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The Concept and Direction of the New Korean Peninsula Regime

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The vision of the New Korean Peninsula Regime is most distinguished by its characteristics that it seeks a transition from the passive order of the Cold War to an active order of peace. The old security order was forced on Koreans by imperial Japan and the San Francisco Peace Treaty. Breaking away from the order of the last 100 years, the New Korean Peninsula Regime presents both a vision and promise of establishing a new regional order led by Koreans for the next 100 years. Under the New Regime, the two Koreas and other countries in Northeast Asia are expected to build a cooperative community of peace and economy, which will usher in a new era of cooperation and co-prosperity that leaves behind the past 100 years marked by division and conflicts. The Republic of Korea needs to materialize the Korea Initiative, which involves playing a leading role in achieving denuclearization and building a peace regime on the peninsula and constructing the New Regime as a party to forging the new inter-Korean relations.

1. San Francisco System: Origin of the Cold War Order on the Korean Peninsula

The New Korean Peninsula Regime represents a vision of establishing a new order that will replace the existing orders on the Korean Peninsula and in Northeast Asia. The international order we see in Northeast Asia today is built upon the San Francisco Peace Treaty, which was signed in 1951 for the post-war settlement after the Pacific War. Based on the Treaty, a new order called the San Francisco System was created in Northeast Asia, which also makes up the backbone of the current security order on the Korean Peninsula.

The post-war settlement of the Pacific War was hardly perfect. The U.S. took an unconventional approach in treating Japan. The most critical factor was the emergence of the Cold War in the wake of the World War II. Communism's victory in China, in particular, was the biggest factor that affected Washington in setting its policy on Japan. To keep communist China in check, the U.S. decided to form an alliance with Japan, turning the defeated country into a strategic point in Northeast Asia. It was this decision that gave birth to the San Francisco System.

The makers of the San Francisco Peace Treaty neither included the two Koreas and China as participants nor reflected the positions of other former Japanese colonies in Asia. Their absence has been a source of diplomatic and security disputes that continue to occur to date. The Korean War, not unrelated to the San Francisco System, was halted in an incomplete armistice. As a result, it remains to be a major contributor to regional security tension. Founded on Cold War dynamics, the San Francisco System is yet to lose its momentum. It still serves as the underlying force of the diplomatic and security orders on the Korean Peninsula and in Northeast Asia.

2. Lessons from the Establishment of New Security Order in Europe

Europe's experience under the post-Cold War era and its making of a new security order may offer significant lessons on understanding the current orders of the Korean Peninsula and Northeast Asia and how to create a new regime in the peninsula. Compared to Northeast Asia, Europe experienced a far less tumultuous

settlement process after WW2, which gave birth to the creation of a new security order in the region. The first wave that hit Europe's Cold War security system was the advent of détente in the 1970s. Détente brought changes to the divided Germany and enabled European security cooperation to elevate. In 1975, 35 European countries met in Helsinki for the Conference on Security and Cooperation in Europe (CSCE). The Conference culminated in the Helsinki Accords, which included mutual respect for borders, refraining from security threat and use of force, and ensuring equal rights and self-determination of people. As a result, the Helsinki Accords eased Cold War tensions in Europe. The spirit of détente momentarily lost momentum in 1979 when the Soviet Union invaded Afghanistan. It made a comeback, however, in the form of new detente arrival in the mid-1980s, when Gorbachev, the new leader of the USSR, started to actively pursue perestroika, a major reform and opening policy. Perestroika served as a catalyst of reform in East Germany and across East Europe. In the meantime, the CSCE was transformed from a conference body into a full organization, the Organization for Security and Co-operation in Europe (OSCE). Further, Europe managed to achieve conventional arms control, a high-level security cooperation that led to the establishment of a new regional security order. Key factors of this shift included a weakened USSR, an axis of the Cold War system, and the dissolution of the communist bloc.

<Table 1> Military Confidence Building in Europe¹⁾

Phase	Détente	Security Dialogue	Confidence Building	Disarmament	Security institution
Content	<p>Treaty on the Non-proliferation of Nuclear Weapons (1968)</p> <p>German-Soviet Non-aggression Pact (1970)</p> <p>The Basic Treaty between East Germany and West Germany (1972)</p> <p>U.S.-Soviet Summit (1972)</p>	<p>Birth of the Conference on Security and Cooperation in Europe (CSCE) Helsinki Accords (1975)</p>	<p>Document of Stockholm Conference on Confidence and Security-Building Measures (CSBMs) (1986)</p>	<p>Treaty on Conventional Armed Forces in Europe (CFE) (1990)</p>	<p>Birth of the Organization for Security and Cooperation in Europe (OSCE) (1995)</p>

