

# The Fourteenth Korea-U.S. West Coast Strategic Forum

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Walter H. Shorenstein Asia-Pacific Research Center,  
Stanford University

*in association with*

Institute of Foreign Affairs and National Security,  
Korea National Diplomatic Academy

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The fourteenth Korea-U.S. West Coast Strategic Forum was held at Stanford University on June 25, 2015. Established in 2006 by Stanford University's Walter H. Shorenstein Asia-Pacific Center (Shorenstein APARC), and now convening twice annually at Stanford and in Seoul, the forum brings together distinguished South Korean (Republic of Korea, or ROK) and U.S. West Coast-based American scholars, experts, and former military and civilian officials to discuss the U.S.-ROK alliance, North Korea, and regional dynamics in Northeast Asia. The Institute of Foreign Affairs and National Security (IFANS) of the Korea National Diplomatic Academy (KNDA) is co-organizer of the forum. Operating as a closed workshop under the Chatham House Rule of individual confidentiality, the forum allows participants to engage in candid, in-depth discussion of current issues of vital national interest to both countries. Participants also constitute a network of experts interested in strengthening and continuously adapting the alliance to best serve the interests of both countries. Organizers and participants hope that the publication of their discussions at the semiannual workshops will contribute to the policy debate about the alliance in both countries and throughout Northeast Asia.



## EXECUTIVE SUMMARY

Stanford University's Walter H. Shorenstein Asia-Pacific Research Center hosted the fourteenth session of the semi-annual Korea-U.S. West Coast Strategic Forum at Stanford University on June 25, 2015, in association with its Korean partner, the Institute of Foreign Affairs and National Security (IFANS) of the Korea National Diplomatic Academy (KNDA). The forum continued its focus on Northeast Asian regional dynamics, the problem of North Korea, and the state of the U.S.-ROK alliance. Participants engaged in a candid, productive discussion about issues related to these three topics.

Discussion of Northeast Asia's regional dynamics focused largely on China's rise, the U.S.-Chinese relationship, and disputes about the region's history. Participants held varied views about China's situation, its influence in the region, and the prospects for its relationship with the United States. American and Korean participants shared considerable concern about the continued increase in tensions in the region, primarily associated with the rise of China. Many Korean and American participants felt that China lacked the ability to meaningfully challenge America's leading status either economically or militarily in Northeast Asia for a long time to come. They felt that the U.S.-PRC relationship was characterized not only by competition but also by a great amount of cooperation. A number of Korean participants stressed that the perception is strong in East Asia, however, that the United States' rebalance to Asia policy is aimed at containing China. Americans challenged this notion, pointing out that the United States had not sought to restrict China's access to the global economy and that U.S. policy toward China was fundamentally different than the actual containment policy the United States had pursued against the Soviet Union. Views differed about whether the United States would effectively implement its policy of rebalancing to Asia. Some argued that situations elsewhere, such as Russia's challenge to European security and the revival of the Islamic State, threatened to draw American attention away from Asia. Yet others maintained that the United States would prioritize its pivot to Asia due to the challenges posted by a rising China. Many participants, both Korean and American, expressed frustration with the Japanese administration's attitudes on history issues. They generally agreed that rising nationalist sentiments in Northeast Asia needed to be eased for the history disputes to be addressed effectively. Participants discussed various means for reducing strategic tensions and increasing regional cooperation, including increased economic cooperation and the institutionalization of regional dialogue.

Both American and Korean participants agreed that the North Korea situation was worsening. Most felt that South Korea would need to take on a more active, and perhaps a leading, role in dealing with North Korea, as other countries in the region were not likely to take the initiative. They felt that increased engagement would need to be one aspect of South Korean policy. Participants generally agreed that the Six-Party Talks framework should be preserved, since it represented the only existing forum, albeit currently moribund, for negotiations with North Korea on the nuclear issue. Participants also expressed considerable interest in internal developments in North Korea and what they might mean for the long-term future of the regime. A number of participants expressed the need to discuss various contingencies on the Korean Peninsula with China.

Participants discussed at length the role of the U.S.-ROK alliance in the new era, given the changing security dynamics in the region. A number of Korean participants underlined the continuing utility of the alliance to ensure South Korea's security and stabilize the region. Some argued that the United States would continue to have a strategic interest in maintaining the U.S.-ROK alliance. They stressed that South Korea would continue to cooperate with and support the U.S. militarily when necessary on the international stage, as it had done in Iraq. Some participants suggested that the U.S.-ROK bilateral alliance should be advanced to a trilateral alliance (including Japan) or a more inclusive regional multilateral structure to tackle not only regional but also global issues.



*Participants at the fourteenth Korea–U.S. West Coast Strategic Forum at Stanford University.*

## THE FOURTEENTH KOREA–U.S. WEST COAST STRATEGIC FORUM

### **I. NORTHEAST ASIAN REGIONAL DYNAMICS**

An American expert opened the session with a presentation outlining what he believed to be six broad trends affecting the Northeast Asian region. He cited three short-term trends, all of which were negative, including heightened military and security tensions, an increase in competition over regional economic initiatives, and a rise in xenophobic nationalism. There were also three long-term trends, all of which were positive: the prioritization of economic development, overlapping and non-exclusive support for different regional economic initiatives, and domestic political interests that countervailed competitive nationalism.

