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**The Establishment of Peace  
on the Korean Peninsula  
and the Outlook for Unification**

*By* **Cho, Min**



KOREA INSTITUTE FOR  
NATIONAL UNIFICATION

STUDIES SERIES



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Korea Institute for National 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.

# TABLE OF CONTENTS

<b>I . Preview: Unification for Peace .....</b>	<b>1</b>
<b>II . Northeast Asia and Peace on the Korean Peninsula.....</b>	<b>7</b>
1. Peace on the Korean Peninsula and the United States •	7
<b>III . The Korean Peace Regime:</b>	
<b>Preconditions for Unification.....</b>	<b>21</b>
1. Building a Peace Regime on the Korean Peninsula: Peace Treaty •	21
2. Korea Peace Regime Roadmap •	24
3. South-North Korea Peace Treaty •	31
<b>IV . Prospects for Unification .....</b>	<b>37</b>
1. North Korea: The Outlook for the Future •	37
2. Means of Unification: Confederation versus Federation •	42
<b>V . Conclusion.....</b>	<b>51</b>



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# I . Preview: Unification for Peace

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Unification is an important means of paving the way for the Korean people to realize a promising future. It is a well known fact that the future belongs to those who prepare for it, and in this sense, if unification is to be realized on the Korean peninsula, it requires that the Korean people proactively commit themselves to it, not just passively wish for it. It is clear that unification will achieve not only long sought after peace on the peninsula, but will also contribute greatly to bolstering the prosperity of the Korean people.

The issues of peace on the Korean peninsula and the unification of the Korean people are inseparable. Nonetheless, peace cannot but come first over unification unless the two issues seek the same objective. That is, while unification can be delayed for the sake of peace, peace cannot be abandoned for unification. The grave task facing us is to harmonize peace with unification.

The international landscape of Northeast Asia and inter-Korea relations surrounding the Korean peninsula have, as of late, faced a new turning point. If North Korea agrees, in principle, to discarding its nuclear weapons within the framework of the six party talks, this could serve to diffuse the threat of war on the Korean peninsula and open a new chapter in the relationship between the two Koreas. Building a peace regime on the Korean peninsula based on conciliation and cooperation has emerged as an urgent task to close an era of long-standing confrontation and conflict between the two Koreas. By both pursuing peace on the Korean peninsula and laying the basis for co-prosperity and co-existence between the two Koreas, we will be able to realize a more promising future.

Peace on the Korean peninsula and the prosperity of the Korean people are entirely related and trigger synergy effects, since “prosperity leads to peace” and “peace leads to prosperity.” Given that, we urgently need to form an economic community to promote the co-prosperity of the two Koreas while establishing peace through a Korea peace regime. In this sense, unification is a long-term goal, with the steady progress toward co-prosperity itself a phase on the path to realizing unification. However we must proceed with caution, since delaying unification or discouraging talks on the issue, while at the same time placing more emphasis on tasks related to peace and prosperity could generate skeptical views of our ultimate goals and direction, making it more difficult to garner support for peace and prosperity among the general public.

There is no need to hurry for unification. We should take our time, ensuring that internal conditions are mature enough to integrate the two Koreas. The international community’s position on

unification must also be taken into account; that is, creating an atmosphere in which the United States, China, and Northeast Asian countries are in support of, or at least aren't against, unification, is essential. However, we must not wait for unification indefinitely. The national goals of peace and prosperity have inherent limitations in that both are largely affected by the strategies and interests of the major power houses of Northeast Asia. How much Korea's prospects for peace and prosperity will be determined by neighboring powers remains, at this juncture, unclear, but this does not mean we should sit idly by and allow unification to be decided by others or the waves of history. However, at the same time, we must tread carefully, since viewing unification as a "cure-all" or making reckless or hasty decisions should be avoided. Clear and long-term goals for unification should be set so that inner conditions can be matured and capacities built up to garner understanding and cooperation from neighboring countries.

What is the true meaning and value of unification? Needless to say, the path toward unification should be undertaken in a peaceful manner, and should pursue inter-Korean conciliation and cooperation in such a way that that will result in prosperity for both countries. Unification can bring about more stable and permanent peace compared to peace between divided countries, and it shouldn't just be considered a reasonable proposition for the Korean people to return to a "normal life" in which they are a homogenous people-which they were, prior to this relatively short period of division.

From the perspective of peace and prosperity, the meaning and value of unification can be found in the following four aspects. First, mutual conflicts, confrontation and distrust can be over-

come entirely only when the two Koreas discard ideological and regime differences. A government by the people and based on such universal human values as freedom, democracy and ideology is a prerequisite for pursuing peace and prosperity. Therefore, peace under the conditions of division—a situation in which the ideologies and systems of each side are incompatible—is certain to uphold a state of instability. Unification can mean embracing an ideology and system based on universal values and standards prior to genuine integration.

Second, the issue has been raised as to how the future of the Korean peninsula, sandwiched as it is between the new “powerhouse of the 21st century” China on its left and “the world’s second largest economic power” Japan on its right, can be guaranteed. There is the potential that the two Koreas will experience not only further alienation and control by China, Japan and other strong neighboring countries, but also—in the worst case scenario—become a stage for conflict. This threat sends a shudder through the hearts and minds of the Korean people who are determined not to repeat history. We as one Korea must confidently face the world, an atmosphere where only a few strong countries dominate. To this end, we must put the history of division behind us and move toward unification.

Third, unification is part of the ultimate goal of building a peace regime on the Korean peninsula and inter-Korea cooperation. Inter-Korea conciliation and cooperation itself should not be the objective and we should be ready to explain its purpose. A conciliation and cooperation policy comes in the form of inter-Korea economic cooperation and economic aid to the North on the one hand, and requires South Korea to bear the burden and proceed with patience on the other. Accordingly, a vision of unification

and dedication to it should be firmly shared among the general public in order to elicit their active support and cooperation

Fourth, unification means regaining the original territory of the Korean people, and will give 80 million people the opportunity to explore a new continent. As well, by opening the northern passage, an area blocked to South Koreans, new prosperity for both sides can be realized and Korea will be able to offer—as one—more of its unique culture to the world.

On the topic of peace, unification and future of the Korean peninsula, Pyongyang has been considered both a partner for “cooperation” and a subject to be “managed” by Seoul. The top priority of the policy toward the North has been the “peaceful management of a divided territory.” In particular, the policy has focused on controlling variables that break the balance of inter-Korean relations and the stability of international politics, under the assumption that North and South Korea will not be reunified. The policy has been designed to deter war and stabilize the Korean peninsula through maintaining the “status quo.”

It is clear that the policy has run its historic course—it is simply not sufficient to handle the North’s regime crisis, particularly in light of the growing skepticism over both the North’s near failed state and its ever-widening gap with the outside world. In other words, the policy has emphasized running the divided nations peacefully, merely following the logic of the cold-war era.

North Korea is a partner for conciliation and economic cooperation. A crisis on the Korean peninsula and in Northeast Asia could be caused, however, by the North’s power bankruptcy. As such, we need to carefully “manage” the North in order to estab-

lish peace on the Korean peninsula and provide a more stable future for the Korean people. The key point of “managing” the North has been the fact the regime can no longer feed its people nor offer them any sustainable livelihood. Unlike nuclear issues, the absence of the North Korean regime’s future and its uncertainty can pose a threat to peace on the Korean peninsula and the stable development of Korean society. Given that fact, dispassionate (or cool?) judgment as well as brotherhood is required.

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## **II . Northeast Asia and Peace on the Korean Peninsula**

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The United States and China are the two pillars in Northeast Asia. More specifically, the global strategy for the 21st century and the national goals of the two countries not only define the nature and contents of the regional orders of Northeast Asia, but also those of peace and unification on the Korean peninsula.

### **1. Peace on the Korean Peninsula and the United States**

#### **A. The Aftermath of “9.11”**

“9.11” has become an important keyword in 21st century world history. In the wake of “9.11,” the hegemony of the United States has been significantly challenged. Whether the United States continues its world dominance or suffers a decline can serve as an important barometer in setting Koreans’ perception toward the United States and national strategy. However, more

importantly, “9.11” has brought about radical changes and sent shock waves through the American way of life.

