



# *The Vision for East Asia in the 21<sup>st</sup> Century and the Korean Peninsula*

건국 60주년 기념 국제학술회의 21세기 동아시아의 비전과 한반도

Tue., Sept. 9, 2008 Seoul Plaza Hotel, Grand Ballroom  
2008. 9. 9(화) 서울 프라자 호텔, 그랜드 볼룸

주최 통일연구원

Organized by Korea Institute for National Unification

후원 통일부, 조선일보

Sponsored by Ministry of Unification · The Chosun Ilbo



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## Opening Remarks

I would like to begin the opening statement with my heartfelt gratitude to the guest of honor and participants: Honorable Han Jung Kim, Minister of Unification, Honorable Richard Armitage, former Deputy Secretary of State of the United States, Professor William Brown, Professor Inoguchi Takashi, Director Pan Zhenqiang, Director Alexander Panov, and distinguished guests. I welcome you and thank you for your presence at this international seminar, sponsored by KINU and supported by the Chosun Ilbo, commemorating the 60<sup>th</sup> anniversary of the founding of the Republic of Korea. I would also like to convey my deep gratitude to the experts participating in this event as presenters, discussants, and moderators in each panel.

My dear guests of honor and participants, the year 2008 is especially meaningful as it marks the 60<sup>th</sup> anniversary of the founding of the Republic of Korea, as well as the year the Lee Myung-bak administration presents the “Advancement of the Korean Peninsula.” Now is a very precious moment for us: in order for our nation to jump to an advanced world-class state, we want to secure a firm foothold on the results of industrialization and democratization our society has achieved during the past sixty years. I think it will become the most critical stepping stone for the advancement of the Korean society to create future visions for the Korean Peninsula based on mutual benefit and common prosperity. There remain many obstacles to overcome to create a framework for mutual benefit and common prosperity on the Korean Peninsula: the peaceful settlement of North Korean nuclear problems, confidence building through improving inter-Korean relations, building a structure for cooperation with the international society, among others.

The advancement of the Korean Peninsula is not a task for Korea alone. To accomplish this goal it is necessary to keep inter-Korean relations stable and to

extend the development of South Korea towards the peace and prosperity of Northeast Asia as a whole. For this, the ROK must strategically cooperate with the international society based not only on the understanding of the Korean government but also on that of the Korean Peninsula policies of neighbors in Northeast Asia. It is true that both inter-Korean relations and nuclear disablement have been recently suspended. The current intermission may seem particularly long, for the situations on the Korean Peninsula have been changing rather rapidly until recently. Yet, there is a saying that “crisis often brings opportunity.” We must gather our wisdom to turn the current crisis into a window of opportunity. The Korean government should unfold its stated principle of creative pragmatism into practical policies. The basis of our policy should contain blueprints of not only the advancement of inter-Korean relations but also of that of East Asia including future visions for the development of East Asia.

KINU has planned this international seminar “Visions for the 21<sup>st</sup> Century East Asia and the Korean Peninsula” with ideas mentioned above. I hope this forum will be a fruitful occasion for serious discussions on the East Asian visions among eminent scholars and experts across the region. I also expect this seminar to provide a valuable opportunity to hear policy implications for establishing a society of international cooperation.

**Jae Jean Suh**  
President, Korea Institute for National Unification





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*The Vision for East Asia in the 21<sup>st</sup> Century  
and the Korean Peninsula*

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Keynote Speech

*Significance and Implementation  
of the Policy of Mutual Benefits  
and Common Prosperity*

*Ha Joong Kim*  
(Minister of Unification)



President Suh Jae Jean, Mr. Richard Armitage and distinguished guests,

I'd like to first congratulate you on the successful opening of the international conference on peace and the unified future of the Korean peninsula.

I also take this opportunity to express my deep gratitude to all those people without whom this conference wouldn't have been possible.

In particular, my special thanks and warm welcome go to Mr. Richard Armitage, the former U.S. Assistant Secretary of State, Professor William Brown, Professor Inoguchi Takashi, Mr. Pan Zhenqiang, Mr. Alexander Panov and others who have travelled a long way to attend this conference.

I think it's very meaningful for us to take a broad look at the historical trend and to chart our new path forward for the next 60 years as we celebrate the Republic of Korea's 60th anniversary.

For this reason, the "Vision for East Asia and the Korean Peninsula in the 21st Century" is a well-chosen and timely topic for the conference. I hope that everybody participates in active debate and hope that we can draw valuable conclusions at the end.

Ladies and gentlemen,

Today, globalization has become the most important trend in our culture that defines the way we live.

The advancement of knowledge, information technology, transportation as well as telecommunication all enhanced understanding and exchange between various cultures and also lowered barriers



among nations.

Countries have improved the quality of life for their citizens thanks to the global integration of markets and increased economic interdependence. Liberalization, communication and integration are the spirits shaping today's world.

Unfortunately, the history of national division and confrontation has continued on the Korean peninsula. South and North Korea still face many challenges.

Nevertheless, we cannot forego the long-cherished desire of the Korean people and the spirit of the times that calls for peace and the improvement of the quality of life for all Koreans.

Korea is taking proactive initiatives that will allow us to answer such calls for change.

President Lee Myung-bak has declared that he will work to improve inter-Korean relations in a productive way that will help both South and North Koreans lead a better, happier life and also lay the foundation for national unification.

With such goals in mind, the Lee Myung-bak government is promoting a policy of mutual benefits and common prosperity toward North Korea.

The government seeks durable peace on the Korean peninsula so that inter-Korean relations promotes mutual benefits and common prosperity between the two Koreas.

As we peacefully resolve the North Korean nuclear issue and reduce tension as well as build trust between the two Koreas, we will be able

to create a new peace structure on the Korean peninsula.

The Six-party talks have been in progress over the last few years. This year, we have succeeded in persuading North Korea to take steps toward disabling its nuclear facilities and to submit declarations on its nuclear programs.

I hope that verification process of North Korea's declarations is completed as soon as possible so that we can move onto the final stage, which will be the complete dismantlement of North Korea's nuclear weapons and programs.

To facilitate progress in the denuclearization of North Korea, we will make our endeavors through the inter-Korean relations and continue to work closely with other members of the Six-party talks.

The Lee Myung-bak government will work to create an economic community to promote mutual benefits and common prosperity between the two Koreas.

South and North Korea have been promoting economic exchanges and cooperation through various joint projects, including the Gaeseong Industrial Complex and re-connection of the inter-Korean railroads and roads.

Transaction of commodities between the two Koreas expanded dramatically, making South Korea the second largest trading partner of North Korea.

We want to further expand economic cooperation and help North Korea's economic development. We wish to open an era of common prosperity between the two Koreas.



The South Korean government will try to improve the quality of life for all Koreans, thereby bringing genuine happiness to all. You can say that this is the real goal of our policy of mutual benefits and common prosperity.

Many of us are still suffering because the Peninsula is divided. Issues of the South Korean POWs and abductees as well as that of the separated families remain unresolved.

We will not turn a blind eye to these issues that are inflicting enormous pain on all Koreans. We will try our utmost to resolve them through a proactive and sincere approach.

Ladies and gentlemen,

It is critical to engage in dialogue in order to settle such pending issues between the two Koreas and advance inter-Korean relations. When it comes to inter-Korean dialogue, there should be no conditions attached to it nor any restrictions put on the agenda.

Based on this position, the Lee Myung-bak government has consistently proposed holding dialogue to the North for the past six months since its inauguration.

Back in April 17, President Lee proposed establishing a permanent liaison office between the two Koreas, and since then, the South Korean government has urged the North to engage in talks with sincerity on several occasions.

Seoul also announced its willingness to deliver 50,000 tons of corn to Pyongyang to relieve the aggravating food situation, and urged it to accept the proposal several times.

We have made it firm and clear that we will consult with the North on how to implement all the agreements made between the two Koreas, including the June 15 Joint Declaration in 2000 and the October 4 Declaration in 2007.

The North, however, is making groundless claims that the South is denying those two declarations, arguing that Seoul must first acknowledge and implement them completely before North Korea returns to dialogue.

It is essential to discuss with the North regarding how to specifically implement the June 15 and October 4 declarations. In particular, we need to take into account the massive amount of government budget required to implement the October 4 declaration. For us, Pyongyang's unilateral demand for unconditional implementation is unacceptable.

We hope that North Korea returns to inter-Korean dialogue with sincerity.

It is unfortunate that Pyongyang is not responding to our request for dialogue and cooperation but is engaged in harsh criticism against the Lee Myung-bak government, making derogatory remarks against President Lee.

And there occurred a tragic incident where a female South Korean tourist visiting Mt. Geumgang was shot and killed by a North Korean soldier back in June.

This incident made the South Korean people demand a stricter attitude toward the North.

It disappointed those who have endeavored to advance inter-Korean relations while making the South Korean public extremely upset.



However, considering the significance of inter-Korean relations, the Lee government decided not to link the shooting incident to other inter-orean issues so as not to further aggravate inter-Korean relations.

Our position is that, through inter-Korean talks, we will continue to look into the shooting incident to determine what happened and agree on securing personal safety measures and prevent recurrence of similar incidents. Once that is done, we will resume the Mt. Geumgang tourism project and through it, further consolidate inter-Korean relations

In this sense, we strongly urge Pyongyang to take a more proactive attitude toward the settlement of the shooting incident.

The government will be firm on its principles to advance inter-Korean relations for mutual benefits and common prosperity.

No matter how strong the North's criticism or pressure on us may be, our position will remain steadfast. The South will not be swayed by the North's harsh rhetoric.

It will wait for North Korea to come forward to engage in dialogue.

When the North stops criticizing us and engages in inter-Korean dialogue with sincerity, we will expand inter-Korean cooperation in all aspects.

It is known that the North Korean people suffer from food shortages. We will not ignore such reality. We will assist the North.

Furthermore, we expect to discuss pending humanitarian issues between the two Koreas in a comprehensive manner.

Discussions on further economic cooperation will also be conducted.

North Korea misinterprets the Vision 3000: Denuclearization and Openness as an economic cooperation plan that can be pursued only after complete dismantlement of its nuclear programs. Accordingly, the North expresses its rejection of the plan.

However, the government repeatedly made it clear that the Vision is designed to facilitate the resolution of the North Korean nuclear issue and does not regard nuclear dismantlement as a precondition for economic cooperation.

We intend to support economic development of North Korea in a phased manner as the North Korean nuclear issue makes progress.

When inter-Korean dialogue resumes, we will have frank and open discussions on how to implement the plan.

Distinguished guests,

One of the most important things in pursuing the North Korea policy is building national consensus. North Korea policy which is not based on national consensus would cause conflicts among the South Korean people and confusion in inter-Korean relations.

The South will put emphasis on communicating with the public as we do on dialogue with the North. By doing so, we will listen to the public opinions on our North Korea policy. We will carefully listen to criticisms and take advice from the public in order to transparently implement our policy.

The Lee Myung-bak government will closely cooperate with the international community in pursuing its policy toward North Korea.

Basically, it is South and North Korea which should take the lead in



dealing with issues regarding the Korean peninsula. Nonetheless, many of them require international cooperation to be effective.

International cooperation has gained more importance particularly after the emergence of the North Korean nuclear issue.

As it pursues development of inter-Korean relations, the Lee government will be keenly aware of the need for international cooperation to resolve the Korean peninsula issues. In this regard, we will seek close cooperation with the related countries.

Also, we will make continued efforts to have international community actively support our endeavor to achieve peace and stability on the Korean peninsula.

Ladies and gentlemen,

We are eager to advance inter-Korean relations to contribute to peace and prosperity in East Asia and throughout the world.

When the Korean peninsula, which once experienced fierce confrontation over ideology, turns into a place where mutual benefits and common prosperity are accomplished, a new paradigm will be created on the peninsula as it connects the ocean and the continent and the East and the West.

When stalled inter-Korean relations is resumed, the Korean peninsula will become a gateway for prosperity and a hub of logistics, opening a new era for the Eurasian continent and the Pacific ocean.

If the peninsula becomes nuclear-free and achieves solid peace, it will present a model of conflict resolution for the international community. It will also facilitate security cooperation in East Asia.

We are well aware of the implications of the establishment of peace on the Korean peninsula and the advancement of inter-Korean relations.

In that sense, I believe this conference deals with not only the Korean peninsula issues but also the future of East Asia. I am convinced that today's gathering will provide meaningful opportunity for experts from home and abroad to share their knowledge and wisdom.

Once again, I would like to congratulate you on the opening of this conference. I hope that today's gathering contributes to peace on the Korean peninsula and East Asia as well as the development of the region.

Thank you very much.

Session 1

*The Vision for East Asia  
in the 21<sup>st</sup> Century  
and the Korean Peninsula*





*The Vision for East Asia in the 21<sup>st</sup> Century  
and the Korean Peninsula*

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# *The United States, Korea, and East Asia in the 21<sup>st</sup> Century\**

*William B. Brown\*\**

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*\* The paper prepared for the presentation at the Conference sponsored by the Korea Institute for National Unification and the Ministry of Unification, Seoul, September 9, 2008.*

*\*\* Professorial Lecturer, George Washington University and Senior Analyst, CENTRA Technology, Inc. from which he engages in full-time consulting work on East Asia for the US government. Mr. Brown is retired from a career in the US Civil Service, having worked on economic issues related to Korea, China and Japan. He served as Senior Research Officer in the US Embassy in Seoul in the mid-1980s, grew up in Kwangju in the 1950s and 1960s, and graduated from Taejon Christian International School in 1969.*

## :: Summary

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This paper commemorates the 60<sup>th</sup> anniversary of the founding of the Republic of Korea by looking at three issues important in 1948 and still important today: America's vision of Korea's position and standing among the big powers of East Asia, America's vision of how these countries will work together in the future to ensure peace and prosperity, and the specific role the US has working with South Korea to solve the many issues related to North Korea. Of course, the later implies that the US and Korea have a common vision. I think we do but one of my concerns is that after 60 years of banding together in the Alliance we may take such things for granted. So I investigate several differences and present a few ideas on how to begin to bridge them.

First, the US in my view, alone among the big Asia powers, has a vision of the Korean Peninsula as one governed by a *prosperous, strong, democratic* and, yes, *unified* government. In the past two generations, the first three goals have been achieved, mostly by the Korean people but with help from the United States, and at great cost to both countries. The last goal, unification, remains on the horizon but is an achievable and realistic goal. This broad vision may sound a bit obvious but I don't think it is necessarily shared by Korea's big neighbors and sometimes I'm not sure it is shared even by South Korea. I'm sure it is not yet shared by North Korea. There is a strong and natural tendency among close neighbors to be fearful of and resist the kinds of change this vision implies, and like brothers, to constantly waste energy in vicious name games. China, Russia, and Japan are, in my view, status-quo countries with respect to Korea. This is understandable given their positions but it also is understandable that the US, far away but heavily involved, can be more progressive in both its vision and in its actions.

It seems evident that each one of these four criteria are interrelated and are necessary to each other. Most importantly, as long as there are two governments in Korea we all know they will be rivals and the rivalry will be a threat to security and peace. It is thus hard to have a vision of a peaceful and prosperous peninsula that is not unified, unless that peace is guaranteed by an outside power, as it is today. What is best for Korea in the long run is thus best for America. As we look forward we need to keep in mind that this commonality of interests is what keeps the relationship firm.



Second, with respect to East Asia, most Americans see the region progressing in a way in which each of these well differentiated and well defined nation states remain independent and secure in their borders while open and transparent in their economic relationships. The issue of borders is thus quite different than Europe although I think South Korea itself would do well to look carefully at the successes of Europe's smaller states and learn by setting better standards to move more quickly than the lumbering giants. It is easy for us in America to focus on giant China and rich Japan but I think we will do better by looking at Korea as the keystone of an already prosperous and peaceful East Asia that is developing quickly beyond anyone's expectations.

China, of course, is of concern to the United States but not in the way it is often portrayed — a winner take-all rivalry. The US and China still are far too different as nations to compete in that way. Frankly, Korean and Japanese companies and workers, for a long time will be more competitive to Americans than are Chinese. Instead our concerns are due to a uneasy sense that China, though moving quickly in the right direction is itself not yet settled in sustainable economic and political development. We worry that an economic, political, or security crisis could throw China off its positive development track and catch us and the world economy in a train wreck. A sensible US China policy thus seeks to help prevent a speeding China from jumping the track while creating buffers should it happen. Its hard for me to imagine that sensible South Korean or Japanese policies would be very different.

Lastly, the darkest cloud in this otherwise bright picture is North Korea, also celebrating its “hwangap” even as we speak. I'm not sure which of three paths our country, on the verge of an important election itself, will take with respect to the nuclear problem but I am concerned that this one issue has come to dominate our many issues with North Korea. We may, out of frustration, end up ignoring Pyongyang and letting the neighbors take care of the problem or we may, also out of frustration, try to change North Korea using either soft measures or hard pressure. South Korea is in a good swing position to influence our policy direction so I hope it is preparing well and thinking clearly for whatever will transpire over the next few months and years.

I said earlier that is easier for the US to take on a higher risk, higher reward vision for a unified Korea than is even Korea, or certainly any sitting South Korean president. It is quite natural that our everyday polices will

differ somewhat. I make three suggestions, however, that may help to maintain the health of the Alliance. First, by making it clear to the public that we do have a common long range vision and plan for this Peninsula as we do for the extent and the limits of the US role here. Second, I think we should share more information about North Korea – and by that, what I really mean is that I think South Korea needs to do a much better job developing information and informing us and the neighbors. Lastly, and most critically since no one really knows what will happen with the DMZ in coming years, we should begin to plan together for the day, either next week or sixty years from now, that the old dam springs a leak or breaks and either chaos or peace breaks out.

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I've been asked to give my own US related "vision" of the future of East Asia and, in particular, the Korean Peninsula in celebration of the 60<sup>th</sup> anniversary of the founding of the Republic of Korea on August 15, 1948. I'd like to present what I'm pretty sure is a rather mainstream American view of what we hope will be the future of this region, and the US role in it, and then follow that with some ideas about a path toward achieving that future. By nature Americans are optimistic and that optimism pervades my perspective as well. Optimism helps us to overcome obstacles that naturally arise and thus, to a degree, is self-fulfilling. But we also are realistic and understand that there is nothing inevitable about progress. Optimism and a willingness to work and even fight for progress is a clear pattern in America's deep and by now successful relationship with East Asia.

## **US Vision for Northeast Asia and Korea**

Some years ago I was privileged to work in the US Embassy here in Seoul and appreciated the advantages of having a diplomatic license plate — especially nice after living in Washington and seeing the parking privileges of foreign diplomats. I must admit I liked having on the plate the little 1 with a circle around it, an honor given by the Republic of Korea to the United States since Washington was the first to recognize the Seoul government — not Beijing, not Tokyo, not Moscow. It was more than a dozen years later that Tokyo normalized relations and a generation later that the other neighbors followed suite. Sixty years, or two generations later we hardly bat an eye at that bit of history but it should remind us of something fundamental in the US vision of Korea and East Asia. The US, alone among the great powers of the region, has no reticence in accepting

Korea as an independent and equal state in the family of nations. The fact that we have never recognized the Pyongyang government reflects another fundamental aspect of our relations with Korea — even if in fact the Peninsula is divided, our vision is that it be unified under one democratic government. If the US has had concerns about South Korea over these years they have been about the stability of what at times has appeared to be a weak and internally divided South Korean state, vulnerable to collapse, authoritarian rule, internal chaos, or even renewed warfare with the North.

I note a recently declassified US intelligence assessment of South Korea produced just two days after the founding, on August 17<sup>th</sup>, 1948

“The new government is confronted with the possibility of violent opposition — invasion from the northern zone, communist-sponsored revolution within the southern zone, or a combination of both. ... The danger is recognized.”<sup>1</sup>

Many tests over the past sixty years has built US and Korean confidence in South Korea’s future to the point that some on both sides of the Pacific now question the ongoing need for the strong Alliance. This is a sign of success although most of us recognize that significant concerns remain and because of those concerns it is best that the US troop presence and the Alliance continue. Once those concerns are removed, however, a new security structure can and should be accommodated. Its not too early to begin thinking about that.

To summarize, the US, in my view, alone among the big powers, has a vision of the Korean Peninsula as one governed by a *prosperous, strong, democratic* and, yes, *unified* government. In the past two

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<sup>1</sup> *Yonhap*, August 12, 2008 referencing the US National Archives.



generations, the first three goals have been achieved, mostly by the Korean people but with help from the United States, and at great cost to both. The last goal, unification, remains on the horizon but is an achievable and realistic goal. Unlike the other goals, we are much less in control of the timing of unification and we must prepare for its occurrence, whether it happens next week or whether it takes another generation. This uncertainty about timing brings our long-term vision of the future into a very current perspective.

Koreans sometime surprise me but I doubt their 21<sup>st</sup> century vision is much different than what I have laid out for United States. In my view, the largest difference is that some South Koreans seem to have their head in the sand with respect to unification. I worry in fact that this country is not preparing itself well for what could be the opportunity of the new century — as Germany’s successful unification was a highlight of the second half of the last century. Deemphasizing unification as a strategy or a vision, and fretting about the potential chaos and economic costs, does not mean it won’t happen suddenly and without warning or gradually over a generation. History shows these kinds of events really can’t be predicted. Like a once in a 60-years storm, however, preparations can be made, and insurance purchased, to mitigate the worst impacts and take advantage of the best. Speaking as an economist, moreover, the economic costs of unification to me are often overstated and the benefits are rarely mentioned. Reunification, after all, would join two highly complementary economies creating great opportunities for trade and productive investment. Differences drive profitable trades and by now North and South Korea are very different in economic terms. Much of the so called costs we read about really are lucrative investment opportunities if well planned for and executed. Of course if not executed well unification could be a disaster. So this careful

planning should be underway now.

More importantly than the economics of unification, it seems evident that as long as there are two governments in Korea they will be vicious rivals and the rivalry will be a threat to security and peace. It is hard for me to have a vision of a peaceful and prosperous peninsula that is not unified, unless that peace is guaranteed by an outside power, as it is today.

In short, I'm pretty sure that what is best for most Koreans is also best for America. Friendship and joint struggles have helped but it is this commonality of interests, not any particular ideology, allegiance, or altruism on one side or the other that is responsible for the strength and the longevity of the US-Korean Alliance.

Our friends from China, Russia and Japan may disagree, saying they also have this same vision for a strong and united Korea. Hopefully this is or will be the case but there are certain natural differences that arise, mostly I think, from geography and history. Like any "next door" neighbor, these powers simply have too many intertwining and competing interests between themselves and with Koreans to have an easy commonality of purpose. For each neighbor, the overwhelming desire is for a stable and peaceful Korea, even if such stability and peace is maintained through powerful military means and repression, or by a disinterested outside power. Prosperity for Korea is fine to them as long as Korean prosperity is not greater than their own, for that could create tensions within their own borders. War, in their view, should be avoided at all costs while even peaceful unification is too risky a proposition since easily it could turn to instability and chaos or lead to a rival power in control of strategic Korean territory. To put it bluntly, China, Russia and even Japan are *status quo* countries when it comes to Korea. For them a securely divided Peninsula, kept peaceful by a strong US military



that has no Peninsula or regional ambitions, and a poverty stricken and fundamentally weak North Korea, is a fine and perhaps best solution to the problem that has been Korea over the past 100 years. The only problem is that on October 9, 2006, Pyongyang woke them up from their dream with a bang, admittedly a small one but one that forever changed the way they look at the divided Peninsula.

The US, a far away country, in this respect is different — we can accept more short-term risk in pressing for changes on the Peninsula that leads to progress and to what we hope and expect will be eventual unification under a *strong, prosperous, and democratic* state. And around such a state we expect will form a peaceful and prosperous East Asian region, not dissimilar to Europe or North America but with even more potential to create global prosperity and combat common global problems.

- President Roh had a vision for Korea as the “balancer” of East Asia. That sounded to many as a risky and uncomfortable role given the size and power of the neighbors. He later wisely changed his idea to that of Korea being a “hub country” of East Asia. I don’t think we in America have any problems with the later vision. The challenge is making this happen in the reality of a divided Peninsula.

Our concern, shared I’m sure by the rest of the region and Korea itself, is that a unified Korea could be anything but strong, prosperous and democratic. A fragile country, divided or not, could prompt instability and even warfare in the region, just as it did a century ago. A hub after all is not that different than a vortex, recalling Gregory Henderson’s famous book on Korean politics.<sup>2</sup>

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<sup>2</sup> Gregory Henderson, *Korea, The Politics of the Vortex*, Harvard University Press, 1968.

## Korea as the Keystone of East Asia

So that is both our vision and our challenge for Korea. As for East Asia, this peninsula, as seen from a US perspective, is the keystone of an already prosperous and peaceful East Asia that is developing quickly beyond anyone's expectations, first with the rebuilding and successful democratization of Japan, followed by the same in South Korea and Taiwan, and now, at least in economic terms, by giant China. North Korea is the only one not on track hopefully this also will change soon.

China, of course, is of concern to the United States. Some argue that the US and China are caught up in some kind of vicious winner take-all rivalry and that the US is trying somehow to "contain" China's rise. I'm sure some Americans and many Chinese believe that to be the case but I think it is a false conception. Rivals like brothers, like Samsung and Hyundai, like Coke and Pepsi, like North Korea and South Korea, usually are similar in nature and aim at the same target. You can hardly find two more dissimilar big countries than China and the United States so the idea that we are rivals loses credibility. Japan, Europe, and Russia are probably more likely to be our national level competitors at least over this generation, and for our companies and workers, South Koreans are more of competitive than are the Chinese. Not so long ago the US and China were on opposite ends of an ideological struggle between democracy and capitalism on one side and totalitarian socialism on the other but that struggle has all but gone away with the collapse of the Soviet Union and the end of international communism. China has embraced most aspects of capitalism and at least its rhetoric is increasingly suggestive of democracy. Perhaps we saw some rivalry in the recent Olympics but certainly not a zero sum rivalry — all of us like a fair



and competitive game, it brings out the best in us and our athletes. US television ratings of the Beijing Olympics were very high precisely because of the evenness of the competition. So instead of rivals, I think it is important to see the US and China as very different and highly complementary nations that are taking advantage of those complementarities to increase trade and investment and in the process raise world prosperity—following David Ricardo’s fundamental theorem of classical and neoclassical economics.

Our concerns related to China are thus not formed by zero-sum competition. Instead they are due to a uneasy sense that China itself is not yet quite settled in sustainable economic and political development. The economy is booming but looks to be too investment driven and not sufficiently productivity driven, its capital markets are more fragile even than South Korea’s were in 1997, its demographic situation soon will be like Japan’s twenty years ago when a flat and then declining workforce contributed to a “lost decade,” and China’s centralized and authoritarian politics appear shaky and out-of-step with a world that has endorsed decentralized democracy. In a nutshell, we worry that an economic, political, or security crisis could throw China off its positive development track and catch us and the world economy in a train wreck. This is not just a hypothetical worry. Our experience in East Asia over the past generation has been that economic crises happen fairly regularly and when they do our own economy suffers some consequences. A sensible US China policy thus seeks to help prevent a speeding China from jumping the track while creating buffers should it happen. Its hard for me to imagine that sensible South Korean or Japanese polices would be very different.

- In practical terms this means we encourage and at times

demand continuation of the reforms that are liberalizing China's labor and capital markets so that they can more smoothly integrate within China and with the wider regional and world economies. It also means we advocate improved human rights and democracy that we think will help prevent revolutionary or separatist conditions from developing. And we work to lower tensions in the Taiwan Strait, letting time and decentralized business and personal relationships solve that divided country problem in a peaceful and democratic way.

Summing up, an American vision for East Asia is one in which each of these well differentiated and well defined nation states remain independent and secure in their borders while open and transparent in their economic relationships. Given the unequal size and relative powers of these states, their tradition of highly centralized governments, and their historical and natural rivalries, our vision for East Asia does not include an EU like monetary or political union — indeed, perhaps thinking selfishly, we might consider such a union to be an unwelcome rival to the United States. Instead, our vision for East Asia is for less, not more centralization of power. Borrowing from President Roh, and Joseph Nye before him, the US may play an occasional “balancing” role in the region as long as it is beneficial and needed. We think this is to our mutual advantage and many Korean scholars tend to agree.<sup>3</sup> For example, since Russia and China are nuclear superpowers our balancing role is to offset their capabilities by providing a nuclear umbrella for Japan and South Korea, thus avoiding a nuclear arms race that would be in no one's interest.

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<sup>3</sup>- See Kim Kook-shin, Yeo In-kon, Kang Han-koo, *Transformation of the U.S. Japan Alliance and South Korea's Security Strategy*, KINU, June 2008.



## Challenges: Getting There From Here

The vision is the necessary but easy part of this paper. The hard part is figuring out how we get there from here and what risks are we going to have reckon with. This is where we need to be less optimistic and more analytical and realistic in our thinking. Certainly plenty can go wrong and our vision of a unified Korea peacefully settled in a prosperous, stable, and decentralized East Asia might just remain exactly that, a vision, for a long time to come.

I'd like to recount two lessons, maybe warnings, that I heard long ago from my maternal grandmother. She lived in southern Korea from about 1920 to 1954 and twice was expelled from her home in Mokpo — December 8, 1941 (December 7<sup>th</sup> in the States) on orders from a Japanese police superintendent and June 25, 1950, on orders from the American Ambassador.

The first lesson was about how happy and excited the family was upon returning to Mokpo in 1945 after Japan's surrender and the American liberation of Korea. This for them, as for many Americans and Koreans, was a time of great optimism even though it was filled with political uncertainty, especially in the troubled Honam area. The World War was over, Korea was at last free and the Japanese gone, and Koreans from all over were struggling to build the new democracy whose birthday we celebrate. But the lesson she gave me was how short-lived the optimism turned out to be. I refer again to the recently released 1948 intelligence assessment cited earlier. It ended with a warning that was not heeded:

“... After the withdrawal of the US Army is completed, however, the threat of disorder may be even greater, especially if economic crises develop.”<sup>4</sup>

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4. *Yonhap*, August 12, 2008 referencing the US National Archives.

This “disorder” turned out to be an understatement. The Truman Administration ultimately recognized their mistake, and intervened to correct it, but my grandparents never recovered from the devastation they found upon returning to Mokpo in 1953, just eight years after America had liberated Korea from Japan.

The second lesson came some years later as I had returned from Korea for college in the States and was watching television with my grandmother as news of riots in Seoul or Kwangju took over the screen. “Even though I speak Korean pretty well I’ll never understand Koreans,” she said. “Why do they demonstrate and fight with each other so much? We really do have cultural differences. You can’t imagine how hard it was to communicate when we first went there.” In 1920 she had traveled east halfway around the world, from New York across the Atlantic to France and via the new Soviet and Japanese rail lines across Europe, Russia, Siberia, and Manchuria, all the way across and down, getting off the train in Mokpo. I remember thinking, “Grandmother, what did you expect? Korea and America are at the opposite ends of the civilized world.”

Yesterday I had a much easier trip over the North Pole but I must admit watching the “mad cow” riots on TV earlier in the summer made me think of that story. I don’t know if you in Seoul can understand how crazy the situation here in Korea looks to Americans, even, or especially, to Korea-Americans and to others like myself with strong interests in Korea. On the same news broadcast we might see massive protests and vigils in Seoul, with well dressed college students fuming about hamburger imports, while 30 miles to the North we see secreted film clips that show simply dressed and stoic Koreans eating US donated corn mush, without protest. This gap in attitudes and conditions across the DMZ and across the Pacific makes me realize that, as in 1948, dark



clouds can again dim a bright vision.

## **US Views of North Korea: A Dark Cloud and No Silver Lining**

In addition to the broad US vision for Korea and East Asia, the conference organizers asked me to look more specifically at how the US views North Korea and how we will work with the Republic of Korea to qualitatively change the situation on the Peninsula.

It is easy to see how South Koreans might have a tendency to exaggerate or misunderstand how much and what kind of attention the US public gives North Korea. Americans who visit and work here pay plenty of attention to the North; many are here to prevent or defeat any North Korean aggression and others may be working for some kind of accommodation. So the small sample of Americans whom you normally deal with tend to have strong views one way or another. For most Americans, however, North Korea is just one of many nagging problems that fester, in this case for two generations, with no end in sight but with little happening that directly affects America. Since we don't trade with North Korea, and travel is tightly constrained by the need to get a North Korean invitation, we probably have less direct contact and thus fewer economic issues with North Korea than with any other country in the world. My guess is the new third generation of Americans coming along since the Korean War will tire of the North Korean problem and will choose to either ignore it and back away, letting South Korea or other regional powers deal with Pyongyang, or out of exasperation, we will press much harder to one, encourage or two, to force Pyongyang to radically change its direction. Patience, generally not considered an American

virtue, I suspect, is wearing thin after sixty years.

Clearly a generational change is in the works in our views and policy toward North Korea—you may see it in our upcoming election—but it is not easy to assess which of these three paths we will take—ignoring Pyongyang or trying to change it using soft measures or hard pressure. South Korea is in fact in a good swing position to influence in which of these three directions this next generation of Americans will take with respect to North Korea.