Regarding the short-term trends, the American noted widespread concern that the regional security environment was becoming a zero-sum competition and increasingly dangerous. North Korea had become even more provocative under Kim Jong Un; China was pursuing a “new assertiveness,” as evidenced by its creation of a new air defense identification zone, reclamation of islands in the South China Sea, and the establishment of the Asian Infrastructure Investment Bank (AIIB); and Japan had adopted new self-defense measures and enhanced security cooperation with the United States while taking a hardline approach toward China. There was also growing competition in terms of the

economic initiatives in the region. China had used its economic influence to push for the AIIB while the United States focused on the Transpacific Partnership (TPP). China was also pursuing a “One Belt, One Road” development strategy. Rising nationalism, particularly the revisionist strategy pursued by the Abe administration, was worrisome to many and had exacerbated tensions in the region, especially with China and South Korea.

Nevertheless, the American argued, the positive nature of the three long-term trends suggested that regional cooperation remained viable. Economic development continued to be the primary goal of most countries in the region. For the most part, countries were committed to avoiding overt conflict and working together to reduce tensions. To meet their economic needs, they had given robust support for regional economic initiatives, and there was a significant overlap in the proponents of the various initiatives. Finally, government policies contrary to competitive nationalisms, such as the much improved PRC-Taiwan relationship and recent moves by China, Japan, and Korea to alleviate tensions over regional history, were favorable. These long-term trends would motivate political leaders to be exceptionally cautious in their interactions and would serve to enhance regional cooperation, despite the negative short-term trends.

Next, a Korean expert gave a presentation on U.S.-Chinese strategic competition in the region. He said there was a dual structure in the region, namely, a U.S.-led geopolitical structure and a Chinese-led “geo-economic” structure. From the U.S. perspective, he argued, the “new type of major power relationship” China called for was strategically unacceptable. To accept it would seriously harm the United States’ credibility and eventually prompt regional states to bandwagon rather than balance China. However, seeking cooperation with China in earnest could be the next step for the United States after it solidified its military and security alliances and partnerships in the Indo-Pacific. At the same time, China recognized that it lacked the ability to meaningfully challenge America’s leading status in Northeast Asia. China was thus willing to play a constructive role in the global economy. Regarding North Korea, the Korean expert added that a number of Chinese scholars had told him that the PRC-DPRK relationship was similar to the U.S.-ROK relationship, in the sense that it would be just as unthinkable for China to give up North Korea as it would be for the United States to break its alliance with South Korea.

The Korean expert also presented survey results demonstrating that South Koreans perceived that (a) China’s rise was a threat rather than an opportunity for South Korea, (b) China posed an obstacle to Korean reunification, and (c) the Chinese-U.S. relationship was basically competitive in nature. South Koreans also believed that China’s economic influence on South Korea was much greater than that of the United States; South Koreans nevertheless valued their country’s relationship with the United States more highly than that with the PRC. South Korea was certain to seek to maintain good relations with both the United States and the PRC, because the former was vital to South Korea’s security, while the latter was indispensable to South Korea economically. To the extent that the U.S.-Chinese strategic relationship was cooperative, South Korea would be able to play a more meaningful, constructive role in the region.

In the ensuing discussion, American and Korean participants engaged in a candid exchange about issues suggested by the two presentations, especially the U.S.-Chinese relationship, China’s rise, and disputes about the region’s history.

An American disagreed with the widespread belief in the region that the U.S.-Chinese relationship in the twenty-first century would be dominated by strategic competition. Such views were simplistic and needed to be critically analyzed. For example, the term “containment” had been misused. Unlike the U.S. containment policy directed against the USSR, the United States had not sought to restrict China’s access to the global economy or limit the international movement of its citizens.

Another American asserted that China often misread U.S. intentions and thus responded with unnecessary provocations. There had been serious debate in Washington about whether to be more direct in confronting China about such misperceptions.

A Korean participant felt that the three negative trends the American presenter noted were, to some extent, a result of the United States’ “pivot to Asia.” He asserted that China was justified in viewing the Obama administration’s rebalancing strategy as an attempt to confront or even contain China.

The American presenter responded that he believed President Obama’s overall rebalancing strategy to be sound, as long as it adhered to the six dimensions laid out by then Secretary of State Hillary Clinton: strengthening alliances; deepening relationships with emerging powers, including China; engaging with regional institutions; expanding trade and investment; forging a broad-based military presence; and advancing democracy and human rights, including economic, cultural, and educational exchanges.

Unfortunately, the American presenter explained, the United States was not currently able to provide as much overseas development assistance (ODA) as China; thus, the U.S. “pivot” had been disproportionately military in nature. “Hedging”—that is, preparing for a potentially hostile China while simultaneously attempting to engage and guide the PRC’s development and policies—was the ideal strategy for the United States. Hedging differed from containment, which meant stopping China at all costs. It had not been wise for the United States to oppose the AIIB. If the United States wanted China to be a responsible stakeholder, it would have to allow the PRC and others in the region to act as more than just U.S. followers.

Another American commented that the military component of the rebalance appeared larger than it actually was. Although the plan entailed deploying 60 percent of the U.S. Navy and Air Force to Asia by 2020, the U.S. military globally would have shrunk by then, holding down the absolute increase in U.S. forces in East Asia. Another American added that China’s total military spending had increased by 167 percent over the past decade, compared to a U.S. decrease of 0.4 percent. Moreover, a large proportions of U.S. military spending during the period had been dedicated to Iraq and Afghanistan. The Obama administration had not taken steps to correct misperceptions about the military nature of the rebalance for fear that such a clarification would make the United States “look weak” abroad and subject the administration to political attack at home.

