

THE 31<sup>st</sup> ANNUAL CONFERENCE OF THE COUNCIL ON KOREA – US SECURITY STUDIES

**SECURITY CHALLENGES ON THE KOREAN PENINSULA IN 2016**

**July 29-30, 2016**

Copley Formal Lounge

Copley Hall, Georgetown University

Washington, DC

Presented By:

**The Council on US-Korea Security Studies (COKUSS)**

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The 31<sup>st</sup> Annual Conference of the Council opened at 8:45 am with welcoming remarks by **General, Kim, Jae-Chung**, ROK Army (Retired), the Co-Chairman of the Council and Chairman of the ROK component of the Council. He opened his remarks by thanking the ROK and US warriors who fought together in the Korean War, and noted that Council Co-Chairman General John Tilelli served in the Korean War. He pointed out that today North Korea is in

crisis – in its international relations, in its leadership, and in the changing attitude of its people, and expressed his hope that the conference will be a step forward toward peaceful unification of North and South Korea. He also expressed his gratitude to the organizers of the conference, as well as to the several organizations which contributed their support.

Then **General John Tilelli Jr**, US Army (Retired) and Council Co-Chairman, thanked the panelists and paper authors participating in the conference. He also thanked **Professor David Maxwell** (Georgetown U.) and Georgetown participants for their part in organizing and conducting the conference. He noted that the US is approaching a national election and that next year there will be one in the ROK as well. It is important that we try to help in the managing of these developments – particularly with regard to the nasty environment vis-à-vis North Korea now. He then thanked all those participating in and attending the conference.

**Dr, Park, Jung Hun**, speaking on behalf of the ROK Council expressed his gratitude to the many contributors supporting the conference. He also cited the high tension arising from recent North Korean activities, and stressed that the cooperation between the US and the ROK was now very much needed, more than ever.

**Professor Bruce Bechtol**, president of the International Council on Korean Studies, a member of the board of COKUSS, and the central organizer of the conference, thanked the organizers and participants, noting the very distinguished presenters who would be taking part.

#### **PANEL 1. FOUR POWER RELATIONS ON THE KOREAN PENINSULA**

**MODERATOR: Dr. Lee Seo-Hang, Korean Institute for Maritime Strategy**

#### **PAPER PRESENTATIONS BY:**

**MR. JAMES F. DURAND: *International Council on Korean Studies*.** A former Marine, studied at the ROK Naval War College and Japan's National Institute for Defense Studies, the US naval Academy, and Georgetown University. Interests: Korean military history and Korea-Japan relations.

**MR. GORDON CHANG:** Prolific author, columnist, and speaker (*The Coming Collapse of China; North Korea Takes on the World*). Writings in the NY Times, Wall Street Journal, Daily Beast, etc. Appearances on numerous TV networks.

**DR. TAEWOO KIM: Konyang University.** Chair Professor - Dongguk University and Invited Professor – Konyang University. Prolific author (*Combatting North Korea's 'Nuclear Blackmail: Proactive Deterrence and the Triad System (2010); ROK – US Defense Cooperation Against the North Korean Nuclear Threat: Strengthening Extended Deterrence (2009)*); and speaker. Former advisor to President Myungbak Lee, former Vice President at the Korea Institute for Defense Analysis; former President of the Korea Institute for National Unification. Widely recognized specialist on security, defense, weapons of mass destruction, and Korean unification.

#### **DISCUSSANTS:**

**DR. ANDREW SCOBELL:** *Senior Political Scientist, RAND Corporation* in Washington, DC. Ph.D - Columbia University; Adjunct Professor – Georgetown University. Author of *China’s Search for Security*” (2012); *China’s Use of Military Force: Beyond the Great Wall and the Long March*” (2003), and numerous other works.

**DR. KI-YOUNG SUNG:** *Korean Institute for National Unification.* Director, Research Management Division – Korea Institute for National Unification. Ph.D University of Warwick, with further studies at the Korean Studies Institute at the University of Southern California.

**Dr. DAESUNG SONG:** *Kunkuk University.* Ph.D University of Michigan. Retired as Brigadier General, ROK Air Force. Senior Research Fellow at Sejong Institute since 1996. Author of: *North Korean Nuclear Weapons and Ways to Safeguard the ROK’s Survival* (2016); *North Korea’s Possession of Nuclear Weapons and Peacekeeping on the Korean Peninsula* (2013) and other works.

**PAPER: JAMES F. DURAND**

#### **Analyzing Japan’s Role in Korean Security within the Framework of the Quasi- Alliance Model**

James Durand opened the panel by thanking Professor David Maxwell for his work at Georgetown, for the Council, and for helping organize the conference. The initial paper of the conference was clear and concise, built on the “quasi-alliance model” developed some years ago by Victor Cha to explain the Japan-ROK security relationship to help explain how they have had asymmetric responses to American policies in alliances with the US. The associated frictions, exacerbated by their diverging views of China, have limiting Japan’s role in the ROK’s security and it will in the future. The heart of the model is how the Japan and ROK alliances drive perceptions of “abandonment” or “entrapment,” concepts put forward by Glenn Snyder years ago. For this triangular relationship Cha developed two hypotheses:

- A. If relations between X and Y reflect an *asymmetrical* structure of abandonment/entrapment concerns then there will be *frictions* between them.
- B. If relations between X and Y reflect a *symmetrical* structure of abandonment concerns, with each other or a third party, *cooperative* relations should ensue.

The third party’s action is the most important factor, not just the enmity and distrust between the other parties. Cha singled out four major changes to American security policies on Japan and the ROK from 1965 to the end of the Cold War – looking at the Nixon Doctrine; Détente; the Fall of Vietnam and the Carter Plan; and Reagan’s Peace through Strength Initiative. They produced clear abandonment and entrapment responses by Japan and the ROK within the alliances, varying from cooperation to friction in their relations.

How relevant is the model today for assessing prospects for Japan – ROK security cooperation now and in the future. Trilateral security cooperation has been sought since the end of the Cold War, hailed by academics and practitioners based on the many Japan-ROK similarities: market-based economies, the need for access to sea lanes for imports and exports, a common ally in the US, and a common threat in North Korea. Trilateral security

efforts could ease concerns such as Japan's over Korea's large army and Korea's over Japan's sizable air and naval forces. Prospects for trilateral security cooperation after the Cold War were discussed by the 3 parties, scholars, think tanks, etc., but the Trilateral Coordination and Oversight Group (TCOG – established in 1999) uncovered significant challenges and limitations in the idea and TCOG was abandoned by 2003. The central problem arose from significant changes in American policy on North Korea, Japanese constitutional restrictions on using its military, ROK sensitivities about Japan's armed forces, different threat perceptions, tight budgets, and varied tolerance for probably alarming China or Russia with trilateral security cooperation. Proliferation of multi-lateral forums in Asia also made TCOG irrelevant. Japan and the ROK have participated in many security-related discussions down to the present on many issues, but only up to a point. There are no structures for bilateral training, planning, or operations, few command and control links, and political difficulties in each country about such interactions. Efforts to sign a General Security of Military Information Agreement, including exchanges of classified information on North Korea, were undermined by charges of selling out to the other party. A Memorandum of Understanding quietly arranged between the two governments in 2014 set up sharing information on North Korean nuclear and missile programs but only through the US. There have been sharp disputes between Korean and Japanese peacekeeping units trying to work together overseas.

After the Cold War, US efforts to get more military cooperation from Japan were not very successful. In the Persian Gulf War the US (and others) saw Japan's \$13 billion contribution as insufficient – and also with its unwillingness to deploy the Self Defense forces. In 1995-7 the US and Japan entered into several initiatives to boost their cooperation on regional security issues, particularly Korean contingencies, eyeing the North Korean nuclear threat and its admitted kidnappings of Japanese citizens. But the Japanese public opposed unilateral actions by the US against North Korea, and displayed fears of entrapment. The US agreed to narrowly define the relevant security situations involved, but the Taiwan Straits crisis of March 1996 revived concerns in Japan of becoming involved in Sino-American disputes, and also when the Bush Administration sought greater military ties with Taiwan.

Following the 9/11 attacks Japan provided Self Defense vessels to escort US naval units from Japanese waters to the Indian Ocean, provided fuel, inspected suspicious vessels, and had some 16,000 sailors serving in the Indian Ocean in 2001 - 2010 providing fuel, water, and supplies to allied vessels. A battalion-sized unit provided humanitarian assistance and construction efforts in Southern Iraq in 2004-6. But Japan was silent about the Bush 's axis of Evil" declaration. US-Japan efforts began to diverge as Japan focused on securing release of remaining Japanese abductees in North Korea. In 2002 Japan and the US began creating an agreement: *US-Japan Alliance: Transformation and Realignment for the Future*, opening possibilities for globalizing the alliance and shifting US Marines from Okinawa to Guam. But the "Pivot to Asia" of the Obama administration brought further concern about abandonment and entrapment. Japanese officials insisted on continuing provisions against collective self defense with the US, excluded Taiwan from the possible contingencies, thus reducing Japanese worries about entrapment considerably. But fears of abandonment

remained, despite the nonparticipation in the Gulf War fighting. Practical concerns for Japan's security come first as the most important issue. But even concern about abandonment, greater than concern about entrapment, did not mean about greater Japan cooperation on Korean security issues.

American changes to the US-ROK alliance were pursued through the Future of the Alliance Policy Initiative (FOTA), after US forces were cut from 43,000 to 36,000 in Korea in 1989-1991. The Combined Forces Command was reorganized, and other changes adopted in a "redefinition of the alliance." The ROK sent medics, soldiers, and marines to Afghanistan in 2001-7, and a Provincial Reconstruction Team there in 2010-2014, along with a 3600-man Zaytun unit to Iraq for 2004-8. But the Seoul disliked the Bush "Axis of Evil" declaration, and substituting "Sunshine Policy" for dealing with North Korea. Elaborate US-ROK discussions (11 in all) in 2002-2004 resulted in relocation of the Yongsan Army Garrison to the Pyongtaek area and the US Second Infantry Division moving south of the Han River, plus 12,500 US troops being eventually withdrawn from Korea. A decision was made to delay transfer of the Wartime Operational Command (OPCON). All this led to more abandonment fears in the ROK, with analysts and editorials depicting the alliance as deteriorating and many Koreans fearing the US would drop its commitment to South Korea. Even greater fears of entrapment arose. There were fears of being dragged into the War on Terror or a US attack on North Korean nuclear weapons facilities. These concerns eased with the Obama Administration with its Strategic Patience and Pivot to Asia policies, although concern remained about future entrapment in American fighting in regional or global contingencies.

With economic and technological advances, Japan and the ROK have acquired new options: maintain the alliances, abandon them for a policy of neutrality, or seek alliances with another power or powers. Japan shows no sign of shifting to an alternative to the US-Japan Security Treaty, there is a high level of trust between their publics and strong support for maintaining or improving ties. US-ROK relations have been more strained due to changes in the alliance, rising ROK nationalism and anti-Americanism, increased ROK interest in reconciliation or unification with the North, and a ROK desire for a greater role in the alliance and a more independent foreign policy in the region. The Roh government announced it was moving toward strengthened military cooperation with China and seeking a leading role as a "balancer." Observers began suggesting it would soon cut its ties with the US, in part because China had become the ROK's leading trade partner as of 2004. In 2015 the ROK joined the Asian Infrastructure Investment Bank of China, and China now accounted for a quarter of ROK exports (double that of its exports to the US). President Park celebrated commemorating the end of World War II in Beijing with Presidents Xi and Putin. Other observers, however, saw this as the ROK seeking more support from Beijing on North Korea matters and rising ROK "middle power diplomacy" with respect to US-China competition. David Kang (University of Southern California) sees this as reflecting the ROK's intense search for unification and respect for Korea's long history of stable relations with China, both better aligned with China's goal of peaceful change in the region than the US desire to eliminate DPRK nuclear and ballistic missile capabilities. However, while the North

Korean threat remains there is no real desire to abandon the alliance which US and ROK public opinion strongly supports.

In summary, there are clear limits to trilateral cooperation. Political, legal, and historical difference continue to inhibit bilateral ROK-Japan cooperation, the US continues as their protector, Japanese support for the alliance is at historic levels, and Korean support remain high despite some dissatisfaction. What are the prospects? Japan's entrapment concerns are only of possible US unilateral action against North Korea or becoming involved in a crisis with China over Taiwan and the Taiwan Strait. Abandonment fears are more serious. In the ROK there are entrapment concerns due to the repositioning of some US forces in Korea for uses elsewhere, and the US and ROK continue to disagree on China's role in Northeast Asian affairs. In contrast to Japan, therefore, Korea's main concern in entrapment. The reactions are asymmetrical and thus friction will likely continue between Japan and Korea and Japan will play a limited role only in Korean security.

#### **PAPER: GORDON G. CHANG**

##### **Will China Allow North Korea to Collapse?**

Relations between China and North Korea have deteriorated, but sustaining North Korea still serves China's interests. So it will resist any failure of the regime. But China's troubles may make it difficult to be of sufficient support. The two regimes barely talk to each other despite being each other's only formal allies. The DPRK has been staving off collapse since at least since 1990 and the beginning of a great famine in which perhaps 3,000,000 perished. Regime survival was largely due to the people's preoccupation with day-to-day survival. The economy is more stable now, but the people now look at the leader differently than when he was supposedly "divine." Kim Jong-Un lacks the stature of his predecessors. The earlier cult of the leader has declined. Observers suggest he has a "legitimacy gap" and that regime ideology (Juche) is defunct. Under Kim, Jong-Il many people had to forage on their own, roaming around, in ways that freed them somewhat from the regime's total control, into free markets, a situation never totally reversed since. Today those markets reflect a "money culture," with the populace oriented more toward prosperity than ideology, as displayed not just in villages but even in Pyongyang where there is some flaunting of privilege and affluence (and Kim Jong Un's wife does the same).

Kim has now announced a five year plan for economic development, after a half decade of about 1% annual growth. However, he has put himself in what Victor Cha calls a "legitimacy spiral" in which the goals of prosperity and nuclear weapons seriously conflict. The UN has applied serious sanctions and many nations have followed suit – Japan, the EU, the ROK (which closed the Kaesong Industrial Complex cutting Pyongyang's income by some \$90 million annually) on a campaign David Maxwell (Georgetown) calls one of strategic strangulation." And economic liberalization to boost prosperity would eventually undermine regime stability by eroding Juche and further opening up the system because of the increasingly demanding population. Kim has been trying to make the system more flexible without relaxing central control, hence his reforms have been modest, unlike those

in China, reforms he spurned in his May 8 speech as “the filthy wind of bourgeois liberty and ‘reform’ and ‘openness’ blowing in our neighborhood.”

Regime instability is reflected in the brutish politics during Kim’s rule. 68 senior officials were killed in 2012-4, and 15 more in 2015, and a number of high ranking military officers also disappeared. Adding junior officials and officers suggests the total for the period was closer to 5000. This has come to a halt apparently, so that two senior figures – Ri Yong Gil and Choe Ryong Hae – who had disappeared have now reappeared (in May) at the Party Congress, perhaps indicating Kim Jong Un’s realization that there had been too many executions. Or perhaps he now thinks he is in suitable control. If so, that may be a mistake. Kim, Il Sung created a one-man system with various sectors challenging each other to maintain balance in it. Kim Jong Il put the top military officers in the key positions in his regime. Kim Jong UN is seeking to recreate the Kim Il Sung approach, stripping the military of power, prestige, and money, and ousting four defense ministers and three chiefs of the general staff. His election as chairman of the Party now suggests he is in command of it. But if top generals and admirals continue to disappear this will mean stability is not fully established.

The regime looks vulnerable. For the 7<sup>th</sup> Congress extraordinary measures were taken – travel bans, prohibitions of family gatherings, rechecking of citizens loyalty, etc. Very high officials and former officials in the ROK and the US, plus Chinese academics, have expressed suggested that the North could collapse, that instability is brewing, and even that a regime collapse is only a matter of time. But this is not certain, even though one-man systems are the least stable forms of government. And American policy is designed to work with the government, not end it, even with the current US sanctions. (Assistant Secretary of State Daniel Russel said in May “The sanctions are designed to bring the North to its senses, not to its knees.”) But the US is strongly pressing to take North Korea to the brink of collapse to get it to come to the negotiating table. This seems a response to some Kim Jong Un threats to kill millions of Americans and a conclusion that “strategic patience” needs further intensification

Chinese reactions vary. Many analysts there think a Kim Jong Un collapse would be beneficial. Some think China should annex the North if a collapse is imminent through military intervention. Shi Yinhong (Renmin University) has said China should promote a unified Korea under Seoul management, that a unified Korea would move closer to China, further from Japan, and eliminate US forces on the peninsula. But China’s policy remains designed to support Kim Jong Un and the regime, despite Xi Jinping’s reported disgust with Kim. China sees the US as its chief adversary and will not support denuclearization of the North, or allow the North to collapse, for that would release US forces in the area to act in other areas to China’s disadvantage and allow Seoul and the US to pay less attention to China’s concerns and interests. “North Korea is so beneficial to China that if it did not exist Beijing would have to invent it.” The North’s regime understands its importance to Chinese interests, which helps explain why it can defy China so readily. The very old hatred for China persists in the North, it has stationed heavy armor close to the Chinese border, and it has downgraded relations with Beijing, including the execution of Jang Song Thaek and some of his supporters who were active in conducting relations with China.

The two are not communicating well and China has sought to limit relations to a state-to-state basis, not party-to-party. But China continues providing 75% or more of DPRK trade, and may supply 90% of its international commerce in 2016. The North needs China yet it can avoid China's control because Kim knows it has little or no choice, that China also needs North Korea. However, Beijing may count on how the North Korean economy is steadily becoming more controlled by Beijing through trade, investment and aid. Thus with the fifth set of UN sanctions on the North, China pledged to comply, announced restrictions on China-DPRK trade, halted coal shipments from the North to China along with restrictions on trade of rice and construction materials, put 31 North Korean ships on a blacklist, and clamped down on financial transactions. But China has long subtly evaded many such restrictions and is apparently doing so again, such as with oil and luxury goods, cylinders of uranium hexafluoride (for the nuclear weapons program), vacuum pumps, valves, and computers. Clearly China will not act to cause the failure of the Kim regime. It accepted a visit by a high level DPRK official recently, presumably asking for some relief from the sanctions, showing China it is still in charge while accompanied by a continued independent stance, including some disobedience, by North Korea.

An important question is whether the Chinese regime is far more resilient than the one in North Korea. There are at least two reasons to question the regime's long term strength. China's economy is displaying considerable distress, moving toward perhaps a deep and extended contraction: accumulating debts at a very fast pace, having huge flows of money out of the country at a record pace, and with Xi Jinping pursuing regressive policies with potential adverse consequences in the long term. The economy is, many believe, headed into a crisis. It is volatile, not a good sign of stability. Simultaneously, the Party is experiencing considerable infighting over Xi's efforts to consolidate his power, hide a serious purge as an attack on corruption, and beginning to get critics openly challenging Xi's policies. The disagreements within are apparently hindering the Party's ability to deal with systemic economic problems. This is dangerous because the people, after years of improving living standards, will readily demand more while Xi continues becoming increasingly coercive. The state is far less stable than appears. It has many commitments around the world it will not be able to fully meet, and conducting disputes from India to North Korea and about the South China, East China, and Yellow Seas. The leaders have a severe case of "imperial overstretch," and its only real ally may be North Korea. Thus North Asia could turn more volatile, China less able to support the DPRK, and the situation in the area much more challenging.