### **(1) The U.S. Response: “War on Terror”**

Following the events of “9.11” the United States declared the “war on terror” a mission for all members of the international community in the 21st century. The goal of the “war on terror” is to block terrorist activity in advance, thus enabling the thorough eradication of every individual and national activity linked to terrorism. As such, the United States established a solid and systematic global strategy to be executed in two main parts. First of all, the strategy is to be used as a means to thwart or eliminate existing and imminent threats, namely terrorism, through actively utilizing military power based on state-of-the-art science and technology.<sup>1</sup> In addition, based on the mid and long-term goal of building a stable world led by the United States, the concept of “democracy and human rights” was presented. The United States’ determination and stance on the “war on terror” as an existing and patent threat came in the form of the Bush Doctrine.<sup>2</sup> Out of concern that the biggest threat facing the United States is the linkage between radicalism and high technology, America has sternly vowed to block development of weapons of mass destruction (WMD) by dictatorship-based and non-democratic countries in the first place, while at the same time building a missile defense system against ballistic missiles and other delivery systems.

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<sup>1</sup> Bruce Berkowitz, *The New Face of War: How War Will Be Fought in the 21st Century* (New York: The Free Press, 2003).

<sup>2</sup> George W. Bush, “Strengthen Alliances to Defeat Global Terrorism and Work to Prevent Attacks Against Us and Our Friends” (National Cathedral, Washington D.C. September 14, 2001), “An outline of the U.S. Global Strategy” (New York West Point, 2002.6.1).

The National Security Strategy of the United States of America consists of<sup>3</sup> nine chapters, is 33 pages long, and was announced by President Bush on Sept. 17, 2002. It provides strategies to implement the war on terror, and direction and ideology for building a new global order based on U.S. style idealism, as a way to establish permanent peace and security. This report defines freedom, democracy, free enterprise and others as the sole model for sustaining the success of a country. It is notable that the values of “freedom,” including human dignity, free markets, free trade and others, have been considerably highlighted. Moreover, it shows a determination to expand peace by pursuing the concept of an open society on every continent. In other words, the United States declared its will to apply freedom, democracy and human rights and those values to every nation. Although this is reminiscent of J. J. Rousseau’s “be forced to be free” argument in which every nation embodied by general will can force its members to be “free,” the United States showed its resolution to resolve anti-U.S. sentiment and terrorism by forcing those universal values.

## **(2) Preemptive Strikes and the Specter of Unilateralism**

Bush’s national security strategy does not propose a reversal of the 50-year old doctrine nor does it tackle abandoning the deterrence policy. Of course, these strategic concepts have been properly used in resolving North Korea’s nuclear weapons problems. Clearly, it is almost impossible to entirely deter and block all terrorists and the covert operations of their affiliated lawless regimes and suicide bombings. Rather, strong partners that support anti-terrorism or the alliance’s cooperation are needed to

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<sup>3</sup> <<http://www.whitehouse.gov/nsc/nss.pdf>>.

deter or block dictatorships or lawless countries linked to terrorism. This point highlights the essentialness of multilateralism over unilateralism in that friendly relations must be established and maintained among big powers. As such, unilateralism can be put under the framework of cooperative multilateralism for the time being. On top of this, the United States has strongly claimed that it cannot lay down a “preemptive card”; this is not a new concept in that the United States should be ready for all possible action before threats come into play. Bush stressed on June 1, 2002, at WestPoint that the United States should be ready to launch preemptive actions on “failed” or “abandoned” states to protect the freedom and lives of the U.S. people, shocking the world.<sup>4</sup>

### **(3) U.S. Security: Freedom and Democracy**

U.S. strategists have focused their energy not on reforming the world to be just, but on creating an environment where U.S. citizens can live in safety. Issues of democracy and human rights lie in this point in that each categorizes a “rouge state” as an enemy. The strategists close to President Bush see no clear difference between ethical interests, including democracy and human rights, and U.S. national interests. Rather, they are eager to enforce the U.S. norm of free democracy and value of others, as well as topple regimes linked to terrorism and establish democratic governments, all as a way to guarantee U.S. national security.

Since “9.11,” the emphasis on blockage and realism in U.S. foreign policy has become outdated, while the ideas of “replacing regimes” or “promoting democracy” have gained ground despite

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<sup>4</sup> <<http://www.whitehouse.gov/news/releases/2002/06/20020601-3.html>>.

criticism at home and abroad. New conservatives, so called “neo-cons,” offer an ideological foundation for the current Bush administration’s foreign policy, and have criticized the Clinton administration and early Bush administration for attempting to compromise with Pyongyang and Beijing through negotiations, thereby avoiding the United States’ responsibility to the world. For neo-cons, spreading political ideology and values in line with U.S. national interests and principles is of utmost importance.<sup>5</sup>

Democracy has been considered not so much a goal but a tool to be used as part of a security strategy; which begs the questions, does democracy really lend itself to security? And, can democracy be exported? The answer depends on whether the experimental attempt by the United States to establish democracy in Iraq in the wake of the Iraqi war proves successful. But it is still too early to jump to any conclusions on the relationship between the forceful establishment of a pro-U.S. regime and U.S. security.

As for U.S. national security, if the strategic goal is to change the regime of a “rouge state,” the power shift has been chosen as a tactic to be used to this end. Bush and his deputies, seeing new democratic leaders as “promoting democracy,” believe that shifting power after the retirement of the North Korean “leader” can be a starting point for spreading democracy and ridding the peninsula of uncertainty. The United States does not appear to care if its hegemony is referred to as “imperialism of human rights” by British historian Eric Hobsbawm, or as “imperialistic democracy” or “democratic imperialism”<sup>6</sup> by French culture

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<sup>5</sup> William Kristol and Robert Kagan, “National Interest and Global Responsibility” (2000), Irwin Stelzer ed., *NeoConservatism* (London: Atlantic Books, 2004).

<sup>6</sup> Guy Sorman, *Made in USA; A New Perspective for the U.S. Culture*,

critic Guy Sorman. A catchphrase of the 2nd infantry of the U.S. troops around the 38th parallel is “In front of them all,” and this seems to be the way the United States intends to initiate and lead peace.

However, as witnessed in Iraq, the United States’ attempt to implant democracy has come at a huge price. To some critics, it has become increasingly obvious that the assumption by the United States that terrorism could be rooted out of Iraq through the promotion of democracy is questionable. The Bush administration’s “promoting democracy” policy as an anti-terrorism strategy is no more than a conviction that has failed to be verified.

## **B. The U.S. Magnetic Field and Peace in Korea**

U.S. foreign policy can be viewed as a kind of dominance strategy that could be criticized by Koreans who seek an “independent” solution to the Korean issue of building peace on the peninsula. We can freely condemn U.S. hegemony, preemptive strikes and the doctrine of unilateralism. However, a deeper understanding of the U.S. security strategy should begin with the moral ambiguity of U.S. history. In other words, moral values cannot serve as a yardstick to setting national strategy and guaranteeing security.

### **(1) United States Swaying of the Korean Peninsula**

Aside from North Korea’s responsibility, building peace on the Korean peninsula faces another stumbling block, namely the

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translated by translated by Min You Ki and Cho Youn Kyung (Munhak Segye Sa, 2004).

preemptive strikes and unilateralism reflected in the U.S. policy toward the North and its nuclear issues. Although, if necessary, using force to handle the North's nuclear issues has not been ruled out, the United States has opted for executing political, diplomatic, and economic pressure, a similar tactic used during the cold war, almost to the level of a real war. The blockage strategy unilaterally led by the U.S. Proliferation Security Initiative (PSI), namely the forming and opening of action plans by the Pentagon as a preemptive strategy and the stern words hurled at the North, have become a cyclical and repetitive source of crisis rumors on the Korean peninsula. This, in turn, has strained relations between the North and the United States, and has served as a stumbling block to the peace process on the Korean peninsula.

The task of building a peace regime is to be determined by trends of the international landscape and South Korea's judgment and its right course of direction. It is not desirable that inter-Korea relations become a subordinate factor of international relations surrounding the Korean peninsula. However, it is not feasible to consider inter-Korea relations independently from Northeast Asia's international order and in particular U.S. national interests in the Northeast region. The Inter-Korean Summit of June 2000, the visit to the United States by Jo Myong Rok, a special envoy of Chairman Kim Jung Il of North Korea, and the first ever high official visit to Pyongyang by U.S. Secretary of State Madeline Albright, was seen as a prelude to thaw the ice on the Korean peninsula. Unfortunately, however, Chairman Kim himself missed out on opportunities to make his debut on the international stage: he failed to deliver on his promise of a return visit to Seoul and did not actively respond to the Clinton administration's conciliatory measures toward the North.