Tomorrow Pyongyang celebrates its own “*hwangap*,” less than a month after the Republic of Korea was established and a clear reminder of who really divided Korea. As I mentioned earlier the US never has officially recognized that government but I expect this will change in coming months or years if Pyongyang wants it to happen. The predominant US view continues to shift from the Cold War perspective that held Kim Il-sung to be a pawn of Soviet and international communist ambitions and that his regime was not legitimate. By now, however, most Americans probably consider North Korea to be more like an angry orphan country, having lost its Stalinist family of protectors and having proceeded to anger and lose any allies or friends who tried to come to its aid. The last straw may have been the 2006 nuclear test which angered even China, its only remaining significant benefactor. The country is now thought by Americans to be one of the most odd and isolated places on earth. Although we pity the situation the people find themselves in, and are providing large amounts of emergency food aid this summer and fall, we consider Pyongyang’s ruler to be, in a word, despotic, bent on his regime’s survival at all costs. Added to that, the antics and propaganda are a feast for the US mass media, making North Korea famous in America but not really feared or respected. Kim Jong-il is usually portrayed as more of a comic than a fearless warrior or a



“great leader.” With its nuclear devices and missiles, Pyongyang is a danger to international proliferation of WMD and to our troops and bases in East Asia but I think most Americans don’t pay too much attention to this and consider Pyongyang’s greatest threat is to other Koreans, in both the North and the South.

## The Nuclear Issue and Its Implications

North Korea’s nuclear and missile programs, of course, give some room for Americans to pause and worry for our own safety but I think most are confident that on a military scale Pyongyang offers little direct threat to the US and that we can take care of specific challenges should they arise. Our diplomatic emphasis on eliminating North Korean nuclear weapons hinges on several perceptions of how we think North Korea might employ a nuclear force and on the implications of this for further proliferation in the region and in the world.

- Perhaps the biggest American worry is that Pyongyang might act irrationally and taunt or suck us into conflict we don’t want to have, just like it did in 1950. Ironically, the possibility of irrational behavior may be Kim Jong-il’s only trump card. The consequences of a mistake in these circumstances are exceedingly dangerous.
- A second, perhaps more rational North Korean use of nuclear weapons might be to simply threaten to employ them against South Korean territory and force us to move our troops out of range, off the Peninsula. I expect our bases in Korea will begin to look like nuclear hostages if their weapons program is not stopped quickly.

In either of these situations, North Korea's creation of a viable nuclear force would diminish popular American support for our troop presence in South Korea. Eventually this might lead to a shift in the way we would defend South Korea, going back to the Cold War theories in which it is presumed that a strong nuclear power will preempt an imminent attack by a weak nuclear power and massively retaliate if preemption failed. With highly accurate conventional weapons, the US probably does not need to use nuclear weapons or land forces to punish and stop North Korea, and can rely on offshore naval and airpower to do the job.

A third problem created for the US and the world at large by North Korean nuclear weapons is the potential for still further nuclear proliferation and an end to the non-proliferation treaty and mechanisms. If the US is not seen as a steadfast alliance partner of Japan and South Korea, either or both might find it difficult not to follow in North Korea's footsteps. An arms race of this sort easily could spin out of control and clearly threaten the peaceful vision of East Asia I presented earlier. Clearly it is in the interests of each one of the Six Parties, including North Korea, to stop such proliferation before it happens.

Last year I gave a paper here that outlined what I thought to be each of the Six Parties bottom-line positions and likely behavior over the course of the denuclearization negotiations. I said at the time that the US had the most power to stop North Korea but, because it is such a distant country, it ultimately has less need or willingness to pay a large price to do so. South Korea was in the opposite position, with the most need of stopping North Korea's program but unable to afford the risk of forcing the issue with North Korea. The key swing players, then and now, are the other three, China, Russia and Japan. China, which has reason to be most happy with the status quo,



would appear to have the most to lose from regional nuclear proliferation. Since it has plenty of leverage on North Korea it should play a key role in persuading, or ultimately forcing Pyongyang, to denuclearize.<sup>5</sup>

A year later the issue remains unresolved but progress is apparent in what has not happened — no further nuclear or ballistic missile tests — and what has happened — the near disablement of the Yongbyon plutonium facility. The larger issue of whether or not North Korea will actually give up its weapons and fissile material and disclose to the other Parties' satisfaction that it no longer can produce fissile material, is no closer to being solved. I tend to be a little more optimistic than I was last year since North Korea's own economic and political situation seems to be deteriorating by the day, raising the leverage of the five countries to force a resolution. Japan, in my view, continues to play a useful role by withholding benefits to North Korea until a clear resolution is in the works. Russia is standing back pretending to be disinterested — a smart move on its part. And China is nervously edging North Korea along while anticipating that the US might lose patience.

Complicating the picture for the US is the perception among many who think North Korea has managed to use the nuclear issue to deflect world attention from its dismal human rights record and to induce foreign aid that it uses to avoid economic reforms that would help the North Korean people but would undercut the viability of the Pyongyang government. In fact we face choices that we don't want to make — trading off support for denuclearization against support for a despotic regime. Pyongyang is trying to argue

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<sup>5</sup>- William B. Brown, "Dealing With North Korean WMD, An Economics and Game Approach," Institute for National Security Strategy International Conference, November 22, 2007, Seoul, Korea.

with us that unless we somehow guarantee its security it will keep its weapons. We do say we won't attack them unless we are provoked but we know as well as they do that the threat to their security comes from inside North Korea, not outside. There isn't anything we can do about that except to give the regime more aid, something we are loath to do.

This sets up the other difficult choice that we have to make — provide humanitarian aid to relieve the suffering even if the aid also supports the regime, or let the regime let people starve and hope the regime collapses without too much chaos.

Presented with these kinds of choices it is not surprising that our politics divide into two camps about how to respond. We have a generally liberal side that advocates US intervention in the form of humanitarian aid and persistent diplomacy, all aimed at improving relations and hoping this eventually encourages denuclearization and an end to despotic rule. This camp sees decade-long attempts to isolate and threaten the regime not to have worked and want to try something else. The Agreed Framework of 1994 is held up as a model for this group.

The other, generally conservative camp, does not believe soft measures will work, having seen mostly bad results from the billions of dollars in aid given North Korea over the past decade and at 15 years of near non-stop vigorous diplomacy. They view the regime as incapable of reform and prefer policies that take aim at the Stalinist roots of the system. The Delta Banco Asia affair is held up as an example of successful intervention by this view.

I should emphasize the bounds of this debate at least in Washington. Tempers can run high and new administrations always are fairly or unfairly criticized for changing tactics, from hard to soft or from soft to hard. We can thus expect important changes next



spring after either McCain or Obama wins the election. But virtually no one in Washington likes or wants to preserve the North Korean regime. If pushed to the brink by provocative warlike actions, especially terrorist activity or renewed WMD proliferation, there would be little political resistance to engaging and destroying the specific threat. But its equally clear that no one in either camp wants the expense, destruction and risk inherent in an all out conflict. Unless North Korea fires first, I can be confident that will not happen.

- As I suggested earlier, South Korean politics on this issue probably are not that different except that any given view here naturally is held much more strongly. Also there are probably relatively more very hard line and very soft line “outliers” with few in the middle, creating something of a binomial or two humped distribution that can lead to dramatic shifts in policy as we see between the Roh and Lee administrations.

It’s fair to ask how the upcoming US election will affect US policy on North Korea and the current stalled Six-Party Talks but I’d respond by saying it depends more on North Korea’s next steps more than our election. Despite all the frustrations and rhetoric in Washington, I expect neither McCain nor Obama would give up on the Six Party Process, its “actions for actions” mantra and its multi-lateral approach. Painstaking though it is, this process can help to prevent North Korea from further validating its nuclear weapons and its delivery systems but a breakthrough in eliminating the nuclear stockpile and exposing and eliminating other nuclear activities seems unlikely. If it becomes clear that North Korea is satisfied with

a small poorly tested device and unreliable delivery systems, the chances of blackmail or further regional proliferation might be seen as small. If, on the other hand, it becomes clear that the stockpile is being enlarged, weapons validated, and delivery systems perfected, the outside parties will likely be in a strong unified position to force Pyongyang to stop or face the kind of pressure that could cause the regime to fail. This clarity about what Pyongyang is doing right now, not what it did in the past, is not yet available to our governments; much depends on resolution of the HEU charges and the verification process that is currently under negotiation.

A stalemate or exceeding slow progress in the nuclear arena might not prevent changes from occurring in broader US relations with North Korea. Since 1994 Pyongyang may have bought time and foreign aid with its nuclear program but it has used this time very poorly and if anything, the country seems to be under more stress now than it ever has, at least since 1950. The economy remains in its long slump, inflation is rampant, hunger and even famine has returned, Kim Jong-il ages without designating an heir and, as a result of its nuclear antics, the country is more isolated than it ever was under Kim Il-sung, likely distressing to the country's younger elite who see glimpses of a better life. Strangely, this trouble in North Korea may be improving the likelihood that Pyongyang will seek some kind of accommodation with Washington — reducing the perceived threat of a US attack while giving room to maneuver between the country's real rivals in China and South Korea, the longer term threats to the North Korean independence. If US diplomats work carefully they may be able to create leverage with which to press the political, economic, and even human rights reforms that are needed. This leverage might come from a mix of soft and hard measures, recognizing that the best weapon the US has is a willingness,



not found in South Korea, China, Russia or even in Japan to let or even invite the system to collapse on its own sword if appropriate reforms do not unfold.

- Early US measures could be what might be called tough engagement – for example elimination of anti-terrorist and Trading With the Enemy Act sanctions combined with tough enforcement of international financial standards. Extreme measures could be taken against counterfeiting US money, for example, while the US could offer assistance in creating a new money and banking system, a prerequisite to reform.
- The main advantage to North Korea of the lifting of these particular sanctions is the removal of automatic US vetoes of North Korean membership in the international financial institutions. Once lifted, North Korea will have no excuse but to apply for membership and adhere to market economy rules if it expects foreign investment from any source, including from China or South Korea.
- Similarly, for North Korea to take advantage of already relaxed US trade and investment restrictions it will have to begin to join the WTO and go through a China-like membership process. Until that happens the US cannot offer normal or MFN tariff rates on our imports from North Korea effectively closely our market to them with 80 percent tariffs. As China can attest, joining the WTO forced it to take bad tasting medicine but resulted in great improvements for China's economy, allowing rapid development of private enterprise and rationalization of the price system.
- Economic and even humanitarian aid would play little or no role in US engagement with North Korea and any nuclear

deals would be strictly commercial in nature — there is no sense in giving away nuclear power plants to anyone. Such investments can and must be designed to make profits on all sides.

- These largely economic measures would logically be accompanied by steps toward diplomatic normalization and mutual establishment of Embassies, perhaps preceded by commercial or liaison offices. The aim of diplomatic recognition and economic engagement would be to help prepare North Korea for economic and ultimately political integration with the south.

## **Directions for Strategic Cooperation with the ROK: The Ongoing Search for Qualitative Change**

Sixty years is a long time to have worked as closely in an Alliance as have the US and the ROK. By now we should know each other very well. Often however the two partners seem to be on a different page with respect to dealing with North Korea. Sometimes that works well, as when we confront Pyongyang with a “good cop, bad cop” routine. But in recent years the differences seem to be widening and we have been unable to present a united front against North Korean nuclear ambitions. I think the nuclear test of 2006 changed all this, however, and in cooperation with the other regional partners we have a better chance at solving this problem. I’d simply offer here several suggestions that our leadership should emphasize.

First is what I mentioned earlier about emphasizing the common vision the US and all Koreans should have with respect to



unifying the Peninsula under a democratic system. This doesn't mean it has to happen any time soon but just like driving a car it is easier to follow the road when your vision is out on the horizon and not looking at every pothole. Both of our governments, and certainly the politicians, have a tendency to dwell on unimportant issues.

Second is a problem we have had obtaining and sharing information about North Korea. In recent years it has seemed that our governments have been working with different sets of data on North Korea. I would say bluntly that the lack of knowledge about the nuclear program exhibited by South Korea's intellectuals over the past decade has been stunning. Whether this is a fault of the government for not sharing information I'm not sure but it has led to wide differences of policy with respect to North Korea and an often confused public. There should be no surprises when it comes to a program of this magnitude, this close to your borders. US information is not perfect either but we need to have a much better mutual understanding of what North Korea is doing with respect to plutonium and possible HEU programs. And we should be resolute in facing up to the issues that the real facts in North Korea present to us. If they are continuing on a nuclear path strong measures will have to be taken to make sure China, Russia and Japan step in and help us stop them.

My third and last suggestion is that we should begin to plan together strategically for a time in which the DMZ wall springs leaks and integration of North and South Korea begins to happen on a significant scale. Like a 60-year old dam, it just seems impossible to keep it plug the holes forever. We can think of the Berlin Wall or the lowly Lowu border crossing between Hong Kong and China, now the huge city of Shenzhen. A sudden change could destabilize financial markets as in 1997 for example, but with appropriate planning, a

crisis can be prevented. Studies need to be undertaken to better understand how economic integration can proceed without disruptive mass labor and capital movements. For one thing, it seems as though an insurance market could be developed to spread the risks inherent in unification as well as some of the profits. Decentralized activities would work best in my mind, so that unification would work like a Velcro project, not a welding project, but it would have to have rules and boundaries. I was intrigued a few years ago learning from the governor of Kyonggi Province how he was thinking about how political integration at the-province-to province level could proceed in this way. Premature to be sure but this kind of forward thinking needs to be premature or it is too late. I expect such planning is done here in Korea but I think US analysts could be brought into it as well so that our side can help figure out solutions to what otherwise can seem unsolvable problems, and so we can avoid surprises.



## >> 21세기의 미국과 한국 그리고 동아시아

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(조지워싱턴대학교 교수)

대한민국 건국 60주년을 기념하여 1948년 당시 중요했던 그리고 아직도 중요한 세 가지 쟁점을 살펴보고자 한다. 이 세 논점은 첫째 동아시아 강대국 사이에 선 한국의 위치와 위상에 대한 미국의 비전, 둘째 미래의 평화와 번영을 위해 이들 국가가 어떻게 협력해 나갈 것인가에 대한 미국의 비전, 그리고 마지막으로 북한 관련 문제 해결을 위해 한국과 협력하고 있는 미국의 역할에 관한 것이다. 마지막 문제에 대해서는 당연히 미국과 한국이 비전을 공유하고 있다고 생각한다. 그러나 내 관심은 60년을 동맹으로 함께 지내온 한·미 양국이 비전의 공유를 너무 당연한 것으로 받아들이는 것은 아닌가 하는 점이다. 이러한 점에서 본고는 몇몇 차이점에 대해 살펴보고 이러한 차이를 어떻게 극복할 수 있는지 의견을 개진하고자 한다.

첫째, 필자의 의견으로는 미국이 아시아의 강국들 중에서 유일하게 풍요롭고 강하고 민주적이며 당연히 '통일된' 정부가 한반도를 통치해야 한다는 비전을 가지고 있다. 지난 두 세대 동안 미국의 도움이 있었고 또 두 나라 모두 상당한 비용을 치렀지만, 한국민들은 처음 세 목표를 이루어냈다. 마지막 목표인 통일은 아직 가시화되지는 않았으나 현실적이고 달성할 수 있는 목표이다. 이러한 비전이 어느 정도 당연한 것으로 들리겠지만 필자는 한반도의 이웃 강대국들도 이 비전을 함께 공유하리라고는 생각하지 않으며 한국마저도 이 비전을 공유하고 있는지 확신이 서지 않을 때도 있다. 필자는 당연히 북한이 아직 이 비전을 공유하리라 생각지 않는다. 한반도의 가까운 이웃들 사이에는 이러한 비전이 의미하는 바를 두려워하거나 그러한 변화에 저항하려는 강렬하지만 자연스런 경향이 존재한다. 그리고 이들은 마치 형제간에 그런 것처럼 끊임없이 상대에게 책임을 전가하는데 힘을 낭비한다. 필자가 보기에 중국, 러시아, 일본은 한국에 관한 한 현상유지를 원하는 국가들이다. 그들의 위치를 고려하면 이해할 수 있는 일이다. 동시에 멀리 떨어져 있지만 깊이 개입하고 있는 미국이 비전과 행동 모두에서 보다 진보적일 수 있는 것도 이해할 수 있다. 이 네 기준들은 서로 얽혀 있으면서 서로를 필요로 한다. 가장 중요한 것은 한반도에 두 개의 정부가 존속하는 한 그 둘은 경쟁자이며 그들 간의 경쟁이 안보와 평화에 위협이 된다는 점이다. 따라서 오늘날처럼 외부세력에 의해 평화가 보장 되지 않는다면 통일이 되지 않은 한반도의 평화롭고 풍요로운 비전은 기대하기 어려운 일이다. 따라서 장기적 관점에서 한국에 가장 좋은 것이 미국에도 가장 좋은 것이 된다. 미래를 바라보며 우리는 바로 이러한 공통의 이해가 우리의 관계를 공고히 해준다는 것을 기억해야 할 것이다.

둘째, 동아시아와 관련하여 대부분의 미국인들은 이 지역 국가들이 개방적이고 투명한 경제관계를 유지하면서도 안정된 독립국으로 남아 있을 것이란 방향으로 이 지

역이 진보하고 있다고 보고 있다. 필자는 한국이 유럽의 소국들이 이룬 성공사례를 신중하게 살펴보고 육중한 이웃들 보다 훨씬 신속하게 움직일 수 있는 보다 나은 표준을 세움으로써 잘 배울 것으로 생각하지만 국경의 문제는 유럽의 경우와 확연히 다르다. 미국인들은 거인 중국이나 부자 일본에 초점을 맞추기 쉽지만 필자는 어떤 누구의 예상도 뛰어 넘어 신속하게 발전하고 있는 이미 풍요롭고 평화적인 동아시아의 핵심으로서 한국을 관찰하는 것이 훨씬 낫다고 생각한다. 물론 중국은 미국에게 중요한 나라다. 하지만 흔히 사람들이 생각하는 식의 승자 독식 경쟁에서의 상대는 아니다. 미국과 중국은 그러한 방식으로 경쟁하기에는 많이 다르다. 솔직히 향후 오랜 기간 동안 한국 및 일본의 기업과 근로자들이 중국기업이나 근로자들 보다 미국에게 더 치열한 경쟁자로 남아 있을 것이다. 대신 미국의 관심은 중국이 올바른 방향으로 신속히 움직이고는 있지만 아직 지속 가능한 경제적 정치적 발전에는 이르지 못했다는 약간의 불안한 느낌에서 기인한다. 우리는 경제적·정치적 혹은 안보 위기로 중국이 현재의 실용적인 발전 궤도에서 벗어나 미국과 세계 경제를 탈선사고로 끌고 가지 않을까 걱정하고 있다. 따라서 상식적인 미국의 대중정책은 만약 탈선사고가 날 것에 대비하여 완충장치를 만드는 한편 속도를 내고 있는 중국이 궤도에서 벗어나지 않도록 막는데 도움이 되어야 한다. 필자의 생각으로는 한국이나 일본의 상식적인 정책 또한 이에서 크게 다르지 않을 것이다.

마지막으로 그것만 아니라면 밝은 그림이 되었을 터인데 그림 속의 가장 어두운 구름은 북한이다. 필자는 미국이 중대한 선거를 앞두고 핵문제에 관해 어떤 경로를 선택할 지 모른다. 하지만 바로 이 문제가 미·북 간 수많은 문제들을 주도하게 되었다는 것이 우려가 된다. 좌절로 인해 미국은 결국 평양을 무시하던지 혹은 이웃들이 문제를 해결하도록 할지도 모르겠다. 또 좌절 때문에 연성 수단이나 강성 압력을 활용하여 북한을 변화시키려 할 지 모르겠다. 남한은 미국의 정책방향에 영향을 미칠 수 있는 위치에 있으며 앞으로 몇 달 혹은 몇 년 동안 어떤 일이 일어나더라도 한국이 잘 준비하고 명확하게 판단하기를 희망한다.

한미동맹을 유지하는데 도움이 될 세 가지 제언을 하고자 한다. 첫째는, 한반도에서의 미국의 역할의 범위와 한계에 대해 분명히 하듯이, 한·미 두 나라가 한반도에 대한 공통의 장기적 비전과 계획을 가지고 있음을 분명히 하자는 것이다. 둘째, 한·미 양국은 북한에 대한 정보를 더 많이 공유해야 한다. 이를 통해 한국이 대북 정보를 개발하고 미국과 이웃들에게 알려주는 일을 보다 더 잘 해야 한다. 마지막으로, 가장 중요한 것은 향후에 DMZ가 어떻게 될 지는 아무도 모르기 때문에 우리는 그날을 대비하여 함께 계획하기 시작해야 한다.

# *Japan's Vision for East Asia and the Korean Peninsula\**

*Takashi Inoguchi\*\**

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## **:: Summary**

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We have entered into an era of disaggregated sovereignty. When the three concepts, state sovereignty, popular sovereignty and loss of sovereignty compete and complement each other in reshaping world order amidst the relentless tide of globalization, Japan's vision and strategy in East Asia cannot be an exception.

### **1. Westphalian-dominant Strategy**

Japan has a sizable number of population who gives an exclusive emphasis on the state when dealing with the questions of the Korean peninsula. Thus the list covers colonialism, war, discrimination, contested territory, the contested name of adjacent sea, history, the war dead, the war criminals, and the Yasukuni shrine, self-defense forces, nationalism, and many other items. Although there are many variants of this strategy, the key components are:

- a. Enhancing the tie with the Republic of Korea with an eye at two alliances with the United States and at the Basic Treaty of 1964: upholding history and territorial issues in tune with nationalistic voices at home: upholding non-competitive sector interests in negotiations when trade and market liberalization is pressed bilaterally and multilaterally: competing with neighbors in terms of national prestige and ranking.
- b. Seeking to establish the diplomatic tie with the Democratic People's Republic of Korea on the basis of the Pyongyang communiqué of 2001 with signature by Junichiro Koizumi and Kim Jong Il: demanding the safe return of Japanese abductees: demanding a non-nuclear DPRK prior to negotiations to establish diplomatic relationship: pledging massive official development assistance once diplomatic normalization is achieved: helping a sovereign DPRK to survive for balance of power and humanitarian reasons.

### **2. Philadelphian-dominant strategy**

- a. Enhancing the tie with the Republic of Korea with an eye at global market conditions: jointly upholding the universal norms and values like freedom, democracy, human rights and equality: jointly shaping and



observing the multilateral norms and rules governing free trade, direct investment, intellectual property rights, migration, and the environment: jointly promoting nuclear disarmament:

- b. Facilitating to fully bring the DPRK in into the global community: extending financial, organizational and technological helping hands to the DPRK once the Pyongyang communiqué is to be implemented by both sides: helping to bring the DPRK to join a rule-based community of nations: helping prevent the DPRK from degenerating further into the bottom billion of people with extreme destitute and disease: persuading the DPRK not to manufacture, not to sell, not to diffuse nuclear weapons in a possibly emergently global trend of Non Nuclear World, signed by pundits like George Schultz and Henry Kissinger. The Group of Eight Speakers' summit is to take place on September 10 and 11, 2008 at Hiroshima with Speaker Yohei Kono presiding the summit and securing Speaker Nancy Pelosi's participation as well as all the rest.

### **3. Anti-Utopian-dominant Strategy**

- a. Upholding the strong nationalistic slogan on history and territory: sensing and counterbalancing the potentially anti-Japanese direction of the ROK's policy toward the DPRK: recognizing and counterbalancing the potentially pro-Chinese direction of the ROK's policy toward the Korean peninsula: playing down cooperation with the multilateral settings.
  - b. Upholding the strong nationalistic slogan on history and territory: sensing and counterbalancing the DPRK's anti-Japanese policy line whether it is human rights, nuclear weapons or economic development.
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## 1. Introduction

Japan's strategy on the Korean peninsula is in harmony with three global undercurrents unfolding in global politics: Westphalian, Philadelphian and Anti-Utopian (Inoguchi, 1999; 2000; 2002). By Westphalian I mean one of the undercurrents of global politics which underlines state sovereignty and guides foreign policy with state-centric ideas. By Philadelphian I mean one of the undercurrents of global politics which highlights popular sovereignty and guides foreign policy with people-centric ideas. By Anti-Utopian I mean one of the undercurrents of global politics which emphasizes the loss of sovereignty and guides foreign policy with anarchistic assumptions about order. To put them in a more plain language, the Westphalian perspective places utmost value on state sovereignty and nationalism. The Philadelphian perspective highlights popular sovereignty, freedom, democracy, human rights and market capitalism. The Anti-Utopian perspective underlines the loss of sovereignty and failed states. I argue that these three perspectives shape how people watch global development in East Asia as well. Each watcher has her or his own mix of the three with one or two stressed while the rest played down. These three perspectives have political, economic, and cultural dimensions. In the East Asian context, the Westphalian perspective tends to highlight the territorial, trade protectionist and patriotic history positions. The Philadelphian perspective tends to uphold the globally functional, free trade, and forward-looking positions. The Anti-Utopian perspective tends to subscribe to the anti-statist and anti-globalist positions as it cannot rely on those orders based on state sovereignty or popular sovereignty. It is very important to stress that these three perspectives coexist in one person's mind. Furthermore, their weights change over time. Yet these three perspectives are distinctive from each other.



## 1.1. Outline of Westphalian, Philadelphian, and Anti-Utopian Legacies\*

〈Table 1〉 Geopolitical Framework

<b>Geopolitical Framework</b>	Westphalian (State-centric)	Philadelphian (global republican)	Anti-Utopian (post post-colonial multi-cultural)
Principal author	Kissinger	Fukuyama	Huntington
Key concept	State sovereignty	popular sovereignty	post-sovereignty loss of sovereignty
Institutional unit	nation-state	liberal democracy	civilizational superstate & failed/failing state
Behavioral Principle	balancing/ bandwagoning	binding/hiding	fortifying, hollowing out/ collapsing
Peace Democracy	peace by war indifference	Liberal democratic Aggressive export or opportunistic silence	neither war nor military intervention or cynical neglect
<b>Geoeconomic foundations</b>			
Principal author	Gerschenkron	Reich	Landes
Key concept	national economy	global market	economic development
Driving force	state-led industrialization	market-driven mega-competition	world cultures that guide the inner values and attitudes of a population
Critical variable	large input of capital and labor	critical input of technology	invention and know-how
<b>Geocultural networks</b>			
Principal author	Anderson	Barber	Kaplan
Key media	state-run radio/TV	cable TV network	underground network
Key purpose	nation building	global penetration	anti-state reaction & order in cultural sphere
Key effect	video-legitimization	video-globalization homogenization	subversive operations legitimization of civilizational superstates

\* Inoguchi(1999)

It is very important to stress at the outset that one country's foreign policy reflects disaggregated sovereignty, or sovereignty fragmented under one unified umbrella called the government. This is an increasingly universal phenomenon. Take two examples. Chris Hill, chief negotiator of the Six Party Talks, representing the United States, can agree on many things with the rest in the talks. Yet back at home he must persuade President and Congress as well as some bureaucratic agencies. Japan represents an unique practice of sending chief negotiator without entrusting her or him fully, always requiring them to consult at each juncture of the negotiation concerned the department concerned at Kasumigaseki on which line she or he should stand at negotiation tables. Furthermore the Japanese cabinet is fragmented in the first place. Each cabinet minister is strong because she or he is backed up by a bureaucratic agency which exercises a semi-sovereign power vis-à-vis each other and even sometimes vis-à-vis Prime Minister. Each cabinet minister is nearly on a par with Prime Minister in that a cabinet decision requires consensus, which means that once a cabinet minister dissents from Prime Minister, either she or he must resign before a consensus decision is to become real without her or him, or alternatively the cabinet cannot send a legislative bill to the National Diet and sometimes the whole cabinet must resign. The former took place in 2005 when agricultural minister Yoshinobu Shimamura resigned from office before the cabinet decision on postal privatization was made in 2005. The latter took place when commerce minister Nobusuke Kishi dissented from Prime Minister Hideki Tojo on war policy and forced the entire cabinet to resign in 1944. The Japanese government is fragmented at the highest level of government (Inoguchi, 2007). It has been further reinforced by the tide of globalization that permeates each and every part of the globe irrespective of the state's resistance. It is no wonder



why discussing Japan's strategy toward the Korean peninsula needs a complex analysis.

## 2. Japan's Vision and Strategy for Northeast Asia

By Northeast Asia I mean Japan, the Koreans, China, Taiwan, Hong Kong, Russia and the United States. What characterizes Northeast Asia most?

〈Table 2〉 Three Japanese Scenarios\*

	Westphalian	Philadelphian	Anti-Utopian
Geo-politics key concepts	Kitaoka State sovereignty	Oda home solidarity	Nakanishi national rule
Economics key concepts	Sakikibara national autonomy	Ohmae One global market	Iida Economic fundamentals
Culture key concepts	Yamazaki national security	Yamagishi generalized trust	Okada distinct civilizations

\* Inoguchi (2002)

Before going into Japan's vision and strategy for Northern Asia, it is necessary to locate who in Japan takes this line or that in term of the three properties.

Then what is Japan's vision and strategy for Northeast Asia? Three versions exist with each stressing one of them.

### 2.1. Westphalian-dominant Strategy

Japan has a sizable number of population who gives an exclusive emphasis on the state when dealing with the questions of the Korean

peninsula. Thus the list covers colonialism, war, discrimination, contested territory, the contested name of adjacent sea, history, the wardeads, the war criminals, and the Yasukuni shrine, self-defense forces, nationalism, and many other items. Although there are many variants of this strategy, the key components are:

- a. Enhancing the tie with the Republic of Korea with an eye at two alliances with the United States and at the Basic Treaty of 1964: upholding history and territorial issues in tune with nationalistic voices at home: upholding non-competitive sector interests in negotiations when trade and market liberalization is pressed bilaterally and multilaterally: competing with neighbors in terms of national prestige and ranking.
- b. Seeking to establish the diplomatic tie with the Democratic People's Republic of Korea on the basis of the Pyongyang communiqué of 2001 with signature by Junichiro Koizumi and Kim Jong Il: demanding the safe return of Japanese abductees: demanding a non-nuclear DPRK prior to negotiations to establish diplomatic relationship: pledging massive official development assistance once diplomatic normalization is achieved: helping a sovereign DPRK to survive for balance of power and humanitarian reasons.

## 2.2. Philadelphian-dominant strategy

- a. Enhancing the tie with the Republic of Korea with an eye at global market conditions: jointly upholding the universal norms and values like freedom, democracy, human rights and equality: jointly shaping and observing the multilateral norms and rules governing free trade, direct investment,



intellectual property rights, migration, and the environment:  
jointly promoting nuclear disarmament:

- b. Facilitating to fully bring the DPRK in into the global community: extending financial, organizational and technological helping hands to the DPRK once the Pyongyang communiqué is to be implemented by both sides: helping to bring the DPRK to join a rule-based community of nations: helping prevent the DPRK from degenerating further into the bottom billion of people with extreme destitute and disease: persuading the DPRK not to manufacture, not to sell, not to diffuse nuclear weapons in a possibly emergently global trend of Non Nuclear World, signed by pundits like George Schultz and Henry Kissinger. The Group of Eight Speakers' summit is to take place on September 10 and 11, 2008 at Hiroshima with Speaker Yohei Kono presiding the summit and securing Speaker Nancy Pelosi's participation as well as all the rest.

### 2.3. Anti-Utopian-dominant Strategy

- a. Upholding the strong nationalistic slogan on history and territory: sensing and counterbalancing the potentially anti-Japanese direction of the ROK's policy toward the DPRK: recognizing and counterbalancing the potentially pro-Chinese direction of the ROK's policy toward the Korean peninsula: playing down cooperation with the multilateral settings.
- b. Upholding the strong nationalistic slogan on history and territory: sensing and counterbalancing the DPRK's anti-Japanese policy line whether it is human rights, nuclear weapons or economic development.

### 3. Japan's Strategy toward the DPRK

It is very important to note that Japan's strategy toward the DPRK is a divisive issue. The above-summarized three broad perspectives permeate it in a stark contrast. Key issues of human rights, nuclear weapons, economic development and balance of power geopolitics on the Korean peninsula are all divisive. Let me check one by one.

