

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

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The Sejong Institute

Stanford

APARC

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

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

*in association with*

The Sejong Institute

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The fifteenth Korea-U.S. West Coast Strategic Forum was held at The Sejong Institute near Seoul on November 17, 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 Korea, the forum is one of the longest running bilateral U.S.-Korea strategic dialogues. It 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 Sejong Institute, a leading South Korean research and educational organization, served as host and co-organizer of this session 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 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, as well as serve as an historical record of the evolution of the U.S.-Korea alliance agenda.



## EXECUTIVE SUMMARY

The Sejong Institute hosted the fifteenth session of the semi-annual Korea-U.S. West Coast Strategic Forum at its headquarters near Seoul on November 17, 2015, in association with the forum's founder, Stanford University's Walter H. Shorenstein Asia-Pacific Center (Shorenstein APARC). The forum continued its focus on Northeast Asian regional dynamics, the North Korea problem, and the state of the U.S.-ROK alliance. Participants engaged in a candid, productive discussion about issues relating to these topics.

### **NORTHEAST ASIAN REGIONAL DYNAMICS**

Participants observed that tensions between the United States and China were apparent within a strategic framework in which the United States sought to maintain the status quo within Northeast Asia while China sought changes to it. Nevertheless, the balance of power would remain in favor of United States for a very considerable period of time. Moreover, in spite of the strategic competition between the two powers, both would seek to maintain equilibrium in their relationship due to their fundamentally interdependent relationship, including shared economic interests.

Korean participants noted that some Japanese observers and American experts on Japan were asserting that the Park Geun-hye administration was "leaning toward China." These observers claimed that Korea was departing from its traditional diplomatic line centered on U.S.-Korea relations and it was pursuing a "balanced diplomacy" between the United States and China. Korean participants acknowledged that Korea had elevated its relationship with China to that of a strategic cooperative partnership. This had occurred, however, in the framework of the Korea-U.S. alliance continuing to enjoy priority in Korea's strategic thinking. Korean participants stressed that Korea's strategic with the United States was on a different, higher plane than its relationship with China.

Unfortunately, some observers had incorrectly assumed an association between the current Korean government's "balanced diplomacy" and the former Roh Moo-hyun administration's policy advocating Korea's role as a "balancer" between the United States and China. However, "balanced diplomacy" did not signify Korea's search for mechanistic balance in its relations between the United States and China. On the contrary, it referred to a situation in which the U.S.-Korea military alliance formed the very foundation of Korea's foreign and security policies. It was on this, actually asymmetrical, basis on which Korea sought to manage its relations with neighboring countries smoothly and in a balanced fashion.

Korean and American participants agreed that the situation in the South China Sea represented an attempt by the PRC to challenge the rules-based international order, including freedom of navigation. Increased tension over the issue was not in the interests of the United States and China, not to mention neighboring countries. Failure to resolve the problem would only further burden the concerned countries and cause injury to them. Multilateral and economic approaches were needed to resolve the problem, not bilateral and military approaches.

Participants agreed that a complete resolution of the current issues in the Korea-Japan relationship would not be easy. Thus, it was important to consider how best to manage the relationship. Since it would be difficult to overcome the structural limits to

better relations through direct, bilateral dialogue alone, Korea and Japan should seek to improve their relationship by continuing a dialogue in multilateral channels.

#### **NORTH KOREA**

Participants agreed that, while predictions about North Korea were difficult and the situation could change suddenly, the likelihood of the Kim Jong Un regime collapsing appeared to be low and the North Korean economy would probably continue to grow, albeit slowly. Thus, Korea and the United States faced the issue of how to deal with North Korea and induce positive change in the country.

Korean participants noted that Kim Jong Un's large-scale military personnel changes appeared to be for the purpose of demonstrating his control over the military. However, his actions had had the effect of increasing fear among military leaders and reducing their willingness to take the initiative in military affairs. Kim's leadership had also considerably reduced the effectiveness of the regime's traditional governing methods, particularly the use of state force, with which the regime had propped up the system. As a result, recently the amount and quality of intelligence leaking to the outside world from the North Korean intelligence agencies about developments inside the country were increasing substantially. The North Korean regime's control capabilities appeared to be reaching their limits.

Korean participants explained the Park Geun-hye administration's North Korea policy. Based on a strong defense, the administration advocated a Korean Peninsula *trustpolitik* and "unification as a jackpot." *Trustpolitik* aimed to preserve peace through a process to achieve a "small unification." This meant increased economic cooperation leading to the development of a North-South *economic* community. "Unification as a jackpot" offered the vision that "big unification," i.e. the ultimate *political* unification of North and South, would bring major benefits to all concerned, both at home and abroad.

Participants agreed that a key issue was how to slow North Korea's continuing development of nuclear weapons and missiles. They noted the difficulties in achieving the complete, verifiable, and irreversible dismantlement of North Korea's nuclear and missile programs. Since there could naturally be differences of perspective and even frictions between the United States and South Korea in coordinating their policies toward North Korea's nuclear and missile programs, it was important that any such differences be managed so as to avoid unintentionally sending messages to North Korea that could result in its making miscalculations.