Some additional comments by Chang in presenting the paper: US pressure on the North has been rising significantly – the US really wants him out. Also, North Korea is currently putting more heavy military forces along its border with China. Chinese sanctions are not fully intended to squeeze the DPRK. Some are being somewhat cut back, while Chinese supplies to the North's nuclear weapons program are continuing.

**PAPER: PROFESSOR KIM TAEWOO**

**Strength and Consistency: A Key to North Korean Nuke Sanctions**

As expected, since the Seventh Workers' Party Congress in May, Pyongyang has ratcheted up its peace offensive to "diffuse tension and build mutual trust on the peninsula." It wants to drive a rift in the latest international sanctions and curb its isolation. The South's proper response was to demand the North "demonstrate its commitment to denuclearization." The South and international community need to get a dialogue via imposing sanctions and firm deterrence. The North's 4<sup>th</sup> nuclear test on January 6 and a long-range missile test on February 2 greatly escalated its nuclear threat. It has since claimed a successful (but false) first hydrogen bomb test. This led (by the US) to UN Security Council Resolution 2270 for very strong non-military sanctions. Pyongyang just continued miniaturizing nuclear warheads and its missile reentry technology, and launched an unprecedented verbal assault on President Park plus its usual assault on the South. Getting the North to enter substantive nuclear talks requires sanctions since the Kim family dynasty would otherwise block internal changes. The regime already operates an overlapping network of watchdog organizations – the Organization and Guidance Department of the Workers' Party, the Ministry of State Security, the Ministry of the People's Security, the General Political Bureau of the People's Army, and the Defense Security Command – to control any uprising or anti-regime movement. Democratization, enhanced human rights, and communication with the outside world would directly threaten continuation of the regime. Pyongyang will not drop its nuclear weapons efforts as they are central to its identity and survival; it must be forced to by outside actors.

Inside, those weapons have a "halo effect" legitimizing the "Baekdu bloodline." Externally, they help "equalize" North Korea with other states to block US interference and provide equal bargaining power in negotiations. They psychologically pressure Seoul in bilateral negotiations, offsetting the DPRK's faltering economy and conventional military inferiority. They may lead the US into loosening ties with the South and not sending it reinforcements in case of an emergency. The regime also uses work on intercontinental range missiles to eventually be able to strike the US and shorter range missiles for attacking US bases in Guam and Okinawa. With "Nuclear-First Politics" paraded at the Seventh Workers' Party Congress, the regime tries to rule out denuclearization and eventually achieve status as an "invincible military power armed with hydrogen bombs." Kim Jong Un said the DPRK would not use nuclear weapons against anyone except a hostile force encroaching with nuclear weapons itself, would obey its obligation on nonproliferation, and strive for global denuclearization, reflecting the regime's intention to be considered a nuclear-weapons state and get sanctions cancelled.

Pyongyang's nuclear threat can no longer be overlooked, particularly by Seoul. The nuclear weapons effort was initiated out of Kim Il-sung's teachings and early development of a nuclear weapons talent pool, then pursued vigorously by Kim, Jong-il, and now Kim, Jong-un. If it continues North Korea will soon have over 50 nuclear weapons, from first generation to fission bombs, second generation hydrogen bombs as well as short and long-range delivery vehicles. It is already developing its nuclear targeting of Seoul for combat purposes. It could use either of two strategies with its weapons: nuclear blackmail via psychological pressure on nonnuclear states, or leaking information on possible nuclear

attacks it could generate. Its past provocations have already succeeded in limiting South Korea's retaliation thinking.

It could use several nuclear strategies more directly: Demonstrative Nuclear Use, Tactical Nuclear Use, or Strategic Nuclear Use. Demonstrating its nuclear capacity could be used to cancel US involvement in a peninsula conflict. Tactical nuclear use could hit counter-force targets in a peninsula war – ROK and US military facilities, bases, etc. Strategic nuclear use could be for counter-value strikes on opponents' cities to produce mass destruction and death - presumably a move used because the regime's survival depended on it. Pyongyang can add chemical and biological attacks, probably making it difficult to determine who is behind them. Or perhaps radiological dispersion devices. Seoul would not be able to react punitively in a timely way. Another possibility is Kim making a serious misjudgment, or a spontaneous or reckless act, etc. Other possibilities - a political upheaval or revolt, or a computer malfunction. All these can confront Seoul with a wide range of attacks that call for the US nuclear umbrella or US conventional forces. What it would really need would be its own nuclear retaliation weapons.

UNSCR 2270 is the 6<sup>th</sup> resolution targeting the North's nuclear weapons activities. The sanctions cover trade, imports and exports of all weapons, and financial activities. It further bans nuclear weapons, ballistic missiles, and chemical and biological weapons. It blocks exports of North Korea's coal, iron and iron ore, gold, vanadium, titanium and other rare resources. It imposes mandatory inspections of cargo into and out of the North. It obligates all UN member states to prohibit entry into their ports of any vessel owned or controlled by an individual or entity prohibited by the resolution. It requires closure by countries of overseas branches of North Korean banks or opening new branches in North Korea. Money wiring and other banking interactions with the North are also banned. Numerous countries have added additional sanctions of their own. The sanctions will dry up Seoul's WMD-related revenue considerably, revenue that has been running up to \$5-6 billion annually from mineral exports, sending labor overseas, tourism, etc. Anthracite alone has been bringing in over \$1 billion a year. However, there are various loopholes. And China poses a particular problem because it can continue importing North Korean minerals if it chooses and could keep sending the North 500,000 tons of oil annually as well. The 3 Northeastern provinces could continue trading with North Korea because they are underdeveloped and growing below the national average. Most North Korean banks have branches in China which China may not block.

China's view of a nuclear North Korea is heavily affected by Sino-US military relations, particularly Beijing's expansionism in Northeast Asia versus the US "rebalancing" strategy. A new great power competition is emerging: China-Russia vs US-Japan. Recent territorial disputes have provoked confrontation between China and the US-Japan. Since China's artificial island building in the South China Sea, risk of a military clash has been rising. China has objected to the strongest sanctions on North Korea and its support of UNSCR 2270 is uncertain. Clearly Beijing will not support sanctions that threaten North Korea's survival. (And Moscow would likely side with Beijing.) China may ease up on or even withdraw from the sanctions. Successful sanctions depend on whether all participating states carry them out. Japan, the EU, the Philippines, Mexico, Switzerland, and Russia have all signed on fully

or in part, but in the past they have been reported as upheld by only about 20% of UN members.

A third factor is South Korea's nuclear diplomacy. It has strengthened relations with China, participated in 8 Xi-Park summits, joined in Beijing's celebrating the end of WW II, etc. Its decision to close the Kaesong Industrial Complex strongly added to pressure on North Korea, and was expensive as well, demonstrating that China would not be sanctioning the North while money via Kaesong was still flowing to Pyongyang. A souring of ROK-Beijing relations could lead to an extreme ROK response. In a January poll some 54% of South Korean respondents supporting the ROK developing its own nuclear weapons, and many ROK experts voice similar suggestions. Or the ROK might request return of US tactical nuclear weapons. It has been pumping funds into air and missile defense systems like "Kill Chain" and involved in serious negotiations about US deployment of THAAD. Some ROK experts want around-the-clock deployment of US nuclear-armed subs in the East Sea, among other potential steps.

China's flip-flopping on North Korea has been perplexing, running contrary to the UN on punishing the North, on putting that regime's survival at risk. The US is left trying to restrain China's expansionism while cooperating with China about sanctioning the DPRK. The US is enhancing ROK security via a nuclear umbrella and by employing a "tailored deterrence strategy" involving "detect-defend-disrupt-destroy" capabilities and plans. The Seoul government needs to keep US support in mind, helping the US cope with China's conflicting actions. The US needs to do even more contingency planning, perhaps even threatening a nuclear response as a message to both China and Pyongyang.

Some additional comments by Kim, Taewoo in presenting the paper:

Even more pressure is needed via UN sanctions. But they won't be successful; voluntary changes in the DPRK won't happen because it can't open up and survive, can't get rid of its nuclear weapons program. Meanwhile, the ROK suffers for China's hypocritical relations with the DPRK; its vulnerability to nuclear weapons is rising and it has failed to squeeze Pyongyang sufficiently. It has a nuclear umbrella but can't benefit from the North's growing nuclear posture. Meanwhile, China continues shuttling between connivance and pressure vis-à-vis the North. The North is a Chinese card in China-US relations. So the ROK-US alliance must continue; a ROK nuclear weapons program would not lead to the end of the alliance as many expect.

## **DISCUSSANTS COMMENTS**

### **DR. ANDREW SCOBELL:**

On the Durand paper, a question: How can the Japan-ROK friction be overcome?

On Kim's paper: what can be accomplished without a North Korean regime change? What would constitute a (different) success? As of now it seems that the sanctions are a bridge to nowhere.

On the Chang paper: the catchy phrases are not pointed enough. Also, China allows a good deal of discussion about North Korea, the most allowed international relations debate in China. And China clearly wants to know what Chinese feel about North Korea. In part this is because it likes serving as a glaring example of how much better China is. It is putting unprecedented pressure now on North Korea, despite keeping up its relations with the DPRK, but it has yet to figure out how to alter that government even though it increasingly sees denuclearization as a key factor in Korean peninsula stability. And stability is its key objective – so it doesn't particularly want to save Kim Jong-un's rule.

**DR. KI-YUNG SUNG:**

Sung's comments focused on Gordon Chang's paper. Most comments about North Korea tend to stress internal elements there, but China is clearly at odds with the DPRK internationally and has been for some time in their relations. Chang stresses internal elements in the DPRK. He discusses how China has long been at odds with the DPRK, but also notes that the DPRK has been vulnerable since the 1990s. He points out that North Korea is finally growing a bit economically. American pressure on it continues, but the US also wants peace and stability on the peninsula and in Northeast Asia.

China doesn't really respect its relations with North Korea, but will its real behavior with North Korea really change? That seems dubious. But if China can't contain North Korea how can it handle more potent other states in the region?

**DR. DAESUNG SONG:**

In opening comments about the Durand paper, he noted that China has never provided a security guarantee for the DPRK like the US has for the ROK, but nonetheless it won't abandon ties with North Korea. In this situation, the US-ROK alliance never really changes. He offered a question: what is the best role for Japan to play on ROK security matters? As for regional stability, not mentioned by the presenters is that stability very much depends on US-China relations too. On the North's nuclear program, how successful will the US-China effort be in affecting it? In particular, why won't China let North Korea collapse? Chang's view on this seems good. China and North Korea have had a lengthy association, and older Chinese still cherish this (from Korean War days). They think the two nations' ties are important, so China would not let the DPRK collapse and it won't do so now.

Actually, China should consider the *benefits* of a North Korean collapse. Stability on the peninsula is one. Another is solving the North Korean issue thus preventing the US and ROK from reacting very severely someday, such as the US returning nuclear weapons to the ROK or the ROK renting those weapons or purchasing them. The ROK making nuclear weapons itself - with the likelihood of Japan developing nuclear weapons as a result - is not in China's interest. China also worries, of course, about defectors pouring in if unification is adopted and succeeds, but this would not necessarily occur.

**JAMES DURAND**

Victor Cha was right; the friction between Japan and the ROK is very entrenched, so cooperation between them is necessarily limited. Hence even a ROK-Japan intelligence

sharing arrangement can't be developed. A trilateral arrangement (US, ROK, Japan) would be better and is the most plausible, but it is not very likely now. Instead ballistic missile defense is the more plausible trilateral arrangement, and most apt to succeed.

#### **GORDON CHANG**

Scobell's comments were very useful. However, it will still be hard to pull off more cooperation on defense matters in Northeast Asia. The US even tried to get cooperation with North Korean in the past, without success. Is it possible that this might be tried by a Trump administration?

On China-North Korea relations there is a degree of paralysis now in North East Asian matters. In fact, China is involved in a long list of clashes in its neighborhood, and even elsewhere. It has not been able to just coast along. As for the US, it needs to shift its policy on North Korea. The DPRK's missile reach is growing. That could lead to big shifts in policy after this year's election. The US might then need to really tackle the Kim regime!

#### **TAEWOO KIM**

Dr. Kim added that the ROK must not press the US on moving to improve relations with China. He added that issues with China about the sea are now very important for the ROK, and in this connection more pressure on the North is necessary. However, China sends out messages that display contrary positions, so North Korea just continues on with its nuclear weapons program.

Dr. Durand is correct about the need for some movement toward trilateral missile defense. But if North Korea goes through with mounting SLBMs in the sea the trilateral alliance/arrangement will be strained. More work is needed on how to cope with this problem.

#### **DR. YONG-OK PARK**

The former Vice Minister of National Defense asked Gordon Chang: if the ROK accepts the plan for it to acquire, along with the US, missile defense on the peninsula, China will oppose this, as it has been doing for some time (because of worry about the US missiles threatening Chinese ballistic missiles); will this allow the ROK to purchase its own missile defense system?

#### **DR. RYOO-JAE KAP**

His question for Gordon Chang: why is being linked to North Korea considered vital by China? And Wouldn't China benefit more from unification on the peninsula. Another question: Kim Jong Un recently said North Korea will commit no first use of North Korean nuclear weapons. Will the North really rely on a second strike response? Dr. Kim noted that a South Korean participant said last night that if any troops go into North Korea they won't leave a post on Facebook! Another question: is there any correlation on US and Chinese attitudes on the Spratly Islands?

#### **RESPONSES TO COMMENTS**

**Chang** said that nothing really holds China and the ROK together. Chinese policy is consensus driven and there is no consensus on this matter, nor a clear Chinese policy on North Korea or on relations with the US. He also added that the US separates military and trade relations, which is a big mistake. He added that China is now close to pushing everyone too far, and that soon will backfire.

If Chinese forces end up entering North Korea that will be costly in lives, and there would be some domestic complaints about this. But in doing so China will want any documents in the North on China-DPRK relations cleaned up.

**Taewoo Kim** added that China has said it will not support THAAD missiles from the US in the ROK, but not object on missiles being bought by the ROK from Israel or other sources. On a North Korean no-first-use policy, this is an old issue going back some years. The ROK president said no about getting the missiles some time ago, but now North Korea is saying it wants to see a ROK no-first-use policy, which is somewhat hypocritical.

**Scobell** – on whether China will ever drop its link to North Korea, he said China will not want to go into North Korea in support – it remembers the Korean War too much. But it will intervene if Chinese vital interests are at stake. China does not want to absorb another province south of the Yalu – if it does invade it would eventually pull its forces out. On whether there is any link between the South China Sea and Korea on the matter of US-China relations, he said there is one of sorts, and likewise one pertaining to a link between the US and Taiwan and, in China's view, between Taiwan and the Korean situation as well. He closed noting that Chinese policy is affected by numerous constraints.

#### **QUESTIONS FROM THE FLOOR**

- Q.** What will be coming up in the way of a Kim Jong Il visit to China?
- Q.** What could get China and Japan to work harder for unification on the Korean peninsula?
- Q.** The ROK has imposed more curbs on North Korea recently. Shouldn't efforts aimed at putting more focus on Asian development mean a push for the lessening of such curbs?

#### **ANSWERS**

**Gordon Chang:** Kim will not go to China until he feels safe enough at home. He is afraid of going to some parts of North Korea as well! And China will not go for unification on the peninsula. However, as for preventing it, the PLA is not happy with the idea of any invasion of North Korea. On Asian development, North Korea itself is not eager for more major investment now – that route to a more peaceful situation is not open at this point.

**Dr. Durand:** What can Japan do with respect to Korea unification? North Korea is still an obstacle. Remaining kidnapped people in North Korea is an obstacle as well.

**Dr. Scobell:** On China's position about any collapse of North Korea and about unification, the Chinese can see the benefits that could arise, but can't see how to get to that point nicely. They fear that the attempt would be destabilizing.

**Q.** What if the US would accept a nuclear freeze by North Korea – in nuclear weapons, missiles, etc. And what if it sought an end to the human rights situation – the camps?

**Q.** Could the international community emphasize the human rights campaign, have no success, and thus press more on unification and with success?

**Q.** Is there a role for Russia in all of this?

**Q.** On a collapse in North Korea: isn't a real collapse very unlikely – since a vacuum and lots of instability would result?

**Q.** In the Korean War, even before Russia created a new state in the North, China had created a new state in the North and it also created a new state in Tibet in 1949. Clearly, China readily invades its neighbors. Also, Scobell refers to the PLA being very likely to not leave North Korea after another invasion, which happened in the past elsewhere. Isn't that possible again?

**Q.** Should the US put more emphasis on unification, and should it seek a SEATO-like arrangement in northeast Asia?

**Q.** Most dictatorships in recent years have been sketchy. Why is North Korea's dictatorship allowed to survive?

## **ANSWERS**

**Taewoo Kim:** A nuclear freeze would still be very dangerous. It could involve cheating. It would retain the existing threat to the ROK. North Korea could still use nuclear weapons to harass the ROK. But it is still a good idea in other ways! On having a SEATO-like collective group vis-à-vis China, yes – this would be a good step!

**Gordon Chang:** Russia has long been absent from Korea. But Putin is looking these days to boost Russian-Chinese ties. And he doesn't want China to be getting too powerful. However, China will accept a small role for Russia in North Korea matters.

**Dr. Durand:** Japanese – North Korean relations cannot readily be improved. And the security issues are now so broad that it is difficult to see any narrow route to a more effective regional stability arrangement.

**Dr. Scobell:** China has a long history of fighting even in China itself! But it is more pragmatic now, about North Korea and other matters. It certainly does not want to have to occupy North Korea.

The Chairman of the panel, **Dr. Seo-Hang Lee**, before closing the session, pointed out that the panel had somewhat neglected US-China relations. But everyone certainly earned the upcoming lunch. **David Maxwell** then declared the first panel of the conference adjourned.

## **LUNCHEON AND LUNCHEON SPEECH**

The luncheon speaker, **LIEUTENANT GENERAL CHUN, IN BUM**, DEPUTY Commanding general, First ROK Army, was introduced by **General John Tilelli**, Co- Chairman of the Council, who began by briefly reviewing General Chun's distinguished career, noting he had served in the Combined Forces Command under the General, and calling him a great friend of the United States. He was a key participant in shaping the OPCON Command and commanded the Special Operations Command in the ROK Army. (He was an aide to a three star general and received the National Security Medal for saving General Lee, Ki-baek in the 1983 Rangoon bombing; he rose rapidly through the ranks and was promoted to Lieutenant General in 2013 and to Deputy Commander for the First ROK Army in 2015.)

General Chun indicated his pleasure at being asked to speak to the Council, and thanked General Tilelli for his generous introduction. He began his remarks by noting that in the early 2000s the ROK decided there would probably not be any more war on the peninsula. So the ROK armed forces would have to shrink and turn to advanced technology. Financial resources were cut and as a result the ROK forces have no units that are at 100% strength, even today! The cuts avoided reducing specific fighting units, but elements needed for sustaining those units were cut rather substantially across the board. This is the situation now.

As for the ROK-US alliance, that has remained quite robust. It has taken a huge effort to sustain it in its present condition and in the current situation it has to be strongly maintained. It is facing a number of serious challenges:

In the finances available

In environmental issues

On base relocation matters

On the OPCON transition - a major subject

On nuclear weapons – serious thought continues to be needed on this, because the costs could be huge and there may be many warheads involved

General Chun said he was never scared by the 100 North Korean divisions, but South Koreans tend to react to every little issue, and there are attacks of one sort or another on all sorts of aspects of Korean life.

After these brief comments General Chun opened the floor for questions. The first question asked what the General meant by threats in the ROK. His answer was that there is a huge wave of propaganda always secretly pouring in from the North churning up threats.