- a. The issue of abductees is part of the Philadelphian complex with its exclusive emphasis on human rights and lives. It has struck a chord among those Japanese who are saddened and distressed by the abductions of beloved ones in many Japanese families. It has gained a populist appeal when other issues on the DPRK are regarded beyond the scope of their power especially when the Japanese government had been so long nearly dismissive of the issue and more recently especially when the Six Party Talks seem to proceed without fully taking account of this human rights issue in their view.
- b. Being the only country devastated by nuclear weapons in 1945, the issue of nuclear weapons elicits a strong negative reaction among Japanese. Yet the issue seems to many to be dealt with in the Six Party Talks in which Japan placed the abductee issue the highest priority above all else and thus was not well consulted on the nuclear issue during the Abe Administration of 2006-2007. A well known meeting took place between the United States and the DPRK in Berlin late in 2006. The issue seems to be dealt with in two other ways: one is the counterbalancing move by the United States-



Japan missile defense system construction whereas the other is the general movement to remove nuclear weapons on earth, initiated by the Reagan-Gorbachev era spiritual guru George Schultz and assisted by Henry Kissinger. As far as the Six Party Talks on nuclear issues are concerned, when the rest of the world watches what seems to be a possible positive disarmament direction in the Six Party Talks, Japan has been more skeptical of that direction than the rest. Of the Fukuda Administration's cabinet members, Kyoko Nakayama, state minister in charge of the abductees issue is the most hawkish vis-à-vis the DPRK, followed by Chief Cabinet Secretary Nobutaka Machimura while Foreign Minister Masahiko Koumura and Prime Minister Yasuo Fukuda are regarded as being more conciliatory vis-à-vis the DPRK than Kyoko Nakayama.

- c. Economic development has been an important issue since early days when diplomatic normalization was envisaged a la the Basic Treaty with the ROK, whereby a massive amount of official development assistance was poured for the state-led industrialization of the ROK. The Pyongyang communiqué of 2001 is widely regarded as the most authoritative document binding both countries as it was signed by the highest ranking leaders, Junichiro Koizumi and Kim Jong Il. The abductees issue stands in front of moving ahead with the Six Party Talks especially in terms of the intermittently reciprocal interactions between the DPRK and the rest headed by the United States, such as the various phases of nuclear incapacitation and the supply of energy and energy generating infrastructure. Meanwhile, anticipating an imminent or not-

so-imminent agreement at the Six Party Talks, the Chinese capitalists are moving into the DPRK in the fashion not so dissimilar from the Chinese shopkeepers moving into Russia, i.e., informally arranging with Russians on the legal and regulatory issues. It is sometimes rumored that the DPRK may be transformed into a de facto fourth province of *Dongbei* (Northeast) of China, i.e., Liaoning, Jilin and Heilongjiang, if the trend of Chinese capital flows into the DPRK continues for some years. Japan is interested in the DPRK standing on its feet assisted by the Five Parties and developing its economy primarily in concert with the ROK. Yet it is no more the time of state dominance. Non-governmental actors may prevail. In this regard Japan wants to see the DPRK to deregulate its economy step by step.

- d. Balance of power geopolitics is not absent in Japanese strategy. Japan wants to assist the Koreans to develop their scheme of concerting their economies within the range imposed by their respective red cards, i.e., overloading the ROK and jeopardizing the DPRK's regime survival. Seeing the DPRK to become a de facto fourth province of Chinese *Dongbei* is not Japan's best scenario. Nor is the scenario of the ROK absorbing a failed DPRK a la the Federal Republic of Germany swallowing the German Democratic Republic in 1989. An enfeebled ROK due to unification and then penetrated by Chinese capitalists with whom an enlarged ROK borders with China along the Amnokkan and the Tumangang is not Japan's best scenario. Where is the United States in Japan's calculus? Much remains the same irrespective who is a victor in the US Presidential Election. The United States accom-



modating the DPRK, as long as non-nuclear proliferation is assured by building solid safeguarding measures, will continue. So will the United States accommodating an ROK without United States armed forces stationing in the ROK will continue. So is the United States Navy buildup in East Asia and the Pacific whereby the doubling the number of aircraft carrier groups is being envisaged by 2020 or its thereabout. If Barack Obama wins, multilateralism may be enhanced. If John McCain wins, alliance consolidation may be implemented. Obama's initial preference of withdrawal from Iraq might be little more than his recognition that a democratic Iraq under Al-Maliki is a Shia-dominated Iraq who would be much closer to Shia Iran than Saddam Hussein's Iraq was to Iran. McCain's initial line of staying to fight in Iraq might be little more than his recognition that the United States can withdraw its forces only when it wins over terrorists by the surge strategy. Given the deepening sub-prime loan recession and other difficulties, the commonality is to bring minimum disturbances to those spots where the United States cannot prevail unilaterally. Their ways and means are different. Japan will adapt to whoever occupies the White House. It is very interesting to know that when one of the polls asked Japanese and American respondents, "Are you interested in the US Presidential election later this year?" Japanese respondents register a positive response by 87% whereas American respondents register a positive response by 81%.

## 4. Japan's Strategy toward the ROK

Japan's strategy toward the ROK is a no less divisive issue than that toward the DPRK. History, territory, bilateral free trade agreement, the DPRK, the United States may be checked one by one.

### *a. History*

Both Japanese and Koreans have a long memory. When confronted by difficulties at home, mobilizing nationalistic memory and identity is an easy way out for a while to shirk from responsibilities for them. The growing gap in terms of income, working hours and lifestyles creates the kind of politics which places utmost priority to psychological appeals to the audiences, so reassuring that one cannot disagree, such as "Yes, you can." History issues as war, colonialism, the Yasukuni shrine, history textbooks, discrimination all set fire to somewhat volatile politics between the two countries when situations are ripe.

### *b. Territory*

Many Japanese thought that President Kim Young Sam must be slightly out of mind when he ordered jet fighters to fly over the *Dogdo* islands in early 1990s. In 2008 President Lee Myung-bak did the same on a much larger scale. In the Japanese view, Japan has been trying to be cool about history issues and deals with them with the mind of a future oriented problem solution. However, The feeling is most likely to be mutual. That is, Koreans feel about Japanese in a much similar way.



### *c. Bilateral free trade agreement*

Northeast Asia enjoys a dynamic developmental momentum. At the same time, to facilitate such developmental momentum to increase further, bilateral free trade agreements are concluded. It is thought that such bilateral free trade agreements when combined enhance regional economic grouping's competitiveness vis-à-vis other regional groupings. Japan and the ROK have been negotiating on a bilateral free agreement over years to no avail. Japan's strict protectionism in agricultural liberalization is sometimes said to be a key issue when compared to the ROK's concessionary agricultural liberalization vis-à-vis the United States. Japan's tenacious memory of its running ahead of Asian neighbors may as well be a hindrance of such an agreement to be concluded.

### *d. DPRK*

The ROK wants to bring the DPRK within its own economic orbit, sort of, while distancing itself from the DPRK as far as key issues are not to be resolved rather than the DPRK, after the Six Party Talks agreement on the incapacitation of nuclear weapons facilities and lifting of the embargoes in exchange of regime survival and security, allows the scramble of major powers to the DPRK. Japan and the ROK must do something here to agree on some scheme first together as long as the two countries are regarded to be two major largely governmental financing powers for the DPRK's re-entry into the global community of nations. Needless to say, any agreement at the Six Party Talks must come first.

#### e. USA

The United States wants to bring the DPRK as a good lawful member of the global community of nations if the Six Party Talks agreement is reached. While it distances itself from the previous (G.W.Bush first phase) *axis of evils* posture vis-à-vis the DPRK and Iran, two things might remain the same. One is the enhancement of the United States Navy and of the Missile Defense in the region. The other is largely non-governmental forces trying to penetrate the citizens of the DPRK in the direction of democratization. If the DPRK's regime change a la Tibet and Uigurs or a la Georgia and Ukraine or Kyrgystan (though aborted) is to be triggered by such forces in some contingencies, that might as well trigger the counter balancing actions by China and the Russian Federation making use of weapons and energy resources. How non-governmental forces adjacent to the DPRK, i.e., the ROK, China, and Japan, act in the DPRK is something not well known.

### 5. Conclusion

We have entered into an era of disaggregated sovereignty. When the three concepts, state sovereignty, popular sovereignty, and loss of sovereignty compete and complement each other in reshaping world order amidst the relentless tide of globalization, Japan's vision and strategy in East Asia cannot be an exception. Neither can the ROK's vision and strategy be an exception.



## >> 일본의 동아시아 비전과 한반도

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우리는 주권해체의 시대에 진입하였다. 끊임없이 밀려오는 세계화의 파도 속에서 국가주권, 인민주권 및 주권상실의 세 개념이 서로 경쟁하고 보완하며 세계질서를 재편하는 이때에 동아시아에 있어 일본의 비전과 전략도 예외가 될 수는 없다.

### 1. 웨스트팔리아적(국가주권중심) 주도 전략

일본에는 한반도 문제를 다루는데 있어 국가를 특히 강조하는 사람들이 상당히 많이 있다. 이러한 문제에는 식민주의, 전쟁, 차별, 영토경쟁, 인근 해역의 명칭 경쟁, 역사, 전몰자, 전범, 그리고 야스쿠니 신사, 자위대, 민족주의 외에도 여러 항목이 있을 것이다. 이 전략은 많은 변종이 존재하지만 핵심 요소는 아래와 같다.

- a. 미국 및 한국(1964년 기본조약)과의 두 동맹을 염두에 두고 한국과의 관계를 개선한다. 대내적으로는 민족주의자들과 한 목소리로 역사와 영토문제를 지지한다. 무역이나 시장자유화 문제로 양자적 혹은 다자적 압력을 받을 때는 비경쟁적 부분의 이해에 대해 협상을 한다. 국위나 국가순위 문제에서는 이웃과 경쟁한다.
- b. 김정일과 고이즈미가 서명한 2001년 평양선언에 기초하여 조선사회주의 인민공화국과의 외교관계 수립을 모색한다. 일본인 피랍자의 무사 귀환을 요구한다. 외교관계 수립 협상 이전에 북한이 비핵화되어야 함을 요구한다. 외교관계가 정상화되면 대규모의 공적 개발원조가 이루어 질 것임을 약속한다. 세력균형과 인권을 이유로 북한이 주권국으로 생존하도록 돕는다.

### 2. 필라델피아적(인민주권중심) 주도 전략

- a. 세계시장 상황을 염두에 두고 한국과의 관계를 증진시킨다. 두 나라가 공동으로 자유, 민주, 인권, 평등 같은 보편적 규범과 가치를 견지한다. 두 나라가 공동으로 자유무역, 직접투자, 지적 재산권, 이민, 환경 등 다자적 규범과 규칙을 만들고 준수한다. 공동으로 핵무장 해제를 추진한다.
- b. 북한을 국제사회로 온전히 합류시키도록 조장한다. 일단 북일 양측에 의해 평양선언이 실행에 옮겨지면 북한에 재정적·조직적·기술적 지원을 확대하도록 노력한다. 북한이 규칙에 입각한 국제 공동체에 참여하도록 돕는다. 북한이 극심한 빈곤과 질병에 시달리는 수십억의 최빈민층으로 더 이상 추락하지 않도록 도움을 준

다. 키신저나 솔츠 같은 석학과 유명 인사들이 서명하고 이제 막 시작되는 세계적 추세인 핵 없는 사회에서 북한이 핵무기를 만들거나 판매하거나 확산시키지 않도록 설득한다. 고노 요헤이 중의원 의장이 주재하고 낸시 펠로시 미 하원의장과 각국 의회 의장의 참여가 확정된 8개국 국회의장 회담이 2008년 9월 10~11일 히로시마에서 열릴 것이다.

### 3. 반 유토피아적(주권해체중심) 주도 전략

- a. 역사 및 영토문제에 대해 강력한 민족주의적 주장을 지지한다. 한국의 대북정책에서 나타날 수 있는 반일 성향을 감지하고 견제한다. 한국의 대한반도 정책에서 나타날 수 있는 친중 성향을 인지하고 견제한다. 다자적 환경에서의 협력에 중요성을 두지 않는다.
  - b. 역사 및 영토문제에 대해 강력한 민족주의적 주장을 지지한다. 인권, 핵무기 혹은 경제발전 문제 등 어디에서든 북한의 반일성향을 감지하고 견제한다.
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# *DPRK Nuclear Crisis in the Changing Northeast Asian Environment\**

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## **:: Summary**

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Northeast Asia is at a crossroads in security. The region has demonstrated a general trend of peace and development as the main stream in the situation. Major powers have all been in normal and working relations, striving for more cooperation in addressing security issues that no power or power group can address single-handedly. Although disputes remain in the region, there have been ample political will from all the parties concerned to seek solutions through peaceful consultations and negotiation. In the meantime, the region has also demonstrated great dynamics in the economic development, and a strong tendency for regional economic cooperation to cope with the repercussions of globalization, and to strengthen competitive power vis-à-vis other parts of the world.

Northeast Asia is confronted with many security challenges. The military confrontation remains despite the fact that Cold War has ended almost over two decades in the Korean Peninsula. Inter-state disputes owing to historical reasons abound and are very difficult to solve as many involve sovereignty and territorial integrity in Northeast Asia. They could even threaten to escalate to military conflicts if mishandled. Proliferation of weapons of mass destruction and the rise of international terrorism have found their expression in the region. But more fundamentally, mistrust and suspicion among major powers constitute one of the major security problems in the region. In the name of hedging, each of these states is strengthening their military strength, which in turn only invites countermeasures from other states. What adds to the complexity of the situation is that the region is yet to have a security mechanism to promote security cooperation or have effective crisis management once conflicts occur. Domestically, many states are in transformation of their economic structure, which involves many drastic economic, social and political reform measures. Whether they will succeed in the efforts are far from certain. But the result could be significant to the domestic development and regional stability for better or worse.

It is against this mixed backdrop that the DPRK nuclear crisis occurred. In fact, the mixed nature of the strategic situation in Northeast Asia becomes both the cause of the issue and the basis for its eventual solution. North Korea has evidently felt great pressure from the outside it is particularly facing a more hostile and aggressive policy of the Bush



administration in the post-Cold War era. Nuclear weapons become for Pyongyang the last trump (if it can be called a trump) to ensure its survival. But Pyongyang also shows signs that it could be induced to make a deal with the US for its nuclear assets if only its security concerns are met in return. In the meantime, Washington seems also to come to be aware that military option cannot solve the DPRK nuclear issue under the prevailing Northeast Asian situation. It opts to seek a solution through multilateral diplomacy in the end.

Hence the opportunity for a peaceful solution of the nuclear issue arises. China's contribution has not only lied in creating a multilateral setting for the two involving parties to have direct contact in the form of Six-Party Talks, but also in providing a vision for the essential guidelines for the success of the negotiation in the spirit of mutual respect, mutual benefit, equality and mutual compromise. These principles have become the consensus at the forum, and the strong political basis for the progress of the multilateral efforts.

The progress has led to important breakthroughs for the goal of denuclearization despite numerous setbacks and reversals. Success is chiefly due to the concerted efforts of all the parties. But credit should also be given to the US and the DPRK for their pragmatism, flexibility, and willingness of making compromise in the process.

On the other hand, the Six-Party Talks still hold many uncertainties. Lack of trust is the major obstacle. Whether North Korea is ready to give up its nuclear weapons is still a big question if its security concerns are not met. On the other hand, the US future policy may have greater impact on the prospect of the denuclearization process. The ball is really in the US court, and the DPRK only responds to a certain extent.

Under the circumstances, China wishes to continue to act as an honest mediator to bridge the difference between parties concerned, striving to achieve a win-win result in the process of denuclearization. In this regard, China expects that South Korea will become a reliable strategic partner, working together for the eventual resolution of the nuclear crisis in the Korean Peninsula.

The DPRK nuclear crisis has been going almost five years since 2003. Although impressive progress towards the goal of denuclearization is being made through the work of Six-Party Talks, prospect holds many uncertainties in the future. To a great extent, the complexity of the issue lies in the fast changing Northeast Asian environment. The present paper takes a look at how this nuclear issue took place against the evolving strategic situation in the region, and what major obstacles are still in the way ahead. It ends up with the discussion of the role of China in the exploration of the sustained resolution of the DPRK nuclear crisis through regional multilateralism.

## **The Changing Strategic Situation in Northeast Asia**

The end of the Cold War has registered dramatic changes in the strategic situation in Northeast Asia.

From the positive side, peace and development have become the mainstream trend in the region. This trend has been particularly explicit since the 9/11 terrorist attack in the United States. While many parts of the world have been embroiled in new turbulence and instability, Northeast Asia seems to remain a bright spot, where peace and stability generally prevail. The post-Cold War world situation has enlarged rather than reduced the space for various nations in Northeast Asia to carry out political and security cooperation among them. They have found greater common ground in their strategic interests, leading to a shared request for working together to address security problems that no nation can single-handedly do, and manage their difference through peaceful consultations.

One of the indications in that regard is the establishment of various bilateral dialogue mechanisms among these states. Against



the backdrop, Sino-American relations are said to be in the best time since the end of the Cold War. China and Russia have developed into a strategic partnership on a sound political basis. China and Japan have taken measures to repair their much damaged bilateral relations thanks to the change of the leadership in Tokyo since 2006. In short, there seems a strong trend of mutual interdependence and mutual constraint among these players, in which situation no single power or power group is able to enjoy complete freedom for their actions at the expense of the core interests of others. It is in this sense that it can be argued that Northeast Asia is indeed a region where one perceives the most evident development of a benign trend of multi-polarization.

The positive evolution of the strategic and political situation has also provided more propitious conditions for the region to focus on the economic development. The region has succeeded in ensuring a sustained high growth rate in most of the regional countries in more than the past two decades. In this regard, the rapid development of China is most conspicuous. As a result of the economic development, China's overall national strength has risen by a big margin. Thanks to the strong push by the development of China, the whole East Asia, including Northeast Asia has become once again the most dynamic region of the economic development in the world since the financial crisis in 1997.

For the sustained economic development, nations in the region have also felt a great need to strengthen regional cooperation. This is also a logic result of their efforts to cope with the negative impact of globalization. Almost over a decade, Northeast Asia has been witnessing rapid strengthening of regional cooperation particularly in the context of the growing economic interdependence. For the first time in modern history that nations in Northeast Asia have come

together voluntarily to seek the best way to cooperate in a shared vision that by pooling their huge potentials of human, natural and economic resources, they can better tackle their common problems and strengthen peace, prosperity and security. It is also their common conviction that the development of regionalism may well lead into a community building in East Asia which will not only dramatically upgrade the competitiveness of East Asia as a collective entity vis-à-vis other parts of the world, but also give rise to a more favorable security landscape of the whole world in the end.

The trend would have been impossible without the proactive participation by major players in Northeast Asia. Starting from 1997, cooperation at various levels has increasingly gained momentum in the region. 10 plus 3 dialogues at an annual basis have been institutionalized, developing into a whole series of mechanisms, including one 10 plus 3, three 10 plus one and trilateral dialogue among China, Japan and South Korea. All these have not only helped deepen the economic interdependence and political mutual trust, and strengthen the ability of various nations to meet the challenges of globalization. They have also provided new impetus to the positive interaction among major powers in the Asia-Pacific.

The inspiring development of the situation in Northeast Asia does not suggest, of course, that this region is free of any security problems. While the overall security environment in the Asia-Pacific region remains stable, challenges to the peace and stability in Northeast Asia abound.

First of all, the recent positive developments in the Korean Peninsula are still precarious and too fragile to fundamentally change the military confrontation structure along the 38<sup>th</sup> Parallel Line. Although the Cold War itself has phased into history for almost two decades, the peninsula remains still the only major relic of the Cold



War in the world today. The Korean War which took place over half a century ago has still not ended in theory, as there has been only an armistice in place. Thus, with the possibility of the resumption of military actions, the warring sides (except for the Chinese troops who had been withdrawn to its own territory in 1958), continued to deploy mass troops along side of the 38<sup>th</sup> Parallel Line, poised for a new round of military conflict at a hair-trigger alert. The danger has been even further reinforced by the dramatic transformation of the security architecture of the Korean Peninsula. No longer is there a bi-structure as in the Cold War. In the peninsula, the balance between the North and South, each being backed up by its allies has been destroyed. The South has been fast developed as a growing modern, prosperous and influential player while the North has been reduced in isolation, plagued by increasing military pressure from outside, and severe economic predicament at home with a paranoid mindset for its security.

Secondly, the region has registered many inter-state disputes involving different territorial claims or conflicting maritime interests. As all these disputes concern sovereignty and territorial integrity of the involving parties, it is very difficult, if not impossible, to find out satisfactory sustained solutions so far. Although it is highly unlikely to have a major war in Northeast Asia generally, these disputes to be accelerated into military conflicts cannot be ruled out.

Thirdly, the region, like other parts of the world, is also running a risk of the rise of proliferation of weapons of mass destruction (WMD) and the international terrorism. The DPRK nuclear crisis is a case in point of the former. The increased terrorist activities of East Turkistan separatists against China are a living example of the latter. What compounds the complexity of the situation in the region is that nations do not always share the vision as how to best address

either the threat. The challenge, therefore, is whether solidarity among all the nations in the region can be consolidated so as to unite to address the issues that no power can single-handedly do.

Fourthly, to better protect their own security interests, nations in the region are taking measures to strengthen their military capabilities in the name of hedge against the future uncertainties. But often, one state's hedging measures are conveniently interpreted by others as provocations. Thus, there are already signs of a vicious cycle of measures vis-à-vis counter-measures going on, which could well be a source of an arms race in the region in the future.

Fifthly, the region is yet to have effective security and economic mechanisms to better promote cooperation on the one hand and to better manage a crisis once it occurs on the other. No one argues against the desirability of such multilateral regional security and economic mechanisms. However, owing to the great diversity of the region, there seems vast difference even as how these mechanisms should be conceptualized acceptable by all the nations concerned. In this connection, one of the major bones of contention is the status and role of the US-led military alliances in the future security equation in Northeast Asia. The US and its allies advocated the alliance system should continue to serve as the pillar to underlie whatever security architecture in the future. Not all the nations agree. In China's perspective, the development of the military alliances is not necessarily conducive to the development of more benign major power's relations in Northeast Asia. They will most likely bring more negative rather than positive impact on the security in the whole region. In the economic field, for all the progress of regionalism in Northeast Asia, the regional economic integration is still a far cry from reality. There is no consensus with regard to its definition, scope of cooperation, and the right participants, let alone a pan-regional cooperative



structure for community building. Obviously, resolutions of these problems are no easy tasks.

Sixthly, many countries in the region have currently been in the transformation of their economic structure in order to maintain dynamics in the economic development and social progress. Many drastic economic and social reforms would be involved. But whether they are able to succeed is far from certain. That could spark a more fundamental risk to all these nations in Northeast Asia, as success in these efforts will go a long way towards sustaining economic development and strengthening domestic social stability of their own countries. On the other hand, failure in these efforts will result in unpredictable consequences, including economic depression, social turmoil, and erosion of the credibility of national governments. Either trend could have significant impact on the security in Northeast Asia.

Last but not the least, underlining all these challenges is the uncertain nature of the future evolution of relation of major players in the region. The key question to the region in the future is if the policy orientations of these nations will contribute eventually to the shaping of sustained cooperative partnerships between them based on equality, mutual trust and benefit, and mutual respect. The outcome, for better or worse, will have great impact on the regional security structure as well peace, stability and prosperity in the region. Again, the answer so far is far from certain. Despite the fact that these nations are in a more or less normal and working relations today, cooperation among them seems all to be based on an ad hoc or expediency basis, vulnerable to the changes of time. Deep-rooted suspicion and mistrust still remain almost in each set of the bilateral relationships among these powers, and become the major obstacle to the in-depth development of major power's relations.

Against the backdrop, Northeast Asia is at a crossroads. This is particularly so when most major countries in the region seem to enter a phase of government reshuffles of many countries, hence a window of golden opportunity for these nations to reflect on its policy in a more fundamental and systematic way. There is a high expectation that readjustments would be forthcoming. Implications of these changes, however, are unpredictable. Northeast Asia will continue to remain a region of mixed stories. The future in Northeast Asia looks just like what one old Chinese saying describes: opportunities and challenges co-exist the prospect is bright but the way ahead is bumpy and zigzag.

## **The DPRK Nuclear Crisis**

It is under this larger political, economic and military context of Northeast Asia that the DPRK nuclear crisis is put into focus. In fact, the issue is a product of all the potential contradictions and conflicts in the relations of the major players in the peninsula. It is, in particular, the extension of the confrontation between North Korea and the United States. To put it another way, whether the issue can be brought to a satisfactory end will have far-reaching implications to the security of the whole Northeast Asia, the peninsula in particular.

But to better appreciate the DPRK nuclear issue, one perhaps needs a brief review of its history. It is now quite clear that North Korea has a long history of its ambition of seeking nuclear weapons. The road to that end has been ups and downs depending on the international and domestic situation it was faced with. Pyongyang started a nuclear program in early 1960s with a small research



reactor of 5 megawatts (5MW) at Yongbyon capable of producing Plutonium. In the 1980s, the severe energy shortage in North Korea led to an agreement to import nuclear reactors and oil from the USSR, with a condition that North Korea must sign the NPT, to which the DPRK accepted with great reluctance. After many years' hesitance, Pyongyang signed the NPT in 1985, but most probably reserving its nuclear option. With the collapse of the Soviet Union and the fast subsequent change of the security environment around North Korea in the post-Cold War era, Pyongyang started construction of two reactors, rated at respectively 50MW and 200MW, chiefly by relying on its own technology, apparently in the attempt of accelerating its nuclear weapon program under the guise of peaceful use of nuclear energy. In 1992, the country signed a safeguard agreement with IAEA under heavy international pressure. Consequent inspections resulted in a rift between the DPRK and IAEA on the verification of North Korea's nuclear sites. Amid demands for special inspections, North Korea announced its intention to withdraw from the NPT in 1993. Hence a first nuclear crisis emerged in the peninsula. But the crisis was soon resolved in 1994 when the United States and North Korea signed the Agreed Framework, under which Pyongyang committed to freezing its plutonium program in exchange for two proliferation-resistant nuclear reactors and additional aid.

Looking in retrospect, the Agreed Framework had obviously played a positive role in halting North Korea's nuclear development program based on the existing material and facilities. As one estimate stated: "(if) you look at the outcome of the Agreed Framework, you see that a North Korean nuclear weapons program based on plutonium was stopped. If we had not negotiated and had not otherwise stopped the program, it would have produced by now at least 100

nuclear weapons.”<sup>1</sup> It seemed also to give testimony to the strategic intention of North Korea about its nuclear program. Pyongyang seemed willing to make a deal with the United States for its nuclear assets to trade for better security to ensure the survival of the regime, and create a more favorable international environment for its domestic development.

The Agreed Framework had generated additional political benefits. In the subsequent years, North Korea showed considerable good faith in improving political relations with the outside, including South Korea, the Western countries, and the United States in particular. Pyongyang had also demonstrated its willingness to curb its nuclear and missile programs particularly when the US South Korea and its allies agreed to take into consideration North Korea’s security concerns and to provide economic assistance. This trend was added additional dynamics when Kim Dae Jung became president in South Korea in 1997, and immediately pursued the Sunshine Policy towards North Korea. The two Koreas achieved a historical breakthrough in the decades-long-impasse in their relations as a result of the summit meeting of the two countries in 2000. Meanwhile, North Korea showed more signs of initiating reforms at home and opening up to the outside world, albeit in a cautious manner. Washington also succeeded in securing a moratorium by Pyongyang on its missile test program. By the last months of the Clinton administration, unprecedented high level exchanges of visits took place with an explicit

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<sup>1</sup> Robert Gallucci, Dean at the School of Foreign Service at Georgetown University and former Ambassador-at-Large in the U.S. Department of State and chief negotiator of the Agreed Framework, “Nuclear Confrontation with North Korea: Lessons of the 1994 Crisis for Today,” Center for Strategic and International Studies and Co-sponsored by Ilmin International Relations Institute, Korea University and Dong-A Ilbo, May 6, 2003, [http://www.csis.org/isp/crisis\\_peninsula/seoulRT transcript.pdf](http://www.csis.org/isp/crisis_peninsula/seoulRT transcript.pdf).



demonstration of good political will from both sides. The two countries had actually come so close to each other that it promised even a ray of hope of a larger breakthrough in their bilateral relations.

The Agreed Framework had of course serious flaws. Produced as an expedient solution to an imminent nonproliferation problem rather than a sustainable building block for the long-term peace and security, it was obviously too weak to fundamentally solve the proliferation issue, let alone reducing suspicions and resolving fundamental differences between the US and North Korea. In the first place, the Agreed Framework seemed to focus on the freeze rather than elimination of North Korea's existing plutonium material and facilities, nor did it involve Pyongyang's possible new programs. This so-called incompleteness has become the focal point in the attack against the Agreed Framework by the hardliners in the US, who complained that this "loophole" had provided opportunity to the DPRK to start its uranium enrichment program. Problems had been further compounded by an apparent underestimation of the engineering and financial difficulties in the building of the two light water reactors. The target date of the first such a reactor was 2003, but it was soon found out to be impossible within reach. The project of building the light water reactors proceeded much more slowly than stipulated under the accord.

All these problems became sources of impatience, suspicions and accusations from both sides. But if they remained of technical nature, political constraints especially from the US side seem more fatal, which led to the final collapse of the Agreed Framework and the resumption of all the hostilities in the peninsula. At the very outset, the agreement was attacked by the neo-conservatives in its political aspect in the United States for the nature of "appeasement to the North." The criticism was further reinforced when the Repub-

licans gained control of the Congress in the 1994 midterm elections, thus greatly restraining the actions of the Clinton administration.

The Bush administration came into power in 2001, which at once terminated virtually all the ongoing positive developments in the Korean Peninsula under the pretext of the need to conduct a review on the US policy towards North Korea. Unlike its predecessor, who took North Korea as an interlocutor, the Bush administration appeared to view Pyongyang more as a dangerous threat to eliminate. The new administration also questioned the validity of its predecessor's negotiating approach of "appeasement" to North Korea, arguing it could hardly achieve the US strategic objective of preventing Pyongyang from acquiring nuclear and long range missile capabilities. With such a mindset, the Bush administration announced on June 6, 2001 "a comprehensive approach to Pyongyang, which should be more accurately described as "a benign negligence policy."<sup>2</sup>

Then the 9/11 terrorist attacks happened, which although dramatically changed the threat perception and security strategy of the Bush administration, had surprisingly strengthened Washington's determination to take on North Korea as a threat. Washington formally labeled North Korea as part of the "axis of evil" in the 2002 State of the Union address. The situation was even further exacerbated when the Bush administration suddenly accused North Korea in a bilateral talk with Pyongyang in October 2003 for having pursued a secretive highly enriched uranium (HEU) program, and stressed that it would never want further talks unless North Korea gives it up all, and with adequate verification. North Korea vehemently denied the US accusation. No one outside really knows what had actually

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<sup>2</sup> Alex Wagner, "Bush Outlines Terms For Resuming Talks With North Korea," Arms Control Today, July/August, 2001, [http://www.armscontrol.org/act/2001\\_07-08/northkoreajul\\_aug01.asp](http://www.armscontrol.org/act/2001_07-08/northkoreajul_aug01.asp).



happened during this emotional exchange in utter acrimony. One thing is clear though, that is, the new confrontation has immediately set off a new round of action and reaction in such a dizzying manner, that they quickly unraveled the Agreed Framework and virtually reversed the situation back to that in the Cold War. On November 14, the US halted heavy fuel oil shipment to North Korea, which had been thought by the North the only obligation that Washington had so far faithfully fulfilled. In response, North Korea announced in December that it would immediately lift a freeze on a nuclear reactor that had been mothballed since the 1994 agreement. A few days later, Pyongyang removed all the monitoring devices of the IAEA at Yongbyon nuclear plant, and to ask its inspectors to leave the country. The new year of 2003 saw other alarming announcements from the North, including its immediate withdrawal from the Non-proliferation Treaty (NPT), as well as the nullifying of the self-restraints for the missile tests. In April, North Korea officials declared that it had already possessed a nuclear arsenal, and had started the plutonium separation from its 8,000 spent fuel rods.<sup>3</sup>

In the meantime, both the US and DPRK were intensifying their military postures for war preparation. The Bush administration announced a plan of sending reinforcement troops in Northeast Asia. It repeatedly stressed that although it had no plan to attack the North, all the options are open, which clearly means that it does not rule out a military attack as a way of solution. There were even talks about the possibility of using small nuclear bombs in order to eliminate the North's underground powerful conventional arms.<sup>4</sup>

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3. See "Chronology of U.S.-North Korean Nuclear and Missile Diplomacy," *Arms Control Today*, June 2003.

4. Doug Struck, "U.S. Focuses On N. Korea's Hidden arms: Nuclear 'Bunker-Busters' Could Damage Deterrence, Some Say," *Washington Post Foreign Service*,

The DPRK responded by threatening that any sanctions, whether authorized by the UN Security Council or imposed by the US with its allies, will be tantamount to an act of war against the DPRK. As with the possible US attack, Pyongyang declared that it would not hesitate to inflict “strong and merciless retaliatory measures.”<sup>5</sup> A new nuclear crisis again emerged between the US and North Korea. The danger is that with each resorting to escalating tactics, a momentum was being built up to roll the situation out of control of all the major players, leading to an eventual military conflict or even a war.

Both the US and DPRK were also calling for a solution through peaceful negotiation. But positions of the two sides were so far apart that it was not even possible to define a working mode for negotiation. Pyongyang emphasized that since its nuclear program was entirely a response to the US hostile policy, the issue can be solved only through the bilateral negotiation between the two countries. North Korea refused to participate in any multilateral discussion on the nuclear issue. On the other hand, the US argued that since North Korea had posed a threat of nuclear proliferation to the international community, the Northeast Asia in particular, the issue could only be solved through the UN Security Council or other multilateral bodies. The Bush administration was adamant against any bilateral contacts with Pyongyang.

