President, East-West Research Institute, Washington, D.C.

"DPRK-ROK Relations: Policy Limitations and Possibilities"
Dr. Wooseon Choi, Assistant Professor, Institute for Foreign and National Security

"DRPK-U.S. Relations: Policy Limitations and Possibilities"
Dr. James I. Matray, California State University at Chico

Discussants:

Mr. Greg Scarlateiu, Executive Director, Human Rights in North Korea
Dr. Dae-Sung Song, President, Sejong Institute
Dr. Jae Chun Kim, Professor, Sogang University

12:00-1:45 Luncheon Speech: Commending General, CFC Command Gen. James D. Thurman

2:00-5:30 Panel 5: ROK-U.S. Cooperation in Dealing with North Korea

Chair: ADM (ret.) Byoung Tae An, frn. CS of ROKN, frn. President of Korean Institute for Maritime Strategy(KIMS)

"ROK-U.S. Cooperation for Peace and Security on the Korean Peninsula"
Dr. Mel Gurtov, Professor, Portland State University

"ROK-U.S. Cooperation for Dealing with a Political Crisis in North Korea"
Dr. Yong Sup Han, Vice President of Korea Defense University

"ROK-U.S.-Japan Maritime Cooperation in the Korean Peninsula Area:
Prospects for Multilateral Security Cooperation"
ADM. Ho-Sup Jung, Ministry of National Defense, ROK

Discussants:

Dr. Bruce E. Bechtol Jr., Professor, Angelo State University
Dr/Capt.. Suk-Joon Yoon, Chief Policy Analyst, HQ of ROK Navy
Dr. Sang Hyun Lee, Senior Researcher, Sejong Institute

Rapporteur for the Conference

Dr. Patrick M. Morgan, Professor, University of California, Irvine
Dr. Jae-Kap Ryoo, Emritus Professor, Kyonggi University
Dr. Il Hwa Jung, Visiting Professor, Dae Jin Universitywq

THE FULL VERSION OF THE REPORT

**CONFERENCE 2011 REPORT
THE CHANGING SITUATION IN NORTH KOREA:
OPPORTUNITIES FOR ROK-US COOPERATIVE POLICIES**

**26TH ANNUAL CONFERENCE OF THE COUNCIL ON US-KOREAN
SECURITY STUDIES**

**CAPITAL HOTEL, SEOUL, KOREA
OCTOBER 27-8, 2011**

Co-Sponsors

The Council on US-Korea Security Studies
The International Council on Korean Studies
The Sejong Institute
The Korea Institute for Maritime Strategy
Bando Air Agencies
The Hwajeong Peace Foundation and The Institute 21
For Peace Studies – The Dong-A Ilbo

Reported by

Patrick M. Morgan

University of California at Irvine

Dr. Nam, Sung-huh called the conference to order just before 9:00 a.m. on Thursday, October 27. In opening remarks, **General (ret.) Kim, Jae-chang**, Co-Chairman of the Council on US-Korean Security Studies (COKUS), welcomed the participants and audience members. Noting the topic of the conference, he indicated that North Korea is undergoing a degree of instability and that was why it would be the focus of the discussions. It remains a very important and very sensitive subject. He thanked the participants for coming and, in advance, for their contributions to the conference.

General (ret.) John H. Tilelli, Jr. added his welcome. He noted that the conference theme is very important this year because of the North Korean threat. Recently appointed US Secretary of Defense Panetta says the US-ROK alliance is firmly rooted in cooperation to provide security on the peninsula. This conference is important because the North Korean threat is very serious, as demonstrated by North Korean attacks on the ROK in 2010. He concluded by thanking the organizers for constructing an interesting program.

**PANEL I: REGIME SUCCESSION – THE POLITICAL AND ECONOMIC
DIMENSIONS**

CHAIR: Dr. Yim, Yong Soon, Professor Emeritus, Sungkyunkwan University

PRESENTERS:

Mr. Robert Collins, Senior Researcher, Korean Institute for Maritime Strategy
Dr. Yang, Un-chul, Director of the Unification Strategy Center, Sejong Institute

DISCUSSANTS:

Professor Paul Clarke, U.S. Naval Postgraduate School
Professor Han, Taejoon, Jung-Ang University
Professor Lee, Chung-min, Dean – Graduate School of International Studies,
 Underwood International College, Yonsei University

Dr Yim, a member of the Council Board of Directors, referred to North Korea as having always been the main concern, especially on the nuclear weapons issue which generated the 6-Party Talks. Another of our major concerns has been the North's human rights situation, along with the poverty there. Now added is a very important concern – the political succession. Will it be successful? That is a major question. We also remain deeply interested in the chances for reunification.

PAPER: “Political Dimensions of North Korean Regime Succession and the Potential for Crisis”

Robert Collins finished his career of 31 years in various positions for the US armed forces as Chief of Strategy for the ROK-US Combined Forces Command in 2009. He is currently an Adjunct Fellow at the Korean Institute for Maritime Strategy.

He began by citing Kim, Jong-il's stroke on August 14, 2008 as having set off a flurry of political and security concerns. ROK and US doctors indicate that with that type of stroke the prognosis is, on average, serious incapacitation within roughly five years. The Alliance has been preparing for the possible consequences militarily, but doing so *politically* is another matter. Kim, Jong-un has been introduced as the successor and thus far the succession process has gone smoothly. He has experienced people around him, but will he listen to them? And can he gain legitimacy in the eyes of the public? Refugees suggest he has not done so yet. Trust in the Kim family has dropped, and hereditary successions in undemocratic states are rarely successful.

Kim, Jong-il is in roughly the position Louis XIV held in France – he sees himself as the state. His rule rests on political control, terror, and patronage, exercised through holding key positions in the power structure: General Secretary of the Korean Workers' Party and Party Secretary for the Organization and Guidance (OGD) and Propaganda and Agitation Departments; Supreme Commander of the armed forces, Chairman of the National Defense Commission; and Director of the State Security Department. The OGD is the key to controlling the power elite. Holding these positions makes him the *Suryong*, a position literally above the law, and gives him the ability to control all facets of the nation, other officials' lives, and the lives of their families. This is what Kim, Jong-un must inherit to secure his power, but initially he won't be able to seize it. He is not well known in the DPRK or outside it. He has studied abroad, served as an artillery officer, is now getting a rapid buildup in DPRK media and new positions,

titles and awards, plus credit for every successful DPRK military event recently including the two attacks on the ROK in 2010.

The succession has been under way since early 2009. It includes replacing many officials in mid-level military, cabinet, and security agency positions with people in their 30s and 40s, something also happening in the Supreme People's Assembly. Repression has been strengthened as part of a campaign to root out anti-socialist activities. Key additional steps were taken at the 3rd Korean Workers Party Delegates Conference in 2010 when Kim, Jong-il named himself General Secretary, Chairman of the Party Central Military Committee, and member of the Politburo and the Central Committee before officially naming Kim, Jong-un his successor and promoting him to be a four-star general. In addition:

- 1) the Party was designated as Kim, Il-sung's party (hence the Kim family's party)
- 2) with defense of the Party's achievements and its continuity assigned to Kim, Jong-il
- 3) and the Party General Secretary automatically designated Chairman of the Central Military Committee (Kim, Jong-un to be Vice Chairman)
- 4) with the Central Military Committee now put in charge of all military tasks and leading all national defense industries
- 5) and the General Political Bureau in the armed forces given the same authority as the Party Central Committee, thereby boosting the role of the military in the party and increasing the likelihood that the military-first policy will continue.

Kim, Jong-il has also expanded the personnel of the Politburo, the Secretariat, and the Central Military Committee, suggesting the Party is intended to play a more important role in comparison in the future, unlike how he has long run the state via heading the National Defense Commission. The Politburo, and particularly its Standing Committee, have been enlarged, presumably to surround Kim, Jong-un with more expertise and close family associates. Kim, Jong-un has been named a Vice-Chairman of the Central Military Committee, with more members of it now drawn from the Palchisan element of the national elite (who fought the Japanese in 1945 in Manchuria) and the most professional people from military and military-related civilian sectors. Vice Marshal Ri, Yong-ho, in particular, a CMC Vice Chairman and Chief of the General Staff of the armed forces, has been associated with the Kim family back to the fighting in Manchuria. The State Security Department and Ministry of Public Security have been purged recently, leaving openings for Kim, Jong-un and Chang, Song-taek to fill with their people. As for the power of patronage, Kim, Jong-un will have to continue the palace economy for the elite, separate from the regular economy, as run by the Secretariat's Department 39.

How might the succession fail? The most likely routes to a crisis are these. First, Kim, Jong-il's incapacitation, presumably from another stroke. There might well be complications in the interactions of Chang, Song-taek as Kim's right-hand man, the commander of Kim's personal guards, Kim, Jong-un, the top military leaders, and the state security officials.

Next, with Kim, Jong Il's death there will be struggles for power and survival. One key will be who controls the reporting by the Party, the military, and the security agencies. Those who seem to be succeeding will attract followers, in particular those associated with the Palchisan line or the Naktong line (those who fought in 1950 down to the Pusan perimeter). The resulting struggles will have to be tamed by ruthless terror and patronage, both now more complicated as long as the country's economic situation is dire.

Another possible source of crisis: miscalculation in the delicate game of provocations with the US and the ROK, leading to dangerous escalation. A related potential crisis: missteps in management of the continuing nuclear proliferation and missile development efforts, particularly if North Korean related assistance to states like Iran facilitates the use of nuclear capabilities against Western states or their allies (e.g., Israel) On the other hand trading off North Korea's nuclear capabilities without getting major concessions from the ROK, the US, and others would provoke a dangerous political backlash from the power elite.

Next, the economy could readily undermine political stability. It is the weakest link in the succession. The "military first" policy has irreparably damaged the economy and threatens the health of the population – the county is not going to become "strong and prosperous" for now. The November 2009 currency reform was so damaging that the reformers were purged. A giant project to build 100,000 housing units has produced almost none. Malnutrition is widespread, even in the armed forces. Kim, Jong-un will have to find ways to correct the economic situation lest it threaten the regime's foundations, while maximizing foreign currency earnings to sustain benefits for the power elite.

The sixth possible route to a crisis is lack of popular support. Kim, Jong-il derived some legitimacy from his generally popular father, but Kim, Jong-un will not be able to do the same given the generally poor image of Kim, Jong-il. The regime's resources for quashing opposition remain very strong and a successful uprising would require that military or security forces joined in it.

The final crisis route would be Kim, Jong-un displaying undue hubris and little discernment in, on the one hand, not taking good advice from those around him and, on the other, not readily discounting the sycophancy in which he will be immersed. His lack of maturity may be the Achilles heel of the succession process.

It is really very unclear what will happen if the succession fails, or a coup or civil war breaks out, or who might control the North's nuclear weapons if such things occur. With a power vacuum the resulting struggles could go on for years, with repeated purges of the losers, in particular among the officer corps.

The information we have about all this is very limited. But the possibility of big trouble for the alliance emerging from such developments has to be understood and necessary preparations made. The regime has become a "survival-at-any-cost regional

cancer.” Being realistic about how dangerous it is and its chances for survival is the only way to proceed. The power transition will define how the regime’s stability holds up, and just having a suitable political and administration structure in place, due to Kim, Jong-il’s efforts, will not be enough. Kim, Jong-un will have to present a vision that then shapes the efforts to carry it out in the Party, the armed forces, and the government. The nuclear and missile programs will undoubtedly continue. Any attempt to take a more liberal approach in the country would have to thwart the efforts of people like his aunt, Kim, Kyong-hui, and her husband Chang, Song-taek. Kim, Jong-un will need to promote competition among Party leaders and the military elite without letting this deteriorate into destructive relationships. Ultimately, he must achieve a requisite level of *authority* for his regime or instability will rise.

Before turning to the next presenter, the Chair emphasized that thus far North Korea has sustained all the cornerstones of its existence: intelligence, rule, propaganda, and fear.

PAPER: “Collapse of the North Korean State Economy: The Political and Military Implications”

Dr. Yang, Un-chul is a Senior Research Fellow and Director of Unification Strategy Studies at the Sejong Institute, and his specialization and expertise on the North Korean economy has been displayed in numerous publications

Dr. Yang opened by quoting a former North Korean diplomat: “In North Korea, survival is a crime.” The paper is based, in part, on interviews with roughly 100 North Korean refugees since August 2010.

Kim, Jong-il’s precarious health has provoked considerable discussion about the future of the regime, the chances of changes and reforms, etc. In the meantime the regime continues its adherence to socialism and a “military-first” policy. The result has been a continuing depression, with the one brief period of growth in recent years having come about mainly from external aid. In 2011 the emphasis has been on growth through light industry and agriculture, particularly the former. But the economic trend has been downward and the regime remains hostile to serious reform, so the state cannot provide – “there is no food, no salary, and no social security.” North Korea is short up to 1.5 million tons of grain, primarily due to the lack of fertilizer, and life on cooperative farms is now even worse than in the cities.

Thus people have had to turn to markets; many now expect to live without much or any government support. Marketization has been taking place from the bottom up, with the state economy now mainly supporting the elite. And a good deal of theft from the state is taking place. Almost anything is for sale, one way or another, and some North Koreans live very well. Some are creating small firms to sell goods to China and the ROK in order to import things like dvds to sell. All this is taking place because the market is filling serious gaps in the economy not just for the poor but for others including government officials. Cooperative farms, for example, hide food and sell it on the

market, while underreporting their production. Rationing has apparently risen, even in Pyongyang, in the past year.

The number of defectors has been increasing. Earlier defectors claimed to have acted mainly for political, religious, or ideological reasons, but now they tend to cite economic reasons, particularly food as well as the need to get money and other resources to send home to their families. Crimes committed out of economic necessity are so common that there is now some tolerance when punishing them. People often turn to selling home made products. Demand is rising because of state economy failures and that is pushing up prices. Higher prices are, in turn, pushing up the bribery of police and security agents and that has become a significant source of state revenue, heightening the difficulties in cracking down on all this.

An “August 3rd person” is one who contributes a designated amount to a state company so as to then be allowed to turn to private commerce (The reference is to a law promulgated in 1984). Workers are increasingly paying to turn from state jobs to work in private firms in light industry. While this legalizes some market activities it is often accompanied by additional illegal ones. State employees often get by through income they create from providing private services. Some members of the elite run services companies or enterprises like mines.

The economy would benefit greatly from good economic ties to other countries, but the regime continues to resist this. It remains surprisingly durable and persistent, benefitting from the fact that it does not seem like an extension of the Soviet Union, as East European communist states did, and has a population that has little or no experience with a market economy or democracy. The government even resists allowing some economic activities so as to keep the population dependent on its rations. Thus far, widespread illegal economic activity has not undermined the regime. Housing sales, a government responsibility, are now widely carried out privately, with bribes paid to officials. Small service businesses also make payments to state officials to operate

Culturally, there is a strong preference for ROK products such as foods or cosmetics. There is a similar preference for South Korean soap operas, complete with illegal sales of DVDs. Wiring money to relatives in the DPRK used to be quite difficult but has become much easier through the use of Chinese expats in the border regions, with transactions sometimes taking only a few hours to be consummated.

Past currency reforms have obliterated confidence in the North’s economic policies. In several regions the real currency now is the dollar or the yuan, especially for expensive goods. Some restaurants even require payment in these currencies, and in various places payments in North Korean won require premiums. In effect, this is an increase in North Korean dependence on foreign countries. Naturally demand for these currencies has risen and trust in the won has declined.