A Korean argued that the region’s security situation had remained fundamentally unchanged since 1945—that is, it was defined by the U.S. presence. China’s power was often overestimated; the U.S.-Chinese relationship was not a G2 relationship, and the United States should remain in the region to prevent Chinese provocations.

An American said that the regional atmosphere seemed to have worsened and that China had become much more assertive in both word and deed. He was concerned that

U.S.-Chinese strategic communication had not improved. The two countries were not discussing the issues that most urgently needed to be addressed.

Regarding the current status of China and its influence in the region, views differed among the participants. A Korean maintained that so far China had challenged the United States only indirectly. Competition was in the process of becoming the dominant framework, but it was premature to think of the relationship in those terms at present.

An American expressed doubt about the degree of China's economic importance to South Korea. While aggregate trade flows suggested that most Asian countries were now selling far more to China than before, actually China was not the ultimate destination for most of their products. The United States and Europe continued to be the end recipient of most of those goods. The PRC was enjoying a temporary shift in comparative advantage thanks to its lower labor costs, which had made it a major intermediate point along the global supply chain. As China's labor costs rose, however, other countries would increasingly out-compete the PRC in that regard.

Another American expressed skepticism about how beneficial Chinese initiatives were to the region and whether China could leverage its economic clout to challenge the United States. In fact, China was a long way behind the United States and knew it. The focus should thus not be how to prepare for Chinese domination of the region but how to maximize the positive long-term trends identified by the American presenter and how to minimize the effects of the negative short-term trends. The United States should include China in regional security architectures; otherwise, such structures would appear to be aimed against China. Indeed, the United States itself would have no issues with including the PRC in such architectures; U.S. regional allies would, however, because they would regard it as diluting the value of the United States as a counterbalance to a rising China.

One Korean asked why the rise of China was so often interpreted as a negative phenomenon. Another Korean responded that the skepticism among South Koreans about China was due to a combination of many factors. For example, a Chinese company took over a major Korean automobile company under the condition of reinvestment. However, the Chinese company absorbed the new technology and then closed the Korean company, leaving a number of unemployed workers. Another important factor is Koreans' fear of coming Chinese capital that could overwhelm the South Korean economy. Although South Koreans felt cooperation with China to be important, their reluctance to do so was not without reason. Another Korean commented that South Koreans were concerned about their growing dependence on the Chinese economy.

Participants' views on the prospects for U.S.-Chinese cooperation differed. An American noted that the development of a multilateral security architecture discussed at previous sessions of the Strategic Forum had not been materialized; alliances in the region tended to exclude either the United States or China. In response, a Korean said that, while he believed that multilateral security architecture was very important, China would prefer an "Asian" security architecture that excluded the United States. For its part, the United States likewise preferred a bilateral security system. This would be difficult to change; the focus should thus be on maintaining the current security system while continuing to explore the possibility of developing a multilateral architecture similar to Europe's Organization for Security and Co-operation in Europe (OSCE).

Another Korean welcomed the idea of a multilateral security structure but felt that its implementation would depend on the nature of the territorial disputes in the region. Smaller countries might be receptive, but China might perceive it as an American scheme to divide and conquer. Countries involved in territorial disputes would likely prefer not to resolve conflicts in a multilateral setting due to the unique circumstances of particular disputes.

An American felt that U.S. allies would worry more about U.S.-Chinese cooperation than their competition. Japan and South Korea would like to prevent the United States and China from becoming too cozy with each other, because they were concerned about the possible rise of a “G2” U.S.-PRC condominium in the region.

Another American argued that all countries threatened by China’s territorial ambitions should engage in more effective political cooperation to jointly resolve issues, perhaps through a multilateral organization such as ASEAN. China of course preferred to discuss its territorial issues bilaterally. China also represented an obstacle to Korean reunification. Koreans needed to think strategically about long-term goals, including the place of the U.S.-ROK alliance in the ROK’s relationship with the PRC.

Participants spoke at length about the history disputes in the region. A Korean observed that the South Korean and Chinese approaches to the matter were very different. South Koreans regarded history disputes as human rights issues, while Chinese saw them in terms of nationalism. That was why South Korea and China could not cooperate on such history issues.

Another Korean participant explained that South Korea’s attitude toward Japan regarding the history disputes was based not on strategic understanding but rather on emotions. Another Korean agreed, suggesting that South Korea needed to approach the matter more coolly. Nationalism tended to surge and evaporate; it was just bad timing for the Japanese-ROK relationship. However, Japan’s dual identity was a real problem. Japan acted friendly to Western countries but aggressively toward its Asian neighbors, justifying those neighbors’ concerns. Regarding the negative trends outlined by the American presenter, a Korean argued that the overall geopolitical situation would not change, but nationalism could be eased. Nationalist sentiment indeed tended to increase and decline over time. South Korea should put aside emotions more when addressing the history disputes.

An American observed that South Korean presidents often seemed to change their attitude toward Japan as their term in office progressed. That is, on first arriving in office, Korean presidents typically expressed a willingness to mend the country’s relationship with Japan, but later in their term, when they wanted to gain public approval or avoid being a lame duck, they frequently played the “history card.” Such behavior had angered Japanese in the past. A Korean responded that even when South Korean leaders wanted to improve the Japanese-ROK relationship, public sentiment made it difficult to take meaningful action. Another Korean added that although South Korean leaders had turned against Japan to boost their popularity in the past, the tactic was no longer effective. Ironically, lately it had become effective for Japanese leaders to play the “Korean card.”

