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

December 13, 2011
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세종연구소

THE WALTER H. SHORENSTEIN
ASIA-PACIFIC RESEARCH CENTER

EXECUTIVE SUMMARY

The Sejong Institute of Korea hosted the seventh session of the Korea-U.S. West Coast Strategic Forum at the Lotte Hotel in Seoul on December 13, 2011. Established in 2006 by Stanford University's Walter H. Shorenstein Asia-Pacific Research Center (Shorenstein APARC), the Forum brings together distinguished South Korean (Republic of Korea, or ROK) and American scholars, experts, and former military and civilian officials to discuss North Korea, the U.S.-ROK alliance, and regional dynamics in Northeast Asia.

Since the third session, the Sejong Institute has been Shorenstein APARC's Korean counterpart in organizing and hosting the Forum. Meetings are held semi-annually, alternating between Stanford University and Seoul. 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. Further background about the Forum and records of discussion from all sessions may be found at the Stanford Korean Studies Program website (ksp.stanford.edu).

Although the seventh Forum took place only four days before the sudden death of North Korean leader Kim Jong Il, Forum participants factored in the leadership succession that was already underway in North Korea, as the following record of discussion documents. In the first panel discussion, which focused on North Korea, a Korean expert made a presentation on upcoming South Korean elections, North Korean efforts to influence them, and the implications for South Korea's North Korea policy and U.S.-ROK relations. A second Korean expert analyzed North Korea's intentions regarding its nuclear weapons program and inter-Korean relations, and concluded with specific policy recommendations. An American expert gave a detailed technical update on the North Korean nuclear program and recommendations for addressing it. Participants discussed the possibility of further North Korean nuclear tests and conventional attacks on South Korea.

In the second panel, on the ROK-U.S. alliance, a Korean expert delivered a briefing on South Korean public opinion and the upcoming elections there, and an American expert made a presentation on U.S.-ROK alliance management, strategic issues, and the future of the alliance. Discussion focused on the possible impact of U.S. budget woes on the alliance, the Obama administration's "strategic pivot" toward East Asia, South Korean defense reform following the *Cheonan* and Yeonpyeong Island attacks, South Korean

popular attitudes toward U.S. Forces Korea (USFK), and how South Korea and the United States should respond if North Korea conducts a third nuclear test.

The final panel examined the regional dynamics of East Asia as they affect the Korean Peninsula. A Korean expert reviewed the history of the role of foreign policy and security issues in South Korean elections. An American expert made a presentation on recent developments that have had a significant impact on regional security, including the People's Republic of China's (PRC) return to a less assertive foreign policy posture following a regional backlash, an improvement in tone in U.S.-Japanese relations, the Taiwan Strait situation, and U.S.-PRC relations. Discussion centered on American and South Korean attitudes toward a "rising China."

Participants at the Seventh Korea-U.S. West Coast Strategic Forum in Seoul, South Korea.

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

I NORTH KOREA

A Korean expert began the session with a presentation on the situation in North Korea and on inter-Korean relations. He suggested that little had changed since the sixth Strategic Forum held at Stanford University six months earlier. Few people believed that Kim Jong Il would easily discard nuclear weapons, and most South Koreans did not believe the Six Party Talks would bring about the denuclearization of the Korean Peninsula. The six countries continued to seek to reopen the talks, but their aims differed.

The Korean said that the year 2012 would present unusual opportunities for North Korea if South Korea's progressive opposition won the presidential and parliamentary elections. The progressives would provide economic aid to North Korea, confrontation between conservatives and progressives in South Korea would increase, ROK-U.S. relations would suffer tensions, and anti-Kim Jong Il nongovernmental organizations (NGOs) in South Korea would encounter operational difficulties.

The Korean also discussed Kim Jong Il's possible means of intervention in the South Korean elections, including the use of North Korea websites overseas, cyber attacks, and military offensives. Arguing against the possibility of North Korean military action were the likelihood of South Korean retaliation, the North's probable desire to commemorate the centennial of Kim Il Sung's birthday without distraction, and China's dissuasion. Factors that might contribute to North Korea's engaging in new military provocations included the need to bolster domestic unity and regime credibility in connection with the succession to Kim Jong Un, and the possibility that military action might intimidate the South Korean public and result in increased support for the progressives in elections.

The Korean said that North Korea's successful test of the Taepodong-2 rocket and the

nuclear test of 2009 had made the South Korean public less confident about South Korea's ability to defend itself from North Korean attacks. South Korea's failure to retaliate for the sinking of the *Cheonan* and the shelling of Yeonpyeong Island had only increased their concern.

The Korean concluded by suggesting that any North Korea military action would be carefully calculated to intimidate the South Korean public while avoiding full-scale hostilities. North Korea would be unlikely to counter any South Korean retaliation for a North Korean provocation.

A second Korean expert made a presentation on the North Korean nuclear issue and inter-Korean relations, and concluded by offering policy recommendations. As Kim Jong Il's health deteriorated, the succession to Kim Jong Un had to be accelerated. For a smooth transition, strong military support was needed, which had prompted the regime to maintain its military-first policy. The military supported nuclear weapons development as necessary for regime survival and military defense. Pyongyang was thus unlikely to give up nuclear weapons. The fall of the Gaddafi regime in Libya had probably made North Korea's leaders feel all the more that nuclear weapons were vital to regime survival.