The military-first policy continues even as the official goal is to achieve a “strong and prosperous country.” The policy overwhelms rational economic policies, an example

of politics triumphing over economics. But economic hardship reduces the regime's sense of security, which reinforces putting the military first. The resulting defense budget figures are misleading. The ROK's economy is so much better than the DPRK's, that in real terms ROK defense expenditures considerably exceed those of the North, contrary to what the official figures suggest, a situation that helps drive the North's efforts to gain nuclear weapons. The conditions for military personnel have deteriorated. Some sell stolen goods illegally. Their rations are down and many are apparently not healthy. The financing for DPRK nuclear weapons and missiles comes from counterfeiting, drug smuggling, and other illegal activities abroad. Repeated efforts to introduce reforms to the state sector have failed. Recently the regime has been touting the money to be made from selling mineral resources, such as magnesite, gold, and iron.

The recent refugees who were interviewed have a pessimistic view about North Korea's future, even those who do not object to North Korea as a state. They oppose any unification by force, reflecting their continued patriotism. They have a tendency to believe the peninsula will become a focus of US-China competition. But it is likely that Kim, Jong-il's power will continue declining as public pressures for reform and an improvement in their lives continues to rise. The state looks strong but in fact it might collapse abruptly. The continued development of a market economy will eventually make for meaningful progress toward unification.

Before turning to the discussants the Chair noted that patriotism often outlasts dependence on foreigners or the flaws of one's country. As for the puzzling inability of the regime to take the necessary steps to strengthen the country, the North has always been something of a puzzle. It is a mafia-like system but a poorly managed one.

Discussants

Professor Paul Clarke – US Air Force Colonel (ret.), adjunct instructor at the US Air Force Command and Staff College, the Naval War College, and the Naval Postgraduate School. During his military career he served two terms on the National Security Council staff at the White House.

Dr. Clarke first discussed the Collins paper. He noted that studies of hereditary successions show that they often fail. While there are few close analogies to the North Korean system, in authoritarian systems successions often engender palace coups. Kim, Jong-il does not seem to be letting his son run much of the government now. What if he did? What if he does this soon? And in regard to controlling the country through rewards and punishments, has this recently changed, and if it has, in what ways? The paper is correct on how effective this system of control has been. But if power elite members come to see it as flawed, how might they react? Especially, if the standard operating procedures are now changing. How might lower-level cadres react to such changes? Collins does a good job analyzing the potential problem of Kim, Jong-un's potential hubris; the possible alienation of his advisors that might result should be linked to this.

The Yang paper covers the interesting paradox of the regime almost forcing market activities to emerge and flourish, and then punishing them. Clearly, taking more income and production from private markets can weaken them in the end.

On the succession, we are not in a counterterrorism world so using terrorism as a means of control is not a growth industry. But we need to consider the possible impact of important *external* factors on the regime and its future. How will the Chinese regime change over time, and with what effect on the North? Will there be stark surprises that affect the regime (like the Arab Spring)? How might Iran's nuclear program affect North Korea and global attitudes toward it? Finally, many of us tend to believe that over time generational shift weakens a pattern; maybe this is not a weakening but rather the effect of generations being different. We need to take this possibility into account.

Professor Han, Taejoon is, in addition to his teaching and writing activities on Korean affairs and US-Korean relations, the Chairman of the Sorak Cultural Foundation, Sokcho and a Research Fellow at the Sejong Institute.

Dr. Han started with by citing worries about the ROK economy. Given the importance of the North Korean problem, especially the succession situation, ROK economic sectors are naturally concerned about the uncertainty, making the investment climate volatile. Investors are asking:

When Kim, Jong-il is gone, maybe with Kim, Jong-un still very young, what sort of political change will result? A collapse?

What about a possible worst-case outcome? Should an investor put off investing in the ROK for now?

The ROK government now has no capacity to handle a worst case outcome. Does it have a plan? If so, why not say what it is?

The government needs a different approach to the succession. Nothing elaborate – just some reassurances about the economic policies that may pertain, the commitments that will hold no matter what happens on monetary matters, fiscal matters, etc. Some political scientists say the ROK has contingency plans; if so, these should be more public. Not elaborate plans, just some basic principles for action - at least. Germany offers a case the ROK can draw on, while not necessarily copying.

Yang's paper provides some hope. It shows that we know a good deal more about North Korea now, like the role of economic incentives in the behavior of elites there.

Professor Lee, Chung-min has served as ROK Ambassador for International Security Affairs and as a member of the President's Foreign Policy Advisory Council. He is an Adjunct Senior Fellow at the International Institute for Strategic Studies in London.

Professor Lee opened by not only thanking the Council for the opportunity to participate but its leaders for doing so much to help Korea. On the Collins paper, he noted that clearly we have needed more information in order to properly deal with the succession matter and we now have much more than in the past. We even have lots of North Koreans with cell phones supplying some of it. But the US had a huge intelligence failure on Iraq before invading it, and an equally great failure on the outbreak of the Arab

Spring, so a major surprise could occur. We still don't know a lot about what is happening in North Korea. Technical intelligence is very useful but not on internal developments there, such as shifts in attitudes of key officials.

Next, what about China? It gives North Korea lots of support – what role will China play under Kim, Jong-un? Will it support him, and if so why? The lack of US and ROK influence on North Korea is a real worry. What assets do they have? And what about Russia? It is now neglected on Korean affairs, but Putin returns to the presidency soon, and Russia will have an important role vis-à-vis the succession. Finally, the paper should have assessed the probable loyalty of the nomenklatura during the succession. Probably they won't give as much loyalty to Kim, Jong-un as they did to his father.

On Yang's paper, Lee wondered how long China will support North Korea to the extent it does now. There will soon be a new Chinese leadership; will it be as supportive? Why? Also, it seems there are really three DPRK economies now – the state economy, the market economy, and the crony economy. How will black market activities be affected if North Korea collapses? How will the black market affect the succession?

General Discussion

Dr. Hugo Kim, Council Co-Coordinator, thanked Dr. Yang for a fine paper. He noted that North Korea basically has a conflict between its politics and its economic affairs. The government now provides very little motivation for greater economic *production*. And lack of income keeps *consumption* low. What are North Korea's main options within the political system? What is best?

Dr. Liu (KCIA) indicated that North Korea is changing a little, with a shift in generations and now in leaders. There is some shifting in its institutions too. Will this generate major conflict between the Party and the armed forces? **A General Kim** (ROK Marine Corps) agreed with Collins on how important it was to play the power game well in North Korea and wondered how Kim, Jong-il is doing at these days. He asked Yang whether external information flows would affect the succession in some way, and whether there was any possibility of a people's revolution.

Tim Peters, founder in Korea of Helping Hands, noted the rumors now about a crackdown on refugees, supposedly under the direction of Kim, Jong-un. What effect is this having? **Dr James Matray** (California State University at Chico) said that no one had mentioned ideological matters in North Korea, even though they have been crucial in its development. The military should prefer having another "Suryong," a key figure in North Korean ideology, to uphold ideological continuity. A Korean in the audience, who identified himself as a long serving military officer, noted that in the past there were many Japanese in Korea but patriotism flourished nonetheless. Our concern today should be about human rights, the rule of law, etc. in the North. This is what the succession will ultimately be about. As elsewhere, collapse there will not likely occur without serious external shocks.

Robert Collins led off panelist responses by applauding the fine questions. In discussing the succession there were inevitably aspects that were not covered. What will China's influence be? It will be important and complex. In fact, all the major regional actors – the ROK, Japan, and the US – can have a large impact. On what we know, understanding what is going on inside the regime is particularly difficult, even for the Chinese! North Korean leaders don't give out interviews; we know little about the Red House in Pyongyang. As for intelligence requirements, Dr. Lee is correct: we need more and better collection on a greater range of things, particularly since the US and ROK lack embassies in Pyongyang. China's intelligence presence in North Korea, around its leaders, is huge. As for China's influence and objectives, the Chinese want *stability* most of all. That is the key to how they will react to future developments. It's hard to carry our understanding much beyond that.

With respect to Tim Peters' comment about human rights, the future of human rights is tied to the Party-military linkage. The armed forces get the lion's share of almost anything, with harm to the human rights situation as a result. And this will continue. Repression is stronger now so the outlook is not good and will get worse. Children, in particular, are suffering. On Matrey's comment about ideology, it is not clear that a palace coup will oust Kim, Jong-un; the military will just enlarge its influence, perhaps by working closely with Kim, Jong-un. It is deeply into the Party and other institutions now. Matrey is right – ideology is very important, as is having a clear leader, a Suryong, to guide ideological affairs.

Kim, Jong-il has controlled the elite with elaborate carrots and sticks, rewards for loyalty and the axe for lack of it, continually testing officials in a Stalinist or Saddam-like fashion. So during the succession bureaucrats will need to keep their heads down. Upholding elite privileges will be crucial for sustaining elite political support. While military officers have always been overseen by political commissars, the armed forces have now infiltrated the highest levels of the Party, weakening that control mechanism.

Professor Han made a fine point about investors needing more information to be comfortable investing in the ROK. Korean and American officials are being close-mouthed because it is not clear what the ROK will or can do. Political problems in dealing with this abound – any plan put forward would get politically roasted. Thus track 1.5 efforts would be a good way to work on this, with academics involved. And we need more fine-grained information on North Korean citizens. And Dr. Clarke is correct – the link between hubris and rule is crucial to how the latter is likely to turn out for Kim, Jong-un, particularly on nuclear proliferation matters. Without proper care, world anger at North Korea will flow from its nuclear proliferation and possibly damage the ROK as well.

Professor Yang, responding to Dr. Clarke's questions, noted again that most North Koreans now have no real economic benefits under the regime, it is the market that helps them survive. The market mechanism is slowly spreading, expanding, and is helping many to survive. Many people now just want to see the market continue to grow rather than have some extensive economic reform program.

Lee, Chung-min tackled the questions about China's role. China will continue to extensively support North Korea until it is stable. But it provides only enough aid to keep North Korea afloat, not to correct all its difficulties. Lately, Chinese companies have been seeking to develop and exploit North Korean mineral holdings, and the same is true of the efforts of other Chinese firms. This is an example of things that cause tension in China-DPRK relations. On the planned, market, and crony economies, the first is clearly weak now, while the second faces potentially crippling official limits on hiring people. Hiring often has to be done in hidden ways, but it is happening relatively successfully.

He said Dr. Hugo Kim provided an interesting analysis in his remarks. In the North the utility function is not obvious, is hidden. The state controls what is done to supply goods to the populace so correctly measuring the utility function is very difficult. As for a Jasmine Revolution of sorts taking place, that seems impossible. The security system is too strong. Refugees now seem to praise or criticize Kim, Il-sung, Kim and Jong-il mainly on the basis of the economic conditions under their rule.

The Chair closed the discussion by noting four key questions that bear heavily on the future: how long Kim, Jong-il will live, how solid the elite is, what the role of China will be and its impact on North Korea's stability, and how well the system will limit external influence. For now, we must presume that North Korea will persist. With that he thanked the panel members, and the conference adjourned for lunch.

Luncheon Address
Honorable James Wayman
Minister-Counselor for Political Affairs - US Embassy

General Kim, Jae-chang opened the luncheon proceedings by introducing various distinguished participants in the audience. Then **General Tilleli** said that the US Ambassador, scheduled to give the address, was involved in the high level US-ROK meetings taking place elsewhere in Seoul, and introduced Mr. Wayman. The new Minister-Counselor at the embassy has been in the Foreign Service since 1989 and has specialized in East Asian affairs since 1994, with past overseas service in Beijing and Seoul, plus work at the State Department desks on China, Indonesia, and Singapore.

Mr. Wayman said he was thrilled to be speaking to such a distinguished audience. The North Korean problem is indeed very important. But North Korea is only part of the broadening and deepening US-ROK relationship. Just two weeks ago President Lee made the first state visit from the ROK to Washington since 1998 and just the fifth state visit during the Obama administration. President Lee addressed the Congress, received a Pentagon briefing, and traveled with President Obama to Detroit to , highlight the ROK-US Free Trade Agreement, which will shortly be ratified. The FTA will eliminate tariffs on 95% of US consumer and industrial exports to the ROK within five years, expand jobs in the US, maintain strong labor and environment protections, and serve as a model for future trade agreements across the Pacific. The alliance, President

Obama stressed, reflects “common values, shared national interests, the bonds of sacrifice during the Korean War, and ties between our people.” US-ROK cooperation extends to promoting human rights, dealing with pirates, building stability in Iraq and Afghanistan, dealing with Iran’s nuclear program, resisting nuclear proliferation, and improving maritime security.

The allies focus goes well beyond the peninsula. Our cooperation is important in development – Secretary of State Clinton has applauded the ROK plan to triple its development budget by 2015 and host the High-Level Forum on Aid Effectiveness next month. As one of the world’s economic success stories, the ROK has great credibility in promoting development.

In their summit meeting, President Obama reaffirmed the US commitment to the expenditures necessary to help defend the ROK. Secretary Clinton’s article at that time in Foreign Policy restated US support for its Asian alliances and the continuing commitment to US involvement there. Just today, Secretary of Defense Panetta reaffirmed our support. The clearest security threat is North Korea, and the US will support the ROK in deterring North Korean provocations. A strong alliance is vital for this purpose, but diplomatic tools should also be used. As President Obama said prior to the summit, the US wants to see signs North Korea is ready for negotiations that make progress on denuclearization, but the DPRK must halt its provocations. The two Koreas met in Bali in July, and the US and North Korea have met in New York, Beijing, and Geneva, with progress made but more work to be done. Pyongyang must demonstrate its “seriousness of purpose,” improve relations with the ROK, and take concrete actions to demonstrate it wants to move toward denuclearization. The US will not reward it just for coming back to the table, nor negotiate just to get to where things stood before. Sanctions will not be lifted just for a return to negotiations, and the implementation of the sanctions is improving both bilaterally and multilaterally. If it abandons its nuclear and missile programs it will receive aid and help in joining the international community.

The US is also concerned about human rights and the humanitarian situation in North Korea. The 2004 North Korean Human Rights Act and its reauthorization in 2008 have recommitted the US to work on this problem. We continue to seek to improve the situation in that country on these matters. On the food situation the US has joined the ROK in trying to help. The US sent a team to assess the needs earlier this year and is currently considering North Korea’s request for emergency food aid. It sent relief aid to North Korea in response to the devastating floods there this year. But such aid must be monitored to ensure that it reaches deserving people it is intended to help.

The overall US objective remains to improve security for the region and North Korea and we will continue working closely with our partners on this.

In a brief question and answer period, **Dr. Mel Gurtov** asked how President Obama’s policy differs from that of the Bush Administration. Mr. Wayman said that as a career diplomatic official he could not comment along those lines. He did note that the

administration has succeeded in pressuring North Korea into preliminary talks, which North Korea said were dead just six months ago.

General Kim closed the luncheon by recognizing **General and Ambassador Paik, Sun-yup**, one of Korea's most distinguished citizens and first Co-Chairman of the Council.

PANEL II: The North Korean Military Threat and its Implications for Negotiating Strategy

CHAIR: General (ret) John H. Tilleli, Council Co-Chairman

PRESENTERS:

Professor Bruce E. Bechtol, Jr., Angelo State University, formerly at the US Marine Corps Command and Staff College

Dr. Cheon, Seong-whun, Senior Researcher, Korea Institute for National Unification

DISCUSSANTS:

Mr. Robert Collins, Senior Researcher, Korea Institute for Maritime Strategy

Dr. H. Hwa Jung, Member of the COKUS Board of Directors

The Chairman introduced the panelists and stressed that the North Korean threat remains the dominant concern of the US-ROK alliance.