Unification was a mid-to long-term problem requiring international cooperation. The Korean government should modulate its public discussion about unification to this reality while continuing, within a larger framework, to closely coordinate policies with United States to prepare for the full range of contingencies.

#### **U.S.-ROK ALLIANCE**

Participants agreed that the United States and Korea had worked together well to reduce gaps between them on policy priorities and preferences. Currently, there were no major differences and the long-term health of the alliance appeared sound.

Regarding the possible deployment of a terminal high altitude area defense (THAAD) system to Korea, Korean participants noted that the diplomatic situation for Korea was that the United States was its ally while the PRC was a major country with which South Korea pursued cooperation. Korea of course had to take China's views into account. If China's concerns proved not to be substantial, the issue could be easily

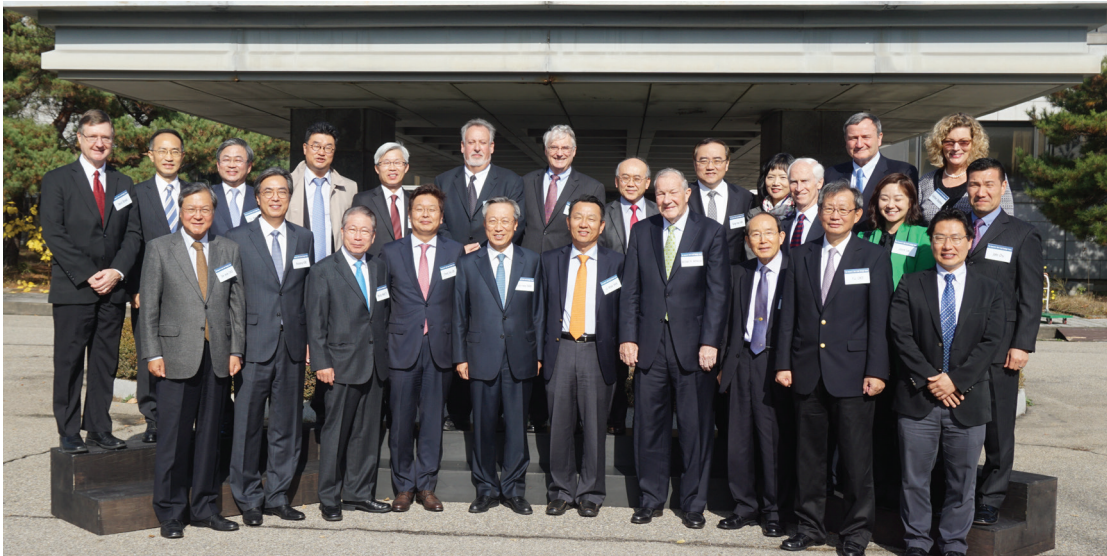


resolved. If, however, there were substantive reasons for the PRC's concerns, Korea would need to engage in dialogue with China to demonstrate its sincerity.

Participants noted that the Trans-Pacific Partnership (TPP) was not an anti-China trade agreement. Moreover, the Regional Comprehensive Economic Partnership (RCEP), which China was promoting, was an agreement of a different character than the TPP. Since the two agreements were neither mutually exclusive nor competitive, the prospect was that ultimately all concerned countries should and would join both.

In coordinating U.S. and Korean policies, it was important that leaders of the two countries agree more precisely about their basic current and long-term goals. In implementing agreements, the two countries should manage natural differences in methods and approaches with flexibility and patience. The United States and Korea should expand alliance cooperation beyond military and security affairs to include more political and economic cooperation as well.





*Participants at the fifteenth Korea–U.S. West Coast Strategic Forum at The Sejong Institute.*

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

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

#### *NORTHEAST ASIA REGIONAL ORDER*

Participants exchanged views about the possibility of Northeast Asia falling into a Thucydides trap between a hegemonic United States and a rising China. The dynamics of regional order and security in Northeast Asia were characterized largely by the efforts of the United States to maintain the status quo while China sought adjustments corresponding to its increased power. In this framework of strategic competitiveness, tensions between the two powers had increased. These regional dynamics would likely intensify as the power disparity between the United States and China narrowed and to the extent that China felt dissatisfaction with the status quo.

Some participants were optimistic that the United States and China would eventually find a new, peaceful equilibrium in their relationship. They argued that this was because the United States was likely to remain more powerful for a considerable period of time and because, fundamentally, the two countries were in a mutually interdependent relationship, including in terms of their economic interests. They also noted that, despite China's dramatic economic growth, there remained a very large gap between it and the United States in terms of values and systems and capabilities,

including in the political, diplomatic, military, security, and cultural realms. Moreover, historically, China had not pursued a policy of hegemonic expansion, and, currently, China and its neighbors were engaged in large-scale economic and personnel exchanges.

#### *IS KOREA LEANING TOWARD CHINA?*

Korean participants rejected the assertion of Japanese as well as of some private-sector American observers that South Korea under President Park was “leaning toward China” and away from the United States. These Japanese had argued that such a tendency was evidenced by the fact that the Korean government referred to its pursuit of a “balanced diplomacy.” Korean participants stressed that, for Korea, the U.S. alliance took precedence and, indeed, was at the heart of Korea’s foreign and security policies. While Korean-Chinese relations recently had been elevated to the level of a strategic cooperative partnership, Korea’s alliance with the United States remained at a fundamentally higher level.

