Study Series 13-03

# EASING **INTERNATIONAL CONCERNS OVER** A UNIFIED KOREA AND REGIONAL **BENEFITS OF KOREAN** UNIFICATION

Park, Jong-Chul Ko, Bong-Jun Kim, Sung-Jin Park, Young-Jun Shin, Sang Jin Lee, Seungjoo Hwang, Ki-Sik

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bvious, we can conclude that unification must inevitably be led forward by the South. There is a general consensus ea experts that, based on numerous reports predicting the global political situation in the mid-21st Century, ultim ication will be the most appropriate method. Second, viewed in light of South Korea's strategy as a key global play rcoming national division is an essential task. Having successfully undergone the processes of industrialization and d k that remains for South Korea is unification. After the national division and war South Korea was reduced to a nation y it has risen to such a high position on the world stage that it is abl to host the G20 Summit and Nuclear Security Summ bal powers. Not **Study Series 13-03** e of the world's top economic powers, it has received praise as a model of d elopment. As its national power has risen. South Korea's foreign strategy has also undergone great changes. As it rises

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ons beyond the peninsula. It has broken out of the paradigm of focusing the majority of its interest and resources on the unification issue, as it increasingly needs to widen its foreign policy scope to take in the rest of the world. No ortant target of South Korea's national strategy, where are a growing number of new issues unrelated to North K es the increasing importance of maintaining strategy, here are a growing number of new issues unrelated to North K man security" issues such as the environment, the strategy is and register of the algority of its interest. We also cannot afford to ation in Northeast Asia. There have been fundamental changes in the political dynamics of Northeast Asia due to facto an 's relegation to more average status, and Russia's growing power. South Korea must bear in mind all of these changes in the political to more average status, and Russia's growing power.

# Easing International Concerns over a Unified Korea and Regional Benefits of Korean Unification

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# Easing International Concerns over a Unified Korea and Regional Benefits of Korean Unification

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The analyses, comments and other opinions contained in this monograph are those of the authors' and do not necessarily represent the views of the Korea Institute for National Unification. wer dynamics of Northeast Asia, a growing number of issues transcending national borders, and an inte

## CONTENTS

Introduction ·····	
II. Easing Neighboring States' Concerns over a	Unified
Korea and Benefits for Neighboring States $\cdot$	14
1. The United States ······	
2. China	
3. Japan	
4. Russia ·····	
III. Direction of a Unification Diplomacy	26
1. Basic Direction	
2. Focus of Unification Diplomacy for the U.S	
3. Focus of Unification Diplomacy for China	
4. Focus of Unification Diplomacy for Japan	
5. Focus of Unification Diplomacy for Russia	
IV. Conclusion ·····	46

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I. INTRODUCTION

## I. Introduction

This study analyzes the neighboring states' interests, concerns, and benefits regarding Korean unification, in order to highlight the advantages and ease their concerns. By doing so, the study ultimately aims to provide implications necessary to create a more favorable international environment for Korean unification.

Despite vague optimism on Korean unification and the end of the Cold War, not only has division persisted, but it is also yet premature to say that tensions have been completely alleviated. The problems on the Korean Peninsula will rearrange the structure of the Northeast Asian region, affecting issues such as North Korea's nuclear pursuit and the Six-Party Talks. Making matters worse, traditional conflicts such as territorial disputes are intensifying in East Asia, and neighboring states are engaging themselves in political, economic, and military competition, creating a less than favorable environment for Korean unification. Particularly, amid rising tensions in East Asia, shifts in the Peninsula's status quo may cause unpredictable or predictable but negative changes in the neighboring states' interests. Such concerns may encourage neighboring states to favor the status quo even more. Under such circumstances, it is essential to propose visions of Korean unification in order to develop alternative ways to gain support from neighboring states.

However, existing studies on Korean unification and the relations of neighboring states mostly focus on the perception and feasibility (or influence) of Korean unification, as well as policies on the Korean Peninsula, or those mutually affecting their relations.<sup>1</sup>) Although views may vary over what national interests are - whether national interests can be rationally quantified and whether national policies are made only in ways to expand national interests - the decision-making process of foreign policies has been understood as a pursuit of national interests. Existing studies generally mention neighboring states' perception and interests regarding Korean unification. However, those studies tend to separately analyze absolute or relative advantages and disadvantages (or concerns) facing the neighboring states, while the attempts to comprehensively assess the interests are rare.

It is not easy to realistically analyze how unification will benefit East Asia and its neighboring states. An accurate estimation of the benefits is possible only by considering not only the type and the process of unification, but also the shifts in the international and East

<sup>1)</sup> The following studies are the latest ones on the neighboring nations' position and interests regarding Korean unification: In Kon Yeo *et al.*, *Ways to South Korea's Stronger Strategic Cooperation with East Asian Nations in the 21st Century* (Seoul: Korea Institute for National Unification, 2009); Soung Chul Kim, ed., *Diplomatic Environment and Korean Peninsula* (Seongnam: The Sejong Institute, 2009); and Jung-Ho Bae *et al.*, *Changes in North East Asia Strategy Environment and Obama Administration and South Korea's Unification Diplomacy Strategies toward Four North East Asian States* (Seoul: Korea Institute for National Unification, 2010).

Asian orders, as well as the changes in relations of neighboring states before or at the time of unification. However, in reality, predicting environmental shifts bears limits, which have been conveniently avoided by adopting diverse scenarios. In analyzing the benefits, some may point to a need for research on the environmental shifts surrounding unification, and subsequently, the process of unification, as well as the form of the post-unified state. Despite the validity of such need, national interests, especially vital ones, inevitably show high in-elasticity toward changes in the internal and external environments. Therefore, rather than introducing various scenarios of the unification process, this study assesses the benefits under given conditions, by putting changes, which are difficult to consider as variables, as either 'premises' or 'conditions'.