An American voiced concern about growing anti-Korean sentiment in Japan and asked whether it represented a passing or a lasting phenomenon. Another American responded that growing anti-Korean sentiment in Japan was indeed real and a serious problem.

Although not widespread among the general public, it was disproportionately common among the political right, including, significantly, members of the Abe administration. The sentiment represented Japanese frustration about such things as South Korea's meteoric economic rise, the popularity of the Korean wave, and President Park's refusal to reciprocate Abe's proposals for dialogue. The American felt that, while the sentiment did not go very deep, it nevertheless was already problematic and might worsen. Another American suggested that the anti-Korean sentiment was perhaps also in part an expression of Japan's underlying anxiety about its position in the region vis-à-vis China. Some Japanese felt freer to vent against South Korea because it was less powerful than the PRC.

An American wondered why South Koreans refused to take the Dokdo/Takeshima issue to the International Court of Justice (ICJ), as Japan had proposed. A Korean said there was no need to go to the International Court. It was a fact that Dokdo belonged to Korea; a great deal of evidence showed this to be the case, so much, in fact, that it was beyond dispute. Another American, half jocularly, suggested that South Korea should agree to take the matter to the International Court along with the dispute over Senkakus/Diaoyu. Japan felt that there was no disputing that it owned the Senkakus, just as South Korea felt that there was no disputing that it owned Dokdo. If South Korea offered to take both Dokdo/Takeshima and the Senkakus/Diaoyu to the International Court as a package deal, Japan would have to drop discussion of its territorial dispute with Korea, because it refused to consider allowing the Senkakus/Diaoyu to be taken up by the ICJ.

## **II. NORTH KOREA**

An American opened the second session with a presentation recommending increased engagement with the North, especially by South Korea, but in ways carefully tailored to current circumstances as well as lessons learned from experience. A diplomatic initiative was needed because North Korea was continuing to develop nuclear weapons, the geopolitical divide between the two Koreas had deepened, and other countries in the region were locked into their policy positions. The only country potentially both able and willing to take the lead on the North Korea problem was South Korea. South Korea was a substantial middle power; it could accomplish much more most South Koreans thought. President Park, as a conservative leader, had a "Nixon to China" political opportunity to pursue engagement with the North. North Korean society was changing relatively rapidly, presenting increased possible opportunities for engagement. The initial aim should be reconciliation and convergence, with reunification as a longer-term goal.

The American urged South Korea to make a renewed attempt to engage the North in exchanges, beginning with the humanitarian, educational, and cultural sectors, and, if those were successful, proceeding to economic and developmental exchanges. Key to making engagement politically sustainable was forging greater consensus within South Korea on policies on reunification, denuclearization, human rights, and sanctions. South Korean policy toward North Korea tended to change every five years with the arrival of a new administration in Seoul, undermining previous efforts and posing a disincentive for Pyongyang to deal with both conservative and progressive ROK governments. President Park should begin by creating a new very senior North Korea policy representative position

to assist her in developing the initiative, furthering domestic consensus, managing the South Korean interagency process, and leading negotiations with Pyongyang. This would be analogous to the “Perry process” in the United States in the late 1990s.

The American said it was essential that engagement be pursued in a principled and systematic way. Engagement projects should proceed from those that were politically and logistically easier to implement to those that were more difficult. Resuming suspended projects and expanding existing engagement efforts should be the first step. There was considerable urgency for Seoul to act, because further rounds of nuclear and missile tests by North Korea would make engagement even more difficult, and strategic mistrust among the major players in Northeast Asia might well continue to increase.

A Korean expert assessed North Korea’s economic and political situations. Economically, most North Koreans were now involved in market activities, and marketization would increasingly influence many spheres of life in the country. Individualist values would grow, social control weaken, and information become more available. Meanwhile, however, government-directed economic reform, which began in 2012, was abruptly halted at the end of 2014, for reasons still unclear. The reforms had been implemented only in agriculture; industrial reforms scheduled to begin in 2014 were never carried out. Social controls had tightened, and pressure was mounting on foreign companies operating in North Korea. Regulation of the economic sphere was again on the rise, and new taxes being levied on foreign businessmen made it difficult for them to send money out of North Korea. Two-way trade volume between China and North Korea had doubled between 2005 and 2013, but during the first quarter of 2015 it sharply decreased as fertilizer exports to North Korea fell significantly.

Politically, the politics of terror had continued and decision-making in Pyongyang remained very capricious since Kim Jong Un took power in December 2011. About seventy high-ranking military and party officials, including defense minister Hyon Yong-chol, had been executed during that period. Kim Jong Un cancelled his planned visit to Moscow at the last minute; similarly, Pyongyang’s invitation to UN Secretary General Ban Ki-moon to tour the Kaesong Industrial Complex was revoked just before he was to have come. It was not clear to what extent such actions represented a response to intrigues against Kim or otherwise were related to his efforts to consolidate power. Kim Jong Un directly controlled the military, internal security forces, and diplomacy, including inter-Korean issues, as well as foreign currency procurement programs.