Unfortunately, the Park administration’s term “balanced diplomacy” had been mistakenly associated by some with the policy put forward by the administration of the late President Roh Moo-hyun, which held that South Korea should serve as a “balancer” between the United States and China. The Park administration’s “balanced diplomacy” was, however, certainly not a mechanistic balancing by Korea of its relations with the United States, on the one hand, and China, on the other. For the Park administration, its military alliance with the United States was the basis of Korea’s diplomatic and security policies. Thanks to the alliance, Korea was able to manage its relations with its neighboring countries in a smooth, balanced way. That was what “balance” referred to in President Park’s policy, not a balance between Korea’s relations with the United States and China.

Korean participants said that some Japanese had used President Park’s presence at China’s commemoration of the seventieth anniversary of the end of the Pacific War to foster the image of Korea as leaning toward China. They expressed concern that such a view, reported in the media, might be believed inside and outside the U.S. government. That Korea was in a delicate situation in regard to tensions between the United States and China had made it necessary for President Park to make the trip to China. But the fact that President Park, who personally enjoyed mutual trust with President Obama and who felt she could rely on the United States in any contingency, was able to seek U.S. understanding in advance of the trip and also to brief the United States on the results of the trip had undoubtedly made her decision easier.

American participants indicated that they themselves shared Korean participants’ understanding of the situation and expressed confidence that U.S. leaders and officials were well informed about Korea’s policy and Korean attitudes and thus were not concerned at all that Korea was distancing itself from the United States.

#### *SOUTH CHINA SEA*

Regarding the South China Sea, which recently had seen a sharp increase in tensions, both American and Korean participants felt that, fundamentally, the problem was that China was trying to secure a hegemonic position in the Southwest Pacific by changing the fundamental order there. This major problem had arisen in the context of increasing U.S.-China strategic competition. Participants engaged in a lively exchange of views about the issue.

American participants said that the problem transcended issues of territory and sovereignty; China was challenging freedom of navigation and undermining the rules-based international order. The United States regarded this as a very serious problem, indeed. As a consequence, it had engaged in a series of military movements and other words and deeds to send a strong warning message to China. At the end of October, the United States had dispatched the USS *Lassen* (DDG-82), a guided-missile destroyer, to within twelve nautical miles (approximately 22 km) of coral reefs in the Spratly Islands in the South China Sea. Also, Secretary of Defense Ashton Carter himself had boarded the U.S. aircraft carrier *Theodore Roosevelt* (CVN-71) to sail the South China Sea. On the other hand, both the United States and China were well aware that their national interests were at stake, and recently there had been a number of positive developments, including improvements in cross-strait relations. These made the risk of a direct U.S.-China military confrontation in the South China Sea very low.

An American participant noted that the United States had called on Korea, as well as other countries, to express its support for freedom of navigation. This aspect of international law was especially important for trading nations such as Korea. If China treated the South China Sea as its private lake, Korean interests would also suffer. Why, then, was Korea reluctant to speak out more clearly?

Korean participants responded that Korea had in fact expressed its position on a number of occasions and with increasing clarity. One Korean concern was that questions remained about the United States' strategic commitment to its position. The relatively smaller powers in the area, including Korea, certainly neither regarded positively nor welcomed China's efforts to expand its influence in the South China Sea, but they could not be certain as to how long the United States would apply pressure to China or how strongly it would challenge China. If the United States changed its strategic judgment on the issue and sought to appease China, the situation for smaller powers would be very awkward. That was why they were hesitating about expressing stronger support for the U.S. position. While the United States had called for the observance of freedom of navigation, it itself had still not ratified the UN Convention on the Law of the Sea (UNCLOS). Similarly, while proclaiming a vision for a world without nuclear weapons as a part of a strong non- and counter-proliferation system, the United States had rejected the Comprehensive Test Ban Treaty (CTBT). Such contradictions and inconsistencies on the part of the United States had weakened its political and moral authority and reduced the confidence of the international community in its policies and positions.

Regarding the recent problems in the South China Sea, the United States had been too slow to intervene while China had become too ambitious, too soon. Both the United States and China had made strategic mistakes. In light of the unwillingness of any country in the region to accept China's unilateral control over the South China Sea, the fact that the United States had not expressed its interest early on was unfortunate. For its part, China had been willing to risk a deterioration in its relations with neighboring countries by proceeding on an adventurous course of action in the South China Sea as a means of deflecting domestic attention away from the country's recent increase in internal problems, including economic stagnation and corruption. China appeared to have miscalculated that the United States would not respond to its actions in the South China Sea.

Participants agreed that a continued rise in tensions in the South China Sea would prove burdensome and disadvantageous not only for the United States and China but also for neighboring countries. They felt that the preferred approaches to managing and eventually resolving the issue would be bilateral and economic, rather than bilateral and military.