In spite of such difficulties, an analysis on the benefits of Korean unification can be very effective in that it offers more detailed policy alternatives to neighboring states, and allows a more persuasive case for unification. Also, by analyzing how aptly Korean unification can meet neighboring states' interests and how the benefits will offset or alleviate their concerns and disadvantages, this analysis will yield implications that are necessary to prepare for more active persuasion and motivational measures.

Research on the benefits of Korean unification should consider the following three imperatives. First, the study should clearly show how a unified Korea will benefit its neighbors who have interests on the Korean Peninsula. Second, it needs to persuasively argue that any possible disadvantages or costs incurred by Korean unification to the neighboring states can be lessened or eliminated. Third, it should clearly point out that when advantages and disadvantages (or costs) caused by Korean unification are taken comprehensively, the advantages outweigh the disadvantages.

In persuading the states into accepting the visions of a unified Korea, the followings should be examined in more detail. First, it is hard to precisely determine the scale of the advantages that Korean unification will bring. It will also be difficult to induce cooperation from neighboring states when they are not certain how they will benefit from a unified Korea. Therefore, South Korea should make efforts to show its neighbors the specific benefits that will arise during the course of unification and the post-unified state. The more specific the potential benefits are, the easier it will be to draw in their cooperation. Today's cooperation makes Korean unification a feasible task and a detailed vision of a united Korea will further strengthen such cooperation.

Second, the relationship between benefits and costs (or losses) needs to be considered. While neighboring states may look forward to enjoying the benefits of a united Korea, they will surely react very sensitively to the costs or the losses incurred in the process. Problems arise because states are loss averse, and will perceive losses to be of greater importance than the benefits gained. According to the Prospect Theory, states are more active in defending their current power and interests from threats than increasing them. In other words, most states have a tendency to favor maintaining the status quo.<sup>2)</sup> According to this theory, even with benefits larger than losses, neighboring states are unlikely to actively cooperate in the process of Korean unification due to their concerns regarding the possible losses. Therefore, not only does South Korea need to communicate the potential benefits in detail to the neighboring states, but it is also imperative that it understands the concerns they have, and furthermore, put much efforts to alleviate them.

Third, it is necessary to specify and give shape to the benefits by comprehensively weighing the advantages and the costs (or the losses). This becomes all the more important because neighboring states will not put importance on only the benefits or the losses. Only when they feel certain that unification will offer more benefits than losses, the vision of a unified Korea can become more compelling. To this end, South Korea should put efforts to give shape to the potential benefits of unification to its neighbors and minimize the losses or the costs.

<sup>2)</sup> Refer to the following study for an overview of the prospect theory's application to international political science: Jack S. Levy, "Loss Aversion, Framing, and Bargaining: The Implications of Prospect Theory for International Conflict," *International Political Science Review*, Vol. 17, No. 2 (April 1996), pp. 178~195.

II. Easing **Neighboring States'** Concerns over a **Unified Korea and** Benefits for eighboring States on envi ronment will have many new features such as

## II. Easing Neighboring States' Concerns over a Unified Korea and Benefits for Neighboring States

#### 1. The United States

The U.S. has created a region-specific deterrence system to fit the needs of East Asia's growing economic power. This means that, in the end, its regional allies and partners will bear larger responsibilities than in the past. Also, due to the intensifying information revolution and globalization, the international order of the 21st century features complexity, dispersion, and multiple centers. In this structure, network connectivity inevitably becomes another source of power. In other words, the scope and degree of interconnectedness among actors, and how well their networks are maintained and used will become a new basis of national power.

In this order, states which have many connections with other actors become pivotal actors and gain leadership roles in setting agendas. South Korea should make the U.S. realize that the benefits they would enjoy from a unified Korea can be expanded by demonstrating how South Korea can assume a vital role in resolving crucial international issues, as was the case in the 2012 Seoul Nuclear Security Summit.

However, networks are a relatively open order, and the more a state

is excluded from a certain network, the less its influence will be. Therefore, it is imperative to construct a system of networks conducive to a unified Korea so that it does not become an innocent victim caught amidst competition between the U.S. and China, but instead is able to act as a mediator to establish stability in the East Asian region. East Asia's current security order features a modern multi-hub network, a postmodern hub-bypassing network, and a U.S.-led imperialistic single-hub network. An important part of unification diplomacy is to determine the proper role that a united Korea will carry out in such complex order networks and to bear the responsibilities of a mediator, capable of filling the structural gaps.

All in all, it would be relatively easy for a unified Korea to offer benefits to the U.S. which are in line with their core or crucial interests. Already, South Korea is perhaps the only successful case of having adopted American-style democracy. It is also an important member of the global market economy and enjoys continuous economic development, having transformed from being an aid recipient to a donor state, thanks to the help of the U.S. However, a prudent approach is all the more necessary in the realm of regional politics (particularly the U.S. relations with China) because there is a great deal of uncertainty or dangers of backlash in providing benefits that are in sync with the U.S. core interests. Also, South Korea's vital variable, namely China, needs to be considered at the same time.

The biggest pending issue is how to avoid conflicts of interests between the U.S. and China regarding Korean unification. In other words, it is essential to find ways to convince China that a future coordination system among Korea, the U.S., and Japan, which will be reinforced through Korean unification, is not a move to contain China. This will not be an easy task. It should start from expanding the epistemic community both in its size and depth. Current sovereign states will never compromise or yield over issues related to their vital interests or security. Therefore, it is desirable to gain a minimal consensus by intensively discussing the benefits of a unified Korea to other neighbors as well as the U.S. within a comprehensive epistemic community. Based on such consensus, efforts should be made to expand the foundation of the community.

#### 2. China

In the fields of politics and security, China's vital interests are to protect its state and territorial sovereignties, secure its socialist system, and maintain national security. Its core political and security interests include gaining sovereignty and influence on the Spratly Islands, Diaoyu (Senkaku by Japan) Islands, and the West Sea, continuing a strategic partnership with major powers including the U. S., protecting the Chinese living overseas, and integrating its people. The issues surrounding North Korea and Korean unification are also considered part of China's core national interests. After its reform and opening-up, China has included sustainable economic development as one of its vital interests, while considering resource security, protection of its overseas assets, and entrance into foreign markets as its core economic interests. Furthermore, China has also included social integration and stability into its core national interests, reflecting its concern over societal diversification following reformation.