The Korean said that North Korea was not yet ready to meet the ROK and American demand for "pre-steps" before the resumption of Six-Party Talks. While many South Korean officials felt a need to see the talks resumed before the Nuclear Security Summit in Seoul in March 2012, South Korean President Lee Myung-bak's focus had been on reaching a "grand bargain," or a comprehensive deal with North Korea, in which the South would provide political and economic aid in exchange for the North's denuclearization. Anything less, President Lee feared, would allow North Korea to obtain aid for reversible measures toward denuclearization.

The Korean said that, according to a KBS public opinion survey taken in August 2011, 84.7% of ROK respondents felt that the situation on the Korean Peninsula was insecure. Asked about the usefulness of another inter-Korean summit, 63.7% had expressed pessimism. Regarding aid to the North, 10.9% supported unconditional humanitarian aid; 64.6% supported conditional humanitarian aid; and only 27% thought Mt. Gumgang tours should be resumed immediately. These results suggested South Koreans wanted a principled and disciplined North Korea policy. Prospects for the Russia-North Korea-South Korea gas pipeline project remained uncertain.

The Korean concluded with three policy recommendations. First, Six-Party Talks should not be hastily resumed, since over-expectations could facilitate North Korea's use of "salami tactics." Instead, bilateral, trilateral, and quadrilateral mechanisms should be used. Second, policy watchwords should be principle, flexibility, and proactive deterrence. "Principle" meant that South Korea should continue to demand a North Korean apology for its recent military attacks. Flexibility, however, meant that concerned parties must engage North Korea on the nuclear issue. Proactive deterrence referred to the need to prepare to respond to any further North Korean military provocations in a timely and proportional manner. Finally, preparations must be made to respond to a possible third North Korean test of a nuclear device. North Korea would use such a test to try to make the international community accept it as a nuclear power. It would also allow the regime to claim it had kept its promise to become a "strong and prosperous nation" by 2012, and it would constitute a threat to South Korea and influence South Korean politics. Prior

consultation with China was needed about how to respond if the North in fact conducted a third nuclear test.

An American expert next provided a technical update on North Korea's nuclear program. There were three key areas of concern: the construction of a light water reactor (LWR), uranium enrichment, and the Musudan missile.

A year earlier the expert had made a trip to the Yongbyon Nuclear Reactor Complex and was told that the facility was to be converted to an LWR and pilot uranium enrichment facility. He displayed photographs taken there between September 26, 2010, and November 14, 2011, demonstrating the rapid progress that had been made. Although not much construction had been evident during the winter, progress thereafter had picked up rapidly. As of September 2011, the LWR containment shell and dome had been partially completed. The latest image, taken November 14, 2011, showed that the outer containment shell was being completed, the dome had been partially constructed, the generator hall had gone up, and the traveling crane had been installed. The significant progress in constructing the LWR demonstrated that the North Koreans were serious about building the reactor.

The dome of the LWR was expected to be completed by April 2012, the expert continued, along with the reactor hall. However, the reactor was nowhere close to being complete; it would take at least two more years to be fully operational. The reactor was not a nuclear weapons concern, because it was being built as an experimental facility for producing electricity. However, the safety of the reactor was a major concern, particularly in light of the recent Fukushima Daiichi nuclear disaster in Japan.

With regard to North Korea's uranium enrichment program, little new information had become available in over a year. At the time the expert had visited in late 2010, approximately 2,000 centrifuges could be seen and the facility appeared most likely to be operational, but only partially. At the rest of the fuel fabrication plant, not only had a blue roof gone up from July 2009 to November 2010, but also many other facilities had been built. That was not surprising, because to undertake fuel fabrication one must produce a large amount of uranium hexafluoride. However, the North Koreans had lost the capacity to make even tetrafluoride, which they had required for their old reactor. They had never previously demonstrated they had made hexafluoride at Yongbyon, but now they could, so some of the buildings that could be seen were to prepare the uranium feedstock in the form of uranium hexafluoride. Also, the fuel that went into the reactor was substantially different from the fuel that went into their small gas-graphite reactor, which was uranium metal fuel. The building with the blue roof used to be called the metal fuel rod fabrication facility but had been gutted and now housed the centrifuge facility. The North Koreans had to build a ceramic fuel fabrication facility to make the enriched uranium pellets for the LWR. The progress made on the buildings demonstrated that the North Koreans were serious, which made it all the more important to go back to Yongbyon to learn more about what was at the facility, in part to gauge what might be located elsewhere.

Also, the American noted, North Korea had displayed its road-mobile, intermediate range ballistic missile at a parade in Pyongyang on October 11, 2010. It was an extended version of the Russian R27 from the Soviet era, including the triconic shape at the tip, which was typical of the R27. It was obviously meant to carry nuclear warheads and would have a capacity somewhere in the 2,000–3,000 km range, depending on payload. Because it was road-mobile, it was difficult to locate and track. The North Koreans were most

likely trying to make a warhead small enough to fit on the missile, but probably could not do so without another nuclear test. Based on the tests done so far, apparently using plutonium, North Korea had not been able to miniaturize a nuclear device. It was unclear if the North Koreans were trying to make a warhead to fit on the missile using highly enriched uranium (HEU), which they now seemed to have the capacity to produce, or using plutonium. Whether using plutonium or HEU, a North Korean nuclear warhead would substantially increase the threat that Pyongyang posed because its nuclear devices could reach more distant targets.