#### *KOREA-CHINA-JAPAN TRILATERAL RELATIONS*

American participants said it was significant that the prospects for Korea-China-Japan trilateral cooperation had improved and tensions in Northeast Asia had been reduced as a result of the recent Korea-China-Japan summit meeting. They also welcomed the Korea-Japan summit, which could be held on the margin of the trilateral meeting.

The American participants said they were well aware of neighboring countries' concerns about the possibility of a return to militarism in Japan. However, they said, there had been a great deal of exaggeration about the intentions of Prime Minister Abe and of Japan's military capabilities as well as of the degree of tensions between China and Japan. They noted that there were severe limits and obstacles to Japan becoming a great military power. Within Japan's democratic political system, the Diet constituted a check on efforts to boost Japan's military role. There were severe controls on the Self-Defense Forces' roles and rules of engagement. Moreover, given Japan's current economic difficulties and its legal regime, it was difficult for the government to expand military expenditures. The United States itself sought only for Japan to play an expanded role in support of U.S. security missions. The United States did not consider it desirable for Japan to play a role beyond that. For example, the United States expected that Japan's Naval Self-Defense Force would not exceed the level of providing support and protection for the U.S. Seventh Fleet.

Regarding issues such as historical memory and the "comfort women," American participants also expressed the hope that Japan would make positive efforts for a resolution. They noted that at the recent Korea-Japan summit, leaders had agreed to aim to resolve such issues by the end of this year. American participants expressed the hope for an early agreement.

Korean participants responded that the Korean government had an objective understanding of Japan's rearmament efforts, and wished to see the strengthening of bilateral Korea-Japan security cooperation. In that regard, Korea called on Japan to be transparent in its security policies and to take a forthcoming approach to the improvement of bilateral relations. Unfortunately, however, Japanese efforts in that regard were not very energetic and appeared to lack sincerity. Therefore, for the moment at least, the prospects for a dramatic improvement in bilateral relations were not bright. Judging from the atmosphere inside the Japanese prime minister's office, Abe did not seem to have very much will to improve Korea-Japan relations. The Japanese government seemed to feel strongly that if it could improve relations with China, Korea would have to follow. Abe was thus passive about the negotiations with Korea. Moreover, the Japanese people themselves seemed to be rather critical about an improvement in bilateral relations. It was such factors that caused Koreans to have restrained expectations for the bilateral relationship. On the "comfort women" negotiations, the Japanese side seemed to feel strongly that the Korean side had moved the goalposts for a resolution. Japan had increased its demands, including calling on Korea to guarantee that these would be the last negotiations on the issue. In short, Japan was not showing very much will to resolve the issue.



Korean participants noted that in Prime Minister Abe's August 15 statement on the seventieth anniversary of the end of the Pacific War, it was apparent that he regarded Japan itself as a victim. It was therefore difficult to expect that he would take a more positive approach toward resolving the historical memory and comfort women issues. Moreover, not only Abe but also many Japanese politicians leaders and politicians had repeatedly made provocative remarks. As a result, the Korean people's mistrust of Japan was deep. These underlined the structural limits to improving bilateral relations.

Given that a complete resolution would not be easy to achieve, Korean participants said the important issue now was how to manage the problem of mutual mistrust. Since it would be difficult to overcome structural limits in the bilateral relationship solely through direct bilateral Korea-Japan dialogue, efforts should be made to improve relations by continuing dialogue in multilateral forums.

In today's situation in which both security and economic crises exist, Korean participants said that Korea, China, Japan, and the United States should form a multilateral cooperation network and a Northeast Asian economic and security cooperative system to tackle regional problems. To achieve that, it was important and urgent that Korea play a facilitating role.

## **II. NORTH KOREA**

### *ASSESSMENT OF NORTH KOREA'S INTERNAL SITUATION*

Both Korean and American participants were in general agreement about the political and economic situation inside North Korea. Korean participants offered the following assessments about the political stability of the North Korean regime, the economic situation, popular welfare, and developments involving the military.

Regarding Kim Jong Un's consolidation of political authority, there remained room for debate, but to all appearances Kim held a firm grip on power and was in command of the system. There did not appear to be any concrete evidence of regime instability. However, Kim Jong Un's capabilities in terms of policymaking and popular mobilization were still insufficient. It appeared that he would seek to reduce his dependence on his personal charisma to rule and instead would increasingly rely on ruling by strengthening system control. Even assuming that Kim Jong Un had firmly established his basis of authority, one could not assume that in future North Korea would thus pursue more restrained policies. It was important to take a cautious attitude and not make overly optimistic assessments.

Since Kim Jong Un assumed power, markets had expanded and some economic reform measures, including in the agricultural sector, had been implemented. As a result, the domestic economy had improved and the people's income appeared to have increased. In short, compared to when Kim took power, domestic economic conditions appeared to have improved in many respects. According to grain production data published by World Food Program (WFP), North Korea's food supply had stabilized considerably over the past several years. The forecast was that the food situation this year would also improve. Nevertheless, due to the lasting effects of this year's drought, it was possible that the food situation would again worsen next year.