In political and security terms, China displays a lukewarm position regarding Korean unification occurring in the near future because unification induced by the collapse of the North will threaten its vital and core interests. Moreover, China's desire for security and peace on the Korean Peninsula, as well as the deterioration of China-U.S. relations are other factors explaining why it would rather prefer the stable management of a divided Korea over a united one. In such circumstance, it is not easy to alleviate China's concerns.

However, given that China considers economic development as one of its core national interests, there is a possibility that China will adopt a cooperative stance on Korean unification. There are views in China that a peaceful unification led by South Korea will help China's sustained economic growth, hinting that Korean unification will not necessarily be detrimental to China's core interests. In other words, it may be possible to induce China's support for a unified Korea.

China's greatest concern over a unified Korea is its negative implications on China's economic and social stability, and the possible presence of U.S. military forces in the North Korean region. As China shares a long borderline with the North, it believes that a unified Korea may cause collosal damages to the stability and development of its Northeastern region. Furthermore, China is concerned that the U.S.- ROK alliance would persist even after unification, and that they would be deployed in the North Korean region. It is also wary of the possibility that a unified Korea would assert its sovereignty over Northeast China, and unification would lead to China's political democratization. In this regard, South Korea needs to ease China's concerns. While reassuring the U.S. that it will continue the alliance, South Korea should communicate to China that it will put strenuous efforts to maintain regional stability and peace through regional multilateral security cooperation. One possible way to ease China's concerns is to pay continuous attention to the Six-Party Talks, and perhaps advance it into a Northeast Asian multilateral security cooperation partnership.

The benefits China will enjoy from a unified Korea will be more evident in economic terms than in the realms of politics or security. Korean unification will significantly contribute to the peace and stability of Northeast Asia as well as the Korean Peninsula, which will, in turn, create a favorable condition for China's economic development. Furthermore, unification will contribute to Northeast China's economic development and integration, which is an important domestic goal. For the foregoing reasons, Korean unification will bring about more benefits than costs to China. Also, unification will stop the inflow of North Korean defectors into China and promote China's social stability and cultural advancement.

Only when China's concerns are eased and benefits are logically presented, will it support a unified Korea. However, given China's preference for the stable management of a divided Korea over premature unification, more attention should be focused on dissuading China from opposing unification. In terms of security, South Korea should not let China become the target of its alliance with the U.S. Also, South Korea should actively pursue a Northeast Asian multilateral economic and security framework, so that regional issues are resolved not by military force but by peaceful dialogue and negotiation. By doing this, South Korea and China need to overcome their political and security suspicions and plant the seeds for mutual trust.

In order to alleviate China's concern over a unified Korea and lay the foundation for support, it is essential to improve inter-Korean relations. A stable inter-Korean relations increases the likelihood of China adopting a flexible position on issues regarding the Korean Peninsula and unification. Also, if relations improve between the two Koreas, it will be easier to achieve Korea-led unification without the intervention and interference of surrounding powers, including China.

In order to gain China's support for unification, efforts must be made not only through the government but also through public diplomacy to get in touch with the Chinese public. Also, by strengthening the 'strategic cooperative partnership' forged between China and South Korea in 2008, South Korea should foster mutual political and security trust, and continuously seek ways to facilitate communication and cooperation on North Korean issues. Since the opinions of local governments, private companies, and the public have certain influence on China's foreign policy decisions, South Korea needs to conduct intensive public diplomacy activities, targeting China's local governments and private sectors.

#### 3. Japan

The view that Japan would oppose a united Korea for it will become a greater power is prevalent in Korean society. Furthermore, there also exists the view that the role Japan will play in the process of unification will be relatively smaller than that of the U.S. or China, and thus, Japanese support for unification is not as important. Although this study somewhat agrees with the latter view, it aims to refute the former with counter-examples, and show that support can be drawn from Japan, and that a unified Korea is, in fact, in line with Japan's national interests.

Similar to other states, Japan prioritizes its security, economic prosperity, and protection of civil society values (e.g. freedoms and human rights) as its core national interests. Also, in line with such core interests, Japan considers reduced military threats from China and North Korea, larger economic exchanges in East Asia, and promotion of its soft power as important national interests. Given these interests, a South Korea-led unification may be a good opportunity for Japan to further promote its national interests.

Some scholars and policy-makers in Japan have already pointed this out. However, they view a united Korea as being desirable for Japan under the conditions that it is led by the South, that the U.S.-ROK alliance as well as the U.S.-ROK-Japan policy coordination system is maintained, and the path to a non-nuclear state is taken. They are deeply wary of the possibility that after a South Korea-led unification, the unified Korea may lean toward China or pursue a path to become a nuclear state, which are clearly against Japan's interests. Therefore, if South Korea wants to draw Japan's support in the pursuit of a South Korea-led unification, it should approach Japan in consideration of their national interests. In other words, South Korea needs to communicate to Japan that a unified Korea will continue both its U.S. alliance and cooperative policy with Japan, and commit to the denuclearization of the Peninsula. Furthermore, it is necessary to reinforce the fact that Japan will enjoy considerable security benefits, as a South Korea-led unification would eliminate North Korea's military threats. At the same time, South Korea should explain that Japan will also benefit economically, because developing the economy of the Northern region will require Japan's capital and technology. In addition, it should be asserted that a unified Korea will prudently avoid extreme nationalism, which is one of Japan's concerns.

The above policies toward Japan should be executed through bilateral government-level dialogues or multilateral diplomatic talks among multiple states including Japan. In order to complement the implementation, the above mentioned policies should be delivered to Japan through 1.5-or 2.0-level bilateral intermediate dialogue channels, where the civil society, academia, and media can also participate.

