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**Korean Reunification:
Implications for the United States and Northeast Asia**

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Introduction:

Reunification has been a goal of most Koreans since the peninsula was formally separated at the conclusion of the Second World War. The historic summit between former Republic of Korea (ROK) President Kim Dae-jung and Democratic Peoples Republic of Korea (DPRK) leader Kim Jong-il in June 2000, gave rise to a reasonable but somewhat emotional public dialogue about the eventual reunification of the two Koreas. However, in the years since then there has been little tangible progress at the political level to warrant near-term excitement for reunification.

Assuming reunification of the Korean Peninsula and then discussing the implications for the United States and Northeast Asia is almost an anticlimactic and out of sequence approach to a very significant subject. How and under what conditions the Republic of Korea (ROK) and the Democratic Peoples Republic of Korea (DPRK) arrive at a reunified state is far more important and will form the foundation for the implications that reunification has for the United States and Northeast Asia.

Soft Landing:

In general, a well-planned and gradual reunification would have the best chance of political success with the least amount of financial hardship for the people of South Korea. In the best-case scenario, the Government of South Korea would have allocated many hundreds of billions of dollars for social and infrastructure investment in North Korea in preparation for reunification. Seoul would have “on-the-shelf” an actionable plan for all aspects of government services from transportation, power generation, communications, medical, commerce and industry, as well as a demilitarization and

reintegration plan for the extraordinarily bloated North Korean military apparatus.

Under this best-case scenario, Seoul would need to impose the equivalent of martial law in the North to minimize excessive population movement that could easily become unmanageable and end in massive human suffering. In order to avoid a negative international human rights reaction for this restrictive measure, Seoul would need to gain regional ultimately United Nations approval for a comprehensive plan of action that is transparent, has the appearance of being fair and in the best interests of the former North Koreans and, most importantly, involves the active participation of a cross section of international NGOs and commercial entities. In deliberate contrast to the United States' limited involvement of other nations in the reconstruction of Iraq, Seoul must recognize the overwhelming and potentially bankrupting cost of going-it-alone in the revitalization of North Korea as it attempts to find an acceptable balance between the remarkable standard of living enjoyed by South Koreans and the poverty and backwardness experienced by most North Koreans outside of Pyongyang.

Implications for the United States and Northeast Asia for Korean Reunification start well before actual reunification. First and foremost, Seoul must enlist United States cooperation in the active support of a robust South Korean long-term plan for reunification. Seoul has the added responsibility of recognizing the current limitations that the Bush Administration is likely to impose in its support for certain measures in the near-term that would be seen as beneficial to Pyongyang prior to reunification. It is vitally important for Seoul to present a well thought out and phased plan that concentrates on infrastructure development in North Korea that the United States would not see as unduly propping up the Kim Jong-il regime. These initial infrastructure initiatives should

be electric grid rebuilding related to the Kaesong joint venture area, rail upgrades serving the southern portion of North Korea, and port facilities and road connections that support economic (reform) activity. These areas would be expanded northward as resolution of current security concerns allow. China should be encouraged to do similar projects around the Sinuiju area as part of their contribution to a peaceful settlement of the current nuclear crisis.

In other words, all economic benefits that might flow to North Korea as part of the current bilateral activities between Japan and North Korea, the ROK and DPRK and China and North Korea should be part of an integrated ROK scheme that supports eventual reunification. Simply providing unrestricted money, grant aid, fuel or agricultural inputs serve no greater purpose other than the instant gratification of Pyongyang. Of course, short-term supply of fuel may be necessary, but serious thought ought to be given to repair or construction of conventional energy producing power plants that serve light industry and trade (economic reform-related) purposes along with electrical grid repairs associated with these new power plants.

The costs involved of rehabilitating the North once reunification occurs will be staggering. Since German reunification, there have been any number of references to the probability that Korean reunification by comparison will be magnitudes more expensive.