Against this backdrop, China came to play a significant role in arresting the tension, and bridging the two sides for a solution acceptable to both. Thanks to its unswerving and tactful effort, China succeeded in providing a multilateral setting in which the US

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June 23, 2003.

5. North Korea Threatens ‘Merciless’ Retaliation Against Sanctions, *Agence France-Presse*, Seoul, July 1, 2003.



and DPRK were able to have direct contact and negotiation. Beijing first of all persuaded both Washington and Pyongyang to agree to trilateral talks (plus Beijing) to be taken place in Beijing in April 2003. The trilateral talks were soon expanded to Six-Party Talks including another three major players in the region: South Korea, Japan and Russia in August 2003. So far the Six-Party Talks have conducted 6 rounds of negotiations for the past 5 years. The talks proved to be an extremely complex exercise, close to collapse for several times. Particularly when the DPRK conducted an underground nuclear test on October 3, 2006, indicating North Korea had become a de-facto nuclear weapon state for all its insurance to be committed to denuclearization, many believed that the Six-Party Talks would soon come to demise. But thanks to the patience, determination and political wisdom of the parties concerned, this multilateral negotiation body in North East Asia has proved of great vitality, surviving all the setbacks and reversals and finally achieving important breakthroughs towards the goal of denuclearization in the peninsula.

The first significant breakthrough came in the form of a joint statement, reached during the 4<sup>th</sup> round of talks on September 19, 2005, which stipulated six-point principles to guide future negotiations. These principles include:

1. Reaffirmation of its goal of the verifiable denuclearization of the Korean Peninsula in a peaceful manner. To that end, the DPRK committed to abandoning all nuclear weapons and existing nuclear programs and returning, at an early date, to the Treaty on the Non-Proliferation of Nuclear Weapons and to IAEA safeguards. The United States affirmed that it has no nuclear weapons on the Korean Peninsula and has no intention to attack or invade the DPRK with nuclear or

conventional weapons. The DPRK also insisted that it has the right to peaceful uses of nuclear energy, meaning light-water reactors. The other parties expressed their respect and agreed to discuss, at an appropriate time, the subject of the provision of light water reactor to the DPRK.

2. Abiding by the purposes and principles of the Charter of the United Nations and recognized norms of international relations.
3. Promotion of economic cooperation in the fields of energy, trade and investment, bilaterally and/or multilaterally. Other five parties stated their willingness to provide energy assistance to the DPRK.
4. Commitment to joint efforts for lasting peace and stability in Northeast Asia. The directly related parties will negotiate a permanent peace regime on the Korean Peninsula at an appropriate separate forum.
5. Taking coordinated steps to implement the afore-mentioned consensus in a phased manner in line with the principle of “commitment for commitment, action for action.”
6. Commitment to future talks.<sup>6</sup>

All these points are no doubt the essential principles to insure the progress of the talks. But the subsequent development of the situation made the efforts of implementation stranded again. It was not until February 13, 2007, when the Six-Party Talks concluded its fifth round with an agreed “action plan” of initial steps to implement the September 19, 2005 joint statement on North Korea’s denuclearization that this regional multilateral negotiation picked

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<sup>6</sup>- See joint statement of the fourth round of the Six-Party Talks, Beijing, September 19, 2005, <http://www.state.gov/t/pa/prs/ps/2005/53490.html>.



up dynamics again for the continuing progress.

According to the action plan, North Korea was to halt the operation of its nuclear facilities at Yongbyon during a 60-day initial phase in return for an initial shipment of 50,000 tons of heavy-fuel oil. The action plan established for the first time five working groups to “discuss and formulate specific plans” regarding: economic and energy cooperation; denuclearization; implementation of a “Northeast Asia Peace and Security Mechanism”; North Korean relations with the United States; and North Korean relations with Japan. The statement also envisaged the second phase of the denuclearization process, that is, following the shutdown of North Korea’s nuclear facilities at Yongbyon, Pyongyang is to provide a complete declaration of all of its nuclear programs and disable all of its existing nuclear facilities in return for an additional 950,000 tons of heavy-fuel oil or its equivalent. The United States, in addition, was committed to provide energy aid to North Korea, to begin the process of removing Pyongyang from its list of state sponsors of terrorism and to stop the application of the Trading with the Enemy Act toward North Korea.<sup>7</sup>

The action plan of February 13, 2007 was further substantiated by another joint statement on October 3 the same year. The statement specifically set a deadline of December 31, 2007 for North Korea to provide a “complete and correct declaration all its nuclear programs-including clarification regarding the uranium issue,” and the disablement of its Yongbian nuclear facilities. Pyongyang was also committed to disable all other nuclear facilities, and not to transfer nuclear material or technology abroad - the first time it had done so. In return, North Korea would receive the remaining 900,000 tons of heavy-fuel oil or its equivalent pledged in the February 13 agreement.

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<sup>7</sup>- See initial Actions to Implement Six-Party Joint Statement, February 13, 2007, <http://www.state.gov/r/pa/prs/ps/2007/february/80508.htm>.

The United States reaffirmed its commitments to begin removing North Korea from its list of state sponsors of terrorism and “advance the process of terminating the application of the Trading with the Enemy Act” toward North Korea “in parallel with” North Korea’s denuclearization actions.<sup>8</sup>

The above quoted three legally binding documents constituted in principle a solid political basis for the eventual solution of the nuclear crisis in the Korean Peninsula. But there were still a number of both political and technical obstacles in the specific implementation of the obligations of each side. Disagreement soon surfaced, for example, over the declaration between the US and North Korea. The two countries disputed mainly on three issues: 1) the amount of the plutonium North Korea has produced. US officials said they believed DPRK had produced about 50kg of plutonium, or enough for about eight nuclear bombs. North Korea insisted it only had about 30 kg, 2) the uranium enrichment program. Washington suspected North Korea of having a secret program to enrich uranium for weapons while Pyongyang consistently denied it, 3) Nuclear proliferation. The US accused North Korea of proliferating nuclear technology and material to the likes of Syria, and again, North Korea rejected the accusation. It was soon found out that the rift between the US and DPRK on these issues had made it impossible for Pyongyang to offer the declaration on time as requested. Pyongyang was also unable to disable its Yongbion facilities in accordance with the timeframe of the deadline because of some technical questions about the cooling of the fuel rods. On the other hand, North Korea complained about the delay of the delivery of heavy-fuel oil to North Korea by other parties, which Pyongyang warned may slow down its disablement

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<sup>8</sup>. Joint Statement of the Second Session of the 6<sup>th</sup> round of the Six-Party Talks, Beijing, October 3, 2007, <http://www.state.gov/r/pa/pars/ps/2007/oct/93217.html>.



process.

Despite all these setbacks, the atmosphere of the forum was much improved that allowed better understanding and greater tolerance among these states for the differences. Unlike previous times, each side was not eager to point finger to the other side. Rather, they intensified efforts in consultation to seek a solution based on mutual compromise. Particularly, direct consultations and meetings between representatives of the two directed parties—the US and DPRK played a critical role in defining such a compromise at last. According to the press reports, during March and April, 2008, chief representatives from the US and the DPRK were engaged in a flurry of diplomatic interactions, including meetings in Geneva and Singapore respectively to discuss ways to make progress on North Korea's declaration, including the consideration of a compromise approach to the declaration format. The two envoys reportedly reached an agreement on the North Korean nuclear declaration which would entail North Korea's accounting of its plutonium-based nuclear weapons program and its acknowledgement of US allegations regarding its proliferation and uranium enrichment activities. These past activities would be taken up in the future unspecified time, thus ironing out the major disagreement, and paved the way for progress towards denuclearization. On June 26, 2008, North Korea submitted its long-awaited nuclear declaration to China, host of the six party talks. The next day, Pyongyang demolished the cooling tower at the Yongbyon nuclear reactor. The United States accordingly announced on June 26 that it may remove North Korea from its list of state sponsors of terrorism within 45 days if the country meets all its obligations under the Six-Party Talks. This means Washington would lift its economic sanctions against Pyongyang that have been in force since 1950.

With the declaration provided, and the progress of disablement of the nuclear facilities facilitated in North Korea, the next job of the Six-Party Talks will be verification of Pyongyang's declaration. The upcoming talks will also discuss how to push forward the agenda of the five working groups. Topics at these working groups are vital in reinforcing a more solid framework for the sustained solution of the DPRK nuclear crisis. In the meanwhile, efforts have been made to prepare a foreign ministers' meeting of the six parties, which will help to maintain and enhance the momentum of the Six-Party Talks and expedite the process of solving the Korean nuclear issue in a full, comprehensive and balanced manner.

The impressive progress in the Six-Party Talks has so far not been easily won. This is first of all due to the concerted efforts of all the six nations. But credit should also be particularly given to the United States and DPRK for their contribution to the eventual breakthroughs in the Six-Party Talks. That the nuclear crisis has been in essence the extension of a long term confrontation between the two states has almost been a consensus in the international community. The solution of this issue could only be possible when these two countries are able to soften rigidity in their position, and demonstrate adequate political will to negotiate in a spirit of mutual respect and mutual benefit, equality and mutual accommodation and compromise. Fortunately during the course of the negotiation, one did observe that rationality, pragmatism and flexibility gradually took the upper hand from both the capitals. In fact, it was Washington who first made dramatic changes in its policy towards Pyongyang that started the ball-moving. From labeling North Korea as the axis of evil, drafting a preemptive strategy, refusing to have any direct contacts with Pyongyang, the Bush administration shifted to accepting bilateral negotiation, agreeing to a solution based on mutual com-



promise, and offering rewards including normalization of relations with North Korea and providing security assurance and economic assistance to Pyongyang when denuclearization materialized. On the part of North Korea, it seemed always ready to respond positively to any signs of relaxation in the US policy. Despite the fact that the DPRK would often resort to a strategy of brinkmanship when it felt threatened in security, it is quite clear, as the recent developments are demonstrating, that the strategy of North Korea was to defend by launching offensives. What Pyongyang had really wanted was a deal with Washington. To put it another way, North Korea seemed willing to abandon its nuclear capability provided its security concerns were met. Under the circumstances, it has almost become a pattern of practice that whenever the Six-Party Talks met with seemingly insurmountable difficulties, the DPRK would threaten to take drastic measures to respond to whatever provocations it thought came from the US side, but would also send signals to show it is willing, sometimes even urging the US to hold bilateral talks to seek a way out. The results of these consultations or agreements would then invariably become the major catalyst to boost the progress in the full sessions of the Six-Party Talks. Indeed, the bilateral quiet diplomacy between the US and DPRK has already become a most important component of the whole multilateral efforts.

But one must perhaps remain a little cautious with regard to the future prospect of the nuclear issue in North Korea. For all the breakthroughs mentioned, there are still a lot of uncertainties in the future. Measures of disablement and dismantlement have been involving many technical problems, which countries concerned will take a long time to fix. One estimate calculated that even if everything goes as wished, it may still take over a decade to complete the denuclearization process in North Korea. But the real challenge

would still come from the political aspect. To put it more specifically, mutual suspicion and mistrust continue to be the major obstacle to the future implementation of the agreements reached.

The future policy of the United States deserves particular watch. First of all, people are not sure if the current conciliatory stance of the Bush administration towards North Korea is an indication of the US strategic shift from regime change to accepting the legitimacy of North Korea as an equal partner for security cooperation in the future. Or all these changes are mere changes of tactics for short term expediency. Some believed that the Bush administration is now in desperate need of a solution with North Korea to stabilize the situation in Northeast Asia because it has been bogged down in Iraq, having to deal with more dangerous situation in the Middle East. Others argued that given only a few more months in the White House, George W. Bush needs a solution of the nuclear issue in North Korea as his legacy for his successor. Thus they believe that for all the US interest in the desired deal with Pyongyang, hostility towards North Korea in Washington has not and would not change as its bottom line.

This belief has been further reinforced by the fact that in Washington there has never been consensus with regard to the North Korea policy. Although many super neo-conservatives in the Bush administration have left, there is still a powerful force of conservative hardliners in the country, who just hates DPRK and accepts no solution except for the collapse of the regime of the country. Indeed, a view has already been made public that the nuclear crisis in 2003 had been deliberately “cooked” by the hardliners in the Bush administration to crush Pyongyang.<sup>9</sup> And then, in the

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<sup>9</sup>- See, for example, P. Parameswaran, “Intel Spin by US Hardliners Sparked N. Korean Crisis: Book,” news report, *Agence-France-Presse*, Washington, August 4,



mounting tension in the peninsula, these people in the administration lobbied hard for a preemptive strike on the nuclear facilities in North Korea in the hope of realizing regime change. In the cause of the Six-Party Talks in the past five years, one could also observe that at each critical juncture of reaching a breakthrough in the negotiations, some new problem would invariably crop up from the US side to crush any deals in contemplation. Thus, just on the eve of the agreement of the September 19 joint statement in the fourth round of the Talks in 2005, the US Department of the Treasury designated a Macau bank, Banco Delta Asia, as a “primary money laundering concern” under Section 311 of the USA PATRIOT Act, thereby freezing about \$25 million in North Korean funds. The punitive measure angered Pyongyang so much that it immediately destroyed much of the minimum trust accumulated between the two states, putting the Six-Party Talks at deadlock again for more than one year, and leading to a nuclear test by the DPRK one year later. Thanks to the concerted rescuing efforts by the international community, particularly to the efforts by both the Bush administration and Pyongyang, a solution to the financial issue was defined based on the mutual compromise from both countries. The Six-Party Talks showed signs of being reactivated, and was just about to reach another important joint statement to specify the concrete measures for the implementation of the September 19 agreement, Israel suddenly carried out an air-strike, destroying a Syrian facility of an undetermined purpose on February 13, 2007. According to the press reports, the Israeli action was based on the US and Israeli close

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2008. The report said that a new book written by a former CNN journalist Mike Chinoy would be released soon, which revealed an inside story that hardliners in US President George W. Bush’s administration had spun intelligence and triggered a nuclear crisis with the DPRK.

intelligences exchanges, which were said to find out that Syria had been building a nuclear facility with North Korean assistance. In the United States, the Bush administration was then strongly demanded to add Pyongyang's past proliferation records to the agenda in the Six-Party Talks. The Bush administration agreed to demand the DPRK to make itself clean of this issue in the declaration apparently under pressure from its own camps. But it only proved to have unnecessarily complicated the denuclearization process. Pyongyang understandably rejected it. Washington seemed also glad to shelve it at least for the moment.

No one knows if opposition in Washington will find other ways to constrain or even derail the Bush administration's efforts to have a quick deal with the DPRK in the future. Already, there is ominous sign to show that the Bush administration seems to back off from its own promise in the implementation of its obligation. On August 12, 2008, White House spokesman Tony Fratto announced that the US is not removing the DPRK from the terror list for now as there needs a strong "verification regime" of its nuclear programs. "Our requirement for moving forward on delisting is a rigorous verification regime and a verification protocol, and until we get there I think we've been clear that delisting can't go forward," he said.<sup>10</sup> Within a couple of months, we see again the vacillation of the US attitude. Is this a mere indication of the US use of tactics to exert greater pressure on Pyongyang for moving forward, or another feat by the hardliners in Washington to drag the Bush administration backward? We may just need more time to see.

The Six Party Talks could also be further negatively affected by

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<sup>10</sup> "US Says Not to Remove DPRK from Terror List for Now," News report, *Xinhua News Agency*, Beijing, August 13, 2008, [http://news.xinhuanet.com/english/2008-08/13/content\\_9241904.html](http://news.xinhuanet.com/english/2008-08/13/content_9241904.html).



other factors. Japan's attitude, for example, of linking the progress of denuclearization with the abduction issue is fully understandable but may not lead to a satisfactory result if unduly stressed in a wrong setting and at a wrong time. On the other hand, the new harsh policy of President Lee Myung-bak in South Korea has soured the North-South relations, overcasting a new shadow on the prospect of the denuclearization process.

Just to what extent the above said uncertainties may have impact on the minds of the leadership of North Korea, we don't know. Past experience shows that Pyongyang wouldn't give up its nuclear capabilities unless it succeeds in achieving two major objectives: normalizing relations with the US, and getting economic assistance from the international community. In its anger over Washington's failure to remove it from the US list of terror sponsors, the DPRK said on August 26 that it had stopped disabling its nuclear reactor and would consider restoring the plutonium-producing facility.<sup>11</sup> This is the latest reminder that if Pyongyang were to believe that it would not be able to get that deal on its terms, the idea of protecting security through arms build-up, including nuclear capability build-up would surely arise once again. It is in this sense, one may well argue that in the process of denuclearization, the ball has always been at the court of the US and its allies.

## The Role of China in the DPRK Nuclear Crisis

As one of the closest neighbors of North Korea, China has tremendous geo-strategic stake in backing up the DPRK and main-

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<sup>11</sup> Jae-soon Chang, "N. Korea Says It Halts Nuclear Reactor Disablement," *Associated Press*, Seoul, August 26, 2008.

taining peace and stability in the Korean Peninsula in the Cold War. For that purpose, over 50 years ago, China was reluctantly drawn into the Korean War and succeeded in thwarting the American advance in the peninsula and securing a precarious peace in the peninsula with a heavy price. Over 148,000 Chinese volunteers fighting in the war lost their lives; more than 200,000 were wounded. Since then, China has consistently been a great supporter to the maintenance of peace and stability in the peninsula.

When the Cold War was over, the strategic importance of the Korean Peninsula has become even more prominent in political as well as economic terms to China. Thanks to its policy of omni-directional peaceful coexistence, China has strived to improve and maintain good relations with all the states in the region. One of the most important indications of the progress in China's efforts is the establishment of diplomatic relations with South Korea in 1992. Beijing has consistently pursued a balanced policy towards the two Koreas, striving to maintain friendly and cooperative relations with both sides ever since. Continuance of the propitious situation based on regional cooperation has become one of the essential components in China's efforts to build a sustained and peaceful international environment so that it could concentrate on its domestic development.

The nuclear crisis in North Korea, if mishandled, threatens to reverse the situation, and complicate China's security calculations in Northeast Asia. First of all, the acquisition of nuclear weapons by North Korea, in China's perspective, will have serious fallout in the region. Japan or South Korea would have greater incentives to follow suit, which will then turn Northeast Asia into a ground for chaotic nuclear arms race, and even a nuclear exchange. Second, a nuclear North Korea will almost be bound to draw drastic response from the US and its allies. The resultant confrontation or even a war will



greatly affect or even change the security landscape in Northeast Asia, generating more instability in the region. Third, if North Korea is determined to develop nuclear weapons, it could do so only at the expense of its economic development. It could no longer expect any meaningful economic assistance from the outside world, in addition to bearing the brunt of sanctions and even embargo by the US led coalitions. The economy, which is already in bad shape, could become worse, threatening to generate greater political or social crisis at home. Thousands upon thousands of North Korean refugees may flee across the 1,400-kilometer border into China, creating a devastating humanity problem on China's own soil. Last but not least, the nuclear crisis could also put China in a dilemma in its handling relations with all the major players involved, none of which China wishes to be on bad terms. If the situation deteriorates, Beijing, for example, would find it increasingly difficult to keep a balance in its relations with the United States and North Korea as well as with North and South. Thus, Beijing must be keenly aware that the nuclear crisis puts both its international security and domestic stability at risks.

It is against the above said background, China has been consistently reaffirming its positions on the nuclear issue, which can be summarized as 1) peace and stability on the Korean Peninsula must be preserved; 2) the peninsula must remain nuclear-free; 3) the dispute must be resolved through diplomatic and political methods. These positions form the core of Chinese approach to the resolution of the nuclear issue.<sup>12</sup>

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<sup>12</sup> Jing-dong Yuan, *China and the North Korean Nuclear Crisis*, Monterey Institute for International Studies, January 22, 2003, <http://cns.miis.edu/research/korea/index.htm>. For more details of China's position on the nuclear crisis in North Korea, see also Foreign Ministry Spokesperson's Press Conference, the Ministry of Foreign Affairs, PRC, on June 24, 2003, <http://www.fmprc.gov.cn/eng/51794.html>.

China's positions have won broad echoes from the international community as they indeed reflect the common wishes of world nations to see a peaceful settlement of the crisis. On the other hand, China may be the only country who maintains good relations with and subsequently has important influence on all the nations involved in the region. Naturally, with the encouragement of the international community, China has been doing all it can to help bring the nuclear crisis into a peaceful resolution through the creation of the Six-Party Talks. China's contribution has not only lied in its introduction of a regional multilateral forum to effectively address the DPRK nuclear issue, but also in providing spiritual leadership in steering the course at the negotiating body on the right track ever since the forum began. China called on all the parties involved not to act in a way that will escalate the tension and further complicate the situation. China also urged the DPRK and the United States to conduct dialogue as it believed any solutions would have to be based on the contact and negotiations between the various players, between the US and DPRK in particular. During the process, China has taken great care to act as an honest and impartial mediator, encouraging the exploration of a solution through international cooperation, based on mutual respect and benefit, equality and mutual compromise. China strongly cautions against any coercive measures like sanctions or even military pressures unless under extreme circumstances. Finally, while playing a proactive and bridging role, China has deliberately kept itself in low profile, believing that international disputes could best be solved through quiet diplomacy. It would be inconceivable for the Six-Party Talks to be able to achieve all the progress without observing the above said principles.

There are still a few uncertainties from both Washington and Pyongyang, however, which might jeopardize China's efforts in the



future. The Bush administration together with the US media has been so far pushing China to play a more significant role in the crisis on the ground that China shares the same objective with the US of a nuclear free Korean Peninsula, and that no other countries than China can have more impact on North Korea's policy. That may be true. But it should also be noticed that China does not necessarily agree with Washington on anything about the crisis. If Washington, for example, wishes to use China only for the sake of exercising pressure on North Korea, and have a solution only in its own interests, cooperation between China and the US cannot be sustained. On the other hand, if North Korea is obstinately intent on acquiring nuclear weapons regardless of whatever cost, China's efforts for the peaceful solution will also be bound to fall apart. In short, China's positive effort cannot be the substitute of the two countries' sincere wish to have a peaceful solution of the nuclear crisis. Only through the honest cooperation with the US and the DPRK, can China's effort be successful.

It is in this context, China values the role of South Korea as a reliable strategic partner in carrying out regional cooperation for the solution of the DPRK nuclear crisis. Like China, South Korea is in a unique position to contribute to the success of these efforts. It is the ally to the United States. Washington cannot take any substantive action in the Korean Peninsula without the understanding and support of South Korea. On the other hand, as part of the Korean nation, the policy of Seoul would have a great impact on the minds of North Korea for better or worse. The Sunshine Policy of the Kim Dae-jung and Roh Moo-hyun administrations over the past ten years, which has been featuring political reconciliation, greater economic assistance, and peaceful resolution of disputes towards the North, is a case in point. For all its defects or flaws, the Sunshine

Policy played a positive role in facilitating the readjustment of the US position towards the North, dramatically reducing the tension in the Korean Peninsula, greatly enhancing economic, cultural and tourism exchanges between North and South, and rapidly upgraded the role of South Korea as an irreplaceable, significant player in the solution of the nuclear issue. China has always enjoyed the close cooperation with South Korea in the Six-Party Talks.

The coming to power of President Lee Myung-bak in March 2008, however, seems to add some uncertainty to the role of South Korea in the future as he pledged to be different from his predecessors in terms of the policy towards the North. One may argue that all these readjustments seem meant to strengthen the role of South Korea in the interaction of major players for the security in the region. But the result so far seems just the opposite. North Korea has been greatly angered. As an expected response of a tit-for-tat retaliation, North Korea immediately severed almost all the major connections with the South, tension between the two sides of the peninsula has been rebuilt up. Ironically, the hard-line policy of President Lee has served to accelerate the deal that Pyongyang had been negotiating with Washington over the terms of the denuclearization, while South Korea has been pushed on the sideline.

President Lee apparently is beginning to be aware of the problems that his initial North Korea policy has created. The recent remarks of his administration tend now to stress its political will to see good relations with Pyongyang. According to one press report, Lee's government announced "the policy toward the DPRK for five years henceforward, and formulized it as co-existence and co-prosperity."<sup>13</sup> Whether this heralds a more mild approach towards

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<sup>13</sup>- See "Background of Government Policy," *Yonhap News*, July 31, 2008.



the DPRK, we don't know. But there is a high hope that common sense would take the upper hand, and continuity would become the chief hallmark of Seoul's policy towards North eventually.

When this short paper is about to be complete in writing, President Hu Jintao was in Seoul for his state visit to South Korea on August 25-26. It is evidently a very successful visit. The two countries pledged to promote the strategic cooperative partnership in a comprehensive way. Measures taken to that end will include, among other things, broadening and enhancing cooperation, and intensifying coordination on regional and international issues, according to the joint communiqué issued during the state visit. They expressed particularly their willingness to reinforce communication and cooperation in the framework of the six-party talks, and implement the second phase action of the talks in constructive efforts. In that regard, the South Korea pledged to further develop ties with the (DPRK) through reconciliation and cooperation, while the Chinese side reaffirmed its support for the reconciliation process between the ROK and the DPRK and their final peaceful reunification.<sup>14</sup> That is indeed good news, highlighting not only the broad common interests between China and South Korea on the solution of the DPRK nuclear crisis, but also their determination that they will work together to strive for a solution of the issue through dialogue and negotiation in the spirit of mutual respect and mutual compromise.

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<sup>14</sup>- See China-ROK Joint Communiqué, *Xinhua News Agency*, Beijing August 25, 2008, [http://news.xinhuanet.com/english/2008-08/25/content\\_9709779.html](http://news.xinhuanet.com/english/2008-08/25/content_9709779.html).

## >> 중국의 동아시아 비전과 한반도

### 판전창

(중국개혁개방포럼 상임이사)

동북아의 안보는 기로에 서 있으며 그간 전반적인 평화와 발전의 추세가 주류를 이루어 왔다. 주요국들 모두 정상적이며 유기적으로 기능하는 관계를 유지하고 있었고 단독적으로 해결할 수 없는 안보문제를 대함에 있어 협력을 추구해 왔다. 비록 이 지역에 아직 분쟁이 남아 있기는 하지만 모든 당사국들이 평화적 논의와 협상을 통해 해결책을 찾으려는 정치적 의지가 충분히 남아 있다. 그러는 동안 동북아는 경제개발에서 엄청난 역동성을 보여주었고 세계화의 영향을 극복하기 위해, 그리고 세계의 다른 지역에 대한 경쟁력을 강화하기 위한 강력한 지역경제협력의 경향을 과시하였다.

동북아는 수많은 안보문제에 봉착해 있다. 이미 20년 전에 냉전이 끝났다는 사실에도 불구하고 한반도에서는 아직 군사적 대치가 지속되고 있다. 역사에 근원을 둔 국가 간 분쟁도 다수이며 대다수 경우가 동북아에서의 주권과 영토보전의 문제이기 때문에 해결이 극히 힘들다. 이러한 문제들은 잘못 다루면 군사적 충돌로 확대될 수도 있다. 또한 이 지역에서는 대량살상무기의 확산이 나타났고 국제테러도 발호했다. 보다 근본적으로는 강대국 사이에 불신과 의심이 이 지역 주요 안보문제의 한축을 형성하고 있다. 위험을 피한다는 핑계로 이들 국가들은 각기 군사력을 증강하고 있는 이는 다시 다른 국가들의 대응을 불러올 뿐이다. 이러한 상황을 더욱 복잡하게 하는 것이 바로 이 지역에는 아직 안보협력을 촉진하기 위한, 또 일단 분쟁이 발생하면 효과적으로 위기관리를 할 수 있는 안보 메커니즘이 존재하지 않는다는 것이다. 국내적으로는 많은 나라들이 자국의 경제 구조를 변화시키고 있으며 이는 다수의 과감한 경제적·사회적·정치적 개혁 조치들을 포함하고 있다. 그들의 노력이 성공할 것인지는 아직 불확실하다. 그러나 결과는 좋은 쪽이던 나쁜 쪽이던 국내 발전과 지역 안정에 중대한 의미를 가질 수 있다.

북한 핵위기가 발생했던 것은 바로 이러한 복잡한 상황을 배경으로 한 것이었다. 사실 동북아에서 전략적 상황의 복잡한 본질이 쟁점의 원인이 될 수도, 궁극적인 해법의 기초가 될 수도 있다. 북한은 분명히 외부로부터 큰 압력을 받아왔다. 북한은 탈냉전기에 특히 부시 행정부의 더욱 적대적이고 공격적인 정책에 직면해 있다. 평양에게 핵무기는 생존을 보장하기 위한 마지막 비방이 되었다(만약 비방이라고 부를 수 있다면). 그러나 평양은 협상의 대가로 자신의 안보 우려가 해소되지만 한다면 자신의 핵자산을 두고 미국과 협상을 할 수도 있다는 사인을 보내고 있다. 이 가운데 워싱턴 또한 현재의 동북아 상황 하에서는 군사 옵션이 북핵문제를 해결할 수 없다는 것을 깨닫게 되었다. 궁극적으로 미국은 다자외교를 통해 해법을 찾으려 할 것이다.

따라서 핵문제의 평화적 해결 기회가 태동하고 있다. 중국은 북·미 두 관련 당사자가 6자 회담의 형식 내에서 직접 접촉하도록 다자적 환경을 창출했던 것뿐만 아니라,



상호 존중, 상호 이익, 평등과 상호 양보의 정신으로 협상을 성공시키기 위한 핵심 지침의 비전을 마련한 것에서도 크게 기여를 하였다. 이러한 원칙들이 포럼에서 합의 되었고 다자적 노력이 진보하는 강력한 정치적 기초가 되었다.

이 진보가 수많은 후퇴와 반전에도 불구하고 비핵화의 목표를 향한 중요한 돌파구로 이어졌다. 그러나 동시에 실용성과 유연성 그리고 그 과정에서 기꺼이 타협하려는 의향을 가졌던 미국과 북한에도 큰 점수를 주어야 한다.

한편으로 6자회담에는 아직 불확실성이 많이 남아있다. 신뢰의 부족이 가장 큰 장애요소이다. 만약 안보우려가 해소되지 않는다면 북한이 핵무기를 포기할 준비가 되어 있는지의 여부도 아직은 큰 의문이다. 다른 한편으로는 향후 미국의 정책이 비핵화 과정의 전망에 보다 큰 영향을 미치게 될 것이다. 실제로 공은 미국 코트에 있으며 북한은 어느 정도까지만 대응할 뿐이다.

이러한 상황에서 중국은 당사자들 간의 차이를 이어주고 비핵화 과정에서 윈-윈 결과를 달성할 수 있도록 노력하는 정직한 중재자로서의 역할을 지속하기를 바라고 있다. 이 점에서 중국은 한국이 신뢰할만한 전략적 동반자가 되어 한반도의 핵위기를 궁극적으로 해결하기 위해 함께 노력하기를 기대한다.



*The Vision for East Asia in the 21<sup>st</sup> Century  
and the Korean Peninsula*

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# *Russia's Vision for East Asia in the 21<sup>st</sup> Century and the Korean Peninsula\**

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## :: Summary

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The August this year marked the fifth anniversary of the Six-Party Talks on settlement of a nuclear problem on Korean Peninsula. The negotiation process was very complicated politically and tense emotionally. Summing up what happened during the five year period of negotiations, it is possible to define following conclusions.

First of all, the Six-Party Talks are highly important, unique instructional forum of negotiations, which provides an opportunity to find way not only to solve the nuclear problem of North Korea but to lay down the foundation for steps to create a framework for comprehensive peace settlement on Korean Peninsula, for mechanism of a confidence building measures and on later stage for an Organization on peace and security in Northeast Asia.

Second. The Six-Party Talks produced some important results. Most significant that the process of the denuclearization of North Korea actually started.

The goal of Russia is not to obtain an predominate positions on Korean Peninsula. On the other hand, Russia traditionally is interested that this region should be free from prevailing influence of any other, especially not friendly to Russia, state. The worth scenario for Russia will be if from this region would appear a threat to Russia security.

That's why for Russia the best scenario would be if on united Korean Peninsula will be democratic, neutral, non-nuclear, non-aligned state, or as a first stage there will be two states with the same characteristics. Of course, such state or states should have international guarantees of the "Big four powers."

Of course, it is extremely difficult to achieve above-mentioned goals. Best of all to start with rather modest steps.

At this stage the most urgent cause is, while solving the problem of denuclearization of the Korean Peninsula what greatly contributes to peace and stability in Northeast Asia, to start to explore ways and means for promoting security and cooperation in this region. At later stages, this process may evolve into a regional organization on peace, security and cooperation.

Finally, we will have a permanent peace regime not only on the Korean Peninsula but in all Northeast Asia.

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Northeast Asia is one of the global security concerns, because it is a possibility for intense arms race, there are unresolved territorial disputes, politically dominated heated debates around historical past of the relations between regional countries. One should note the low level of mutual understanding on internal situation and real political intentions of the main actors of Northeast Asia and as a result a rather high level of mutual distrust.