**Q.** Why have there been no attacks by the allies on North Korea's nuclear weapons program? Can we do something to get North Korea to back down on its nuclear weapons program? The General said that having Seoul as a hostage because of its location on the border, has meant there is no easy way to use force on such a matter. There would be many civilian lives at stake.

**Q.** A segment of the people in the ROK openly reject the South Korean government and its political system. A proactive response to this is badly needed. Isn't a civic society approach is needed on the matter of unification, including from American Koreans? The General said that we live in a democracy and that means action on such matters takes time, causes frustration. Thus we have to be careful in going about these things.

**Q.** What about Donald Trump saying that perhaps US forces should be removed? The General said that he believed the US was truly devoted to saving Koreans if they are attacked.

**Q.** Why does the ROK need so many American forces there (30,000), given the economy Seoul enjoys, the size of the ROK's population, etc.? General Chun said that there are a lot of benefits for Korea from having those troops in the country; and it gives the US some good leverage on both North Korea and China.

**Q.** What is the life of a North Korean officer like in his country? General Chun started by saying that doctrine is very widely and actively promoted among the officers. Next, the officers are very good on taking orders, at least partly because they are almost always under considerable surveillance. The units are tightly knit in part because division commanders don't regularly rotate – often they are not moved for 10 years. The officers also get very methodical training. All this is a lot like what was the case for Japanese officers during World War II.

**Q.** Would a trilateral approach to dealing with North Korea really help the allies handle the North? General Chun said that trilateral cooperation is good in the three nations' navies. More of this sort of cooperation would be good, but it will take some time to spread it widely across the three nations' military forces.

**Q.** The North Korean armed forces are larger, their equipment is older, the North runs a huge propaganda effort, and the North issues huge threats. Is this actually a threat? The General said that the allied forces will definitely win in a war. They have better planes, ships, and other equipment. Their advantages are such that this was why North Korea chose to focus on acquiring nuclear weapons as its primary military threat. In a war the allies would definitely win, although it would be a tough struggle.

**Q.** What is the Chinese response to the Allies studies and plans? The General finished his presentation by saying that the US is very powerful and with that power comes great responsibility. The Allies work hard to be ready to respond when needed. The Combined Forces Command is very advanced and very well organized

**General Tilelli** closed the session by saying that in a conflict “we will win.”

## **PANEL II: POLITICAL ECONOMY OF THE TWO KOREAS**

**MODERATOR: MR. ROBERT M. COLLINS, U.S. COMMITTEE FOR HUMAN RIGHTS FOR NORTH KOREA.** Retired, ROK - US Combined Forces Command in 2009; received numerous medals and awards in his military career; writes frequently on Korean security issues and US

interests in Northeast Asia; BA in Asian History – University of Maryland, MA in International Politics – Dankook University.

**PAPER PRESENTATIONS BY:**

**Mr. BRADLEY BABSON, US-KOREA INSTITUTE; Consultant – World Bank and the United Nations; Chair – DPRK Economic Forum at the US-Korea Institute -Johns Hopkins School of Advanced International Studies; MPA degree –Woodrow Wilson School of International and Public Affairs, Princeton**

**MR. TROY STANGARONE, KOREA ECONOMIC INSTITUTE OF AMERICA; Senior Director of Congressional Affairs and Trade – Korea Economic Institute. Editor of KEI's *Korea's Economy*; writings widely published in the US and abroad; M.Sc. In International Relations at London School of Economic and Political Science and a BA in Political Science and Economics from the University of Memphis.**

**MR. SANG SIN LEE, KOREA INSTITUTE FOR NATIONAL UNIFICATION; Center for North Korean Human Rights Studies – Korea Institute for National Unification (KINU); Formerly at the Institute for Peace and Unification Studies at Seoul National University; Ph. D in Political Science, University of Iowa.**

**DISCUSSANTS:**

**DR. TARA O**, Pacific Forum CSIS; Adjunct Fellow – Pacific Forum CSIS. Former Air Force officer Combined Forces Command, US Forces Korea, and NATO; former Professor - US Air Force Academy; Ph. D Lyndon Johnson School of Public Policy, University of Texas at Austin

**DR. SOON PAIK**, Washington University of Virginia and ICKS; Senior Economic Consultant of the UN Development Program for the Taebaek Iron Development Project in the ROK; many publications on economic affairs; former Senior Economist - US Department of Labor Bureau of Labor Statistics; Ph.D West Virginia University.

**DR. NAMSUNG HUH**, Council on Korea-US Security Studies; Professor Emeritus at the Korea National Defense University; Director of the Korea Institute for Crisis Management Analysis; President of the Korean Association of Military History and former Colonel of the ROK Army; has written widely including *War and Civilization* (2015). Ph. D in Military History - Ohio State University.

**PAPER: MR. BRADLEY O. BABSON**

**The North Korean Economic System: Challenges and Issues**

The North Korean economic system is the product of a unique history and dynamics of change, having evolved through the rule of three national leaders, and is now undergoing adjustments reflecting the impact of UN Security Council Resolution 2270 sanctions, the closure of the Kaesong Industrial Complex, and the recent Seventh Party Congress. Despite

many past challenges and isolation, the economic system has been more adaptive and resilient than outside observers expected. A product of multiple developments and experiences, it has no convenient analog to help in analyzing. It is *sui generis*, and needs analysis from various perspectives to grasp its challenges and their implications for its future. It springs from its geographic setting and natural resources, Russian-introduced socialist economic policies and institutions, Juche philosophy, dependence on communist countries for aid and trade, and security imperatives necessitating a large military. The economic system was shaped by:

An urban industrial economic structure based on exploiting natural resources;

Reliance on counter-trade with COMECON and Soviet oil subsidies for its transport, agriculture, industry, and defense needs;

A collectivized agriculture and a prioritized heavy industry;

A Soviet-style state planning system, a mono-banking system handling few monetized transactions, and emphasis on science and technology for productivity growth;

A national public distribution system for food and consumer commodities, with no markets;

An inward-focused development with emphasis on self-reliance rather than trade and investment with communist countries.

Under Kim Il Sung, a high priority on economic and defense development simultaneously.

The system started out outpacing the South's, until Park Chung Hee installed outward-oriented development efforts and a market economy. It then went into gradual economic decline despite various efforts to improve it including more outside activities, and it accumulated a major foreign debt burden on which it eventually defaulted and a significant isolation from the West. Although the state planning system was largely abandoned in the 1980s, no private sector or markets were allowed. Economic growth declined, capital stock deteriorated, and a wary regime avoided even Chinese economic reforms. The leaders and the military required hard foreign exchange and major imports of military and industrial equipment not readily available from the Soviet Union, and this led to creating a network of assets and income based on foreign exchange earnings with a wide range of largely separate managing arrangements, while retaining the existing secretive treatment of economic statistics that undermined central/cabinet capacities to fully provide economic development, leadership, and management.

The 1992 Basic Agreement installed North-South economic collaboration. This led to intermediate trading companies, and siphoning off resources for providing hard currency for the "Court economy" elite, plus receiving ROK bribes for concessions during the ROK "Sunshine Policy" period in 1998-2008, propping up the North's economic system rather than improving it. But the end of the Soviet Union generated a 50% drop in DPRK production in 1994-8 and famine. Economic reforms did not ensue, but the North requested and received an infusion of foreign humanitarian aid. Managing this gave more power to the Cabinet in economic management. Also, farmers' markets began to appear,

introducing previously unavailable private incentive and initiative. By 1998 the Cabinet was integrated with policy-making commissions and Ministry implementations, taking on younger technocrats, and moving to expand relations with Western countries especially in Europe, Australia, and Canada for purposes of aid and trade. This meant all its external economic partners were now market-economy partners, naturally affecting the small domestic market economy sector. It soon was shifting from barter trade to monetary transactions, using even foreign currencies. The resulting incompatibility between the state economic system and the market elements created a dilemma that evolved into a major issue for the economic system today. Economic reforms in 2002-3 meant accepting these developments. Exchange rates and wages became more in line with black-market prices, restraints on state enterprise were loosened, etc. But significant inflation resulted, and a backlash to the reforms and a market-based system from military and Workers Party elements protecting their interests, and many reforms were curbed. Kim Jong Il imposed a Cabinet purge (2006), and his missile launches and first nuclear test signaled a shift in national strategy. Economic reform efforts halted. Informal markets remain, particularly for private trade with China.

UN sanctions were imposed after the missile launches, the nuclear test, and later launches and tests (2009, 2013), leading the government to use front companies, trade diversion efforts, cash rather than international banking, remittances from North Koreans abroad, and lax enforcement of subsidies by various governments. But humanitarian assistance shrank significantly, plus elimination of ROK fertilizer and rice aid, after the 2010 military confrontations in the West Sea. By 2009-2010 the regime was eliminating private household savings via currency reforms and seeking to close markets – setting off much popular resistance particularly among the elite in Pyongyang. Eventually markets were allowed to reopen and the economic system has become a mixed economy with both state and market-direction and activity.

So markets have grown, diversified, and function smoothly, with prices largely market-determined. State enterprises set prices (and wages) significantly lower than market prices for workers, but some have begun to raise them, along with some enterprises and ministries moving to act as umbrellas of official protection for private market businesses. Housing markets now operate in parts of the country. New middle class businessmen (“Donju”) are accumulating capital for managing increasingly larger businesses. Such private activities are technically not legal or regulated, and there is no official recognition of markets. Legal, financial, and regulatory systems are lagging behind, a vacuum being filled by corruption and uncertainty. Efforts to set up Special Economic Zones starting in 2011 (13 in all) have been widely publicized but actual progress has been minimal for the most part – political and commercial risks for foreign investors are too great and the state cannot finance the necessary infrastructure (electricity, water, telecommunications, etc.)

Kim Jong Un now regularly promises to improve people’s livelihoods, warns against the wealthy accumulating too much power and networks of supporters by the execution of Jang Song Taek, and has turned to a strategy of simultaneous nuclear/missile development and economic development, Kim Il Sung’s old strategy. This is despite UN sanctions and pressure from the US, ROK, and Japan. UNSCR 2270 is meant to tighten UN members’

compliance and reporting, and reduce North Korean evasion. Sanctions now include exports of coal, iron, iron ore, rare earths, gold, and titanium ore and vanadium ore that the military needs. More companies and individuals are sanctioned, inspections of DPRK ship cargos are greater, sanctions on banking are much more elaborate, UN members are required to close branches of North Korean banks, and exports of aviation fuel are banned. The objective is larger curbs on DPRK overseas business efforts, more difficulty in trade and finance, denying income from major export commodities and imports to DPRK weapons programs and capabilities, plus slashing DPRK export earnings from coal and iron ore exports to China.

North Korea may adopt a much more self-sufficient economic system, in keeping with Juche, which would explain its resistance to the sanctions so far. But possible sanction impacts include:

Expanded use of front companies and financial institutions outside the international banking system; more use of cash and non-bank financial institutions;

More creative ways to avoid import/export inspections (bribery, small scale smuggling, rising illicit export of drugs, using trains not trucks, using small ships to export minerals and import oil (with help by Chinese and Russian organizations), better concealing of sanctioned goods - which may mean less state control over the actual flows.

Increased costs for overseas transactions – bribing customs officials, paying companies to assist in evasion, etc.

Trade diversification to cut dependence on China. China is already getting less iron and iron ore from North Korea due to lower international commodity prices. Coal exports are uncertain because China want to curtail coal-fired power plants, reduce steel output, shrink air pollution, etc. North Korea will seek to shrink imports while shifting exports more to textiles, value-added manufacturing, and the like.

North Korea seeking to expand its trade where possible, diversify it more, use more domestic sources for many materials, speed up economic development, divert more coal and other exports to domestic economic activities, adapt Public Distribution System activities to meet the needs of displaced workers, etc.

The North must confront the shutdown of the Kaesong Complex, especially since this closure may be taken much more seriously by both countries. Recent and prospective elections in the ROK suggest it may be several years before the Kaesong issue is taken up again in the ROK. The North may have a holding strategy-leaving physical assets there and providing welfare benefits for the workers, or an absorption strategy - seizing the assets, letting Donju entrepreneurs build new businesses. Whatever happens, it will be different than it was, with different arrangements, a renegotiation of the agreement, the question of the risks involved in restarting, all arising in the South.

As for the North, at the 2016 Party Congress Kim Jong Un announced a new five-year economic plan (2016-2020). No significant new directions were issued, no mention of the role of markets, no expectations on the impact of sanctions or policies for coping with them. Displacement of the dominant military role by the Workers' Party seems to be complete.

The Cabinet is getting a stronger voice on national economic development and its supervision. The Premier of the Cabinet is a new standing member of the Workers' Party Political Bureau, further increasing the Cabinet's role. One result may be acknowledging the necessary role of markets in economic development, as is the case in Vietnam and China.

Kim Jong Un also stressed "It is necessary to further increase the might of the politico-ideological power and military power." This is a recognition of the need to set aside Kim Jong Il's "military first" posture, and that the military's parallel economic system in owning foreign exchange enterprises, trading companies, and banks is no longer adequate. Kim added that economic rationality is also needed. Launching loyalty campaigns among workers, students, farmers, etc. is under pressure – they are unpopular and younger people want to make money not parade ideological loyalty.

In other matters, basic economic priorities remain roughly the same: energy, agriculture and light industry. One aspect of energy is a possible future interest in trading concessions (possibly even on nuclear weapons) for safe nuclear power, although major investments will be needed to upgrade the power distribution system. Kim Jong Un has referred to getting more attention paid to agricultural mechanization and that would fit in with the self-reliance theme so often cited. Kim also has expressed interest in more light industry development. He stressed in his 7<sup>th</sup> Congress address the need for expanding participation in international trade and the global economy. In combination with the other changes, this suggests that to a degree ideological perspectives are giving way to more pragmatic ones.

The biggest economic challenge will be how the economic system adapts to the growing role of markets, especially with the Worker's Party still wanting mass labor mobilizations for major political holidays, special events, and other campaigns which just get in the way. Will this fundamental step get the necessary political backing? Next, the public finance system and banking system, and the tax system, must be reformed to enable accumulation of public savings to spur economic development. Privileging the military over civilian economic interests could then be pared back. The banking system needs reform because corruption and black market lending are flourishing now. The new anti-money laundering and anti-terrorist financial law goes in the right direction. Banking supervision needs considerable improvement also. The absence of published statistics is a major defect, and partly responsible for lax banking supervision.

North Korea relies heavily on coal, iron, and mineral exports along with seafood to get foreign exchange. Various privileged groups have strong vested interests in those resources, which explains some rigidities in the economy. The natural resources export effort needs better resources processing, more efficient labor use, and moving up the value chain in its products. And the North needs to expand textile exports to China and other markets at home and abroad. It also needs greater foreign investment and trade to establish sustainable economic growth, a tough problem when facing big sanctions. This means surmounting overcoming the North Korean reputation on business practices and agreements on loans for reneging. Such political and commercial risk perceptions are a serious hang up, especially in the presence of the sanctions. A high-level political dialog about political and security issues is needed to reverse DPRK unfortunate interactions with

the international economy and reorient the financial system. Without this a serious surge in foreign investment and trade diversity is highly unlikely.

Markets need more attention too. And the system is still relying on natural resources sales too heavily. What is the objective in this? That is still uncertain. The most politically complex economic challenge is integrating with Northeast Asia's dynamic economies, starting with inter-Korean economic relations. Next is building a new economic relationship with Japan, plus deeper economic integration with China without becoming so linked the ROK cannot cope with China's economic downturns. The North can also benefit from coordinated regional investments in transport, energy, environmental management, tourism, and the like. This is an attractive possibility if political negotiations get back on track. The question is whether the neighbors want North Korea's economic system transformed, which depends on how the security challenges it poses are addressed and resolved. Maybe Kim Jong Un's stress on economic development can ultimately open a productive course for future engagement and meaningful interactions.

#### **PAPER: MR. TROY STANGARONE**

##### **US-Korean Economic Relations and the Next U.S. Administration**

A challenging environment for US international trade will confront the next president in January in US economic relations with East Asia and the ROK. It is likely the TPP will have to be passed by Congress or renegotiated, and the US must consider how to bring the ROK into it, thereby expanding movement toward an Asia-Pacific free trade area. The new administration should also deepen cooperation with the ROK on Small and Medium Sized (SMEs), cyber security in the digital economy, energy, and New Frontier issues. And early next year will be the 5<sup>th</sup> anniversary of the US-ROK Free Trade Agreement; 95% of their bilateral goods will become duty free. Korea-US trade in goods and services reached \$147B in 2015, making Korea the 6<sup>th</sup> largest US trading partner. However, there have been persistent objections to the KORUS FTA, and the atmosphere in the US on trade is becoming increasingly unpopular. Meanwhile, neither major ROK political party gained an outright National Assembly majority in recent elections, and the next presidential election will come in December 2017. And much depends on whether Congress passes the TPP

Campaign rhetoric has had themes of declining US involvement in the world and that the US is getting a bad deal on trade. There were few signs of this in 2015 and centrist candidates looked to dominate the elections. But a 2016 Pew study found 57% believing the US should let other states handle their own problems, and other studies show nearly half of Americans see engagement in the global economy as harmful (66% did so in late 2013). Donald Trump has consistently attacked the trade situation, forcing Clinton to shift her view on the TPP. Only a narrow majority support importing goods from developing countries (Democrats 57%; Republicans 42%), and the Trump campaign has suggested the US could abandon FTAs and start over. The US and ROK cooperate on a growing range of economic issues, more than ever, working together in G-20 matters and now promoting even more civilian nuclear cooperation and foreign direct investment. But disagreements remain on

the KORUS FTA, Korean currency practices, and how to possibly handle economic sanctions on the DPRK. Implementation of the KORUS FTA has gone slowly and faces tight scrutiny, partly because critics are looking ahead to the TPP problem. Groups like Public Citizen and the Economic Policy Institute (EPI) have been very critical – Public Citizen says the agreement doubled the US trade deficit and could cost the US 106,000 jobs; EPI says it could be 95,000. Critics say Korean officials often deny benefits for US goods, such as orange juice. Senator Orin Hatch has criticized lack of transparency in pricing and reimbursement on pharmaceuticals and medical devices, no establishment of an independent review mechanism for stakeholders, regulations on liberalizing legal services, implementation of regulations on data transfer, and procedural fairness and transparency decisions by the Fair Trade Commission in competition matters. Ambassador Mark Lippert has raised the issue of the regulations being put in place to open Korea's legal service market.

Critics charge the US trade deficit with Korea has expanded from \$15 billion since the KORUS FTA to \$30.6 billion last year. However, The US has an advantage in services, the value of trade in goods, and foreign direct investment. In trade services the US surplus is up \$2.4 billion in the last five years, offsetting which offsets some other effects of the FTA. The value of trade in goods fell from 71% to 57% in 1980 to 2008 while foreign direct investment plays a much greater role, the US trade surplus with the ROK is now \$9.4 billion, up from \$7 billion when the FTA started. However, the US trade deficit with South Korea has risen from \$8.1 billion in 2011 to \$21 billion. But this deficit is half of US trade deficits with Germany, Japan, and Mexico, even smaller than its deficit with China. In foreign direct investment, Korea's stock in the US has grown from \$19.9 billion in 2011 to \$36.1 billion in 2014 while US stock is up from 28.2 billion to \$34.9 billion. Korean FDI makes it the 14<sup>th</sup> largest investor in the US, supporting some 36,000 jobs. The US trade deficit is partially due to Korea seeing good growth in both beneficiary and non-beneficiary items under the KOREA- FTA while the US has had significant downturns in non-beneficiary items. That was due in part to a US crop failure in the first year leading to a serious decline in US corn exports to Korea. Another factor is the appreciation in the US dollar since 2011, while US exports have largely stopped growing. Meanwhile ROK trade has declined significantly in the last two years. It is hard to substantiate the US loss of jobs in light of the export growth of beneficiary items.