PAPER: "Maintaining a Rogue Military: North Korea's Military Capabilities and strategy in the late Kim Chong-il Era"

Dr. Bruce Bechtol, Jr. was an intelligence officer for six years in the Defense Intelligence Agency, and authored *Defiant Failed State: the North Korean Threat to International Security* (2010)

Dr. Bechtol said his paper is not concerned with North Korea's nuclear weapons threat – the plutonium program, the highly enriched uranium program, and its missile development program. It begins with a reminder that while considerable attention is being given to the succession issue, the real source of international concern was manifested in the two attacks on the ROK in 2010. North Korean forces face sustainment and modernization issues, plus morale and welfare problems, and has been adjusting to meet them, with the allies in turn reacting to those adjustments. The North's forces are the best fed, most efficient group in the country but signs of morale, readiness, and efficiency problems have been appearing, including reports of ROK movies and dramas illegally circulating among officers and troops. There are anecdotal reports of food and fuel shortages from several sources, including refugees, but they apparently apply to peripheral military units such as those on the China border.

In the Kim, Jong-il era the emphasis was on moving to asymmetric forces, particularly ballistic missiles, long range artillery, submarines, and special operations

troops, combined with provocative actions. US and ROK estimates put DPRK artillery and multiple rocket launcher systems at over 13,000; about 1000 are long range and up to 400 can hit Seoul, many in hardened sites close to the DMZ. 5-20% of the latter probably have chemical munitions. The systems have been growing, and many are well dug in – use of tunnels is widespread. The objective in using them would be to spread mass panic in Seoul and elsewhere that interferes with ROK- US military activities.

North Korean missiles can also hit Japan, and No Dong missiles have been tested with a 1500-1700 kilometer range. The Taepo Dong X or Musudan missile, still being tested, has a range up to 4000 kilometers – able to reach Guam. One version will be able to reach much further than that. The North deploys various short range missiles, including the recently tested KN-02, with a range of at least 120 kilometers, that is road-mobile and uses solid fuel. North Korean Special Operations Forces (SOF) are highly trained, well equipped, and prepared for attacking the ROK by submarine, tunnel, etc. They may number as many as 200,000. Apparently the Chongan was sunk by an SOF submarine torpedo. All these forces have recently been put under a single command.

In the meantime the North is upgrading its tanks and anti-aircraft missiles, deploying a new version of its most advanced mini-sub, and building more bases for its hovercraft fleet which is now deployed much closer to the South. The North has also been practicing large cyberattacks on South Korea, such as jamming GPS systems, recently. These improvements have been undertaken by cutting resources to peripheral units for transfer to asymmetric and other crucial units

North Korea is run by the military establishment, the party, the security service, and the Kim family inner circle. What will be the impact of the succession process on the armed forces? Kim, Jong-il is Chairman of the National Defense Commission, head of the party (which he runs through the Organization and Guidance Department), and also operates through his family and long-time friends. Kim, Jong-un is now Vice-Chairman of the Central Military Commission, and key military figures are now in high positions in the party. Important officials who will mentor and assist him include: U, Dong-chuck – first deputy director of the State Security Department
 Chu, Sang-song – head of the Ministry of People's Security
 Kim, Kyong-hui - Kim, Jong-il's aunt
 Chang, Song-taek, husband of Kim, Kyong-hui
 Kim, Jong-un supposedly helped plan the attacks on South Korea in 2010 and holds a position in the State Security Department. The children of some of the highest ranking members of the elite, the "Bonghwajo," are now moving into positions along with Kim, Jong-un and presumably form the core of his power base. Other close associates of his father's believed to be Kim, Jong-un supporters include General Ri, Yong-ho, Chief of Staff of the army, Kim, Yong-chol, a general in the SOF, and General O, Kuk-ryol on the National Defense Commission.

Within the armed forces the General Political Bureau operates the political officers at every level and provides political education to the military personnel. This is paralleled by the Military Security Command which reports to the State Security

Department and has military officers monitoring the armed forces at all levels. As in other parts of the state, there has been significant shuffling of officers in the past two years. While this is meant to prevent serious collusion, it may produce significant instability as well.

This strengthened repression included in 2010 a tripling of executions compared with the year before, many of them public, and some mysterious deaths as well. The targets were high party officials, state officials, State Security officers, and at least 30 officials who participated in talks with the ROK in recent years. Nevertheless, foreign observers think Kim, Jong-il's power is weaker at this point than his father's. Thus the succession process might generate some instability. Many believe the key is how long Kim, Jong-il lives – the longer the better for his plan to safely turn over rule to his son. A fully successful succession will be very difficult to achieve – perhaps the chances of it are about 50-50. The military forces could splinter; there could be strong bureaucratic conflicts, the state could implode.

PAPER: “Negotiating with South Korea and the U.S.: North Korean Strategy and Objectives”

Dr. Cheon, Seong-whun serves on Policy Advisory Committees for the Ministries of Unification and National Defense, and the Parliament's Advisory Commission to its Foreign Affairs, Trade, and Unification Committee.

North Korea has long had a standard negotiating strategy, Dr. Cheon emphasized. In general, the public strategy is relatively conciliatory and deceptive, while privately the North prepares for war or military provocations – a kind of double strategy. It might be termed a “digging tunnel strategy.” Its rhetoric masks its true goals. This began in the run up to the outbreak of the Korean War, and was used when the North engaged in discussions with the ROK in the 1970s while secretly tunneling under the DMZ. The negotiations led to a famous joint communiqué in 1972 but only two years later the first underground tunnel was uncovered.

Thus in the last 20 years the three major nuclear program agreements signed by the North have eventually been violated by the North. A Joint Denuclearization Declaration was signed on December 31, 1991 to eliminate all nuclear weapons - possession, storage, deployment, or use, as well as all reprocessing and uranium enrichment facilities. But over the years the North has built a large reprocessing plant at Yongbyon, extracted plutonium and produced more, developed the HEU program, withdrawn from the NPT, conducted two nuclear tests, and transferred nuclear weapons related materials to several other states. The ROK response, eventually, was to feed the North aid with few conditions (the Sunshine Policy), which was a national disgrace. On October 21, 1994 North Korea signed the Agreed Framework with the US. It was supposed to halt DPRK efforts to develop nuclear weapons, but it set up an HEU program and by then had a secret agreement with Pakistan for technological cooperation on developing nuclear weapons and missiles to carry them. Dr. A. Q. Khan visited North Korea ten times or more and North Koreans visited Pakistani nuclear facilities. The North Korean nuclear threat got no better after the Agreed Framework than before.

The September 19th Joint Declaration arising from the Six-Party talks led to similar results. During the negotiations the North ignored many “red lines” – on reprocessing, on uranium enrichment, on proliferation. It started to build a reactor in Syria and accelerated cooperation with Iran on nuclear weapons and missiles. Just like North Korea, Iran has insisted its plutonium production is for peaceful purposes and that it is enriching uranium for a light-water reactor that has yet to be built.

The DPRK regards the US military presence and the alliance as its chief obstacle and works hard to eliminate them. Thus the justification offered for the North’s nuclear program is the threat from the US that the US should take steps to ease. It has used the promise of abandoning nuclear weapons programs to get the US to promise not to threaten to use nuclear weapons or other military force against it. Today it is using the promise to abandoning its nuclear weapons to encourage the signing of a peace treaty ending the armistice agreement – the peace treaty to come first to establish the proper degree of trust. The North has particularly targeted the Northern Limit Line in the West Sea in its provocations, with five naval events since 1999, yet another challenge to the Armistice Agreement. Repeated efforts by the North have eroded American resistance to these requests, starting in the Clinton administration and with further movement in this direction by the Bush administration. They were encouraged to do this by the Kim, Dae-jung and Roh, Moo-hyun administrations and their pro-North Korea policies. Such steps would actually create an impression that the armistice and UN Command are responsible for instability on the peninsula and the DPRK nuclear weapons program. This is the stance the North takes in trying to exclude the South from serious negotiations, describe the Korean War as a national liberation war against the US, and strengthen pro-DPRK factions in the South.

A cold war still exists in Northeast Asia. It is premature to enter into a peace treaty. The North’s military threat along the DMS and from its missiles and its chemical, and biological weapons is too great. The North Korean position has it backward – one builds trust and confidence *before* a peace treaty, by reducing the threats North Korea poses. And why have a peace treaty with a “chronic violator of agreements?” The peninsula remains safe mainly because of the armistice, the UNC, and the alliance.

The great constitutional struggle over the peninsula continues. The North’s tunnel strategy shows that we can have no illusions about its real goal. Unfortunately this is not readily understood by some people in the US. Thus Victor Chen says the North never fires off missiles or torpedoes when engaged in negotiations with the US. Actually, in 1998 the North tested a Taepodong missile in the midst of the talks on a missile moratorium, mounted missile and nuclear tests only a year after the September 19 Joint Declaration, and conducted another nuclear test after the US announced it was prepared for talks with the North. The North can hardly abandon its aim of unifying the peninsula under its rule, and thus its strategy of saying one thing and doing another.

The Chair concluded the initial stage of the panel by saying that the paper offered an “enlightening” analysis. He invited comments by the discussants.

DISCUSSANTS

Robert Collins called the papers excellent. A key word in Dr. Cheon's paper is "bait," with North Korea using its nuclear programs as "bait" in dealing with the US and others. Prior to Kim, Il-Sung's death we had no reason to be deeply worried about the DPRKN nuclear threat. Look where we are now. With the way things have been going, where will we be in 2020? Dr. Cheon points out that the North has now constantly focused on and invested three generations in its strategy, at huge economic cost. This must be understood in assessing plans for negotiation. The entire North Korean national strategy is oriented toward deception. The Bush Administration clearly conceded a great deal for the useless 2005 agreement – a good example of what to avoid. By 2020, who will we be blaming?

A question for professor Cheon: what will we put on our COKUS banner for a meeting in 2020? The American people are naïve about the North Korean threat; *it is our number one threat*. Not Iran, nor Al Qaeda. It is the nuclear weapons and proliferation threat from North Korea. Another question: what will be the impact on the ROK if North Korea's nuclear technology ends up being used on another country, by North Korea or someone it deals with?

As for the Bechtol paper, it helps us see that no benign scenario fits such a militarized state as the DPRK, one with such an economic system. How can we maintain a viable defense against it, with a North Korean gun up against the heads of the alliance members? By 1994 the common view was that North Korea's military effectiveness had peaked, but Bechtol shows this was incorrect. The North Koreans are smart; they noted the military trends and they adjusted. Various questions arise in looking at this. For example, with the artillery threat and the chemical weapons threat to Seoul, can the combination be turned into a terror weapon against the ROK? Another: with the reorganization of intelligence functions (particularly of the General Reconnaissance Bureau) how does this enhance the threat posed by the North's SOP forces?

A late addition to the panel discussants, **Dr. H. Hwa Jung** opened his remarks by noting that North Korea has been closing off access points in recent months. The economic situation is obviously encouraging this. But maybe it is also being done to downplay the impact of the Arab Spring. In a recent National Assembly conference, one speaker said the North now has tactical nuclear weapons. Given its economic situation how can North Korea afford to develop nuclear weapons? Bechtol's paper says the economic situation is miserable but its military capabilities are being improved. How is this possible? How does it afford to adapt so effectively via asymmetric military capabilities? It seems the North can sustain such efforts regardless of cost.

Bechtol indicated that an uprising is unlikely, but suggests at the end of his paper that an implosion could occur under Kim, Jong-un. The Kim family dictatorship is now over 50 years old, built and maintained on the idea of divide and rule. This seemingly cancels out a revolution from within. Thus, is there a good *external* way to contain and eventually disrupt the regime?

On the Cheon paper – shouldn't North Korea's tactics be compared with Japan's in the days of its expansion?

GENERAL DISCUSSION

A Korean member of the audience posed this question for Bechtol. With the various military incidents the North has provoked in the West Sea in recent years, the threat is clearly always there. What might we expect along these lines in the future? Another audience member, **General Lee**, asked what the North's strategy for influencing next year's ROK elections might turn out to be. **Patrick Morgan** (rapporteur) said that Bechtol's paper would be stronger if it provided a net assessment of the military situation – comparing the North's steps to strengthen its military position with the major adjustments made by the Alliance. **Mel Gurtov**, following on in this vein, asked what a net assessment done in Pyongyang would look like. Have US and ROK military steps ever stimulated North Korean reactions? Dr. Cheong (like others) is pessimistic about dealing with North Korea – isn't there something we need to talk about with the North other than its surrender?

In contrast, **Mr. Kim, Soo-yong**, praised the Bechtol paper and asked what differences might he suggest exists between the personality of Kim, Jong-il and that of Saddam Hussein, or Khaddafi. A Korean audience member noted that North Korea developed chemical weapons some time ago, and now has a few nuclear weapons. But has the threat changed as a result? What is the real threat to the ROK from this?

Panelists' Responses:

Dr. Cheong returned to the question of what to expect by 2020. He said his fear was another Vietnam War – in Korea. The DPRK continues to survive, has nuclear weapons, and now has some ICBMs. It says it will adhere to a no-first use policy on nuclear weapons. It will continue pressing for a peace treaty – using “bait” as usual. What if the US makes a positive response: signs a peace treaty and pulls out of the ROK. North Korea might then be able to seize the South. As for the North sending nuclear weapons materials to a third country and then this was exposed, the South Korean response would be to condemn the North and seek a strong international reaction to those developments. But the ROK would also oppose war with the North, in part out of fear of a possible nuclear attack on Seoul. Thus North Korea had achieved an enhanced, more effective threat vis-à-vis Seoul.

General Lee is right to bring up the question of how the North will try to influence the ROK elections next year. Certainly it will seek to have some impact. Most likely, it will use tactics like those outlined in the paper. On engaging North Korea in negotiations: it is not impossible to talk with the North and maybe make some progress. But past US and ROK administrations did not really understand North Korea. Its goals have not changed, and really can't change if it is to survive. Thus it has a very monotonous strategy. However, the US tends to see North Korea, mistakenly, from a

Western perspective. We need a clearer view of the North and its strategy, and a clearer strategy of our own.

On whether North Korea was building effective terror weapons, **Dr. Bechtol** suggested that a capability to produce up to 200,000 deaths just in Seoul should be effective. On DPRK intelligence sector reforms, the result is central control under a single member of the Military Commission. Meanwhile, North Korea has paid for the military adjustments it has made essentially by squeezing the domestic economy – it suffers from the demands of the armed forces. The SOP forces have been considerably enlarged in part by cancelling other military units. Jung referred to the strategy of divide and rule, but it has been successful because there was a strong central leader using it. Without such a leader, the strategy won't work.

Should we expect more North Korean provocations? It is difficult to say. The North has often shifted the means used. It always arranges to have a reliable capability to employ. The provocations always eventually take place. It is hard to say what an appropriate response would be – which is why the problem has not gone away. On a net assessment of recent military improvements on both sides (Morgan's comment), the ROK White Paper of 2010 would be a good place to start. On the Gurtov comment – I can't agree. North Korea has adjusted to Western military improvements consistently.