On the other hand, the possibility of an outbreak of a war in East Asia is relatively low, there is no country of the region which is interested to achieve its goals here by using force. Of course, the tension on Korea Peninsula is still exist, but the level of tension decreased thanks to the Six-Party negotiation process and certain movements in international relations.

The August this year marked the fifth anniversary of the Six-Party Talks on settlement of a nuclear problem on Korean Peninsula.

The negotiation process was very complicated politically and tense emotionally. At the beginning there were no progress at all — the fact that delegations get together was regarded as success itself. Then from time to time a cautious optimism started to appear — but the result of the discussions one way interpret as “one step forward, two steps back.” After a formula “action for action” was agreed upon, some positive movements started to appear — “two steps forward, one step back.”

Summing up what happened during the five year period of negotiations, it is possible to define following conclusions.

First of all the Six-Party Talks are highly important, unique international forum of negotiations, which provides an opportunity to find way not only to solve the nuclear problem of North Korea but to lay down the foundation for steps to create a framework for comprehensive peace settlement on Korean Peninsula, for mechanism of

a confidence building measures and on later stage for an Organization on peace and security in Northeast Asia.

Second. The Six-Party Talks produced some important results. Most significant that the process of the denuclearization of North Korea actually started. One may, of course, not be fully satisfied, but the destruction by North Korea of a cooling tower of its nuclear reactor in Yong byon is not only symbolic gesture but a real result of the negotiations, which is of great importance.

Third. The principle – ‘action for action’ proved to be very productive, if only this principle is not too heavily influenced by changes from time to time in political positions of some members of the Six-Party Talks. Long range predictability of the position of every member of the Six-Party Talks, the better understanding of the real intentions of the partners of the talks, identical interpretation of the reached agreements are the core principles for the success of the Six-Party Talks. Otherwise, we will return to the formula – “one step forward, two steps back.”

One example.

Following Pyongyang’s declaration in June this year on its nuclear activities President George W. Bush notified Congress on June 26 of his intention to remove North Korea from the terrorism blacklist.

Under US. Law, the process to remove North Korea from the terrorism blacklist takes 45 days. Forty-five days have passed and legally the American administration can now take the step at any moment.

But United States decided to postpone removing North Korea from its list of countries that sponsor terrorism. The assurance was given by secretary of State Condoleezza Rice to Foreign Minister of Japan Masahiko Komura over the phone. Japan was against of



American step to remove North Korea from the terrorism blacklist before the abduction problem between Tokyo and Pyongyang is settled.

There are obviously also domestic political factors behind the move to put off dropping North Korea from the list. Many members of the US Congress have criticized the Bush administration “for giving away too much for too little.”

Finally, US President said he would not remove North Korea from the list without an agreement on the verification process.

The United States has presented a blueprint for verifying Pyongyang’s accounting of its nuclear weapons program to the other countries involved in the Six-Party Talks over the regime’s nuclear disarmament.

Japan, China, Republic of Korea and Russia have all agreed to the plan.

North Korea originally claimed that there was no requirement for verification of the nuclear declaration it made in late June under a six-party agreement reached earlier. Its position apparently was that verification should be done after the second phase of disabling nuclear facilities is complete. The second-phase measures include the declaration, disablement of all existing nuclear facilities in North Korea, economic and energy aid to the country and the delisting.

But Pyongyang apparently agreed for verification of its report on nuclear activities during the Six-Party Talks held in July this year. But there are still not clear if North Korea will agree to all verification procedures, which were worked out by American side. But, on the other hand, now North Korea may denounce the US decision as a breach of its promise.

One can see how fragile might be a very important agreement reached at the Six-Party Talks.

One more example.

In the middle of August this year Japan and North Korea reached an agreement concerning the abduction problem.

Pyongyang has agreed to reinvestigate its abductions of Japanese nationals as swiftly as possible and try to complete the probe by the end of this year.

For its part, Japan will lift restrictions on travel between the countries once the reinvestigation starts and allow chartered flights linking the nations.

But both sides stopped short of achieving a consensus of how to deal with the Japanese radicals who hijacked a plane to North Korea in 1970 and when and under what conditions Japan will carry out its promise to allow North Korea ships to enter Japanese ports if they are shipping humanitarian goods to the North.

Also Japanese side didn't mention the possibility of lifting of the sanctions imposed unilaterally against Pyongyang over its underground nuclear test in 2006.

But Foreign Minister of Japan Masahiko Komura described this agreement as "progress" and said it is bringing the two sides closer to the stage of "action for action"—a main principle under the Six-Party framework.

One should remember that in 2004 then Prime Minister of Japan Junichiro Koizumi visited Pyongyang and received assurances from North Korean leader Kim Jong-il to reinvestigate the abduction issue. They also agreed on methods to conduct the investigation, which were similar to those struck in August this year.

But nothing came out of that agreement. May be this time both sides will find a way to settle very sensitive and emotional abduction problem and it will help to remove North Korea from terrorism blacklist and to improve relations between Tokyo and Pyongyang.



As for Russia, Moscow fulfill all it's obligations taken as a result of discussions at the Six-Party Talks.

For example, Russia takes part in the economic and energy assistance to North Korea in accordance with the steps taken by Pyongyang to disable of the Yong byon nuclear facilities. Till the end of October this year Russia will deliver its share of heavy fuel oil to North Korea – 200 thousand ton. Russia already supplied half of this amount of heavy fuel oil – in total for more than 100 million dollars.

Forth. “Big four powers” – United States, China, Russia and Japan for the first time in many decades of their rivalry over the influence in Korea, are now united in their desire to reach the denuclearization of Korean Peninsula.

It doesn't, of course, mean that the competition between these states for their “better positions” in this strategically important region seized to exist. But what is most important despite of this competition, all “big four” are interested to have peace and stability on Korean Peninsula and are ready to work together in favour of such goals.

The goal of Russia is not to obtain an predominate positions on Korean Peninsular. On the other hand, Russia traditionally is interested that this region should be free from prevailing influence of any other, especially not friendly to Russia, state. The worth scenario for Russia will be if from this region would appear a threat to Russia security.

That's why for Russia the best scenario would be if on united Korean Peninsula will be democratic, neutral, nonnuclear, non-aligned state, or as a first stage there will be two states with the same characteristics. Of course, such state or states should have international guarantees of the “Big four powers.”

Of course, it is extremely difficult to achieve above mentioned goals. Best of all to start with rather modest steps.

At this stage the most urgent cause is, while solving the problem of denuclearization of the Korean Peninsula what greatly contributes to peace and stability in Northeast Asia, to start to explore ways and means for promoting security and cooperation in this region. At later stages, this process may evolve into a regional organization on peace, security and cooperation.

Finally, we will have a permanent peace regime not only on the Korean Peninsula but in all Northeast Asia.

One may say that such scenario is a too optimistic one.

But what inspire is the fact that the denuclearization process in moving and in the framework of the Six-Party Talks the working group on peace and security mechanism already started its activity.

Especially important in this sense was the six round of the Six-Party Talks which was held in Beijing from 10 to 12 July this year. The delegations reached important concrete agreements concerning the establishment of a verification mechanism within the Six-Party Talks framework to verify the denuclearization of the Korean Peninsula. The six parties also agreed to establish a monitoring mechanism to ensure that all parties honor and fulfill their respective commitments made within the Six-Party Talks framework.

And the parties agreed to continue with their discussions on the “Guiding Principles of Peace and Security in Northeast Asia.”

In November last year Russian side prepared for discussions a draft paper “Guiding Principles of Peace and Security in Northeast Asia” — in which proposed to adopt, if all partners will agree, the following guiding principles of peace in security in Northeast Asia:

1. Six Parties will abide in their relations by the purposes and



- principle of the UN Charter and generally accepted norms of international law, will respect the existing diversity of political, economic, social and cultural systems of the nations of the region, which is based upon their unique historical experience and national features.
2. The Six Parties will ensure the settlement of conflicts and crises through political and diplomatic means, with consideration of legitimate interests of all parties concerned. The Six Parties will refrain from the threat or use of force against each other.
  3. Six Parties will undertake to promote better mutual understanding and mutual trust by expanding and intensifying dialogue and consultations on security matters (including joint analysis of existing and potential threats), will apply confidence-building measures, will enhance military transparency. The Six Parties will focus on common interests, respect different points of view, strengthen coordination, avoid confrontation, will seek consensus through consultations.
  4. Six Parties will intensify cooperative actions to combat terrorism, organized crime, drug trafficking, piracy, illegal migration, the spread of dangerous infectious diseases and environmental pollution, will cooperate in alleviating the consequences of disasters.
  5. Six Parties will undertake to promote greater openness and engagement among themselves in all fields of life, including development of economic cooperation, deeper understanding of each other's cultures and traditions through dialogue, humanitarian and people-to-people exchanges.
  6. Six Parties reiterate that they are open for interaction with all

interested nations with the aim of strengthening peace and security in Northeast Asia.

If all six partners will agree to work out common principles of peace and security in Northeast Asia, the door for the next step — to move to create a regional mechanism to implement these principles would be open.

This mechanism, on Russia view, should not be strictly regulated. Better to have, at the beginning, the place for a dialogue with the purpose to ensure a greater transparency, first of all, in military activity, to strengthen mutual confidence between partners. In the framework of such mechanism would be possible to discuss and reach agreements on such measures as how to cope with the common threats, namely terrorism, narcotraffic, piracy and so on.

Of course, the “Guiding Principles” is still a general conception and it is not an intention artificially to speed up the process. We should move from relatively simple problems to more complicated.

At this stage the Russian initiative in favor of creation of a mechanism for safeguarding of peace and security in Northeast Asia is supported in principle by all members of the Six-Party Talks. But there are differences in details. Some consider that before discussions on establishment of subregional structure on maintaining collective security, it is necessary to conclude denuclearization of Korean Peninsula. On the other hand, these are those who share Russian view that both processes — creation of a mechanism for safeguarding of peace and security and denuclearization of Korean Peninsula — may develop simultaneously. Russia’s is interested to intensify discussion of Russian initiative.

The foreign policy concept of the Russian Federation states that “our efforts will be focused on ensuring Russia’s active partici-



pation in the search for a political solution to the nuclear problem of the Korean peninsula, maintaining constructive relations with the Democratic People's Republic of Korea and the Republic of Korea, promoting dialogue between Seoul and Pyongyang and strengthening security in the Northeast Asia.”

Eventually Russia stands to gain a lot in economic, political, security and humanitarian terms and to lose nothing from any rapprochement between the two Korean states and the hopefully inevitable re-unification of the Korean nation.

In this regard the development of Russian-Korean economic interaction is also a positive factor. During his meeting with President Medvedev this July ROK President Lee Myung-bak said that South Korean companies wanted to expand their presence in the Russian market, to cooperate with Russia in developing natural resources in Siberia and the Far East and to participate in major energy projects. The two presidents discussed the bilateral cooperation in infrastructure projects, the implementation of multilateral projects aimed at ensuring railway traffic via the Korean Peninsula using sections of the Trans Siberian Railway. Thus, inevitably North Korea may be also involved in the economic cooperation.

The state run company “Russian Railways” is currently already upgrading its railway connections with North Korea in Khasan-Tumangan, investing 72 million dollars into this project. A Trans-Korean railway will open the possibility to send South Korean and Japanese Cargo to Central Asian and European markets.

Another idea for the future is to establish “an energy bridge” to supply electric power to China, North Korea, ROK.

There are also discussions around several projects about gas and oil pipeline routes from Russia to the Northeast Asia. A large pipeline project is supposed to send natural gas from Siberia through

China to the Republic of Korea. One of the routes under consideration would have gone through North Korea. Certainly, before these projects would be realized, it is necessary to settle a lot of not only economic but political problems as well. All above mentioned plans would be greatly enhanced if political tensions between the two Koreas declined and they finally moved to reconciliation.

The combination of Russian energy and resources, North Korean territory and labor and South Korean capital and technology could be a good start for creation of economically integrated system in Northeast Asia and for contribution to peaceful solution of political problems on the Korean Peninsula.

Among such problems are not only the nuclear problem but also an establishment of a permanent peace regime on the Korean Peninsula.

A peace process on the Korean Peninsula should be approached by stages. It is a comprehensive and long-term process. Peace settlement on the Peninsula involves North Korea – South Korea, North Korea – US, North Korea – Japan relations and many other international factors.

Now the Armistice Agreement that brought the Korean War to an end in July 1953 remains in force.

The Statement of Principles issued on September 19, 2005 by the six countries stated: “The directly related parties will negotiate a permanent peace require on the Korean Peninsula at an appropriate separate forum.”

But what parties are regarded as “directly related” and what kind of a “separate forum” we are having in mind?

In “Basic Agreement” signed between South and North Korea on December 13, 1991 both sides agreed to work “together to transform the present state of armistice into a solid state of peace



between the South and the North ...”

On October 4, 2007 at the Second Inter – Korean Summit South Korean President Roh Moo-hyun and North Korean Chairman Kim Jong-il signed a Declaration in which they stated that both sides “recognize the need to end the current armistice regime and build a permanent peace regime ... and agreed to work together to advance the matter of having the leaders of the three or four parties directly concerned to convene on the Peninsula and declare an end to the war.”

“The three parties” means two Koreas and US, “the four parties” - the above mentioned three plus China. But it is still not clear, if such conclusion is hundred percent correct. One may say – three parties are – two Koreas and UN, or North Korea, UN, China (the Armistice Agreement was signed between the Commander-in-Chief, UN Command on one side and the Supreme Commander of the Korean People’s Army and the Commander of the Chinese People’s Volunteers on the other side).

So at this moment it is not clear, what are the positions, first of all, of the North and of the South concerning the composition of the forum to create a peace regime.

On my view, the Korean War was in its nature the civil war. That’s why South Korea and North Korea must be parties of a peace treaty.

China and US provided a significant level of forces during the war. Though in case of China they were called “volunteers,” and in case of US they were forces from seventeen countries under the flag of the UN. That’s why China and US are strong candidates for participation in negotiations over Korean peace agreement.

Russia and Japan were not directly involved in Korean War, but it is well known fact that Russian pilots participated in the

air-fights and Japan supplied a lot of different kind of goods need at a front. So in some form or another Russia and Japan may participate in the process of negotiations. Some are suggesting as a “witnesses.”

I also prefer not to exclude from this process the UN, namely the Secretary General of this organization.

The composition of the negotiation might be not so complicated as a substance of the talks. But in any case the first step should be an agreement on parties which will be the members of the talks. The sooner this agreement will be reached, the better.

Russia will agree to any decision which would be acceptable, first of all, to both Koreas.



## >> 21세기 러시아의 동아시아 비전과 한반도

**알렉산더 파노프**

(러시아 외교아카데미 원장)

올해 8월은 한반도의 핵문제를 해결하기 위해 6자회담이 출범한 지 다섯 해가 되는 달이다. 정치적으로 매우 복잡했고 극도로 긴장되었던 지난 5년의 협상기간 동안 일어난 일을 요약하자면 아래의 결론을 내릴 수 있을 것이다.

6자회담은 극히 중요한 교육적인 협상의 장이었으며 북핵문제의 해결뿐만이 아니라 한반도의 포괄적 평화체제, 신뢰구축조치 메커니즘, 그리고 향후 동북아의 평화와 안보를 위한 기구의 틀을 세우는데 기초가 되는 기회를 제공해 주었다. 둘째 6자회담은 몇 가지 중요한 결과를 낳았는데 가장 의미 있는 것이 바로 북한의 비핵화 과정이 실제로 시작되었다는 것이다.

러시아의 목표는 한반도에서 우월적 지위를 차지하려는 것이 아니며, 전통적으로 이 지역이 다른 국가 특히 러시아에 우호적이지 않은 다른 국가의 압도적 영향에서 자유로워야 한다는데 관심을 가져왔다. 러시아에 있어 최악의 경우는 이 지역이 러시아 안보에 위협을 초래하는 것이며, 가장 바람직한 경우는 통일된 한반도가 민주적이고 중립적이며 비핵화되고 어느 쪽에도 가담하지 않는 경우이거나, 적어도 처음 단계에서는 같은 성격의 두 국가가 함께 존재하는 것이 될 것이다. 물론 그러한 국가 혹은 국가들은 4강의 국제적 보장을 받아야 할 것이다.

상기 목표를 이루는 것은 극히 어려운 일이며 가장 바람직한 것은 신중하게 단계 별로 접근하는 것이다. 현 단계에서 가장 시급한 것은 동북아의 평화와 안정에 크게 기여할 한반도 비핵화 문제를 해결하고 이 지역의 안보와 협력을 촉진할 수 있는 방법과 수단을 찾기 시작하는 것이다. 차후 단계에서 이 과정은 평화 안보 협력을 위한 지역기구로 진화해 나갈 수 있을 것이다.

마지막으로 러시아는 한반도뿐만 아니라 동북아 전 지역에서 영구적인 평화레짐을 원하고 있다.



*The Vision for East Asia in the 21<sup>st</sup> Century  
and the Korean Peninsula*

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## *Summary of Discussion*

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**Choon Gun Lee** (Research Director, Institute for Future Korea)

Professor William Brown clearly and honestly conveyed the American viewpoints on the visions of 21<sup>st</sup> Century Korea, the United States and East Asia. His paper offers a lucid, logical explanation for readers. I agree with Professor Brown on most points, and therefore will focus on clarifying, rather than criticizing, his points, and on posing questions and offering comments on the issues arising in the due process.

Above all, Professor Brown resolutely asserts that the United States, among other Asian countries, is the only country that has been maintaining the same policy towards the Korean Peninsula. He raised a question on whether China, Russia, or Japan had ever cherished special visions on the Korean Peninsula. I positively support Professor Brown's contention as appropriate, though a bit too bold. I also agree with Professor Brown that the United States had and still has vision for Korea to become a strong, democratic and unified state. This is because, frankly speaking, the United States is the only country that bears a positive attitude toward the unification of the Korean Peninsula. Professor Brown said that Korean people have achieved three out of four visions for Korea while the United States has been supportive all along. Professor Brown asserted that Koreans sacrificed a lot to achieve these three visions—prosperity, strength, and democracy. I fully agree with him.

Professor Brown states that Korean unification is a possible and practical goal. He adds, however, that he does not know whether other powers around the Korean peninsula also share his opinion. This is a very candid opinion. I also think that China, Japan and Russia are not as positive to Korean unification. They would



support the unification of the Korean Peninsula only when it is beneficial to their interests; yet, it is not that easy to find a solution that can satisfy the interests of both China and Japan. I positively agree with Professor Brown's contention that China, Japan and Russia are status quo powers that prefer the continuation of the present, i.e., divided state of the Korean Peninsula.

Professor Brown insists that a complete peace is impossible as long as there are two governments on the Korean Peninsula. According to him, both Koreas cannot choose but become rivals, having no other choice but to be a threat to the peace and security of each other. This is a very bold statement, valid from both academic and logical points of view. I fully agree with Professor Brown's view that the unification is a *must* for the peace on the peninsula.

Professor Brown expressed the faithfulness of the United States as an ally when he said that what is good for the Korean Peninsula is, from a long-term perspective, good for the United States as well. Yet, such statement is strongly normative in nature. It would be much closer to the actuality of international politics to say that Korean interests do not necessarily coincide with those of the United States. It is true that during last ten years when leftist governments were in power in Korea, South Korean and United States visions on the Korean Peninsula conflicted so much that both countries could not even adopt a coordinated policy towards North Korea.

Professor Brown's grasp on United States-China relations is very idiosyncratic. Many observers worry that the United States-China relations may result in a conflict or a new Cold War. Yet, Professor Brown argues that both countries are less likely to face each other in a conflict because the United States and China are quite different in nature. Well, we'll wait and see if the respective interests of China and the United States will come into conflict even after China grows

into a greater power, since many international relations theories imply a forecast envisaging a possible clash between the two.

Professor Brown's alternatives for the North Korean nuclear problem are logical. Yet, a scenario in which the United States will leave the problem unattended seems unrealistic. Professor Brown argues that North Korean nuclear weapons cannot be a direct threat to United States interests. However, it seems that he overlooks the fact that what the United States worries most about is not that North Korea may attack the United States with its nuclear arsenal, but that the North Korean nuclear weapons might slip into terrorists' hands.

I support Professor Brown's suggestions for the future of the Korean-American alliance. He advocates the sharing of visions by the two countries. I hope that Korea and the United States will not repeat the disagreement of the past leftist governments.

The second suggestion by Professor Brown is a very significant one, that is, the two countries should share information. I think this is one of the most urgent tasks left for the two to remain allies. Although Korean government authorities repeatedly stated that there was nothing abnormal between the two, Professor Brown's suggestions witness that even information sharing has not been smooth between the two. For this, American cooperation is crucial. It is well known that the United States possesses lots of high-quality information: South Korea definitely needs American cooperation in visual image information.

The third suggestion regarding countermeasures for the contingencies along the DMZ is also important. As in the current situation caused by Kim Jong-il's whereabouts, a tighter monitoring on the DMZ is essential for security on the Korean peninsula. Korean-United States bilateral cooperation during the unification process is especially crucial. When faced with a contingency in



North Korea, only the Korean-United States alliance can figure out measures for the unification of the Korean peninsula. The only alternative that can deal with Chinese intervention to control disorder in North Korea is a management through the Korean-American alliance.

So far Korea and the United States do not have any measures for a possible emergency situation in North Korea. The Roh Moo-hyun administration did not only want to acknowledge any contingency in North Korea, but also disapproved any cooperation with the United States in case of a contingency. Under the circumstances where Kim Jong-il can not effectively control North Korea, Professor Brown's suggestions for the Korean-American alliance and its future visions are of cardinal importance.

**Kook Shin Kim** (Senior Research Fellow, KINU)

I would like to thank Professor Brown for his excellent presentations. Which present a comprehensive understanding of the united states' vision for E. Asia & Korea in the 21<sup>st</sup> Century. Professor Brown's basic assertion is that "Americans are optimistic about of the future of East Asia and the Korean peninsula. However, they are also realistic."

When we look back on the history of the East Asia region, there is good reason to be cautious about the future of the Korean peninsula. He mentioned his family experience as an example. His maternal grandmother lived in Korea from about 1920 to 1954, and was expelled from her home in Mokpo twice. In 1945, She returned to Korea with the hope of a prosperous future in the liberated Korea, but her optimism turned out to be short-lived became of in the breakout of the Korean war. He also touches upon bloodshed Kwangju incident during the democratization process. I read his family experience with deep impression. And it made me to look back over the past 60 years of Korea.

Professor Brown is very persuasive when he emphasizes that the vision of a unified Korea should be realistic. As he indicates, "The hard part is figuring out how we get there from here and what risks we are going to have reckon with." I highly appreciates his prudence in dealing with Korea unification problems, and feel that we Koreans need to be more cautious. The North Korean nuclear issue casts a dark cloud on the vision of a prosperous, strong, and democratically unified Korea.

Now, I would like to ask Mr. Brown to clarify some issues on Korea-U.S. relations. Koreans are paying much attention to who will be elected as president - the Democratic candidate Barack Obama



or Republican John McCain. Whoever becomes president, we predict that the next U.S. administration will develop consolidated ties with South Korea. However, the platform of the Democratic party differs sharply from that of Republican party on the issue of the Korea-U.S. FTA and North Korean policy.

Two countries reached free trade agreement last year. However, the FTA deal has yet to be ratified by the legislative bodies of both countries. The Republican party's platform calls for congressional approval of pending free trade deal with Korea, Colombia, and Panama as soon as possible. Thus, McCain seems to favor an immediate ratification of the Korea-U.S. FTA. But Obama is somewhat reserved about the trade deal. He once called for a renegotiation of the FTA. The Democratic party's platform stresses the need to negotiate bilateral trade agreements that include "enforceable labor and environmental standards."

On August 26, North Korea announced that it had suspended disablement of its nuclear facilities due to Washington's failure to remove North Korea from a terrorist blacklist. As the North has stopped disabling its nuclear reactor, the future of six-party talks still seem very uncertain.

In spite of North Korea's provocative action, there is little doubt that Obama and McCain share a general goal of denuclearizing North Korea. However, the two parties are taking different approaches toward achieving this goal. The Democratic Party has adopted a platform pledging to continue six-party talks on ending North Korea's nuclear ambitions. The Democratic platform focuses on diplomatic efforts to realize a verifiable nuclear free Korean peninsula.

Republican candidate McCain emphasizes economic and security cooperation with Korea. But he is taking a tougher stance on

the North than Obama, demanding “complete, verifiable, and irreversible dismantlement of Pyongyang’s nuclear weapon programs with a full account of its proliferation activities.” But it does not mention anything about the six-party talks.

The presidential election offers a contrast on issues related to U.S.-Korea FTA and how to deal with the North Korean Nuclear issue. I would be grateful for any comment you care to make about the U.S. presidential elections and those issues related to the U.S.-Korea relations.



■ **Ho Sup Kim** (Professor, Chung-Ang University)

I feel honored to participate in this very significant conference for celebrating the 60<sup>th</sup> anniversary of Foundation of ROK.

I am supposed to discuss Professor Inoguchi's paper. As you know, Professor Inoguchi is a leading scholar of international relations in the Japanese academic circle as well as in the international academic circle, and I feel honored to discuss his paper.

His paper consists of two distinctive parts. One is about the theoretical framework which analyzes the Japanese strategy the Korean peninsula. The other part explains the components of this strategy in detail.

It may be necessary to read other work of Prof Inoguchi in order to understand his theoretical framework.

Fortunately, I can understand the second part of his paper, contents of Japanese strategy, even without fully understanding his theoretical framework.

In his explanation of Japanese strategy toward North Korea, he mainly mentioned the Japanese abduction issue and the economic development of North Korea.

It is interesting that he did not really mention Japan's role in tyolung the unclear issue.

I would like to ask to Professor Inoguchi how significant the North Korean nuclear issue is for the Japan's national interests.

The second thing that stands out is his comment that "North Korea may be transformed into a de facto fourth province China's Northeast, if the trend of Chinese capital flow into North Korea continues for some years."

I would like to ask Professor Inoguchi to explain more about the situations of North Korea, and why he thinks North Korea will

be a de facto of the fourth province of Dongbei.

Concerning the Japanese strategy toward South Korea, Professor Inoguchi mentioned several issues such as history, territory, FTA, North Korea, and the United State. I think these issues are very important in the decision making of the Japanese strategy toward South Korea.

But after the reading this part of his paper, I found that his explanation is too brief for me to fully understand the significance of these issues.

Professor Inoguchi is very famous in Korean intellectual society for his academic influence in Japan, and he is highly respected in Japanese society, I would like to ask his opinions about issues raised in his paper and in the previous presentations and discussions.

First, what is Japan's vision of toward the unification of the Korean peninsula? Do you think that Korean unification is positive to Japanese national interest to Japan? Professor Brown maintains that Japan, China and Russia are status quo powers towards Korea, whereas is very positive to the Korean unification. Many Koreans willingly agree to his perspective.

Many Koreans believe that Japan does not want to see a reunified Korea. Their logic is following: If the North and South are reunited it will be much harder for Japan to deal with Korea. To Japan, having Korea separated and having two Koreas competing each other is more useful than having them united. A large portion of the Korean population believes this is true. If Japan wishes to convince Koreans that they do not oppose the reunification of North and South Korea, it would require a more active and positive involvement from Japan.

I am wondering whether the domestic political change in



Japan will lead the change of Japanese vision or strategy toward South and North Korea. Professor Inoguchi mentioned that Fukuda is conciliatory to North Korea, and he known to Koreans as having an apologetic perspective on past of Japanese militarism. But PM Fukuda announced his resignation last Monday and soon the LDP choose a new prime minister.

I personally feel that it is unfortunate have lost to such a soft-line political leader. The Japanese politics will have a new prime minister in Sept 24<sup>th</sup>. There may be a general election in the near future. It is very possible to see a power transfer from the LDP to the Japan Democratic Party. I am wonder whether the new political leadership from the Japan Democratic Party will have a different vision toward the Korean unification.

It seems to me that the domestic political situation of Japan makes it more difficult to achieve a breakthrough in the diplomatic stalemate between J+Nk. For example, the abduction issue already became a very important domestic political agenda in Japan.

I think it is nearly impossible to find a resolution with which the Japanese people and public opinion are fully satisfied. No Japanese prime minister can normalize the relationship with N. Korea without the resolution of the issue. Only a strong political leadership can persuade the Japanese people with legitimate explanation.

Considering the current domestic politics of an allied LDP-CGP cabinet in Japan, it would not be possible for the Japanese prime minister to exercise such strong leadership. Given the importance of the abduction issue in Japanese domestic politics, it seems to me that regardless of changes in the international environments a Japanese government with a weak political leadership will not achieve diplomatic normalization with North Korea.

Concerning the history issue, to Korea, it is the Japanese that

triggers the dispute. When some right wing Japanese politicians carelessly or maybe intentionally openly expresses own historical perspective or some governmental institution carelessly touch upon it, then the history issue becomes the focus of diplomatic dispute.

Even a very conservative politician like Prime Minister Abe managed not to make it a conspicuous diplomatic issue, because he did not provoke openly.

Whereas Prime Minister Koizumi annually visited the Yasukuni Shrine, Prime Minister Abe and Prime Minister Fukuda did not. And the history issue about the Yasukuni under Prime Minister Abe and Prime Minister Fukuda did not become the diplomatic dispute between Japan and Korea or China.

From the Korean perspective, the efforts of Japanese politicians could make the history issues out of becoming the diplomatic dispute. I am wondering whether a mainstream Japanese intellectual leader such as Professor Inoguchi would advise Japanese politicians not to openly provoke about history issues and persuade them out of provoking the Koreans who had painful experiences from the Japanese colonial occupation.



**Jung Ho Bae** (Senior Research Fellow, KINU)

Professor Inoguchi Takashi explained the Westphalian-dominant strategy, the Philadelphian-dominant strategy, and Anti-Utopian-dominant strategy as the Japanese vision and strategies; on the current phase of globalization, he noted that premises of state sovereignty, popular sovereignty and loss of sovereignty are competing and supplementing each other for the restructuring of a new world order. He also explained the Japanese policy toward North Korea from the perspectives of those three types of strategies.

The Westphalian-dominant strategy, the Philadelphian-dominant strategy, and the Anti-Utopian-dominant strategy help to better understand the Japanese foreign policy goals in the 21<sup>st</sup> century as well as the Japan's policies towards North Korea. However, characteristics of the Japan's vision and strategy for the 21<sup>st</sup> century differ depending on which factions lead Japan. In other words, any one of the Westphalian-dominant, the Philadelphian-dominant, and the Anti-Utopian-dominant strategies may become prominent or all three strategies and visions may be mixed depending on the future situations. I would like to pose several questions in this context.

I would like to ask Professor Takashi how the current political situation in Japan will affect its 21<sup>st</sup> century vision and strategy. The dovish premier Fukuda who put emphasis on policy towards Asia suddenly announced his resignation, and Aso Taro, an ultra conservative Secretary General of the Liberal Democratic Party is reported to be a strong contender for the next premiership. In the main opposition Democratic Party, Ozawa Ichiro is the only candidate and is certain to be elected as the party's president. Thus, during the years to come, Japanese politics will unfold with Abe and Ozawa in the central axis of rivalry for the leadership of the country. I would

like to ask Professor Takashi how changes in Japanese domestic politics will affect Japan's vision and strategies for the 21st century.

As the Foreign Minister in Abe's cabinet, Secretary General Aso of LDP has insisted on the "Arc of Freedom and Prosperity" as the foreign policy vision of Japan. The scheme of the "Arc of Freedom and Prosperity" included the diplomacy of value, sharing of strategic interests, reinforcement of the trilateral relationship among the US, Japan and Europe. My question for Professor Takashi is whether the "Arc of Freedom and Prosperity" proposal would have meaning again for Japan's vision and strategies for the 21<sup>st</sup> century, provided Abe becomes Prime Minister; and if it has meanings, what kind of meanings they would be.

The North Korean-Japanese rapprochement is not advancing mainly due to the kidnapping issues. Prime Minister Fukuda tried to get out of the Abe's hard-line policy toward North Korea and emphasized dialogue with the DPRK; yet, he too, failed to achieve a noticeable result. At a Six-Party Talks working group meeting for rapprochement in Beijing, June 11-12, 2008, North Korea agreed to re-investigate the issue of Japanese abductees. Based on this agreement, another Six-Party Talks working group met in Shenyang on August 13, 2008, and surprisingly reached an agreement on the method and time-table of re-investigation, and on the phased lift of Japanese economic sanctions against North Korea. Yet, following the resignation of Prime Minister Fukuda, the re-investigation has been delayed: it is uncertain whether there will be a follow up agreements.

Could you also explain, Professor Takashi, how different the Japanese North Korean policy would be if the ultraconservative Aso Taro becomes Prime Minister? What kind of North Korean policy will Japan pursue?



Last, I think it is desirable that South Korea, Japan, and other countries in the region share the biggest possible common denominator in foreign policy visions. I would like to hear Professor Takashi's explanation on the vision and strategies of Japan toward peace and prosperity in Northeast Asia.