The American expert concluded that the North Koreans had achieved significant progress over the past year, making it all the more important to get back into North Korea to assess the situation more precisely. Most importantly, confidence-building steps would need to be taken to prevent additional missile and nuclear tests and to stop any production of HEU. In addition to the American expert's previously recommended policy toward North Korea of "three no's and one yes"—no more bombs, no improved bombs, and no export of bombs or bomb-related materials, and one "yes" to addressing North Korea's security concerns—he added a fourth "no," i.e. no more imports of nuclear materials.

Another American said that North Korea had political and military considerations in deciding whether to conduct nuclear tests. In the past, military considerations had often overridden political ones. It seemed probable that North Korea would feel a need to conduct a third nuclear test at some point.

An American agreed that a third nuclear test was likely, because North Korea probably felt that a test would disadvantage conservatives in the upcoming South Korean elections. North Korean conventional military provocations this year were less likely, because it would be more difficult for Pyongyang to calibrate their effect on the South Korean elections.

Another American suggested that a third nuclear test might be intended to demonstrate that the Lee Myung-bak administration was unable to respond effectively. In fact, it was unclear what should be done in response to a nuclear test, including how to coordinate with China.

In response to the suggestion that North Korea might have intentionally conducted small- rather than large-scale nuclear tests so far, an American expert commented that the first nuclear test did not proceed properly and thus North Korea had felt that a second test was needed. Recent analysis of the second test had concluded it was about 4.6 kilotons, which was not considered low yield. That meant that North Korea could conduct larger tests. North Korea seemed to have chosen to keep the second test small, not necessarily because of concern about the international response, but to ensure that nothing blew out of the tunnel where the test was conducted. It thus seemed that the second test was fully successful and that Pyongyang was most likely capable of conducting a larger test. The third one could be conducted using plutonium, which was best for use in a small warhead, but North Korea did not have much plutonium and so might instead use HEU. The expert also mentioned that A. Q. Khan had peddled to Libya a design for a lighter HEU device; that design might have made its way to North Korea.

An American suggested that another nuclear test might be one of the only ways the North Koreans had to demonstrate progress in accomplishing their goal of becoming a "strong and prosperous nation." Another test would both meet military needs and support the celebration planned for Kim Il Sung's 100th birthday in April 2012.

A Korean agreed but added that the economic dimension must also be considered. The North Koreans thought that having nuclear weapons was the cheapest way to ensure national security. The arguments some South Koreans made for their own country developing nuclear weapons were based on the same logic. If North Korea continued to develop nuclear weapons and the United States proved unable to stop it, South Korea might eventually have to develop its own nuclear weapons.

An American said that the costs of nuclearization would be too great for South Korea. It would damage South Korea's enormous global business and economic interests. For North Korea, on the other hand, having nuclear weapons guaranteed regime security, while so far the country had suffered relatively little in terms of costs for having gone nuclear. Thus, unless the costs became higher to Pyongyang, it would continue to develop nuclear weapons.

A Korean returned to the issue of North Korea's possible influence on the upcoming elections in South Korea. While not all past North Korean threats had proven favorable to the South Korean political left, generally they had been, a phenomenon called "the wind from North Korea." After the second nuclear test and the Taepodong-2 missile test in 2009, South Koreans had become more fearful of the threat posed by North Korea. Many South Koreans believed that the Sunshine Policy, while opposed by conservatives, was the only way to maintain peace in South Korea. If Kim Jong Il thought the left could win in the South without his help, perhaps he would refrain from another nuclear test or other threats. Nevertheless, we must be prepared for the possibility.

Another Korean commented that South Korean progressives would regard another nuclear test as conclusive evidence that President Lee Myung-bak's North Korea policy had totally failed. South Korean conservatives, on the other hand, would most likely respond to another test by arguing that the flexibility President Lee had recently shown did not work and that even stronger measures were needed. Thus, resuming the Six-Party Talks was important; the "pre-steps" demanded of North Korea by both South Korea and the United States were excessive. South Korean voters were 30% liberals, 30% conservatives, and 40% centrists. To win the parliamentary election, candidates had to focus on centrist concerns. North Korea would be tempted to conduct another nuclear test to move centrists leftward, toward support of a policy of engagement rather than containment. Advance consultation was needed with China about how to sanction North Korea if it conducted another nuclear test.

The Korean agreed that some South Koreans argued for South Korean nuclear rearmament, but South Korean presidential candidates would refrain from supporting such calls, especially in light of Seoul's hosting of the Nuclear Security Summit in 2012. However, whether the United States would be able to deter further North Korean attacks against South Korea would be raised during the election campaign and could provoke significant controversy.

Another Korean noted that a recent poll conducted by Chosun TV showed that more than 20% of South Koreans supported nuclear armament.

An American scholar asked about Chinese and Russian influence on North Korea. Would another North Korean nuclear test be in China's interest?

A Korean responded that, while China was rhetorically opposed to North Korea's nuclear weapons program, it seemed very reluctant to press Pyongyang to end it. Even in

the case of a third nuclear test, China would be unlikely to act forcefully.

An American raised the issues of policy preparation and responses to future provocations. Prioritization, rather than simply listing possibilities, was important. For example, was enhancing its military capability more important to North Korea than influencing elections in South Korea?

A Korean expert said that the economic package included in President Lee's proposed "grand bargain" would not induce North Korea to give up its nuclear weapons. In the past, South Korea had given the North economic help, to little effect. For example, from 1991 to 2008, South Korea's two successive progressive governments had initiated cooperative assistance efforts with North Korea, but Pyongyang had continued to work on its nuclear program.