The role of Japan in the process of Korean unification may be less significant than that of China or the U.S. However, South Korea must create an environment where a South Korea-led unification can draw in cooperation and support from all the neighboring states. In this sense, South Korea should prudently promote its Japan policies, with consideration to their national interests.

#### 4. Russia

Russia's concern over Korean unification and a unified Korea is that Korea may be unified as a nuclear state and continue its anti-Russia U.S. alliance. In particular, Russia is wary of the possibility that the restructuring of the Northeast Asian order following unification would be led by the U.S., with Russia excluded. This would conflict with Russia's major interests, which include increasing its international influence, nonproliferation of weapons of massive destruction, and stronger regional cooperation. Also, in economic terms, it is concerned that it may have to bear some unification costs in case a rapid unification occurs, while in social terms, it is worried about socially destabilizing factors such as the outbreak of refugees.

Russia's concerns can be eased or dismissed by suggesting the following. First, by strengthening Russia's role in the process of unification, its concern over a unilateral rearrangement of the Northeast Asian order can be dismissed. In other words, similar to the Six-Party Talks, Russia needs to be able to actively and voluntarily participate in the process of unification. Second, in economic terms, unification costs can be offset by the creation of a larger market in the newly unified Korea, or facilitating large-scale cooperative projects, which have been lagging due to political factors. At any rate, South Korea prefers a gradual unification, which can help reduce or offset the costs. Third, Korean unification can help social stabilization in the Russian Far East by providing social public goods, which will promote population stability in the area. One of the crucial issues in securing Russia's support for Korean unification or a unified Korea is to move issues regarding the Korean Peninsula up on Russia's policy priority list. Logically, if the Peninsula is considered less important, Russia is likely to diminish its role in the unification process in order to seek other benefits in Northeast Asia, or other regions; conversely, it may assume roles that go against South Korea's interests. Therefore, South Korea must double its efforts to further diversify a Korea-Russia cooperative network and enhance Russia's support for Korean unification and a unified Korea.

III. Direction of a Unification Diplomacy

### III. Direction of a Unification Diplomacy

#### 1. Basic Direction

In analyzing the unification diplomacy targeting a single state, it may be sufficient to take account of circumstantial factors such as international changes and inter-Korean relations, and suggest policy alternatives at the bilateral level. However, it will be difficult for one framework to simultaneously satisfy all the states surrounding the Korean Peninsula. This is because when each state pursues its own interest on the Peninsula, its influence on the regional level will be somewhat diminished, and may clash with the positions of neighboring states. Despite the possibility of conflict, the neighboring states seem to have reached a certain degree of consensus on the need for stability and denuclearization of the Korean Peninsula. In order to promote a consistent and continuous Korean unification diplomacy, South Korea needs to focus on expanding the areas where different states' interests overlap, and enlarging the overall benefits of unification. It also needs to coordinate the conflicting interests of its neighboring states.

The following are the policies that can be commonly adopted towards the U.S., China, Japan, and Russia, regarding Korea's unification policies. The first is the enhancement of multilateral cooperation. The second is to promote economic cooperation and widen shared interests to increase benefits, as well as to actively suggest such potential benefits. The third is to increase the number of actors to include various intergovernmental, private-sector, and 1.5-track cooperative networks. The last policy is to enhance understanding on the benefits of Korean unification and highlight public diplomacy in order to spread the visions of a unified Korea and East Asia.

Furthermore, while it is true that South Korea needs to maintain a degree of strategic ambiguity on issues that may divide opinions on Korean unification, such as the U.S.-ROK alliance, it also needs to be clear on its general position. In particular, in line with the discussion on Prospect Theory, neighboring states may be reluctant to actively cooperate in the process of Korean unification, and instead, they may focus more on the increasing uncertainties and direct burdens and losses than long-term benefits. Therefore, South Korea should work on easing their concerns, while convincing them of the benefits that they would enjoy. In this sense, based on the premise that the Korean Peninsula would be denuclearized and that the unification process would be a gradual one, it needs to present a comprehensive position, on the condition that it will not conflict with the coordination efforts with those individual states who have vested interests on certain issues, such as the U.S.-ROK alliance.

First, among the unification policies toward the U.S., Japan, China, and Russia, the policy for stronger multilateral cooperation in the unification process can be agreeable to all four states. A multilateral approach to issues affecting the Korean Peninsula has already been taken in the Six-Party Talks to resolve the North Korean nuclear issue. This approach is significant in that being included from the process of unification or the East Asian order rearrangement can be regarded as a state's vital or core interests. Also, this approach can be useful as it helps to restrict states from exclusively pursuing their own national interests.

However, a multilateral approach to resolve international issues or to cooperate economically can trigger 'competition among blocs' if the aim of such framework becomes a competition for power. China's ASEAN+3 based on the U.S. TPP or FTA, and Russia's effort at an East Asia energy regime are examples of such regional conflicts. With China's rise and the U.S. on alert, Russia's return to Asia, Japan's stronger military power, the North Korean nuclear issue, and conflict on historical and territorial issues, the overall atmosphere in East Asia is filled with intensifying competition and conflicts. In this situation, rather than pursuing specific and narrow interests, South Korea would do better in coordinating the neighboring states' interests by pursuing universal values and norms. While this role as a mediator can be more efficiently carried out after unification when the burden of unification is lifted and Korea's capability becomes stronger, at present, South Korea can be a practical mediator in the competitive 'multilateral structure' between the U.S. and China, given the immediate need (i.e. in the current East Asian situation, conflicts between the U.S. and China or among blocs can undermine the stability of the Korean Peninsula and the environment for unification) and South Korea's position (i.e. South Korea has long been the United State's security partner and China's active trade partner.).