The current estimate of costs of German reunification to date approximate \$2 trillion.¹

¹ *Wklipedia*: “The cost of reunification has been a heavy burden to the German economy and has contributed to Germany's inability today to be the locomotive of the European economy that it had been in the past. The costs of reunification are estimated to amount to over € 1.5 trillion (or approximately \$2 trillion U.S. dollars). This is more than the indebtedness of the German state. The primary cause of this was the severe weakness of the East German economy, especially vis-à-vis the West German economy. Today, there are already special transfers of more than 100 billion euros every year to rebuild the eastern part of Germany. During the 1980s, the capitalist economy of West Germany had prospered while the communist economy of East Germany had declined. Providing goods and services to East Germany strained the resources test of West Germany. Money-losing industries formerly supported by the East German government had to be privatized.”

For this very reason – ROK inability to economically rehabilitate North Korea without bankrupting the South and plunging the ROK standard of living to unacceptable levels – Seoul must welcome every opportunity for European, Chinese, Japanese and American governmental and private company participation in all aspects of reunification. As long as ROK retains the leadership role and controls the master plan on how all this “help” contributes to the overall effort, it should encourage rather than limit foreign participation. The internationalization of the rebuilding of North Korea has the added benefit of contributing to the potential success of a future Northeast Asia Security Dialogue – a formal security dialogue mechanism currently lacking in Northeast Asia.

Hard Landing:

On the other hand, a precipitous collapse of the Kim Jong-il regime for whatever reason would create chaos on the peninsula that would most probably result in humanitarian disaster as unconstrained movement of large portions of impoverished North Koreans seek food, freedom and opportunities. This “hard landing” poises particularly stark choices for Seoul. Without proper planning and preparation, Seoul would be faced with political wrangling with China and Russia concerned about the security of their borders and the prospect of instability in a nation with unaccounted for Weapons of Mass Destruction and a bloated military that would might try to forcibly regain political control in Pyongyang.

Seoul would have to decide on who in Pyongyang to negotiate with while trying to insist on pushing massive amounts of food aid to key portions of North Korea in hopes of limiting the amount of unrestricted movement of people. Reconstruction and rehabilitation would take a back seat to emergency humanitarian assistance and the

imperative to wrest final political control away from the remnants of a North Korean government. None of this will be easy, nor is success guaranteed. Failure, civil war or worse are real possibilities.

In a recent paper by Andrei Lankov, he characterizes the differences between a soft landing and a hard landing:

Few doubt that in the long run the present North Korean system is unsustainable, and the last decade has been marked by intense speculations on how and when it will crash. As a result of these attempts at crystal ball gazing, the Pyongyang watchers have come up with two possible scenarios for its eventual collapse--the "soft landing" and "hard landing" options. By the late 1990s a general consensus was reached: almost everybody agreed that a "soft landing" was much more preferable than its alternative, the "hard landing".

The idea of a "soft landing" as it is normally understood implies the gradual evolution of a regime accompanied by large-scale social and economic reforms, more or less similar to that undertaken in China or Vietnam. The perceived need to promote such an option was the major factor behind the Sunshine policy of unilateral concessions launched by Kim Dae Jung's administration in 1997 and still continued by the present South Korean administration. An important part of the underlying assumptions in this policy is a belief that reform would prolong the existence of the North Korean state and make possible a gradual elimination of the huge economic and social gap between the two Koreas.

The alternative to the soft landing is a "hard" or ("crash") landing. This scenario implies economic and political collapse, followed by unification with the South. Over the past decade this has been seen as a nightmarish scenario since the expected financial and social costs are truly astronomical.

However, there are reasons to believe that the so-called contradiction between the "soft" and "hard" landings may be an illusion. A "soft landing" might be "desirable" but it is hardly "feasible", and is likely to turn "hard" very quickly. The political behaviour of the North Korean elite appears to testify to the fact that such is their assessment of the situation as well.²

A hard landing would take on the air of crisis management now that the 1994 Agreed Framework has all but been abandoned. The proliferation controls in place under the Agreed Framework on the Yongbyon nuclear facilities were removed in December 2002 and, more disturbing, the spent fuel rods formerly under IAEA monitoring have been reprocessed and the equivalent of 6 bombs worth of plutonium extracted, according to Pyongyang. In the event of a collapse of the North Korean regime, the United States

² Andrei Lankov, *Institute for Far Eastern Studies*, December 2, 2004, "Soft Landing: Opportunity or Illusion?"

would want immediate accountability of the plutonium and nuclear-related equipment. It may well insist on direct and unfettered access by United States military and technical inspectors at any suspected nuclear facilities. This will present Seoul with diplomatic and alliance challenges of the first order.