An American noted that many experts had focused on foreign influences on North Korean behavior, but North Korea probably did many things for its own domestic reasons rather than, for example, trying to influence election politics in South Korea.

Another American commented that most experts now believed that North Korea had had nuclear weapons since at least 2003, and neither the United States nor South Korea had been able to stop it. The situation had gotten progressively worse since 2003 because American emphasis had been placed on denuclearization. Rather than seeking immediate denuclearization, the policy goal for now should be preventing the situation from getting worse, while retaining complete denuclearization as the ultimate goal.

Asked by a Korean if the United States and China consulted closely about North Korea, an American said that some discussions had taken place but no common understanding had been reached. China did wish to prevent the situation from getting worse. If the situation continued to deteriorate, one hypothetical option would be destroying key components of North Korea's nuclear facilities.

II THE ROK-U.S. ALLIANCE

A Korean expert began the second session by noting the excellent state of the ROK-U.S. alliance, including the close personal relationship between President Barack Obama and President Lee Myung-bak. Prospects for the relationship overall were good, but a few areas of potential concern existed. In Korea, public opinion was swinging strongly toward the left, as could be seen in the Seoul mayoral election that the opposition candidate had won by a significant margin. This suggested the possibility of the left returning to power in the elections in 2012.

The Korean expert commented that the ruling Grand National Party (GNP)'s likely candidate, Madam Park Geun-hye, was not unpopular, but public disenchantment with the ruling party and the government was strong. Some had suggested that the GNP should change its name to its improve its image. The public was especially dissatisfied with growing economic inequality. There were also grievances stemming from the high cost of education and housing as well as the high unemployment rate. The media had highlighted such grievances, exacerbating the polarization of public opinion.

The expert noted the emergence of the Unified Progressive Party. While a minor party, its aims included abolishing the National Security Law, the complete withdrawal of U.S. forces, the dismantlement of the alliance, and the conclusion of a peace treaty

with North Korea. Other positions included free medical care, free education, and the establishment of a universal welfare system. In an apparent reference to the Korea-U.S. Free Trade Agreement (KORUS FTA), the party was also demanding that "unfair agreements ought to be revised or dismantled." It argued that Korea should shift its economic focus from exports to domestic consumption.

To prepare for the possibility that the GNP might lose the Korean elections, the Korean expert urged both countries to establish and strengthen six types of institutional links to sustain the alliance. First, while the KORUS FTA had already been ratified in South Korea, the two governments needed to accelerate the pace of its implementation. Second, in their ongoing negotiations, the two countries needed to update the 40-year-old bilateral Nuclear Cooperation Agreement to reflect the fact that South Korea had become a major nuclear energy power. South Korea's dependence on nuclear energy was already about 29%, and it would increase to about 60% by 2030. Among the many factors that the United States should take into account was South Korea's need to find a suitable method for dealing with its spent fuel. Third, the United States needed to allow South Korea to extend the range and payload of its missiles to cover more of North Korean territory. Although the United States had agreed in 2001 to South Korea increasing its limits to 300 km and 500 kg, respectively, North Korea had in the meantime greatly increased the range and payload of its missiles. Fourth, the ROK-U.S. Combined Forces Command (CFC) should not be dismantled as planned in 2015. CFC was probably the world's best system of joint military command between two allies, and any replacement would not be as effective. Fifth, if the opposition won the Korean presidential election, the planned relocation of U.S. forces to Pyeongtaek could be stalled; measures needed to be taken now to ensure its implementation. Sixth, the two countries needed to establish missile defense (MD) links. MD links would also serve to involve Japan.

An American expert made a presentation on U.S.-ROK alliance management, strategic issues, and the future of the alliance. He said it was important to distinguish between the alliance and the overall bilateral relationship. The form and content of the alliance might undergo many changes in the future depending on the challenges the two countries faced, but the overall U.S.-Korea relationship would undoubtedly remain very important to both countries.

The American acknowledged the deeply divided nature of South Korean domestic politics, which was evident even from the United States. U.S. domestic politics typically did not have a great effect on the alliance because the alliance was not controversial among Americans. In South Korea, however, attitudes toward the alliance were part of domestic divisions.

More broadly, the American suggested, the U.S.-South Korea relationship was related to a number of other issues, including the rise of China and Korea's relations with Japan. Korea was a trading nation and China was its largest trading partner, but Korea's most important military relationship was with the United States. Would South Korea's strategic position remain unchanged in the face of such an apparent contradiction?

The American said he had conducted research into problems that might arise with or after unification. It was clear there would be a number of issues on which the United States and Korea would need to coordinate much more closely than they had so far. For example, as the case of Libya had demonstrated, it was not a simple matter to decide when

to acknowledge that one regime had fallen and another had taken its place. South Korea would feel the most pressure to acknowledge regime change early on; nations such as the United States and China were more likely to be slower to do so. Another area where alliance coordination would be needed but difficulties would likely emerge was transitional justice. As Iraq postwar planning suggested, there could be debate as to whether to establish a proper legal framework first or simply root out collaborators.

Another American began the discussion by noting that the United States was facing tremendous budget pressures, which might make it more difficult for the United States to maintain its forward presence throughout the world. What might the implications be for the security of Korea and Japan, and for their relationship with the United States? Meanwhile, South Korea faced troop reductions due to its declining fertility rate. His modeling indicated that Korea's army of about 560,000 troops in 2000 would decline to at least 350,000 by 2025. What would be the implications on Korea's security?