Second, the specific contents of South Korea's unification diplomacy include increasing economic cooperation and diversifying the common interests of the states concerned to expand the scope of the benefits of unification, as well as encouraging others to actively suggest potential benefits, with the aim of drawing common grounds and cooperation needed for Korean unification. In order to increase the benefits, expanding both institutional and practical economic cooperation is necessary. In particular, South Korea needs to specifically and comprehensively demonstrate that the benefits of unification can be gained in diverse areas including politics, security, economy, and society, while convincing the neighboring states that such benefits can reduce or offset the possible disadvantages and costs. Moreover, such benefits can be expanded through regional or bilateral relations despite the concerned states' asymmetrical interests. In this respect, this policy would be very effective in fostering a favorable environment and drawing cooperation from the neighboring states. However, to avoid becoming dependent on a certain state and thereby hindering its role and status as a mediator, South Korea must take caution and exercise a practical and balanced approach.

Third, the foundation of a unification diplomacy is the establishment of cooperative networks for advanced multilateral or bilateral relations. Already in East Asia, there exists many regional architectures. Despite those architectures, networks for regional cooperation or bilateral relations vary widely. For instance, South Korea has relatively broad and diverse cooperative networks with the U.S., which demonstrates their long-time alliance partnership. On the contrary, networks with China and Russia can hardly be described as diverse, despite being parties in 'strategic partnerships.' In the cases of China and Russia, some scholars or bureaucrats, especially among those who share experiences in the North during the Soviet Union era, tend to support North Korea's policies or positions. In addition, there is a possibility that their influence on the state's Korean policies -which take low priority- may expand. Therefore, South Korea needs to assert the importance of issues regarding the Korean Peninsula and the benefits of unification that they would enjoy, while continuously develop new cooperative networks to balance their opinions.

In the process of unification diplomacy, several experts on Northeast Asian or the Korean Peninsula, high-ranking officials, and government officials are leading an ongoing effort to forge a comprehensive and large-scale network. Although such efforts may broaden the range of exchanges, its contribution to the network system is quite limited. To gain support for unification, it would be crucial to build diverse, small-scale, and multi-layered networks, by pursuing diplomacy at various levels of government, private sector, 1.5 track, and by diversifying and vertically expanding the cooperative network. In this process, forming relationships and utilizing already operating network systems will become a critical task. For example, while track 1 networks (e.g. the ARF, existing East Asian inter-governmental dialogue channel, and the Six-Party Talks on the North Korean nuclear issues) and track 2 networks (e.g. NEACD and CSCAP) are working relatively well, South Korea needs to devise 1.5 track networks to link the two existing tracks.

Fourth, public diplomacy is necessary to secure and strengthen support for unification. While inter-governmental approaches are important, all neighboring states stress the importance of public diplomacy. Although they emphasize the importance in the context of protecting their own national interest, they all agree on the need of public diplomacy. Particularly in the case of Korean unification, a wider consensus is needed on issues regarding the costs of division, the benefits of unification, the visions of a unified Korea, and furthermore, the visions of East Asia. However, the means and details of public diplomacy may differ depending on each state. To this end, a common approach can be taken to deepen the understanding of the hurdles raised by U.S.-Chinese or U.S.-Russian conflicts in South Korea's unification policy.

These states have significant differences in civil activities, functions of public opinions, interest, and understanding of issues regarding Korea or unification. Despite their emphasis on public diplomacy, China and Russia have negative views of foreign civic groups working within their states and tend to believe that foreign governments' proximity to their people may destablize their domestic politics. Although the degree may vary, for states like Russia which have low interest or understanding on issues regarding the Korean Peninsula, it is important for South Korea to build up its presence and raise relevant issues on that state's list of policy priorities. Such problems regarding the operation of public diplomacy should be addressed through the cooperation of each state. In addition, South Korea must make efforts to enhance interest on issues regarding the Korean Peninsula and unification, by ways such as producing and distributing materials on Korean unification in foreign languages.

Another aspect of unification diplomacy's basic direction is to ease the burdens or concerns over Korean unification or a unified Korea. Although the burdens or concerns can be offset by the benefits, the neighboring states may react more sensitively to future uncertainties or short or long-term losses. Therefore, in order to gain strong support for unification, South Korea should work to dispel their concerns. For instance, one of the directly mentioned burdens on China is a stronger U.S.-ROK alliance and the spread of U.S. influence throughout the Peninsula in the case of a South Korea-led unification. Particularly, China tends to consider the reinforcement of the U.S.-ROK-Japan military cooperation as an attempt to besiege China. In this context, China has on one occasion criticized the U.S.-ROK alliance in May 2008.<sup>3</sup>)

The issue of the U.S.-ROK alliance reflects the conflict of interests among neighboring states. While this issue -in essence- deals with the Korean Peninsula, it has also arisen from the relations among the major powers. Concerns over the alliance arise from the nature of the U.S.-China relations, as well as the presence of a foreign power on borderline regions. In terms of the U.S.-ROK relations, it will not be easy to dilute the alliance as it acts as a practical foundation for security. Nevertheless, the U.S. is willing to introduce various forms of leader- ship, and the

<sup>3)</sup> Foreign Ministry Spokesperson's Press Conference on May 27, 2008. (http://www.mfa.gov.cn/ chn/gxh/tyb/fyrbt/jzhsl/t458969.htm) (date of search: July 25th, 2012).

nature of the alliance can be adjusted depending on the development of East Asia's security environment. Therefore, it is necessary to express the purpose of the alliance as an attainment of general security objectives and to convince the neighboring states that the U.S. troops will not be deployed near the Chinese or Russian borders. In particular, South Korea needs to point out that the presence of U.S. forces in Korea play the role of containing Korea's armament and the arbitrary use of force; and furthermore, these may be issues that neighboring states -especially those concerned with the alliance- share an interest in.

Actually, with regard to the concerns that neighboring states have, one issue that is more fundamental than the U.S.-ROK alliance is the issue of South Korea's basic position regarding unification and inter-Korean relations. Whenever a new government is launched, South Korea's North Korean policy has more or less changed, causing unnecessary misunderstandings or discords. Given this fact, it is crucial to present ground principles which persist throughout different administrations in order to prevent unnecessary wariness or concerns. Indeed, a basic consensus on unification must be reached first within the Korean Peninsula before being discussed among the neighboring states. A consensus seems to have been reached on the need of a gradual unification process in order to reduce the costs of unification and maintain stability on the Peninsula. Also, the denuclearization of the Korean Peninsula has been not only been agreed upon as a principle, but institutional approaches have already been taken with the cooperation of the IAEA. Resolving the North Korean nuclear issue would sufficiently ease concerns of a nuclear Peninsula.