## I. Overview

Mr. Pan Zhenquiang's paper is focused on the North Korean nuclear issue and looks a bit off the theme of this seminar, Visions for 21<sup>st</sup> Century East Asia and the Korean Peninsula. In particular, a lengthy chronological description from 4 to 14 page on the North Korean nuclear issue from the beginning of the first crisis up to the current affair is rich in detail but lacks an in-depth analysis.

It would have been much more desirable if the paper approached the overall East Asian order and related political changes on the Korean Peninsula in a more objective and analytical way. Even the explanation on the Chinese role in North Korean nuclear problems in the latter part of the paper, a more detailed and deeper understanding was not offered.

Yet, it seems positive and encouraging that Mr. Pan's paper offers a more honest approach and systematic analysis than existing papers by Chinese scholars.

## II. Comments on Each Section

### 1. Changing the Strategic Situation in Northeast Asia

I could agree with Mr. Pan's emphasis on the stability, cooperation, dialogue in Northeast Asia as the major trends. A versatile network of three sets of bilateral dialogue — the US-Chinese, Sino-Russian, Sino-Japanese — is working. I also agree with Mr. Pan's point that a benign trend of multi-polarization is set in Northeast Asia, in which no single state can eventually have Northeast Asian order under its control.



On the economic cooperation in Northeast Asia, I share the same point of view with Mr. Pan that the region has resurfaced as the region leading the most dynamic economic development in the post-foreign exchange crisis of 1997. I also agree with his opinion that this is a result of the concerted efforts by states in the region overcoming the negative aspects of globalization and reinforcing instead the regional cooperation such as “ten plus three.” I also agree with Mr. Pan that the economic interdependency, political trust and ability to deal with the globalization of states in the region have been increased.

On security issues, it is appropriate for Mr. Pan to point the military confrontation on the Korean Peninsula, territorial disputes and conflicts of maritime interests, WMD and terrorism, symptoms of the vicious cycle of an arms race, and absence of an efficient regional security consultation body as urgent problems in the region. From the Chinese point of view, the status and role of American-led military alliance will cause negative results, while the regional economic integration will be a phenomenon in the distant future. Consequently, Northeast Asia is still at the crossroads of opportunities and challenges.

## **2. DPRK Nuclear Crisis**

The North Korean nuclear issue is the core of the pending political, economic, and military issues in Northeast Asia. It is also a result of a latent contradiction and conflict among major actors on and around the Korean Peninsula including both Koreas and the US. The advance of the Bush Administration and the 9/11 terrorist attack have aggravated the North Korean nuclear question as well as the North Korean-US relationship. The change in the US policy is

the key to the settlement of the North Korean nuclear question

### **3. The Role of China**

Reasons for the Chinese opposition to North Korean nuclear development are three folds: nuclear domino, aggravation in North-east Asian security confrontation, degeneration of the North Korean economy, increasing refugees and ensuing human rights problems within Chinese territory and so on. Thus, China upholds three principles: peace and stability on the Korean Peninsula, denuclearization of the Korean Peninsula, and the settlement by diplomatic and peaceful means.

In order for the Chinese role to be effective, American and North Korean will to settlement should be a premise. If the US sticks to its position while North Korea goes on to develop nuclear weapons against all odds, there will be no room for any Chinese role in the matter. China seems to evaluate and expect the South Korean role positively: China considers South Korea a reliable strategic partner. China specifically agrees that the South Korean policy toward the North causes changes in the perception of the North Korean leadership and consequently affects the settlement of the problem positively or negatively. The Lee Myung-bak Administration's hard-line North Korean policy aggravated the situation.



■ | **Choon Heum Choi** (Senior Research Fellow, KINU)

My comments are for Mr. Pan Zhenqiang, Vice Councilor of China Reform Forum. You present an in-depth analysis on the nature of the North Korea's nuclear problem. And you rightly point out the North's nuclear issue has been the major source of instability on the Korean peninsula. I agree with you.

However, there are some different conclusions from my understanding. I would like to hear your opinion on awkward but the general meaning can be understood.

First, in your paper you imply that during the Post-Cold War era the ROK-U.S. alliance has not been conducive to the peace and stability in Northeast Asia and in partillar by on the Korean peninsula. I do not agree with your analysis. In fact, the ROK-U.S. alliance has contributed to peace and stability on the Korean peninsula as well as in Northeast Asia. It has frustrated North Korea's bold and adventurous attempts to threaten South Korea militarily. For example, during the 1980s when China was fully engaged in her/its economic development, Pyongyang sent North Korean armed personnels to Burma and killed many South Korean cabinet members in an attempt to assassinate South Korean President Chun Doochan. Fortunately, President Chun survived. President Chun attempted to attack the North militarily in vain due to Washington's advice. Under South Korea's alliance with the unitedstate, China's economic development has actually benefitted from the stability on the Korean peninsula. In other words, the North has been a source of instability which has harmed regional economic development.

Second, You mentioned that China's role in solving the North Korean nuclear problems has been constructive. I agree with you. China's role as a mediator between the U.S. and North Korea has

been positive. But One thing I disagree with you is on the future responsibility for the solution of the nuclear issue. You mentioned that in the process of nuclear negotiation, the ball has always been in the court of the U.S. and its allies. I do not buy your assertion. From now on, the ball might be in China's court because resolving nuclear issue will be highly dependent on the nature of China's role. Without China's proactive and resolute posture toward North Korea, it will be very difficult because Washington has been hesitant to resolve the North Korean nuclear issue militarily. As James Kelly, former Assistant Secretary of State for East Asia during the first term of President George W. Bush mentioned, the united stater. will be more cautious in Asia because it will take years to rebuild the American military after the Iraq conflict. Therefore, an actively engaged and determined Chinese role is nece? in order to frustrate North Korea from developing nuclear weapons.

My question is will China's role be more proactive in mediating the North Korean nuclear issue in the near future than it has been in the past?

Third, you mentioned that this regian still lack an effective security and economic mechanism which promotes peace. I agree with you. I have a question for you about this issue. Recently, Australia's Prime Minister Kevin Rudd called for the six-party process to become a permanent security mechanism for East Asia including Australia. Washington supported that idea.

My question is will China support the afore-mentioned idea which the U.S. and Australia support? What are and will be the obstacles and prescriptions for the establishment of a security mechanism in the Northeast Asia?

Lately, a joint communique signed by both President Lee Myung-bak and President Hu Jintao at the summit in Seoul this



August, has started to lay South Korea and China's agenda for the strategic cooperative partnership. There will be a lot of issues that used cooperation between Korea and China for mutual benefit. You point out that ROK-PRC strategic partnership will be conducive to the peace and stability on the Korean Peninsula.

What kinds of strategic cooperations will Beijing and Seoul make in the near future? Can you elaborate for us?

**Tae Ik Chung** (Adjunct Professor, Kyungnam University of North Korea Studies)

I appreciated the presentations of the views of the scholars representing the four powers on the vision for East Asia in the 21<sup>st</sup> century and the Korean peninsula.

Professor William Brown from the U.S. mentioned that the U.S. has a vision of the Korean peninsula as one governed by a prosperous, strong, democratic and yet, unified government.

In the past two decades, the first three goals have been achieved. The last goal, unification, remains on the horizon but is attainable an achievable and realistic goal.

The last century witnessed Korea as it was wiped off the world map and than dinded. Therefore, this century should fulfil the historical mission to unify this country which has been the victim of the last century. It would be the most imperative vision for the Korean peninsula in the 21<sup>st</sup> century.

Prof. Brown argues that China, Russia, and Japan are status-quo countries with respect to Korea. In his view those positions are understandable because close neighboring states are usually fearful of and resist the implied changes.

He understands that the United States, which is far away but heavily involved, can be more progressive in both its vision and action.

However, in my life-long experience as a diplomat, I believe that our neighbors China, Russia and Japan do not necessarily oppose the eventual goal of one Korea. If the two Koreas peacefully become one nation through mutual agreement, Korea's neighbors would welcome a unified Korea. Of course, there are various agwreents and criticisms on this matter. The unification of Korea will undergo



a complicated process involving many factors.

Ambassador Alexand Panov has already stated in his paper that Russia stands to gain a lot in economic, political, security and humanitarian terms and to lose nothing from any rapprochement between the two Koreas and the hopefully inevitable re-unification of the Korean nation. Moreover, he said that the worst-case scenario for Russia would be a regional threat to Russian security. Likewise, China and Japan seem to desire a democratic, stable, non-nuclear, unified Korea, which is, not hostile. Their support for one Korea depends on the goal and role of the unified government of the new Korea.

Professor Inoguchi Takashi talked about three concepts: the Westphalian, Philadelphian, and Anti-utopian. He said these theories coexist in one person's mind, but their weights change over the time. Yet these three perspectives are distinctive from each other. The three concepts, state sovereignty, popular sovereignty, and loss of sovereignty compete and complement each other in reshaping world order amidst the relentless tide of globalization.

Japan's vision and strategy in East Asia can not be an exception. Japanese opinion leaders have their different opinions on international issues, according to their own judgements.

Dr. Pan Zhenqiang from China asserted that Northeast Asia is at a crossroads in security. The region has demonstrated a general trend of peace and development. However, Northeast Asia is confronted with many security challenges. Mistrust and suspicion among major powers constitute one of the major security problems in the region. It is against this mixed backdrop that nuclear crisis on the Korean peninsula occurred. The progress has led to important breakthroughs for the goal of denuclearization despite numerous setbacks and reversals. The six-party talks still hold many uncer-

tainties. Lack of trust is the major obstacle. Future U.S. policy may have the greatest impact on the prospect of the denuclearization process.

China, acting as a honest mediator to bridge the difference between parties, expects the R.O.K. to become a reliable strategic partner for the eventual resolution of the nuclear crisis on the Korean peninsula.

As a matter of fact, finding a solution to the North Korea nuclear problem is regarded as the most urgent task to ensure peace and security in the region. The six-party process, which marks its fifth anniversary this year, is highly important as a unique international forum that provides an opportunity to find a way not only to solve the nuclear issue of North Korea but also to lay down the foundation are steps to create a framework for a comprehensive peace settlement on the Korean peninsula.

Once the nuclear issue is settled through the six-party talks, it could open up a new path for negotiating the peace regime process, and eventually lead to unification of the divided Korean peninsula.

The R.O.K. commemorates the 60<sup>th</sup> anniversary of its founding. Over these sixty years, major changes have unfolded in the world, such as the collapse of the Soviet Union and the rise of a new China. We can also see a big disparity between South and North Korean perumula.

The changed political environment is conducive to a favorable chance for the R.O.K. to play the leading role in accelerating the integration of the two Koreas from a standpoint of building democracy and free-market economy, although a weakened North Korea may try to hamper South Korean efforts to lead the unification process. Under the circumstances, the R.O.K. should create a blueprint to share its vision of reconciliation and cooperation between



two Koreas, as well as its common vision with the United States, which Prof. Brown stressed.

Simultaneously, the R.O.K. should display subtle and balanced diplomacy with Russia, China, and Japan so that its neighbors become convinced that unification of the two Korean nations would also serve their interests, benefitting them in terms of common security and prosperity.

We should learn the lessons of the German unification experience. Germany first joined NATO and promoted the integration of Europe from which Germany established credibility, ensuring that the U.S. and other European powers would support the unification of Germany.

Likewise, success in the six-party process would boost the reputation of the R.O.K. and demonstrate to the world the ability and good intentions of Korea for creating a new, desirable regional order. Today's speakers enlightened us about the challenges Korea faces and the common aspirations of East Asia.

The goal of a unified Korea will be extremely difficult to achieve. It is necessary that we start with rather modest steps and also thoroughly prepare the procedures in detail as well.

I am sure that today's conference will set another milestone, leading us to help make our vision of East Asia and Korea in the 21<sup>st</sup> century a reality.

**Eun Sook Chung** (Senior Fellow, Sejong Institute)

As I understand, Ambassador Panov has contributed greatly in promoting friendship between Seoul and Moscow in the 1990s, especially during his term as the Head of the Russian Mission to Korea.

As a whole, I would say, the paper is quite insightful, cautiously suggesting a vision, while my discussion is based on today's reality. First, I would like to take my time mostly on making comments on four issues raised by the Ambassador, which will then be followed by a short question.

First, concerning the North Korean issue. To our dismay, as late as today, Pyongyang again threatens to rebuild nuclear facilities in Youngbyun. We are all familiar with the story. My impression is that the Ambassador would like to see some changes in the U.S. policy, so that North Korea may keep its promise made previously in the February 13 Joint Statement of last year. It may be true. But it seems to me also that without North Korean leadership's voluntarism, the road to ultimate denuclearization might be painstakingly long. In this sense, I consider, it might be in Russia's and other states' interest to remind North Korea again, of the decision by Lybia's leadership in 2003 to give up its nuclear weapon program, which was followed by the removal of Libya from the U.S. list of States that sponsor terrorism. I am saying this, because incidentally last week, the U.S. Secretary of State, Rice, was making a historic visit to Libya. What I mean is that if Pyoungyang really wanted to remove its name from this list, and furthermore, if the DPRK she genuinely intended denuclearization, it seems logical to me to agree on the verification process sooner than later, instead of rebuilding nuclear facilities in Youngbyun.



Second, regarding the permanent peace regime on the Korean peninsula. On the premise that my view is personal and without offense, I would like to present two points to Ambassador Panov. First, it seems to me that without the resolution to the North Korean nuclear issue, that is, if there still remains a room for North Korea's nuclear threat, a permanent peace regime would be hard to establish, and even if attempted, it could barely be genuine. Second, when and if it is needed, other states could assist Korea in building a peace regime. So, even in the case where Russia could not be present in the possible forum, I guess, it would not be something Moscow should worry too much about. After all, Russia today, I believe, is a valuable and respectful neighbor of Korea in many important ways.

Third, concerning characteristics of the future Unified Korea. The Ambassador mentions that from Russia's point of view, a neutral and non-aligned unified Korea would be preferable. I am beginning to understand his point of view, given the Moscow- Washington rivalry throughout the Cold War era. Nevertheless, I am convinced that the U.S.-Russia relations today cannot, and should not be the U.S.-Soviet relations in the 20<sup>th</sup> century. By extension, and please correct me if I am wrong. Isn't it a fact that not only the U.S. but also Russia expect a future unified Korea to be nonnuclear and democratic respect human rights?

Fourth, concerning the possible multilateral security in Northeast Asia. Since February of last year, Russia, has assumed the chairmanship of the working group for peace and security mechanism in Northeast Asia, within the framework of the Six Party Talks. I would like to congratulate Russia belatedly on this occasion. In the short run, however, I think the great powers in Northeast Asia might be satisfied with their limited experiences in loose multilateral security cooperation, currently offered by a much wider ASEAN Regional

Forum. If the ongoing Six Party Talks succeed in resolving North Korea's nuclear issue, it might as well pave the way for a new leap forward to regional security mechanism, which could address not only new threats like transnational crimes and terrorism, but also matters relating to confidence building measures among the states in the region in the long run.

Now, turning our attention from Northeast Asia to world, I would like to ask the Ambassador questions concerning the recent Russia-Georgia military conflict. First, how do you see the impact of this war on the relations between Russia and the West, as a whole? Second, as the Ambassador notes, this past July, at the 6PT Russia suggested a draft entitled "Guiding Principles of Peace and Security in Northeast Asia," which emphasizes the "political and diplomatic means to settle conflicts." Yet, a month later, Russia has used military means, and, although I hope not, I am somewhat afraid this decrease the persuading power of the draft among the member countries of the Six Party Talks. I would like hear your perspective on this as well.

Session 2

*The Lee Myung-bak Government's  
Vision for East Asia and  
the Korean Peninsula*





*The Vision for East Asia in the 21<sup>st</sup> Century  
and the Korean Peninsula*

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# *The Lee Myung-bak Government's Vision for East Asia and Its "Pragmatic Diplomacy"\**

*Young Ho Park\*\**

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*\* This paper is based on the author's "The Direction and Tasks of Diplomacy for Peace and Cooperation; Implementation of Pragmatic Diplomacy" written in Korean and released at the symposium commemorating the 60<sup>th</sup> founding anniversary of the ROK organized by the Korea Institute for National Unification on July 18, 2008; supplemental content is added to the original structure of the paper.*

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## **:: Summary**

In the 21<sup>st</sup> century, South Korea's approach toward overcoming the national division should not only consider inter-Korean relations but also international relations. The unification plan should be formulated and implemented as part of South Korea's mid- to long-term national development strategy, not as a separate issue. The Lee Myung-bak government's vision for East Asia and its "pragmatic" diplomatic strategy should be carried out in this regard.

The Northeast Asian region is the most active region in terms of economic growth and expanded role in the international community, showing the following features. First, a competitive and confrontational framework between the US, Japan, and Australia versus China, Russia, and the SCO is witnessed. Second, within this dynamics, however, Northeast Asian countries stress regional stability and cooperation. Third, countries in the region are cooperating on security issues as well as transnational issues such as terrorism, natural disasters, and environmental issues. Fourth, although the North Korean nuclear issue has shown some progress, North Korea's ultimate abolishment of its nuclear programs is unlikely to happen in the near future. Fifth, North Korea will continue to be one of the core factors that threatens the regional stability for a considerable period of time.

Based upon South Korea's progress from national founding to industrialization and democratization, the Lee Myung-bak government has presented the national vision for "a top-notch, advanced nation." His vision can be interpreted as a call for a highly civilized Korea that achieves qualitative advancement so that it fulfills the role of an international actor in the world beyond the Korean peninsula in the near future against this backdrop of the 21<sup>st</sup> century's international situation.

Issues facing the Korean peninsula, including the North's nuclear weapons program are closely related to the strategic interests of the countries in the region. Thus the Lee Myung-bak government's "Diplomacy for a New Vision of Asia" aims to contribute to the peaceful development of Asia as a whole, which is in line with the neighboring countries' national interests by expanding Asian cooperation in various fields. This requires South Korea to build bilateral and multilateral cooperative systems among countries in the region and to pursue cooperative relations in a balanced



manner. In this sense, building a strategic alliance with the US, which is the leading country of the world order, is a strategic choice in order for South Korea to leap into the group of advanced nations, develop better relations with its neighboring powers, and promote unification.

In short, the Lee Myung-bak government's pragmatic diplomacy is a strategy to secure support, assistance, and cooperation from its neighboring countries for unification through cooperation and common prosperity while not hindering interests of countries that are concerned about any changes in the status quo of the Korean peninsula. Thus pragmatic diplomacy encompasses diverse and multi-faceted issues such as economic and trade issues, security of Korea's neighboring countries and the international community, transnational and international issues.

As a bridge country which connects the continent and the ocean, it is desirable for South Korea to enhance bilateral relations with China, Japan, and Russia. In addition, South Korea should seek a more active role in developing various multiple trilateral relations among South Korea, US, and Japan and among South Korea, China, and Japan.

In addition, the Lee Myung-bak government plans to expand partnerships with other countries in the region, including Southeast Asian and Central Asian countries, India, and Australia based on the enhanced bilateral and the trilateral relations. Therefore, the diplomatic strategy which will enable South Korea to join the advanced nations' group and achieve unification, is to exercise pragmatic diplomacy toward its neighboring countries and beyond, with the US-ROK relations as the basic pillar. This should be done within the framework of "Peace and Cooperation in East Asia."

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## 1. Preface

History constantly evolves; so does the history of the Korean peninsula. In the modern age, the Korean peninsula was an arena of struggle among the world powers. Additionally, it experienced the Japanese imperialists' colonial rule in the early 20<sup>th</sup> century. In the latter half of the 20<sup>th</sup> century, it was the forefront of the Cold War. The ROK (South Korea) and the DPRK (North Korea) declared independence separately. Furthermore, South and North Korea experienced the tragedy of fratricidal war and built up an acute military confrontation.

South Korea chose the path of liberal democracy and capitalism, and North Korea chose the path of socialism and a commanded and planned economy. However, the development of the two paths has brought about opposite results today after 60 years. South Korea has emerged as a major player in the international community, while North Korea is drawing attention as a threat to the peace of the international community. From the perspective of South and North Korea, each has been the core stumbling block to the other's choice of national development. Now the competition between South and North Korea is practically meaningless. North Korea cannot compete with South Korea's national development strategy. However, North Korea is threatening the security of South Korea, the Korean peninsula, and Northeast Asia, as well as the world's nonproliferation order with its nuclear programs.

We must overcome this divided structure in the 21<sup>st</sup> century. The approach of South Korea's efforts toward overcoming the division, that is, the goal of unification, should not only consider inter-Korean relations but also international relations. The unification issue should be planned and implemented as part of South Korea's mid- to



long-term national development strategy, not as a separate issue.

From this point of view, this paper examines the newly launched Lee Myung-bak government's vision for Northeast Asia and its "pragmatic" diplomatic strategy based on the vision. As shown during the 29<sup>th</sup> Olympic Games, South Korea's strength has grown to world standards. However, South Korea's overall national strength, including the hard power and the soft power is still weaker than its neighboring countries.

## **2. The International Situation in Northeast Asia in the 21<sup>st</sup> Century**

Unlike the previous century, the international order in the 21<sup>st</sup> century is, in short, characterized by paradigm shifts. Above all, development in science and technology is revolutionary. Human cloning, information technology and constant advances in scientific areas too numerous to detail have created a rapidly advancing global society. Second, a variety of factors are impacting the international order, such as cultural and religious conflicts, which are replacing ideological confrontation, emergence of ethnocentrism, racial conflicts, free trade and economic integration, infiltration of information and culture, proliferation of weapons of mass destruction, terrorism, competition for energy and resources, environmental issues, and transnational crimes. Third, although high- and low-intensity conflicts have not disappeared, the relative gravity in military and security factors has been weakened. Fourth, the role of non-state actors such as NGOs and NPOs that threaten the policymaking power of traditional state administrators has grown, and the spread of information technology has brought about the emergence of citizen

governance as a new policymaking system.

In accordance with these factors, today's international order takes a complicated, multi-dimensional, and fluid form amid the danger and whirlpool of interaction of the principle of integration and division, cooperation and competition. Various nontraditional factors of conflict exist in this structure.

Looking at the Northeast Asian region from the viewpoint of the Korean peninsula, this region where three dynamic countries - South Korea, China, and Japan - are located is the most active region in terms of economic power and expanded role in the international community. Futurologists and historians comment that 21<sup>st</sup> century world history is moving toward Asia. China's economic growth is marvelous, marking consistently high economic growth rates for the past 30 years. China's GDP has made it world's 4<sup>th</sup> largest economic power and its role in the international political arena is also expanding drastically based on its economic power. Japan still boasts the second largest economy in the world and South Korea has grown to be a country that draws world's attention. In addition to these three countries, there are the United States, which influences the entire region as a hegemony, and Russia as a reviving economic and political power based on its energy resources. Finally there is North Korea, which poses a threat factor to regional and international security with its nuclear weapons program, although its national strength is insignificant.

As the second decade of the 21<sup>st</sup> century is approaching, the following features are observed in the international situation of Northeast Asia. First, a competitive and confrontational framework between the US, Japan, and Australia versus China, Russia, and the SCO is witnessed. Recently, security cooperation among the United States, Japan, and Australia has increased. At the same time, co-



operation between China and Russia has expanded as well. Additionally, the Shanghai Cooperation Organization (SCO), led by China, has solidified its role in the region. These factors have resulted in confrontational and competitive scenes between the two parties of the US, Japan, and Australia and China, Russia, and the SCO.

Second, within this dynamic framework, however, Northeast Asian countries stress regional stability and cooperation rather than conflict and confrontation. The Bush administration seems to be putting more weight on domestic affairs due to the presidential election and intending to achieve diplomatic results based on stable management. With the success of the Beijing Olympics, China hopes that economic advancement will continue at least until the 2020's. Japan's domestic political situation is fluid, and Russia under the dual leadership of Medvedev and Putin appears to be focused mainly on Central Asia and the Caucasuses.

Third, countries in the region are cooperating on security issues. A good example is the Six-Party Talks for the resolution of the North Korean nuclear issue. In addition, they are expected to closely cooperate in transnational issues and bilateral security issues, such as the nonproliferation of weapons of mass destruction, terrorism, natural disasters, and environmental issues.

Fourth, the North Korean nuclear issue is likely to show progress for some time, as shown in North Korea's nuclear declaration, the corresponding economic and energy cooperation, and improved US-North Korea relations. However, the progress in North Korea's ultimate abolishment of its nuclear programs is unlikely to see any drastic changes in the near future. It is due to the time required for verification, North Korea's nuclear strategy including the disposal of its nuclear weapons, the provision of light-water reactors, and normalization of North Korea- US and North Korea-Japan relations.

Fifth, the North Korea factor will continue to be one of the core factors that influences the regional situation for a considerable period of time. North Korea has pursued a long sustaining strategy under its “military-first” policy to prevent any factor of drastic change, while focusing on stabilizing the regime by overcoming its economic difficulties and improving external relations. In North Korea, it is difficult to expect revolutionary reform and opening up like those in China and Vietnam, and it is also difficult to expect voluntary change from the totalitarian one-man dictatorship system.

### 3. Diplomatic Vision: A Global Korea<sup>1</sup>

Against the backdrop of such an international situation, the Lee Myung-bak government has set out to make policies on behalf of the people for the next five years. The Lee Myung-bak government sees the South Korean history as a “history of development” and defined the spirit of the times as development and integration. There are positive and negative aspects in the progress of South Korea’s history, but the Lee Myung-bak government interprets South Korea’s modern history in an active and positive manner. During his opening speech of the 18<sup>th</sup> National Assembly on July 11, 2008, President Lee Myung-bak defined South Korea’s 60-year history by quoting the 60<sup>th</sup> National Founding Anniversary Commemoration Committee’s definition of “the most successful revolution for modernization in

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<sup>1</sup> Explanation of the basic elements of the Lee Myung-bak government’s state administration philosophy, including the spirit of the times, national vision, guiding principle, goal of state administration, and five goals by sector, is based on the “State Administration Tasks” section of the Cheongwadae website and the “Report on the Lee Myung-bak Government’s State Administration Tasks” submitted by the presidential transition committee, dated February 5, 2008.



light of the 5,000-year history of the Korean peninsula and of the world history since the 18<sup>th</sup> century.”

In fact, South Korea is a country that has built the world's 12<sup>th</sup> to 13<sup>th</sup> largest economy and at the same time successfully sown the roots of a liberal democracy in the short period of 60 years. It is a very rare case in history that a country has successfully achieved both a capitalist market economy and liberal democracy in such a short period of time. South Korea's progress from national founding to industrialization and democratization has naturally led to the 21<sup>st</sup> century's challenging task of entering the group of advanced countries. Thus the Lee Myung-bak government has presented the national vision for “a top-notch, advanced nation.”

The national vision for “a top-notch, advanced nation” is based on the progress in the past 60 years, but it is not a mere extension of the progress, but can be interpreted as a call for developing the country into a civilized country that advances qualitatively so that it fulfills the role of an international country in the world beyond the Korean peninsula in the near future against this backdrop of the 21<sup>st</sup> century's international situation. The Lee Myung-bak government explained that his requires “a proactive and responsive attitude to meet the complicated challenges stemming from the transitional period of civilization, including the spread of man-centered universal values.” At the same time, the administration set the foundation of this plan as the “people's demands for economic revitalization and national unity,” and presented the discovery of new growth engines, revival the economy to benefit ordinary people, and overcoming ideological and regional rifts as concrete tasks.

South Korea's long-term national vision for “a top-notch, advanced nation” means “aspiration for a high-standard country recognized by the world through advancement of economy, modern-

ization of the people's quality of life, and proactive acceptance of international standards." Creative pragmatism was proposed as a guiding principle. The main components of creative pragmatism include "substantive results, realistic approaches to problem-solving, new objectives and ways to implement them, and a more systematic awareness of issues and solutions to them."

With this vision and guiding principle, the Lee Myung-bak government presented the goal of state administration for its five-year term as "establishing a new development framework" and proposed five goals by sector: "A government that serves the people, a lively market economy, active welfare, a country rich in talent, and a mature global Korea." The first four goals concern domestic affairs while the last one concerns external relations.

The goal of "a (mature) global Korea" is to provide a basis for South Korea to enter the group of advanced countries and fulfill its role matching its national power. In order to achieve this goal, the Lee Myung-bak government set five strategies: To create a new peace framework for the Korean peninsula, to carry out pragmatic trade and diplomatic policies and proactively open up, to establish advanced security matching world standards, to build an environment-friendly economy and energy structure, and to cultivate a beautiful life and creative culture; and also presented 47 tasks under them including 10 essential tasks, 14 priority tasks, and 23 additional tasks.

In terms of North Korea policy, among the strategies to become "a mature global Korea," the strategy to create a new peace framework for the Korean peninsula based on denuclearization through the resolution of the North Korean nuclear issue is particularly important. In fact, successive South Korean regimes strived to resolve the North Korean nuclear issue since the 1990s, yet the nuclear issue is still the primary obstacle in achieving better



relations between the South and the North. Changes on the surface after the June 15<sup>th</sup> Joint declaration had failed to resolve the North Korean nuclear issue and Pyongyang finally conducted a nuclear test in Oct. 2006.

The key to resolving the North Korean nuclear issue is relations between the US and the North, but the role of South Korea should not be ignored. This is why South Korea should expand its creative diplomatic role consistently in the process of resolving the North Korean nuclear issue through the Six-Party Talks. The Lee Myung-bak government suggested the “Denuclearization, Opening, 3000” initiative as an essential task of North Korea policy which aims to comprehensively support the North Korean economy after denuclearization so it can reach \$3,000 GDP per capita. This initiative is a package to pursue denuclearization through the Six-Party Talks, recover North Korea’s economy, and above all, improve North Korean people’s living standard.

To this end, North Korea should voluntarily change its economic policy and external relations, as did China and Vietnam. The initiative should be understood as the South’s intention to assist and cooperate with North Korea to increase the North Korean people’s income to the level that will allow them to enjoy a minimum humane life by combining internal and external elements. Instead of evaluating the policy based on the North’s preference over a particular wording, the policy should be assessed on what it aims to accomplish.

This initiative seeks to make relations between the South and the North mutually beneficial and normal rather than unilateral. In this process, creating a common economic community is a major task not only for North Korea but also for our state administration goal, which is to establish a new development system. The government’s plan to realize a common economic community is to discuss and

pursue major tasks in accordance with the progress in North Korea's denuclearization. Dialogue between the authorities of the South and North is necessary for sincere discussion on how to implement the major agreements already signed in the status quo.

The next task is to foster "creative development of the ROK-US alliance in the 21<sup>st</sup> century." Regarding North Korea policy, the significance of the Korea-US alliance cannot be emphasized more. Policy cooperation and coordination between the US and South Korea is required in resolving the North Korean nuclear issue, in stabilizing peace on the Korean peninsula through a peace regime and contributing to peace in Northeast Asia, and in normalizing the US-North Korean relations. In addition, there has been an internal demand from the South Korean society that military and security oriented South Korea-US relations should develop to more comprehensive ones which encompass political, economic, socio-cultural and psychological aspects. This implies the necessity for South Korea to develop its asymmetrical alliance with the US to mutually dependent relations reflecting the overall national strength and national status, as well as strategic capabilities in a balanced manner as the country develops and its international status rises, and as Korean nationalistic pride is inspired. In particular, the Korea-US alliance in the 21<sup>st</sup> century should move in a direction of strategic partnership that can contribute not only to the peace and prosperity of the Korean peninsula based on common values of South Korea and the US and mutual benefits and balance, but also to the peace and prosperity of East Asia and the world.

Moreover, issues facing the Korean peninsula are closely related to the strategic interests of the countries in the region. Thus the Lee Myung-bak government has presented two programs: "Building a New Cooperative System in Northeast Asia" and "Diplo-



macy for a New Vision of Asia.” The former aims to build a new cooperative relationship with China, Japan and Russia, respectively and to enhance a trilateral cooperative relationship among South Korea, the United States and Japan. The latter aims to expand Asian cooperation in various fields in order to contribute to the peaceful development of Asia as a whole. Asia’s strength is its diversity, yet, diversity is also a factor of conflict. The Lee Myung-bak government intends to play a leading role in controlling conflict and establishing a harmonious cooperative order in the Northeast Asian region based on South Korea’s experience in political and economic development.

Meanwhile, South Korea’s North Korea policy is to encourage a change in the status quo of the Korean peninsula. Neighboring countries are closely watching the effect of changes in the status quo of the Korean peninsula with their national interest, and regional security order and economic prosperity in mind. South Korea should actively pursue efforts to build mutual understanding, trust, and a system for increased cooperation with major countries in the region not only for its North Korea policy but also for its national development strategy. Thus Lee Myung-bak government’s presented task of strengthening South Korea’ leading role is in line of seeking a new cooperative order. This requires South Korea to build bilateral and multilateral cooperative systems among countries in the region and to pursue cooperative relations in a balanced manner. In particular, Lee’s diplomacy for Asian cooperation aims to strengthen South Korea’s role conducive to the development, peace, and common prosperity of Asia, which is emerging as a major driving force of world politics and economy. In the end, this plan will enable South Korea to expand partnership with not only Northeast Asian countries but also major countries in the region.