Another American asked if the Yeonpyeong and *Cheonan* attacks suggested that South Korea was unable to properly defend itself. What were the recommendations of the South Korean military reform commission and the implications for the U.S.-ROK military alliance? Another American noted efforts to strengthen defense of the Northwest Islands against future provocations, including by significantly increasing the number of Korean Marines in the area.

A Korean responded that the Korean government had decided to undertake the most drastic military reform since the founding of the Republic of Korea. The previous military reform plan, developed under the Roh Moo-hyun administration, would have reduced the number of Korea's uniformed personnel by half while focusing on modernizing South Korea's weaponry. The plan was unrealistic because it did not anticipate the possibility of large-scale conflict with North Korea, due to assumptions based on the late President Kim Dae-jung's Sunshine Policy.

President Lee Myung-bak had thus instructed that the new reform plan should be more realistic. A team of 15 experts had enumerated 71 reform projects, while the defense minister had added two more, for a total of 73 reforms. The most important dealt with South Korea's doctrinal stance toward North Korea's provocations. In the past, South Korea had upheld a policy of "defense by denial." That would be replaced by "proactive deterrence," which aimed to discourage North Korean provocations by the threat of retaliation from South Korea. South Korea needed to bolster its precision attack capabilities to ensure the effectiveness of proactive deterrence. New legislation was required, but the opposition party was reluctant to support it.

Another major area of reform involved the command structure. All of the commands would be combined, and authority and responsibility would be delegated to lower echelons to speed up the response to contingencies. By 2015, the Combined Forces Command would be replaced by separate U.S. and South Korean commands. To ensure that communication between the two commands would be effective, research was being conducted into the experience of the separate U.S. and Japanese military commands in Japan.

Regarding U.S. budget constraints and the possibility of a reduced forward military presence, a Korean asked if priorities had been set for U.S. defense cuts. An American responded that many decisions had yet to be made, but there was considerable pressure to reduce the U.S. forward military presence globally.

An American asked about South Korean public support for the presence of U.S. forces in South Korea. A Korean responded that the public was less concerned with the fact of the U.S. presence than with USFK's contribution to South Korea's security. Public opinion polls consistently showed that a majority of Koreans felt that the United States was making a positive contribution.

An American asked why South Korea was reluctant to pursue closer cooperation bilaterally with Japan and trilaterally including the United States. Would trilateralization benefit the U.S.-ROK alliance?

A Korean responded that both Koreans and Japanese knew, in their heads, that increased security cooperation would be mutually beneficial. In their hearts, however, the South Korean public remained reluctant to accept Japan due to deep-seated historical issues. Even in Japan, politicians feared they might lose public support if they pursued closer security cooperation with South Korea. That said, beneath the surface, closer cooperation was taking place among officials, in what has been called a "virtual alliance."

An American said he believed that Korea-Japan cooperation was actually less than it had been a decade ago, when the need for cooperation had been heightened due to the perception that North Korea might collapse. Now, with all its domestic problems, Tokyo was unlikely to increase security cooperation with Seoul.

A Korean returned to the subject of the upcoming Nuclear Security Summit in Seoul. He stated that issues related to North Korea's nuclear weapons would not be put on the agenda, because the United States argued they were proliferation and not nuclear security matters. He expressed concern that this position might result in the public and opposition party criticizing the Lee Myung-bak government for allegedly being solely focused on the U.S. agenda, i.e., nuclear security.

With respect to the U.S. posture in South Korea, the Korean commented that the United States was now facing the dual challenge of a rising China and increasing budgetary constraints. While the United States was wrapping up its efforts in Afghanistan and Iraq, that did not mean that those forces could be easily allocated to Asia. Rather, the United States would probably try to bolster its air and naval forces while reducing its ground forces, including on the Korean Peninsula.

Returning to the issue of the range and payload of South Korea's missiles, an American noted that U.S. reluctance to agree to looser limits was due in part to the U.S. commitment to the Missile Technology Control Regime. A Korean responded that the U.S. position had caused the South Korean public to question whether the United States was really South Korea's partner.

Regarding the impact of upcoming Korean elections on the U.S.-ROK alliance, an American noted that a progressive government in Seoul might test the alliance. Changes of government in both countries always brought uncertainties, and the election of a progressive president in Seoul and a conservative in Washington in particular might mean increased mutual misperceptions. Nevertheless, historically, the alliance had remained strong even when progressives occupied the Blue House.

Another American said that U.S-Korean relations could be entering a more turbulent period, as U.S. domestic politics had become increasingly polarized and as the United States faced long-term economic challenges. At the same time, there were also some positive factors, including the U.S. strategic pivot to East Asia, which might contribute to

a strengthening of U.S.-Korean relations.

A Korean suggested that the United States and Korea should coordinate more to prepare for a possible third North Korean nuclear test, including possible South Korean retaliation. An American said that the Lee Myung-bak government's halting of aid to North Korea had prevented Pyongyang from covering up its systemic failure, reducing the likelihood of another nuclear test. Only regime change would end North Korea's nuclear weapons program; regime change would eventually occur because North Korea was no longer able to cover up the failure of its system. A Korean agreed and asked whether such a view was widely held by Americans. An American said most Americans oppose providing economic aid to North Korea.

Another American underscored the depth of the Korea-U.S. relationship but suggested that caution was warranted about retaliation against North Korea. Decisions about North Korea must take into account the larger global agendas of both South Korea and the United States. Another American agreed.