Finally, on comparing personalities of dictators, no model will fit all, in part because the cultural differences are substantial. On a possible North Korean implosion, a violent uprising is less likely than an implosion – but this is not certain and I could be wrong. The largest threat now to the ROK probably is the North's SOP units and other asymmetric elements. But they don't take ground and hold it. North Korea seems to have been planning to seize Seoul and then use that as a basis for negotiating unification.

The Chair said, on who we will be blaming if the situation deteriorates significantly by 2020, that it is deteriorating in the direction the questioner suggested. With that the panel was applauded and the conference adjourned for a coffee break.

PANEL III: "North Korea's Relations With China and Russia"

CHAIR: Professor Hong Nak Kim, West Virginia University, member of the COKUS Board of Directors

PRESENTERS:

Mr. Gordon Chang, Senior Analyst, Forbes Company
Professor Lee, Ji-sue, Myung-Ji University

DISCUSSANTS:

Professor Mel Gurtov, Portland State University, Editor of *Asian Perspective*
Dr. Chung, Eun-sook, Vice President, and Senior Research Fellow in the Office of Regional Studies, of the Sejong Institute

The Chair said it was an honor to moderate the panel. He pointed out that Russia and China have played very important roles in peace and security in the region and will do so in the future of North Korea as well. The interrelationships here are very complex and getting a full grasp of them here may be impossible.

PAPER: “Policy Implications of DPRK-PRC Relations

Gordon Chang is the well-known author of *The Coming Collapse of China* and *Nuclear Showdown: North Korea Takes on the World*, and has given briefings for the National Intelligence Council, the CIA, the State Department, and the Pentagon.

With the chair describing him as an important scholar with an excellent paper, Mr Chang - anticipating rising instability and uncertainty - pointed to a tangle of changes now taking place: inside China’s Communist Party, in the North Korean regime, and in the China-DPRK relationship. The relationship was quite stable as a personal one between Mao and Kim, Il-sung, old revolutionary comrades. Now it involves Chinese leaders who know much less about the North, and Kim, Jong-il who purged officials close to China in the 1980s. Ties have long been strained, especially when China moved quickly after the Cold War to establish close relations with the ROK and interact more elaborately with Japan and Russia. Its leaders now suffer from “Pyongyang fatigue,” finding the regime embarrassing and Kim family rule very uncomfortable.

Still, they probably knew in advance that Pyongyang was going to attack a ROK vessel, then worked to prevent UN Security Council condemnation and to discourage the US from sending the George Washington into the Yellow Sea, thereby giving Pyongyang encouragement to try a second attack on the ROK. Suggestions China is ready to break its ties with the DPRK are clearly unwarranted.

Many observers believe “China and North Korea have the world’s oddest bilateral relationship.” As a result, North Korea is one of the world’s weakest states yet one of the most effective at getting its way. The Sino-DPRK boundary line is arbitrary, with Koreans on each side, and difficult to control. Chinese have long viewed Koreans as inferior, and see the peninsula as a natural part of their sphere of influence. Meanwhile, North Koreans do not care for them. They get 90% of their energy, 80% of their consumer goods, and 45% of their food from China, much of it as aid, but show little gratitude because China has little choice on whether to support them. China settles for knowing it can get North Korea to toe the line when it really insists. And China’s influence is growing as Sino-North Korea trade rises (now 51% of the DPRK’s total trade), its aid (now more than half its total aid) is up some 400% since 2004, and its foreign investment there went from \$1.1 million in 2003 to over \$41.2 million in 2008. Current plans call for huge investments in the Rajin-Sonbong economic zone, and in the area near the Chinese city of Dandong. Some South Koreans fear China might end up making North Korea virtually its 4th northeast province. Each is the only military ally of the other, and they are closer now than at any time since the Cold War ended.

The armed forces have growing influence in both countries and this is hardening their policies and politics. In China we see a remilitarization, like the military's crucial role in the revolution or the Cultural Revolution or in Tienanmen Square. The military's slump under Jiang Zemin is being reversed under Hu Zintao, as it is called upon to keep order in the face of rising discontent and embody the nationalism the leadership promotes to bolster its legitimacy. Military leaders have emerged as power brokers inside the Party, their price for supporting Hu when he courted them to undermine the Jiang clique, and will play an important role at the 18th Congress next year – they may end up as the leading faction in the Party. Hence the rising defense budgets in excess of the country's economic growth, promotion of hawkish officers, and more assertive foreign policy. Senior officers sometimes act independently of top civilian officials or criticize them openly. Splits in the Party with elections approaching have given the military added leverage. Defense Secretary Gates noted the “disconnect” between military and civilian leaders in January – the one-party system is fragmenting.

In North Korea a similar development is occurring, though less obviously. Kim, Jong-il's illness permitted the rise of brother-in-law Jang Song Thaek, Kim, Jong-un, Kim Kyong Hui (Kim, Jong-il's sister), and top military officers. They also benefitted from Kim, Jong-il's plans for military provocations. This is probably why Ju, Sang-song, chief of security forces, was demoted in March. Increased reliance on China has also benefitted the military as it maintains the closest ties with China. The huge jump in mineral exports which are mostly controlled by the military, has China taking over 60% and developing new mining ventures in the North. In such a political system, decline of the top leader will create uncertainty, turbulence, and probably a long period of flux. The rise of hawkish elements probably explains the North's provocations and China's staunch support. There are reports of Chinese troops beginning to move into the North once again. They are unconfirmed but may constitute signs of China's rising influence and investments that may have stimulated talks about a possible Chinese military presence, despite Juche ideology, with the DPRK amenable because China is its only backer.

Frictions between Kim, Jong-il and Chinese leaders were readily apparent in Kim's trip to China in May – about aid, for instance. But he may get away with this, and provocations vis-à-vis the ROK, because of a better reception in Beijing now from the more military-influenced leadership. We must anticipate a cooling of the China-ROK relationship. Beijing's relations with Seoul will be fundamentally unstable, even as their trade grows (China accounted for 25% of ROK trade last year.) There appears to be solid support for Pyongyang in the Politburo's Standing Committee.

For some time Beijing has been considered a constructive force in efforts to curb DPRK nuclear proliferation. But when the sanctions on Pyongyang grew in 2006-9, Pyongyang stiffened its position. Why? Probably because China was lending strong support. It flouted the sanctions. This was contrary to Bush administration expectations that a new generation of Chinese policymakers were more committed to nonproliferation and would not militarily back the DPRK. China officially supports resuming the Six-Party Talks, but if it was really serious it has the leverage to bring North Korea around if it wants – if the North isn't cooperative China either condones this or does not care. And

Chinese leaders are also influenced by their sense that the US is fading rapidly and China's rapid rise will continue – they no longer need to get along with the US.

What should we expect now? First, the Chinese military will continue providing assistance to North Korea's nuclear program, much like it did with Pakistan. Second, China will continue to be obstructionist at the UN. This is giving North Korea time to continue developing missiles that can reach the US. China knows the North will not cede its nuclear and missile programs – that the talks will be meaningless.

This will have repercussions beyond East Asia – Iran follows very closely US treatment of the North Korean problem and North Korea's success in becoming a nuclear state is encouraging Iran's proliferation effort. The US sent the wrong message in initially bowing to Chinese objections to the George Washington entering the Yellow Sea. Hence the North Korean problem is not an isolated one in international politics. The nonproliferation regime could well collapse with the North Korean case. China has been in the forefront of assisting proliferation for years – helping Pakistan and North Korea after promising not to. Under Mao and since, China has been less worried about the danger of nuclear weapons than other governments.

Since a “newly assertive China” is supporting “an increasingly aggressive North Korea” a dangerous dynamic is at work in North Asia today. Might Chinese leaders try instead to exploit the growing Sino-ROK economic ties and expand that connection into a true strategic partnership, setting aside North Korea? There are no signs of this, no consensus among Chinese leaders on going this way.

The Chair suggested that we now know why China-DPRK relations have warmed up considerably – the parallel rise of military forces politically in the two governments.

PAPER: “Policy Implications of DPRK-Russia Relations”

Professor Lee, Ji-sue received his Ph.D from Moscow State University

Professor Lee noted that he had not only studied in Russia but has often visited there. In his view Russia is moving back toward its Soviet past, toward policies of the old Soviet Union, something the return of Putin will reinforce. On the coming succession in the North, as in some other countries actual power in North Korea may have little to do with the constitutionally designated power of the various offices (Deng Xiaoping was a good example). Gaining actual power will rest on many behind the scenes factors, and also on the attitudes and actions of neighboring countries. This was very evident recently in the political shift of power in Libya.

Most political leaders and groups want to retain and strengthen their power. There are two main approaches to this. One is repressive, the other seeks to gain support. In the DPRK, China, and in Russia the former is dominant. In those nations power manipulates and watches the citizens, hunts down opponents, controls the press and persecutes opposition media. The North uses a very sophisticated control system. There is little connection between the society and the outside world. Some analysts think

economic connections can be important, like the Kaesong Complex, but in fact that complex is very isolated just as the North Korean approach to rule requires. The ROK only gains access to some labor and land. In general, contacts with the outside are limited, and when the limits are relaxed tension with outsiders is created to reestablish the controls. Hence cooperation with the ROK is not opening up North Korea. Kim's power is used to do joint projects but not open up to outsiders.

With similar political systems, Russia and North Korea have a friendly relationship. Power is exercised well beyond political institutions and legal boundaries. Popular support is of limited importance. Spy agencies have recently gained considerable influence, eroding the control of the Party. After the Cold War DPRK-Russia relations deteriorated, then revived under Putin as the two political systems became more alike. There is similar opposition to organizing the world along Western lines and preferences. The intelligence agencies have been instrumental in enhancing their governments' relations. What are the prospects? Russia will continue supporting North Korea against sanctions or blockades. It will continue to check American influence on the peninsula and keep up its strategic competition with the US. It is hard to see how reform in either country can be expected via the rise of public opinion. In North Korea negotiation and cooperation with the outside world will continue to be limited to whatever does not put the regime at risk. North Korea will continue getting Russian aid, used by North Korea to weaken US influence in East Asia. Putin stresses Eurasia as a concept integral to Russia's identity, such as thinking of the Trans-siberian railroad connecting to railroads running to Seoul, helping the DPRK along the way, carrying Russian oil to the ROK and ROK goods to Russia and on to Europe.

How should the US and ROK respond? Their relationship has become very strong, mutually beneficial. The FTA will only strengthen this. Korea is now able to militarily contribute to the alliance to a much greater degree. They need to pursue better relations with Russia as one way to improve their interactions with North Korea, and pursue them in a cooperative fashion. This is the best way to tackle the problem of North Korea. Those better relations could spread, appealing to North Korean elites

The Chair said it is clear the political culture is an important factor shaping state behavior. At least Russia is now a democratic republic, not like the old Soviet Union.

DISCUSSANTS

The Chair described the discussants as very distinguished. **Dr Mel Gurtov** opened his remarks by describing the papers as "unconventional" and thus quite interesting. Both use internal factors, not national interests, to explain the two nations' foreign policies. Gordon Chang poses the dilemma of China having "Pyongyang fatigue" yet supporting it. He stresses the rising power of the armed forces in Chinese politics as the explanation. However, he overstates this. The power of the PLA has not basically risen at all. Certainly the armed forces have changed, but China's entire administrative structure has become more professional, younger, more outspoken, etc. So when the officers speak out more now, this is not a surprise. This is not defiance of civilian

authority; that would have vast political implications. There is no sign of the militarization of politics in China. Instead, there is lots of diversity.

On China-North Korea relations, why abandon the older concept of China having a two-Korea policy, separate sets of economic and military interests with the two Koreas? Thus the ROK has also hosted many Chinese military delegations, and China does not, therefore, see closer economic relations with the DPRK as a big deal. China wants the DPRK afloat as long as possible, to do nothing to weaken North Korea and maybe cause its downfall. This reflects, as well, China's opposition to "hegemonism." It is therefore balancing two balls in the air even though the DPRK is weak and even might disappear.

Of course, there is plenty of North Korean nationalism, resentment of China's presence, power, and neocolonialism, and opposition to direct Chinese-ROK military interactions. From this perspective, North Korean provocations can seem really aimed at entrapping China while enhancing Pyongyang's leverage with it. The military-to-military links are therefore not very important. Chang contends the PLA has been pushing nuclear proliferation but is China really willing to risk "nuclear winter" on this, as he seems to be suggesting? Even so, Gordon's paper was very provocative and well written.

The Lee paper is well worth reading but, once again, is too one-dimensional. The focus is on both leaderships running "control dependent systems." But Russia is far more democratic and professionalized than this suggests, with more, and more open, competition. Many other relevant factors deserved consideration. The paper should also cite Russia's disagreements with the North, particularly in recent years. Other explanations will likely to do a better job handling Russian-North Korean agreements and disagreements.

The second discussant, **Dr. Chung Eunsook**, agreed that both papers stress domestic factors and simplify their explanations. And both are very interesting. Support for North Korea from both China and Russia has been quite important. On direct influence, Russia cannot match China's. Russia has been edgy at times in dealing with the DPRK, like on the talks with Pyongyang. Russia sees participating in the Six-Party Talks as one of its major achievements. It uses them to influence both Koreas. But Moscow is really a junior partner to Beijing, and its trade with the North is miniscule. That is why it has tried to promote a Russian gas pipeline down through Korea, to bolster Russian influence. But the plan is premature, economically and politically. Ultimately, Russia wants to be a great power in Korean matters, which is not wise.

GENERAL DISCUSSION

One member of the audience agreed with Gordon Chang's overall view, but asked if that pessimism might be eased if better US-China political/military ties emerged. And how will a change in generations in China's leadership alter and affect China's links to the Koreas. And is there a Chinese contingency plan on emergencies in North Korea?

Dr. Lee was asked, by an audience member, whether the parallels drawn between Russia and North Korea were accurate. Of course, since 2000 Russia has become more authoritarian. Power has been centralized much like it has by the Kim family. But aren't the difference in the two regime significant? For instance in the Lee analysis there should be significant parallels in their international behavior, but do those exist? And isn't North Korea hoping to play China and Russia off against each other?

Mr. Chang was the first to respond. China is the most dynamic state and society today. As a result, major shifts in international relationships are highly likely, should be expected. Many see an erosion of the center and of civilian authority happening now. And China's foreign policy has become more assertive, involving more quarreling with many governments at once, a big change. China is not helping curb nuclear proliferation by Iran, which is very dangerous. On Chung's comments, the US actually wants better ties with China but Beijing is currently feeling too potent. Some Chinese leaders see war with the US in the next 5-10 years or so! The civilian leaders are not going to be driving foreign policy for some time to come – especially the ones new on the job. Also, why wouldn't China want more influence in North Korea if it can get it? **Dr. Lee** commented that people see a lot of continuity in Russia and North Korea politically these days.

A retired Major General (ROK) said he has learned much from the discussion, and asked if Chinese and North Korean leaders could control their hard line military leaders. Will China and the US need each other to deal with the North Korean problem? In a crisis will China militarily intervene in North Korea? **Chang** replied that the US and China don't need each other as much now as they used to. They are diverging in policies and goals. **Goodman** said - on whether China will intervene - that depends. China has warned the DPRK it will not defend it if it provokes a war. However, China entered the Korean War in 1950 when American forces entered North Korea. The question is, would it do so if, this time, it was ROK forces that entered? Beijing wants to keep others uncertain about what China might know and do. So what it *will* do, we can't say.