Currency practices are controversial in international trade. China's manipulation of the RMB have been estimated to have cost the US millions of manufacturing jobs. South Korea has raised similar concerns about Japan. So in 2015 Congress gave the Treasury additional tools for monitoring reporting, and dealing with, unfair currency practices. Now a country should have a trade surplus with the US of \$20 billion, a current account surplus of over 3.0 % of its GDP, and persistent currency interventions of more than 2% of GDP over a year to be considered guilty of currency manipulation. The ROK, China, Japan, Taiwan, and Germany are now on a "Monitoring List." But the OECD projects that in the ROK the issue will self-correct soon.

On the sanctions, at present, the US and ROK are in agreement on sanctions on the DPRK over its missile and nuclear weapons programs. The ROK has led the way on the sanctions, but members of the opposition in the ROK may seek to alter the situation with the Kaesong Industrial Complex. This could be controversial given the North's continued resistance to

denuclearization. Opposition elements have pushed for a special law to reopen the complex, but sanctions pressure on DPRK money laundering requires banks to ensure North Korea has no access to US correspondent accounts through direct, indirect, or illicit indirect means. North Korea would have to accept payments in Won from a bank with no ties to the US financial system, something Pyongyang shows no willingness to do, or else there is no way to finance the reopening of Kaesong or other economic engagement projects. Without serious denuclearization talks, projects like Kaesong will be unfeasible.

On other matters there are opportunities for deepening the US-Korean economic relationship. The depth of cooperation in international development assistance and civilian nuclear cooperation should be expanded. In five other areas cooperation with Seoul could be upgraded: ROK participation in the TPP, expanding SME trade, energy cooperation, cybersecurity and the digital economy, and closer partnerships on New Frontier issues. Should the US pass the TPP agreement, South Korea would be a natural partner and there would be significant benefits for both. As the TPP reflects the KORUS FTA, ROK reforms will fit it well, so only lingering US and ROK FTA issues need attention. How a TPP country has implemented prior trade deals with the US is one factor in whether it can enter into a new trade agreement with other countries. The TPP is now the primary vehicle for promoting trade liberalization more broadly, and Seoul's inclusion would further expand that rules based system. The question is whether and when the ROK should join, It has free trade agreements with many members already, except Japan and Mexico, and joining TPP would give it high quality FTS with those two as well. One estimate is the ROK would gain \$45.8 billion and have only a small income loss of \$2.8 billion. Some question whether the ROK needs to join but it would benefit from doing so.

On cybersecurity, the US and ROK are vulnerable to cyber attacks that can disrupt key infrastructure facilities and seize trade secrets. Digital services will become increasingly important for international services trade. The US is well established in this, the ROK only beginning to enter it although it has one of the world's fastest digital connections and could be a digital superpower. The US and ROK agreed recently to cooperate on development of cyber security tools. They should work together on global rules for data transfer and access for digital content across borders to compete internationally. On energy cooperation, the ROK needs foreign sources for coal, oil, and liquefied natural gas – domestic sources and hydroelectric power are of minimal help. 85% of its oil comes from inside the rather unstable Strait of Hormuz. The US should provide an alternative source, but also help in development of offshore wind platforms for the ROK and Japan.

On new frontiers the issues are climate change, space, cyber security, and global health issues. On global health, South Korea suffered an outbreak of MERS in 2015 which shrank domestic consumption. But health matters also present opportunities and lead to turning to meet climate change via development of renewable energies and the equipment or processes for capturing them, as well as technologies that reduce consumption of fossil fuels. The ROK and US now cooperate on development of battery storage capacity to make wind and solar renewable energy sources more viable, and similar developments could be pursued for the areas of health and space. The US should encourage the ROK to expand its R&D links to international networks and collaborate more with US research on such matters.

The Obama and Park administrations have placed priority on expanding trade by small and medium sized enterprises (SMEs), and have a portal operating to let such firms connect with each other for cooperation. The two governments should help SMEs find prospective partners in their two countries. And the US Trade Commission should look into a 2013 review of the potential impact of the KORUS on SMEs to see the benefits and the barriers that have been involved since then.

Hillary Clinton seems interested in continued expansion of international economic cooperation. But the Trump approach could lead more difficulties. In past campaigns against trade were followed by pursuit of various agreements with other countries, but Trump is not a traditional candidate! The last two US and ROK administrations have taken major steps to expand US-Korean economic cooperation and the next administration should act to expand on that legacy and not fundamentally alter the two nations' economic relationship.

Additional comments by Mr. Stangarone beyond the paper: there is more uncertainty now about international economic matters; for example with regard to Brexit and Donald's recent notions – getting out of the TPP, get very tough negotiators, cite all abuses by foreign parties on trade, renegotiate NAFTA, get China's monetary devaluations blocked, and raise tariffs on various states. Sanders recently said Brixet issues call for shifting away from free trade toward fair trade – US citizens concerns are about real issues on these matters. Agenda items for the future? Broadening the TTP. Harmonizing to smooth out threats. Better energy cooperation in US relations abroad. Better intersection between small and medium companies and trade opportunities.

**PAPER: LEE, SANG SIN**

**North Korea and Economic Security: How Would Perspectives and Images Influence Economic Prospects**

This study offers an analysis of survey data collected by the Ministry of Patriots and Veterans Affairs, and the Korean Political Science Association in 2016. It examines four clusters of perception of North Korea in the South: realist, liberalist, pragmatist, and isolationist. On issues relating to security the four clusters have rather similar opinions. They are divided on issues that concern economic matters and differ on the economic future of the Korean peninsula, and their disagreements about how unification would affect Korea. The focus is on perceptions of North Korea and of the idea of unification. The two Koreas have a curious relationship reflected in these perceptions. In measuring the image of North Korea in the South the study found two dimensions of the national image of North Korea: as a country that the ROK should help and/or cooperate with, and as a country that South Korea should treat as an enemy. The perceptions of North Korea in the South are actually quite varied. A majority of South Koreans think South and North should help each other. Substantial numbers of people in the South still believe it is possible to talk with North Korea. Though the threat from the North continues, what is surprising is that a majority of South Koreans do not see North Korea as an enemy. When the Institute for Peace and Unification Studies at Seoul National University surveyed South Koreans' thinking

since 2007 it discovered that they see North Korea as either a recipient of South Korean aid or a partner with the South in international cooperation.

What is North Korea to South Korea? This is how they think about the North:

			Aid Recipient	Cooperator	Competition	Needing
Caution	Enemy					
		2007	21.8%	56.6%	3.3%	
11.8%			6.6%			
		2008	22.3%	56.9%	3.5%	
11.9%	5.4%					
		2009	17.4%	50.7%	2.2%	
20.6%	9.1%					
		2010	19.3%	44.7%	3.3%	
20.7%	12.0%					
		2011	16.7%	47.1%	2.3%	
17.1%	16.7%					

Thus only a small group view the North as an enemy – even after the shelling of Yeonpyeong in 2011. This is despite how the most divisive political issue in South Korea is still the controversy over policies on North Korea in which conservatives prefer a hostile containment policy while liberals think aid will eventually bring peaceful unification.

There are 4 groups that can be discerned in the South on dealing with North Korea: Realist, Isolationist, Pragmatist, and Liberalist. A survey in April-May 2016 of 1600 adults were asked how to interact with the North. The attitudes were rather diverse. 496 respondents can be classified as pragmatists, 507 as liberalists, 341 as realists, and 256 as isolationists. About 1/3 believe the two Koreas should have cooperative relationships while not lowering South Koreans’ caution about the North (pragmatist). The largest cluster was liberalist, the realists were next, and the smallest group was isolationist. A majority of the Koreans are for an active policy either to enhance cooperation or confrontation. And the Realists were only 21.3% of the sample.

On questions about security the four groups basically agreed that THAAD was necessary and that it was too soon to abolish the National Security Law. On economic matters the realists felt the South should stop helping the North, and the isolationists leaned in the same direction. The liberalists supported continuing humanitarian aid and the pragmatists were somewhere in the middle. On whether it would be possible to have a talk or negotiations about unification, 45.6% of liberalists said yes, only 6.5% of realists said yes, 26% of the pragmatists said possibly, and 18% agreed it could be possible. Clearly the groups have different attitudes. Asked what they thought of President Park’s saying that unification would be a “jackpot”, the liberalists were excited – 66.5% said it would be profitable, and 61.7% of the pragmatists were positive about the idea as well. Realists and isolationists were skeptical, however. Only 39% of realists and 40% of isolationists felt unification would

be profitable, despite their being the most loyal supporters of the Park administration. Only 20% or less of all of the groups felt that unification would be “very profitable.” And less than half of the liberalists and a third of the pragmatists believed that unification would be profitable for them as individuals, while only 16.8% and 16.1% of the realists and isolationists predicted they would profit from unification. Profitability of unification is a significant subject because the ROK government has been trying to introduce a new unification tax and the four groups differed on how much they would be willing to pay on such a tax. Liberalists and pragmatists were willing to pay the largest taxes, much more than realists and isolationists.

Thus South Korean views of North Korea are spread all over the subject, from cooperation as possible and profitable to feeling quite sick about the North as an enemy and not inclined to want to deal with it. And they have quite varied views about the economic dimension of the North-South relationship. Economic matters divide them the most. Thus it appears that to move South Koreans to prepare for unification will require the development of a new strategy and vision for creation of a united Korea.

## **DISCUSSANTS COMMENTS**

### **DR. TARA O:**

These were good presentations, displaying the links between economic and political affairs. North Korea stresses nuclear weapons, and the elites involved in that activity benefit considerably. Just as is the case with those who constantly monitor the citizens.

The Babson paper comes at economic affairs from multiple perspectives, including reviewing the bases on which various economies in Northeast Asia rest. The North Korea economy has always been largely dependent on communist states interactions and support, and their focus on central planning and controls. Are the reforms discussed in the paper *real* “reforms” of the North Korean economy or sign the regime wants more control? It is hard to be sure; the situation is not entirely clear. Various areas need reform, but are they all viable to begin with? On special economic zones, Dr. Babson’s description misses how private investors often get mistreated and are scared away. He clearly sees the North Korea really needs to integrate the general rule of law in Northeast Asia and other area patterns. But North Korea hasn’t been able to meet the requirements – because they might threaten the workings of the North Korean system.

Troy Stangarone discusses the TPP, which is certainly a hot issue the US must face after the election. Why the opposition to TPP in the US? Some study of the underlying reasons behind this would be good. Dr. Sang Sin Lee reviews four different groups of the South Korean public – their views of the North and economic interactions with it, but without fully clarifying what is behind those views. Is it the degree of fear of the North Korean threat, or other concerns instead? And how profitable do the group members think unification would actually be? Maybe additional time on analysis is needed to gain more precise answers and explanations.

#### **DR. SOON PAIK:**

The three papers are quite good. The Babson paper provides an optimistic view of North Korea's current direction in economic matters. Some questionable elements-the North Korean system can't fully fit into a market system; that the system cannot accept international law at all; and foreign investors are just not interested in the North Korean system because it is not free enough. Are the UN sanctions now providing incentives for North Korea to tackle economic reforms? In fact, is North Korean reform really reform?

The Sang Sin Lee paper nicely identifies four sectors in the Korean public and indicates that unification could probably work. It misses how important in this confrontational issues may be. Thus the paper offers a positive view of what is to become of TPP. It will not be easy to fit the ROK into the TPP. One other question: are ROK oil imports mostly from the US these days?

#### **DR. NAMSUNG HOH:**

**Dr. Hoh** indicated he is a historian and that this shapes his views. All three papers are good – here is a brief comment on each. First, the Babson paper is excellent. It indicates that the DPRK is more economically flexible than many have thought. It is, however, too confined, and thus is now just muscling through. It really needs a Brexit-style break with socialist systems. On the Stangarone paper- will Brexit be the start of deep objections to the situation in international economic affairs globally? Or will it really inflict serious harm as its short term or medium outcome? With regard to the ROK, it has borrowed a lot to obtain US weapons these days so the deficit is up a good deal. Thus the overall situation is somewhat murky – not clear yet on situation. The paper needs more data on this important matter.

Dr. Lee's paper lays out four clusters of South Koreans' thinking, which is good. But public opinion polls often show some odd views. A realist view is that unification would be ideal. But Lee suggests it might drive the economic situation on the peninsula down a good deal. And we have to keep in mind that disintegration is flourishing to some degree in the world today.

#### **RESPONSES TO THE DISCUSSANTS:**

**Stangarone** said he agreed with the view that the paper needed more focus on underlying issues. As for the TPP, is the ROK wanted in it? Yes. But it needs deals with Mexico and one other party. The ROK also needs to work more on its dependence on the Middle East. However, one of the barriers the ROK must overcome is its linguistic limitations.

**Dr. Sang Sin Lee** agreed with one of the commentators that he needs to provide more information – about methods, actors, etc. but then said he thought that would be too dull. He added that people in the ROK do not really understand the DPRK well. Hence rising challenges are needed for a serious approach economic unification.

**Dr. Babson** started his comments by indicating that the role of domestic factors is quite important, as Dr. Oh said. And the larger role now of these factors can't be shucked off – they are too entrenched now to do this. For instance, the economy is crucial to supporting enhanced military systems – a neglected variable. A silo-operated organizational approach like North Korea's tends to hide lots of an economy's elements. A remodeled system could make all of this much clearer. It could make military-government-civil links much clearer.

#### **QUESTIONS FROM THE AUDIENCE:**

**Q.** Dr. Bechtol asked Huh and Lee about North Korea's illicit activities; no one mentioned this. Perhaps the economy is involved in this. There is no clear evidence of the impact on the sanctions on this. Is there any?

Babson said that incentives to do something about this have been rising due to the sanctions. Huh added that some of the durability in the DPRK economy is due to the help received from China in various ways, which is hurting the impact of the sanctions.

**Q.** Dr. Hugo Kim asked Sang Sin Lee how to characterize terms like dictatorial, humanitarian, or nuclear missiles – such terms seem to be lacking in assurance.

He asked Stangarone what the trade flow between the US and ROK is.

**Dr Lee** said that North Korea is like a very bad family member. But many South Koreans sympathize anyway with this bad brother. And Mr. **Stangarone** indicated that lots of industrial and high tech good flow between the ROK and the US – they have advanced economies. And **Dr. Babson** noted that gross miscalculation is how to spread resources to deal with economic matters need fixing very badly.

#### **PANEL III 3:00 pm - 5:00 pm**

**MODERATOR: GENERAL JOHN TILELLI, JR, CO-CHAIRMAN, COUNCIL ON US-KOREAN SECURITY STUDIES**

#### **PAPER PRESENTERS:**

**MR. YONKO KIM, US-KOREA INSTITUTE, JOHNS HOPKINS UNIVERSITY;** Manages projects on ROK-PRC maritime negotiations and the North Korean political economy; author of "Cell Phones in North Korea: Has North Korea Entered the Telecommunications Revolution?;" reporter and broadcaster for years for Radio Free Asia and the Voice of America on developments on North Korea and on US-DPRK and US-ROK relations.

**DR. PATRICK M. CRONIN, THE CENTER FOR NEW AMERICAN SECURITY;** Senior Advisor/ Senior Director of Asia-Pacific Program at the Center for a New American Security; former Director of the Institute for National Strategic Studies at National Defense University and former head of the Center for the study of Chinese Military Affairs; formerly served at the

**International Institute for Strategic Studies (London); and  
MR. SEONGWAN LEE; THE CENTER FOR NEW AMERICAN SECURITY.**

**DR. SAMMAN CHUNG, *KOREA INSTITUTE FOR MARITIME STRATEGY*; now retired from the ROKN; formerly Chief of Maritime Strategy Planning Division at the Naval Warfare Development Center and Division Chief of Military Strategy at the ROK Naval War College; former naval attach'e in Washington for 3 years; Ph.D University of Missouri-Columbia**

#### **DISCUSSANTS**

**MR. MARK TOKOLA; Vice President – Korea Economic Institute of America; retired US Senior Foreign Service Officer (after 38 years); served at the US embassy in London, and in Seoul, Ulaanbaatar, Reykjavik, Brussels, and The Hague. BA in international relations from Pomona College and LL.M in European Community Law from the University of Edinburgh.**

**DR. BRUCE E. BECHTOL JR; Professor-Angelo State University; formally at Marine Corps Command and Staff College and the Air Command and Staff College; former officer at Defense Intelligence Agency; President of the International Council on Korean Studies; board member on the Council on US-Korea Security Studies; widely published in academic journals; Ph.D Union Institute**

**DR. ILHWA JUNG; Distinguished journalist for 30 years in Washington, DC and elsewhere; currently a professor of international politics at Baeksuk University and Chungnam University; author of over 35 publications; former consultant for Ministry of Information and Ministry of Culture and Tourism in Korea; Masters and Doctorate degrees from the University of Newcastle upon Tyne in the UK.**

#### **PAPER: MR. YONHO KIM:**

##### **“North Korea’s Fourth Nuclear Test and the US – ROK Alliance”**

The 4<sup>th</sup> North Korean nuclear test provoked deep frustration and a sense of helplessness. Washington should try to assuage some of this by reassuring the ROK of its intention to honor its security commitments. The test also increased ROK liberals’ objections to the US-ROK plans for THAAD deployment, fearing a potential “security anxiety” from it will escalate regional tensions. The South and the US responded to the nuclear test by working together for tougher sanctions on the DPRK and the UN Security Council adoption of Resolution 2270 on March 2, calling for the most stringent sanctions yet, further curbing Pyongyang missile programs, and imposing more significant economic pressure such as prohibiting imports of North Korean coal and iron ore. The US reaffirmed its commitment to defense of the ROK, including sending a B-52 bomber and 4-F22 fighters to fly over the ROK. The two allies also conducted joint military drills for 8 weeks in March and April. Seoul expressed its confidence in the US nuclear umbrella, and also announced agreement to begin negotiations with the US for the earliest possible deployment of the THAAD system. This will irritate China, enhance defense of South Korea with sophisticated early warning radar

capabilities, and allow the ROK to be part of a joint US – Japan theater missile defense system.

The test also provoked new calls in the ROK for an independent nuclear option, suggesting lack of confidence in the durability of the American security commitment. The THAAD project will also provoke criticism as not being vital, bound to incite diplomatic troubles with China and Russia, bring on a new cold war on the peninsula, and endanger the peace there. Thus the North's 4<sup>th</sup> nuclear test was a major blow to stability in the area. The rising pressure for the ROK to have its own nuclear weapons could undermine the alliance in the long term. Thus "security anxiety" remains a factor there. The strongest proponent of ROK nuclear weapons was Yoo-chul Won, then the floor leader for the ruling Saenuri party, saying that "North Korea has been pointing a gun at our head for years," and calling for the ROK to match North Korean nuclear weapons with its own, a viewpoint echoed by other senior party officials. He also called for redeployment of US nuclear weapons to Korea, as an alternative. Another party heavyweight called for the ROK to develop the capacity to reprocess spent nuclear fuel. Such views were endorsed by the Chosun Ilbo, the most influential conservative daily newspaper. Former military commanders supported such steps, and recent polls show that over half the respondents support the South getting its own nuclear weapons – something Donald Trump has supported as well. The arguments for this include: this is the way to restore the balance of power on the peninsula; it might give the ROK the upper hand on the peninsula; the credibility of US deterrence is questionable; and the ROK needs nuclear weapons because China, Russia, and North Korea have them while Japan could develop them in just a few months.

