

The Eleventh Korea-U.S. West Coast Strategic Forum

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



THE WALTER H. SHORENSTEIN
ASIA-PACIFIC RESEARCH CENTER

The Eleventh Korea-U.S. West Coast Strategic Forum

Co-organizers:

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

and

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

Forum Report
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The Eleventh Korea-U.S. West Coast Strategic Forum was held at Korea National Diplomatic Academy (KNDA) on December 10, 2013. Established in 2006 by Stanford University's Walter H. Shorenstein Asia-Pacific Center (Shorenstein APARC), and now convening twice annually and alternating in venue between Stanford and 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 North Korea, the U.S.-ROK alliance, and regional dynamics in Northeast Asia. The Institute of Foreign Affairs and National Security under 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 constitute a standing 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

Participants in the Eleventh Korea-U.S. West Coast Strategic Forum focused on how the U.S.-ROK alliance should respond to rapidly changing situations on the Korean Peninsula and in East Asia. These included political flux in Pyongyang as Kim Jong-un sought to consolidate his position as the new leader, North Korea's continued pursuit of a deliverable nuclear weapons capacity, and increased historical tensions between the ROK and Japan as China engaged in more assertive behavior regionally. While both Korean and American participants agreed that the alliance has played a vital role in maintaining regional security and prosperity and must continue to do so in future, many participants agreed that the alliance must continuously adapt to new circumstances and that Washington and Seoul should seek to develop inclusive regional structures as well.

Both countries' participants agreed on the continuing vital role of the ROK-U.S. alliance in maintaining peace and stability in Northeast Asia. They further agreed that, although the bilateral relationship has never been better, complacency is not warranted. Efforts must be made to maintain popular support for the alliance, and several current issues, including renegotiations of the 123 agreement on civilian nuclear power cooperation and the Special Measures Agreement on the ROK financial contribution to the upkeep of U.S. Forces Korea, must be deftly managed. Participants exchanged various views about the desirability of keeping to the current schedule for transferring wartime operational control (OPCON) over ROK forces to the ROK, clarifying some of the many factors that must be taken into account in making a decision. There was also considerable discussion about how Korean unification should be approached and the role to be played by the alliance in the matter. Many participants commented that the ROK-U.S. Free Trade Agreement (FTA) has broadened the basis of the alliance by strengthening the economic dimension. Some expressed the hope that Korean participation in Trans-Pacific Partnership (TPP) will further broaden that basis, contribute to a more prosperous region, and eventually include the PRC.

Regarding North Korea, participants agreed that the DPRK will continue to strengthen its nuclear and long-range missile capabilities. Many also felt that Kim Jong-un has begun to solidify his grip on power. Participants noted that North Korea's economic and food situations improved during the year. Participants exchanged views on what, if any, changes

should be made to the current ROK-U.S. approach to North Korea, which the United States earlier called “strategic patience.” Some Americans and Koreans supported the approach; others argued that greater efforts must be made to try to prevent a bad situation from becoming even worse.

Discussion of regional dynamics focused largely on China’s rise and its relationship with the Korean Peninsula. Participants agreed that the rise of China has a major impact on Northeast Asia in general and the Korean Peninsula in particular. Most but not all participants were skeptical that the PRC would do much more to press the DPRK to end its nuclear weapons program, due to the PRC’s tendency to view the Korean Peninsula through a lens of strategic mistrust of the United States. Some participants, however, expressed optimism that the PRC might take a fundamentally different approach to the DPRK if it continues to test nuclear devices. Participants also devoted considerable time to discussing the troubling increase in tensions between American allies Japan and the ROK over historical and territorial issues. All agreed on the desirability of resolving ROK-Japan issues, both on their merits and for strategic issues.

Korean experts provided further background to American participants on President Park Geun-hye’s major initiatives toward North Korea and Northeast Asia, respectively the *trustpolitik* and the Northeast Asia Peace and Cooperative Initiative (NAPCI). American participants expressed receptiveness to a greater Korean role on both the North Korean and Northeast Asian security issues.



Participants at the Eleventh Korea-U.S. West Coast Strategic Forum in Seoul.