According to the Bank of [South] Korea, the North Korean economy had grown one percent or more recently. However, if one also took into account North Korea's markets, the real annual growth rate was likely to be between three and four percent. The bottom line was that the North Korean economy appeared to be improving and,

as a result, Kim Jong Un's leadership was enjoying popular support. This opened up the possibility that, in future, North Korea might pursue more open economic policies. If so, however, these were not expected to be full-scale reforms. It appeared likely that North Korea would initially seek to reduce its dependence on the import of necessities from China by pursuing a policy of import substitution.

#### *DEVELOPMENTS IN NORTH KOREA'S CIVILIAN AND MILITARY LEADERSHIPS*

North Korea's officials were extremely corrupted and their morale was very low. Thus, the regime was not able to govern the country effectively. Moreover, recently it appeared that the military, which was functioning relatively well at the time Kim took power, was in disarray. Kim's frequent changes of military personnel seemed in part designed to demonstrate his leadership, but the result was that the military leadership was paralyzed with fear. In short, the use of state force as the traditional means of control in North Korea's system had lost its effectiveness. Recently, also, the amount and quality of domestic intelligence leaking from North Korean intelligence services had been increasing. Such factors suggested that North Korea's control capabilities were nearing their limits.

While generally sharing Korean participants' assessments of North Korea's political stability and of an improvement in the economic situation there, American participants offered the following additional observations. Kim Jong Un had consolidated his position surprisingly quickly. It was possible that this indicated that the system of state control centered on the military remained strong. North Korea appeared to be continuing to pursue many different kinds of economic reform measures, such as calling for the expansion of economic special zones. While this was different from the very limited and cautious economic experiments the regime had pursued in the past, there were still no comprehensive programs to fundamentally resolve the country's economic problems. One of the distinguishing characteristics of the Kim Jong Un regime was its use of the mass media. Compared to his father, the younger Kim was actively using all kinds of mass media, both internally and externally. North Korean propaganda agencies were responding to developments much more quickly than in the past. It was important to follow closely the regime's use of the media and respond appropriately.

American participants felt that for now the likelihood of Kim's regime collapsing was low and that the North Korean economy would continue its low-level growth. It was, however, unclear how long-term such trends would be. The bottom line was that the United States and Korea needed to focus on how to deal with and engage North Korea in a way that would induce positive change in the country.



#### NORTH KOREA POLICY: ASSESSMENTS AND RECOMMENDATIONS

Korean participants acknowledged that there had been some international criticism of South Korea's two-track policy toward North Korea, which included both inducements and sanctions. However, South Korea's policy was both logical and internally consistent. Premised on maintaining a firm defense, President Park's North Korea policies of *trustpolitik* and advocacy of "unification as a jackpot" were mutually supportive. *Trustpolitik* aimed to preserve peace through a process to achieve a "small unification." This meant increased economic cooperation leading to the development of a North-South *economic* community. "Unification as a jackpot" offered the vision that "big unification," i.e. the ultimate *political* unification of North and South, would bring major benefits to all concerned, especially to Korea's neighbors.

Regarding North Korea's nuclear weapons program, Korean participants judged that the regime had been able so far to effectively maintain its *byeongjin* (literally, parallel development or progress) policy of simultaneously developing nuclear weapons and growing its economy. Pyongyang had increased its capabilities, including miniaturizing and reducing the weight of nuclear warheads as well as increasing the range of its missiles. That these developments could be game changers in terms of the strategic dynamics on the Korean Peninsula and in Northeast Asia was cause for great concern. Recently, both South Korea and the United States had seemed to lose a sense of urgency regarding the North Korean nuclear issue, and the attitude of ignoring the problem under the so-called policy of strategic patience was continuing. Instead, the two governments needed to coordinate closely to develop a clear policy direction, either engaging the regime or increasing pressure on it.

Korean participants said that because North Korea had increased its nuclear capabilities to the extent that it stood on the threshold of becoming a nuclear weapons state, it had become more difficult to pursue nonproliferation. However, in the twenty-first century, North Korea absolutely needed the United States for its survival and progress. Since Kim Jong Un needed to be able to show his people that he was succeeding in managing the country and improving their lot, and needed American help to do so, the possibility of resolving the North Korean nuclear issue through comprehensive negotiations had not disappeared entirely.

American participants said that the United States and neighboring countries had been successful to some extent during the past decade in slowing the pace of North Korea's nuclear development through the use of dialogue and negotiations as well as increased international pressure. Nevertheless, time was not on our side, and American participants shared Koreans participants' sense of urgency about the problem. Since there were currently many difficulties in implementing the policy of the complete, verifiable, and irreversible dismantlement of North's nuclear weapons program, the key issue at the moment was how to slow down the pace of North Korea's nuclear and missile development. In coordinating U.S. and South Korean policies toward North Korea's nuclear weapons program, it was possible there could be differences of opinion about priorities and methods. Whenever such issues arose, it was important that the two countries be careful not to unintentionally send messages to North Korea that could cause the regime to miscalculate.