#### 4. Why “Pragmatic Diplomacy”?

The Republic of Korea has gained the proud experience of industrialization and democratization. It has also expanded its international role and grown to draw the attention of the world. The Stanley Foundation of America even predicted that South Korea will achieve the 9th largest economy by 2025 and the 3rd highest GDP per capita following the US and Japan. South Korea needs strong resolve and determination to achieve these goals.

Yet, as witnessed in the process of resolving North Korea’s nuclear issues, there are still limitations that prevent South Korea from performing a greater role. As seen in the experience of being an arena of struggle among the imperialist powers, and being the forefront of the Cold War, the geopolitical and strategic location of the Korean peninsula is significant. The wisdom that South Korea has shown overcoming the historical challenges is needed now to overcome a new challenge in the 21<sup>st</sup> century and to become an advanced country.

According to the “2020 report” (2005) of the US CIA, the world economy will see an 80-percent growth rate, and GDP per capita will increase by 50 percent by 2020. China, which aims to achieve a well-off society by 2020, along with India, will rise as new powers, and the national strength of Brazil and Indonesia will outshine European countries.’ Russia’s time will revive as in the Cold War era, and Japan will have to either confront or take advantage of China.

The IMF estimated nominal GDP of the US as USD 138,400 trillion, Japan as USD 43,840 trillion, China as USD 32,510 trillion, Russia as USD 12,900, and South Korea USD 9,570 trillion. Even after adding USD 56 trillion, the nominal GNI of North Korea



estimated by the Bank of Korea, that the GDP of the two Koreas is still USD 9820 trillion. The powers surrounding the Korean peninsula will still surpass the combined economic power of South and North Korea. In addition, given the current trend of resource nationalism concerning energy and food, South Korea's competitiveness is not guaranteed.

The International Institute for Management Development in Switzerland annually publishes a report on the competitiveness of countries by which one can indirectly gauge a country's soft power. In the 2008 report, South Korea ranked 31<sup>st</sup>. The US has consistently been in the 1<sup>st</sup> place, China ranked 17<sup>th</sup> and Japan 22<sup>nd</sup>. Both are ahead of South Korea. Russia is still a little behind at 47<sup>th</sup>. This shows that the neighboring countries surrounding the Korean peninsula still possess stronger hard and soft powers than South Korea does.

In this structure, South Korea should take a wise approach to complete its tasks related to its North Korea policy with the national vision "to become a first-rate country through advancement." As mentioned earlier, the 21<sup>st</sup> century is an age of information, globalization, technological revolution, and free trade. Except very few economies, the world is integrating into a big market economy and the free flow of information is shrinking the world into a one-day life zone. These changes of the time demand a new paradigm and North Korea policy should also embrace a paradigm shift.

The efforts toward improvement of inter-Korean relations and peaceful unification are closely intertwined with the national development strategy. The Lee Myung-bak government's national development strategy includes a qualitative change in inter-Korean relations. Accordingly, South Korea's approach to improve inter-Korean relations should be formulated within the framework of becoming an advanced country.

Unfortunately, in this world where all prominent countries are striving to attain the most benefits possible, South Korea is still stuck in an ideological confrontation between conservative and progressive segmentation. Ideology's role is to serve as guiding principles of human behavior, but in Korean society the people have failed to be free from the ideological bondage and produced destructive conflicts. Liberty and democracy builds upon pluralism. The 21<sup>st</sup> century is no longer an era of ideological confrontation. The overwhelming changes of the 21<sup>st</sup> century cannot be judged with ideology. When judging Korean history with these narrow-minded ideological criteria, Korea only ends up degrading its own history and indulging in defeatist attitude. Although there have been ups and downs, South Korea is one of the very few countries that has achieved industrialization and democratization in half a century. We should transcend the ideological barriers and stand at the vanguard of change to lead the next developments of history. In an era of competition for national interests, what we need is not ideology but the philosophy of pragmatism. In Korean history, those who led changes and innovation pursued pragmatic philosophy, and pragmatism was also reflected in the course of the development of world's leading powers through the industrial revolution and development of democracy.

In this regard, the Lee Myung-bak government chose "Creative Pragmatism" as a guiding principle to accomplish its national vision. From the perspective of policymaking, pragmatism places high emphasis on efficiency, feasibility, and practicality. Although the term pragmatism sometimes gives a negative, result-oriented connotation, this does not mean that moral and ethical aspects are overlooked. Pragmatism embraces the values of liberal democracy, market economics, welfare, and human rights that are stipulated in Korea's



constitution. Pragmatism also puts much emphasis on the practical function of ideas and knowledge, and how changes can benefit constituents and community as a whole amid constant changes of life. Additionally, the practice of knowledge can be embodied through action plans.

The essence of pragmatism asks the question of how to maximize national interest by integrating diverse public opinion, capacity, resources, and knowledge. In the end, creative pragmatism can be summarized as a concept that places importance on practical outcomes, calculates realistic feasibility, creates new goals and methods, and recognizes and solves problems in a systematic manner.

## **5. Enhancing Peace and Cooperation in East Asia: The Direction of “Pragmatic Diplomacy”**

The year 2008 marks South Korea’s 60th anniversary of foundation, the 37<sup>th</sup> year since the first South-North talks, and the 20<sup>th</sup> year of South-North trade. It has also been almost 20 years since East and West Germany were unified. At this moment, the claim that Korea should overcome the divided structure and achieve peaceful unification is not just a rhetorical proclamation. “Unification” has been pushed forward as a national goal for both South and North Korea under different ideological banners and systems. The more important question at hand in the 21<sup>st</sup> century situation is how to proceed with the process of unification. The efforts that have been put into the Six-Party Talks are for stabilizing peace with a goal of peaceful unification. The Lee Myung-bak government’s attempt to reach public consensus on North Korea policy and establish comprehensive inter-Korean relations beyond his administration’s

interest, and its emphasis on prioritizing policies are also part of the efforts toward solidifying the foundation of peaceful unification.

These concerns, along with the national development strategy should be taken into consideration in formulating North Korea policy. This is why inter-Korean relations, North Korea policy, and unification policy should be regarded as part of national development strategy. So far, South Korea's North Korea policy has been centered on inter-Korean relations. Since the year 2000, in particular, South Korea had the misconception that maintaining inter-Korean relations under any circumstances means progress in inter-Korean relations. This has brought about the inability to maintain Korea-US relations and demonstrate our diplomatic strength. Linking the peace and prosperity of the Korean peninsula with that of Northeast Asia seemed to be a plausible idea, but the way it was implemented and the strategy failed to overcome the limitation of idealism or a wrong choice was made regarding the means to carry out the policy, causing controversy at home and abroad.

South Korea's national strategy for advancement means expanding its external role beyond the Korean peninsula to the world level. It is necessary for South Korea to actively participate in external cooperation projects through increased peacekeeping operation activities or development assistance programs. Being the world's 13<sup>th</sup> largest economy demands South Korea play a corresponding role. The Lee Myung-bak government's direction of pragmatic diplomacy starts from a review of such limits shown by the South Korean government in the past. In fact, the past governments have limited their role in resolving North Korean issues. To settle these issues while contributing to the peace and common prosperity of Northeast Asia and even the world, South Korea should seek and implement creative diplomatic ways based on a cool-headed assessment of its



strategic, geopolitical and international status.

Needless to mention the difficulty of diplomacy or cite the expression “diplomacy is an art,” South Korea’s diplomacy to secure national interest in the 21<sup>st</sup> century amid the complicated, multi-faceted, and multilateral domestic and international situations requires very refined strategies and actions. The diplomatic arena is a fierce battlefield for securing maximum national interest. The public’s acerbic appraisal of the result of the Lee Myung-bak government’s summit diplomacy for the last 6 months demonstrates the difficulty of diplomacy well. This has caused because of structural factors such as the geopolitical and strategic location of the Korean peninsula, influence of the neighboring powers, immaturity in domestic political structure to reach public consensus, and the division of the South and the North.

The Lee Myung-bak government’s pragmatic diplomacy is a strategy to secure support, assistance, and cooperation from its neighboring countries for unification through diplomatic negotiations while not hindering interests of countries that are concerned about any changes in the status quo of the Korean peninsula. Thus pragmatic diplomacy encompasses diverse and multi-faceted issues not limited to inter-Korean relations, such as economic and trade issues, security of Korea’s neighboring countries and the international community, transnational and international issues. If South Korea only focuses on the North Korea policy, everything will be about South Korea’s relations with Northeast Asian countries but nothing further.

In short, the Lee Myung-bak government’s direction of pragmatic diplomacy is to carry out actually profitable diplomacy to South Korea within “the framework of peace and cooperation of Northeast Asia” with Korea-US alliance as the basic pillar. Developing

Korea-US alliance to a strategic alliance of the 21<sup>st</sup> century means alternately pursuing the interests of South Korea and the US. In reality, however, factors such as the difference in capacity of South Korea and the US and their current roles in the international community and dynamics with their neighboring countries should be taken into consideration as well in carrying out the agreement. South Korea can reinforce its diplomatic capacity by strengthening the soft power, but diplomatic means not supported by national capabilities are not practical. In this regard, the lesson of West Germany is still insightful.<sup>2</sup>

West Germany took advantage of its dependency on the US which eased the concern about the unified Germany shown by its neighboring countries, namely, the United Kingdom, France, and the Soviet Union, that had acute interests in changes in Germany. West Germany's choice was to utilize the US strategy to guarantee Europe's security as well as Germany's unification. Through this, West Germany was able to relieve the concern, which was that the unified Germany might pose threat to the Soviet Union, the United Kingdom, and France. In the unification process, West Germany was aware of its neighboring countries' concern about the re-emergence of Germany's national vitalization that had shaken up not only Europe but also the world order in the past. Consequently, West Germany utilized multilateral frameworks such as the EC, the NATO, and the CSCE to ease its burden from the security limitation and develop its economy.

South Korea's pursuit of the 21<sup>st</sup> century Korea-US strategic alliance indicates that South Korea has grown to be a more mature partner of the US. Thus although South Korea-US relations are the

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<sup>2</sup> Park Young-ho, "South Korea's Unification and Diplomatic Strategy toward US" (Korea Institute for National Unification, Seoul, 1998); pp. 77-78.



basic pillar, South Korea should develop more bilateral and multilateral political and security relations with China, Japan, and Russia as well by increasing diplomatic independence with them. Through further economic advancement, South Korea should use its economic vitality as diplomatic means and should be able to obtain active assistance and cooperation from its neighboring countries in the event of a drastic change of the regime in North Korea. Although multilateral cooperation in economy and security is not as active in Northeast Asia as in Europe, the participating nations of the Six-Party Talks have already reached considerable consensus on building a multilateral security cooperation system in Northeast Asia. South Korea should double its efforts to take the initiative in establishing the regional multilateral cooperative channel and to demonstrate its role.

Under this direction of pragmatic diplomacy, the Lee Myung-bak government has particularly stressed several tasks.<sup>3</sup> His first priority task is to achieve denuclearization through North Korea's abolishment of its nuclear weapons program. The North Korean nuclear issue is related to its sincere change or opening up. Without being mentioned by South Korea, North Korea's reform and opening up is essential in improving the North Korean people's quality of life. The resolution of the North Korean nuclear issue is also a top-priority task for improving and normalizing inter-Korean relations and for the peace and stability of the Korean peninsula and Northeast Asia. To this end, the Lee Myung-bak government has set forth its stance of thoroughly maintaining the principle of zero tolerance over North Korea's nuclear armament while taking a flexible approach in realizing this goal.

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<sup>3</sup>- Ref: The Lee Myung-bak governments state administration tasks.

However, the resolution of the North Korean nuclear issue is not a precondition for improving and normalizing inter-Korean relations. There should be continuous progress in North Korea's denuclearization through complete abolishment, but it takes time. Thus South Korea should carry out its policy on a firm stance that North Korea should disable its nuclear programs and complete nuclear declaration at an early date in accordance with the February 13 and the October 3 agreements. North Korea should conclude the nuclear abolishment negotiations and continue implementing the agreements. In particular, South Korea should pursue the resolution of the North Korean nuclear issue through close policy cooperation with the US and other participating nations in the Six-Party Talks and the international community. Development of inter-Korean relations for mutual benefit and co-prosperity should be realized through the "denuclearization, opening, 3000" initiative in accordance with North Korea's denuclearization process.

The sooner the North Korean leadership determines to abolish its nuclear weapons program, the more cooperation on inter-Korean level and international level will be promoted which will in turn improve North Korean ordinary citizens' lives. This will accelerate the process of normalizing relations between North Korea and the US and between North Korea and Japan as well. Also, it will lead to realization of the strategic goal of creating "a new peace structure of the Korean peninsula" through positive consequences of building a multilateral cooperative body in the Northeast Asian region and a peace regime on the Korean peninsula.

The second task proposed by the Lee government is to develop Korea-US alliance in conformity with changes of the 21<sup>st</sup> century. Since the 1954 Korea-US Mutual Defense Treaty came into effect, the Korea-US alliance has greatly contributed to South Korea's security



and economic development. However, the Korea-US alliance should be adjusted in accordance with changes in internal and external situations and future security demand. Accordingly, South Korea and the US should strengthen mutual trust. South Korea and the US face the task of formulating a future vision of their strategic alliance that can be conducive to the peace and prosperity of the Korean peninsula, the region, and the world based on their common values, understanding, and a balance between their mutual interests. Therefore the Lee Myung-bak government needs to work with the US to materialize “Korea-US strategic alliance of the 21<sup>st</sup> century” as allies of values, trust, and peace-building, which is what South Korea and the US have agreed. From South Korea’s standpoint, building a strategic alliance with the US, which is the leading country of the world order, is a strategic choice in order to leap into the group of advanced countries, develop better relations with its neighboring powers, and promote unification.

To be more specific, South Korea should build up mutual trust and expand the institutional framework of mutual cooperation with the US by operating a cooperative system for coordinating the pending issues between the two countries. In particular, South Korea should increase policy cooperation with the US concerning key security issues, such as the North Korean nuclear issue and North Korea policy, which were much criticized in the previous regime. Implementing two different policies by the two countries on the ground of firm trust will always achieve more than one policy without trust. In addition, solving pending issues in developing Korea-US alliance to a future-oriented one in terms of security should be carried out in connection with progress in inter-Korean relations and the degree of military stability.

Lastly, it is important to build a cooperative system for deep-

ening cooperation with major countries in Northeast Asia which was expressed in the President Lee's plan as establishing "a framework for the peace and cooperation of Northeast Asia." Increasing cooperative relations with these countries means forming a new cooperative order based on mutual understanding and trust. The Northeast Asian region is showing more dynamic changes than any other regions in the world, and countries in this region are forming bilateral and multilateral cooperative relations as part of their national development strategies. South Korea should not lag behind in this trend. Rather, it is desirable for South Korea to develop bilateral relations with China, Japan, and Russia as a bridge connecting the continent and the ocean, and thereby build a new cooperative system with each of them.

In addition, South Korea should seek a more active role in developing various multiple trilateral relations among South Korea, US, and Japan and among South Korea, China, and Japan. The Lee Myung-bak government plans to further strengthen bilateral cooperation with the four powers surrounding the Korean peninsula while expanding partnerships with major countries in the region, including Southeast Asian and Central Asian countries, India, and Australia, based on trilateral cooperation among South Korea, China, and Japan. Under President Lee Myung-bak's leadership, South Korea and China have agreed to develop their relations into a strategic cooperative partnership, which calls for widening bilateral cooperation in all fields between the two, including political and security affairs. South Korea also needs to establish strategic partnership with countries in the Asia-Pacific region and demonstrate its strength in building a regional community in the areas of economy, security, and culture.

From South Korea's standpoint, South Korea should seek



substantial development of Korea-US alliance for smooth promotion of its North Korea policy and peaceful unification, as well as increased leading role in regional peace and common prosperity. South Korea's expanded role should be considered conducive to improving inter-Korean relations. Also, changes on the Korean peninsula should be regarded as beneficial to its neighboring countries. This should be understood as diplomacy of trust that contributes to establishing a new order for peace and prosperity in the region. However, South Korea should show and maintain a clear and resolute attitude toward issues that may cause conflicts, such as Japan's distortion of history out of ethnocentrism, violation of territorial sovereignty by raising the Tokdo issue, and China's distortion of Koguryo history.

## 6. Conclusion

The philosophical foundation of the Lee Myung-bak government's "pragmatic diplomacy" is "creative pragmatism." "Creation" has been the driving force of history of civilization, and is regarded as an important virtue in the 21<sup>st</sup> century which makes human life more "humane" and "environment-friendly." "Pragmatism" does not overlook the importance of visions, but puts more emphasis on action plans based on knowledge and ideas for implementing the visions. Thus the Lee Myung-bak government's pragmatic foreign policy for achieving its vision for Northeast Asia is boiled down to the question of how it actually implements the vision and state administration goals and relevant tasks to achieve national interest by actively challenging the circumstances of the times.

However, the detailed policy measures and action plans should

not be judged and assessed just by the outcome of fulfillment of the goals. The reason why liberal democracy is more appealing than any other systems is because it promotes freedom of expression and enables the people to respect the due process in achieving goals.

A country is the fruition of the spirit and efforts of those who have lived in the land for hundreds and thousands of years. It belongs to those who will live in the land endlessly. Thus E. Burke asserts that the people of the times should not easily change the framework of the state or system and custom from the viewpoint of the times. Burke's assertion stresses importance of self-innovation in pioneering the future. South Korea's future will be the product of those living in today's South Korea. However, the future of South Korea will not be bright if its past, present, and future are simply connected by time. In a short period of 60 years, South Korea, a divided country, set an example of development in the world. In the next 60 years, it should not only unify the country by overcoming the tragedy of division, but should also be a country that takes the lead in contributing to the peace and common prosperity of Asia and the world. To this end, a creative national development strategy should be devised and implemented to challenge a new world order system.



## 》 이명박 정부의 동아시아 비전과 ‘실용외교’ 정책

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21세기에 분단 극복을 향한 우리의 노력은 남북관계 차원과 국제관계 차원에서 동시에 접근되어야 하며, 통일문제는 단순히 그 자체로서가 아니라 국가발전전략의 일환으로 구상·추진되어야 한다. 이명박 정부의 동아시아 비전과 그에 토대한 ‘실용외교’ 정책은 이러한 관점에서 실천되어야 한다.

동아시아지역은 경제역량과 국제사회에서의 역할 신장 측면에서 가장 활력을 보여주고 있다. 현 동아시아 국제정세는 다음과 같은 특징을 보여준다. 첫째, 미국, 일본, 호주의 세 나라간 안보 협력이 강화되는 한편, 중·러 협력 강화와 중국이 주도하는 상해협력기구(SCO) 강화 등으로 ‘미·일·호주 대 중·러·SCO’라는 경쟁구도가 나타나 있다. 둘째, 그러나 역내국가간 관계에서는 갈등·대립 양상보다는 안정·협력 양상이 나타나고 있다. 셋째, 지역 국가들의 자국 중심 국가발전전략에도 불구하고, 안보문제에 대한 협력이 이루어지고 있으며, 테러·자연재해·환경 등 범세계적 문제들에서 협력이 강조되고 있다. 넷째, 북핵문제는 일정한 진전 양상을 보였으나, 최종적인 핵폐기 과정은 검증 과정의 시간 소요, 북한의 핵전략, 경수로제공 문제, 북·미 및 북·일 관계정상화 문제 등으로 가까운 시일 내에 급격한 변화가 발생할 가능성은 높지 않다. 다섯째, 지역 정세에 미치는 북한 요인은 앞으로도 상당기간 핵심요인의 하나로 작용할 것이다.

이명박 정부는 건국→산업화→민주화로 이어진 지난 60년의 발전의 토대 위에서 ‘선진화를 통한 세계일류국가’를 국가비전으로 설정했다. 21세기의 국제정세를 배경으로 다가올 미래를 대한민국이 한반도 차원을 넘어서는 세계 속의 국가로서 역할을 할 수 있도록 질적으로 도약하는 문명국가를 만들자는 인식으로 해석된다. 국가비전을 달성하기 위한 국정목표 중 대외적 차원의 국정지표는 ‘성숙한 세계국가’이다. 이는 대한민국이 선진국으로 진입하고 그에 상응하는 역할을 수행하기 위한 기반을 구축하려는 것이다.

북핵문제를 포함한 한반도문제는 지역 국가의 전략적 이해관계와 밀접하게 연관된다. 한국의 선진국 진입전략은 북한문제의 해결이 동반되며, 이는 한반도의 현상변경을 추진하는 것이다. 주변국들은 이러한 한국의 국가전략이 자국의 이익과 지역의 평화와 안정적 질서, 경제적 번영 등에 미칠 영향을 주시하고 있다. 이명박 정부의 내세운 ‘新아시아 비전 외교’는 이러한 점을 반영하면서, 세계의 성장 동력인 아시아의 발전과 화합에 기여하기 위해 다양한 분야에서 협력네트워크를 확대하겠다는 것이다. 동아시아지역뿐 아니라 역내의 주요 국가들과의 파트너십의 확대, 지역공동체 구축 등을 추진하는 아시아협력외교를 구상하고 있다. 아시아 지역의 다양성은 각 나라가 가지고 있는 잠재력을 활성화하는 잠재력으로 기능할 수 있다. 그러나 다양성은

갈등의 요인이 되기도 한다. 따라서 이명박 정부는 한국이 이룩한 정치·경제적 발전의 경험을 토대로 동아시아 지역의 갈등 요인을 관리하고 조화로운 협력질서를 구축하는 데 주도적인 역할을 발휘하려고 한다. 이러한 비전을 달성하기 위해서는 한반도의 지정학적, 전략적 위치와 주변국의 국가전략에 대한 냉철한 이해, 한국의 국가능력 등을 고려한 현명한 실천전략이 요구된다. 한국의 입장에서 세계질서의 주도국인 미국과 전략동맹을 구축하는 것은 선진국으로의 진입, 주변 강대국과의 관계발전, 그리고 통일의 촉진을 위한 전략적 선택이다.

이명박 정부의 실용외교 정책은 한반도의 현상 변경에 이해관계가 있는 국가의 이익을 저해하지 않으면서 공동 이익을 확대함으로써 지역의 안정된 평화질서를 구축하고 공동 번영을 위해 기여하려는 정책이다. 동시에 동아시아지역으로의 협력을 확대하려는 정책이다. 이를 통해 한반도 통일에 대한 지지와 지원, 협력을 확보하는 데 기여할 수 있다. 따라서 실용외교 정책은 경제·통상, 문화, 주변국과의 안보와 국제사회에서의 안보, 범세계적인 문제 등 국내, 국가 간 및 국제수준의 문제 등 다양화, 다변화된 사안을 포괄하게 된다. 한국은 대륙과 해양을 연결하는 가교(架橋)국가로서 중국, 일본, 러시아와의 양자관계를 발전시킴으로써 각 나라와 新협력체제를 구축하는 것이 바람직하다. 또한 한·미·일, 한·중·일 등 다양한 3자관계를 중점적으로 발전시키는 데 적극적인 역할을 모색해야 할 것이다. 이러한 협력체제의 구축·발전은 동남아, 중앙아시아, 인도, 호주 등 역내 주요국가와의 파트너십 확대를 추진하는데 도움이 될 수 있다. 특히 한국은 아·태지역 국가들과의 전략적 파트너십을 구축하고, 경제, 안보, 문화 등의 차원에서 지역공동체를 구축하는 데 역량을 발휘할 필요가 있다. 21세기에 선진일류국가에 진입하고 통일을 달성하기 위한 한국의 외교 전략은 ‘동아시아의 평화와 협력의 틀’ 속에서의 한·미 동맹관계를 기본 축으로 하여 한반도 주변국, 그리고 전통적인 동북아지역을 넘어서 실리외교를 전개해나가는 것이다.

# *Institutionalizing North Korean Reform and Opening: Vision 3000\**

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## **:: Summary**

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North Korea poses two serious concerns for the international community-nuclear threat and its own system failure. Thus far the international community has been very keen about North Korean nuclear programs while putting aside fixing its system problems as something that could be brought up after North Korean denuclearization. However, it overlooked that North Korean nuclear problem is rather a symptom of the underlying system failure. Then, the issue of North Korean reform, not only for its own sake to address North Korean system failure but also for a coordinated solution of North Korean nuclear problem, requires a more serious attention.

Surely North Korean reform is a win-win game for anyone. It is out of question that North Korean reform is foremost needed for North Korean people because that is the only way to earn enough foreign exchange to import food and other staples and to be as prosperous as South Koreans. North Korean reform and opening is also needed for inter Korean reconciliation and, eventually, Korean unification. Internationally, a successful management of North Korean reform and opening can significantly enhance the chances for peace and prosperity in the region.

A promising approach to North Korean reform is to see it as a process of introducing new institutions in North Korea, in particular the institution of market economy. It allows us to have a clearer view of what our goal is, how we can get there, and where we are in the process. A blueprint of these institutions should be at hands before embarking on the journey of reform. So we can easily anticipate a serious negotiation on how to draw the blueprint between the parties involved in the reform process, North Korea on the one hand and the Republic of Korea supported by the international community on the other.

President Lee myung-bak's Policy of Mutual Benefits and Common Prosperity, which will be the ROK's position in inter-Korean negotiations, aims to address North Korean reform and opening in coordination with nuclear issue. Its tasks can be realized through three stages. First is to smoothly manage the interim period of policy change in the South and to establish a mutually beneficial and co-prosperous inter Korean relations. Second is to fulfill the vision and develop the North's personal income to about 3,000 USD in ten years. Thirdly, it anticipates to achieve unification



through the inter Korean communities of peace, economy, and happiness.

North Korean reform and opening is the call of the time and cannot be reversed. North Korea should realize this and join the talks with the ROK and the international community.

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## 1. Introduction

North Korea poses two serious concerns for the international community- nuclear threat and its own system failure. Thus far the international community has been very keen about North Korean nuclear programs while putting aside fixing its system problems as something that could be brought up after North Korean denuclearization. However, it is becoming more apparent that the diagnosis and prescription was flawed as international efforts to resolve North Korean nuclear problem have continued to remain sluggish for over six years. The international plea for North Korean leader Kim Jong Il to make a 'strategic decision' to give up nuclear programs has been shunned and the international nonproliferation struggle in this region is still in an up hill rather than down the hill stage.

Six years of such experiment is more than enough for the international community to realize that North Korean nuclear problem is rather a symptom of the underlying system failure than the other way around. The Northern half of the Korean Peninsula, previously more prosperous part vis a vis the South thanks primarily to its rich natural resources and industrial development before communi- zation in the wake of the World War II, is now suffering arguably the worst living condition in Asia. Its per capita income which is believed to be around 500 USD is roughly one fortieth (beware, neither fourteenth nor even fourth) compared to that of Southern brethren. According to the World Country Ratings by the Freedom House, North Korea is the only country in the world that has recorded the lowest score of 7 on both accounts of political rights and civil liberties and the overall rating of NF (Not Free) in every single year of the survey covering from 1972 to 2008. Given these, the North Korean leadership fears that reform and opening of North Korea will lead



to precipitous system demise. So, instead of facing the music by reforming and opening the system, North Korean leadership decided to 'muddle through' and needed the nuclear programs to paper up the system failure and unite the society.

That said, I do not mean that the international community should indulge all in to tackle North Korean system failure while shelving North Korean nuclear issue. North Korean denuclearization is too urgent an issue to be shelved. I claim rather that we have to address the two aspects of North Korean problems simultaneously in a very well coordinated way.

A roadmap for North Korean denuclearization was prepared at the Six Party Talks in the form of September 19<sup>th</sup> Joint Statement in 2005. It is deemed, however, that frequent derailments of the implementation process without any significant breakthrough would call for an extensive revamping of the Joint Statement, probably as one of priorities for the upcoming US administration. If that is the case, I hope that the new roadmap will incorporate the aspect of addressing North Korean system failure as well.

Then, the issue of North Korean reform, not only for its own sake to address North Korean system failure but also for a coordinated solution of North Korean nuclear problem, requires a more serious attention. In fact, considering all but a few former communist countries, including such key pillars as China and Soviet Union, underwent an all out transition to more open socioeconomic systems, discussing North Korean reform is long overdue.

A promising approach to North Korean reform is to see it as a process of introducing new institutions in North Korea, in particular the institution of market economy. It allows us to have a clearer view of what our goal is, how we can get there, and where we are in the process. A blueprint of these institutions should be at hands before

embarking on the journey of reform. So we can easily anticipate a serious negotiation on how to draw the blueprint between the parties involved in the reform process, North Korea on the one hand and the Republic of Korea supported by the international community on the other. These are the points I'd like to elaborate in the following and I will begin it first of all by stressing the significance of North Korean reform.

## **2. Significance of North Korean Reform and Opening**

Surely North Korean reform is a win-win game for anyone. It is out of question that North Korean reform is foremost needed for North Korean people. Recently, the United Nation's World Food Program (WFP) and Food and Agriculture Organization (FAO) released Rapid Food Security Assessment (RFSA) on North Korea confirming "both a significant reduction in the availability of food and much more limited access to nutritious food for the most vulnerable." This is no surprise at all. The WFP has issued similar assessments since 1995 when it began emergency operation in North Korea. What is surprising is that the 'emergency operation' had to last so long without seriously raising the question on how to resolve North Korean food shortage fundamentally.

Many people seem to take North Korean food shortage for granted because of its mountainous terrain. However, even in the South, less than 60% of its food demand is met by self supply. It means that the solution for North Korean food shortage is the same as in the South to import enough food from the international market. Of course North Korea needs foreign exchange to import the food, but it shouldn't be a difficult task for the North. It can earn



more than enough foreign exchange by exporting manufactured goods by making good use of its rich human capital which is as competitive as South Korea's. The only remaining task for North Korea is to give the human capital opportunity to be employed by reforming and opening the economy.

Once North Korea reforms and opens its economy, it can also resolve other shortages such as clothes and energy. Further still, there is no reason for anyone to doubt that North Korea can be as prosperous as the South only if it adopts similar socioeconomic system and development strategy simply because they are the same people living in different systems.

Since 1988, the consecutive South Korean governments pursued reconciliation and cooperation policy toward North Korea in the hope that a success in building inter-Korean cooperation in one sector will spill over into the next until the two systems are fully integrated, just as was the case with the European Union. The Sunshine Policy of former ROK presidents Kim Dae Jung and Roh Moo Hyun was an extreme version, which openly declared as its policy goal improving inter-Korean relations. Well aware of the South's policy goal, North Korea now got the upper hands in inter-Korean negotiations. The North took issue with the South's intention of taking off the North's clothes, an analogy of reform and opening of North Korea, as described in Aesop's Fables. The Sunshine Policy advocates in the South, compelled to show their constituents both home and abroad some signs of improving inter-Korean relations, had to 'pour in' billions of dollars in aiding North Korea, took all measures not to annoy the North and even gagged the officials not to utter the word 'reform' in their conversations with North Koreans, and took side with North Korea in its denuclearization negotiations at the Six Party Talks. In exchange,

the Sunshinists were awarded by the North a few symbolic inter-Korean projects such as the Diamond Mountain Tourism, relinkage of inter-Korean rails and roads, and Gaeseong Industrial Complex.

However, there are indications galore that the functionalist approach of inter-Korean integration based on cascading spill over effects has been actually defunct. South Koreans visiting the North were confined to their hotels, South Korean commercial goods was not allowed to be imported to North Korean markets, the North didn't invest a penny in the South, South Korean investors in the North were not allowed to make contacts with their employees and to pay the wages directly to them, South Koreans promoting inter-Korean projects such as performances had to pay extra kick backs in both cases of visiting and inviting, aid goods from the South was sold to the public through the public distribution system propping up the dwindling socialist apparatus and filling the war chest of the leadership, the pilot inter-Korean cooperation projects now face strong opposition by the North's powerful military, and the list still goes on and on. How come? Unlike in Europe where the functionalist integration has been successful to a certain extent because member countries share the political institution of democracy, the economic institution of market, and the international security institution of NATO, the two Koreas lacked any such binding institutional common grounds. Without reform and opening of North Korea there can hardly be any meaningful integration between the two Koreas. Here, we are reminded that former Eastern European countries were able to be integrated into the European Union only after they completed the all out reform and opening.

North Korean reform and opening are needed in international context as well. The Korean Peninsula is the place where the four major powers of the world, namely the US, Japan, China, and



Russia, meet with each other. North Korean system failure has the potential to cause unwelcome ramifications on their relationship. It is certain that unprepared demise of North Korea serves nobody's interest. History tells us that instability or conflict in the Peninsula can easily lead to conflagration between the neighboring major powers. The Sino-Japanese War, Russo-Japanese War, and, most recently, the Korean War where the US and China collided, all test to the historical testimony.

On the contrary, a successful management of North Korean reform and opening can significantly enhance the chances for peace and prosperity in the region. North Korean reform and opening will reduce tension and expand the market. It will also offer vast investment opportunities especially for construction and manufacture. Eventually, it may well bring Korean unification to fruition and the unified Korea will do its utmost to maintain friendly relations with the all four neighboring major powers.