One of the important factors to garner support for Korean unification is an improvement of the inter-Korean relations. North Korea's provocations and the subsequent worsening of inter-Korean relations, and heightened international tensions can trigger tensions in the U.S.-Russia/China relations. In this situation, China and Russia are unlikely to consider the U.S.-ROK alliance and South Korea-led unification as being desirable. Aggravated inter-Korean relations may negatively influence the ROK/ U.S.-China relations, and efforts are needed to reduce such undesirable clout. In this sense, South Korea needs to persuade China and Russia that separate from their official position to respect North Korea's sovereignty, they should maintain an objective and rational position regarding their relations with the North.

#### 2. Focus of Unification Diplomacy for the U.S.

On one hand, a consensus between the U.S. and South Korea seems to have been made, at least in principle, on the issue of unification. On the other hand, China clearly wants a stable advancement of its relation with the U.S., as well as a stable security environment for its economic development. In this sense, it does not seem impossible for the U.S. and China to reach common grounds regarding unification. Therefore, it is important to increase the opportunities to utilize the role of the U.S. in responding to various possibilities through diverse channels.

The unification diplomacy towards the U.S. should be based on the premise that the policies are aimed to ease concerns regarding the U.S., and expand additional benefits. However, such policies must not be practiced in ways that put pressure on, or go against China's core interests. This is because although the U.S. will inevitably toughen its attitude toward China (reflecting China's rise during the next five to ten years), such a unilateral development may not be positive for South Korea in the long term. South Korea should keep in mind that the formation of a bipolar arrangement is likely to cause unwanted divides and conflicts, and that the discussions on the decline of the U.S. may be manifested sooner than expected.

Although the U.S. and China's views on Asia Pacific's security environment are fundamentally different, they both understand the need for forward-looking bilateral relations rather than the Cold War-time confrontations. In terms of politics and security, China's role and duties regarding North Korea's denuclearization or preconditions of unification are unavoidably magnified from the perspective of the U.S. However, these are areas where South Korea cannot actively engage itself in. In the end, its best option is to ask the U.S. for active strategic talks with China, and to set the direction for international cooperation.

In economic terms, South Korea needs to create a regional mechanism that does not significantly conflict with the U.S.-led TPP and China's economic interests. In other words, it is necessary to avoid a conflict of interests, and expand the range of benefits by pursuing an institutionalized and open economic cooperation project, which can encompass the Chinese-style mechanism of 'the ASEAN+ $\alpha$ ' rather than the TTP, which is more exclusive in nature. In sociocultural terms, in order to discourage

the sentiment that American values are being unilaterally promoted, public diplomacy toward China should be conducted through various channels, in addition to public diplomacy towards the U.S.

Conclusively, the unification diplomacy toward the U.S. must be prepared through a multi-layered and complex network. First of all, a multi-layered multilateral cooperation network should be created by merging track 1 (the government level), track 2 (the private sector), and track 1.5 (including both governmental and non-governmental entities). Already the region has multilateral cooperative networks led by the U.S. and China, to respond to shifting alliance mechanisms and transnational threats. Also, when pursuing its unification diplomacy, South Korea needs to devise a strategy which encompasses the notion that both the U.S.-ROK alliance -a realistic foundation for stability in the region- and South Korea's cooperation with Japan shall not be weakened. At the same time, South Korea should avoid ignoring regional dynamism and potential issues, as well as relying too much on the U.S. In sum, it would be realistic and useful to pursue a form of loose institutionalization in the short term.<sup>4</sup>)

<sup>4)</sup> The idea of 'loose institutionalization' is similar to 'informal institution' in political science, which is in contrast to the establishment of physical organizations or legislation and generally means elements and limited factors affecting political acts, other than written rules or institutions, Refer to Gretchen Helmke and Steven Levitsky, "Informal Institutions and Comparative Politics: A Research Agenda," *Perspective on Politics,* Vol. 2, No. 4 (December 2004), pp. 725~740. This study uses 'loose institutionalization' in the similar context of 'informal institution' to refer to the pursuit of regular or stable cooperation without any written rule or compulsory provision.

## 3. Focus of Unification Diplomacy for China

One major reason why North Korea is able to persist despite international isolation and severe political and economic turmoil, is China's support and assistance. As the world's second largest economy, China is rapidly enhancing its political and security influence in Northeast Asia and the rest of the international community. Thus, there is a high possibility that China will continue to support North Korea and extend its lifespan. With the remnants of the Cold War in the region combined with an intensification of U.S.-China conflicts, the reinforcement of China's national strength is expected to prolong North Korea's survival and inhibit unification. In order to achieve South Korea-led peaceful unification, it is urgent to seek ways to induce China's cooperation.

As China and Korea pursue different interests in Northeast Asia, without a fundamental shift in the Northeast Asian order, it will be difficult for South Korea to unilaterally request and attain Chinese support for unification. In this situation, South Korea's primary unification policy consideration regarding China is to prevent China's intervention and opposition on issues regarding Korean unification. To this end, South Korea should firmly remind China that Korea is not a hostile state and will not undermine their interests even after unification. In this sense, as mentioned previously, South Korea should be particularly careful not to let its alliance with the U.S. target China. It must also strengthen Northeast Asia's multilateral security and economic cooperation to foster an environment where regional issues can be resolved through talks and negotiations. Given that the U.S. has strong interests in Northeast Asia as well as Asia Pacific's security cooperation, and that China is committed to limiting the U.S. influence through multilateral regional security and economic cooperation, the two states harbor confrontational positions in the region. However, at the same time, such arrangement offers South Korea a favorable opportunity to vigorously pursue its multilateral cooperation policy. Through such process, South Korea would be able to persuade China to alter its negative views regarding unification.