Seoul will be required to simultaneously execute massive humanitarian relief operations, establish internal rules of engagement for its own NGOs, handle the inevitable flood of refugees, increase its military alert posture in the event of confrontations by rogue elements of the North Korean military, and conduct intensive diplomatic activities on a number of regional and international fronts. All this will be taking place in an environment of extreme pressure. Everyone will be demanding instant results. Each discreet actor placing demands on the government will try to make the case that their particular issue requires priority handling at the expense of other issues. The challenge for Seoul will be to operate in a crisis management atmosphere while piecing together a comprehensive plan for the ultimate reunification of the peninsula. Any planning that has been done prior to a hard landing will help, but it is also likely to be of little real value as the actual situation unfolds in ways unforeseen by the best of planners.

Implications for the United States and Northeast Asia:

A CSIS study in October of 1998 concluded that, “Despite rhetoric about creating a ‘permanent peace’ on the Korean peninsula, Washington has no near-/medium-term interest in promoting reunification—and insiders will tell you so ‘off-the-record.’ The absence of realistic contingency plans for reunification is shaped by the notion that the emergence of a reunified Korea might prompt the withdrawal of U.S. troops from the ROK and mean the end of the special security role and influence of the United States in

East Asia. Second, a reunified Korea may mean the loss of the Republic of Korea as the sixth largest importer of U.S. arms since the South would most likely conserve its resources for economic reconstruction of the North.”³

While the CSIS study is little more than six years old, most of the assumptions underlying that conclusion about U.S. interest in promoting reunification have been rendered null. It is has been the United States that has initiated an initial withdrawal of one-third of its forces from the peninsula without regard to the prospect of reunification and seemingly without regard to the potential increase in tension that the current nuclear crisis could result in if not resolved peacefully.

The CSIS study conclusions about China’s views of reunification may have more relevance even in the face of the changes of the last six years:

The official Chinese stance on the issue of Korean reunification has been to support reunification under ‘peaceful’ means. In reality, China also has little or no incentive to push for near-term reunification because, in Beijing’s view, North Korea serves as a convenient strategic buffer between China and its potential adversaries in the region. Reunification would also redirect South Korean foreign investment away from China and into reconstruction of the North. Lastly, China fears that integration due to the collapse of the North Korean regime could trigger a massive flow of North Korean refugees into Chinese territory. China’s enormous effort at economic reforms, which have significant social ramifications, ensure that such a scenario remains undesirable in the eyes of Beijing’s leadership. With economic reforms occupying a central place in China’s policy framework, any event that may lead to instability in China’s neighboring territories is viewed with concern.⁴

China was reported to have replaced its armed police forces along the China-North Korea border with an estimated 100,000 regular military troops,⁵ suggesting that China’s concerns over an uncontrolled inflow of North Korean refugees remains a high priority.

Of the two primary points of concerns in the CSIS study that the United States

³ CSIS, October 1998, “Great Power Interests in Korean Reunification”

⁴ Ibid, page iv.

⁵ *Mainichi Shimbun*, 2 September 2003

and China would have concerning a reunified Korean peninsula, security is the one most easily dealt with. For China, instability brought on by a “hard landing” scenario is their overwhelming concern. The loss of a “buffer state” is far less disconcerting to the Chinese given the tremendous strides in economic developments and political relations with South Korea in recent years. The Chinese have effectively replaced an ineffective physical buffer state (North Korea) with the dynamic reality of an economic partner in South Korea

Conventional understanding of United States security concerns have changed dramatically with the Bush administration’s views on the need for flexibility in fighting terrorism on a worldwide scale. CSIS-cited fear that a reunified Korea would lead to a forced reduction in U.S. troop strength on the Korean Peninsula has given way to Korean fears that the United States is too rapidly reducing its forward deployed forces without due regard to the threat from North Korea. There is an assumption on the part of the United States that even after reunification some level of U.S. forward deployed forces would remain on the peninsula. The restructuring of the current force levels is a functional step toward a time when U.S. forces will not be primarily committed to the defense of Korea (from a North Korean threat) but regionally based for extra-regional responsibilities. Given the alternative – a more robust U.S.-Japan security relationship to make up for total withdrawal of U.S. forces from a reunified Korea – China would welcome the continued, but downsized, presence of U.S. forces in Korea.