Building on the post-war settlement of the World War II, Europe managed to formulate a new security order that began with détente and continued through security dialogue and disarmament. In contrast, security cooperation in Northeast Asia has failed to go beyond a low level. The biggest factor of continued security tension in the region appears to be the division of Korea. Sustained by the San Francisco System, the Korean Peninsula's division has been maintained for an

1) Cho, Han-Bum, "From End of War Declaration to Peace Agreement: Korea Initiative under the New Panmunjom Regime," under the theme of *End of the Korean War and Exploration of a Peace Community in East Asia*, presented at the Commemorative Symposium of the 14th Anniversary of the Establishment of the Peace Foundation (November 16, 2018), p. 12. (in Korean)

extended period of time. As nuclear and missile development of the Democratic People's Republic of Korea (DPRK) has heightened military tensions, the security cooperation system among the Republic of Korea (ROK), U.S. and Japan has consolidated. As a response, an implicit cooperation system was developed among North Korea, China and Russia.

Another element that hinders security cooperation in Northeast Asia is China's emergence as a global power and the intensifying Sino-American competition for hegemony. As China has managed to sustain growth under its self-claimed socialist system, Asia, unlike Europe, has not seen a serial collapse of communist social systems and their transformation into democracies. In fact, Pyongyang continues to find a potential backer in Beijing, which considers North Korea a strategic asset. In the meantime, China's new type of major-power relationship strategy is colliding with America's Indo-Pacific Strategy, and the Sino-U.S. trade war is accelerating. Territorial disputes in the East China Sea and South China Sea are spurring an arms race in the region. China is speeding up the expansion of its aggressive military capabilities, and so does Japan in its pursuit of military normalization. All these factors contribute to the existence of the San Francisco System—a legacy of the Cold War living on, in contrast to what happened in Europe.

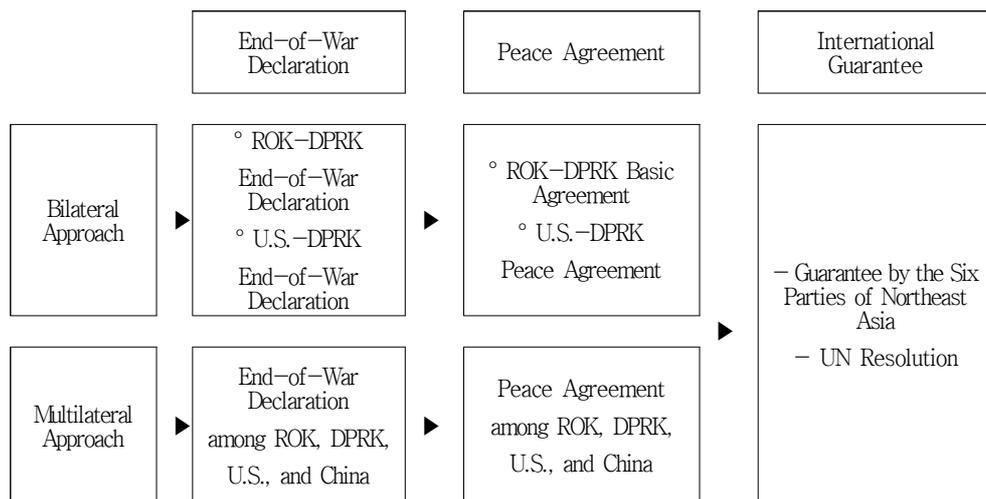
3. Advent of the New Korean Peninsula Regime

The division of Korea and North Korea's nuclear programs are two crucial factors of security instability on the Korean Peninsula and in Northeast Asia. Therefore, progress in denuclearization and the establishment of a peace regime have potential to bring a fundamental change of the international order in the region: the birth of a new order called the New Korean Peninsula Regime, which replaces the San Francisco System, a relic of the Cold War. The New Korean Peninsula Regime was proposed by President Moon Jae-in of South Korea in his speech for the 2019 March First Independence Movement Day. According to President Moon, the New Regime rests on two pillars: 1) the community of peace cooperation and 2) the community of economic cooperation. The former refers to building of a permanent

peace regime on the peninsula; the latter represents the opening of an era of the peace-driven economy. Key areas of the New Korean Peninsula Regime, therefore, include a new security order in Northeast Asia including denuclearization and the peace regime on the Korean Peninsula, new inter-Korean relations and the peace-driven economy.

Denuclearization and the establishment of a peace regime on the peninsula are essential to establishing the New Korean Peninsula Regime. Denuclearization of the DPRK, if completed, will necessitate a peace agreement for the two Koreas. By then, it will be possible to sign a basic agreement to normalize inter-Korean relations. The following phase will be international guarantee, which may take the form of assurance given by the six-party member states or a resolution by the UN Security Council or General Assembly. A peace regime on the Korean Peninsula can be constructed either through a bilateral approach based on the inter-Korean and the U.S.-DPRK cooperation, or a multilateral approach that involves a four-way collaboration among Seoul, Pyongyang, Washington and Beijing.