Both Korean and American participants agreed that there were many blind spots in sanctions against North Korea that greatly reduced their effectiveness. Despite UN sanctions, China in particular continued to make it possible for North Korea to import and export and also provided the country with foodstuffs and energy. Because achieving the desired results through the use of sanctions alone would be difficult,

most participants felt that our side should make greater efforts to engage North Korea while applying sanctions and dialogue flexibly.

Some American participants recalled that the Obama administration had in fact actively pursued negotiations with North Korea since its inauguration. It had dispatched special envoys to North Korea on a number of occasions, and in an effort to create a virtuous cycle in U.S.-North Korean relations, it had entered into the Leap Day deal in February 2012. Nevertheless, North Korea violated that agreement just a few weeks later by launching a rocket. North Korea thus had no more credibility in Washington, and the Obama administration felt it had no option but to increase the pressure on North Korea to change course. The Obama administration remained prepared to engage in talks with the North Koreans at any time if Pyongyang would only make a sincere representation that it was prepared to negotiate denuclearization. Since North Korea apparently has no such intention, however, the Obama administration is very likely to maintain its current policy.

Korean participants said that we needed to look at the North Korean nuclear problem within a large framework. The United States was focused too intently on North Korea's nuclear and missile programs alone. Americans needed to approach not only the North Korean nuclear issue but also the North Korea problem as a whole by looking at the big picture and taking a long-term perspective.

#### *TRENDS IN NORTH KOREA-CHINA RELATIONS*

Korean participants agreed that recently North Korea-China relations had not been as close or as solid as in the past. In fact, the two appeared to be quite alienated from each other. Nevertheless, Korean participants differed among themselves on a number of points, including whether Chinese leaders' basic attitude toward North Korea was changing and whether South Korea-China or U.S.-China cooperation was possible regarding the North Korea problem.

Korean participants said that from a Chinese perspective North Korea might appear to be stable in the short run but in the long run Chinese leaders were concerned about instability there. The North Korean nuclear problem could also gradually become a real threat to China itself. Thus, for the seventieth anniversary commemoration of the founding of the North Korean Workers Party in October, Beijing had dispatched Liu Yunshan, a member of the Communist Party's Politburo Standing Committee, to convey Chinese concern and put pressure on Pyongyang.

Another Korean participant said that since October 2014 the Chinese government had adopted a strategy toward North Korea of "(offering) bigger carrots and (wielding) a bigger whip." Chinese leaders appeared to have considered a variety of measures to increase pressure on North Korea, including completely cutting off food and energy supplies, entering into a treaty of friendship and cooperation with South Korea that would contain the important elements of China's treaty of alliance with North Korea, and making public various secret agreements and discussions between China and North Korea.

American participants said that they did not see any major change in the economic relationship between North Korea and China, including in the types or volume of trade. While Kim Jong Un was ambitiously promoting the development of economic special zones in his country, China's reaction was not enthusiastic. The two countries' economic cooperation appeared to be far less than many had anticipated. Chinese authorities and private business people as well seemed concerned about the risk of

dealing with North Korea. It did not appear that Chinese enterprises were eager to invest there.

A Korean participant said that China had decided to dispatch Liu Yunshan, who ranked fifth in the Beijing hierarchy, to North Korea because it felt it could no longer just stand by as bilateral relations deteriorated. Due to the Chinese practice of politics by elders, it was probably not an exaggeration to say that Chinese leaders' attitudes toward North Korea had hardly changed at all. This could be seen in the fact that China had opposed the United Nations resolution about the North Korean human rights situation. China continued to call for the denuclearization of the entire Korean Peninsula rather than specify that the need was for the denuclearization of North Korea, and China continued to call for the unconditional resumption of Six-Party Talks to address the North Korean nuclear issue in spite of the fact that North Korea had since tested more nuclear devices and was saying it would never negotiate giving them up.

Korean participants who felt that Chinese leaders were reconsidering their relationship with North Korea argued that now was an opportune moment to seek trilateral South Korea-U.S.-China cooperation in dealing with the North Korean nuclear problem. They advised that the three countries together should take a fresh, comprehensive look at the North Korean nuclear issue. On the other hand, those Korean participants who were more pessimistic about change in Chinese leaders' attitudes argued that there was still insufficient mutual trust on the part of South Korea and China to engage in such a dialogue. Also, currently, the ability and determination of the United States to deal with the North Korean nuclear problem did not appear to be strong. There were thus considerable limits to full-scale cooperation among the three on the North Korea problem.

#### *KOREAN UNIFICATION*

Korean participants, noting that at the recent Korea-China summit meeting the unification of the Korean Peninsula had been discussed, said that in the past China had never publicized discussions about unification or even accepted proposals to discuss the matter. This time, the fact that China had accepted placing a discussion of unification on the agenda indicated that a great change had occurred in the relationship between China and North Korea. The significance this must hold for North Korea was enormous. It was clear that in her discussion at the summit with Chairman Xi Jinping, President Park must have stressed that South Korean-led unification would be in China's interest. It was also possible that the two leaders had held an in-depth discussion about unification. In light of China's diplomatic language and concepts, it was apparent that China had demoted North Korea from a country of "core interest" to only a "vital interest." This development had created a new space for South Korea and China to cooperate on Korean Peninsula issues.