Since then, despite our government's efforts and determination to build peace on the Korean peninsula, establishing structures for a peace regime has not yet made great strides, thereby delaying the peace process of Korea. Since the launch of the Bush administration in 2001, the atmosphere of easing tensions and the conciliatory tone created by the Inter-Korea Summit in 2000 and the Clinton administration's engagement policy toward the North, were lost. Moreover, the events of "9.11" radically changed the tone and foreign policy direction of the Bush administration, distorting Korea's peace building process. As previously mentioned, the United States elaborated a national security strategy in 2002 and was anxious to maintain and strengthen its hegemony. With this in mind, the United States took a more aggressive and active stance in controlling changes of international order on the Korean peninsula and in Northeast Asia.

The North took a bold turn to resolve its desperate situation at home and abroad with Japanese Prime Minister Junichiro Koizumi, creating an environment to normalize diplomatic ties with Japan in September of 2002 by initiating an adventurous open-door policy. However, the inquiry into and the following acknowledgement to develop a high-enriched uranium (HEU) nuclear program in October of the same year broke the framework of the Geneva agreement made in October of 1994. This led to the second round of the North's nuclear problems. Since then, all eyes have been on the direction of discussion and the level of agreement of the six party talks on the issue.

The primary responsibility falls on the North who consistently pursued nuclear development out of strong determination to possess nuclear weapons. The United States, however, refused to

embrace the changing dynamics in Northeast Asia fueled by Pyongyang's reform, namely the open-door policy and the possible diplomatic ties to be established between the North and Japan, and Japan's advancement into Northeast Asia. The United States was quick to put an end to it by raising the issue of nuclear development, believing that Japan's speedy approach into the North and the subsequent change in the order in the Northeast Asia region should be stopped. The U.S. policy toward the Northeast Asia region was seen as a refusal of the uncalculated changes of Northeast Asia at a time when the United States was concentrating on the Middle East situation and preparing for the war in Iraq. From a different viewpoint, the raising of the North's nuclear issue and its coinciding with the escalating security crisis on the Korean peninsula could have also influenced the then presidential election. In that regard, the United States is not free from suspicion over its timing and intention to raise the issue. Rather than criticizing or supporting U.S. policy toward the Korean peninsula, seen as "swaying the Korean peninsula," it would have been more logical to assume that the United States would never devise a favorable policy toward us at the expense of its national interests in the Korean peninsula and Northeast Asia.

## **(2) New Government and the North Korea Nuclear Issue**

The Noh Moo Hyun government was launched with the issue of resolving North Korea's nuclear crisis as a top priority of national affairs. Accordingly, the will and efforts of the current government to resolve nuclear problems and build peace on the peninsula have been stronger than any previous Korean government. President Noh's "Peace and Prosperity Policy" was presented as a basic concept for achieving the peaceful development of Korea

covering unification, diplomacy, security and other policies. This has led to a strategic plan to lay the foundation for peaceful unification and establish Korea as an economic hub of Northeast Asia by promoting peace on the Korean peninsula and co-prosperity between the two Koreas,<sup>7</sup> which will ultimately lead to the flourishing of Northeast Asia as a whole.

The characteristics of peace and prosperity can be described as follows. The first and most important is to strike a balance between “peace” in the security aspect and “prosperity” in the economic sphere. This is perceived as a balanced approach to establishing peace through conciliation and confidence building, and achieving co-prosperity through cooperation. The second goes beyond the Korean peninsula to pursue peace and co-prosperity of the Northeast Asia region as a whole. This is important because North Korea’s nuclear issues and economic crisis need to be handled from the perspectives of peace and co-prosperity within related Northeast Asian countries beyond Korea. As such, the Peace and Prosperity Policy is designed to institutionalize a peace regime from the conciliatory relations of the two Koreas, the outcome of the sunshine policy, and expand inter-Korea cooperative relations so that a higher level of co-prosperity can be sought.<sup>8</sup> Areas covered by the Peace and Prosperity Policy reached beyond the Korean peninsula into Northeast Asia in order to enable a wider view of Korean issues, thus drawing much attention and raising expectations. However, since the policy was introduced, progress on establishing peace on the peninsula has not made as swift progress as expected. Rather, the

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<sup>7</sup> President Noh Moo Hyun, “Inaugural Address by the 16th president of the Republic of Korea” (February 25, 2003).

<sup>8</sup> “Policy for Peace and Prosperity Initiated by the Participatory Government” (Ministry of Unification, 2003).

Bush administration's hard-line policy toward the North's nuclear issues and the crack between South Korea and U.S. relations shook the foundation for peace. As a result, the new government found itself in serious trouble over the North Korea nuclear problem, despite its eagerness to present a peaceful vision of the future for the Korean people through cooperative inter-Korean relations.

### **(3) Direction of Northeast Asia Plan**

Peace on the Korean peninsula could be realized by resolving the North's nuclear problems first. If the reason why the North doesn't abandon its nuclear card is the country's energy shortage, it is reasonable to assert that the nuclear issues can be solved by supplying an energy source to the North. In that case, Russia is expected to play a significant role in resolving the North's energy problem, one of the core factors of the nuclear issue. That's where plans for developing oil fields and natural gas in Russia and building a pipeline to run through the Korean peninsula, enter the picture. Based on this, the basic direction of the Northeast Asia plan began from an assumption that South Korea would cooperate with the United States in security, and that Russia would assume a vital role in the energy issue. This can be seen as the initial idea of the Marshall Plan for North Korea.<sup>9</sup> However, more importantly, the Northeast Asia Plan shows some signs that the direction of the national security strategy on establishing peace and prosperity on the Korean peninsula is changing.

Since the inception of the Northeast Asia plan, there has not

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<sup>9</sup> Kim Suk Whan, "The Whole Picture of North Korea's Version of Marshall Plan," *Monthly JoongAng* (April edition, 2003).

been much substantial and tangible progress. However, the “energy project,” one of core parts of the plan covering crude oil and natural gas in Russia, was thought to resolve the North’s nuclear problems and lay the basis for the co-prosperity of Korea, Russia, China and other regional countries. If energy aid to the North leads to resolving the nuclear problems, the U.S. policy toward the North has no choice but to undergo a fundamental change, and U.S. hegemony and influence is certain to decline in Korea and the Northeast Asia region in the long run. If reducing the U.S. presence and role in the peace building process of inter-Korea reconciliation and cooperation is believed desirable, the Northeast Asia project as a peace security strategy for the Korean peninsula can be seen as an ambitious “grand strategy.”

The Northeast Asia project, an answer to the peaceful resolution of the North’s nuclear issues as a core issue of national security, and the co-prosperity of Northeast Asia, would require outlandish funding if implemented in earnest. A business entity in the private sector of the energy field with experience in international business and a huge capital base could be selected to participate in a consortium with the world’s major oil companies. The Northeast Asia plan, centered on various Northeast Asia projects, was an ambitious idea for resolving the North’s nuclear problems and building peace on the Korean peninsula. The plan, however, hasn’t substantially progressed or worked out in terms of determining business size and who will be designated to manage the business and capacity. An implicit problem of the Northeast Asia plan is its regard of peace building in Korea as none other than a “negative” or “less prudent” attitude among the Korean people toward the U.S. presence and role in this region. This kind of plan can be viewed as a “pushing aside of the Unit-

ed States” in order to realize a world in its absence, with the gap between the United States and Korea on the North’s nuclear issue still looming. It seems indisputable, then, that we will not be able to garner active understanding and cooperation from the United States on the mission of building peace on the Korean peninsula.