<Table 2> Roadmap to Build a Peace Regime on the Korean Peninsula²⁾



2) Cho Han-bum, "Assessment on Building a Denuclearized Peace Regime on the Korean Peninsula and Prospects," in *New Security Order in Northeast Asia and South Korea's Strategy*, (Seoul: the Peace Foundation, 2019), p. 46. Modified by the author.

Under the New Korean Peninsula Regime, the ROK and DPRK will form a new relationship marked by coexistence and co-prosperity. The two sides will be able to pursue the Korean Commonwealth after a phase of reconciliation and cooperation. The Korean Commonwealth represents a de facto unification; it is the institutionalization of their interim, special relations that ultimately aim at political integration. North Korea's long-held aggressive approach to unification against South Korea will lose ground with the New Korean Peninsula Regime. Ideological and South-South conflicts in the ROK that heavily rest on the hostile coexistence of the two Koreas will also gradually lose steam. The New Regime will inevitably require a fundamental overhaul of institutions and norms of the Cold War era that have been deeply entrenched in both the South and North.

The peace-driven economy will be a key economic feature of the Korean Peninsula and Northeast Asia under the New Korean Peninsula Regime. This new economy will be most distinguished by its freedom from the division of Korea, which has hindered regional economic cooperation. Barriers that inhibit economic exchanges among South Korea, North Korea, Eurasia, and Pacific countries will be removed. The biggest change anticipated, however, is the economic route connecting the Pacific (maritime) bloc and the Eurasian (continental) bloc through a new channel that centers on the Korean Peninsula. A new transport and logistics system in land will connect the Korean Peninsula, the three Northeastern provinces of China, the Russian Far East and Siberia, accelerating economic integration across the Korean Peninsula and the region.

4. Korea Initiative for the Establishment of the New Korean Peninsula Regime

The New Korean Peninsula Regime is marked by a transition from the passive order of the Cold War to an active order of peace. The old security order on the peninsula was forced on Koreans by imperial Japan and the San Francisco Peace Treaty. Breaking away from the order of the last 100 years, the New Korean Peninsula Regime presents both a vision and promise of establishing a new regional order led by Koreans for the next 100 years. Under the New Regime, the two Koreas

and other countries in Northeast Asia are expected to establish a cooperative community of peace and economy, ushering in a new era of coexistence and co-prosperity that leaves behind the last 100 years marked by division and conflicts. The Republic of Korea needs to materialize the Korea Initiative, which involves playing a leading role in achieving denuclearization and a peace regime on the peninsula and constructing the New Regime as a party to forging the new inter-Korean relations.

To realize this vision, it will be crucial to set the right direction for a new national strategy. For decades, South Korea has pursued development under the structural restraints posed by a prolonged system of division. If the New Regime successfully changes those circumstances, Korea will need to devise a new national strategy that fits the New Regime. Decades ago, Korea lost its chance for autonomous modernization. Its process of modernization was forced and distorted by the rule of imperial Japan. After the liberation, the Korean Peninsula became subject to a misshaped system of division, which, too, prevented South Korea from normal development. When a permanent peace arrives at the peninsula, therefore, the ROK will need to devise a new national development strategy that creates a single community integrating the lives of South and North Koreans and ensures its international status as a hub connecting the continent and the ocean.

The New Korean Peninsula Regime might start with a fundamental elimination of the nuclear threat posed by North Korea and the establishment of a peace regime. The process of denuclearization and building a peace regime will be an equivalent of Europe's *détente* and security dialogue in the 70s given that those are the key challenges in achieving peace cooperation in the region. In this process, South Korea should not be a mediator, but a party. Being a facilitator in tackling issues of the Korean Peninsula, Seoul should play a leading role in resolving the nuclear crisis. It needs to induce Pyongyang to take concrete actions in denuclearization that will help dispel distrust of America and the international community. At the same time, it will be also necessary to motivate the DPRK through a gradual lifting of sanctions over time. Importantly, South Korea has an active role to play to keep the momentum strong for denuclearization talks between Pyongyang

and Washington. Seoul should seek to expand multilateral security cooperation in the region with traction gained from the transformation of the Korean Peninsula into a nuclear-free and peace zone. A sensitive first step to strengthen security cooperation in Northeast Asia may be to found a body similar to the ASEAN Regional Forum (ARF). Tentatively named as the Northeast Asia Regional Forum (NEARF), such dialogue can help elevate the level of security cooperation.