III ISSUES IN NORTHEAST ASIA

A Korean expert began the session with a presentation on the relationship between South Korean domestic politics and foreign policy. Reviewing the history of Korean presidential elections, he noted that in 1992 the presidential contenders had been Kim Young Sam for the conservatives and Kim Dae-jung for the progressive left. The decisive factor in that election was the regional division between the Kyongsang and Cholla provinces, which led to Kim Young Sam's victory.

In 1997, the presidential candidates were Kim Dae-jung and, for the conservatives, Lee Hoi-chang. The decisive factor was the Asian financial crisis, which made the incumbent conservatives appear incompetent. Kim Dae-jung was elected, in the first full-fledged transfer of power to the opposition in the history of the Republic of Korea.

In 2002, Roh Moo-hyun ran for the progressives against Lee Hoi-chang. The major issue was the accidental killing of two female Korean students by U.S. soldiers in a traffic accident during a military exercise. The left used the resulting increase in anti-American sentiment to ensure Roh's election.

In 2007, the candidates were Lee Myung-bak for the conservatives and Chung Dong-young for the progressives. The key issue was the perceived incompetence of the Roh administration in managing the economy. Lee won by the largest vote margin in Korean presidential election history.

The expert suggested that key factors in the 2012 presidential election would be the popular evaluation of President Lee's term in office and anti-American sentiment stemming from ratification of the KORUS FTA.

The expert discussed instances in which foreign policy was a conspicuous issue in presidential campaigns. In 1997, due to the Asian financial crisis, international economic policy was a major issue. In 2002, Korea's policy toward the United States was a key issue, including demands for a revision of the Status of Forces Agreement (SOFA) and perceptions of U.S. encroachment on South Korea's sovereignty. Progressives had also argued that the United States was an obstacle to the improvement of relations between the two Koreas.

Reviewing the scholarly literature, the Korean expert outlined four key areas dividing

progressives and conservatives. First was the priority attached to the alliance with the United States. Progressives tended to favor a policy of self-reliance and inter-Korean reconciliation, and believed that the United States and the alliance had had a rather negative impact on their efforts to ensure peace on the Korean Peninsula. Conservatives, on the other hand, regarded the U.S.-ROK alliance as essential to deter North Korea.

The second division was about the impact of the U.S.-ROK alliance on South Korea's relations with neighboring countries. Progressives felt that the alliance was having a negative impact on the ROK-China relationship. They tended to view China as a more important partner over the long term than the United States and wanted the ROK to "balance" the United States and China, and China and Japan. Conservatives, however, supported what they regarded as already being a virtual trilateral alliance among the United States, South Korea, and Japan, mediated by the United States. They felt that the ROK-U.S. alliance bolstered Korea's diplomatic capability and did not view the alliance as an obstacle to good ROK-China relations.

Third, progressives believed that U.S. forces were stationed in Korea primarily to protect U.S. interests, including hegemony in the Asia-Pacific region, while conservatives did not view the United States as imperialistic and believed that USFK was critical to South Korea's security.

Fourth, progressives felt that the United States exaggerated the threats posed by North Korea and that President Lee's hard-line policy had gratuitously raised tensions with North Korea, contributing to its attacks on the South in 2010. Conservatives, however, perceived a clear and present threat from North Korea, and contended there was no alternative to the maintenance of the U.S.-ROK alliance.

An American expert made a presentation on recent developments that had had a significant impact on regional security and on the United States. The most obvious was China's increasing power. A year ago, China had seemed to be moving toward a more assertive diplomacy. Apparently, however, it realized that that would undermine its effort to portray its rise as peaceful and alarm its neighbors. China had since returned to its former approach. For example, it was developing a code of conduct with Southeast Asia, providing greater supervision over North Korea, and responding with restraint to U.S. arm sales to Taiwan. China was thus provoking less immediate security concerns than last year.

The American noted that North Korea had not engaged in provocations around the Northern Limit Line in 2011 and was unlikely to do so in 2012. South Korea had clearly threatened to retaliate if it did so, and China seemed to be working harder to restrain the regime. North Korea itself had expressed interest in engaging the United States and South Korea. Moreover, with improving prospects for the progressives in the South Korean elections in 2012, it was in North Korea's interest not to take actions that might inadvertently help the conservatives.

Nevertheless, the American continued, there was been no evidence North Korea was willing to relinquish its nuclear weapons capability. Nor did China seem to be pressing it hard to do so. North Korea's strategy was unchanged: it sought to buy time to augment its capabilities.

The American noted that tensions in the Japan-U.S. alliance had eased over the past year as China stepped up its maritime presence in the region and in light of American military assistance in response to the tsunami and Fukushima Daiichi nuclear disaster.

U.S. base issues on Okinawa had been put on the back burner, but eventually these had to be resolved. In the meantime, the risk of another major accident or incident involving U.S. forces on Okinawa remained. Even though Japan's security establishment was very warily observing China's steady increase in power, Japan's defense budget was continuing to decline, as it had for a decade. Korea-Japan security cooperation had also seen little improvement.

The Yeonpyeong shelling had revealed serious shortcomings in South Korean deterrence and preparedness to deal with limited conventional threats from North Korea, the American continued. Deficiencies included command arrangements, rules of engagement, and training and equipment for troops deployed in the Northwest Islands. Fortunately, some of the deficiencies had been addressed. U.S.-Korea bilateral relations remained strong. South Korea's military capabilities, however, were more constrained by South Korea's declining birthrate and lower budgets than were anticipated when the 2020 defense reform plan was formulated.