However, it is unlikely that setting the strategic direction of unification and working out action plans for the establishment of peace on the Korean peninsula will be achieved without the friendly attitude, understanding and cooperation of the United States towards the project. We must try to uncover the reasons behind the failed attempt to lay a foundation for building peace on the Korean peninsula in the 5 years starting from the latter part of Kim Dae Jung’s presidency (despite his achieving a milestone with the inter-Korea talks), up until the current Noh Moo Hyun government. Although it is desirable to escape from U.S. influence, a prudent stance and careful analysis of various ripple effects, namely the present and future gains and losses to be expected in the wake of weakening ties between the United States and Korea, should be considered. In handling peace building on the Korean peninsula, and unification, the direction and nature of the United States’ regional hegemony strategy and policy toward the North needs to be understood thoroughly. Based on that, efforts should be made to carefully coordinate the interests of the United States and Korea, and a new partnership should be formed through role sharing with the United States.

Korea-U.S. relations, in terms of the prospect of establishing peace on the Korean peninsula and unification, is a matter of “adapt and overcome.” Korea should first understand objectively how the United States approaches Northeast Asia as a global

strategy, and the Korean peninsula as a regional strategy. In doing so, Korea will enjoy an enhanced role in Northeast Asia while at the same time sharing a future with the United States. An argument for “overcoming” that ignores adaptation to the United States’ hegemony strategy is not realistic, and even risks a security crisis on the Korean peninsula, which goes against peace building. On the other hand, an argument for “adaptation” without “overcoming” lacks the goal and direction that we should pursue by blindly following the view of the United States. A peace strategy should be pursued to create and maintain a state of peace, with “adaptation” a precursor to “overcoming.”

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## III . The Korean Peace Regime: Preconditions for Unification

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### 1. Building a Peace Regime on the Korean Peninsula: Peace Treaty

Building peace on the Korean peninsula is the basic direction of the South Korean government's national strategy.<sup>10</sup> Building peace is intended to transfer the armistice regime, a legacy from the Korean War, to a peace regime. Building a peace regime is designed to put hostile relations formed from mutual distrust and confrontation behind us, deter war, and realize permanent peace so that the basis for unification can be laid.

The peace regime on the Korean peninsula begins from the United States and North Korea's announcement of the official annulment of the armistice treaty. The peace treaty was signed by

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<sup>10</sup> Roh Moo-hyun Government's Security Policy Plan, *Peace, Prosperity and National Security* (National Security Council (NSC), 2004), pp. 36-37.

Mark Clark, a commander of the UN forces; Kim Il Sung, North Korea's leader; and Peng Teh-huai, commander of China's People's Liberation Army on July 27, 1953, putting an official end to the Korean War. An armistice regime has been in name only since a Korean general was appointed as the senior representative of the military armistice commission in 1991, and the next year North Korea and China withdrew themselves from the commission. Signing the peace treaty would lead to radical changes in the peace and security environment in Northeast Asia. In particular, it provided momentum for changes in North/U.S. relations and the status of U.S. forces in Korea, and included disarmament and the establishment of a new organization to replace the armistice treaty and manage the DMZ.

Forming a peace regime on the Korean peninsula refers to the final stage in establishing peace and involves controlling and reducing armaments, after easing tensions and building trust over a long period of time. However, the peace treaty could advance the date of building a peace regime as a "solid peace state," by laying the basis for establishing peace. A policy toward the North that seeks inter-Korea exchange and cooperation, and a strategy that encourages political and military cooperation, should be sought after at the same time. In addition, a legal and institutional approach will be pursued as well in the process of building peace. The peace treaty on the Korean peninsula is part of creating a legal and institutional environment for building peace regime, and is based on the idea of "negotiation first and building peace later." Put simply, it is a suggestion to build peace through political decision, "negotiation" and is a peace strategy going beyond the gradual approach peace in Korea.

Recently, the issue of a “peace regime” has been raised as a new topic among related countries in the process of the six party talks on North Korea’s nuclear problems.

The Joint Agreement of the 4th six party talks (Sept. 19, 2005, in Beijing) reconfirmed denuclearization on the Korean peninsula and suddenly embraced the peace regime issues consistently insisted upon by the North. This is the outcome of the South Korean government’s strong will and steadfast efforts to establish a peace regime on the Korean peninsula in response to changes in U.S. policy toward the Korean peninsula and Northeast Asia. In the agreement, all related countries announced<sup>11</sup> their intention to negotiate “a permanent peace regime at an appropriate separate forum”; they also vowed to make a joint effort to achieve permanent peace and stability in Northeast Asia. The agreement to create a separate forum for officially discussing the establishment of a peace regime to replace the armistice regime means that the four countries—South Korea, North Korea, the United States and China—can prepare for the North’s decision to abandon nuclear weapons. The reason why the United States and related countries agreed to talk about peace is that the nuclear issues of North Korea could be resolved through the six party talks, the North’s demands could be accepted in a long-term point of view, and a security system could be established in Northeast Asia through a multilateral framework for peace. Accordingly, the two Koreas and related countries will discuss ways to form a separate forum, and set the direction and roadmap for building a permanent peace regime on the Korean peninsula.

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<sup>11</sup> Full text of the Six Party Talks Joint Agreement, e-news of Ministry of Foreign Affairs and Trade (September 20, 2005) <<http://mofat.news.go.kr>>.

## 2. Korea Peace Regime Roadmap

A peace regime on the Korean peninsula can be formed in two ways: “denuclearization first” and “peace treaty second”; or, “peace treaty first” and “denuclearization second.” However, deciding which one should be handled first among the two isn’t easy, as North Korea and the United States both demand denuclearization and a peace regime as their precondition, respectively. Discussion on how to approach nuclear problems and a peace regime can begin among related countries not as a precondition for resolving nuclear issues, but as part of the process of resolving these issues. This was agreed upon at the six party talks. Based on the principle of “commitment for commitment” and “action for action” seen in the Joint Statement of the 4th six party talks, we can assume that it was agreed that taking mutually coordinated steps to implement the agreement on a gradual basis was considered an effective approach.

A peace regime can be approached on a gradual basis with a close link to the process of the North’s abandonment of nuclear weapons, the subsequent guaranteeing of the North’s regime by the United States and the diplomatic normalization of North Korea and U.S. relations. In the process, three different negotiation styles can be undertaken toward the establishment of a peace regime.<sup>12</sup> First, an inter-Korean negotiation framework related to the inter-Korea peace treaty (or inter-Korea “peace declaration”) could be made. Through summit talks and inter-Korea military talks, issues related to creating an atmosphere of

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<sup>12</sup> Jun Hyun Jun and five others, *Plan to Implement the Agreement of the Fourth Round of Six Party Talks*, KINU Policy Research Series 2005-06 (KINU, October 2005), pp. 20-23.

a peace regime and controlling and curtailing armament could be discussed as well. Second, through a “separate forum” within the six party talks, the methods and contents of the peace treaty, and how to manage a peace regime, can be discussed. Third, guaranteeing a peace regime internationally through the six party talks or jointly pursuing a peace treaty, forged at the “separate forum,” can also be addressed.

However, the relationship between the “separate forum,” with a limited number of six party participants, and the six party talks, is not clear. But in general if the six party talks implement agreements on the North’s nuclear problems and a “9.19 joint statement, the “separate forum” or “peace forum” would address peace treaty issues. Accordingly, matters of the peace treaty will be mainly discussed in the framework of inter-Korea negotiation or the peace forum.

As for peace negotiation in relation to the Korean peninsula, there is a chance that the process of resolving the North’s nuclear issues and the methods of guaranteeing the security of North Korea will not be embraced as expected, and this possibility must be considered. For example, eliminating nuclear weapons may be done smoothly while discussion on establishing a peace forum and peace treaty may be delayed for complicated reasons. In addition, it is hard to ignore the difficulties of maintaining a close link among the three frameworks of negotiation for establishing a peace regime on the Korean peninsula. Moreover, if negotiation and the level of implementation do not proceed as planned, there is no guarantee of overall coordination or simultaneous implementation. As such, agreements made from each negotiating framework should be expected to be achieved on a gradual basis.

## **<Phase 1> Forming a Framework of Negotiation**

Phase 1 is intended to create an amicable atmosphere for discussing a peace regime on the Korean peninsula. When the first phase starts, however, is unclear. We could assert that the first phase begins with the North returning to the Nuclear Nonproliferation Treaty (NPT), accepting inspections of the International Atomic Energy Agency (IAEA) and making overtures to the United States to improve bilateral relations. At this stage, an inter-Korea summit would be pushed for, and concrete measures to build military confidence would be taken. This would ease military tension on the Korean peninsula and create a mood for a peace forum to be held both in Korea and overseas. At this phase, forming a peace forum for a peace treaty is of the utmost importance. The United States should promise to normalize bilateral ties with the North in the course of organizing a peace forum upon the North fully dismantling its nuclear weapons.