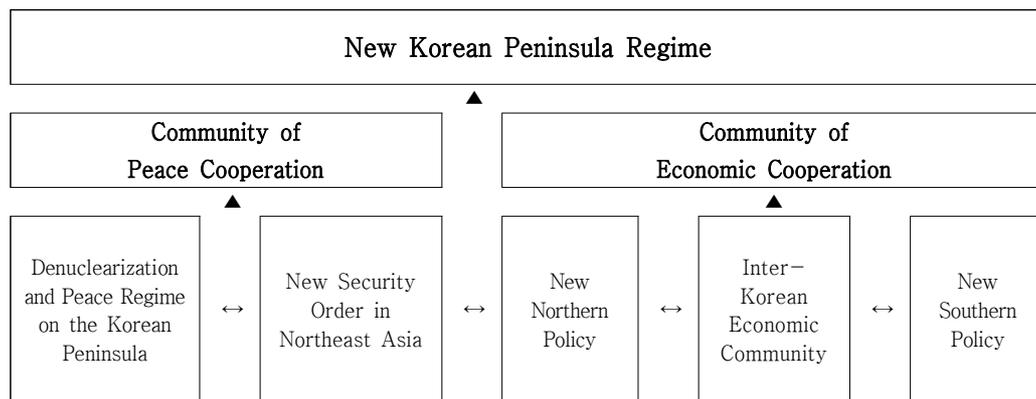
Since Korea's system of division, originating from the Cold War, has undermined peace cooperation in Northeast Asia, a structural change in inter-Korean relations is critical to building the New Korean Peninsula Regime. Inter-Korean ties are one of the areas where Seoul can actively take the lead under the current political landscape of Northeast Asia. Amid the ongoing race for hegemony between America and China, the strategic importance of the Korean Peninsula continues to grow. If the ROK and DPRK succeed to form peaceful relations characterized by coexistence and co-prosperity, the two Koreas will be in a position to spearhead peace and economic cooperation not only across the peninsula but the region at large. Along with accelerating inter-Korean reconciliation and cooperation, the South and North will also need to form the Korean Commonwealth in order to realize the New Korean Peninsula Regime. To this end, Seoul and Pyeongyang should sign the inter-Korean basic agreement, which will transform their relations into tentative, special relations that aim at unification based on mutual recognition as well as coexistence and co-prosperity. Another imperative for the two Koreas is to build a peninsula-wide social and cultural community as well as an economic community, in which freedom of movement is guaranteed. In addition, it should not be forgotten to lay the groundwork for unification at the domestic level, preferably in the form of a "national pact on unification" backed by public consent.

Devising a new security strategy is a key part in the making of the New Korean Peninsula Regime. Ideally, the new security strategy will be designed to promote South Korea's national interest, refraining from resource-consuming arms races yet in full awareness of the constant presence of security uncertainties. Disarmament and military reform need to go hand-in-hand in accordance with the creation of a peace regime on the Korean Peninsula. The new peace regime will

also demand the ROK-U.S. alliance to evolve. In light of that, it will be desirable for Seoul to draw a mid- to long-term roadmap towards an independent defense system that starts from the retrieval of the wartime operational control.

The New Korean Peninsula Regime’s growth engine is called the peace-driven economy. Designed to stimulate the formation of a single economic community on the Korean Peninsula and in Northeast Asia, the peace-driven economy is a national strategy that integrates unification process and development strategy with a feasible economic unification model at the core. Essentially, the peace-driven economy is a peace-based strategy that connects South Korea’s New Northern Policy and New Southern Policy—Policies on Eurasian and ASEAN Countries—through the single economic community of the two Koreas at the center. It is a new type of national development strategy as well as a global strategy tailored for South Korea. The peace-driven economy is expected to provide the South Korean economy with momentum for a ground-breaking leap forward while enabling North Korea to overcome its economic crisis and achieve a high level of economic growth. Expansion in regional economic cooperation through the peace-driven economy strategy may facilitate security cooperation in Northeast Asia.

<Table 3> Process of the New Korean Peninsula Regime



In the vision of the New Korean Peninsula Regime, the ROK, the DPRK and other countries in Northeast Asia should build a cooperative community of peace and economy, which ushers in a new era of cooperation and co-prosperity that leaves

behind the past 100 years marked by division and conflicts. In materializing this goal, Seoul's first step should be to achieve a completely denuclearized Korean Peninsula with a permanent peace and to form new and sustainable inter-Korean relations. If the New Korean Peninsula Regime is realized, South and North Korea will serve as a buffer of peace, opening a new era of peace and prosperity in Northeast Asia. To this end, it will be imperative for the ROK to actively seek ways to implement the Korea Initiative for the establishment of the New Korean Peninsula Regime. ©KINU 2019

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