China's concern regarding unification involves the deployment of U.S. forces in Korea. In order to assuage this concern, South Korea should convince China that the U.S. forces in Korea will not be dispatched near China's border areas after unification, and that its military cooperation with the U.S. and Japan will not transform into a strategy to besiege China. To this end, South Korea needs to acquire the capacity to secure its own space, independent from both the U.S. and China.

In addition, China is wary of possible territorial disputes. Regarding this concern, South Korea needs to express its position that it will abide by the North Korean-Chinese Border Treaty in order to weaken China's opposition to unification. Given that China considers the maintenance of its socialist system as one of its vital national interests, South Korea also should carefully deliver the message that a unified Korea will not negatively affect such matters.

Along with the efforts to ease or dismiss China's concerns, South

Korea should show China that unification can provide certain security benefits. It is necessary to stress that unification will decisively contribute to the stability and peace in the region surrounding China. South Korea should also emphasize that a unified Korea can contribute to settling the North Korea nuclear issue, peacefully resolving the Taiwanese issue, and alleviating its confrontation with the U.S.

China can seek tangible benefits in the economic and trade sector through Korean unification. Unification may lead to closer Chinese-Korean economic cooperation and Northeast China's economic development. In this sense, South Korea should explain that unification can be economically beneficial to both China and South Korea, by signing a China-ROK free trade agreement and increasing investments in Northeast China.

In order to weaken China's concerns and opposition to unification, efforts must be made to improve inter-Korean relations.<sup>5</sup>) If South Korea reinforces its alliance with the U.S. and takes a hard-line stance toward the North, China is unlikely to support South Korea's foreign and security policies and unification efforts. Given the domestic atmosphere, it is not easy to adopt a policy of reconciliation and cooperation toward a nucleararmed North Korea. However, China is more likely to adopt a flexible attitude toward issues regarding the Korean Peninsula, including unification, if inter-Korean relations are more stable.<sup>6</sup>) In other words, an improvement in inter-Korean relations may weaken or eliminate China's and other

<sup>5)</sup> Professor Gong Xiaopeng from China Foreign Affairs University argued that the future of the Chinese-Korean relations depended on the inter-Korean relations. (http://opinion.huanqiu.com/roll/ 2012-01/2353334.html) (date of search: January 13,

<sup>2012).</sup> 

neighboring states' intervention and interference in the process of unification.

## 4. Focus of Unification Diplomacy for Japan

Japan's concerns over unification can be partially understood in consideration of its call for 'state normalization,' and the rest can be comprehended in relation to the issues regarding post-war compensation. Japan shares similar interests with Korea, as shown in the U.S.-ROK and U.S.-Japan alliances while, at the same time, the two have ongoing historical and territorial discords. In this situation, South Korea's unification diplomacy toward Japan should essentially aim to deliver the basic principle of unification, coordinate North Korea policies, and subsequently reinforce the cooperation framework with China and Russia.<sup>7</sup>)

South Korea needs to contemplate how to coordinate its unification diplomacy toward Japan and its pending issues. Since a gradual South Korea-led peaceful unification can stabilize the Peninsula and Northeast Asia, flourish trading partners, and prevent international disputes, unification is agreeable with Japan's national interests. In this sense, Japan has expressed general support for the need of unification and the

7) In this regard, new terms such as 'neo-nordpolitik' or '21st century nordpolitik' have been coined. For basic directions of those policies, refer to Myeong-bok Bae, "The second nordpolitik is necessary," *Joongang Ilbo*, June 29, 2011; and Yeong-hee Kim, "Putin's ostpolitik: a golden opportunity," *Joongang Ilbo*, Column, July 13, 2012. Wang Weimin and Li Xin, Re-definition of the US-ROK Alliance and ROK's Strategic Choice: Developments and Debates, p.124.

<sup>6)</sup> Wang Weimin and Li Xin, Re-definition of the US-ROK Alliance and ROK's Strategic Choice: Developments and Debates. p. 124.

visions of a unified Korea. However, despite such support, there are concerns over the possibility of a unified Korea's pro-China policy, a post-unification expansion of North Korean economic aid, and 'Japan bashing' due to intensifying Korean nationalism.

Such concerns cannot be eased simply by encouraging support for unification and calling for multilateral and peaceful settlement of disputes. Regarding North Korea, Japan's national interests are as distinctive as China's and are based on its past colonial rule, historical views, and territorial claims. In fact, these issues are reflected not only in the South Korea-Japan relations but also in the relations between China and Japan. Therefore, South Korea needs to assert that they must be dealt with separately from the issue of unification, and stress that a unified Korea will adopt rational policies to address such sensitive areas.

Japan can also benefit from Korean unification. Given that it has much to gain from a unified Korea, South Korea should aim to create a conducive diplomatic environment to communicate its position and induce Japanese support via both official and unofficial channels. Already, various policy discussion channels are in place between the two governments in addition to the active cooperation and discussion channels at the civil level, including the private sectors, academia, local governments, and cultural organizations. Through these diverse channels, South Korea needs to deliver to Japan its position regarding its envisioned direction of unification and the required form of cooperation, and subsequently work together as strategic partners to bring about the unification of the two Koreas.

## 5. Focus of Unification Diplomacy for Russia

In carrying out South Korea's unification diplomacy toward Russia, it is necessary to improve its presence in Russia, expand horizontal and vertical networks, and increase the effectiveness of economic cooperative projects. Only after such tasks have been performed would it be appropriate to share the visions of unification and a unified Korea, and request Russia's support. In essence, Russia seeks Korean unification and greater economic cooperation with a unified Korea. However, it does not seem to be wholeheartedly on board with certain specific unification strategies, which appears attributable to the low significance of issues regarding unification in Russia's foreign policies.