The Korean concluded that North Korea faced enormous challenges and difficulties both at home and abroad. North Korea needed to give up its two-track policy of trying to develop its economy while continuing to pursue nuclear weapons capabilities. It could not develop its economy without the support of the international community, which would not be forthcoming as long as it insisted on keeping its nuclear weapons program. As for North Korean demands that the South rescind the May 24 measures imposed after Pyongyang’s 2010 sinking of a South Korean naval vessel, South Korea was prepared to discuss an easing of those sanctions when Pyongyang returned to dialogue.

The ensuing discussion centered on North Korea’s economic situation and its nuclear program, South Korea’s role in dealing with North Korea, and the types of engagement that might be effective and mutually beneficial to both Koreas.

Participants agreed that North Korean authorities found the implementation of economic reform to be very challenging. They had no real alternative but to accept marketization, but its implementation had taken place in fits and starts ever since the 1990s. A Korean argued that the halt to marketization since last year had not been imposed from above and instead reflected fundamental difficulties in integrating reform into the current system.

An American said it appeared that the North Korean government was again trying to bring economic development under its control. For example, street sales now occurred at government-licensed kiosks. A Korean disagreed, saying that almost every sector of the North Korean economy was moving toward informal marketization, with the government's role continuing to shrink.

Another American shared a story he heard from a scholar who had attempted to bring North Korean students to study at his university. It was evident that the North Koreans desired economic development; agriculture aside, however, they lacked knowhow about even basic economic matters. When asked what they wanted to learn, North Korean authorities mentioned things such as business planning, corporate taxes, and other expertise often taken for granted elsewhere. Education on par with what was learned in an MBA program would be of great benefit to North Korea, without being harmful to any country. Business education should be used as one "carrot" in relations with North Korea.

Many participants were in sympathy with the notion that South Korea should seek to play the leading role in dealing with North Korea. An American stressed that it was very unlikely that the United States would initiate major change in its policy toward North Korea. Unfortunately, the South Korean administration appeared to be somewhat rigid in its dealings with the North. Increased humanitarian aid and additional cultural and educational engagement programs could pave the way to progress in official North-South talks.

Another American said he hoped that U.S. leaders, in implementing their policy of "strategic patience" toward Pyongyang, would not seek to dissuade South Korea from increased engagement with North Korea. He recalled a number of instances of such American dissuasion during the past several years, with American officials arguing to Seoul that it should wait until pressure brought Pyongyang back to the table on our side's terms. Such an approach was not productive.

An American argued that South Korea should not continue to insist on transparency in its dealing with the North. The South Korean government needed to engage in confidential dialogue with the North to gauge North Korean leaders' attitudes and priorities. South Korea too often simply deferred to the United States in its dealings with the North. It needed to retake ownership of the North Korean issue. Regarding North Korea's nuclear program, the Six-Party Talks would never be able to resolve the problem, but South Korea could not afford simply to wait for North Korea's collapse. Seoul needed to develop a long-term strategic plan. With U.S. support, it could engage China on North Korea within the framework of the U.S.-ROK alliance. If Beijing were more fully on board with our side, it could deliver clear messages to North Korea.

A Korean agreed that North Korea was trying to employ a policy of diplomatic equidistance toward China and Russia to reduce its dependence on China, but he felt that

Russia lacked the capacity to support North Korea in China's stead or to counterbalance Beijing. Moreover, China and Russia consulted closely about North Korea.

An American criticized Seoul's current North Korea policy as too passive and reactive. Certainly, North Korea deserved most of the blame for the current situation, but Pyongyang had always been difficult to deal with and would long remain so. Pyongyang's current dalliance with Moscow underlined its desire not to be too dependent on Beijing, which suggested that Pyongyang might also be amenable to dealing more with the South if Seoul were more flexible. A Korean agreed. Seoul should show more flexibility while continuing to engage in principled engagement of the North.

When asked how tailored engagement differed from the engagement policies of progressive South Korean governments, an American noted first that it was difficult to translate "engagement" into Korean and that Koreans often conflated the word with "appeasement." In English, however, engagement clearly did not mean appeasement. It was a neutral designation of arrangements, contacts, or exchanges. In military usage, for example, it could refer to when and how to use force against an opponent. Progressive South Korean administrations had appeased rather than engaged the North. Appeasement was a one-way street; engagement was or should be a two-way street.

An American agreed that inconsistent policies had undermined our side's efforts to deal with North Korea. U.S. flip-flopping between the first and second terms of the George W. Bush administration had been particularly harmful. We needed to be consistent or North Korea would not take us seriously. As for engagement, education offered particularly useful opportunities to benefit the people of North Korea. North Korea's new education channel often played clips from foreign television programs and depicted modern lifestyles, exposing ordinary North Koreans to the outside world. Engaging North Korea in mutually beneficial projects would bring economic benefits to North Koreans, with the result that North Korea would want to continue to engage.

The American stressed that until South Koreans came to a consensus on how to deal with North Korea, no North Korea policy could be effective. The North Korean government was well aware of internal South Korean divisions over North Korea policy. Pyongyang would thus wait for what it regarded as a more favorable South Korean administration, and it would not deal seriously with conservative or progressive administrations. Meanwhile, it would continue to try to further divide public opinion in the South.

When asked whether tailored engagement policy should continue to be applied in a linear fashion regardless of North Korea's behavior, the presenter answered that the decision should be entirely up to the South Korean body politic. If South Koreans reached a consensus that they should continue to provide, say, humanitarian aid to the North Korean people more or less regardless of what their regime was doing, the U.S. government might be uneasy but would nevertheless probably choose to defer to South Korea on such matters.