Korean participants said that unification was a mid-to long-term problem requiring international cooperation. The Korean government should modulate its public discussion about unification to this reality while continuing, within a larger framework, to closely coordinate policies with the United States to prepare for the full range of contingencies.

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

#### *“GAPS” IN THE ALLIANCE?*

Participants discussed the veracity of the notion, widespread in the South Korean media, that gaps of some sort had developed in the U.S.-Korea alliance. In regard to the repeated assertions by Korean and American leaders that the state of the alliance had never been better, some Korean participants noted that American and Korean officials had made similar statements even during the days of the Roh Moo-hyun administration, when bilateral relations had been at a low point. While it did not appear that currently there were fundamental gaps in alliance relations, one could not simply take rhetoric as proof that basic mutual trust had been secured. For example, at the recent U.S.-Korea summit meeting, President Obama had directly called on President Park to take a clear stance on the inconsistency of China's actions in the South China Sea with the rules-based international order. It did not appear that the United States had made such direct demands of UK prime minister Cameron or the leaders of other American allies and partners.

American participants responded that of course there had been various issues between the United States and Korea in terms of their respective interests and policy priorities and preferences, but they stressed that through mutual efforts the two countries had been able to address those issues one by one. Over the past few years, many issues in U.S.-Korea relations had been resolved well, and there did not appear to be any major gap in the alliance now. Even if there were, there clearly was no question about the long-term health of the alliance. It was also noteworthy that when, at his joint press conference with President Park, President Obama was asked by a Korean reporter about gaps in the alliance, his expression was one of genuine surprise and he made it clear that he was unaware of gaps in the alliance.

Korean participants said that the Korean side bore some responsibility for the emergence of such doubts about the alliance in Korea. “Alliance” referred, fundamentally, to a relationship of mutual support. Nevertheless, since the Vietnam War, it was not clear that Korea had fully met American expectations of support for U.S. security interests. Currently there was a tendency in Korea to take for granted the U.S.-Korea alliance and the U.S. security guarantee for Korea. Rather than make positive efforts to strengthen relations, there was a sense of complacency, a situation on which Koreans should reflect. It was only natural, in any alliance relationship, that issues would arise due to differences about interests and policy priorities. The media misunderstood this and tended to ascribe an exaggerated significance to such natural differences of perspective.

Some Korean participants asserted that recently China continuously had been seeking to undermine U.S. alliances in Northeast Asia. One could not ignore the fact that the PRC sought to take advantage of natural differences between United States and Korea on various issues in an effort to encourage or aggravate tensions between the two allies. In the Xi Jinping era, China had given up its past identity as a developing country and now regarded itself as a great power. It was developing concepts and taking actions corresponding to this new identity and was determined to reshape the international order and systems the better to reflect Chinese interests. While the PRC avoided direct confrontation militarily with the United States, it was promoting plans to expand its influence in such areas as economics and culture. China was very concerned about the U.S.-Korea alliance playing a regional role. It was important to understand that, in an

effort to check this, the PRC was intensifying its engagement of the relatively weaker Korea.

#### *THAAD DEPLOYMENT*

Some American participants noted that North Korea had nuclear devices and missiles and was continuing to develop those capabilities. In light of this, in order for the alliance to secure deterrence of North Korea, more advanced missile defense systems were necessary. In other words, a credible deterrent against North Korea could only be ensured if the United States and Korea could prevent a North Korean missile attack. THAAD was necessary because the currently deployed Patriot (PAC-3) system was no longer adequate to the task.

From an American perspective, South Korea needed to respond to the changing deterrent calculus by increasing its operational capabilities and by ensuring that its weapon systems were interoperable with those of U.S. forces. THAAD was defensive in nature. Thus, Chinese criticism of its deployment to Korea as a threat to Chinese interests was nonsensical. Koreans should make a decision by considering what was in their own security interests. Korea needed to quickly make a strategic decision and make its position clear.

Some Korean participants said that while the United States was Korea's ally, Korea had no option but also to cooperate with China. Thus, Korea could not completely ignore Chinese views about THAAD deployment. If Chinese concerns truly were nonsensical, it should be easy to resolve them. However, if there was some substance to their concerns, Korea would have to engage China in a discussion about them. That should not be misconstrued as a Korean effort to persuade China and receive its approval. Rather, such a dialogue should be seen as a process, which, when exhausted, would leave Korea with sufficient justification to proceed with a THAAD deployment.

Some American participants responded by recalling that the United States had actively tried to persuade Russia that the deployment of missile defense systems in Europe was not a challenge to Russian interests. As a result, the deployment of missile defense systems in Europe had been delayed by nearly ten years. It was likely that Korea would find it equally difficult to persuade the PRC.

#### *KOREAN MEMBERSHIP IN TPP*

Asked if Korea's failure to participate in the TPP negotiations had been due to Chinese opposition, Korean participants stated flatly that strategic factors such as China's position had played no role. Rather, a series of delays in making a determination and various errors had combined to result in Korea's failure to join the negotiations. When the issue of TPP first arose, the government of then president Lee Myung-bak had already spent too much political capital in obtaining the ratification of the U.S.-Korea Free Trade Agreement (KORUS FTA) and was not in a position to conduct a domestic debate about the matter. And when, in May 2013, the United States issued a final invitation to join the negotiations, President Park's government was just getting underway. The new administration was reorganizing government agencies, and the trade negotiation function of the Ministry of Foreign Affairs and Trade was transferred to the Ministry of Trade, Industry and Energy. As a result, the new government was unable to make an appropriate political judgment.