A Korean member of the audience said that apparently Kim, Jong-il has paranoia, is narcissistic, has serious mood swings. This is responsible for some of the harm North Koreans suffer. It is important that we subvert the regime and free the citizens – we need to absorb it. In a crisis, if China intervenes the US should also.

On that somewhat ominous note, the conference adjourned, just after 6:00 pm, for dinner.

Dinner Address

General Kim, Jae-chang introduced the dinner speaker who was sitting in for the Minister of Defense, sponsor of the dinner. **The Honorable Young, Geol-lee** is a ROK Vice Minister of Defense. From Busan originally, he studied at Seoul National University and is a former Vice Minister of Finance. General Kim explained that the

Defense Minister had been busy participating in the SCM with US Secretary of Defense Leon Panetta and other top US officials.

Vice Minister Young started by congratulating the organizers and conference sponsors for putting together a fine gathering. He expressed great respect for General Tilleli, General Kim, and the conference participants. The current international environment is, of course, very dynamic due to North Korea's military provocations, nuclear testing, etc. And the North is very focused on the succession and on its military-first policy. It might well attempt another provocation next year given the US elections, and when ROK forces are in the midst of getting ready for the OPCON transfer. All these factors make this conference very important.

The renewal of the Six-Party Talks is now pending. It is not certain the North will do what is necessary for an agreement. If there is another major military provocation the ROK will retaliate, will abandon its traditional pattern of tolerating such behavior by the North. In the meantime, it will continue pursuing defense reform. The talks can resume if the North apologizes for the attacks last year on the ROK, and if it agrees to abandon its nuclear weapons policy and wants to join international society. The ROK's position on all this is rational, and open.

Clearly big security challenges lie ahead next year. The ROK is heartened by the support it has received from many governments. Russia, China, Japan and the ROK are increasing their security cooperation, and many other governments now cooperate strategically with the ROK. Recently the allies have put the alliance in its strongest state ever, via the FTA. We now have a blood force alliance, mutual in character, defending our common prosperity. The 43rd SCM is under way right now, taking steps to further deepen policy cooperation on North Korea.

This conference can also work for greater peace and security. The Minister offers regrets that he could not attend, and I offer congratulations and good health once again to the organizers for their excellent work, and to the participants.

General Kim then offered a toast to **Ambassador Oh, Ja-lee** and invited him to make a few remarks. He said he was honored by the opportunity. The discussions at the conference were productive today, and there will be more tomorrow. The dynamic security environment today means this conference will contribute to the security of the region. The rise of China in recent years has led many people there to conclude that the Cold War international system is eroding. They describe the US-ROK alliance as a remnant of the Cold War, the reason the Cold War continues on the peninsula. But the Cold War ended because of the demise of the Soviet Union, not NATO. The most effective step we could have now on the peninsula is to get the PRC out of North Korea and out of supporting it. Meanwhile the US-ROK alliance serves this area like NATO has in Europe. We must hope that the alliance continues so as to enhance security in the region, and that this conference will promote further progress on this. Ambassador Oh then offered a toast to the general friendship and alliance of the United States and the Republic of Korea.

PANEL IV: NORTH KOREA'S POLICIES TOWARD THE ROK AND THE UNITED STATES

CHAIR: Dr. Hugo Wheegook Kim, COKUS Co-Coordinator and Member of the Board of Directors; President – East-West Research Institute. He served in the ROK army for a number of years before getting a PhD and building a career in the US.

PRESENTERS:

Professor Choi, Wooseon, Institute for Foreign and National Security (IFANS)

Professor James I. Matray California State University, Chico

DISCUSSANTS:

Mr. Greg Scarlatou, Executive Director – Committee for Human Rights in North Korea (HRNK)

Dr. Song, Dae-sung, President, Sejong Institute

Professor Kim, Jae-chun, Dean of the Graduate School of International Studies at Sogang University

The panel opened just after nine o'clock on Friday morning. After introducing the panelists the Chair said he hoped the panel would display consensus from diversity as a first principle, the application of different methods of analysis as a second, and efficient time sharing as the third. He mentioned that he had once run a conference in which diverse views were presented, then, on the second day, a participant objected to another having even been invited! If everyone at a conference is expected to agree, why hold it?

PAPER: "DPRK-ROK Relations: Policy Limitations and Possibilities [North Korea's Quest for Nuclear Deterrence]

Dr. Choi, Wooseon, a professor at IFANS, has taught at several institutions in the US and has authored several publications on US-China affairs

In opening his presentation, Dr. Choi took note of the widespread skepticism that North Korea will ever abandon its nuclear programs. Why did this problem become so difficult, and what is the best option for the allies now? Victor Cha and others say that any dealings with the North now should be pursued for maintaining stability, not denuclearization. North Korea has been striving to achieve nuclear deterrence out of fear of the US and an increasingly powerful ROK, and will not part with its nuclear weapons.

North Korea initially sought to normalize relations with the US via the Agreed Framework while keeping a small nuclear arsenal, but the Clinton Administration delayed normalization and eventually, too late, linked that to abolition of the DPRK's nuclear and missile programs. North Korea had made a bad decision to undertake an enriched uranium program as a security backup if trouble arose after its plutonium program had been dismantled. Then the hard line policies of the Bush Administration led Pyongyang to take any opportunity to enhance its nuclear program, eventually testing

new missiles and a nuclear weapon, partly as a strategy to extract concessions and partly out of a deep security concern. While the second Bush administration tried a less harsh approach, it failed to appreciate the depth of fear and distrust in North Korea, which has a long history of having a strong sense of insecurity and vulnerability. Thus, like the Clinton administration, the Bush administration sought early and complete verification of DPRK denuclearization while the North insisted on delaying that in case the US did not move to normalize relations. In recent years the North has pushed its nuclear program to a higher level and continued its missile development efforts. It won't give those things up because "they are the surest guarantee of its security." It might accept freezing those programs but only if really reassured through full normalization of relations.

The US in recent years has agreed with China on the need to reopen the negotiations, hoping to stabilize the situation on the peninsula. But it insists the North show its sincerity first. China wants the denuclearization but insists on stabilizing the regime as a strategic buffer vis-à-vis the US, so it continues its political and military support of the North. Under Lee, Myung-bak the ROK has been committed to a mix of pressure and engagement, but is becoming more flexible over time. It recently held talks with the North about resuming the negotiations, even after the Cheonan and Yeonpyeong Island attacks. But the attacks worsened North-South relations, and seem to have been linked to the succession situation in the North. They put pressure on the allies to show resolve and raise the threat of a renewed crisis.

Still, Pyongyang has recently moved toward getting the Six-Party Talks resumed, while calling for no preconditions. Its motives are unclear: a tactical peace offensive? Another effort to extract economic concessions via brinkmanship? Serious bargaining about its nuclear weapons? Nevertheless, the US and ROK must pursue negotiations, to stabilize the peninsula at a time of political succession in the North. But they must insist that the North agree to IAEA inspections, a moratorium on nuclear and missile tests, and including the enriched uranium program in the talks as preconditions.

The prospects are not good. The two sides have deep mutual mistrust. The uranium enrichment program makes it much more difficult to do the necessary verification. The North's nuclear tests have weakened its bargaining position by cutting the allies' incentive to make concessions. But if Pyongyang shows real interest in a deal, the ROK and US should seek a grand bargain based on normalization and economic benefits for no DPRK missiles able to reach the US and stabilized North-South relations. Without such a deal the US and ROK must keep up the pressure via sanctions and steps to retard the North's nuclear programs. The North must be reassured – its fear is now much exaggerated and the problem of the North is also exaggerated.

Why will getting a deal be so difficult? Many reasons.

- 1) Rising distrust between the North and the US, ROK, and Japan. This needs to be set aside to get an agreement.
- 2) Weak political leadership now in Japan, the ROK, and the US; lack of a clear plan and the will to carry it out, especially in the US.
- 3) Higher suspicion about possibly hidden facilities, due to the HEW.

- 4) shifting bargaining power for the North, with its weaker leverage.
 - 5) the China factor – China is hard to deal with, but often shifts toward being cooperative.
 - 6) numerous domestic problems in the US and the North
- So while trying for a deal is worth a try, the possibility of success is limited.

PAPER: “Needless Quarrel: George W. Bush Confronts North Korea”

Professor James I. Matray has published more than forty articles, chapters, and essays plus at least three books on US-Korean relations.

Praising Generals Kim and Tilleli, and thanking Hugo Kim for sustaining a great organization, **Professor Matray** said it was an honor to participate in the conference. He began his long paper with some recent history, and said that as a historian he had no inclination to predict and would concentrate on the Bush Administration. The thrust of the paper is:

The Bush Administration instigated the 2nd North Korean nuclear crisis;
 It wasn't just seeking the regime's nuclear disarmament; it wanted its destruction, though it is unclear whether this was its goal before it took office or became so shortly after;
 The strategy was proposals the North would not accept, to isolate it and get heavy sanctions applied;
 A DPRK collapse was to come as part of defeating Iraq and ending the Iranian regime.

On October 13, 2008 the DPRK lifted the ban on UN inspection of the Yongbyon site because the US had removed it from the state-sponsor terrorism list, allowing the North access to IMF funding. A key for the North was US agreement that inspections would require mutual consent. But the US then created roadblocks in negotiations for the entire Bush Administration – its primary goal was eliminating the DPRK and, more broadly, regime change in other hostile nations. That is why the North was called a rogue state with no respect for human life. Needed was honest communication with the North to avoid misperceptions and instability. The policy reflected Bush's skepticism about negotiating with such governments at all.

ROK “sunshine policy” efforts led to little because the Agreed Framework was poorly implemented by the US, especially on constructing nuclear reactors. Contributing factors were the East Asian financial crisis; Congressional resistance to funding the agreement implementation; the North's missile firing over Tokyo; Bush's rejection of the ROK sunshine policy; and the administration's desire to avoid any policy associated with Clinton, even as the North introduced some economic reforms and slightly opened up to outsiders for business purposes. Pyongyang was therefore suspicious. It readily moved to increase its hostility, seeing nuclear weapons as even more necessary for its security.

The Bush administration wanted to isolate Pyongyang, a popular goal since many viewed Kim, Jong-il as insane and North Korea as a profound threat to world peace. Its huge arsenal was cited, but much of it was and is antiquated. The ROK had better military equipment and spent far more than the North on defense, but the emphasis was on how the North might field a missile able to reach California. US preconditions in 2001 for talks with Pyongyang included that they cover not only nuclear weapons and

missiles but human rights violations plus major verification steps. Meanwhile the administration approved a revised OPLAN 5027 for a counteroffensive after a DPRK attack to secure the North's complete defeat. After 9/11, Bush's "Axis of Evil" speech linked North Korea with Iraq and Iran, and helped promote other goals such as missile defense and enough pressure on the DPRK to force its collapse. What Victor Cha called "Hawk engagement" was avoiding hardline coercion and isolation in favor of:

Keeping the Agreed Framework;

Verifiable controls on the DPRK nuclear and missile programs and exports;

Modifying North Korea's conventional forces deployments;

Reciprocal DPRK steps for US/ROK compromises; and

Close coordination with US allies

But the real goal, on the assumption that Pyongyang would not be accommodation, was to get to charging it was inflexible and moving to oust it through sanctions, with pressure from even the North's allies. And the administration slowed work on the promised nuclear reactors. Its 2002 Nuclear Posture Review added that it might use preventive attacks against terrorists and rogue states with WMDs. Later it said that preventive attacks might be used to halt proliferation activities or counter an attack on the ROK.

The administration claimed the North had a uranium enrichment program as another route to nuclear weapons, when it might have just been an alternative way to fuel the North's prospective reactors, and the CIA said the North was cooperating with Pakistan not only on uranium enrichment but on missiles, through the A.Q. Khan network. All this was under wraps until James Kelly's visit to Pyongyang in October 2002 to confront Pyongyang about uranium enrichment and be told North Korea had the right to pursue nuclear capabilities given the US threat and admitting the uranium enrichment program existed. Analysts differ on why it reacted this way. Some say it was seeking to defy the US to impress its people and its neighbors, while increasing pressure on the US to make a deal. Others see it as further seeking a nuclear deterrent against a grave threat. Still others believe the regime did not actually admit the US accusations were correct, leaving the situation ambiguous. A month later, after Congressional approval of ousting Saddam Hussein, the administration suspended the Agreed Framework oil shipments. The North Koreans were irate. They promptly withdrew from the NPT, removed monitoring devices, expelled IAEA inspectors, and resumed reprocessing Yongbyon plutonium rods. Bush hoped international pressure would back the US the allies did not fully agree on the nature of the North Korean threat and how to deal with it. In fact the Six-Party talks became more like a "coalition of the unwilling," to contain US policy. The Chinese opposed the US and the ROK emphasized its sunshine policy, so North Korea exploited this.

In early 2003, Pyongyang offered to halt its nuclear weapons program for a nonaggression treaty, which the Bush administration rejected. US pressure continued, leading the North to fear an attack was coming. The administration had created a crisis out of ambiguous information about the North's supposed uranium enrichment effort. Critics said this killed the Agreed Framework, thereby reviving North Korean plutonium processing - a far more immediate threat. Some analysts held that Bush was trying to avoid further advances by the North, but others saw the administration as motivated more

by hatred of the regime, using the charges against the North to isolate it and allow the US to cancel its obligations under the Agreed Framework, with Kim, Jong-il as a logical next target after Saddam Hussein. Still others argued that the US objective was to undermine Pyongyang efforts to exploit the sunshine policy and improve relations with the ROK and other countries, by forcing US allies to join in condemning the North instead.

The war in Iraq then showed that the objective all along was regime change in rogue states, using 9/11, the claim that Saddam had WMDs, and then the charges against the North. At first, there was some success. Moscow and Beijing agreed to pressure Pyongyang on its nuclear weapons program, if only to forestall more forcible US action. In April, North Korea responded by offering a “grand bargain” in exchange for a nonaggression pact and other concessions. The US insisted on multilateral negotiations first. It also got Japan to increase sanctions, initiated the PSI, boosted US air forces on Guam and sent F-117 fighters to the ROK. It considered mounting a very threatening y exercise to force DPRK forces into expensive emergence status. But China, Russia, and the ROK refused to join the PSI, the multilateral talks did not go as expected, and the aftermath of the Iraq War eroded administration resources and support. Pyongyang could take a much tougher stance on having to accept US demands before receiving aid and other concessions. The Bush policies also greatly strained the US-ROK alliance. Russia, Japan, and the ROK favored a stronger engagement effort, suspecting the US was still looking for an excuse to attack the North. China was even more opposed to regime change and sanctions and mainly blamed the US for the stalemate.

Criticism grew in the fall of 2003 on US inflexibility and for attacking Iraq, not the government posing the real proliferation threat. In February 2004 only the US turned down a DPRK offer to *freeze* its nuclear program for substantial aid. In June the US proposed that China, Russia, Japan and the ROK provide aid if the North agreed to *dismantle* its nuclear weapons programs, adding a provisional guarantee not to attack or try to oust the DPRK government. But the aid was to be suspended in three months if the North did not accept international sanctions and dismantle its nuclear weapons facilities. North Korea called for more concessions first and warned it might test a nuclear device. Japan and the ROK continued dealing with the North, while China questioned whether there really was a North Korean uranium enrichment program.