The Taiwan Strait was more stable than it had been in half a century due to improved relations between Taiwan and the mainland, which had hastened the integration of the economies. However, the negotiations had yet to touch on sensitive political issues.

The American expert addressed the U.S. "pivot" toward the Asia-Pacific region, which, he noted, had actually been underway for some time. For example, the United States had ceased being a mere observer of regional activities. It was seeking to revitalize APEC; it had joined the East Asia Summit; and it was trying to use the ASEAN Regional Forum to enlist Southeast Asian countries and others in challenging China's conduct in maritime Asia. The United States had also expanded naval exercises in the region with a host of countries; it had announced the deployment of a small detachment of Marines to Northern Australia; it was promoting plans to base a small number of littoral combat ships in Singapore; and it was insisting that cuts in the Pentagon defense budget would not affect the U.S. position in the region. The U.S. had also ratified the KORUS FTA and was touting the Trans-Pacific Partnership (TPP) as a means of cooperation with a larger number of Asian countries. Finally, the United States was making an effort to engage Myanmar, which had been dependent on China.

The American said that upcoming elections in the region, especially in South Korea and Taiwan, could have an important impact on the region. If the opposition won, it could pose significant challenges for U.S. management of relations with those countries.

The American highlighted issues of concern to the United States. First, China was building a blue-water navy to enhance its capability to project power and was expanding its missile deployments and capabilities in outer space and cyberspace. Second, although many countries in the region continued to look to the United States for security assistance, China had supplanted the United States as the leading trade partner of almost every country in East Asia. As a result, most East Asia and Pacific countries would be anxious to avoid situations in which they might have to choose between their economic and their security interests. Third, while China was not a major security threat to the United States, it had become a threat to a number of Asian countries. With or without U.S. participation, Asian regional institutions had little capacity to bolster the security of member countries. Alliances in the region were also subject to change, and some were turning into ententes. Special relationships were yielding to strategic partnerships or limited cooperation within

relationships that were mainly competitive. However, the North Korean threat had made U.S.-South Korean defense cooperation an exception to the trend. Fifth, the United States was not in decline but its "unipolar moment" had passed. New powers were on the rise, and the United States faced a set of major fiscal and competitiveness challenges.

The American said that foreign policy issues would likely not be a major factor in the upcoming U.S. elections; domestic considerations, especially the economy, would take priority. However, the size and deployment of U.S. forces abroad could be controversial.

The American emphasized that avoiding a strategic rivalry with China would be a major challenge for the United States. Thus far the United States was pursuing a policy of both engagement and hedging of China. While it would need to walk a fine line between the two, strategic rivalry was not inevitable. China's growing power was impressive, but it would remain a poor country for some time and China's leaders faced extraordinarily complex domestic challenges demanding their single-minded attention. China was also bordered by many formidable countries, which were unlikely to allow encroachment.

Over the past decade, U.S. overseas commitments had grown rapidly while the resources to support them had declined, a situation that could threaten the effectiveness of U.S. foreign policy. The United States could resolve the dilemma by defining its interests in a more moderate way. The United States was serious about playing a larger role in Asia, but there were different ways of doing so, including encouraging local allies to do more themselves. The American concluded by emphasizing that finding the right balance in the way the United States performed its role in Asia would remain a challenge.

In the discussion, an American asked how South Korean progressives viewed their country's likely relationship with China over the long term. He suggested that, even though their immediate concerns might be about the United States, progressives too must be concerned that China might eventually encroach on South Korea's autonomy. A Korean expert asked how the South Korean public viewed a "rising China."

An American asked how South Korean progressives viewed South Korea as a "balancer." A Korean replied that the Roh Moo-hyun administration had proposed that South Korea should act as a balancer in East Asia but did not say which countries should be balanced. Some South Korean progressives regarded the United States as a declining power and thus favored leaning toward China. As evidence, they cited China's having surpassed the United States as Korea's largest trading partner. Conservatives disagreed with both the power assessment and the policy prescription of such progressives.

An American asked what China had done for South Korea, other than serve as a major economic partner, to lead to such views among progressives. A Korean responded that South Koreans' interest in China was not reciprocated in Beijing. Another Korean participant noted that China's attempt to exclude the kingdom of Koguryo from Korea's history had hurt China's image in Korea.

An American commented that when progressives came to power in Japan in 2009, their program had been similar in some respects to that of South Korean progressives. Only a year later, however, the first progressive Japanese prime minister was forced out. How did South Koreans interpret that? A Korean responded that Prime Minister Hatoyama's policies had indeed been strikingly similar to those of President Roh Moo-hyun. China had also not reciprocated the Hatoyama administration's interest in China. An American noted that Hatoyama's position had compromised Japan's relations with the United States and

cost him politically at home. A Korean expert observed that, with increasing experience, the Roh Moo-hyun administration had moved from anti-Americanism to concluding a free trade agreement with the United States. An American commented that public support for the alliance with the United States appeared to be much stronger in Japan than in Korea.

An American suggested that the vagueness of words such as "left," "progressive," and "liberal" could affect the interpretation of public opinion poll results. A Korean agreed, remarking that Korean newspapers' tendency to use such terminology interchangeably caused confusion. Another Korean commented that the term "left" had been tainted by identification with communism and socialism in South Korea in the first years after liberation.

An American asked how Koreans viewed the Obama administration's Asia "pivot" and how they would perceive any reduction in the U.S. forward presence in Asia. Another American asked what South Koreans saw as indicators of the strength of the U.S. presence in the region.