Regarding a peace treaty, who will be involved has been a key issue, and this could be raised in the process of organizing a peace forum. On that, Pyongyang offered to sign an inter-Korea treaty in 1962, and has insisted on signing a U.S.-North Korea peace treaty since 1974. However, the United States never had any intention of accepting a Pyongyang-initiated peace treaty and the South Korean government also opposed the proposal, claiming that the bilateral regime went against the principle of the parties concerned. In response, South Korea has proposed a '2+2' form based on the "principle of the parties concerned," including South and North Korea as the "parties concerned," and the United States and China as participants. Namely, a peace regime on the Korean peninsula has been led by South and North Korea in the form of multilateralism, and is one in which the United States

and China can also participate. ‘2+2’ based on “the parties concerned” means that South and North Korea—as “the parties concerned”—will sign the agreement, with the United States and China acting as guarantors. However, ‘2+2’ is like ‘6-2’ in that it doesn’t consider the involvement of Russia or Japan, participants of the six party talks. The argument for the United States being considered a “party concerned” not a “guarantor” as a way to make the treaty “more effective” is also noteworthy.<sup>13</sup>

A peace forum is highly likely to take the form of four party talks, ‘2+2’, considering that the primary parties here are South and North Korea, and that the United States and China were the real parties concerned in the armistice treaty; as well, four party talks (six rounds of meetings from Nov. 1997 to Aug. 1999), have already been held among the two Koreas, the United States and China. In this case, Russia and Japan are ultimately expected to take a guarantor role of the peace regime at the six party talks, even though they are excluded from the peace forum.

### **<Phase 2> De-nuclearization and the Push for a Peace Treaty**

Phase 2 requires a relatively long duration of time. At this stage, ways to sign a peace treaty and its contents will be discussed in earnest at the inter-Korea military talks and peace forum in response to the North agreeing to discard its nuclear weapons and accept inspections of nuclear facilities. At this phase, Pyongyang

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<sup>13</sup> Lee Sam Sung, “Korea Peace Treaty: Framework and Outline of Peace Treaty as a Fundamental Solution to North Korea Nuclear Weapons,” *How to Sign Korea Peace Treaty and Realize Disarmament* (At the Debate of the First Anniversary of the Establishment of Research Institute for Peace and Reunification of Korea hosted by Research Institute for Peace and Reunification of Korea, October 7, 2005), pp. 33-34.

will go through implementation stages from initial preparation to full-scale freeze to complete disposal of nuclear weapons. The North will undergo the following inspection and verification work as well.<sup>14</sup>

Nuclear issues will come to a grand end when nuclear weapons are completely abandoned, nuclear related facilities are dismantled, and nuclear weapons and materials are deactivated. Pushing for a peace treaty within the framework of inter-Korea negotiation will differ from discussions of building a peace regime through the peace forum in that agendas are selected and discussion items implemented in earnest. The main agendas include a legal declaration to end war, defining boundaries, implementing inter-Korea basic agreements, organizing and managing a peace guarantee management organization, and transforming the DMZ into a peace zone. Along with this, a basic direction and procedures to transfer to peace regime should be agreed upon at the Korean peninsula peace forum, a four-party style meeting, and detailed economic and security methods—to be used to compensate the North for its disposal of nuclear weapons—should be set. In particular, when the communist regime enters a phase of full freeze, the United States is expected to lift economic sanctions on the North, cross its name off the list of terror-sponsoring nations, and implement other new measures to improve bilateral ties.

However, at this stage, the North is expected to strongly insist that a “North Korea and U.S. peace treaty” be signed at the peace forum to secure its regime. At that time, roundabout ways

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<sup>14</sup> Cho Sung Ryul, *Roadmap to Denuclearize Korea and Build Peace Regime: Tasks following Joint Statement of the Six Party Talks*, KINU Policy Research Series May-2005 (KINU, 2005.9), p. 22.

to meet the North's demands should be sought after. For example, a "U.S.-North Korea joint agreement" could be an option to declare the United States' intention to guarantee the North's security, including respect for the North's sovereignty and non-interference in its domestic matters.

Nearing the end of this phase, a peace treaty will be signed within the peace forum to officially pronounce annulment of the armistice treaty and the launch of a peace regime on the peninsula, at which time a peace guarantee management organization will be formed and managed, and the United Nations Command (UNC) will be dissolved automatically. Namely, in the latter part of Phase 2, full disposal of nuclear weapons will be verified. In response, actions to normalize U.S./North relations should begin and end the role of the peace forum, with the four party talks officially resulting in a peace regime being implemented on the Korean peninsula.

In the meantime, relations between the peace regime and unification should be clarified. Establishing a peace regime shouldn't lead to institutionalizing a "peaceful separation," even if the regime is a process of building a solid peaceful state. The principle of unification and its basic direction must be agreed upon by the two Koreas in the course of forming and transferring to a peace regime. As for establishing a peace regime, unification matters should be talked about from the initial part of Phase 2.

At the early part of Phase 2, a peace regime should be set as a core agenda within the inter-Korea negotiation framework under the principle that a peace regime should be in line with Koreans' aspirations and directions for unification. A Korea peace regime should focus on unification not as a tool to make the division

permanent, and this point should be clearly pronounced both in Korea and abroad. At the same time, in the earlier part of this phase, a consultative body, such as a “South/North Unification Council” (temporary) should be created, reconfirming the agreement of the ‘6·15 South North Joint Declaration’ so that unification related issues can be discussed systematically.

### **<Phase 3> Complete Disposal of Nuclear Weapons and Establishing a Peace Regime on the Korean Peninsula**

In Phase 3, the nuclear dismantlement of North Korea leads to actual denuclearization on the Korean peninsula, and security guaranteeing measures for the North are completed on an international scale, with ways to manage the peace regime introduced and discussed at the peace forum and in the six party talks that include Russia and Japan. It is at this point that ties between North Korea and the United States will become normalized and the peace regime on the Korean peninsula is settled legally and institutionally under the international guarantee. Accordingly, a “peace guarantee management organization,” agreed upon in advance, is operated to maintain a “solid peace state” on the Korean peninsula and intensify the agreements of the peace regime.

Among the core items of the peace regime made through inter-Korea negotiations and the peace forum, concrete measures regarding inter-Korea disarmament and the U.S. forces stationed in Korea will be formulated. As the peace regime is settled on the Korean peninsula, a change in the ROK-U.S. alliance is expected. The nature of the alliance, maintained and centered on deterrence of the North, needs to be shifted under the new perspective of bilateral ties. In that regard, a future alliance should seek changes

in order to establish comprehensive security cooperation.

In addition, after the peace regime is established, North Korea will actively participate in the international community and will be given the responsibility for jointly pursuing the security and peace of Northeast Asia to become one of the world's leading countries. A genuine "peace regime phase" or a solid "state of peace" comes when the peace regime is legally and institutionally guaranteed and maintained through the signing of a multilateral peace treaty and inter-Korea treaty.

What is important in the Phase 3 peace regime stage is that considerable progress in unification should be made. Unification issues already selected as a core agenda within inter-Korea negotiation in Phase 2, and discussed and negotiated at the level of the consultative body, are significantly consulted and negotiated throughout various stages of Phase 2 while going through stable development of the international order of Northeast Asia and transformation of inter-Korea relations. Therefore, at the beginning of Phase 3, a high level of agreement regarding methods and procedures of unification should be devised that reach beyond the basic principle of unification.

### **3. South-North Korea Peace Treaty**

#### **A. The Basic Direction of a Peace Treaty**

A certain level of progress on the basic agreement of the two Koreas has been achieved to implement exchange and cooperation, but not much has been made in the way of inter-Korea non-aggression security, including disarmament and building peace.

The basic agreement has not been dissolved completely; however, returning to the agreement is hard to force under these difficult circumstances. Given that, the contents of the basic agreement are required to be reflected in the new peace regime.