In late 2004 the US continued overflights of the DPRK and instituted the North Korean Human Rights Act with money for radio broadcasts and human rights efforts by private groups. After the US election the North made conciliatory statements but Bush's inaugural address called for ending tyranny everywhere, and the US sought new ways to cut North Korean funds from abroad. In response, on February 10, 2005 the North announced it had nuclear weapons. The US rejected a DPRK proposal for bilateral talks and the North declared the Six-Party Talks dead. The other four objected to the US stance and Washington agreed to drop its verification demand so the talks resumed, the North insisting on aid, security guarantees, US recognition, and completion of the Agreed Framework reactors. By September, however, the US hit Banco Delta Asia with sanctions and in November asked again for complete verification and ended KEDO. Having tested missiles earlier in 2006 on October 9 North Korea conducted a nuclear test.

Not until Republican losses in the November elections did the administration produce a more conciliatory stance. Under a general agreement in February 2007 the North agreed to declare all its nuclear facilities and dismantle them in 60 days, in return for large quantities of oil, removal from the US terrorism list, and release of the Banco Delta Asia funds. But then the release was held up until June, after which the North closed the Yongbyon reactor and began dismantling other facilities. But Bush then asked Pyongyang for the number of its nuclear weapons, amounts of its nuclear fuel, details on its uranium enrichment program, and involvement in promoting nuclear proliferation.

By this time Lee, Myung-bok had been elected, demanding North Korean steps toward nuclear disarmament for any further ROK assistance. In response, the North ordered ROK firms out of Kaesong and ROK-DPRK relations quickly deteriorated. In May, it provided 18,000 pages on three efforts over the years to develop nuclear weapons but no information on uranium enrichment or nuclear technology exports – it said full disclosure would come after it received its promised fuel oil; meanwhile, destruction of nuclear facilities would stop. By September the US wanted unfettered inspection throughout the DPRK, and the North concluded the US was determined to destroy it.

The US had confronted the North on sketchy evidence about uranium enrichment, generated a crisis with little room to maneuver, and was too rigid because its real objective was regime change. Since it rejected using force, it was left with sanctions which various states would not support. Thus Kim, Jong-il got his nuclear weapons. Then President Obama put the problem on the back burner to concentrate on Iraq, Afghanistan, and other matters, but on May 25 the North exploded another nuclear device. International condemnation and sanctions only led the North to say it would start weaponizing plutonium and develop an HEU program. The Obama administration was willing to live with the North's nuclear program and sanctions, which was better than the Bush Administration's Hawk Engagement. The Agreed Framework had created some stability and laid the groundwork for a comprehensive agreement. Destroying that deal failed to contain the North's nuclear program and encouraged its involvement in nuclear proliferation as sanctions and curbing its external funding increased its incentives to sell nuclear technology and missiles. In reality the best way to deal with the North's nuclear weapons was to guarantee the regime's existence and survival.

The Obama administration works closely with the ROK, keeping its preferences in mind, which is good but has blocked holding new negotiations. North Korea has no prospect of unifying the peninsula under its rule and knows that. And the ROK and US have not been passive actors. For example, the Northern Line in the Yellow Sea was always sensitive, provoking periodic clashes. And the later attack on the island was partly provoked by ROK forces. North Korea's main goal is survival, not war. The US should resume the Six-Party Talks and seek a peace treaty. Relations with the North should be normalized by exchanging concessions in a step by step process. This was how approaching China was handled in 1972. It worked and we are better off for it. This is better than any alternative. But progress can't be expected until after the allies' 2012 elections, and will be unlikely even then because of political opposition. Basically, the

US has always dealt with Korea not by focusing on Korean needs and concerns but as an adjunct to US concerns elsewhere - a great tragedy for Korea in our time.

DISCUSSANTS

The first discussant, **Greg Scarlatoiu**, has lived in Seoul for a decade and has authored a weekly radio column on Radio Free Asia for 8 years that is broadcast to North Korea. He noted the recent meetings about reopening the Six-Party Talks. The Bush Administration deserves credit for stressing human rights as a problem with North Korea, and that is on the agenda now for any resumption of negotiations. Important changes have occurred. 30% of North Korean defectors report listening to foreign radio broadcasts. The US Special Representative for North Korean Human Rights is now an ambassadorial level position under the renewed North Korean Human Rights Act.

The North Korean regime violates human rights of all of its more than 20 million citizens. Amnesty International believes some 200,000 are in concentration camps. We have to remember them, remember all this. Human rights advocates are often depicted as hawks but this is not correct; their goal is elevated status for human rights. The North is off the US terrorism list, but is guilty of terrorist acts anyway – abductions of something like 180,000, assassinations, etc. Choi and Matray see negotiations with the North as still possible and as maybe a good thing – the North would have to cut its focus on defense, becoming more transparent and providing better statistics on conditions there, not driving private human rights organizations out of the country as it has. If we resume aid this should not be done until the North:

Cuts military spending

Produces more information about conditions there;

Becomes open to having human rights assessments;

Adopts serious top-down reforms;

Stops seizing ROK investments there.

Kim, Jong-il has always used a “cash cow” approach to getting aid: squeeze it out of the allies and others by provocations and threats.

The Matray paper is too harsh on the Bush Administration. North Korea’s interest in nuclear weapons goes back to the 1950s, and cannot be readily negotiated away. It was always an isolated country – documents made public in Eastern Europe indicate how deeply leery the North has always been about even China and Russia. The ROK’s Sunshine Policy actually had little effect and therefore its suspension was not responsible for the increase in hostile behavior by the North. The Banco Delta Asia affair showed the “Kim, Jong-il economy” at work. Matray is wrong about US objectives in the Bush administration and since. The US objective really is getting rid of North Korea’s nuclear weapons. That is squarely in the US national interest – North Korea is not acceptable as a nuclear power.

Dr. Song, Dae-sung retired as a Brigadier General, and is currently President of the Korea Association of National Intelligence Studies in addition to his work at the Sejong Institute. He confined his remarks to the Matray paper. It effectively details US-

North Korean dealings over several decades, and accurately reflects the views of scholars in the allies sympathetic to North Korea. But in many ways the paper is inadequate or incorrect. It misses the rogue state character of North Korea and its dangerous practices. Thus it overly stresses Bush Administration failures and assigns too little responsibility to the nature of North Korea. The big mistake is seeing it as a normal country, ready to behave normally in negotiations. The paper should have paid more attention to the North's repeated departure from its agreements and commitments. While the paper is critical of US character-assassination treatment of the North, Bush's statements about the regime's character were, in fact, correct; they fit the North's behavior. It does a wide variety of bad things. Rather than being defensive, its military power is designed for someday forcing unification, and as a bargaining chip for extorting concessions. Its nuclear weapons are a central element in this.

Matray thinks that negotiations can resolve the North Korean problem. But the ROK knows the North well, knows that deals with it can't be counted on because the North can't be trusted. And the North will undoubtedly continue its nuclear weapons program. Matray blames the US for not negotiating honestly, just seeking to delay the North's success in hopes of overthrowing the regime. But this ignores how North Korea also contributed to the failure of the talks. Its brutal tactics and policies – in military provocations, human rights violations, etc. - are huge obstacles. The Bush administration was fundamentally sound in its views – a true settlement will require regime change, just as was the case in Libya. Matray has been cheated or duped by the DPRK.

The Chair said he had expected strong arguments from this panel. Philosophy tells us that people's perceptions vary greatly so their judgments differ significantly.

The final discussant, **Dr. Kim, Jae-chun**, a board member and Executive Director of International Strategic Reconciliation (ISR) Korea, began by apologizing for being late and having missed the Choi presentation, so he focused his remarks on the Matray paper. That paper, like some other analyses, sees the 2nd North Korean crisis as a dependent variable and cites Bush policies as the independent variable. What about all the other possible explanations? After all, North Korea may have wanted to develop nuclear weapons for a long time – that is one possible alternative explanation. It is necessary for a scholar to consider alternative explanations and evaluate them.

Matray mentions several counterfactuals. Here is another good one: Had the Bush Administration been more accommodating would North Korea have really agreed to drop its nuclear weapons program? This seems very unlikely. The ROK can't get the North to budge on talks on its nuclear weapons program now – it will freeze testing, allow inspectors, but won't drop the new nuclear weapons program. If all this is the case then the Bush Administration policies were not the key to the continuation of the North Korean nuclear weapons program.

Matray thanked Song for his comments, but said that he was not pro-North Korea, he was pro-peace. And peace will require honest negotiations, honest about the objective. On North Korean violations of past agreements – sure, but all states do that.

On North Korea being a rogue state, the US is always pushing its view as to what states are acceptable. As for Professor Kim's comments, they are not of much assistance. Mr. Scarlatoiu represents an important subject and point of view, but his comments were not aimed at and do not provide a close evaluation of the paper.

Choi's response began by reiterating that negotiations with the North are very unlikely to work given its past behavior. But we need to make the effort, while continuing to pressure North Korea. Our strategic interests require doing that with respect to North Korea's nuclear weapons and missiles. The ROK has *strategic* interests at stake on this. So does North Korea, particularly with regard to regime survival. Thus negotiations might work, and resumption of the negotiations is fairly likely now.

Normalization was discussed in earlier negotiations but has never actually occurred after the earlier deals. It is vital to get it if we are to arrive at a real solution and agreement. It wouldn't be all that costly for the US, and if the North ended up defecting from the agreement then the US could punish it. Thus a grand bargain remains at least technically possible.

GENERAL DISCUSSION

A retired South Korean Marine Corps Lieutenant General noted that President Kim, Dae-jung proclaimed "no more war" after his summit meeting with Kim, Jong-il. But that was also the year of the first Northern Line incident. He asked Matray how a treaty with North Korea can end the North's threat if the North's agreements are often violated. How can this work? **Matray** said there is no way to guarantee that a treaty will be upheld. Agreements are often violated, particularly because conditions change. If a treaty can readily turn out later to be meaningless why *oppose* signing it?

The president of the Korean Institute for Maritime Strategy said that people in the ROK could be disturbed, worried by the Matray paper. General Song provided a good critique of the paper, to which the following can be added. There are no specific deals on territorial matters in North-South history. Thus there was no establishment of the Northern Line at sea. But was this just a unilateral step taken by the US? No, the UN Command adopted and announced the line. And for 60 years North Korea lived with, honored, that line. We shouldn't use an international law perspective on this, as some young scholars do. Instead, we must use a military perspective: North Korea is really seeking to nullify the line.

Robert Collins asked Choi: are there aspects of the North Korean system, its social and political values, and its society that provide grounds for trusting it. Are there similar aspects of the US system that provide grounds for not trusting it?

[At this point there was a brief disturbance as a member of the audience began shouting something that was apparently not very clear but was very disruptive. To quell that disruption the Chair asked that the person be removed and he was escorted out.]

A **General (ret) Han** said that 14 years ago there was a report about North Korean involvement in a plot against the ROK prior to the start of the Korean War, trying to weaken the ROK, including money being sent to the ROK from the North to help disrupt it. This raises a number of questions that have not been explored and publicized like they should be, because it could be happening again now.

Soon, Song-hon noted that Libya government has been forced out despite its strong military forces, because British and French attacks nullified those forces. What if he had obtained nuclear weapons? Would he have been ousted? Seeing this, will Kim, Jong-il really give up his nuclear weapons?

Dr. Choi responded. For a dictator the clear lesson of Libya is to keep your nuclear weapons. So North Korea will not give them up. But it might agree to dismantle its nuclear weapons program. **Matray** added that Libya is a fragmented society with many factions, and this facilitated the collapse of the regime. North Korea is built on reverence for a leader, and has the resources of China backing it up. Thus it is not likely to collapse.

A Korean member of the audience noted that the 20th century was the age of democracy – an era with a surge in the spreading of democracy. Recently, that has continued. How about it spreading to the North? What we need is that the North's nuclear weapons program ends because the North becomes democratic. Shouldn't the US, Japan and the ROK join forces to promote this?

Professor Matray said North Korea will not turn democratic under the rule of the Kims. The regime is odious, repulsive, as Mr. Scarlatoiu pointed out in his comments. The question is: what can be done about it? War? Hardly. Seeking negotiations is a more realistic option. Focusing on how evil North Korea is does little to ease the threat to the ROK. There is nothing to be gained by always confronting the North. The DPRK is nasty because it really has no choice. It sells nuclear technology because it lacks money. It wants nuclear weapons because of the threat posed by the US. The United States has consistently mistreated the ROK in its North Korea policies, putting its interests ahead of Koreans' interests. A war would be the worst example of this, so avoiding it is crucial. But stressing the evil of the North won't help with that.

Professor Choi responded, saying he is an old friend of Matray but finds North Korea very bad in terms of its motivations. The government always tries to exploit talks rather than reach real agreements. **Matray** responded that nevertheless what we have been doing up to this point has not worked. We need a new approach!

With that exchange the panel came to an end and the conference adjourned for lunch.

Luncheon Address

In view of the important US-ROK meetings involving very high officials that were going on, it was not surprising that the Chief of the Combined Forces Command, could not present his planned address. Representing him was General Bryan T. Bishop, Chief of Staff of the UN Command and US Forces Korea. **General Tilleli** noted that he has been a UN representative in dealing with the participating nations in the command and in talks with North Korea and that, as an Air Force officer, General Bishop had commanded forces in Korea, Iraq, and the US, and also the US Thunderbirds performing team. He noted that the CFC CINC, General James Thurman, not only had to attend MCSCM meetings but prepare for the arrival of his wife that day.

General Bishop expressed General Thurman's regrets, noting that other top US officers are on duty, or attending the MCSCM, and the he was the one who was left! (Though he sat in on the trade discussions the day before.) At the meetings the message from Secretary of Defense Panetta is that the US remained very committed to the alliance, to the strength of the alliance, and that the US commitment will not be altered by the current budget pressures in Washington. The DOD must face the possibility of \$500 billion or more in cuts in US defense spending over the next decade – and perhaps as much as a trillion. But the Defense Secretary said that President Obama remains so committed to East Asia that there will be no cuts in USFK, and perhaps even an increase in those forces. (Bringing applause from the audience.)

Due to this, the Alliance is strong. And the ROK is of strategic importance to the US and others in northeast Asia. The US remains committed to its regular partners in the area, and General Thurman's first priority is deterring aggression on the peninsula. The CFC and the General stress readiness, sustainment, and interoperability. The General is a warfighter so stress on readiness and interoperability are a daily phenomenon.

Recent changes in the ROK military leadership are good news for the CFC. General Thurman has a long connection with former CFC Vice Commander General Jung who is now ROK armed forces Chief of Staff, and they served together in Iraq. This illustrates the strong US-ROK relationship on many levels. Keeping this healthy is General Thurman's second priority. The level of trust and sharing of information, and other cooperative elements, make this the "strongest alliance in the world."

He offered thanks and best wishes to the conference participants on behalf of General Thurman. He agreed to take some questions saying that, as an F-16 fighter pilot used to improvising, he could make up answers if he had to. His response to one question was that along the DMZ there is no complacency, no room for it, and everyone in the ROK prays that peace will continue. The essence of the alliance is that force is really all North Korea really understands.

Robert Collins said that the upcoming OPCON transfer is an obvious continuing concern, but the Northern Line is now a much more salient concern. What combined efforts have the allied forces made to meet the threat there? **General Bishop** admitted that this keeps General Thurman awake at night. What might a combined response to another provocation look like? The US will not inhibit a ROK military self-defense

response; needed is one that is not escalatory. Agreeing on just how to deal with such a situation is still subject to further discussion. Most of the discussion is about *agreeing* - on what to do or on how to consult on what to do. This was discussed just yesterday, and there has been a lot of work on it on the US side. Once there is clear agreement, a deliberate planning process can begin. If someone in the audience has the right answer, come and tell us – we would love to hear it!