A Korean asserted that the long stalemate between the two Koreas had been caused by North Korea, namely, Kim Jong Un's focus on consolidating his power through provocative moves. The issue for South Korea was whether it should take the initiative in attempting to break the stalemate or wait until North Korea showed some signs of positive change. Regarding North Korean "provocations," another Korean commented that the reason Kim

Jong Un had fired so many missiles recently was simply because he wanted to improve his missile delivery systems and so needed to test-fire them.

Another Korean noted that, even under the Sunshine Policy, it had sometimes taken North Korea up to three years to respond to South Korean proposals. Indeed, after Kim Jong Il succeeded his father, it had taken him six years before he began seriously to consider inter-Korean relations. Kim Jong Un could take as long; our side needed to remain patient.

A Korean observed that North Korea faced what it itself described as the worst drought of the century; however, until North Korea actually asked Seoul for assistance, South Korea should wait.

An American argued that humanitarian assistance to North Korea should be thought of as a long-term policy, not as something that could or should be stopped if North Korea misbehaved. Also, South Korea should offer humanitarian aid, not wait for a request. He recounted that when South Korean president Lee Myung-bak announced that his government would provide humanitarian assistance to North Korea if North Korea requested it, North Korean officials expressed anger, saying that they were not beggars. South Korea needed to understand this aspect of the North Korean mindset.

A Korean distinguished between the North Korean state and North Korean society, referring to the state as now only “the tip of the iceberg.” While the North Korean state remained rigid and very closed, North Korean society was increasingly dynamic. The international community, and especially South Korea, needed to take this much more into account.

An American with experience in the Six-Party Talks said he did not believe those talks would lead to denuclearization, but the parties were reluctant to issue a death certificate for them because they were the only existing forum at which North Korea had committed to negotiate denuclearization. If there was any remaining value in the Six-Party Talks, it was as a foundation for possible future commitments. Until there was a prospect that their resumption might be successful, however, they should not be resumed. Having talks simply for the sake of talks would not be helpful. Indeed, it could cause the situation to worsen.

Asked if the Iranian denuclearization negotiations had implications for the North Korea case, an American said no. Iran had learned from North Korea and not vice versa. The Iranian government had borrowed many North Korean arguments, including their stress on sovereignty and the insistence on the other side moving first.

An American suggested that what was often missing in discussions of North Korea was the mid-range to longer-term view of things. How could the parties move toward reunification? And once reunification was achieved, would North Korean elites keep their jobs, or would they be thrown into prison, etc.? A long-term policy should be developed and announced, so as to influence North Korean leaders—and the North Korean people—to want reunification.

### III. U.S.-ROK ALLIANCE

An American began the session with an assessment of the current status of the U.S.-ROK alliance, identifying three key respects in which the alliance must enhance its strategy. First was countering the threat of North Korean nuclearization. In the worst case scenario, North Korea's nuclear arsenal might grow from its estimated current twenty weapons to one hundred weapons by 2020. An arsenal of that size would "change the game" in the event of a conflict or a North Korean collapse, as the North Korean government might begin to utilize the weapons according to a "use it or lose it" logic; at the very least, the weapons could transform a ROK/U.S. victory over North Korea into a Pyrrhic victory.

Second was protecting the Korean Peninsula from third-party intervention. China, the presenter argued, had many reasons for intervening in a Korean conflict or North Korean collapse: to prevent North Korean refugees from entering China, obtain North Korean weapons of mass destruction, establish a buffer zone between the Chinese border and U.S. forces, influence the eventual end state, demonstrate its geopolitical power, and secure Chinese economic interests in North Korea. Moreover, Russia might also intervene. The presenter was concerned that neither U.S. nor ROK forces were prepared to prevent such third-party intervention.

Third was averting North Korean provocations and minimizing the risk of further escalation. He suggested that North Korea's limited force-based provocations, such as the sinking of the *Cheonan* and the shelling of Yeonpyeong, appeared to have served internal political purposes rather than military purposes. As it was, the ROK attempted to deter such attacks by threatening significantly escalated and disproportionate military responses. If North Korea was not deterred, such responses could initiate an escalation spiral toward full-scale war.

The American also laid out other alliance issues for consideration by Forum participants. Was the ROK prepared to defeat North Korean forces, secure North Korean territory, and stabilize North Korea in the event of a conflict or a North Korean collapse? Should the U.S. continue to subsidize ROK security at the current levels? Should wartime OPCON be formally transferred to the ROK?

A Korean presenter then discussed how the rise of China might affect the U.S.-ROK alliance in the twenty-first century. While the U.S.-ROK alliance had remained strong, China's ascent had also created new tensions in the alliance. The THAAD and AIIB issues, in particular, had caused controversy within both South Korea and the United States. China was now South Korea's leading trading partner, and with China's considerable influence on the North, South Korea required Chinese assistance in addressing North Korean matters. Thus, South Korea had tried to improve cooperation with China. The Northeast Asian security environment likewise encouraged South Korea to maintain friendly relations with China.

Nevertheless, the better strategic choice would be for South Korea to strengthen the U.S.-ROK alliance. The United States remained in a superior position vis-à-vis China, and China, focused on economic development for the time being, would not challenge the U.S. military dominance in the near future. The presenter also believed that, for a fairly long time, the United States would try to engage China while hedging against uncertainty. The two powers hold a common interest in regional stability and would maintain a cooperative

relationship, even as their competition increased gradually over time. In this strategic environment, South Korea could pursue good relations with China while strengthening its relationship with the United States.