### 3. Major Tasks

During the presidential campaign, President Lee proposed Vision 3000, which gained a wide public support. However, given that North Korea is intransigent on denuclearization and reforming and opening its economic system, jumping into implementing the initiative may not warrant a productive outcome. That is why the Lee administration announced early this year that it would pursue, while maintaining the current level of inter-Korean relations, the advancement of mutually beneficial and co-prosperous inter-Korean relations as the basis for his initiative.

From a sequential point of view, we can expect to stabilize

mutually beneficial and co-prosperous inter-Korean relations, to implement the Denuclearization-Opening-3000 initiative, to solidify a Korean Union based on national communities created in the economic and other areas, and to finalize unification of Korea. As mentioned above, the essence of the Denuclearization-Opening-3000 initiative is to help North Korea make an economic growth up to the level of per capita income of \$3,000. For this to happen, North Korea should abandon its nuclear program, reform its system and open itself to the outside world.

The Lee administration is therefore seeking to stabilize mutually-beneficial and co-prosperous inter-Korean relations, while preparing detailed plans for implementing the initiative. These plans will be put into action through inter-Korean negotiation as soon as North Korean denuclearization gets underway in full swing. Before its term ends in five years, the Lee administration will have the implementation of the initiative put on sound footing.

### **3.1. Establishment of Mutually beneficial and Co-prosperous Inter-Korean Relations**

“Mutually-beneficial and co-prosperous relations” is not a term newly coined to describe the relationship between South and North Korea. We may easily find similar relations in other areas. For example, employers and employees may have mutually beneficial and co-prosperous relations. If the two parties are hostile to each other and preoccupied with their respective interests only, corporate competitiveness would decrease and both parties would lose. On the contrary, if they work together, corporate competitiveness would increase and, consequently, both parties would win. A similar case is also observed in international relations. The ROK’s efforts to



ratify a free trade agreement with the United States and upgrade its relations with China to a “strategic and cooperative partnership” reflect the same spirit that promotes mutual benefits and co-prosperity between the two respective sides.

If the ROK can improve relations with foreign countries, there is no reason why it cannot improve its relationship with North Korea: after all, the two Koreas are one nation. In fact, Seoul can help Pyongyang substantially and the latter desperately needs the former’s help. If the two sides trust each other and have an open hearted dialogue, they will be able to find ways to promote mutual benefits and co-prosperity.

To promote mutual benefits and co-prosperity, what is needed most urgently is denuclearization of North Korea for nuclear weapons have potential to destroy the entire Korean peninsula. On December 18, 1991, in order to avoid such a tragedy at all cost, the ROK President Roh Tae-woo took the initiative to declare, “At this moment, there is not even a single nuclear weapon in our country.” The successive ROK presidents after him have repeatedly confirmed the declaration. In addition, the ROK government has allowed inspections by the International Atomic Energy Agency to make sure that the ROK fully complies with all relevant international obligations. Likewise, Pyongyang has to accept a request for denuclearization from Seoul and the rest of the international community. North Korea has to realize that there is no alternative to denuclearization and no time to lose, given its challenges from within and outside of it.

Consequently, the Lee administration will make greater efforts in persuading North Korea to abandon its nuclear programs. The new administration will not repeat the same mistakes its predecessors made. By adopting an ambiguous position between the

United States and North Korea, the previous ROK administrations only helped Pyongyang delay the process of denuclearization. These administrations, for example, were critical of the United States taking issue with North Korean uranium enrichment program while cajoling Pyongyang by offering a supply of electricity, which would cost the South approximately \$1 billion a year, for an unlimited period. In addition, instead of persuading Pyongyang to first abandon its nuclear programs, it had sympathized with North Korea's claim that the United States should first create an environment in which North Korea may readily give up its nuclear programs.

The Lee administration will be more straightforward in pointing out that North Korea is in clear violation of the Declaration on Denuclearization of the Korean Peninsula of 1992 and the Agreed Framework of 1994 as well as international laws on non-proliferation. It is North Korea that has to rectify its behavior and dismantle all nuclear programs. The international community, including the ROK, is prepared to compensate North Korea for its good behavior. Ultimately, denuclearization is also in the interest of North Korea itself.<sup>1</sup> Unlike its predecessors which misled the public to believe that they had actively persuaded North Korea to abandon nuclear programs when they had simply inserted hollow and superficial provisions into inter-Korean agreements, the Lee administration

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<sup>1</sup> North Korea's claim could be dissuaded primarily on two accounts: on the one hand, North Korea's security would be more effectively protected when it abandons its nuclear programs because any use of force against it would be far more difficult to be justified in case Pyongyang is free of such suspicion; on the other hand, economic benefits North Korea can reap from early nuclear dismantlement would be much greater than the rewards it could enjoy from dragged negotiations. (Had the North dismantled the nuclear programs, say in 2005, by now it would have been in a far better position to enjoy favorable international markets, attract enormous foreign investments, and garner a huge amount of humanitarian assistance-more than enough to salvage its dwindling economy.)



will make more than mere verbal commitment to North Korean denuclearization and upgrade the pace and scope of inter-Korean cooperation in accordance with progress in the denuclearization.

For mutual benefits and co-prosperity, North Korea should also undertake economic reforms and open itself more extensively to the outside world. North Korea can learn a lesson from China's reform and opening. In fact, North Korea adopted many elements of the Chinese socialist system and governance mechanism. At a time when China is making a miraculous economic growth thanks mainly to fundamental reform and opening of its system, North Korea has no reason to defer emulating the Chinese success any longer. Only when North Korea reforms and opens itself to the outside world, external help can bring positive effects to its economy. In the early days of reform and opening, China introduced a special incentive program to attract Taiwanese investors. Even without such a program, I am confident that patriotic entrepreneurs from the South would not hesitate to make huge investments in the North once Pyongyang shows its sincere desire to reform and open itself to the outside world.

Once North Korea convinces the international community through its action that a genuine denuclearization process is irrevocably on track, Seoul and Pyongyang can discuss what kind of role the ROK can play in reforming and opening North Korean economy. In this context, the inter-Korean summit proposed by President Lee in his inaugural speech makes a great sense. Considering the fact that President Lee was a successful CEO of one of the largest ROK corporations, how can the North Korean leader Kim Jong-il find a better expert than his southern counterpart in seeking consultations on developing North Korean economy?

Nevertheless, it may take some time before North Korean

nuclear issue is satisfactorily resolved and North Korea's reform and opening is firmly rooted. Until then, the Lee administration will patiently persuade Pyongyang to dismantle its nuclear programs and adopt an open economic system while making an effort to improve on-going inter-Korean relations in the spirit of mutual benefits and co-prosperity.

The administration will continue to support the existing bilateral economic projects by removing various obstacles delaying them. For example, it will address the issues of facilitating passage, communication and customs clearance in the GIC and operating the Inter-Korean Commercial Arbitration Commission to reduce difficulties in inter-Korean economic cooperation. In addition, the ROK government will push for new large-scale projects if they meet the four criteria for the promotion of economic cooperation: progress in denuclearization, economic feasibility, adequate financial burden and public support. However, these four criteria are by no means preconditions for expanding economic cooperation. The administration will flexibly apply these criteria reflecting results of inter-Korean talks and changes in North Korea's attitude. In general, economic cooperation in the private sector will be promoted in accordance with the principles of market economy.

Although 60 years has already passed since the Korean War, some important humanitarian issues have not yet been resolved, still breaking the heart of many South and North Koreans. Consequently, the Lee administration will make a concerted effort to address these tragic issues and ease the pain of Korean people. As for separated families, the administration will promote a wide range of programs to facilitate search of whereabouts, reunions, exchange of letters and hometown visits with a priority given to those who are 80 years or older. It will deal with the issues of prisoners of war and abductees



with a belief that it is one of the basic duties of the state to protect its own citizens. In addition, from the perspective of universal norms, it will be more straightforward in dealing with human rights in North Korea not only in inter-Korean talks but also in international relations.

Humanitarian aids such as an emergency relief for victims of natural disasters will be provided to North Korea regardless of a progress in denuclearization and other political issues. The administration's decision to provide larger-scale aids will depend on whether North Korea requests them, how serious the situation in the North is and whether the ROK public supports it. Once food aid is provided to the North, the administration will also make an effort to improve monitoring to ensure that it is distributed to those in need.

### **3.2. Implementation of the Denuclearization-Opening-3000 Initiative**

The Denuclearization-Opening-3000 initiative aims at helping North Korea raise its annual per capita income to \$3,000 within a decade, if North Korea denuclearizes, reforms its system and opens itself to the outside world. The Bank of Korea, the central bank of the ROK, estimated North Korea's current per capita income as around \$1,000. However, some experts say that this figure is exaggerated. They claim that North Korea's per capita income is as low as around \$500, citing such international organizations as the United Nations. The Vision 3000 takes a safer position and claims through simulations that North Korea's per capita income of \$500 can be brought up to \$3,000 in a decade provided that its economy grows at an annual rate of 15 to 20%.

Considering the difficulties currently overshadowing North

Korea, some might wonder whether the goal of the initiative can be achieved. Ironically, according to an established economic theory, North Korea can make a rapid economic growth because its economic conditions are so poor. Today, a rapid economic growth in developing countries can be explained by the “catch up effect.” Less developed countries can gain larger rewards from investment because the small scale of investment means it is at the early stage of diminishing returns. N. Gregory Mankiw, a professor at Harvard University, explains this effect citing the ROK as an example in his work *Principles of Economics*.<sup>2</sup>

For the catch up effect to bear fruit, North Korea should also build social capabilities. Social capabilities refer to the capabilities of a society to adopt and introduce production technology, legal system and relevant institutions of advanced economies.<sup>3</sup> At the same time, North Korea should employ most desirable government policies that would allow developing countries to achieve “condensed growth” by avoiding mistakes made by advanced countries while taking advantage of their proven successes.<sup>4</sup>

The ROK’s experience in economic development, both in building social capabilities and selecting development policies, is considered to be one of the best models of rapid economic growth throughout the world. It is well-known that emerging economies, including China and Vietnam, are busy learning a lesson from the ROK’s economic development. What is more, North Korea shares with the South the same culture, language and diligence of the

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2. N. Gregory Mankiw, *Principles of Economics* (Thomson Pub.), 2006.

3. Moses Abramovitz, “Catching Up, Forging Ahead and Falling Behind,” *Journal of Economic History*, 1986.

4. Alexander Gerschenkron insists that developing countries can catch up with developed countries by skipping development phases using effective policy measures.



people and is even richer in natural resources. Therefore, if North Korea combines its reform and opening policy with the South's economic development model, the catch up effect will be maximized. As North Korean economy grows fast, it will no longer be in need of foreign assistance and the economic gap between the South and the North will be gradually reduced. In the end, both sides will be able to step up their efforts toward national unification without worrying too much about unification cost.

It should be underlined that all of these are up to North Korea. If North Korea denuclearizes and opens itself to the outside world, the entire international community will be eager to help North Korea develop its economy. In particular, the Vision 3000 proposes five major projects to help North Korea in this direction: (1) nurturing 100 companies with export volumes exceeding \$3 million in the economic area, (2) fostering 300,000 skilled workers in the education area, (3) raising an international cooperation fund worth \$40 billion in the financial area, (4) building a new Seoul-Shineuju highway in the infrastructure area, and (5) providing basic commodities to North Koreans in the social relief area. Of course, the five projects will be carried out in line with progress in North Korea's denuclearization, reform and opening up. When North Korea completely disables its nuclear facilities, the two Koreas will be able to make a Korean Economic Community Cooperation Agreement (KECCA) to launch the projects to improve education and social relief in North Korea. And, when North Korea completely disposes of its nuclear materials, Seoul and Pyongyang would jointly carry out all five projects. A flexible approach can be adopted along with the guiding principles, however.

What is more important than government-level cooperation is the participation of the private sector. If the North Korean economy

begins to grow in earnest, few ROK entrepreneurs will hesitate to invest in North Korea, considering that North Korea has highly skilled workforce, access to markets in neighboring countries, abundant natural resources and big growth potential.

The countries in Northeast Asia, which gained immensely from the regional order based on the divided Korean peninsula, will not hesitate to support North Korean economic reform and opening as well as peaceful reunification of Korea. International investors and financial institutions, including the World Bank, the IMF and Asian Development Bank, will also follow suit.

### **3.3. Unification through the Establishment of National Communities**

If North Korea reforms and opens itself to the outside world and North Korea's economy grows steadily, soon conditions will become mature for the integration of the South and the North. The experience of European integration, which took its initial steps by establishing European Economic Community (EEC) together with European Atomic Energy Community (EURATOM) and European Coal and Steel Community (ECSC) through the Treaties of Rome in 1957, suggests that Korean integration will be also facilitated by first creating communities in individual sectors. For this, some good examples would be a "Korean Peace Community," a "Korean Economic Community" and a "Korean Socio-cultural Community." The Korean Peace Community can be established by building confidence between the South and the North in the security and military areas, reducing armaments and replacing the current armistice agreement with a new peace treaty. The two economies will be integrated in accordance with the general theory of economic



integration, after North Korea reforms and opens itself to the world and market economy. Bela Balassa describes five phases of such economic integration: a preferential trading area, a free trade area, a customs union, a common market, an economic and monetary union, and a complete economic integration.<sup>5</sup> The Korean Socio-cultural Community refers to a state where South and the North Koreans cooperate with each other to pursue their happiness and improve the quality of life, eventually recovering social and cultural homogeneity between them.

Out of the three communities, one in the economic area will be able to lead the integration process because it can bring about clear and immediate results. In this regard, it is expected that an inter-Korean economic community will be created in the process of implementing the Denuclearization-Opening-3000 initiative. As the functionalist integration theory proposes, cooperation in the economic area will presumably spill over into the social and cultural areas and, eventually, into the political and security areas.<sup>6</sup>

As the integration process becomes more systemically formalized and institutionalized, the two political entities in the South and the North will cruise toward national unification.

The official unification policy of the ROK since 1989 is the Korean National Community Unification Formula. This formula envisages three phases of unification process; reconciliation and cooperation, creation of a Korean Union and completion of national unification. Currently, inter-Korean relations are in the first phase of reconciliation and cooperation. However, if the Vision 3000 is implemented, Korean unification will be able to enter the second

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5- Bela Balassa, *The Theory of Economic Integration* (London; George Allen & Urwin Ltd.) 1969.

6- Ernst Haas, *The Uniting of Europe* (Stanford University Press) 1958.

phase. Finally, in accordance with democratic rules and procedures, Koreans from both sides will promulgate a unified constitution to complete the unification process.

The integration and unification of Korea will further facilitate cooperation and integration among countries in Northeast Asia. So far, Northeast Asia has lagged behind Europe or other regions in regional cooperation and integration. Korea is in an ideal position to promote regional cooperation and integration in this area, for a unified Korea is in no competition with any neighboring countries over regional hegemony. On the contrary, a unified Korea can play a leading role in establishing regional collaboration and promoting stable and peaceful international relations in the region simply because that is the only way to secure its national interest. Long lasting peace and co-prosperity Korean unification will foster in the region will translate into global peace and co-prosperity because the Northeast Asian countries are themselves global powers.



## 》 북한 개혁·개방의 제도화: 상생·공영 정책

박 찬 봉

(전 통일부 남북회담본부 상근회담대표)

북한은 국제사회에 두 가지 우려를 자아내고 있다. 북한의 핵 문제와 체제 실패가 그것이다. 지금까지 국제사회는 북한 핵 문제에 치중한 나머지 북한의 체제 실패 문제를 후속 검토 사안으로 미뤄 두었다. 그러나 그러한 접근은 북한의 핵 문제가 체제 실패의 한 증후라는 사실을 간과한 것이다. 따라서 북한의 체제 실패 문제는 그 자체의 중요성으로서뿐 아니라 북한 핵 문제 해결을 위해서도 핵 문제와 함께 긴급한 현안으로 다루어지지 않으면 안 된다.

북한의 개혁 개방은 북한 자신을 위해 중요하다. 북한은 개혁 개방을 통해 우수한 인적 자원을 고용하여 외환을 획득함으로써만 식량 부족과 다른 생필품 난을 근본적으로 해결할 수 있고, 더 나아가 남한 수준의 번영을 기대할 수 있다. 북한의 개혁 개방 없이는 대북 화해 협력에 한계가 있을 수밖에 없다는 점에서 그것은 남북관계 개선과 통일을 위해서도 불가피하다. 북한의 개혁 개방은 또한 북한의 급격한 변동으로부터 초래될 불안정을 예방하고 나아가 동북아의 안보와 경제 협력을 촉진한다는 점에서 국제적으로도 중요하다.

북한 체제의 개혁과 개방은 새로운 제도, 특히 시장 경제 제도의 도입 과정으로 이해하는 것이 바람직하다. 그럼으로써 우리가 지향하는 목표, 거기에 도달하는 방법, 그리고 진행 상황 등을 더 잘 알 수 있기 때문이다. 북한의 개혁과 개방을 위해서는 사전에 그 청사진이 마련되어야 하는데, 그 과정에서 개혁과 개방의 주 당사자인 북한과 국제 사회의 협조 하에 이를 지원하게 될 한국의 진지한 협상이 있어야 할 것이다.

이명박 정부의 상생 공영 정책은 북한의 핵 문제와 더불어 개혁 개방 문제를 조화롭게 다루기 위한 정책으로서 앞으로 남북 협상에서 한국의 기본 입장이 될 것이다. 그 정책 추진 과정은 대체로 세 단계로 나누어볼 수 있다. 첫째 단계는 북한 핵 문제 해결의 돌파구를 열고 과도기적 남북 관계를 관리함으로써 상생 공영의 남북관계를 정착시키는 것이다. 둘째 단계는 비핵·개방·3000 구상의 본격적인 이행 단계로서 북한의 현재 500달러 수준의 1인당 주민 소득을 연 15~20% 성장을 통해 10년 이내에 3,000달러 수준으로 발전시키는 것이다. 그리고 셋째 단계는 남북간의 평화 공동체, 경제 공동체, 행복 공동체를 건설하여 통일을 완성해 나가는 것이다.

이제 북한의 개혁·개방은 거스를 수 없는 시대의 대세이다. 북한은 이를 깨달아 한국 및 국제사회와의 진정한 대화에 나와야 할 것이다.



*The Vision for East Asia in the 21<sup>st</sup> Century  
and the Korean Peninsula*

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## *Summary of Discussion*

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**Hae Sung Chun** (Director General, Ministry of Unification)

Good Afternoon, I am Hae Sung Chun, Director of Humanitarian Cooperation Bureau, Ministry of Unification. I have engaged myself in the inter-Korean affairs, works of a rather limited scope. I am happy to be here today with many eminent scholars and their presentations which extend the horizon of my understanding of the current state of Northeast Asia and beyond. I thank KINU for inviting me to participate in this wonderful event. I thank Dr. Young Ho Park and Dr. Chan Bong Park for their analyses on visions of Northeast Asia and the Korean foreign and inter-Korean policies, for they were really helpful for me and my colleagues.

I would say that I fully agree with Dr. Young Ho Park's analysis on international political changes of East Asia in the 21<sup>st</sup> Century, state visions of the Lee Myung-bak Administration, and the direction and tasks of the "pragmatic diplomacy" for East Asian peace and cooperation. The fact that the Lee administration set a goal of becoming a "matured global state" for its foreign policy and put emphasis on "pragmatic diplomacy" acknowledges the reality that the status and capacity of Korean diplomacy as well as the international perception of Korea fall short of what we actually have achieved in terms of national prowess.

For this, concrete endeavors to upgrade the status of Korea are needed. In this regard, hard power in a traditional sense (i.e. military, political and economic capabilities) should be put on top of the priority list. Recently, the importance of soft power such as social, cultural and artistic abilities becomes more and more important.

Under the premise, I would like to share my thoughts on inter-Korean relations. As you all know well, the Lee administration's North Korean policy is called the policy of "mutual benefit and



common prosperity.” I will not repeat the details of this policy again since it was explained long enough in the visual presentation by the Ministry of Unification this morning.

One thing I would like to note is that there seem to be a lot of misunderstandings on the policy of “mutual benefit and common prosperity.” Many still think that the policy is an unqualified hard-line policy and that as a result, inter-Korean dialogue may be interrupted. Yet, I am sure that such allegation is far from the fact. Of course, the policy of “mutual benefit and common prosperity” keeps its position that it will strictly uphold the core principles such as dismantlement of North Korean nuclear programs. Yet, it also requires a flexible approach to the methodology. Actually, there is not a single instance of employing a hard-line policy toward the North after the inauguration of the Lee administration.

On the contrary, North Korea expelled South Korean personnel in the Gaeseong Industrial Complex even before the policy of mutual benefits and common prosperity was concrete, fiercely criticized the new government in the South, and completely cut-off official inter-governmental dialogue.

The “policy of mutual benefits and common prosperity” is a policy of pragmatism and productivity. It is pragmatic and efficient to determine what would be constructive for improvement in inter-Korean relations, upgrade the living standard of North Korean people and enhance their quality of life, and as what would help us for the eventual peaceful unification of our nation.

Whereas past administrations arranged the security strategies and foreign policies around the axis of inter-Korean relations, the policy of mutual benefit and common prosperity sets itself apart from the past in that it tries to understand all security and inter-Korean issues in a more balanced way between inter-Korean and

international cooperation.

Visions of the policy of mutual benefits and common prosperity pursue the improvement of inter-Korean relation in order to create a peace community, an economic community, and a well-being community as practical bases for peaceful unification. A peace community would mean denuclearization on the Korean peninsula and military confidence building between North and South Korea. Aneconomic community pursues economic cooperation that will help North Korean development and will be beneficial to both Koreas. As Director in charge of humanitarian cooperation in the Ministry of Unification, I would like to put my emphasis on a wellbeing community. This is what the previous administration overlooked, that is, to solve humanitarian issues between two Koreas and to enhance the quality of life in both Koreas, eventually increasing happiness for the whole nation.

There still remain many unsolved humanitarian issues such as dispersed families, abductees and POWs from the Korean War, North Korean defectors and refugees and so on. Human rights issues for North Korean residents are also important. This government wants to put emphasis on resolving such humanitarian issues. Unlike the previous governments we will not stay passive on this issue; we will try to practically enhance the quality of life for North Koreans in cooperation with NGOs and the international society.

As I mentioned earlier about visions for Northeast Asia, I think it is necessary to develop soft power such as the humanitarian issue in balance with hard power in politics, economy and military in order to have healthier inter-Korean relations.



■ **Duk Min Yun** (Professor, Institute of Foreign Affairs and National Security)

Senior Delegate Chan Bong Park impressed me with his remarks on North Korean reform and opening. Our North Korean policy during the past ten years assumed that we could solve the problem once we dismantled the Cold War structure on the Korean Peninsula. By the Cold War structure, we meant that once the policies of the United States, Japan and Korea antagonizing North Korea are dissolved, North Korea would give up nuclear programs and open and reform itself.

In essence, the problem was that North Korea did not reform nor open, but developed nuclear weapons. We came to this point only pointing fingers at others without a thorough grasp of the essence of the problem.

In the South, it has been considered impossible to manage domestic politics without carrying on inter-Korean dialogue and thus things were dealt in ways that North Korea wanted. North Korea knows that the nuclear question should be solved when it came to negotiating with the United States, and that the kidnapping cases should also be resolved in order for further rapprochement with Japan. Yet, North Korea thinks that it does not have any burden to shoulder when dealing with South Korea, and therefore that it can drive South Korea as it wants. Thus, it is necessary for South Korea to uphold her principles even if it takes more time. North Korea will come to the negotiation table if deemed necessary, even though South Korea raises issues of reform and opening or of human rights. This will be a stepping stone on which the inter-Korean relations will restart.

There seem to be a lot of misunderstanding on the *Vision 3000: Denuclearization and Openness* policy. Some say that it as a hard-line

policy of strict reciprocity. Rather, this plan is a comprehensive program for North Korean economic rehabilitation more than it is a policy. From a certain point of view the scheme itself is a Marshall Plan and I don't understand why it is called a policy of strict reciprocity. Some may think that there will be no economic aid to North Korea if it does not implement denuclearization since they take denuclearization as a premise in the *Vision 3000: Denuclearization and Openness*. Yet, the scheme is not as harsh as they think. Also we should think whether it is practical to pour an astronomical amount of aid into North Korea without denuclearization. For example, both Koreas reached a remarkable agreement through the October 4 Declaration last year. However, whoever becomes the next South Korean president will find it impossible to implement the October 4 Declaration without solving the nuclear problems, that is, if there is no denuclearization. South Korea can only help North Korea reach the level of economy as is envisioned in the *Vision 3000*. The task is ultimately left for North Korea.

Many say that North Korea will not accept the *Vision 3000*. The plan clearly has strong points and the international society will talk about the economic rehabilitation of North Korea if the nuclear question is settled. South Korea, Japan, and China cannot efficiently support North Korea. The rehabilitation of the North Korean economy can only be effectively implemented with a joint economic program by the international society.

South Korea stands seventh in the Olympic Games, and occupies twelfth or thirteenth place in economic capabilities, yet our diplomatic power falls far behind our sports or economic prowess. Globalization defies border: existing balance of power is replaced with a network based international order.

The Korean-American alliance and Sino-American relations are



regarded as caught in a zero-sum relationship: an effort to reinforce the Korean-American alliance will end up in a weakened relationship with China. Yet, there is no room for the logic of a zero-sum game in the age of globalization. In reality, American consumers are becoming indispensable to the Chinese economy. During the Cold War era there was no exchange whatsoever between the United States and the Soviet Union. However, a complex web of close exchanges binds the Sino-American relationship today. We don't have to choose between a relationship with the United States and one with China.

The most important thing in pragmatic diplomacy is to upgrade the not so amicable relations with the four powers. Strategy should be based on a longer-term perspective. We should even foresee the post-unification period and approach to our relations with the four powers from a long-term perspective extending to the post-unification era. We should also address the Korean-Chinese, Korean-American, Korean-Japanese relationships from a global perspective, not from that of the Korean Peninsula or Northeast Asia.

As an observer who criticized the “Sunshine” policy from a center-right stance, I have a lingering question looking back at the Lee Myung-bak administration’s North Korean policy of the past six months. What is the difference between North Korean policies of the incumbent regime and that of the Roh Moo-hyun administration?

The reason why I severely criticized Roh Moo-hyun administration’s foreign policy was that while it attached a grave importance to its North Korean policy, it made light the relations with the United States and Japan, our closest allies. The Roh regime did not try to achieve the foreign policy goals it envisioned and I criticized its split personality and its foreign policy without sincerity.

While the Roh administration believed that the “Sunshine” policy would change North Korea, it did not induce any change from North Korea. Roh Moo-hyun administration’s Policy of Peace and Prosperity insisted that it would not tolerate North Korean nuclear development. Yet in reality, it maintained inter-Korean relations without any progress in nuclear problems. I also criticized our policy that while we wanted to change North Korea we ourselves did not change at all. We chose another president without examination on such a policy stance, and in actuality presidential candidates did not need to care about such important issues to be elected president.

We expected certain concreteness in policy-making in the years to come after the inauguration of the Lee administration. Yet, I could not find any clear-cut difference between the “Sunshine” policy and Lee’s Policy of Mutual Benefits and Common Prosperity. Those who expected a fundamental change of the “Sunshine” policy



were deeply disappointed: it was the regime and president that changed, not the policy.

Reasons for such disappointment are manifold: first, the new president does not seem to have an overall vision for running the state second, he adopts “pragmatism” without any deeper understanding of principles upheld by our government. Pragmatism, when employed by a small or medium power, can easily degenerate into opportunism. For example, in the government explanation booklet, the pragmatism states that there is no difference between the current policy toward North Korea and the past embracement policy. It also says that the current policy is neither a hard-line policy nor an antagonizing one.

Offering “mutual benefits and common prosperity” hastily without scrutinizing the totalitarianism in North Korea that has not changed over 60 years is unrealistic. Even with the *Vision 3000: Denuclearization and Openness* policy, there is no indication of how and with whom we will implement the policy. The *Vision 3000* may be a substitute for the “Sunshine” policy, but it cannot become an inter-Korean policy of the future. It may take more than ten years for North Korea to achieve a United States \$3,000 per capital GDP, even with its leadership changes modeling after that of Vietnam or with concentration on economic matters. If the *Vision 3000* cannot offer concrete alternatives for “mutual benefits and common prosperity,” we may need another North Korean policy that suits a conservative administration in the South.

The current administration makes the worst of keeping relations with North Korea in reciprocity. It is also a problem not to do anything. We should not try to induce reform and opening of North Korea without truly considering how to attain these goals. It is the job of this administration to make North Korea reform or open itself.

I was deeply moved by the film *Crossing*. I feel so sad that our society does not want to worry about the problem, even though we all come to understand what is important with time. Joseph Nye's "soft power" may be the key to our survival as a global Korea. Our conservative regime should build an institution standing up for principle, determination, integrity, pure heart. It is the job of this administration to build an institution of such qualifications with which we can persuade China and Japan, while inculcating our true selves to the United States and Russia.

If the Lee administration wants to formulate a new North Korean policy, it should get rid of "political slogans" it has produced and try earnestly with a new framework. Then, in four year it can give a new hope to those who have been working for a genuine improvement of the inter-Korean relations.



**Kyu Ryoan Kim** (Senior Research Fellow, KINU)

One of the purposes of today's conference is to celebrate the 60<sup>th</sup> anniversary of the founding of our nation. It is regretful for both Koreas that they have not achieved unification until now. As a matter of fact, inter-Korean dialogue is very important to maintain peace in the Korean peninsula and to pursue eventual unification of the two Koreas. In this vein, North Korean delegates should have participated in this seminar and exchange their ideas with us.

Dr. Chan Bong Park has explained the North Korea policy of the Lee Myung-bak administration, namely the Vision 3000: Denuclearization and Openness. At this moment, I would like to recall a historic event, the July 7<sup>th</sup> declaration, made by South Korean government in 1988. South Korea proposed its intention to perform exchanges and cooperation with North Korea at that time. South Korean government had two purposes in proclaiming such a declaration: first purpose was to mitigate North Korea's belligerency because South Korea was to host the Olympic; second purpose was to pursue diplomatic normalization with North Korea's allies including the Soviet Union and China. The declaration became a cornerstone of South Korea's *Nordpolitik*, which aimed at enlarging South Korea's diplomatic field. I would like to point out the fact that the July 7<sup>th</sup> declaration and the Vision 3000: Denuclearization and Openness shares a common vision: permanent peace and co-prosperity of the two Koreas. Yet, both visionary statements was prepared by South Korea and proclaimed unilaterally.

During the last twenty years of inter-Korean relations, both Koreas had series of dialogues and have achieved to produce three major agreements: the 1991 Basic agreement, the June 15 Joint Communiqué of 2000, and October 4 Joint Declaration of 2008. The

Basic agreement was made possible because North Korea felt serious challenges to its regime incurred by the collapse of the communist countries at that time. In other words, North Korea wanted to buy some time to prepare its own way of survival at that time. It should be pointed out that both Koreas might have achieved unification if their leaders had vision about twenty years. Indeed, East and West Germany achieved unification at that time. In some sense, both Koreas deliberately avoided sensible topic of real unification. Thus, they agreed to maintain South-North Korean relations as special and transitory. During the Kim Dae Jung administration period, the first Summit meeting between the two Koreas was materialized and two leaders discussed about the future path toward unification. However, the discussion on unification has been lost during the Roh Moo-hyun administration. The latter was concerned only with the expansion of inter-Korean relations. Are we having discussions on unification in the Lee administration? Our focus is rather on South Korea's policy toward North Korea without seriously considering eventual unification. It is necessary to formulate a pragmatic policy framework with which we can change our paradigm for an upgraded inter-Korean relation. Naturally the job is to be spared for KINU.

Regarding research and investigation work in finding accurate reality of North Korea, the most serious problem we face is that most researchers and specialists are relying on the anecdotal data rather than objectively proven data about North Korea. As a result, people often exploit inaccurate findings about North Korea for their own political purposes. It is necessary for us to make more efforts to find adequate ways to deal with the above-mentioned problems.

While inter-Korean economic and social exchanges have been quantitatively expanded a lot during the past ten years, I hardly heard of any mainstream economist in Korea who is studying



inter-Korean economic cooperation or the North Korean economy. Doesn't this reflect our indifference on unification issues? Since these kinds of seminars or conferences are filled only with those who are interested in unification issues, it is thought here that unification is important and North Korean policy is a main subject. Yet, objectively speaking what percent of our social investment is actually going into the Ministry of Unification or to those working in unification fields?

I think that actual North Korea and unification policies will advance towards the policy of mutual benefit and common prosperity, while the Vision 3000: Denuclearization and Openness as a policy shall proceed from a longer-term perspective. In order to advance inter-Korean relations, we should develop inter-Korean economic cooperation to the level at which countries all over the world want to participate in inter-Korean economic cooperation projects.

For the Vision 3000, the key is North Korean sincerity to give up its nuclear programs. It will be of no use if others do not trust North Korea. Once North Korea give up its nuclear programs, it will have ample opportunity to receive outside help including the ones from South Korea.



건국 60주년 기념 국제학술회의  
21세기 동아시아의 비전과 한반도

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