General Tilleli offered thanks on behalf of the audience for General Bishop's effective effort at filling in for his boss.

PANEL V: ROK-US COOPERATION IN DEALING WITH NORTH KOREA

CHAIR: **Admiral (ret.) An, Byong-tae**, President – Korean Institute for Maritime Strategy; Member, COKUS Board of Directors

PRESENTERS:

Professor (Emeritus) Mel Gurtov, Portland State University, Editor-in-Chief of *Asian Perspective*

Professor Han, Yong-sup, Vice-President, Korea National Defense University, Advisory Member – 2nd Nuclear Security Summit Preparation Committee, Foreign Ministry

RADM Jung, Ho-sup, Director – Foreign Intelligence, Korea Defense Intelligence Agency

DISCUSSANTS:

Professor Bruce Bechtol, Jr., Anglo State University, Member – COKUS Board Of Directors

Dr. Yoan, Suk-joon, Captain, and Chief Policy Analyst - ROK Navy HQ

Dr. Lee, Sang-hyun, Senior Researcher – Sejong Institute

Admiral Lee quickly introduced the members of the last panel of the conference.

PAPER: “Embracing Multilateralism: A U.S.-ROK Alliance for Regional Security”

Professor Mel Gurtov, One of the analysts who wrote the *Pentagon Papers*, he has published over 20 books and numerous articles, primarily on international affairs and is a specialist on East Asian international relations and security affairs.

As the first speaker on the last panel, Dr. Gurtov pointed out the deep pessimism about the North Korean issue and the ideological divisions displayed by the participants during the conference. The paper suggests a viable way to make progress on both through new forms of US-ROK cooperation. The focus is creation of a security mechanism, which is something the Six-Party Talks participants said in 2005 and 2007 would be a good idea, and so it may be feasible. This could lead to new initiatives undertaken in connection with the Russian-led probe of regular security arrangements as part of the Six-Party Talks.

Dr. Gurtov recalled the high expectations for innovative foreign policy steps on East Asian and Korean Peninsula affairs from the Obama Administration. Little of the sort occurred. North Korea and China responded to a tough line out of the administration with tough responses – the situation in Northeast Asia is verging on a new cold war. US policy resembles Bush administration policy on North Korea, with Lee, Myung-bak’s government right in step with it. China has reaffirmed its close ties with Pyongyang, refusing to condemn it over the 2010 attacks on the ROK. Heightened Sino-Japanese friction, US-Japan relations somewhat strained – “the regional picture is bleak.” East Asian conflict management has prevented wars, but East Asian territorial disputes are going strong, resistant to settlement. Economic interdependence has meant only some dampening of conflict, with parties perhaps thinking that the interdependence gives them license to press claims without fear of war. Military spending has been rising

ROK-US relations seem better than ever. The 2009 joint “Vision Statement” set the tone, trade is way up, the FTA is likely to pass, the two governments agree on North Korea, OPCON transfer, and so on. But the tough allied stance toward Pyongyang has failed – testimony to this are the North’s 2010 attacks, confirmation of its HEU program, continuing production of nuclear weapons and missiles in all likelihood, and DPRK rejection of the ROK’s proposal for bilateral talks. China insists on negotiation with the North; the North proposes to freeze its nuclear weapons program and missile launches but Seoul and Washington want its promise of complete and verifiable denuclearization before any talks.

At least the Six-Party Talks have tried for a multilateral institutionalized security dialogue – the only one in the region. Many proposals have been accepted at one time or another: commitment for commitment/action for action; recognition of DPRK sovereignty, normalization of its relations with others; denuclearization of the peninsula, etc. Also available are several working assumptions about how to possibly move toward denuclearization. However deficient in implementation, these proposals and assumptions point to an underlying notion – that creating a regional security mechanism is what is really needed – a Northeast Asian Security Dialogue Mechanism (NEASDM). Consideration of multilateral approaches for regional security goes back a decade or more, and there are numerous examples of small steps in that direction, and of periods of multilateral activity that have given various states some experience with it. The US and ROK have been discussing building a “comprehensive strategic alliance” of widespread scope. Like NATO, it will have to extend well beyond the Northeast Asian region, based on shared missions and a strong desire for collaboration. The idea is to build regional community; alliances must be founded on a sense of community, shared values and common institutions. The members don’t have to agree on specific policies or in their foreign policies as long as a sense of community binds them together.

A NEASDM would bring six parties together and fit ROK security interests quite well. There would be a role in this for government to-government efforts, Track 1.5 efforts and NGO participation. But the ROK and the US must adopt significant policy changes to get it established:
Drop requiring the DPRK to give up its nuclear weapons before anything gets discussed;

Stop insisting the DPRK apologize for the 2010 attacks;
 Reaffirm the Agreed Framework, the September 2005 joint statement, and the February 2007 joint statement
 Suspend Team Spirit and other military exercises

And the DPRK must:

Cease provocative actions
 End nuclear weapons and missile tests;
 End transferring missile and other weapons components to others;
 Accept full verifiable denuclearization under international inspection;
 Reject using force in disputes;
 Conduct proper engagement with other parties.
 Thus the alliances remain, close US-ROK cooperation remains, US extended deterrence stays, R&D for the North on WMD and missiles can continue – the parties retain their policy independence on many important matters.

Why is this set of steps valuable? One thing made clear by the 2010 attacks was the weakness of the Six-Party Talks in a security emergency. Without a standing institution, the security situation led to charges, a restatement of policies, no real changes of substance to prevent future incidents, no useful proposals, etc. Northeast Asia needs an institution for “crisis prevention, crisis management, and other security –promoting purposes.” An NEASDM should be independent of the Six-Party Talks, and should be put under construction whether the talks resume or not. It should function like a circuit breaker in a security emergency. To do this:

The talks members’ should be MEASDM members too, and *no one else*.

It should be institutionalized and meet regularly.

It should meet whether all the members come or not.

It should have an unrestricted agenda.

It should be ready to deal with a wide range of political and security issues, with all member relations normalized. It should tackle easier issues first, laying the basis for working up to the tougher ones - the history of negotiating suggests is the best way to proceed – emphasizing ones that bring quick benefits. There are plenty of possible projects around in health, agriculture, cheap energy, education, etc.

Of course, the route to creating an SDM would be full of pitfalls, difficulties, and questions. But it could be highly beneficial to the members. The North would gain legitimacy and possibly security guarantees, plus development aid. The ROK could ease its military posture and expenses, gain new economic opportunities in the North. Japan might find its dependence on the US lessened, and its relations with China improved. Russia would enhance its role, maybe its leadership, in the region. The US could ease its regional military presence, end extended nuclear deterrence there, see more military transparency in China and North Korea.

China may be the key. It has been abrasive lately, probably due to domestic problems and tensions, and how to respond to the North’s nuclear weapons has been vigorously debated there. The SDM could enhance China’s prestige, reduce fear of

others ganging up on it, ease fear of a crisis on the peninsula, make regional security relations more flexible, and promote greater political stability in its Northeastern provinces. China has often said a security mechanism would be good and called for the necessary multilateral negotiations; US-China relations in particular are a key factor.

A related step might be creation of a nuclear weapons free zone. It could start with one covering the ROK and Japan, and seek to add the DPRK. Taking nuclear weapons off the table would indicate that they are of no real use, undermine China's rational for having them and pressure it to champion denuclearization of the peninsula. The ROK could emphasize development assistance to places like the Middle East and Africa, where its energy supplies mainly come from, doing more humanitarian work and stressing President Lee's "green growth" commitment of 2008 abroad.

In general we need more investment on peace efforts in the region.

PAPER: "ROK-US Cooperation for Dealing with a Political Crisis in North Korea"

Professor Han, Yong-sup, a former special assistant to the Minister of Defense and Director of the International Arms Control Division of the Defense Ministry, has taught and held research positions in the US and China.

He opened by saying that a collapse of the North Korean state would not necessarily lead to real civilian disturbances or internal struggles in the armed forces. It depends on how the state collapsed, who led the way, and the reasons for the collapse. We can start by assuming that the current succession process failed for some reason, no group could immediately seize power, the supreme leader and key to holding the major components of the state together is gone. Kim dynastic rule has disappeared. Five scenarios cover the likely ensuing developments:

- 1) a power struggle among various power groups;
- 2) the power vacuum lasts more than 6 months with no clear ruler emerging, with some people rioting for food, and some gunfights between the armed forces and the masses;
- 3) the power vacuum drags on, major riots have been occurring, and mobilized forces clash with civilians, leading to a national rebellion and civil war
- 4) instability persists after a regime collapse without a winner. The two Kims' bodyguards stage a coup backed by the military – a new ruling class emerges.
- 5) North Korea invades the South to avoid being absorbed into the South.

In the *first scenario* there is considerable uncertainty and no rule, instability is rising while military unity is decaying, and many people are starting to flee the country, including elite elements who have no good prospects. Some generals will try to stage a coup, rumors will spread. How will this affect the ROK?

There will be pressures on the government to intervene to save North Korean compatriots, prevent massacres. The ROK will wait for the situation to clarify, strengthen border controls and airspace patrols, set up guidelines on handling important defectors from the North; the political parties will clash over what to do in and about the North. There will be concern on regional repercussions. What will China do? It may

well reach out to officials close to China about trying to establish a government, and strive to control the flow of refugees. The US will cooperate closely with Seoul, seeking to prevent Chinese intervention. Japan will worry mainly about refugee flows and the North's links to Koreans in Japan. Russia will seek to maintain the North's independent existence. There will be huge media interest around the world and large amounts of aid starting to flow to North Korea

In the *second scenario*, the power vacuum persists for months, there is rioting, looting, some loss of life, some fighting between military groups and civilians. Assassinations, terrorism, and violence spread. Military control of WMD remains sound. Rumors grow, chaos expands. Many elite figures may be attacked, groups may seize weapons, free prisoners, etc. How would this affect the ROK?

Seoul would seriously mull over how to stabilize the North and prevent catastrophe, starting by trying to appease the North Korean population, discuss the situation with China, deal with refugees and decide how many the ROK can handle. It will seek to prevent military massacres and face strong pressures to intervene if massacres begin to occur and to accept ever more refugees – while trying to figure out how to care for them and where to put them. This will have major repercussions on ROK stability and security. Policy makers will have to decide whether to just monitor the situation or actively intervene, who in North Korea to contact and work with, how to handle elite members moving to the ROK, how to best provide humanitarian assistance.

China will not want to be responsible for such a North Korea. It will send support and aid and hope the situation sorts itself out, but might consider military intervention to bar unification. Negotiations among the ROK, US, and China would be imperative, with the US warning China to stay out and trying to contain the chaos and violence to North Korea while reviewing the feasibility of intervening with the ROK. Japan will work closely with the US and ROK on stabilizing the situation and Russia will try to prevent any intervention in the North. The international community will supply aid and maybe consider intervention to prevent a refugee flow which could involve several million people. The IAEA and the international community will be particularly concerned about North Korea's WMD, fearing theft or sales that eventually lead to nuclear terrorism, etc.

The *third scenario* envisions a national rebellion, with the military split into several factions participating in riots or trying to quell them and with much killing of rioters. The splits extend to the military elements responsible for the nation's nuclear weapons and there might be efforts to smuggle some out of the country. Hence chances of civil war or fighting through outside intervention in fear of nuclear weapons transfers will be quite high.

The impact on the ROK would be immense. There might be attacks from the North. There will be a huge debate over whether to intervene militarily, and discussions with the US about possibly implementing OPLAN 5029 and other steps to prevent a Chinese intervention or on developing plans for handling nuclear weapons personnel who

might try to move to the ROK or places like the Middle East. There will be huge pressure to intervene to protect North Koreans from being massacred.

China will urge restraint by outsiders, may ask for talks with the ROK, may ask for a UN Security Council meeting to help deal with the civil conflict and contain chances of nuclear proliferation. Russia will also oppose intervention by the ROK, US, etc. and support turning to the Security Council. Japan will support the US and ROK and perhaps seek trilateral consultations on the situation. The Security Council will press for a comprehensive plan, and the US will suggest peacekeeping forces be sent.

Whereas the first three scenarios pertain to a North Korea on the verge, or in the early stages, of a collapse, in the *fourth scenario* the military remains cohesive and generates a coup to end the political and economic instability and turmoil. Presumably the coup would be bloody. The result would be a state still dedicated to military-first policies, still seeking to retain its power by promoting tension with the outside world and seeking China's support.

In response the ROK will be very upset, strengthen its ties to the US, Japan, Russia, and China, and take military measures to forestall any fighting with the North. The US will agree to closer ties and a strengthened alliance in trying to make sure the situation in the North doesn't spread in Northeast Asia. China will be relieved that the North's internal situation stopped getting worse, that a North Korean regime survives, but will urge denuclearization, and preservation of peace and security, there. Japan will closely work with the US to keep the situation from unraveling stability in the region; it will also seek to work with South Korea. Russia will be relieved that the North Korean state survives, in hopes of eventually strengthening relations with it. Everyone may be relieved that, with no unification, the crisis has been suppressed at least for a time.

A *fifth, scenario* assumes that in trying to survive Kim, Jong-un, or a post-Kim family ruler, invades the ROK - in a limited or all-out attack – due to fear of being absorbed. Hence Kim family rule does not necessarily collapse. South Korea would be responding, seeking to curb the extent of the attack and ensure the North is held responsible for it by others. It would consult with the US and Japan, and prepare to implement OPLAN 5057 if necessary.

The scenarios show how shocking such developments will be to the ROK, and thus how important it is that research and planning are conducted to prepare for them. Most research today looks only at how a collapse might start or come about, not about how it would affect the allies. Clearly a passive approach to such developments would be unwise – there should be planning on how to shape the outcome to meet ROK goals. This includes realizing the importance of preventing China from intervening unilaterally, and that the South must try to keep developments in the North from spilling into the region. US help will be needed, with the best outcome being that people in the North opt for unification under the ROK. The ROK should lead the efforts to resolve the crisis and others should be ready to accept that. If foreign and/or international forces are sent to the DPRK the South must vigorously insist that they are withdrawn as soon as possible. For

now, it is clear that efforts must be made to ascertain what is taking place in the North and spot signs of possible collapse. Running through scenarios of what might happen and how to respond should take place with the US and hopefully with China.

The Chair thanked the presenter and asked **Robert Collins** if he could quickly sketch an analysis he helped develop some time ago on how North Korea might someday begin falling apart. Collins indicated that was in keeping with the charge to the Combined Forces Command to protect the *safety* of the ROK, not just military safety. Thus it was an effort to better understand how to characterize a possible process and cope with such a major development, and was controversial at the time. The “Seven Phases of Collapse” were:

- 1) economic instability, leading to
- 2) social instability, leading to
- 3) political instability, leading to
- 4) severe events for the regime, such as explosions, with responsibility for causing them unclear, and then
- 5) chaos, and efforts to suppress it with the armed forces killing civilians, leading to the question of whether the ROK could observe and not try to do something, as
- 6) the regime falls, bringing on a new leadership, and then
- 7) stability operations are undertaken to get everything running again.