THE ELEVENTH KOREA-U.S. WEST COAST STRATEGIC FORUM

I. ROK-U.S. ALLIANCE

A Korean expert opened the first session by assessing Korea's evolving strategic relationship with the United States. In the 1990s, a delicate “triangular relationship” emerged among South Korea, North Korea, and the United States, as Washington became deeply involved in the North Korean nuclear problem as part of its post-Cold War global strategy. The alliance thus remained transitional rather than being actively transformed. After 9/11, the alliance faced four challenges: (1) a perceived U.S. shift toward unilateralism, (2) increased anti-American sentiment in Korea during the Roh government, (3) China's growing role on the Korean Peninsula, and (4) Japan's uncertain future. In response, Korea contemplated four scenarios: (1) continuing the status quo, i.e., maintaining a North Korea-oriented alliance; (2) developing a ROK-U.S. strategic partnership, in which the military alliance would be replaced by political alignment; (3) achieving a comprehensive alliance, which would maintain the military alliance but expand to include regional and global cooperation; and (4) establishing a Northeast Asian peace and security mechanism.

Regarding South Korean President Park Geun-hye, the Korean expert stressed that her government gives highest priority to the ROK-U.S. alliance. At their June 2013 summit, President Obama confirmed that the United States is committed to Korean reunification

rather than looking at North Korea from the narrow perspective of non-proliferation as in the 1990s. President Park's *trustpolitik* aims at denuclearization and a resumption of North-South dialogue. Her Northeast Asia Peace and Cooperation Initiative (NAPCI) seeks to build trust in the region through dialogue and cooperation and would start by addressing less sensitive issues such as the environment, disaster relief, nuclear safety, and anti-terrorism. *Trustpolitik* and NAPCI complement the U.S. rebalancing strategy as they are anchored in the ROK-U.S. alliance and aim to promote regional cooperation. Some other Koreans added that the ROK and the United States should explore ways to achieve synergies among the three initiatives.

An American noted that the alliance is with one part of a divided country against the other, which implicates complex nationalist sentiments throughout the peninsula. Dealing with security challenges together remains the core value of the alliance, but during the past decade the alliance became broader, deeper, and more resilient. The ROK-U.S. Free Trade Agreement broadened the alliance and strengthened its political basis in both countries.

Many participants agreed that, despite trials and errors, the ROK has successfully adjusted to new strategic challenges by transforming and reinventing its alliance with the United States. While challenges remain, such as renegotiating the 123 agreement on civilian nuclear power cooperation and the Special Measures Agreement on ROK financial support for U.S. Forces Korea, most participants were optimistic about the future of the alliance.

An American commented that renegotiation of the 123 agreement had become politicized in Korea. Actually, under the existing agreement, the ROK had made phenomenal advances in the nuclear industry. There were compelling technical and economic reasons for the ROK not to pursue its own uranium enrichment and reprocessing. In renegotiating the agreement, the ROK should put technical issues first, economic issues second, and political issues last.

A Korean stressed the importance of the U.S.-ROK summit agreement in 2009 to build a strategic comprehensive alliance, although more needed to be done to institutionalize cooperation on regional and global issues within the new framework. Another Korean scholar commented that the two governments had begun consultations on increased cooperation on development assistance and that this meant that Korea would be expected to take on greater responsibility globally. An American expert, however, said that the core of the alliance would remain security cooperation to deter North Korea as long as the peninsula remained divided.

Another Korean scholar expressed his thoughts on ways in which the alliance could contribute to Korean reunification. He said that the ROK-U.S. alliance and ROK-PRC cooperation would be able to go hand in hand in promoting unification when the ROK and the United States have full mutual trust. Another Korean expert said that the alliance had been focused on post-unification scenarios, but it was equally important to work together to prepare for unification. The two countries should adjust the alliance to reflect a rapidly changing regional environment. An American agreed but added that the United States' role certainly had changed in accordance with Korea's economic, cultural, and political emergence. However, as the ROK still faced an existential security threat, the security alliance between the two countries remained key. The United States was absolutely committed to the ROK's defense.

An American said that the ROK and the United States have a hugely important relationship with China. They have shared values and interests in seeing that China that plays its proper role in the region and the world. While the United States does not always agree with the PRC, this did not mean that the United States wants to contain China.

Another American emphasized that the alliance remained very much bilateral. Even though China had become Korea's major economic partner during the past decade, Korea's relationship with the United States remained key to it, and the alliance was the pivot point for U.S.-ROK interaction. The ROK's increased economic relationship with China had not changed the nature or importance of the U.S.-ROK alliance.