But critics say 1) there are serious political, legal, and institutional barriers to the ROK getting nuclear weapons; the ROK would face serious UN and national sanctions; South Korean exports would decline; and its power industry (which provides 1/3 of ROK power) would face a heavy shortage; 2) the "balance of terror" would involve the young, unpredictable Kim Jong Un; 3) the weapons would add little to existing deterrence; and 4) would probably move China closer to the North. And so the arguments go on while pro- and anti-nuclear views remain relatively evenly split. But a senior research fellow at the Sejong Institute said while he had long supported non-nuclearization of the peninsula it is time for the South to turn to nuclear weapons because the North is bound to retain them, may soon have hydrogen bombs, and having nuclear weapons would allow Seoul to at least cut the national military budget.

Other explanations for the debate have been offered. Perhaps Won's proposal was quietly provoked by the Blue House (President Park did not object to it), or he pressed it on his own to help limit the scale of the debate, or was offered to try to get the US and Beijing to do more to curb North Korea, or seen as a useful way for President Park to push Beijing harder. And President Park was able to use the uproar over North Korea's behavior as good cover for shutting down the Kaesong Industrial Complex. The pro-nuclear weapons group in the National Assembly may even have been mostly focused on the upcoming election, not the weapons.

There are still no realistic plans for improving ROK security and strengthening deterrence of the North, and no good way to minimize the costs of going nuclear. The main driving factor is profound frustration or a feeling of helplessness, not an organized school of thought about national security. The pro-nuclear weapons camp is mainly holding a belief that the ROK should act more independently on self-defense matters. Meanwhile the opposition parties consistently dismiss calls for nuclear weapons as irresponsible and dangerous. And if people were asked to host facilities for a nuclear arsenal in their areas, support for nuclear weapons would plummet. Still, just waiting for pro-nuclear sentiment to fade away is also unrealistic. More DPRK nuclear testing will mean a resurgence in pro-nuclear sentiment, calls for collective action, maybe demand for a referendum, especially if US extended deterrence became more tenuous. The Chosun Ilbo has already said that if the North attacked the South “the U.S. would respond only after Seoul has been turned into a pile of smoldering ashes.”

Washington needs new methods of reassuring the ROK, such as Admiral Dennis Blair’s remark that “It would be suicidal for the Kim regime to initiate either a major conventional attack across the DMZ or to use any kind of weapon of mass destruction against the Republic of Korea.” Some ROK experts have suggested the permanent deployment of US submarines near the peninsula to reinforce US credibility, even though it is not compatible with the Obama goal of having a world without nuclear weapons. The ROK government should stress that nuclear weapons will only justify North Korea’s. It should reinforce its conventional forces, precision guided weapons, and missile defense. And it should consider resuming long term diplomatic efforts to get a comprehensive security settlement on the peninsula.

ROK military strategy has centered on the Korean Air and Missile Defense (KAMD) System created in 2006, while being reluctant to provide, or join with US on, high altitude missile defense. But after the DPRK’s 4<sup>th</sup> nuclear test South Korea announced it would seriously review resorting to THAAD and announced with the US that negotiations would begin as soon as possible, with formal talks starting in March on where to locate them. The administration sought to counter the North’s missile threat and also to possibly get China to enhance its pressure on the North. The THAAD effort also reflects the Park administration’s deep frustration that close ties with China had not secured Beijing’s greater support. President Xi did not even decide to arrange tougher sanctions on the DPRK until two months after the 4<sup>th</sup> nuclear test. As for the Korean public, there is now a vigorous debate about THAAD, partly because it is of little use against the North’s short-range missiles and because while a THAAD battery has 48 interceptors the North has perhaps 1,000 missiles and the can deliver them on very short notice. Of course there are also objections to the cost – a single battery could be a billion dollars. And there are more “security threat” objections from Koreans, plus the Chinese ambassador’s charge that THAAD could destroy China-ROK relations, and concern that in response China, Russia and North Korea will acquire more missiles and thereby set off an arms race. China might also retaliate economically, such as by curbing tourists from visiting Korea. Or it might put more forces on the North Korean border. THAAD will be a major political issue for South Korea all the way to the presidential

election in December 2017. In the meantime it will continue to stay close to the US while not openly choosing between the US and China.

**PAPER : DR. PATRICK M. CRONIN AND MR. RICHARD SEONGWON LEE**

**“The ROK-US Alliance and Third Offset Strategy”**

The U.S. projects its military power over much of the world to help defend national and allied interests. But the diffusion of technology, especially of long-range precision guided missiles, is creating a new environment that will profoundly challenge the basis of US extended deterrence and allies’ response. The Defense Department is therefore seeking military modernization to deal with these trends. Much of the thinking about all this has focused on China. This paper assesses the emerging defense programs for dealing with North Korea, Korean peninsula contingencies, and cooperation with the ROK on regional and out-of-area security matters. In November 2014, the DoD announced an effort to prioritize defense innovation - the “Third Offset Strategy,” to deal with threats from proliferated, long-range, precision-strike systems, citing rising threats to US superiority from North Korea, Russia, and China, all heavily investing in military modernization. The concern was about not only those threats but the impact these developments will have on US alliances, international affairs management, freedom of maneuver, and heavier costs and casualties in conflicts. The Third Offset is intended to exploit US quantitative advantages in existing systems, and qualitative advantages in next-generation systems, and to make a renewed investment in operational concepts, war gaming, and other forms of alternative analysis. It is to help US forces successfully operate in facing ubiquitous precision munitions over the next decades. This essay is about how North Korea might mount precision munitions challenges and how the Third Offset Strategy could enhance US extended deterrence and power projection to the Korean peninsula.

The Strategy is to be used in all warfighting domains, at a cost of \$3.5 billion over 5 years. The core systems and technologies would be anti-access and area-denial (A2/AD) (cost: \$1 Billion plus), guided munitions (\$489 million), undersea warfare (\$508 million), cyber and electronic warfare (\$309 million), human-machine teaming (\$201 million), and war gaming and development of new operating concepts (\$155 million). Another \$6 billion or more is for classified programs. The spearheads are the Strategic Capabilities Office (SCO) and Defense Advanced Research Projects Agency (DARPA) – the latter focusing on next-generation technologies. The objective is just not a greater qualitative edge against adversaries, but also about a greater quantitative advantage – in munitions, anti-air missiles, payloads of Virginia-class subs, and swarming concepts for drones, generating more mass or quantity. And precision-guided munitions will get considerable attention as secret capabilities. China will be an obvious target, but North Korea will also get considerable attention because of their A2/AD preparations.

North Korea seeks a unified Korea on its terms, with the US as the main obstacle. So the North wants withdrawal of US forces from the ROK and the area. It has always needed ways to offset the allies’ nuclear and conventional military superiority in order to force that

withdrawal, deterring US intervention because it would be more costly than beneficial. A logical way to offset US military superiority sufficiently was to confront the US with rockets, missiles, drones, unmanned aerial vehicles, GPS jamming, cyber warfare, and covert activities. It operates a “Creative National Defense” strategy. There are at least four ways American extended deterrence might lose saliency: 1) China’s military modernization poses sufficient threats to make the US decide a military conflict would be too costly and dangerous; DPRK missile development erodes US extended deterrence; 3) a diverse array of DPRK asymmetric capabilities discourages US military intervention – cyberattacks, unconventional fighting, powerful weapons threatening Seoul, nuclear missiles; 4) potent DPRK threats undermine US deterrence credibility with the ROK.

The ROK and regional security are crucial components of the Northeast Asian situation; the ROK is a major actor in the area and globally. However, its role is relatively modest, its geopolitical clout rarely noticed or exercised; its focus is deeply aimed around the peninsula even though its global role has clearly risen. It should more intensively help the region find satisfactory ways to handle other regional flashpoints. The alliance is central to regional security, an anchor for US presence in that area and necessary for maintaining that presence. Korea is the only location on the Asian continent where the US militarily resides with ground forces for operational and warfighting efforts if necessary, making it a beachhead in the region. The alliance provides territory for managing the North Korean problem. It deters, but also helps convert functional solutions to the problem into a regional presence, helping shape Asia’s developing regional order. The alliance is also a pile of practices promoting ROK-US cooperation, its longevity reinforcing the legitimacy of the US presence in the Asia-Pacific. The allies also share strong and rising interest in the ocean – any sea lanes of communication or maritime territory disrupted necessarily clashes with that. Finally, the alliance fits in with the US-Japan alliance without forcing the US to balance between the two.

An important development is ROK rising naval capabilities, the Cheonan sinking as something of a turning point. Recently the ROK opened a naval base on Jeju Island at the southernmost seas of Korea, underscoring the importance of protecting the ROK’s vital SLOCs. Most Koreans agree that it needs an open-ocean navy now, to maintain naval superiority over North Korea in its littorals, to deny neighboring powers in its local seas, i.e. manage territorial disputes, and to protect SLOCs - projecting force to distant sea lanes if necessary. Its navy now ranks 8<sup>th</sup> in the world, with 177 ships including 12 destroyers, a large-deck amphibious boat, 12 subs, and 65,000 sailors. For maintaining maritime superiority at its littorals while avoiding decisive battle in the oceans, the new Jeju Naval Base harbor can support both.

Can it also safeguard Asian waters? All major states in Asia have a national interest in maintaining a regional order in which they prosper and live in peace, which requires a degree of cooperation and transparency. The US expects the ROK, like all nations, to have the right of self-defense, not face coercion by a larger power, or not have to sacrifice its sovereignty. It expects middle powers to help sustain regional and global rules, norms, and order on the seas. If China is allowed a veto, such as on THAAD, Seoul sacrifices the right of sovereignty. China will impose similarly on other states in the region, Finlandizing it. Seoul

needs to help the US handle the growing tensions in maritime Asia, so the US-ROK alliance is not detached from the real security challenges in the Asia-Pacific. The ROK could face up to maritime security challenges posed, for instance, by China by:

- 1) Supporting arbitration and other peaceful ways of resolving disputes
- 2) Embracing the rule of law and regional norm-building – such as advocating a binding Code of Conduct in the South China Sea
- 3) Contributing to maritime transparency, helping the US in working with regional allies and partners on a transparency regime in the South China Sea
- 4) Joining freedom of navigation patrols. The US does this and others should help in reminding China the south China Sea is a vital international waterway on which everyone depends
- 5) Conducting more frequent multilateral maritime exercises throughout the indo-Pacific region
- 6) Building partner capacity, especially in places like Indonesia, Malaysia, Vietnam, and the Philippines
- 7) Ensuring maritime tensions remain high on the regional and global diplomatic agenda by addressing maritime disputes at major forums and international conferences.

Next, in the past decade the ROK has signed 39 bilateral security agreements, 14 with Asia-Pacific countries. It had a contract to build six ships for the Royal Malaysian Navy and a bid by the Philippines for over \$400 million worth of (12) fighter jets. It may be generating more revenue from defense exports than China now. Thus it has many ties to Southeast Asian nations. ASEAN members sympathize more readily with the ROK, having the same problem with China. Yet it has a low profile there. All this aligns well with US interests. The US can and should use “hub and spokes” less and do more to see that regional stakeholders get certain roles and responsibilities, leading to a regional network or power web complementing existing alliances that resist the participants drifting towards China. And the ROK as a democratic US ally adds to the alternatives for those participants. The result can be a stronger regional architecture leading to the strengthening and proliferation of allied values such as conformity to international norms, democracy guaranteeing human rights, a more coherent US-ROK partnership, etc.

The ROK’s security priority remains, of course, with Korean peninsula issues and the US-ROK alliance. But its role in the region and the world are noteworthy. The Chonghae Anti-Piracy Unit is now on its 20<sup>th</sup> rotation for protecting the Gulf of Aden and has led several successful operations. The ROK has sent 5000 troops to reinstall peace and security in Afghanistan. In the past it sent 20,000 troops to Iraq and over 325,000 to Vietnam. Such efforts have been in service to the international structure within which the ROK has flourished, and advocating international rules is therefore in its national interests; not advocating would harm those interests. For instance, not voicing its views on South China Sea issues may keep it out of the dispute when it spreads to the Yellow Sea, and this could be true for other conflicts as well. The US and ROK will both benefit by closing the gap between South Korea’s power and its influence in the Asia-Pacific.

However, the ROK cannot just jump into such a range of activities given the North Korean problem and its constant threat. Its burden sharing in East Asia can start in the Yellow and East Seas then move outward, and the Third Offset Strategy can be of assistance. First, it can ease the inter-peninsula security problem by expanding the available monitoring – so fewer soldiers are required along the DMZ. Next, it can contain recent GPS jamming and hacking efforts of the DPRK. And an undersea warfare system with automated equipment can ease burdens on ROK naval forces.

Second, Third Offset can improve ROK participation with the US and Japan in missile defense and helping neutralize North Korea's nuclear weapons. ROK-US-Japan systems can help here – Aegis, Standard Missile 3 interception, and THAAD. Such platform systems could contribute to deterring North Korean and any potential regional threats by increasing the survivability of vessels. And the new Jeju Naval Base lengthens the ROK Navy's range of effective operations. Third, the Third Offset Strategy can allow the ROK to evolve a security network with ASEAN through its exquisite technology. The ROK-US alliance can test and train in selected Southeast Asian states, emphasizing interoperability including cross-decking aircraft on ships, exchanging assault amphibious vehicles, etc.

#### **PAPER: DR. SAMMAN CHUNG**

##### **“North Korea's Nuclear Threats and Counter-strategies**

North Korea's nuclear threat is significant, and Kim Jong UN's opaqueness and unpredictability makes deterring it quite difficult. Thus the US needs to reaffirm its commitment to deterrence via its nuclear umbrella, conventional strike, and missile defense capabilities. And the ROK must detect, defend, disrupt, and destroy DPRK missiles via Kill Chain and Korean Air and Missile Defense. The ROK should also develop options for reinforcing interoperability with the US missile system.

North Korea is not bound by any global rules; it signed the Nuclear Nonproliferation Treaty, declared its withdrawal; pledged to denuclearize, then reneged! Now Kim Jong Un, very young and lacking in experience, is rushing to perfect his nuclear and missile capabilities – in four years, some 25 missile tests. He imposes forced labor on many North Koreans, frequently threatens to attack Seoul with a sea of fire, and develops nuclear weapons to sustain the regime's identity and survival. The ROK, US and others are pressing for denuclearization, now via the latest UN sanctions. It is not clear if the North can yet miniaturize its nuclear weapons but it will continue trying. The US and ROK must respond vigorously because, as Murphy's Law says, “left to themselves, things tend to go from bad to worse.”

The North's nuclear program began in the 1990s; many think that it can now weaponize both uranium and plutonium. Its 4 nuclear weapons tests began on October 9, 2006. On October 14 the UN approved limited military and economic sanctions, the Security Council permanent members saying they were penalizing the regime, not the inhabitants. The DPRK envoy said it would be better if the Security Council offered congratulations not useless resolutions. In second test (May 25, 2009) no radionuclide was detected, but the seismic

wave was substantial. Some suggested the test was to show strength after Kim Jong Il's stroke in the previous summer, and show it would not give up its nuclear weapons program. Condemnation ensued and the Security Council imposed further economic sanctions. On February 12, 2013 the DPRK conducted a third, underground, nuclear test. The 4<sup>th</sup> was on January 6, 2016. The detected effects were roughly like the preceding ones, but the North claimed it tested a hydrogen bomb. It cited the Saddam Hussein and Gaddafi regimes as illustrating how giving up nuclear programs led eventually to regime destruction, saying it would not halt its efforts until the US dropped its hostile policy. The DPRK had also piled up over 1000 missiles, some of intermediate range. It acquired Scud missiles as early as 1976, built its own Scuds by about 1984, produced the Nodong (a much larger missile), and then the multiple-stage Taepodong Missile - first tested on December 12, 2012. The North claimed it put a satellite in orbit in February 2016, which is debated, and continued working on submarine-launched ballistic missiles – reporting on May 9, 2015 it had successfully tested one. A second test in November 2015 apparently failed, as did others. It has tried several times in 2016 to launch an IRBM without much success. It continues trying to miniaturize a nuclear weapon to fit on a missile, and has made good progress in just 10 years, although it can't yet show its missiles can survive the shock, vibration, temperature extremes and other complexities involved, particularly on a reentry vehicle that also remains accurate.

Concern about DPRK nuclear arsenal is nevertheless warranted. First, it could use nuclear weapons against its neighbors. It hopes to eventually be able to attack the US (the US plans to put interceptors in Alaska and possibly along its coast), but will be able to tremendously harm Seoul and Tokyo soon. Second, it once tried to help Syria build a nuclear reactor and its inventory of nuclear materials is growing. It can't easily be prevented from offering nuclear weapons elements to others. Third, it may seriously threaten the US nuclear umbrella if it can hit the US, i.e. "will the US risk sacrificing Los Angeles to protect Seoul..." Fourth, a nuclear war could break out on the peninsula just by miscalculation. The North might think its nuclear weapons make it free to conduct provocations. The ROK and U.S. are already designing attacks if intelligence indicates the North is preparing a limited strike, and strong responses to lesser provocations. Such situations could trigger all-out warfare. Fifth, the more nuclear weapons North Korea develops the more tension will rise between the US and China, and among the ROK, Japan and China, because of China's failure to prevent this expansion. Sixth, an international effort to prevent the spread of nuclear weapons will disintegrate if North Korea's nuclear arsenal continues to grow. Already there is strong ROK citizen support for building nuclear weapons. Finally, a coup might seize the North's nuclear weapons, or a nuclear civil war could erupt there, or the weapons might be transferred from the North to elsewhere – such instabilities are certainly possible.

### **North Korean Nuclear Motivations**

Scott Sagan has offered 3 models for explaining North Korean motivations. First is a realist security model. A state decides to acquire nuclear weapons in search of increased security against foreign threats. This suggests the North's motivation is survival of the regime and security of the state, along with fear of an American attack and desire to avoid

unification under ROK rule. This means DPRK nuclear weapons are just for rectifying its growing conventional forces inferiority. Thus the North might someday trade its nuclear weapons for US security assurances, and a broader regional security accord, ending the state of war on the peninsula. The model suggests the North has also feared the effects of its much weaker relations with China and Russia, who no longer provide nuclear umbrellas for the North. The limitations of this model? It fails to explain Kim, Il Sung's early pursuit of nuclear weapons back in the 1960s. Soviet intelligence confirmed that the US was not interested in another Korean war, and the DPRK soon enjoyed two nuclear umbrellas. Thus this model is weak on the early emergence of a DPRK nuclear weapons effort.

Sagan's second model is the "domestic model." States decide to acquire nuclear weapons due to parochial domestic and bureaucratic interests. DPRK domestic structures largely coincide with this prediction. The ultimate goal is not state security but regime survival, and domestic politics is the most significant variable in explaining it. Ideas like a military-first policy, the principle of self-reliance, pursuing international trade, and nuclear weapons as a source of hard currency help explain the North's nuclear ambitions. The Kim family regimes have used nuclear weapons for power, credibility and institutions that support and protect them. Juche's fundamental principles of self-reliance and self-sufficiency generate the dictator's maintains legitimacy and monolithic power via nuclear weapons backing four central elements of independence: thought, politics and diplomacy, economics, and defense. The North is therefore economically collectivist, ethnically racist, diplomatically isolationist, and culturally nationalist – justifying the dictator's total control. Nuclear weapons are needed to sustain this all this as the ultimate expression of Juche in national security and regime survival. Transferring nuclear technology or materials also became a fine source of income and remains - income generating that maintains the dictator's power. Limitations of this model? It doesn't really account for the North's nuclear efforts in the 1990s. The North signed the Agreed Framework on October 21, 1994, halting its nuclear weapons program. It was also to freeze nuclear reactors at Yongbyon, allow inspections by the IAEA, and adhere to the Nuclear Nonproliferation Treaty. This was a major departure from the domestic politics model.