PAPER: “Prospects for Multilateral Cooperation”

Rear Admiral Jung, Ho-sup has a Ph.D in International Relations and Politics and has authored numerous publications in addition to his distinguished military career

The admiral began by apologizing that his English was all right for Americans but not that good for Koreans! Then he turned to the new security environment, saying that it calls for fresh thinking and shifts in several nations’ security policies. The 2010 North Korean attacks make closer US-ROK-Japan cooperation a necessity, cooperation focused on deterring DPRK provocations and creating a regional security architecture. Naval cooperation around the peninsula is a major necessity. And naval activity in general has the advantage of being more low profile, less visible than other military efforts.

The three navies have a long history of cooperation, starting with Japanese minesweeping to help the US and ROK during the Korean War. After that the cooperation was basically US-Japan and US-ROK in nature, not truly trilateral, or it was part of much larger exercises like RIMPAC where the three worked together but with others as well. After the Cold War, Japanese concern about North Korea increased, especially with its NPT withdrawal and long-range missile testing. ROK-Japan defense cooperation rapidly expanded in the 1990s – a security dialog, a variety of exchanges between the services, military visits, bilateral search and rescue efforts, etc.

But trilateral cooperation lagged for several reasons:

- 1) the three governments had different priorities: the ROK stressed defense against conventional attacks from the North; the US main concern was with WMD proliferation; Japan highlighted kidnappings and North Korea's missile development program.
- 2) they wanted to avoid conveying the impression of cooperating against China and trying to isolate it, at a time when they wanted Chinese assistance and were deeply involved with China's economy.

The recent North Korean attacks were very provocative and the North also revealed its uranium enrichment plant in November. And China became more assertive – supporting the North, blocking ROK efforts to get a strong UN condemnation of the DPRK, pressuring on the island disputes with Japan and in the South China Sea. All this calls for new steps. ROK public opinion now demands strong retaliation for any DPRK provocations – hence the “proactive deterrence” posture the ROK has adopted. A second step is to demonstrate the credibility of the alliance by creating an Extended Deterrence Policy Committee to coordinate future policies. The US and ROK have also agreed to develop a joint military operational plan for DPRK provocations by the end of 2011.

The next step should be greater trilateral security cooperation to show solidarity, putting pressure on Beijing on the North Korean problem while solely focused on North Korea so as to not become a containment effort on China. If China wants long term stability in Northeast Asia it should welcome the trilateral effort. The cooperation should encompass seaborne missile defense and the PSI, anti-submarine warfare and mine warfare, and preparation for contingencies in North Korea. On missile defense, the North certainly has many missiles it could use in a conflict or in its periodic brinksmanship tactics, possibly with nuclear, chemical and biological warheads. Missile defense is obviously called for but not as a unified trilateral system – the three parties can settle for intelligence sharing, battlefield management coordination, and tactical synchronization. As for the PSI, it helps increase chances of halting DPRK proliferation activities.

The three navies must pursue ASW and mine warfare. (MIW) In a war North Korean subs would try to disrupt sea lanes of communications (SLOCs) and set mines to limit US forces coming to the ROK's aid. And subs could be used for peacetime provocation attacks. The ROK has limited ASW capabilities and incomplete information on North Korean plans, and US naval units are too thin around the ROK in peacetime to completely offset its limitations. In an emergency all three navies would have to undertake ASW and MIW, especially in the Korea and Tsushima straits strategic choke points. Japan has good ASW capabilities and could be of great help here.

Under certain circumstances Japanese citizens might have to be evacuated from the ROK, using Japanese military forces. Japan would need ROK permission. It also needs information on where best to go in the ROK in such an emergency – assembly points, shelters, etc. It would need ROK approval for Japanese planes and ships to enter ROK airspace and territorial waters. More cooperation would enhance ROK-Japan trust and facilitate joint efforts.

Ultimately trilateral cooperation is needed to develop contingency plans for deterrence, defense, and crisis management, and to show determination to respond jointly to provocations, and expanding such cooperation through joint exercises and activities like search and rescue or anti-piracy operations. This can evolve into a multilateral cooperation framework, encourage China to adjust to this, and push China toward acting more transparently. This would be good since maritime security in East Asia will depend on how China is engaged and brought into the international security system.

DISCUSSANTS

After a coffee break, **Dr. Bruce Bechtol** offered responses. He described Admiral Han's paper as very good – more trilateral maritime cooperation is definitely needed. On the Gurtov paper, details matter, such as the following. Why is there no NATO-like organization in East Asia? Because East Asians are not Europeans. The US hub and spokes alliance pattern is due to the differences in Asian policies and societies from those in Europe. On not setting any preconditions for talks with the North, responsible states normally set preconditions as a matter of course. And the North's missiles and WMD are growing whether there are more talks or not – over time this has repeatedly happened. The North's HEU program was underway by 1996, and the US knew about it by 1998. China certainly wants talks to resume, but only to sustain the status quo. The Obama administration is mainly following a containment policy now.

On fear that we might end up in a new cold war, we are *already* in a cold war on the Korean peninsula. The Obama administration has done a decent job on this, having had to limit any engagement due to the North Korea missile testing. Currently the alliance is in its best shape in years, with relations stronger than ever. Has taking a tough approach to the North failed? If so, will it ever work? Many of the past failures in relations with the North occurred during the Sunshine Policy era of being softer on the North. And in effect, the North used the Six-Party Talks to get nuclear weapons!

In recent years we have suspended many military exercises – the Team Spirit annual exercise ended years ago, for example. Why have we done this? And the preconditions on negotiations set for North Korea are actually reasonable. But the North won't ever accept them. The North's proliferation efforts are very bad and this isn't about to change any time soon. Talk for talk's sake is a waste of time and effort.

Dr. (and Capt.) Yoon, Suk-joon described the papers as well-defined. He said China thinks North Korea will not attack the ROK and that the alliance should not apply if it did, so the alliance should be dissolved. And China sided with North Korea on the Chongan incident. As for the North, it turns to China because there is no one else. China thinks the Six-Party Talks are the only way to resolve the North Korean problem, and believes it has done all it can to bring that about.

Actually, the claim that North Korea will never attack is a lie. But some people believe it. And it is incorrect that that problem on the peninsula can be solved if China's role is recognized and Chinese proposals are followed. While a comprehensive US-ROK

alliance is of great assistance to both nations, China rejects this. Thus China-ROK relations have been somewhat strained, even as a “strategic alliance” between the two is said to be emerging.

How do we deal with the Korea problem? China is pursuing a two-Koreas policy. How can US-ROK and China-ROK relationships be blended? China was boosting its relations with the ROK around 2000 but it turned out to be just a strategy. Real multilateralism is not what China is seeking. Sure we need to find common ground and have to think hard about doing this. The ROK is aiming to be a very dynamic government and to expand US-ROK ties, such as via the FTA. While trilateral naval cooperation would be helpful to a certain extent in advancing common interests, Japan may inhibit taking it very far. But the greatest obstacle to broad multilateral efforts remains the US-China relationship, and the fact that China is seeking hegemony.

Han’s paper covers a difficult issue. The North Korean social fabric is now deteriorating. The regime’s control of the society is slipping. Internal instability may be a major factor in the future and we therefore must plan for various contingencies related to this.

The final discussant, **Dr Lee, Sang-hyun**, described all three papers as excellent. All of them focus in some fashion on the multilateralism issue. Why should we give this so much attention? First, because of the rise of China and second, because of the continuing security threat posed by North Korea. China’s rise is promoting widespread prosperity, but Beijing’s rising assertiveness is arousing concern around the region. The cooperation among the allies of the US is generally good. Trilateral cooperation would certainly be a good thing. A regional security mechanism would also be very good. Of course, it is not a new idea. In a complex international system and international order, many issues need multilateral efforts, not bilateral treatment.

The ROK-US alliance is still a cornerstone of regional security. It has officially been a comprehensive security alliance since 2009. The allies agree on opposing North Korea having nuclear weapons, and on promoting global security. Clearly both governments will continue expanding the horizons of their cooperation. Trilateral cooperation is therefore desirable and needed. The priorities in doing so will include: Not antagonizing others with that cooperation – especially China; and Enhancing security, not doing it harm.

Today’s international system is not one of interacting billiard balls; we now have a new interdependent international order. As Anne-Marie Slaughter says, there is a rising interconnectedness, which is why more multilateral cooperation is needed.

The ROK wants total, comprehensive diplomacy – lots of public involvement, across many sectors. How can this be used to build a regional security system? One necessary step is inducing China to be a more helpful global player, taking more responsibilities. Another is to work at enhancing multilateral cooperation gradually. As Gurtov says, correctly, we must start with the easy tasks first and work our way up. As to why trilateral cooperation has been slow in coming, Admiral Jung is right in pointing to

differing national priorities and the need to keep it from antagonizing China. The weakest link in the trilateral relationship envisioned is between the ROK and Japan.

The paper presenters had a variety of responses. **Dr. Gurtov** said that he and Dr. Lee were on the same page on the need to expand our horizons and get beyond Cold War kinds of thinking. As we think in broad terms about multilateralism, there is lots of room for bilateral and trilateral linkages too. Among the discussants the concern about China came up often, in various ways. There are lots of ideas about this. We may be too sanguine about China's probable willingness to go along! The same may be true about US and ROK forces entering North Korea after a collapse there. Bringing China in will be quite important but clearly not easy to do. China's notions of what constitutes responsible international behavior are not ours.

On why there is no NATO-like organization in East Asia, there are more reasons for this than Bechtol cites. Asians, of course, cite the history of their relations and their past animosities, their varied cultures and societies. But they also have a number of successes in multilateral activities. For example there is ASEAN and its "cultivating a habit of dialog." It displays talk for talk's sake in an anti-organizational form within a circular layout. Talk for talk's sake can be good.

On social unrest now in North Korea, **Dr Han** said this had been built into his scenarios, into building an implosion scenario. As for bringing China into a northeast Asian security mechanism or on the North Korean crisis, this remains quite unclear. Yes, China objects to the US-ROK alliance but that is just a propaganda effort to gain leverage on the ROK. It should be ignored. The alliance continues to broaden, which is good. Needed are steps to turn ROK-China-US economic interdependence into a strategic asset. And there should be a strengthened free trade arrangement linking China, Japan, and the ROK. The ROK's soft power can also be used to help shape and expand the Chinese sense of international community. This will help China to be a responsible great power.

Admiral Jung noted that when he talked with the Chinese ambassador to the ROK last year the ambassador asked if "I knew the size of the China-ROK trade," citing huge statistics on trade, airline flights, etc. Despite the importance of the US-ROK alliance, China can't be ignored – that was his message. Containing China is not a good idea, and trilateral cooperation may be seen by China as aimed at it. As for the attacks last year, China believes the ROK will not attack the North but it also backs the North, so the North thinks it can get away with being provocative. As for Japanese-ROK cooperation, that will take time. But North Korean provocations certainly help boost that trilateral cooperation as well.

GENERAL DISCUSSION

A Korean member of the audience disagreed with Dr. Han, saying the North Korean regime will handle the succession successfully. The Party is still important, still in power. **General Lee** asked Dr. Gurtov: since developing and using dialog is a very long road to take, what time framework did he anticipate for this. He asked Dr. Han

whether the five scenarios might, in whole or in part, appear in combination at some point. **Tim Peters** suggested that maybe we should see relations with China as running along different tracks, not closely connected. **Dr. Kim** argued that the real purpose of the Six-Party Talks had shifted – they are now about building a regional multilateral security order. But they have been going nowhere. A visitor to China can readily see how the Chinese dislike North Korea and often say that the ROK must plan to respond with force. Can we make use of this?

Moon, Mi-yung said, from the audience, that while many people focus on military forces on the peninsula, forces aren't the only answer. North Korea fears social interaction – Kim, Jong-il clearly fears this – between the Koreans. What about a sociological approach to peace? And which should get priority – a sociological approach or a military one?

Dr. Bechtol said that the presentation on soft power suggested that North Korea was very worried about that as threatening North Korean stability. Thus NGO groups are often invaluable; I used to dismiss this, but I don't now.

Dr. Han indicated that his scenarios are combined in various ways in his paper. Mr. Lee's question, given the military-first policy of the North Korean regime, is not covered in a scenario. Also, the scenarios all assume that, in one way or another, Kim, Jong-il is out of power. As I mentioned earlier, we need a proactive strategy to change economic interaction into strategic interdependence. Deterrence restrains North Korea back from attacking but not from provocations. We need to turn ROK national strength into strategic leverage.

Mel Gurtov – on the time frame for creating a strategic decision mechanism, I have no set time frame to offer. We must start working on it, especially since the Six-Party Talks are quite unlikely to succeed. Have they led to a security dialog mechanism? No. And the nuclear weapons issue should not be taken up first. Go to the easier issues first, as building blocks. **Dr. Lee, Sang-hyun** agreed that many people see the Six-Party Talks as dead in terms of possible results, that North Korea is just using them. But China and the US keep trying, and the ROK and North Korea have met twice about the talks, and the US and North Koreans have also talked about resuming them. While there have been no talks since September 2008, it now looks like they will resume, which is good. It is the only practical course open to us.

A Korean participant asked if Seoul responded to an attack like those in 2010 with a counterattack on Pyongyang, would China intervene? **Han** said he had looked into this. The US needs to avoid directly intervening – some analysts contend – or China will intervene too. We have to convince China that, under those circumstances, it is a Korean matter, that even if the US is intervening alongside the ROK it is *still a Korean matter*. Consultation on this is vital. The same would be true about getting China to not unilaterally intervene in North Korea – it is a Korean matter. **Gurtov** added that this is where we need an institutionalized diplomatic structure. We can't go through such a situation on an ad hoc basis. The same is true for another maritime crisis. Management is needed, based on clear understandings, prior consultations, etc. Someone on the panel

mentioned that the Six-Party Talks are held in Beijing. How about moving them \to Seoul or Washington? (**Gurtov** recommended Portland!)

Closing the Conference

The conference drew to a close with brief remarks by the Co-Chairmen of the Council. **General Tilleli** thanked the attendees, the organizers, the co-sponsors, and General Kim’s organizational efforts. “This conference has had the most innovative, stimulating, and controversial panels in its history.” This is just what we want, and is why we organize them. When we think about the ROK and the alliance the goal is always peaceful unification. The alliance continues to be the core of stability and peace on the peninsula. The alliance has taken the cooperation of many people, people like the ones in this room. Our next conference will be in the US.

General Kim took note of the many scholars that had participated. “Our focus has been on the changing situation in North Korea.” The dominant attitude on this situation has been pessimistic, and the next year will be a very sensitive one. The US, the ROK and others will have important turning points. The alliance needs continuing reinforcement coupled with a high level of vigilance. He closed by thanking the organizers, the guests from the US, and the rapporteur.

Patrick Morgan,
Rapporteur

INTRODUCTION OF RAPPORTEUR

Patrick M. Morgan (Rapporteur) is Professor of Political Science and Tierney chair in Global Peace and Conflict Studies at the University of California, Irvine. A co-founder of the Council on US-Korean Security Studies, he serves on its Board and prepares the annual reports on the Council conferences. He is a specialist on national and international security affairs, with an emphasis on deterrence and arms control, and on Northeast Asian security affairs. His writings include *Deterrence: A Conceptual Analysis* (two editions), *Deterrence Now* (Cambridge University press, 2003), and – coedited with T. V. Paul and J. Wirtz – *Complex Deterrence* (University of Chicago Press, 2009), along with several other books and numerous articles in academic journals.. His current major project is a book about the future of the US alliances, using the US-ROK alliance as the major case study, and he is also involved with several other analysts in a project on the future of American extended deterrence in East Asia.