First, the unification diplomacy toward Russia needs to begin by putting a higher priority on Russia and enhancing South Korea's presence. One important characteristic of the Russia-ROK relations is that compared to the need and capacity, the importance they place on each other in terms of foreign policy is quite low. In South Korea, Russia's role in the unification process and its influence on North Korea have been underrated. Although their influence on the Peninsula is relatively weaker than that of China or the U.S., it would be unwise to overlook Russia. However, the bigger problem is South Korea's presence, or lack thereof, in Russia. Although South Korean literature stresses Russia's interest on issues related to the Korean Peninsula and its Eurasian origin, it appears that the status of the Peninsula and policy priorities regarding Korea are lukewarm at best, when viewing Russia's diplomatic documents, discussions among scholars, as well as the public interest in Russia's European region.

Second, in order to capture Russia's attention on its foreign policy areas, South Korea needs to expand its range of exchanges, moving beyond economic and academic areas to include culture, art, and media (i.e. a horizontal network expansion). The Russia-ROK network is too weak to even compare it with South Korea's exchanges with other Western states, mainly due to the Cold War rupture. Effective network expansion may be difficult in some areas due to the nature of the Russian system. Conversely, South Korea's experience could prove to be helpful in these areas, which may require mutual cooperation. Ultimately, such expanded networks will help facilitate mutual understanding.

Third, human networks tend to be disproportionately focused on certain individuals or groups in the ROK-Russia relations. This tendency may be attributable to Russia's lack of experts in Northeast Asia and the Korean Peninsula. It is worrisome that this tendency is apparent not only among regional experts but also among those in specific sectors. In many aspects, these experts, especially the senior ones, have a better understanding of, and closer affinity to North Korea than the South. Given that regional policies ranking in low priority are likely to be developed by relatively small groups of experts, it is necessary for Russia to encourage sound discussion on its policies toward the Korean Peninsula. In this sense, South Korea also needs to work on developing networks based not only on existing members, but also on new members who can provide new insights.

Fourth, regardless of areas or sectors, it is important for the two

states to promote more effective cooperation. Large-scale projects have raised expectations of bilateral cooperation. However, due to the lack of practical action, such expectations have not been met, and have only triggered mutual disappointment. The projects connecting the Trans-Siberian Railway and the Trans-Korean Railway and the gas pipeline connection require appropriate investment plans and results based on economic calculations of profits and losses. In particular, it is important to note that such ambitious projects cannot be finished within the period of one administration. Therefore, these projects should not be used for political influence, which are vulnerable to conflicting agendas. Instead, the focus should be on creating an objective profit structure, which is fundamental to any economic project. In the case of connecting the gas pipeline, political views on the passage through North Korea can vary, and maintaining price competitiveness and a stable supply should be guaranteed. However, Russia has previously used the gas pipeline as a means of political pressure. With due consideration of the differences in systems, if the price of gas is considerably different from what China is charge with, public criticism will be unavoidable. Therefore, South Korea needs to seek practical benefits with Russia through effective economic cooperation.8)

<sup>8)</sup> For instance, in preparation for the 2014 Winter Olympics and the 2018 World Cup, Russia will carry out a railway network improvement project. Although this project is far from large-scale projects like the TSR-TKR project, South Korea needs to pay attention to more economically lucrative projects like this one.

IV. Conclusion

## **IV.** Conclusion

This study has analyzed how unification would be beneficial at the international/regional level as well as the individual state level (including the U.S., China, Japan, and Russia), in order to determine the specific benefits and set the direction of unification diplomacy.

In Part I, the visions of a unified Korea and the regional benefits have been introduced. By proposing the visions of a unified Korea in political, security, economic, and social terms, the international community can have a deeper understanding of the future image of a unified Korea. Furthermore, this study has analyzed how East Asia can also benefit from Korean unification. By examining the benefits in terms of diplomacy and security, economy, society and culture, this study has presented a foundation to understand the comprehensible benefits Korean unification can offer to East Asia and the international community.

Part 2 has proposed how the neighboring states can benefit in political, security, economic, and social terms following Korean unification, with the aim of easing their concerns over a unified Korea. This study has analyzed the U.S., China, Japan, and Russia's national interests, their concerns, ways to ease such concerns, along with ways to promote the benefits of unification. It has furthermore coherently linked the four variables, based on the analyses of the states' national interests. Primarily by identifying each state's national interest at different levels, the study examined their concerns over unification as well as the nature and extent of their interests. Then, each state's national interests were divided into vital, core, and important interests.<sup>9)</sup> Through such analyses, this study has identified which national interests were related to their concerns over unification and suggested potential solutions to alleviate their concerns.

Furthermore, this study has identified the benefits neighboring states would enjoy from the perspective that Korean unification will further promote their national interests. Concerns and benefits were analyzed in terms of political security, economic, and social aspects. Also, this study has presented the findings showing each state's national interests, concerns, solutions, and unification benefits, for clear comparison. Moreover, as an effort to resolve existing concerns, the study attempted to accurately diagnose the details of such concerns and proposed ways to assuage them.

In part 3 a framework for a unification diplomacy has been presented. Based on the analysis of the benefits and concerns that East Asian states have, this study has proposed an outline of a unification

<sup>9)</sup> In this study, 'vital interests' mean the interests which can threaten the survival of the country or its people, if the country fails to secure or seize them or give them to other actors. 'Core interests' are defined as national interests which do not threaten the survival of the country or the people in the above mentioned cases, but can lead to the loss of vital interests, if the case prolongs. 'Important interests' refer to the interests which can damage the standing or ability of the country or the people in the above mentioned case.

diplomacy. First, the study has offered a basic direction to set the principles and suggest a guideline for a unification diplomacy at a regional level. Second, the study has suggested how issues should be prioritized depending on each state. Third, this study has proposed strategies regarding public diplomacy towards each state's society.

Easing International Concerns over a Unified Korea and Regional Benefits of Korean Unification

This study analyzes the interests and concerns neighboring states have regarding Korean unification in order to highlight the advantages and suggest ways to ease their concerns. It also analyzes how the international and regional levels, as well as the individual state level (including the U.S., China, Japan, and Russia) would profit from unification for the purpose of determining the specific benefits and setting the direction of a unification diplomacy.