The third Sagan model is the "norms model." A state decides on nuclear weapons via evoking important symbols of modernity and identity. The primary units of analysis in this model include the identity of the state, symbolic functions of nuclear weapons, and prevailing shared norms in the international system. States acquire nuclear weapons as a symbol of prestige and modernity. Actually, forming norms should counter any rationale for nuclear weapons, because codified norms constrain state behavior that violates the shared views of the international community; defecting states are condemned. Hence many in international relations see the norms model as the least explanatory of the three Sagan models. However, it is possible that the symbolic functions of nuclear weapons have at least partially caused the development of nuclear weapons in North Korea. On April 24, 2006 North Korea officially said nuclear weapons glorify the country's dignity and national pride. This contributes to generating intense nationalist feelings and pride, especially when regime survival is threatened, and providing the symbolic effects of nuclear weapons that create a modern national identity, undergirding the legitimacy and coercive power of the

dictatorship. Limitations of this model? North Korea doesn't fit the constructivist view that emphasizes norms as significant in shaping state behavior. Norms shaping state behavior clashes with the argument that shared norms against nuclear weapons stigmatize the regime trying to acquire them. Next, the model means compliance with shared norms on nuclear weapons reinforces state identity and its status as a legitimate member of the international community. But norms and codified treaties against acquiring nuclear weapons did not stop North Korea. Its nuclear program brought severe sanctions and criticism, stigmatizing it. The model failed to predict the North seeking nuclear weapons anyway.

The three models are ideal types, and none tell the real story about North Korea's motivations for gaining nuclear weapons. And the relative weight of the factors cited in each model varies over time in the country involved. Still, the 3 models are useful in expanding analysis of the scant information available and lay out the complex forces that likely intermingled to produce North Korea's behavior.

### **Counter-strategies Against North Korea**

Tailored deterrence strategy was first proposed by the Bush administration - Elaine Bunn citing three facets of it. First, needed for specific actors and situations is to understanding each potential adversary's decision calculus. Second, tailor capabilities according to what is needed. Third, tailor communications to deter specific actors at particular times, because the security situation shifts constantly. In the 1993-4 first nuclear crisis the US planned to use cruise missiles and f-117 stealth fighters to destroy the Yongbyon reactor but shelved this because of the retaliatory risks and escalation pressures that might arise. In 2006 there were calls for surgical strikes on the North, particularly its ballistic missiles, but it had nuclear weapons so that was discarded. In 2011 the ROK Ministry of Defense proposed "Proactive Defense" in response to attacks like the sinking of the Cheon - a response immediately via prompt and proportional retaliation. It is now embedded in the "2013 /combined Counter-Provocation Plan" as a series of options for joint retaliation. In 2013 the allies signed the "Tailored Deterrence Strategy," for strengthening alliance capabilities to maximize deterrence effects. This meant focusing on options for raising the cost of DPRK WMD or ballistic missile use. Tailored deterrence strategy is currently used in allied military exercises, based on a strategic and policy-level strategy to deter specific DPRK threats of WMD use. In 2014 the allies established the concept and principle of a comprehensive counter-missile strategy (the 4D strategy). That includes developing the ROK Air and Missile Defense system with additional interoperability of alliance command and control.

Deterrence rests on a balance of capabilities but also a balance of the interests at stake. Extended deterrence requires convincing an adversary you are willing to accept high costs in defending an ally. Are there such US vital interests in East Asia? Yes, because the region has about 40% of the world's population, nearly 60% of Global GDP, economies covering about 60% of US trade, 6 countries with nuclear weapons, 3 of the world's 6 largest defense budgets, and 6 of the world's largest military forces. US Asia rebalancing reflects growing US interests there, and alliances with Korea and Japan as fundamental. The security of the region and allies is a core US interest according to a Presidential speech at West Point. But in

a potential war, allies will have survival on the line as the North goes for broke militarily. DPRK leaders might think threatening a nuclear attack will make things too costly and the US will accept Pyongyang's terms. The North is now pursuing intercontinental missiles – will the US risk major cities to defend Seoul or Busan? If the North attacks the South, US extended deterrence has already failed. It can engage in the war and retaliate, or not – the former risks a US city or two, the latter risks a US ally.

Or North Korea can use a triangular decoupling strategy - threaten Japan too to force the US to choose between allies or have to risk Japan over a fight on the peninsula. Or the North could think nuclear threats will prevent Japan from supporting US efforts to help the South. One Japanese strategist has noted that “We are increasingly being asked to trade Tokyo for Seoul.” Prime Minister Abe has said “Japan’s consent to using bases located on its soil to defend South Korea should not be taken for granted.” The alliance must show that if the North uses WMD, nuclear retaliation will follow. With South Koreans increasingly calling for their own nuclear weapons, the US must make its extended deterrence credible and effective to them. To offset DPRK confidence in its nuclear weapons, the US-ROK navies must work together by doing the following:

Nuclear deterrence capabilities must be deployed properly on or around the peninsula.  
Missile submarines can be within reach of the North with missiles from as far away as Guam

Strengthen cooperation of US missile defense and Korean Air and Missile Defense systems

ROK-US navies must increase cooperation in the Proliferation Security Initiative

The alliance needs conventional precision strike capability to deter DPRK provocations, demonstrating its will to retaliate is not simply diplomatic or rhetorical in character

Strike capabilities, like ship to ground missiles, are needed to precisely strike coastal artillery and cruise missiles near maritime conflict areas if North Korea attacks.

The ROK navy needs capability to strike the tactical center of gravity of the North’s navy or at least have such a capability along with the US navy

The ultimate credibility element is deployment of a US carrier strike group.

The wartime OPCON alteration is looming, including dissolution of the Combined Forces Command – to be transferred to the ROK in the near future. This means it will be very important to establish a joint system that can effectively respond to DPRK aggression, promoting strategic and operational interoperability. The ROK navy needs forces that can cooperate and conduct combined operations with the US navy and supplement it to immediately respond to maritime threats. With dissolution of the Combined Forces Command the US and ROK should ensure their operations are “one team, one fight” in nature, with relations that maximize unity of command and effort, requiring promoting C4ISR interoperability and information sharing. The two navies should conduct joint anti-sub operations and mine warfare actions in vital SLOCs, for safe arrival of US augmentation forces when contingencies arise. This will help make extended deterrence credible even to China, and show allied determination to react against any North Korean provocation with

decisive retaliation immediately. To get China to contain North Korea's nuclear nuttiness, the US should deploy carrier strike groups and ballistic missile subs in combined exercises with the ROK navy. China could join the allies in multinational cooperative activities like search and rescue or humanitarian assistance/disaster relief for regional maritime security.

The Kill Chain concept involves target identification, then dispatching force to it, then deciding to and ordering attack on the target, and destruction of the target. ("Find, Fix, Target, and Engage.") The ROK is seeking strengthened surveillance, reconnaissance, and strike capabilities for Kill Chain core functions. It wants to buy Global Hawk - high-altitude unmanned - planes by mid-2019, and reconnaissance satellites eventually. It also want ways to promptly strike facilities related to nuclear weapons and missiles throughout North Korea in its ground, sea, and air domains. That will mean acquiring long-range and medium-range air-to-surface missiles, Joint Direct Attack Munitions, and laser-guided bombs for long-distance precision strikes. The ROK will improve its submarine-to-surface and ship-to-surface missiles, and develop tactical ship-to-surface missiles. It is planning a Korean Air and Missile Defense system to defend against North Korea by intercepting incoming tactical ballistic missiles, cruise missiles, or aircraft. The KAMD will have the Green Pine radar – transportable, ground-based, solid state phased array radar – for early warning and theater ballistic missile impact prediction, point location, and tracking, with a range of about 800 kilometers.

The ROK has about 300 PAC-2 missiles, and also the PAC-3 system involving guided missiles with long-range, medium to high altitude all-weather capabilities against tactical ballistic and cruise missiles plus advanced aircraft. The PAC-3 is more recent, holds more interceptors, and has onboard radar transmitters and guidance computers. The ROK's 3 Aegis destroyers have Standard Missile 2 missiles, the best fleet-area aid and defense weapon in the world, replacing the SN-2 with the SM-3 or SM-6 while acquiring 3 more Aegis destroyers. However, while the KAMD system should operate independently it is using mostly US-made equipment, and will analyze information acquired from US early warning satellites, not just the ROK's radar system.

In conclusion, North Korea probably has some 40K of plutonium, a highly-enriched uranium program, and is reprocessing more spent fuel rods. It has been accelerating, expanding, and modernizing its missile forces (close, short, medium, and intermediate range), and working on intercontinental ballistic missiles and solid-fuel submarine-launched ballistic missiles. Hence the pursuit of a tailored deterrence strategy against the North by both the ROK and the US. And the ROK is working on defeating the North's missiles through Kill Chain and KAMD. But to make this deterrence more robust US nuclear deterrent capabilities must be deployed in and around the peninsula, along with more allied cooperation in missile defense areas. More study is needed on what is needed technically and politically for applying a nuclear hedging strategy for the ROK.

## **DISCUSSANTS COMMENTS**

**Dr. Tokola** said the presentations were quite good. With regard to domestic Korean developments he pointed out that some 60-65% of the people now see ROK development of missile capabilities as worth undertaking. He said the Chung paper was particularly good. However, it needs to include more references to North Korea's nuclear doctrine – we need more information on this subject. Will North Korea practice greater risk behavior due to its nuclear weapons? Or will it become more cautious? Can it be deterred and, if so, what should the ROK be doing? And what should the US and the ROK together in the alliance?

On the US, should it want its allies to adopt a full spectrum military posture? Or fill in the gaps in US forces? He added that the alliance should not be left alone – it has to be growing with developments.

**Dr. Ilhwa Jung** said that the UN role on the peninsula needs more emphasis, especially on the sanctions on North Korea. In the past that role has been important, going back to the Korean War. It has been very helpful to the ROK on many matters. Making more use of this could be a good route toward unification.

A second aspect of trying to resolve the North Korean threat pertains to scientific activities. Maybe a joint scientific effort with the North might be pursued. It might be possible to even neutralize the role of nuclear weapons on the peninsula, such as by involvements in electronic means and other scientific activities.

**Dr. Bruce Bechtol** pointed to the (Cronin and Lee) Third Offset Strategy, noting it has been targeted on North Korea for quite some time and is now being pushed even more rapidly. Given too little attention, North Korea could cripple US extended deterrence. The Musudan missile's latest test shows that it can reach Guam, which is very threatening to US forces. Mr. Lee pointed out North Korea's provocations, which is very good, and he was also good on extended deterrence matters. The phrase "Deterrence works well so we don't need it any more" is too often heard now – it remains very important!

Dr. Jung's paper is good. Thinking about extended deterrence hasn't changed much since Professor Robert Jervis's analysis of it. More work on this is needed now. On missile defense China is negotiating about THAAD from weakness. Once THAAD is accepted by the US and ROK, China will adjust to it. Along with other new weapons it will be expensive. The US now often tries to see how submarine technology can substitute for land forces, with such expense in mind. This could turn out to be useful. However, the US would like help with it from its allies.

**Mr. Lee** emphasized that halting nuclear weapons efforts is different from dealing with nuclear weapons as fully developed. But some technologies are now being developed that will eliminate missile threats to deliver those weapons.

**Mr. Tokola** said that Illya Jong was quite right in referring to how important the UN can turn out to be. Part of that now is the emphasis on human rights – a beg shift that helps quite a lot to pressure North Korea.

**Dr. Bechtol** said that the North has something like 50 launchers for Musudan Missiles – it is very important to take steps to offset this. **Dr. Jong** added that Boeing has been trying to intercept missiles for nuclear weapons in tests and seems to be getting better at it. The effort should be shared with ROK scientists who are getting very good. The solution to countering missile attacks may be coming.

#### QUESTIONS FROM THE FLOOR

**Q.** Presently we aren't doing enough on North Korea's nuclear weapons development. How can we do more? On the one hand the North cannot attack first, because it's too dangerous. Yet it is expanding its nuclear weapons threat. How do these two steps fit together?

**Dr. Cronin** said we just have to take steps to strengthen deterrence since the North is expanding and improving its nuclear capacities.

**Q.** No true government has yet been developed for Korea. Why not press for a nuclear freeze on its nuclear weapons and all nuclear weapons steps by the DPRK in exchange for a broad agreement? Why not add an effort to close North Korean human rights violations to that proposal?

**Dr. Jung** replied that we lack a suitable peace situation. The North is still attempting to take over the ROK – it remains a threat to coerce the ROK if it can. **Tokola** added that the US used to say it would move to talks if North Korea displayed a suitable proposal for them. But the regime ultimately protects itself with its nuclear weapons, so it won't readily talk about the issue in this fashion.

**Q. Gen. Yong-Ok Park** said that North Korea remains very poor, surrounded by nuclear powers. But now they are scared about North Korea! Why are they so worried? If this is the reality, why can't we deal with it – deal with such a small country?

**Dr. Bechtol** replied that we have a relevant precedent. We tried to get a freeze on the North Korean nuclear program but the North turned out to be not very reliable on this. The North Korean nuclear capabilities are quite serious! We must contain it. **General Tilelli** added that many of us have failed in trying to get the North to live up to agreements. We lost this in the 1990s when we thought North Korean nuclear weapons would be intolerable! **Mr. Tokola** said that while North Korea can now do quite a lot of damage, this has not deeply affected the US and the ROK.

**Dr. Cronin** stressed that North Korea is not dominating Northeast Asia. The US and the ROK really aren't afraid of the North. They just have a lot to lose. North Korea, on the other hand, has a lot to lose and is therefore very heavily focused on regime survival. So it looks much more intense than the allies.

**Q.** Do you believe that the US and ROK colluded on getting Security Council 2470, and on a deal on THAAD in the near future?

**Mr. Yonho Kim** said the China was the one that tried to hold up the recent sanctions due to this general subject. But many people think that China and the US have a private deal cooking on the matter. **Dr. Bechtol** added that idea is unproved but worth being suspicious about. After all the sanctions on the last situation with the North could have hurt more than the new ones are having now. We can really hurt the North! But we aren't. And **Dr. Cronin** added that the alliance is actually close to a deal on arranging more sanctions.

**Q.** On the North Korean nuclear threat from the sea, the latest North Korean action has highlighted this. The ROK has had few good countermeasures. The ROK Navy obviously needs reinforcement. What are the best counter-measures to consider?

**Dr. Jung** listed several ways to deal with the submarine problem: action at home, action at choke points through which subs pass, and action in the ocean. But it would probably take a long time to get fully in place to get into action!

**Q.** On pyro-processing? What is happening?

**Dr. Cronin** said that the technology needed is moving along. A deal is almost in hand. The ROK won't brook any such situation.

With this the panel ended and was adjourned. That also concluded the first day of the conference and the participants went off to libations and dinners.

#### **PANEL IV: KOREAN UNIFICATION AND HUMAN RIGHTS**

**MODERATOR: LIEUTENANT GENERAL RAYMOND P. AYRES JR, USMC (RETIRED)**

**PAPER PRESENTERS:**

**MR. GREG SCARLATOIU, Executive Director, committee for Human Rights in North Korea. Co-chair – Korean Peninsula and Japan class – Foreign Service Institute; seasoned lecturer on North Korean human rights and on Korean peninsula political security and economic issues; formerly associated with the Korea Economic Institute in Washington. Master of Arts – Fletcher School, Ma and BA Seoul National University.**

**DR. JAI P. RYU, President, One Korea Foundation. Former professor and department chair at Loyola University (36 years); active for years in US local and national civic affairs; after retiring created his Foundation to promote discourse and consensus on Korean unification. Lae College, Seoul National University, and MA and Ph.D University of Minnesota.**

**DR. RYANG KANG, Korea Institute for National Security Studies. Editor-in-chief of English Journal of East Asian Affairs (INSS; has many publications on Korean domestic politics, unification issues, and security policies in Northeast Asian countries; former senior consultant for the Korean Ministries of Information, and Culture and Tourism. Masters and Ph.D from the University of Newcastle upon Tyne, United Kingdom.**

#### **DISCUSSANTS**

**DAVID MAXWELL, Associate Director, Center for Security Studies and the Security Studies Program. 30 years - US Army; final assignment – teaching national security strategy at National War College; extensive service in Korea, Japan, and Philippines; author of numerous works on Korea, special operations, foreign internal defense, and unconventional warfare; BA – Miami University (Ohio), Masters of Military arts and Science – US Army Command and General Staff College, Master of Science degree – National War College, National Defense University.**

**DR. HUGO KIM, Founder, former President - East-West Research Institute in Washington, DC. Editor-in-Chief of the International Journal of Korean Studies; long service on the board of COKUS; author of several books including “Korean Americans and Inter-Korean Relations;” former officer-ROK Army; former professor- Korea National Defense University; MBPA – Southeastern University, MA and Ph.D – Catholic University of America.**

**DR. RYOO, JAE-KAP, Council on Korea-us security studies. President – Daejin Institute of Daejin University; former professor – Kyonggi University; many publications; long service on the COKUS Council; past member of policy advisory committees of the Prime Minister’s office, the Defense ministry, the Unification ministry, and the Democratic Peaceful Unification Committee. BS – Korean Military Academy; BA and MA – Seoul National University; MA and Ph.D- Indiana University.**

#### **PAPER**

**MR. GREG SCARLATOIU**

##### **“Romanian Reflections on Korean Unification”**

North Korea remains the most oppressive regime in history with its human rights violations condemned by UN agencies, governments, and civil society, cited by a UN Commission of Inquiry in 2014 for crimes against humanity under government policies, and charged in strong resolutions for human rights violations by the UN Human Rights Council and the General Assembly in 2014 and 2015. Needed are effective policies to: sanction individuals and organizations committing human rights violations, halt economic activities

and weapons that generate and rely on human rights violations, run information campaigns, prepare for ending human rights violations, and prepare for transitional justice and protection of the most vulnerable victims in dramatic political changes - since such changes are often violent.

The worst case likely scenario in the future is apparently a Romanian-style regime downfall: at the brink of civil war, with the collapse of authority, resulting in chaos, bloodshed, and loose nukes, chemical weapons, and biological weapons. What happened during the Romanian state downfall in December 1998 and how might it apply to a possible end-game in North Korea? And to the transition there to reunification and justice?

Romania was the communist country closest to being a dynastic totalitarian regime under Nicolai Ceausescu in 1965-1989, with his wife second in the hierarchy and his youngest son groomed to take over eventually. Ceausescu's personality cult resembled Kim Il-Sung's (he visited the DPRK 4 times and hosted Kim 3 times), and he drove Romania into desperation and bankruptcy while imitating "Juche" philosophy, Kim's personality cult, national communism, and the pursuit of national self-reliance. He trampled on Romanians human rights, restricted travel abroad, and stressed control, coercion, and punishment via his secret police. By the 1980s Romania was often compared with the DPRK – food shortages, power outages, human rights violations, oppression. After a serious earthquake in 1977 he moved to turn Bucharest into a replica of Pyongyang. He borrowed heavily abroad to build a very inefficient industrial sector – in imitating DPRK self-sufficiency, and repaid by vast exports of consumer goods while sharply cutting imports which resulted in huge food and energy shortages.