A Korean said that the alliance was stable and solid, and the Obama administration had sufficient capabilities and willingness to pursue its policies in the region. It was important to recognize, however, that many Koreans had doubts about the Obama administration's steadfastness in the region.

Discussing the U.S. rebalancing strategy, an American said that the U.S.-ROK alliance is in a good shape but the United States worries about the deterioration of Korea-Japan relations. The United States is using the Trans-Pacific Partnership (TPP) to add an economic element to the rebalancing. The George W. Bush administration was largely an observer of regional interactions in Asia, but it seems that the Obama administration has decided that it is better to be on the inside looking out than on the outside looking in. The United States has also explored the possibility of expanding diplomacy with rogue countries such as Myanmar and the DPRK, successfully in Myanmar's case.

Another American expressed concerns about the deterioration of ROK-Japan relations while China is asserting itself, especially in maritime Asia, and that the North Koreans are continuing to advance their nuclear programs. Regarding Vice President Biden's remark, "Don't bet against the U.S.," an American said that the vice president did not intend to warn Korea against improving its relationship with China, but rather was reminding other nations that the United States is a resilient country, not a declining force in the region.

Asked about the position into which the U.S.-ROK alliance places both Korea and the United States in East Asia, an American said that trilateral U.S.-ROK-Japanese cooperation could not be the ultimate solution. What is needed is a regional security structure encompassing not just Korea and Japan but also China and other states. The current tensions in the region further complicate the effort to build such a broader framework.

A Korean said that Korea is more concerned about its survival than about reaping more economic benefits from external trade. The ROK strongly believes the United States has served as a strategic balancer between China and Japan—and also in the whole region—and this will have to continue for the foreseeable future. Still, the United States is unlikely to engage very actively in various kinds of regional efforts. He suggested that Korea, the United States, and Japan should further discuss Korean unification as strategic leverage for regime transformation in North Korea.

As the session closed, an American commented that the United States, ROK, and China are and will remain interdependent. In that context, the ROK's attitude to the TPP is even more important. For its part, the United States should lend more than just rhetorical support for Korean unification.

II. NORTH KOREA ISSUES

A Korean opened the second session by reviewing the policy environments of South Korea and North Korea. Kim Jong-un has almost solidified his hold on the regime, and by expanding his nuclear capabilities and activities the young leader seeks to demonstrate regime stability. The economic situation and the food supply in the North, especially in Pyongyang, are slowly improving. There is no doubt that the North is focusing on improving its economy, including with limited economic reforms such as reducing the size of farm production units.

The Korean expert said that Kim has taken three specific measures to underline his commitment to the North's nuclear arms program: (1) declaring the DPRK to be a nuclear weapons state in the 2012 revision of the constitution, (2) declaring the *byongjin* policy of simultaneously pursuing economic construction and nuclear armament, and (3) promulgating a law about the status of North Korea as a nuclear weapons state for the purpose of self-defense. Meanwhile, the effectiveness of the denuclearization policy of the ROK and the United States has been questioned as the Six Party Talks (6PT) remain suspended. Pessimism about the prospects of denuclearization is rising. The effectiveness of sanctions and other pressures has been limited by China's support for North Korea, including expanded trade.

Many participants agreed that North Korea seems determined to maintain and develop its nuclear capabilities. The recent political turbulence in Pyongyang may have even hardened North Korea's position on nuclear weapons.

A Korean scholar said that maintaining a sustainable denuclearization policy toward North Korea is more important than ever, and that will require the use of both sanctions and dialogue. He recommended: (1) holding an unofficial 6PT heads-of-delegation meeting to discuss the conditions for achieving a nuclear freeze and holding a 6PT plenary, (2) developing a concrete, sustainable denuclearization plan, and (3) inducing China to play a more responsible and constructive role. A new package deal should be comprehensive, including Korean Peninsula peace-regime building, bilateral diplomatic normalization, Northeast Asian peace cooperation, and economic cooperation. It should be implemented in a reciprocal, step-by-step process.