Relating to a peace treaty, the spirit of the ‘South and North Korea Joint Declaration’ (2000.6.15), a result of the historic Inter-Korea Summit, should be reconfirmed. At the joint declaration, independence, a common ground of achieving unification and humanitarian issues, was agreed upon, while agreements on security and peace matters were put on hold. The common interpretation of this situation is that an effective approach could be taken to settle peace on the Korean peninsula only when neighboring countries’ positions and interests are more thoroughly considered, since the peace issue is not only a “Korean but also an international matter.” In this sense, agreeing to a common path to realize unification and build trust through exchange and cooperation is a roundabout approach to accomplishing security and peace.

In particular, an agreement was made at the Joint Declaration on ways to bypass the establishment of a peace regime considering unification in itself as the ultimate goal and final phase of achieving peace on the Korean peninsula, though the agreement triggered much controversy later.<sup>15</sup> As such, the joint declaration circumvented the peace building issue, becoming a bridge to a “low level” federation or an inter-Korea confederation going beyond the stage of exchange and cooperation. The peace issue

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<sup>15</sup> Park Jong Chul, “How to Establish Peace Regime following Inter Korea Summit,” *Korea Peace Strategy*, Research Abstracts 2000-33 (KINU, 2000), p. 196.

was left for the future. The pre-stage of unification, omitted at the declaration, could be reinstated through the signing of a peace treaty between South and North Korea.

## **B. Contents of a Peace Treaty**

It is desirable to approach a peace regime similar to a non-aggression treaty by reflecting the clause of the ‘non-aggression treaty’ of the basic agreement, as well as addressing the changing circumstances of the international order and inter-Korea relations. This is because concrete tasks to deter war and build peace on the Korean peninsula, although already included in the agreement, have yet to be implemented despite an agreement forged between the two Koreas. Based on that, major contents for the peace treaty are as follows.

First of all, the principle of peace should be declared. To this end, a declaration should be made at home and abroad that South and North Korea “oppose any form of war on the Korean peninsula.” In other words, a strong pronouncement against war should be made both internally and externally.

Second, the assertion that South and North Korea will not use force against each other, nor invade each other, will stand as reconfirmation of the non-aggression clause of the inter-Korea basic agreement.

Third, the principle of unification in an independent way should be proclaimed publicly. This reaffirms the first clause of the inter-Korea joint declaration and accepts, to a certain extent, North Korea’s tendency toward independence. However, “independence” here does not mean the exclusion of outsiders; rather,

it should be understood as an ability to garner support and cooperation for peace on the Korean peninsula from the international community and as a chance to look back on our painful history and fate as it was determined by big powers, while at the same time enhancing the interests of both Koreas. It also means that Korea should be considered the principle party concerned on issues involving the Korean peninsula.

In addition, the principles of the peace treaty should contain the determination for unification.

Opposition to all forms of war, non-aggression by both Koreas and the will for unification and others as principles of the peace treaty could be used to determine what items, specifically, should be included in the peace treaty.<sup>16</sup> These items can include ① confirming the spirit of agreement of the inter-Korea basic agreement and the Joint Declaration, and peace; ② acknowledging and respecting the special relationship between the two Koreas; ③ ending the state of armistice through legal means and restoring peace; ④ declaring war a thing of the past (legal immunity for war crimes etc.); ⑤ setting a non-aggression boundary and replacing the current military demarcation line with a non-aggression line; ⑥ preventing accidental military incursion, creating solutions, and taking actions to build trust through the mutual exchange of military information and personnel; ⑦ transforming the DMZ into a peace zone and aimed towards peaceful use; ⑧ declaring a principle of comprehensive cooperation in passage, communication and trade; and ⑨ organizing and estab-

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<sup>16</sup> Paik Jin Hyun, “Tasks and Issues to Build Korea Peace Regime” (paper to celebrate 50th anniversary of Korea’s Independence at the Korean Political Science Association, November 11, 1995); Ministry of Unification, *Issues of Korea Peace Regime*, Tongnam 95-12-91 (1995).

lishing a peace management organization to implement and oversee the peace treaty.

Organizing and establishing a “peace management organization” is important to successfully implementing the peace treaty. The organization would replace the non-performing Military Armistice Commission. It is desirable that the peace management organization be located in the DMZ, and consist of not only military-related personnel of South and North Korea, but also involve representatives of countries that have signed the treaty, on the assumption that the Korea peace treaty is internationally guaranteed. The organization should consider the involvement of a certain number of civilians as well, to not only reflect the global trend of civilian participation in the peace movement, but also in recognition of the fact that peace and war are serious concerns for all. In particular, representation of women related to the peace movement is necessary.



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## IV. Prospects for Unification

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### 1. North Korea: The Outlook for the Future

North Korea's future is uncertain. Observers of North Korea are increasingly concerned about the chances of it sustaining its regime rather than its nuclear problems. The real dilemma facing Pyongyang is whether it can both maintain the Kim Jung Il regime and reform at the same time. Reforming and opening North Korea requires a change of leadership style—namely a giving up of the absolute power allotted to Kim Jung Il. However, even a small concession could lead to easing tensions of the iron-fisted regime, which is highly likely to trigger a collapse of rule. Once the North makes a concession or relaxes its regime, an unrecoverable crisis could arise, and severe fissures inside, not even visible, could result.

The slackening discipline of the communist party, the non-performance of government functions, and the overall corruption of

government officials could break up its mechanism to control society. This could result in the government's losing control over its residents when their livelihood already is abandoned. In response, a few upper class people may, as a last resort put all of their energy into maintaining the regime by relying on military and government control. The logic of "military-first politics" enters the picture here. However, it will not help the North's ailing economy to recover nor relieve its acute food shortage. Under these circumstances, external intervention over human rights, defectors and others, and the flow of information following its opening to the outside world, could unsettle government officials and dry up their loyalty, leading to opportunistic behavior. Moreover, uncertainty over the leader's system and his heirs could cloud the future of North Korea, as its fate is determined by his "longevity."

### **A. Reform, Openness, North Korea's Dilemma**

North Korea's economy reached its limit in the early 1970s. Since then, its economy has maintained a closed economic system and posted negative growth, and following the collapse of the socialist bloc in the 1990s, has failed to function and is irreparably damaged. In particular, the GNP gap between South and North Korea, which was very close in the early 1970s, doubled in the early 1980s. According to a Korea Institute for National Unification (KINU) survey in 1992, the difference increased 10-fold.<sup>17</sup> As well, the Bank of Korea stated that the GDP of Pyongyang in 2004 was only 1/33 (3.0 percent) that of Seoul.<sup>18</sup> In just 10 years, the gap of economic power between

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<sup>17</sup> *Comparison to Trends of National Power of South and North Korea* (KINU, 1992), p. 10.

the two Koreas has grown significantly.

The basic idea behind the North's economic policy of "self-rehabilitation" served as a "Joo Che," or a method to achieve self-reliance on the economic front, and was a fundamental factor of the fiasco that led the economy to its limit and collapse. The "self-rehabilitation" and "self-sufficiency" policy worked until the end of the 1960s through the labor of the North's civilians and was based on industrialization built on colonial rule, a movement seen during wars. Soon, however, the closed mechanism ran its course, bringing about a non-viable industrial structure.

We should also not lose sight of the fact that self-rehabilitation and self-sufficiency require labor productivity or "political violence and an idea controlling mechanism" in order to maintain the regime. In the absence of the desire for work, bureaucratic corruption and ruined natural resources resulted from contradictions and failures in the system. Even so, the regime has been maintained until now since the "political violence and idea controlling mechanism" has yet to be dissolved. In addition, as an external factor, "U.S. imperialism" united people and helped to cover up and distort the contradictions of its system. If controlling residents requires unity, hostile relations with the United States, paradoxically, made a positive contribution to maintaining the regime.

The case of North Korea, hardly seen elsewhere in the world, has a very unique economic structure in that its total social production has not met total social demand since its foundation.

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<sup>18</sup> "Estimated Economic Growth Rate of North Korea for 2004," Official Bulletin 2005-6-1 Bank of Korea, Press Release, May 31, 2005.

However, the North has maintained this regime despite that fact due to its “dependence on the outside economy.” That is, the North’s inefficient economy, which relies on the war-time industry, has distorted rational distribution of national resources. In addition, the North found itself dependent on the socialist economic bloc, including the former Soviet Union, for its energy and war material. Thus with the break-up of the socialist bloc, one pillar of its economy collapsed, bringing its economic system to an abrupt halt. And add to that the recent irreparable damage to the North’s industries, the country now faces a direr situation than ever before, and is relying on outside resources for both its energy and food.