Under Kim North Korea was eventually abysmal: intensive crackdowns to curb defections, aggressive purges of senior officials, restructuring the (political) camp system, and especially oppressing women who had crossed the border for work in "jangmadang" markets. The political prison camps increased in economic importance with their 120,000 convicts – unique among 21<sup>st</sup> century states – suffering malnutrition, forced labor, torture, sexual violence, and secret executions. Loyalty-based social classifications and perceived loyalists controlled access to food, jobs, etc. All this while the DPRK was bound by or had ratified the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the Economic Covenant on Economic, Social and Cultural Rights, the Convention on Elimination of all Forms of Discrimination against Women, and the Convention on the Rights of the Child. All were violated in this dynastic totalitarian state for 68 years, and Kim Jong Un has continued this with purges of the army, the Workers Party (especially the Administration Department), the internal security agencies, and inner core of the Kim family (like Jang Sung-taek). The fundamental goals are unchanged: regime preservation via denying human rights, aggressive behavior, international deception, reunification under the DPRK regime, upholding the DPRK with nuclear weapons and long range missiles, and trying to drive a wedge between Japan, the ROK, and the US. Methods include relentless surveillance and control, punishing the disloyal, tight control of information flows, 270,000 agents in the State Security Department, Ministry of Public Security, and Military Security Command, neighborhood watching via weekly meetings and self-criticism sessions reporting on neighbors, over 70 executions of senior officials, and

punishing whole families (up to three generations - apparently all Jang Song-taek's biological relatives were executed after him in 2013).

There were 12 General Staff Department chiefs from 1958 to 2011 – Since December 2011 it has already had 5: Vice Marshall Ri Yong-ho 2009-2011; Vice Marshall Hyon Yong-chol 2012-2015 (executed 2015); Vice Marshall Kim, Kyok-sik, died 2013; General Ri Yong-gil 2013-2016, demoted in 2016; and General Ri Myong-gil – presently in office. (The favored method of execution has been a 50 caliber 4-barrel anti-aircraft machine gun). The current regime ignores UN resolutions and the like. It is preoccupied with weapons programs, not humanitarian needs and economic development. Crimes against humanity and human rights violations now stretch back 7 decades.

Threats to the regime include small informal markets, foreign radio broadcasts and mobile media storage devices sold on black markets, defector remittances and phone calls (some 30,000 live in the ROK), smuggled Chinese cell phones, and underground Christianity inroads. There is more money available now due to market activities. Cars and houses are rented under government agencies, not owned, but quasi-private enterprise activity erodes the regime's grip. Life used to be based on the workplace and residence plus public mobilization events; now interaction has expanded due to jangmadangs (open markets), farmers markets, and black markets with money focusing peoples' interests and interactions, and goods also come in from China. Having few banks, business transactions are interactions based on reputations and trust. The regime has tried to crack down on such things through executions for black market activities and watching ROK soap operas and movies, plus more work to prevent defectors, etc.

But such changes eventually altered life in Romania – could this happen in the DPRK? Changes in Romania started in December 1989, in areas with open wholesale markets and smuggling. Watching German TV spread. Ceausescu was soon ousted in a military coup after the Minister of Defense refused to expand repression. Dissident groups sprang up. On Christmas Day 1989, Ceausescu and his wife were executed. Fighting occurred for a week with 1000 dead and 3000 plus wounded, but the military fraternized with many protesters and decided not to take control, leaving that to civilians. The eventual result was a liberal, democratic system but with considerable cronyism and corruption, plus a market economy, plus joining NATO (1994) and the EU (2007). Key reasons for this? The dominant institutions had been the communist party and the military, but 100,000 or so of the 140,000 military personnel were conscripts on 9-12 months service called up universally, so they had limited elite mentality and little satisfactory service; also soldiers were often mobilized for work in industrial centers, construction sites, agricultural projects, etc. Military personnel had little ideology and used to hardship and civilian life without an elite or privileged perspective. The military role also remained benign because it believed its role was not to rule but to support civilian rule. Also the foreign press coverage and public opinion was huge, helping discourage ideas of imposing a new dictatorship. And officers were busy moving into privileged positions, economic opportunities, etc. in the new government and elsewhere.

Many important institutions had been wiped out under the regime; the party and military were the key institutions and soldiers tended to feel more like civilians than military

personnel. And the regime had long depicted the military as a heroic defender with a glorious past as great protector of national integrity (while suppressing its participation in the holocaust). Blame was readily put on the top echelons as well as Ceausescu and his family for the state of the country, while the disarray, disorder, and fighting led to seeing the military as the only good possibility for restoring order.

Eventually communist elements began seeping back into the government, and the National Salvation Front moved to take control, pledging to restore control and promote elections. It soon turned itself into a political party, absorbing the infrastructure and networks of the former communist party and won a landslide election victory in May 1990. The result was most former top communist officials took over. Much cronyism and corruption ensued, and still plagues Romania today.

North Korea in late December and January 2008-9? The Party had for years exercised much more authority than the military, had more control over it - military commanders were not allowed to congregate even in groups of 3 or 4. Traditional institutions had been largely disbanded by Kim Il-sung and Kim Jong-il, with the party more controlled and getting fewer privileges. But the armed forces were much larger than in Romania and serving, both men and women serving, for 7-10 years in a military ten times the size of the one in Romania. And in 1994-1998 Kim Jong-il had increasingly shifted power to the military at the party's expense. But the party has since been somewhat happier with the Kim family's hereditary succession given the latest Kim regime's turn against the military. Thus developments like those in Romania might conceivably emerge in North Korea, even with brutal government reactions. And the armed forces are not highly experienced with crowd-control. Maybe someday the military will reject orders from above.

Note some similarities in Romania and the DPRK, and their differences. The Kim regime drew inspiration from three totalitarian systems from the past: Chosun Korea, imperial Japan, and Stalinist rule. Kim Il-sung moved, after Stalin's death in 1953, to create a siege mentality, and rejected foreign influences for Juche ideology and its stress on self-reliance. Ceausescu early on built a personality cult, then strongly criticized Soviet interference in the internal affairs of East European communist states and reached out to Western states for support. However, that support was used to forge a ruthless, repressive, merciless dictatorship. He imitated Kim by finding an external threat and stressing self-reliance, partly by whipping up tensions between Romania and Hungary, especially over Transylvania. The result was that Romanians at least had memories of different earlier political systems, such as the constitutional monarchy uprooted by the Soviet takeover after World War II. In North Korea, memory of a non-totalitarian system does not really exist. The Kims' longevity reflects, in part, the limited social cohesion because of the regime's huge surveillance and information control.

Romanian Westernization had begun in the 1830s-1860s, and Romania saw itself as a "Latin island in a Slavic sea," like Koreans today seeing themselves as a "shrimp among whales." Romania had difficulty fully reconstituting itself after each world war, like the Koreans. Romania never fully reunified after World War II, like Korea. And in both countries the masses regarded the leader as supreme administrator and protector.

Is a Romanian-style collapse possible in North Korea? Various military coups have been attempted there but most analysts think the tight control through the internal police systems is in charge. In North Korea, more than in Romania, previous institutions were wiped out, even some traditional Korean holidays, by Kim Il-sung. The Workers Party is even more restrictive now. The military forces are ten times greater than in Romania even though the two countries have roughly equivalent populations. But it is not clear the internal security and military forces will readily use nonlethal force against demonstrations if they occur; that they will be ready to use force against families for some extended time. The Romanian regime let policies flourish that were very destructive and unpopular, including eventually the indiscriminate use of force against unarmed citizens. This was crossing “a red line.” Gorbachev’s effort to get Romania to adopt perestroika and glasnost also crossed a red line. Today, China is very annoyed with North Korea but it at least continues to support it so as to sustain stability on its border, curb refugee flows into China, etc. Does China have a “red line” that, when crossed by North Korea, would end China’s support?

Maybe the Romanian result led Kim Il-sung and Kim Jong-il to shift power away from the party toward the military, seeing the military as more reliable. Kim Jong-un has now been shifting the balance more toward the party, away from the military. After all, the North Korean military has long-term personnel full of relentless indoctrination, not short-time soldiers not deeply imbued with military life. East European elites saw the collapse of their political systems but were able to repenetrate them, winners in the post-communist systems. Could North Korean elites see the same possibilities and be winners of a post-communist transition? Probably not. They are still convinced their survival depends on survival of the Kim regime. Years ago Marcus Noland predicted that in Romania an “apparatchik capitalism” would likely follow the initial communist decline. For that to happen in North Korea many things would be needed: prosecution of those guilty of crimes against humanity; truth and reconciliation; amnesty. Maybe the apparatchiki would end up seeping in, contaminating a power-Kim regime, but people of the North have to determine what happens. What the outside world must pursue is: mount information campaigns on radio, in media, even drones telling people of the North about their abysmal human rights, the corruption in their leaders, and the story of the outside world – of South Korea and of the downfall of other communist despots.

#### **PAPER: JAI POONG RYU**

##### **“The ROK-U.S. Alliance: Issues and Opportunities for Korean Unification**

The alliance insists North Korea take up denuclearization before any negotiations can be held. This is, of course, what makes non-negotiable the North’s stance. The alliance should cut the gridlock by taking a new stance for unification, for resolving the nuclear weapons issue, for improving human rights in the North, and helping establish a new order in Northeast Asia. Needed is the *Daebok approach* and the *Declaration for One Korea* to guide the unification endeavor. The alliance has been excellent for promoting peace, stability, and prosperity for the ROK and Northeast Asia. The linchpin of American strategy there has been the alliance and the Mutual Defense Treaty plus the stationing of US troops

in the ROK. That has deterred the DPRK from invading, and deterred China and the Soviet Union/Russia from expansion in the Pacific. Now the ROK is doing fine. The big challenge is how to deal with North Korea. Currently the alliance sees North Korea as a rogue state and focuses on unification, freezing the negotiations. How can this be changed?

The North is moving ahead on developing nuclear weapons, and is now capable of putting small nuclear warheads on short- and medium-range missiles, a clear threat to regional peace and security. Soon it may be able to reach the US, a global threat. The reaction? Seoul shut the Kaesong Industrial Complex, canceled food offers plus economic, energy, and financial assistance, and sanctioned 40 people and 30 entities suspected of being involved in DPRK weapons programs. The US to tighten sanctions on North Korea further. Japan banned North Korean ships entering its ports plus other measures. The UN Security Council Resolution 2270 sanctions were adopted, others adopted sanctions; China imposed sanctions. While Kim Jong Un rejected compliance with UNSCR 2270 and said the DPRK pursuit of nuclear weapons would continue forever, China has closed its ports to DPRK shipments of coal and minerals, Switzerland has banned several luxury goods being sold to the DPRK, and Gazprom in Russia and Mongolia are canceling business deals with the North.

Kim Jong UN has pledged to not use nuclear weapons unless threatened by other nuclear powers, expressed willingness to normalize relations with states hostile to the DPRK in the past, and called for more talks with the ROK. Does this mean the DPRK might be ready to give up weapons of mass destruction? No one believes this. The regime's ultimate goal is survival, which WMD are to guarantee. It points to what happened to Iraq, Libya and the Ukraine, after losing their nuclear weapons or efforts to develop them, as good reason not to give up its own nuclear weapons program. Second, it is unlikely sanctions will work. North Korea has survived sanctions on its nuclear weapons program for years, Third, the DPRK will not give up its nuclear weapons program, its ultimate survival mechanism, because it is seen as much more important than economic development. Fourth, there is no guarantee China won't stop its sanctions sooner or later. If sanctions destabilized the DPRK and produced results China disliked, China will ease or end them, it may do this if it has serious problems with the US. Finally, a denuclearized North Korea could still use its chemical and biological weapons, mobilize its huge military, continue its illicit activities, commit human rights atrocities, etc. All past efforts have not worked, there is no likelihood they will now. As various people have suggested, new and creative ideas are needed to make any progress.

The alliance has basically had a reactive rather than proactive posture. And the DPRK capitalizes on how the world mainly reacts to it. When it does things that are threatening it often eventually gets some nice payoffs. And it is quite resilient – staying in power, surviving. The allies must go beyond just reacting to what the North does. It needs a broad strategic approach to seeking unification, finally getting beyond the Cold War containment effort and better adapted to the new geopolitical landscape in Northeast Asia. The biggest change there has been China's rapid rise and its 9.2 trillion GDP (2014). The US and China want to ensure a united Korea would not tilt too far toward the other. A deeply prospering ROK could shape principles for guiding East and West peacefully, blunting the

confrontations between the US and China. That requires revamping the alliance, getting beyond the status quo. Otherwise North Korea's arsenal will grow and so will its threat.

Several paradigm shifts that could guide the alliance in the future; staying focused on denuclearization won't be effective enough. The first paradigm is remaining focused on unification –the goal must be a stable, secure, peaceful, and economically vibrant peninsula without nuclear weapons, reunified under a liberal constitutional government. Next, the alliance needs to focus on peaceful unification, getting away from a military emphasis. The mission should be Korean unification, which is the aspiration of all Korean people, but a peace treaty has been unacceptable to the allies for years because it would have meant withdrawing US forces from the peninsula. If the mission of the alliance was unification there would be no reason to oppose a peace treaty, so US forces could remain in Korea. Making unification the alliance mission could resist anti-American sentiment in the ROK based on beliefs that US forces are there because the US benefits from this economically and in other ways. Making the mission alliance unification would be seeking a Korea indispensable for the US as well.

The second paradigm pertains to using the DAEBOK Approach to get to unification in the most desirable, durable, peaceful, and practical way. Under the DAEBOK approach an economic focus is predominant. Unification under Daebok is meant to produce considerable economic development separated from political or military policies and activities vis-à-vis the DPRK, via a large decade-long investment in social overhead capital – roads, public transportation, ports, utilities, etc. along with heavy information dissemination and substantial cooperation in science and technology. Initially, North and South would be operating as separate economies while the North reduces the gap between them in per capita income. Of course some of this is debatable, such as assuming the North would accept uninhibited South Korean investment in infrastructure without trying to kick the investors out eventually and expropriate their capital, or that the Kim family would eventually leave into a safe exile. The idea is not some sort of immediate absorption of the North by the South. The idea behind datebook is progress toward unification producing massive economic benefits for both Koreas within a hybrid federation/commonwealth, during the time necessary for the Korean people to decide how to govern themselves.

The final paradigm is having the alliance begin reshaping itself to take the lead on a new international order in Northeast Asia. This would include recognizing China's rise as a regional and global leader, and drawing support from Russia and Japan for peace on the peninsula. The five parties would develop and apply a unification model via a new consensus that clearly represented the best interest for all of them. This would take Korea out of its long history as middle ground for the area's wars for regional hegemony. That situation needs redirection because the DPRK's provocative actions and the possible results from ongoing rivalries and confrontations makes the area subject to highly dangerous outcomes. The alliance should be positioning itself to reduce tension and foster cooperation there, by intensifying diplomatic outreach to the other three parties and the North. By cooperating with UNSCR 2270 China has indicated it wants North Korean nuclear weapons eliminated and a strengthened relationship with the US in its own best interests. The alliance should stress that continued bolstering of the DPRK as it is will only harm

Chinese interests. The US should take the lead in reviving talks among the five parties, laying out how China will benefit from unification economically and in terms of security, hopefully with support from South Korea on how unification will benefit China's interests. This could include discussion of a possible timeline for US forces leaving the ROK.

Russia and Japan have had little to offer to get the North to denuclearize and become a constructive state. But a five-party effort focused on unification and the major economic gains that would result (in energy, trade, natural resources, infrastructure development, etc.) Could be the stimulus for the stagnant Russia and Japanese economies. Of course, Russia, Japan, and China may have reservations about the tumult and expense involved in the unification of the peninsula, and the political and economic rival it could ultimately become. But a prosperous unified Korea will not emerge on its own - it will need to be highly integrated with the surrounding economies and societies. The resulting powerful hub could anchor the economic power in East Asia with potent effects globally for decades.

Finally, even if serious discussion on unification cannot get under way the alliance must at least coordinate with China, Russia, and Japan on handling any emergence of serious political instability in the DPRK, in view of the North Korean arsenals and the possibility of a humanitarian disaster that would almost certainly require outside intervention.

Of course, recent history suggests that going in a new direction, as the US did recently with Cuba and Iran, is not likely to work with North Korea. But a fresh approach may well be needed and might work. North Korea has previously offered a moratorium on the nuclear weapons program in exchange for suspension of the allies' joint military exercises, most recently in January of 2015 and in April of 2016. The alliance could suggest it will cease joint military exercises for a nuclear moratorium by the North, retreating from the US always putting clear steps by the North toward denuclearization as the requisite first move. Maybe the allies could offer the kind of deal with Iran, which involves no further nuclear proliferation for a number of years – not irreversible immediate dismantlement. Maybe normalizing relations would mean economic interchanges that lead to real discussions on unification and related economic benefits. Maybe the US normalizing *diplomatic* relations with Pyongyang would finally end the Cold War. Maybe this is the moment to move beyond the status quo.

### **Declaration for One United Korea, 2015**

The paper ended with a declaration adopted 8/15/2015 at the Lincoln Memorial in Washington, DC presented by the One Korea Foundation. Here are main elements of the declaration summarized:

**Korean Unification is Inevitable.** This is the profound aspiration of all Koreans

**Korean Unification is Desirable.** Nuclear threats, materialism, and dysfunctional political divides sustain suffering, painful division, and potential instability for both North and South.

**Korean unification is now achievable.** The Korean people have an opportunity to achieve a true greatness. It is time to build a national consensus on a shared vision of One Korea and garner international support for it.

**The Korean people share one dream: to live in One Korea we can all be proud of.** Koreans have longed for a model country of universal principles, shared moral values, rule of law, basic human rights and freedoms, and a just and prosperous society. It will be strong, sovereign acting as a peacemaker, a humane nation with a concern for posterity, and a responsible steward of the earth.

**One Korea will benefit all and threaten none.** Love of peace is deep in its heritage, and it will offer new guiding principles for peace, and be a powerful example of a traditional society that has embraced the positive aspects of modernity and retains the enduring values of the past.

We submit the following proposals for adoption and support:

We encourage initiatives to awaken understanding of the principles that have shaped Korea's distinctive heritage

We support efforts for co-prosperity to sustain co-prosperity projects that will improve living standards in North Korea through the people's own efforts, people-to-people contacts, cultural exchanges, joint service projects and other initiatives.

We call on our brethren in North Korea to embrace the program for co-prosperity to improve the lives of ordinary people.

We urge the 8 million Korean people outside Korea to dedicate themselves to the movement toward One Korea and mobilize the support of their adoptive lands.

We appeal to the governments and peoples of all nations, particularly the US, China, Japan, Russia, and Mongolia to actively cooperate in advancing Korean unification.

We call for multilateral institutions (UN, World Bank, IMF, etc.) to provide advice and assistance especially during the transitional period, to assure the success of One Korea.

The Korean people shall be justly and by right, one family, one people, and one nation. We will work together to realize the dream of One Korea, fulfilling our destiny, and as a shining example for generations to come.

## **PAPER**

### **DR. RYANG KANG**

#### **"ROK's Wishful Thinking of Peaceful Unification – The Influence of Romantic Nationalism in the Two Koreas"**

(Dr. Kang opened by providing the audience with a quick explanation of how North Koreans clap in regime rallies – hold your hands up, then clap 80 times in 20 minutes, and use a baritone voice for hurrahs!)