An American said that the relatively passive U.S. policy of "strategic patience" toward North Korea is a default option born of frustrations. The DPRK denies any intention of relinquishing its nuclear weapons program and its internal politics are in a state of flux. Alternatives to strategic patience include: (1) re-engaging North Korea in hopes of a new freeze on its nuclear activities within the context of renewed 6PT; (2) bolstering sanctions along the lines of those against Iran to provide increased leverage for future negotiations with the DPRK; and (3) pursuing a patient, waiting game with Pyongyang, i.e. letting the nuclear issue lie for the time being while exploring the possibility of expanded exchanges aimed at informing North Koreans about life outside their country. A Korean commented that the United States would most likely continue to pursue a waiting game toward Pyongyang.

Another American estimated that by 2016 the North will conduct further nuclear tests, possess six to ten nuclear weapons, and possibly test-launch Musudan and KN-08 missiles. This will endanger peace and stability in the region. We should aim to induce the

DPRK to freeze the construction and testing of nuclear devices and not proliferate nuclear weapons technology. In exchange, we could provide the North with energy and economic assistance and offer security assurances.

An American said that U.S. rebalancing toward East Asia has been complicated by events elsewhere, including the Syrian conflict, political disarray in Egypt, refugee crises in Turkey and Jordan, and fissures in U.S. relations with Israel and Saudi Arabia. Nuclear talks with Iran could set precedents for dealing with North Korea and other global nuclear proliferation concerns. Meanwhile, in Northeast Asia, no end is in sight to the strained political ties between South Korea and Japan.

Regarding Iran, an American said that the apparent progress in talks offered some lessons for other cases. It underlined the importance of secret, informal talks involving senior officials and the need to be willing to take risks for the sake of reaching agreement. A Korean disagreed, arguing that the North Korean and Iranian cases are different. Another American expressed the hope that the Obama administration would be motivated by progress with Iran to seek more actively to achieve North Korea's denuclearization, as North Korea and Iran are the only countries actively pursuing nuclear weapons contrary to their nuclear nonproliferation treaty commitments.

An American argued that China could and should play a central role in resolving the North Korea problem, including through the 6PT. A Korean countered that China was unlikely to use its great potential influence to put pressure on the DPRK to end its nuclear activities. An American agreed, noting that PRC-DPRK trade has doubled in spite of sanctions. Many participants from both countries agreed that China feels that the DPRK's strategic value to the PRC has increased due to intensifying U.S.-China competition in Northeast Asia, including an increased risk of military confrontation in the East China Sea. China will thus likely regard the North even more as a buffer zone between it and the United States. Another American agreed, noting that the PRC's policy toward the DPRK nuclear program was not as tough as its rhetoric sometimes suggested. Another American expert agreed but predicted that DPRK leaders eventually would seek to reduce their country's heavy economic dependence on the PRC.

A Korea expert, however, said that the new Xi government in Beijing did in fact have a more skeptical view of the DPRK and its nuclear program. He argued that if the North conducts another nuclear test, China might very well change its basic policy toward the North. In view of this, 6PT participants should step up their collaboration to try to end the North Korean nuclear program.

III. NORTHEAST ASIAN REGIONAL DYNAMICS

An American opened the third session with an assessment of the situation in Northeast Asia. While China has been more assertive in the region recently, it should still be possible to accommodate its rise. In that regard, the improvement of PRC-Taiwan relations, which ten years ago was not expected, offers hope. Since the USSR's demise, there has been no common external threat to unify regional actors. Perceptions and misperceptions of the United States—whether it is in decline, whether it has the will or capacity to honor its security commitments, and whether it is more interested in cutting a deal with China than

in protecting the interests of its allies—have given rise to questions. This seems to be a more pressing concern in the region than it is in the United States itself.

A Korean offered an optimistic assessment of the regional security and economic situations. Regional trade volume was expanding and the U.S.-China relationship was fairly stable. There were, however, some negative factors. Military rivalries among the great powers also implicate key middle powers such as South Korea and Australia. The PRC's recent declaration of an air defense identification zone (ADIZ) in the East China Sea illustrated the underlying tensions in the region. The key factor in the next twenty years will be how the U.S.-China relationship is managed. An American added that Japan is questioning the strength of the U.S. commitment to Japan, while the ROK fears being caught between the United States and China. This context made U.S.-ROK talks on the transfer of wartime operational control over ROK forces to the ROK even more fraught, strategically as well as politically.