Just as the United States views a nuclear North Korea as unacceptable, it would also view a nuclear reunified Korea as equally unacceptable for obvious reasons. The primary concern of the United States about a nuclear North Korea centers on potential

proliferation of WMD. There may come a time if the current nuclear crisis remains unresolved that the United States will see the possibility of a deployable North Korean nuclear weapon mated with a reliable long-range missile as a more immediate threat. A nuclear reunified Korea may well push Japan down a road toward nuclear weapons development that China and the region will judge to be inherently unstable. By comparison, the United States views achieving a nuclear-free Korean peninsula after reunification far easier than the current prospect of cajoling and coercing North Korea to give up its nuclear weapons program. In other words, the United States has no reason to object to or fear Korean reunification.

The economic concern raised in the CSIS study is more of a fact of life than reason to oppose reunification. Without a doubt, reunification will be unbelievably expensive. It will be the ultimate gift that keeps on giving, or in this case, the gift that keeps on taking. Seoul's discretionary funds available for investment in China or for the purchase of U.S. defense-related equipment would all but disappear. However, the needs of the northern portion of a reunified Korea will be so great that South Korean companies alone will be unlikely to be able to satisfy the reconstruction efforts. Contracts will, by necessity, go to Japanese, Chinese and United States companies bringing some equilibrium in the change of the current economic relationships between South Korea and its important trading partners.

Future Organizations:

In a paper presented in Washington, D.C., December 7, 2004, Zhang Yunling, Professor and Director of Institute of Asia-Pacific Studies, Chinese Academy of Social Sciences, described an emerging East Asian Regionalism that he believes received its

first real start following the Asian financial crisis of 1997. Zhang acknowledges that there are several obstacles in moving toward a goal of an “East Asia Community.” While Zhang focuses a great deal of attention on the cooperation and active participation of Japan and China, he does warn, “the division and confrontation on the Korean Peninsula is another factor that should not be underestimated.”⁶ Zhang’s East Asian Regionalism has a fatal flaw in that it does not envision membership of the United States. If anything, Zhang’s concept could be viewed as formalized “ASEAN plus 3-Expanded” community that operates under its own unique operating rule but appears similar to the European Community that likewise excludes the United States.

A more appropriate regional organization that would have an excellent chance of success assuming a reunified Korean Peninsula would be a Northeast Asia Security Dialogue (NEASD). Many have called for the establishment of such a mechanism for years, but division of the two Koreas and the “spoiler” role of North Korea have made any suggestion of such a regional organization unlikely. The unforeseen and unplanned spontaneous development of consultations among the six parties on the margins of and during the critical intervening periods of actual Six Party sessions that have developed as a result of the most current nuclear crisis has given rise now to the possibility of the establishment of a more formal organization in the future. A reunified Korea removes the main obstacle in such a mechanism’s formation.

Conclusion:

A reunified Korean peninsula should probably only be thought of in terms of a work in progress rather than a well-defined end-point. Whether reunification comes

⁶ Zhang Yunling, “Emerging New East Asian Regionalism,” Sasakawa Peace Foundation USA Asian Voices Seminar, December 7, 2004.

about because of well thought out planning and coordinated implementation with other Northeast Asia and United States assistance over a prolonged period of time or reunification arrives suddenly and unexpectedly, Seoul will be fully consumed in an effort that can only be described as a life-or-death struggle. If Seoul fails to integrate all aspects of its relationship with North Korea now as though everything that it does is linked to reunification, the hardship associated with a hard landing will inevitably occur. For the United States under the Bush Administration, it may appear more satisfying to have North Korea collapse (hard landing), but the instability and expense associated with such a demise of Pyongyang is not in the U.S. interests.