The U.S. pivot to Asia was a response to China's ascent and new assertiveness. It was important for the United States to preserve military superiority, including its ability to overcome China's growing A2AD capabilities, to uphold the military balance of power in Asia. The United States' continued superiority is needed to reassure regional allies of its credibility. The presenter argued that, in the long run, the fact of a rising China would enhance the relationship between the United States and South Korea. Although it will continue to make efforts for a good relationship with China, South Korea will be allied with the United States, the offshore balancer, to check China, the adjacent great power.

The Korean presenter suggested that a competitive relationship between the United States and China was probable in the present circumstances. Geographically surrounded by U.S. allies, China had incentives to weaken U.S. power and attempt to exclude it from the region. However, other countries in Northeast Asia would look to the United States to constrain China's growing influence. The future power structure in Asia would likely be a balanced, multi-layered, and multi-polar system, with China and the United States—and possibly India—its first-tier powers. In that system, China will be largely restrained by the balance of power. Peace might be preserved.

The discussion that followed focused on the role of the U.S.-ROK alliance now and in the future. Participants seemed generally to agree that the U.S.-ROK alliance should continue to play a significant part in protecting the sovereignty of South Korea and ensuring regional stability. However, views differed in terms of the alliance's future direction, its purpose, and its architecture.

A Korean participant asked the American presenter how accurate his estimates of the North Korean nuclear weapons stockpile were. The presenter answered that although the figures were necessarily "guesstimations," they were based on knowledgeable assessments by Chinese and U.S. intelligence. Another American participant stated that previously the Chinese would understate North Korea's nuclear capabilities in an effort to calm down the Americans; now, however, China often exaggerated these capabilities in hopes of impressing upon South Korea and the United States the need to accommodate North Korea diplomatically.

An American participant, when asked to explain the THAAD controversy, responded that THAAD was a missile system that intercepted missiles within a range of 200 kilometers. Thus, if THAAD were installed at Osan Air Base, it could intercept only those missiles fired at South Korea. He commented that he did not understand why the Chinese were worried about the impact on their own defense when THAAD could intercept only missiles aimed at South Korea. Chinese opposition to THAAD appeared to be instead an early effort by Beijing to assert its dominance over South Korea. In other words, the THAAD controversy was prompted by political rather than military considerations.

A Korean participant largely agreed. He said that China was attempting to utilize its economic influence on South Korea to intervene in the strategic aspect of the U.S.-ROK relationship. It was testing South Korea's commitment to the alliance by raising the issue of THAAD. But the United States and South Korea had a common interest in deploying the missile defense system. Whether the ROK agreed to its deployment would depend

primarily on Seoul's assessment of its effectiveness and cost, not whether the PRC opposed it. Koreans should regard THAAD as a matter of security rather than of foreign policy.

An American expressed uneasiness about Korean counterparts' assumptions about the role that the U.S. military should play in the region in the future. He felt that they glossed over the developments of the past seventy years, some of which were attributable at least in part to U.S. policy, including the fundamental transformations of Japan, South Korea, and Taiwan. He said he was uncomfortable with the assumption that the continued success of the Asian region would depend on an unchanged model of unilateral U.S. defense. That the United States should unilaterally provide protection for the region as a whole was no longer politically viable in the United States.

Another American participant felt that the South Korean perspective on the relationship with the United States sounded like wishful thinking, in that it was based on the assumption that the United States had a vested interest in the region that would last for another twenty to thirty years. He believed that U.S. calculations were likely to change according to cost-benefit analysis. Economically, it would be rational for the United States to reduce its footprint in the region if the costs became higher than the benefits.

A Korean responded that while it was true that the United States provided an important security guarantee to South Korea, the nature of the alliance was one of mutual security cooperation. The relationship was necessarily asymmetrical because the United States was much more powerful, but the alliance must and would be maintained because it was important to both parties. South Korea was willing to play an expanded role within the alliance. This was demonstrated, for example, by its having deployed troops to Iraq to assist the United States there. Of course, South Korea could not play the role of a stabilizer in East Asia, as the United States had done, but it could provide support.

Although participants tended to share the view that U.S.-Chinese competition would inevitably increase, most did not foresee a major conflict between the two countries. An American said that he found it difficult to imagine a scenario in which the United States would wish to go to war with China. Washington might be dragged into a conflict involving one of its allies, but he doubted that the United States would attack China or vice versa. The United States had minimal to no interest in forging an anti-China alliance in the region; rather, it would benefit from a regional architecture inclusive of China. Although competition between the Washington and Beijing was on the rise, it was not necessary to take immediate action to reduce this competitiveness. To do so might come at the expense of other, more pressing priorities.

A Korean expressed skepticism that China could rise to such an extent as to threaten the U.S. position. He recalled that it had been common, a few decades ago, to predict that Japan would become the next United States, but this had failed to materialize. Acknowledging that Japan and China were fundamentally different countries, he nevertheless contended that China had far too many domestic problems that had to be resolved before it could become a superpower.

A Korean felt that the United States' interests lay in combining engagement with hedging. While the relationship between China and South Korea was cooperative at present, both economically and with respect to North Korean issues, it was a possibility that China might become aggressive. The U.S.-ROK alliance was needed to hedge against

such uncertainty. South Korea needed to be prepared for the worst-case scenario by maintaining strong ties with the United States.