An American raised the strategic implications of economics. China had begun to talk about challenging the dollar and creating alternative currencies such as Special Drawing Rights (SDR) in the International Monetary Fund (IMF). The United States had held that China would gradually become a responsible stakeholder, as it had to adjust to established liberal economic institutions. However, China was attempting to use its economic power to bolster its political interests. Korea had achieved a significant amount of economic power, as evidenced by its hosting of the G-20 Summit, and thus become a dynamic player in the region.

An American noted some factors that had complicated the Obama administration's relationship with China. The United States had touted the notion of a "G2," but China had proven unwilling to cooperate on a number of issues that mattered most to the United States. Moreover, China viewed the 2008–09 financial crisis as evidence of inherent flaws in the Washington Consensus. Changes in U.S.-China relations owed a great deal to economic developments.

Returning to Japanese politics, an American said that, in fact, the traditional Japanese "left" had virtually collapsed with the end of the Cold War. Rather than a left-right confrontation today, it was two wings of the conservatives that were contending for leadership over Japan. Another American who knows former prime minister Hatoyama well commented that his Democratic Party of Japan was composed of people with many different views. Hatoyama himself was not pro-China but rather "Asianist," i.e., his focus was somewhat more on Asia and somewhat less on the United States. An American said that the lesson for Korea of what happened to the left in Japan was that progressivism as we know it in South Korea was a product of the division of the peninsula and the left-right split in Korea probably would not go away until the division of country in North and South was overcome.

Regarding China's economic power, a Korean said some Chinese officials had hinted China might use its economic leverage to constrain South Korea's diplomatic and security policies.

An American asked how South Koreans viewed the recent killing of a South Korean coast guard member by a Chinese fisherman. A Korean replied that the incident had soured bilateral relations. China needed to make a formal apology and prevent a repetition.

An American returned to the issue of the Chinese economy. Restrictions on Chinese investments in the United States were not nearly as severe as the Chinese had portrayed them. From personal experience, few Chinese investments had actually been turned down. As for China's role in the regional and global economies, the country tended to be the site for final production at the end of global supply chains, while the ultimate market for a large portion of goods remained the United States. Another American, however, noted the considerable reinvestment from China back into Korea and Japan. Regional interdependence had greatly increased over the past decade. The United States of course remained a critical market for Asia as a whole, but China was playing an ever-larger role economically as a result of its centrality in the region.

Asked by a Korean about recent changes in China's foreign policy, an American said that Chinese leaders had retreated from increased assertiveness when they saw how much damage it was doing to Chinese interests. It was of course possible that China might again become assertive, but that would prompt other states to move to counterbalance it. Another American added that some Chinese leaders might have listened too much to their own rhetoric about having surpassed Japan as the world's second-largest economy.

An American expert said that the recent unsteadiness of Chinese foreign policy suggested that China's leaders might be divided about, or unsure precisely what was in, the country's best interests. China's relationship with the rest of the region and the world could not be reduced only to balance-of-power politics or economic issues. Other factors such as identity and values were also important. If China could establish a view of itself that appealed to other states, it would likely pursue a more stable course.

PARTICIPANTS OF THE SEVENTH FORUM

KOREA

Chong, Chol Ho, Research Fellow, Department of Security, The Sejong Institute; Korea Program Coordinator for the Korea-U.S. West Coast Strategic Forum

Kim, Ho Sup, Professor, Chung-ang University; President-elect, The Korean Political Science Association (KPSA)

Kim, Jae Chang, Co-Chairman, Council on ROK-U.S. Security Studies

Kim, Sung Han, Professor, Graduate School of International Studies, Korea University; Director, Ilmin International Relations Institute (IIRI)

Kwon, Chul Hyun, Chairman of the Board, The Sejong Foundation

Lee, Jung Hun, Professor, Graduate School of International Studies, Yonsei University

Park, Yong Ok, Governor, South PyungAn Nam-do Province

Rhee, Sang Woo, President, New Asia Research Institute (NARI)

Song, Dae Sung, President, The Sejong Institute

Yoo, Se Hui, Chairman of the Board, *Daily NK*; Professor Emeritus, Hanyang University

Yu, Myung Hwan, Former Minister, Ministry of Foreign Affairs and Trade (MOFAT)

UNITED STATES

Michael H. Armacost, Shorenstein Distinguished Fellow, Shorenstein APARC, Stanford University

Bruce W. Bennett, Senior Research Fellow, RAND Corporation

Thomas Fingar, Distinguished Fellow, Shorenstein APARC, Stanford University

Siegfried Hecker, Co-Director, Center for International Security and Cooperation (CISAC), Stanford University

David Kang, Professor, University of Southern California

Joyce Lee, Research Associate, Shorenstein APARC, Stanford University

T. J. Pempel, Professor, Department of Political Science, University of California, Berkeley

Gi-Wook Shin, Director, Shorenstein APARC; and Director, Korean Studies Program, Stanford University

Daniel C. Sneider, Associate Director for Research, Shorenstein APARC, Stanford University

David Straub, Associate Director, Korean Studies Program, Shorenstein APARC; U.S. Program Coordinator for the Korea-U.S. West Coast Strategic Forum

Philip W. Yun, Executive Director & COO, Ploughshares Fund

The Walter H. Shorenstein Asia-Pacific Research Center
Freeman Spogli Institute for International Studies
Encina Hall E301
Stanford Univerity
Stanford, CA 94305-6055
http://aparc.stanford.edu