So, this begs the question, has the North changed at all? One positive change made by the North was its “7·1 Economic Adjustment Measures” introduced in 2002. The “measures” included readjustments of prices, wages and exchange rates to a realistic level, and has been evaluated as touchstone of reform in North Korea. The basic idea behind the reform initiated in July was first introduced in the Soviet Union and Eastern Europe in the mid-1960s, and pushed ahead in China and Vietnam in the early 1980s.<sup>19</sup> The actions seen later are not the outcome of the North’s shifting policy goals and aggressive determination for change, but subsequent measures against slackness in society and an uncontrollable situation swayed by the creation of a “low-level market” beyond the grips of the state. Thus, viewing these actions as reform or advancing into the market is potentially dangerous.

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<sup>19</sup> Park Hyung Joong, “Current Status and Outlook of Practical Socialism from the Perspective of Comparative Socialism,” *10-year History of Kim Jung Il Regime: Change and Prospect*, Conference Series 04-01 (KINU, 2004), pp. 191-192.

A minimum level of privatization, including individual farming, to the extent that socialism is not threatened, is expected to help the economy recover by increasing agricultural productivity and vitalizing every part of society. The “Economy Adjustment Measures” are far from the course of reform. Of course, leadership in Pyongyang has no choice but to execute economic reform by adjusting the pace, mindful of sudden change and risk.<sup>20</sup> Paradoxically, unlike China and Vietnam, it is not easy for the North to pursue bold reform and openness despite economic cooperation and aid from the South, a rival for more than 50 years. Nonetheless, it is time for the North to deliver a clear message on its reform and openness, both inside the country and out.

At this juncture, two options are on the table to keep its regime: owning nuclear weapons or abandoning them to opt for aggressive reform and openness. You can’t have your cake and eat it too. Even so, too much greed to get a bigger piece of the pie, and misjudgments, triggered a “lost ten years” for the North. What is clear is that making a “political” decision is not easy given that one thing must be chosen over the other; and even if pursuing reform and openness is the choice made, the future of the North’s regime is still not guaranteed.

## **B. “Phase of Readjustment” and Restoring Prospect**

It is up to the ability and judgment of the North’s leaders whether it will choose to deepen cooperative relations with the outside world, or pursue reform measures of socialistic production while

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<sup>20</sup> John Merrill, “North Korea, Slow Reform, and Change,” *Yonhap News*, May 19, 2005.

delaying political reform. Therefore, with uncertainty over its future, there is a need to predict various kinds of changes in the wake of a “shock” at the regime or state level. For example, the shocks that will likely result from the “readjustment phase” and its ripple effects should be carefully analyzed.

The “readjustment phase” of the regime should be preconditioned to ensure the making of meaningful reform and openness, thereby creating a bright future. In that case, a certain level of confusion is anticipated, and can be considered a rite of passage of sorts. Most of all, a fresh way of thinking is required to liquidate the history of division and open a new chapter.

## **2. Means of Unification: Confederation versus Federation**

There are two options on how to unite South and North Korea, establish a confederation or establish a federation. Now is the time to review the two options for unification. The impetus for these two options originates from the agreement made in the second clause of the “6.15 Joint Declaration” of the historic inter-Korea summit in 2000 in which “South and North Korea acknowledge common ground for the South’s confederation and the North’s low level federation.”

### **A. South-North Confederation: Transitional Phase**

#### **(1) The Basic Direction of Confederation**

The confederation suggested by the “6.15 Joint Declaration” is a combination of the two nations’ “Inter-Korea confederation” phase, a core part of the South’s method to reunite the Korean

community. Reuniting the Korean community highlights an interim stage on the path to realizing complete unification that respects the differing realities of the two countries. Inter-Korea confederation is set as a transitional stage to lay the basis for unification by enhancing inter-Korea cooperation, co-existence and co-prosperity.

The chances of accomplishing a “virtual inter-Korea confederation” are very good if a peace treaty is signed to bring about a low level peace regime, thus allowing for inter-Korea summits and high-level meetings to become regular events, inter-Korea national assembly meetings to be held, and a liaison office to be established and managed.<sup>21</sup>

## **(2) The Organization and Structure of an Inter-Korea Confederation**

The ‘Charter of Inter-Korea Confederation,’ agreed upon at the Inter-Korea Summit, is the legal basis for an inter-Korea confederation, which will consist of summit talks, inter-Korea ministerial level meetings, and an inter-Korea council and joint office.<sup>22</sup> The summit meeting will stand as the highest decision making unit, and will control and coordinate all matters getting in the way of achieving the goals of the confederation. Summit talks guarantee compliance and the implementation of the charter, and serve to assist in the negotiation and coordination of the principles and basic directions of maintaining and developing a

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<sup>21</sup> Kim Kuk Shin, *How to Form and Manage South-North Confederation* (KINU, November 1994), pp. 73-84, .

<sup>22</sup> Studies on Korea Unification Policy 1994-1, *How to Establish South-North Confederation*, the Advisory Council on Democratic and Peaceful Unification (December 1994), pp. 86-92.

peace regime. The nature of this power functions as a way to add the nature of federation to that of confederation. If a second inter-Korea summit is held and the meeting becomes a regular event, it will serve as the highest decision making organization.

The inter-Korea ministerial meeting plays a vital role, an executive part in the inter-Korea confederation. The ministerial meeting should be co-headed by the prime ministers of South and North Korea, and should include 10 or so ministerial officials from both Koreas. Here, detailed policies are coordinated and formulated to implement the charter. At this meeting, business commissioned from the summit talks is organized and implemented, and all current Korean issues are discussed and coordinated. Standing committees are to be set in each area—economy, politics, diplomacy, military, society and etc.—to review the progress of business.

The inter-Korea council (or inter-Korea national assembly meeting) should be made up of 100 or so congressmen from each Korea in an even number based on the principle of equality. The meeting will address procedures and ways to realize unification based on the unification constitution, and work out basic items including naming the country, political ideology and the form of government to be implemented, at the initial stage of the unification constitution. Finally, a joint office will assist in all sorts of tasks of the inter-Korea confederation, and handle working level items commissioned by the ministerial talks and inter-Korea council. The joint office as a supporting agency will place liaison offices in Seoul and Pyongyang, and work out the business of each confederated government. At the appropriate time, however, the joint offices will integrate the two separate bureaus and be located and managed in a third city.

## **B. Federation: Harmony between Unity and Autonomy**

Is a federation a feasible way to untie the two Koreas' differing ideologies and systems? Of course, we must recognize that there are limits to this kind of federation as a way to achieve unification. South and North Korea possess contrasting criteria in their approaches to meeting the typical conditions of the federation. Even more, it is not realistic for the two Koreas, with strikingly different ideologies and systems, to establish a federated government right away with one diplomatic and military supreme command and all domestic affairs under one constitution. A solid foundation for peace and prosperity can be laid by adjusting the federation to the reality of the situation and accepting unity and autonomy in order to overcome the enormous problems caused by the division between the two Koreas. Through the Inter-Korea Summit, a point of contact between the South's confederation and North's federation was recognized, and a "low level federation" was presented as a compromise of the two proposals, since it is not far from an "inter-Korea confederation."<sup>23</sup>

### **(1) Federation: Nature and Change**

Federation has been promoted by the North for the last 40 years as a method of unification. But despite the North's consistent support of the idea of "federation," its contents and nature must be changed. The nature of federation has shifted from its initial

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<sup>23</sup> Woo Sung Dae, "Political Condition for Unification-focusing on federation-," In response to 'Quasi Federation' or 'Federation with Confederation Style' as a Compromise between Confederation and Federation, *Post Cold War and New Political Order*, a collection paper in Commemoration of Dong Kok (銅谷), Ph. D Kim Ha Ryong's retirement (Nanam Publishing House, 1994), pp. 477-502.

concept of aggressiveness and offensiveness, to one of defensive logic. Federation, introduced as a part of the North's unification front strategy, was changed in such a way as to protect the regime in the 1990s, rather than promote unification.