As the discussion continued, it centered on whether the regional alliance structure should, in the future, be multilateral, trilateral (U.S.-Japan-ROK), or remain bilateral, the current configuration. Participants differed. An American felt that the United States had strongly encouraged connections among its allies in the region; as for trilateralization, the United States would be happy to see a closer Japanese-ROK relationship. A multilateral or trilateral structure, while not designed for containment of China, would provide stronger hedging. He observed that Japan, for instance, had begun to move beyond the bilateral “hub-and-spoke” structure by offering overseas development assistance to Vietnam, the Philippines, etc., assistance that also included a military component. A Korean, however, argued that a bilateral alliance structure should be maintained in the region.

Another Korean suggested that the U.S.-Japanese and U.S.-ROK alliances could function in different ways, with Japan acting as a hedge against China and with South Korea playing a mediating role between the United States and China. He warned that U.S.-Japanese-ROK trilateral cooperation could prompt China to cooperate with North Korea and Russia trilaterally, leading to a new Cold War-type situation in Asia.

To this, an American responded that the United States and China did not need an interlocutor. Indeed, the greatest irritant in U.S.-Chinese relations was, in fact, related to U.S. regional allies, rather than direct bilateral friction. Contrary to the perception of many Asians, the issue was not one of U.S.-Chinese conflict spilling over into an otherwise happy future for the region. Rather, the United States and China would welcome increased engagement among others in the region for a more stable future.

An American suggested that one problem that the United States now faced was that most of its allies had significantly reduced their military capabilities. Of the U.S. allies, only Turkey and South Korea retained more than 300,000 military personnel. This meant that the number of forces that allies could bring to bear in support of the United States was increasingly small. South Korea’s demographic trends also threatened to reduce the size of the ROK military as well. South Korea had proposed a considerably reduced military budget, opting for greater reliance on the United States. This issue, he said, warranted more discussion.

Another American added that situations elsewhere, such as Russia’s challenge to European security and the revival of the Islamic State, threatened to draw American attention away from Asia, driving U.S. military forces back into Iraq and potentially elsewhere. Personally, he was not a big believer in rebalancing as a grand strategy; it had emerged largely as a means for the Obama administration to counter the accusation that the U.S. position in the world was weakening. He wondered whether South Koreans were at all concerned about the possibility of the U.S. reducing its presence in Asia.

A Korean felt that the U.S. pivot to Asia would remain in effect for the foreseeable future due to the challenges posed by a rising China. He predicted that the United States would make only limited new commitments in the Middle East and would refrain from sending a large number of ground forces to the region. The United States had learned many lessons from the recent past. Contrary to the American participant’s predictions, he anticipated that the United States would gradually redeploy its forces from elsewhere to the Asia-Pacific region. Furthermore, despite its fiscal difficulties, the United States has made great efforts to maintain investments in the development of future capabilities, especially long-range weapons and naval power and air power. That reflected the fact that East Asia

was a theater to be decided by air and naval power rather than ground forces. Based on this assessment, the United States had an important strategic interest in maintaining a stable balance in Asia and preventing the emergence of any hegemonic power in the region.

An American asked how the United States could guarantee the credibility of its pivot to Asia—that it would stay in, be engaged in, and be a part of Asia—without being overly provocative. South Korea, he said, seemed to be saying to the United States, “You’ve got to do more, you’ve got to do more, but please don’t be threatening to China.”

A Korean participant said that U.S. credibility could become bolstered only by its sustaining its commitment to the region. With China’s rapid growth and improved A2AD capabilities, the United States would face greater risks in operating in the West Pacific, particularly in supplying and reinforcing its forces in support of regional allies. The United States would have to demonstrate that it could overcome these challenges.

An American urged a high degree of cooperation with China on North Korean issues, arguing that there was no reason why China would not enter North Korea in the event of any major contingency. He said that the U.S.-ROK alliance should meet with China to lay a groundwork for cooperation in such a situation, at the very least to prevent war. While he agreed that the alliance would not want to engage China in a war, he felt that it should nevertheless be prepared for the possibility. The participant acknowledged the difficulties of discussing these issues with China in Track I; however, he stated that, post-event, any such discussion would already be too late.

A Korean disagreed that China would enter North Korea in a major contingency. He argued that the sheer number of refugees that China would have to support in such a situation would offset any benefits. Rather, China would likely close its border to prevent the entry of North Korean refugees. In any case, if the North Korean regime foresaw an emergency, it would probably formally invite China and Russia, under the auspices of the United Nations, to enter its territory before the United States and South Korea could do so. Finally, the role of North Korea’s policy of self-reliance should not be underestimated. It had likely brainwashed the North Korean military authorities such that they would react aggressively to any foreign troops entering North Korean territory.

An American contended that there were two basic possibilities in the post-unification world: either the U.S.-ROK alliance would identify China as its new enemy, or there would emerge a greater spirit of U.S.-Chinese-ROK cooperation, which would of course be far more favorable. The U.S.-ROK alliance, he said, should begin to take steps to promote the latter outcome.

Finally, participants also discussed the growing problem of cyber warfare, agreeing that it presented another arena in which the alliance should cooperate. An American stressed the urgency of the situation, noting, for example, that cyber warfare could pose a serious threat to South Korea’s nuclear power plants.

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