As the world witnessed North Korea through the Seventh Congress of the North Korean Worker's Party, there seemed no change in the mental world of Kim Jong-Un, so it is

extremely unlikely North Korea will discard its nuclear development plan. So it is possible that the regime, as an organic body between the Great Leader and the people, will sustain the present system for long. Thus the ROK should abandon the deep rooted feeling of a “nation as one.” North and South share an ethnic origin but live in incompatible and unnegotiable realms. If South Korea really wants unification it should be realistic, abandoning feel good and moralistic wishful thinking on unification, and completely separate and isolate the North as a hostile foreign country. That would really shorten the road to Korean unification in the long run.

No regime wants to rest its destiny on the table of diplomatic negotiations – it makes no sense for ruthless dictators to hand over rule to citizens in adopting peaceful solutions, particularly when they have ruled and crushed them for over 70 years in a brutal dictatorship. After the poor, backward, isolated North Korea’s 4<sup>th</sup> nuclear test, South Koreans have felt frustrated, a bit powerless against frequent DPRK military provocations. Some main street conservatives now say the ROK should consider acquiring nuclear weapons too, but their echo is weak. Many nonproliferation experts and government officials stubbornly say this idea will definitely hurt South Korea’s security, economy, and international status. Thus far, when most South Koreans think US defense commitments to the ROK are firm, the general preference is to not seriously consider getting nuclear weapons. But can the ROK honestly rely 100% on the US commitment to the ROK’s defense? What are the suspicions about the US agreeing to talks with North Korea about peace before the latest DPRK nuclear test? If the North succeeds in mounting a nuclear weapon on a missile, the ROK’s security strategy will be overwhelmed. As to its response, can the US and China let the ROK seriously mount a preemptive precision strike to eliminate the North’s leadership?

Currently international society is leveling unprecedented sanctions against the North, but it is uncertain whether these measures will effectively persuade Pyongyang to abandon the nuclear weapons development program. After all, it has been responding to UN sanctions by conducting more nuclear and missile tests and is threatening still more. Thus strong voices in the South say it is useless to sanction the North. South Koreans are confused by too many internal and external experts’ prescriptions as to what to do. This could be a serious obstacle to getting South Koreans to unite against the North’s nuclear threats. The crisis has continued for over 24 years, since the North’s nuclear development plan was revealed in 1992 and withdrew from the Nuclear Nonproliferation Treaty in 1993. The Clinton administration seriously considered a surgical strike against the DPRK nuclear facilities at Youngbyun, but President Kim Young-sam strongly objected in fear of war breaking out on the peninsula. Most terrified was Kim Il-sung, who maneuvered between the different perspectives of the US and ROK to put the nuclear issue up for diplomatic negotiations. 17 months of negotiations eventually ended with the Geneva Agreed Framework of 1994. The ROK shouldered the bulk of the 1 billion dollar cost of the North Korean nuclear reactor, and the US annually provided a half-million tons of crude oil.

Despite this agreement North Korea pursued a secret uranium enrichment nuclear weapons program, disclosed by the US in 2002. Initially the Bush administration took a very hard stance, rejecting bilateral talks with the DPRK and sought a Libya-style CVID (complete,

verifiable, irreversible dismantlement of the program). China wanted to play a major role in all this and Six-Party Talks were inaugurated in 2003. They unfruitfully proceeded through some hard sessions, and despite the North's first nuclear test in 2006, the ROK pursued North-South economic cooperation projects and a second set of summit talks were held. The US also secured an agreement with the North via bilateral negotiations, and by the North's agreement to a step-by-step approach in the denuclearization process in 2007. This required that the North freeze nuclear activities and disable its nuclear facilities and program. In return, the US was to provide food and energy and take North Korea off the list of states supporting terrorism. Bush administration bribery offering free fuel oil, for example, was meant to get the North to halt its nuclear program. The North did shut it down but was really not serious about this.

The Bush administration eventually produced photographic evidence the DPRK had been deeply involved in helping Syria build a plutonium-fueled reactor like the one at Youngbyun. This showed the North would do whatever it wanted for enough money, and that the DPRK nuclear program was highly dangerous because it involved not just possession but proliferation of nuclear technology, materials, and weapons. The Obama administration hoped to ease tensions with North Korea but the 2<sup>nd</sup> nuclear test was conducted in 2009, right after his inauguration. The North was clearly not interested in any grand bargain or comprehensive deal with the US and ROK: it wanted to be a nuclear weapon state. After its third nuclear test in 2013, it started claiming it could produce miniaturized nuclear devices. The Obama administration turned to a "strategic patience policy," ignoring the North until it displayed sincere commitment to denuclearization. After the 4<sup>th</sup> nuclear test in 2016, the North claimed it could miniaturize a nuclear weapon for use on ballistic missiles and could eventually deliver a preemptive nuclear strike on the US and ROK. Despite heavy sanctions on the North, it remained unclear whether that would be enough to persuade it to abandon the nuclear weapons program.

It is meaningless to speculate as to who would be most responsible for no settlement of the Korean nuclear crisis, but at least the ROK must have a firm grip on the reality of regime and ideological competition with the North. Unfortunately South Korean attitudes are divided on characterizing North Koreans and the regime. Many intellectuals in the ROK are obviously confused about philosophical concepts like "race," "nation," and "nationalism" in a liberal democracy. Thus the concept of "nation" has complicated and hindered the government's policy on North Korea. "Nation" as an essential element for having a modern state is often seen, instead, in biological and ethnic terms. This shifts "nation" from both an ethnic population and a political body of people toward treating the ethnic population as much more important than the value of the political entity, in a "nation first principle." Evident during the first nuclear crisis in 1993, and after the Inter-Korea summit in 2000, it has continued to challenge the place of liberal democracy in the South by being seen as an ideal national ideology. To foreigners it often seems surprising it took 11 years to enact the North Korean Rights Law, and 15 years on the Anti-Terror Law in the National Assembly. The reason? Many progressive intellectuals feel sanctions on the DPRK are unnecessary because it can readily tolerate them. This division within South Korea may be somewhat

responsible for the latest nuclear crisis. Before the ROK tackles unification within liberal democracy it must overcome the divided ideological mentality of the country.

The two Koreas are also influenced significantly by “romantic nationalism,” when a state derives its political legitimacy as an organic consequence of the unity of its governed. That includes the language, race, culture, religion, and customs of the nation – of those born within it. It was generated as a form of nationalism in reaction to dynastic or imperial hegemony. It excluded the logic of rationalism in enlightenment philosophy and reflected the ideas of Rousseau and Herder. Herder stressed that geography formed a people’s basic environment and their resulting customs and society reflected it. Romantic nationalism rested mainly on historical and ethnic cultures, thus it helped engender folklore and the idea of an inherited cultural patrimony from a common origin. The “nation” should be unified because of its common genetic source and the organic nature of its folklore culture.

In the Napoleonic era German intellectuals saw increasing importance in unifying the German nation away from other European countries. Fichte wrote: “Those who speak the same language are joined to each other by a multitude of invisible bonds by nature herself, long before any human art begins. They understand each other and have the power of continuing to make themselves understood more and more clearly. They belong together and are by nature one and an inseparable whole.” While romantic nationalism shared some ideological values with Rousseau’s concept of liberty and equality, it had very strong elements of counter-reformation ideas and activities which lent themselves to totalitarian ideas and extreme racism which could lead, and did, to trying to kill other races.

After the Meiji revolution Japanese intellectuals inherited German romantic nationalism, and the German idea of having a strong, unified, and powerful and modern state, particularly the philosopher Fukuzawa Yukichi who translated several Western languages into Japanese (translating both “volk” and “state” into “nation”). By idolizing the emperor, he emphasized the organic relationship between the emperor and his people. At the end of the 19<sup>th</sup> century some Chinese reformists fled to Tokyo and became associated with Fukuzawa and his followers, which led to romantic nationalism spreading to China, influencing intellectuals there including Mao Zedong. A modern Korean historian, Shin Chae-ho, turned to romantic nationalism concepts to help fight Japanese imperialism, eventually creating the concept of Hanminjok (One Grand Chosun Ethnic Nation), which had roots deep in Korea’s past, and revived the myth of Dangun building the ancient Chosun nation some 5000 years ago. Shin Chae-ho has been honored by both North and South Korean people as a reformer and champion of national independence and creator of Hanminjok.

President Rhee Syng-man turned occasionally to the “one nation principle” to help build Korean nationalism and anti-communism. But that also became an obstacle to the development of individualism and liberalism in South Korean liberal democracy, emphasizing group loyalties rather than individual values in an immature civic community. The Park Chung-hee government also turned to the one nation principle, focusing on national mobilization and Korean unification, and pursuing rediscovery of traditional cultures and national consciousness. Then in the late 1980s and the early 1990s, during the

radical student movement, the unification idea shifted toward seeing the nation as an organism and validating the appropriateness of national unification in that way, while also criticizing ROK economic subordination to the US and Japan and promoting anti-Americanism. South Korean nationalism took on characteristics of ethnic nationalism, seeing “blood” as the most important element of the Korean race (over 70% in some surveys took this view), and a new view of North Korea. Thus it remains uncomfortable to coexist also with liberal nationalism and its stress on individual liberty, prosperity, and human rights. Hence the North Korean Human Rights Law taking 11 years to be enacted. The concept of civic nationalism is expanding but democratic values and the fundamental rights of people must still compete with a collective form of nationalism.

Henry Kissinger once said North Korea is a very unique system, and this notion is accepted by many; it is a strange country with extreme poverty and “where there are escapes, but never revolution.” It has no democracy, little value attached to the people, and a dynastic totalitarian system. It started out following Stalinist national ideology, then shifted in the 1970s-1980s to Juche (self-reliance) ideology. The nation is seen as a social group encompassing blood, language, culture, and a territory descended from people who lived as clans and tribes. The North’s concept of nationalism was established via idolizing Kim Il-sung as a hero-king, imitating the Japanese Emperor after the Meiji revolution. Eventually the North’s nationalism shifted toward the romantic and cultural – a territory with one blood, language, and culture - a Hanminjok, having a heroic ruler entitled to rule both Koreas. The Kim family dynasty embodied “our nation alone” and was entitled to revolutionize South Korea. People not cooperating are anti-national, betrayers of Hanminjok. The objective was to strengthen pursuing anti-foreign and anti-American purposes.

Early on March 5, 2015 a man attacked the US ambassador with a knife, calling for a withdrawal of American forces to promote unification under the goal of Hanminjok. Debates followed as to whether he was a terrorist or a nationalist. The slogans of “our nation first” and “our nation alone” are still debated about unification. As a liberal democracy and a capitalist market system, South Korea still faces national difficulties in becoming that kind of state. North Korea is still feudal and totalitarian reflecting the Stalinist period, with a hero-king, pursuing organic totalitarianism, based on romantic collective nationalism. After Kim Il-sung’s death, in the “march in suffering,” about 3 million North Koreans died from starvation or its effects. Kim Jong-un has ordered a second “march in suffering” after the latest UN sanctions, which needs very careful attention.

Citing “Korean nation alone” and “inter-Korean national cooperation” is the North’s ideological effort to reject foreign interference and ultimately revolutionize the ROK. Its ultranationalism is just a distorted romantic nationalism for a hereditary tyrannical regime. The South needs focus on a civic republican nationalism and to strengthen democratic citizenship within liberalism, becoming a political community of equal citizens in the unity of friendship and companionship, based on social and legal justice and liberty, not national ethnicity. Such civic republican nationalism can produce a healthy, stable social development, resolving conflicts through citizen solidarity. Thus trumped up “nation as one” propaganda is an illusion – the South cannot readily fit with the North’s regime

because it is part of the same ethnic nation. There are two different regimes and only one will survive in the long run.

It is a unique ROK phenomenon to promote a peaceful, good-feeling, political situation in a time of provocative DPRK threats. Firing rockets has not led to much reaction by ROK politicians, but they should investigate how ready the ROK military is to deal with the threats and work to maintain firm citizen solidarity against them. Whether the latest sanctions work or not, unification will not be easy and will be time consuming. The government should offer a few principled actions but as the 7<sup>th</sup> Congress showed, it is not possible to change Kim Jong-un's perspective. The North may have an organic link between the great leader and the people to sustain the regime for a long time. South Korea should abandon any feeling of "a nation of one" – the regimes are incompatible and unnegotiable. Instead, the ROK should admit that North Korea is a legitimate authority, thus unable to avoid the regulations of the international community. If the North breaks rules and treaties the ROK should do the same on treaties with the North. It should be realistic about Korean unification, and move to isolate and separate the North as a hostile foreign country. That will shrink the road to unification in the long run.

## **DISCUSSANTS COMMENTS**

**Professor David Maxwell** felt these were nice papers. Greg Scarlatoiu is a fine scholar, an important contributor to human rights efforts about North Korea, and offered a fine assessment of the regime. The link of North Korea to Romania is important, and we should be focusing on his questions in comparing the two. He suggested that South Korea use its Korean dramas to appeal to North Koreans.

Ryu's paper presented unification as the proper goal and described the Cold War as a vestige. But unfortunately it has not vanished. Thus the modeling of the Korean situation with how dealing with Iran and Cuba have gone is not a good idea.

It was good of Dr. Kang to cite the US as a brother to the ROK, and it was nice to refer to "Koreans in the North" not "North Korea." Koreans are tough, including the ones in the North. So unification is at least feasible.

**Dr. Hugo Kim** opened his remarks by remembering the first annual conference of ICKS, the international association of Korean scholars, in 1996 and mentioned early Korean members mainly in the US. Dr. Scarlatoiu presented a very good paper – no complaints about it. However in comparing North Korea and Romania many of the differences between the two should not be ignored. For example, Romania was very much affected by the collapse of the Soviet Union/Russia while North Korea has not seen the collapse of China

Dr. Ryo has long been a champion of unification. But the alliance is also about the US dealing with other powers in the region. And it is certainly beneficial if Koreans have democracy and free markets. Hence the merger of the two Koreas is not the only goal.

There should not be an agreement with North Korea until it rejects holding nuclear weapons! Also, was nationalism closely linked to romanticism in Korea – it is not clear that this was so.

**Dr. Ryoo, Jae-kap** said he hoped that there is a romantic revolution soon in North Korea – a revolution from above and below! But romance is not the same today in dealing with North Korea. The North is much more oppressive. Might it experience a revolution from above? That is uncertain – leaders will want some tolerance. How about revolution from below? And when will the revolutions come? In ten years?

What is the effect of international sanctions today, on North Korea now? Certainly they are very difficult. Is there any sign of military officers tossing Kim Jong-un out? (Any revolution there?) Unification seems unlikely to me. Romantic upheaval seems unlikely also – a product of wishful thinking.

Is denuclearization possible? If not, is there any alternative? Is denuclearization really the way to unification? This is not clear. It may not be possible. North Korea always rejects true negotiations. The US role now would best be coordinating with China, openly or secretly) on unification if it is to come about.

#### **RESPONSES FROM PANEL MEMBERS**

**Scarlatoiu** on how long we may have to wait for a collapse, unification, etc., it looks like we are in for a long wait. China might be an important factor. Russia did not intervene with Romania, but China is not likely to wait in the same fashion. Would the US and ROK intervene if North Koreans took to the streets?

One problem is that it is very difficult to squeeze the North Korean elite with sanctions. That won't work. Even with serious punishments for the human rights violations. And shutting Kaesong is not really relevant. Remittances don't have enough impact in the North to make a difference..

**Dr. Ryu** began by saying that Maxwell made some good points. But he reiterated that peaceful unification is the true goal, and we need to fill in the gap on this. We must not think just in Cold War terms. China has come a good way closer on this – the US needs to work closer with China, more and better. Kim, Jong-un won't just give away the country.

Unification will come eventually in the future. The US must be in alignment with this, taking action on unification. Something will have to move the US and all of us, and public support will be vital. We must have a future orientation in mind to help guide our steps. The key point is that a unified Korea will be good for everyone! This is what to build public support around.

**Dr. Kang** said that it can be very hard to understand thinking in North Korea. And people live far from “romantic nationalism” there! They live under totalitarian rule and “march in suffering.” Unification will be impossible without the ouster of Kim, Jong-Un. When it seems feasible, we must prepare for the human cost of a unification effort.

#### **QUESTIONS FROM THE AUDIENCE**

**Q.** A free market in North Korea? The market in North Korea is not free! Markets there are run by bribes. It is really a new form of control. Only the North Korean elites get to see the outside world and obtain outside information. And only special families see images from the outside world without telling about such activities.

**Q.** People in the North learning from Romania? North Korea has, if anything, tightened controls, and restrictions. North Korea believes that removal of the top leader is the real threat of collapse. And the North Korean elites know they would be out of rule with unification – and that scares them

**Q.** North Koreans really don't interact with visitors. And there is no sign on their part of any serious dissent.

#### **ANSWER FROM A PAPER PRESENTER**

**Mr. Scarlatoiu** said that clearly some people in North Korea listen to outsiders, try to learn about the outside world, etc. But this is more difficult than it was in the old Romania. Many things are getting in to the people of the North. Maybe 10-20% of the people there get chances of this sort. This means that some things are happening in the North. We should push this harder.

**Q.** Is peaceful negotiation on unification a possibility? It certainly seems very unlikely. But we shouldn't just throw the idea away. We should be more careful, not just see wishful thinking and turn away.

**Q.** Can peaceful unification efforts be of use? Can negotiation work?

**Q.** The human rights situation is really the key. With progress on that, democracy will flow and nuclear weapons will go. So human rights efforts are really a critical factor. Will it be possible to resolve the human rights problem?

**Dr. Ryoo** wondered if there were any good possibilities. Clearly the tight security in the North continues because the country is really a house of cards. It is very vulnerable. What would be best is the US and China getting together to make Kim Jong Un an offer he can't refuse.

**Mr. Scarlatoui** said the human rights problem is a very difficult situation. At least it has gotten good attention from the UN. The veto-ers are just trying to keep the human rights situation stabilized. We need a huge grass roots human rights campaign undertaken. That is the best way to strike at the weakness of the regime.

At that point the Chair of the panel announced that it was finished, thanking the participants and the audience for a very interesting discussion. He turned the conference over to Professor David Maxwell. He also thanked the participants in the final panel for such a fine session. He then invited **General Tilelli** and **General Kim**, the COKUS Council Co-Chairs, to the podium.

**General Tilelli** gave thanks to the hosts, the audience, the panelists, and the organizers of the conference. He said that it had been a particularly good conference because of the fine work by everyone involved.

**General Kim** agreed with General Tilelli that it had indeed been a fine conference. He gave thanks to the paper presenters, the organizers, and those who provided a good deal of the funding. He said that the conference was held at a time when many changes are brewing both globally and domestically around the world. We must see them not just as changes but also as great opportunities! He said he looked forward to having another conference next year in June of next year.

After General Kim completed his remarks, **Dr. Bechtol** made General Kim an honoree of Texas! He also said on behalf of ICKS how much the members had enjoyed the conference. And as the host, **David Maxwell** was recognized by General Kim for the excellent management of the conference, and Mr. Maxwell in turn gave General Kim a special coin. He also reminded everyone that there are four paths to unification. The peaceful route is the best. There is also war as a route. Or regime collapse. Or finally internal regime change in the North. We need keep all these in mind in planning to achieve a peaceful unification.

The final step was the presentation by Mr. Greg Scarlatoiu of an award (a fellowship) to a young scholar – **Raymond Ha** - who will be going to Stanford in the fall for graduate study, from the Committee for Human Rights in North Korea.

**PATRICK M. MORGAN**

**RAPPORTEUR**

**COUNCIL ON US-KOREAN SECURITY STUDIES**