American participants stressed that the TPP absolutely was not an anti-China trade agreement. Moreover, the Regional Comprehensive Economic Partnership (RCEP), which China was promoting, was an agreement of a different character than

the TPP. Since the two agreements were neither mutually exclusive nor competitive, the prospect was that ultimately all concerned countries should and would join both.

Korean participants said that Korea's participation membership in the TPP was absolutely necessary. Although Korea was coming late to the game, since the Korean government had declared that it would now actively engage on the issue, Korean participants called on American participants to actively support Korea's obtaining membership.

#### *RECOMMENDATIONS FOR STRENGTHENING THE ALLIANCE*

Korean participants generally agreed that the past six decades of the U.S.-Korea alliance had been a great success. However, during those decades Korea had made great progress and as result U.S. and Korean mutual expectations had at times diverged. In recent years, the issue of China had further modified the expectations of both sides. Domestic politics in both the United States and Korea had also introduced new complications. It was important to recognize that some Koreans and Americans took a too self-centered approach toward the alliance. The alliance was not fixed but needed to be continuously adjusted in response to developments.

Korean participants criticized the United States for not being sufficiently sensitive to Korean feelings about the words and deeds of the Abe administration in Japan. Indeed, the United States immediately issued statements supporting such things as Abe's forcible passage of security legislation despite the concerns of neighboring countries. The United States had also immediately welcomed Abe's statement on the occasion of the seventieth anniversary of the end of the Pacific war that used deceitful rhetoric to misrepresent history issues and that completely ignored the views of Korea as one of Japan's greatest victims. In order for Korea-U.S.-Japanese trilateral cooperation to be restored, the United States needed to reflect more about such Japanese rhetoric and actions and be more sensitive to the expectations of the Korean people about the alliance.

American participants acknowledged that times had changed but added that the United States had to take a global perspective while Korea still tended to take only a regional perspective. If one compared the alliance to marriage, spouses could never be in complete agreement on everything all the time, but both should keep in mind the fundamental importance of maintaining their relationship.

While assessing bilateral relations overall as being good, both Korean and American participants noted that there were many issues about which consultations needed to be held and intensified, including where there were different policy priorities. It was important to clearly identify alliance goals in the process of policy coordination. Then, if the two countries' methods and approaches varied somewhat, policymakers on both sides should take the time and display the patience to ensure the smooth management of the alliance relationship. Alliance cooperation should expand beyond the areas of military and security cooperation to include more the realms of politics and economics. We should also make continuous efforts to decide more precisely what our ultimate vision for the alliance was. As part of such efforts, the two countries should engage in multi-level communication. Perhaps precisely because each country regards the alliance as so important, there had been a tendency for officials of both countries to be too cautious in their dialogues. Therefore, both American and Korean participants agreed, it was important to encourage more strategic dialogue at Track 1.5 forums such as this one, where franker and more direct discussions of the issues could be conducted.



#### **IV. CONCLUSION AND POLICY RECOMMENDATIONS**

Korean and American participants agreed that U.S.-ROK relations were increasingly burdened by issues arising from the so-called Asian paradox, in which the countries of East Asia relied on China for economic cooperation but on the United States for security, and that regional dynamics in Northeast Asia had become complex. Under such circumstances, if the countries in the region took a passive, defensive stance, the space for cooperation would be reduced. The United States and Korea should take the lead in searching for areas in which the countries of the region could cooperate. Although U.S.-PRC strategic competition and mistrust was a reality, focusing only on this aspect of their broad and complex relationship could result in the “Thucydides trap” becoming a self-fulfilling prophecy. The United States and Korea should work together to prevent such a dynamic.

Korean and American participants agreed on the following policy recommendations:

- Korea and the United States should engage actively in public diplomacy, including Track 1.5 forums (which include both private citizens and officials participating in their private capacities) to correct any mismatches in their policy positions.
- The United States and Korea naturally are not always in full agreement on all issues and should consult and adjust their positions to maximize cooperation and consensus.
- The United States should be as sensitive as possible to the great expectations that the Korean people place on the alliance, and Korea itself should play a role consistent with its status as a U.S. ally and given U.S. efforts to guarantee Korea’s security.
- Korea should make greater efforts to transform its military from one focused on manpower to one based on high technology.
- Both the United States and Korea should make greater efforts to broaden their bilateral relationship beyond military cooperation to include increased economic and other cooperation.
- Both countries should jointly respond to inappropriate PRC efforts to interfere with or limit their alliance, and, in preparation for unification, they should make efforts to explain the nature of their alliance to China and why it was consistent with China’s own interests.

Given upcoming presidential elections in both the United States and Korea, leaders of the two countries should take care that political factors did not harm their shared agenda and policy collaboration.

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