The Korean said that the U.S.-Soviet relationship was characterized by a strategic rivalry and military competition, while the U.S.-China relationship today includes a major economic dimension. Europe's security dilemmas have been resolved, but that is still not the case in Northeast Asia. Moreover, China is rapidly developing its military capabilities, in part to try to deny the United States access to the region.

An American observed that China's rise is indeed impressive and important, but its implications are often misinterpreted. China's growth required major system reform, and its continued success will require even more reform. Even if reluctantly, the PRC has accepted greater interdependence and reduced freedom of action internationally as the price to pay for economic growth. China's rise has also benefitted the United States, ROK, Japan, and others, and this has increased the international community's stake in China's management of the daunting challenges it faces.

PRC leaders believe that the party's legitimacy depends on sustained economic growth, supplemented by appeals to nationalism, the American noted. Continued economic growth requires a peaceful environment, domestically, regionally, and globally. Party leaders' appeals to nationalism and their near-paranoia about perceived American and allied intentions to contain the PRC, however, run counter to their need for the best possible economic environment. Moreover, the party faces a long-term dilemma: the logic of economic growth requires more reform, including a reduced role for the party and the state and a freeing up of the economy and liberalizing of society.

Several participants agreed that increased economic cooperation represented a major factor in the region. China's rise and role in globalized production and supply chains have created interdependencies that both constrain China and challenge the underpinnings of regional institutions, including the ROK-U.S. alliance.

An American commented that the strategic environment in Northeast Asia has changed greatly since the formation of the U.S.-ROK alliance over six decades ago. Bilateral alliances are no longer the most appropriate vehicles to deal with the region's problems. Success and change have created new challenges that cannot be managed successfully with twentieth-century attitudes and approaches. Another American added that the United States unwittingly overemphasized the military dimension of its rebalancing strategy.

An American said that North Korea's development of nuclear devices means that Pyongyang poses a much more complicated problem for the United States than it did when

it had only conventional armaments. In coming years, there will be increased pressure on the United States to consider withdrawing some of its ground forces in the South and developing new capabilities to deal with the new threats from the North. The United States will also have to pay more attention to the PRC as it becomes more assertive in the western Pacific.

An American argued that, in light of other changes affecting the security environment on the Korean Peninsula, the North's nuclear capabilities may not be a game changer but they are changing calculations of threat and risk and the appropriate response. Whether the nuclear program has made DPRK leaders more confident or more cautious in their approach to the United States and the ROK, it has caused China to be more concerned about the possibility of U.S. and/or ROK military action against the North. Moreover, Japan feels increasingly threatened by North Korea's continuing development of nuclear devices.

A Korean said that, despite the ROK being the world's fourteenth-largest economy, it remains very vulnerable because it depends heavily on international trade. Moreover, issues of cyber security, terrorism, and energy dependence will present significant challenges to the ROK in coming years. The ROK hopes to address these issues through increased inter-Korean and regional cooperation based on President Park Geun-hye's initiatives, *trustpolitik* and the Northeast Asian Peace and Cooperation Initiative (NAPCI).

Regarding the relationship between the two initiatives, the Korean responded that, conceptually, the Korean Peninsula is key to all states in the region. Korea needs a policy that addresses the South-North impasse as well as the Northeast Asian paradox, in which security tensions are rising despite economic interdependence. The Korean government believes that the two initiatives, one focused on South-North relations, the other on Northeast Asia as a whole, are complementary. Another Korean said that the Park administration's NAPCI could provide a good starting point for dealing with North Korean nuclear issues as well as the creation of a regional security forum.

An American expressed the hope that ROK-Japan history issues could be separated from strategic issues. Another American, however, stressed that those historical issues would have to be addressed sooner or later. A Korean commented that Koreans and Japanese share similar views on major security issues and that the relationship with Japan needs to be mended.

As the workshop concluded, an American said that economic growth has enabled China to strengthen its military in ways that seem to respond more to memories of the past than to current realities. Its military buildup has changed the strategic situation in Northeast Asia. Continued drift in the region will therefore be dangerous. Legacy security arrangements are no longer adequate; countries in the region must begin to build more elaborate and inclusive structures for regional security and economic cooperation. Above, all, a prerequisite for future success is a shared strategic vision for the region.

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