Let's take a brief look at the federation's history. The late Kim Il Sung presented the "Inter-Korea federation" as a transitional stage to unification at his 8.15 celebratory speech in 1960. The idea came from Kuznetsov, the then foreign minister of the Soviet Union, who visited Pyongyang to talk about the situation on the Korean peninsula in the wake of the 4.19 revolution. He suggested that Kim Il Sung form a federation to remove negative feelings toward communism and unification by force among the South Koreans. The idea to form a "Democratic Confederal Republic of Koryo" was proposed by Kim Il Sung at the 6th congress of the Workers' Party of Korea on Oct. 10, 1980, as a complete form of unification through the "Koryo Federation System" (1972).

The central tenets of the "Democratic Confederal Republic of Koryo" were as follows: ① establish a "supreme council" of the unified government consisting of an equal number of South and North Korea representatives, and an appropriate number of overseas compatriots; ② implement a "federal standing commission," a standing body of the "supreme council" to handle politics, diplomacy and military matters; and ③ pursue independent policies by regional governments under the federal government's direction in respect of the differing ideologies and institutions of South and North Korea. The federation became the backbone of the North's method of unification. A federation was established in 1991 under the premise of "One people, one state, two systems, two governments," and in the process, so-called a "low level federation" (2000) came into light.

The North's federation had been centered on the central government possessing diplomatic and military power before the 1990s. Such a makeup has been condemned for ignoring reality, and causing more difficulty in finding common ground between South and North Korea. In response, Kim Il Sung came up with the idea of a "loosened federation," commissioning diplomatic and military authorities to regional governments in his New Year's speech in 1991, and acknowledging the limits of realizing a federation. Ten years later, the "loosened federation" was reborn as a "low level federation" at the Inter-Korea Joint Declaration.

## **(2) North Korea's Federation: Possible Routes**

North Korea disclosed its framework and approach to federation based on how to create a "Democratic Confederal Republic of Koryo." Following the summit talks, North Korea made it official that a "low level federation," based on "One people, one state, two systems, two governments," would effectively maintain the existing function and authority of the two governments—keeping politics, military and diplomacy intact; the Korea Unification Organization was then newly created. In addition, a "low level federation" follows the footsteps of the "Democratic Confederal Republic of Koryo" in that it proposes a federation that fulfills the goal of unification by temporarily allowing local governments from federated governments to have more authority, allowing for the strengthening of the central government's function in the long run.<sup>24</sup>

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<sup>24</sup> An Kyung Ho, President of the Advisory Council on Democratic and Peaceful Unification (ACDPU), "Speech to Mark 20th Birthday of Proposal of Democratic Confederal Republic of Koryo at Pyongyang," *The North Korean Central Broadcasting Station* (October 6th, 2000).

Federation honors the principle of “decentralization and autonomy” while pursuing the unity of Koreans on the condition of the co-existence of different ideologies and regimes. South Korea has made a certain level of advancement in democracy, but its democracy is not yet matured, resulting in increasing social and political conflict. In the meantime, the North has made every effort to maintain its totalitarian and military-style national state, despite its low level economic development.

It is impossible to have a positive outlook on “North-style socialism” and its system of leadership unless the country seeks changes in both. Threats from both the South’s economic power and the spread of freedom and democracy that will ultimately destroy its regime, will make it hard for the North to abandon its unification front strategy, prompting the breakup and self-destruction of South Korea’s society and political ideology.

Even so, the federation could be used as an institutional framework to support the stable transformation of the North from a self-worshipping system into one of socialistic authoritarianism respecting democracy within the Worker’s party; and from “North-style socialism” into socialism linked to the market economy with minimal outside intervention.

The reason we should review the change and new meanings surrounding the notion of federation are as follows. First, a federation is a legal and institutional framework to directly involve the North Korean region in case of an emergency. With a federation, specific inter-Korea relations could be certified and guaranteed. Even if it is in a very loosened and low level phase, a nation with a federal element can justify Seoul’s support for and intervention into Pyongyang if the North collapses. Additionally, a

federation allows South Korea to ‘economically support North Korea’ and ‘maintain order.’

Second, although accepting the North’s Unification Front Strategy could remove the resistance and fears of North Koreans, it may also lead to fear, among South Korean citizens, of the disruption of South Korean society. In order to reduce these fears, efforts should be made to instill South Koreans with confidence in the South’s democracy, with particular emphasis on openness, economic prosperity and respect for freedom and human rights.

Third, federation guarantees an institutional basis to improve inter-Korea relations under the peace regime on the Korean peninsula. Even a relaxed form of central (federal) government sets the economic recovery and development of North Korea as a top priority.

Fourth, federation is closely related to “inter-Korea confederation,” a core concept of South Korea’s proposal to reunite the Korean community. Of course, there is a subtle difference between federation and confederation in the level and quality of integration of the two Koreas. However, the gap between a “low level federation” and “confederation” is actually fairly minimal.

Fifth, the possibility that the North will suddenly suggest a federation to in order to maintain its regime and leadership in times of change can’t be ruled out. That case should be prepared for.

Finally, even if both Koreas fail to fully prepare for unification, a federation could serve as an institutional buffer zone to manage the process of abrupt unification. For instance, even if South Korea is in the position of ‘supporting the North’ after unifica-

tion, sudden political and institutional integration is not desirable. Therefore, the federation could be used to manage the process of unification while laying the basis for unification in every part of society for the time being.

Finally, the relationship between the peace regime and the two options for unification need to be explained. It is a matter of choice depending on the circumstances at home and abroad, and residents' wishes in the course of going toward unification from a peace regime.

If both residents are not eager to combine nations, even the "low level federation" could practically remain as an inter-Korea confederation exceeding the level of agreement of the '6·15 Inter-Korea Joint Declaration.' In doing so, in the long run, both may agree to create a federation. However, if a particular set of circumstances occur in North Korea and both Koreas are eager to be unified subsequently, the idea of forming a federation is likely to significantly gain momentum. Political leadership will determine the success of unification in managing risks both at home and abroad and in meeting the demands and expectations of the residents of both Koreas.

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## V . Conclusion

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Peace and unification involving the Korean peninsula are closely related to the changing nature of the order in Northeast Asia and the North Korea nuclear problem. The order of Northeast Asia in the 21st century is changing in new and unexpected ways. The United States, Japan, China and Russia, each with their own vested interest in Korea, both compete and cooperate with each other. In trade, close cooperation and interdependency is growing, while in security and international politics, uncertainty is increasing, thereby leading to unclear prospects for the future.

To establish peace on the Korean peninsula, the goals and strategies of North Korea should be clearly understood, and a circumstance where neighboring countries share the importance of peace and stability for Northeast Asia needs to be fully realized.<sup>25</sup> In this

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<sup>25</sup> Park Young Ho, “Establishing Northeast Asian community of Peace and Prosperity on the Korean Peninsula,” *Grand Policy Plans for Korean*

context, the need for a peace treaty is being increasingly shared among the participants of the six party talks, though concrete actions have yet to be undertaken.

A peace treaty can be discussed when North Korea's nuclear problems are resolved. Substantial progress on the issues can be made when the threat of nuclear weapons disappears. Of course, peace on the peninsula could be greatly enhanced if the United States and other countries agree to a peace treaty as a multilateral regime to guarantee peace in Korea. A peace treaty should be dealt with in such a way as to ensure that the treaty and nuclear issues are handled at the same time, rather than resolving nuclear issues first.

Regardless of 'de facto' unification as a long-term goal or 'unification by absorption' by the South as a short-term goal, it should not be undertaken in haste. However, making preparations and predictions for unification are of major importance. Active cooperation and aid to North Korea should be pursued to restore the prospects for its future, and its fate should—at the same time—be in the hands of the leadership and residents of North Korea themselves. In the process, however, the need for 'managing the North' should be shared so that uncertainty over Pyongyang is properly controlled and managed.

Unification can take the form of a transitional type inter-Korea confederation or federation over either the short or long term. Or it can be pursued suddenly without going through such a process. Unification can't be a matter of "us"; that is, it influences not

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*Peninsular for Peace* (Research Council on Unification Affairs, 2005), pp. 17-21.

only the political landscape of Northeast Asia, but also the changing status of the United States and China in relation to Northeast Asia. Thus, unification is possible only when neighboring countries support it. The Korean peninsula is small, but is large in terms of population. An inward-looking attitude is not desirable; the Koreans will realize their true potential only through open-mindedness. Globalization can lead to peace and prosperity, the ultimate goals of Koreans.

