

The Fourth Korea-U.S. West Coast Strategic Forum
June 18, 2010
Bechtel Conference Center, Stanford University

Executive Summary

The fourth session of the Korea-U.S. West Coast Strategic Forum, held at Stanford University on June 18, 2010, convened former senior South Korean and American West Coast-based policymakers, scholars, and regional and functional experts to discuss North Korea, the U.S.-ROK alliance, and regional dynamics in Northeast Asia. (Participants are listed below.) Stanford University's The Walter H. Shorenstein Asia-Pacific Research Center (Shorenstein APARC) organized the Forum in association with its Korean partner, The Sejong Institute, of Seongnam, Korea. The Forum operates as a closed workshop under Chatham House Rule of confidentiality, allowing participants to engage in frank and in-depth exchanges on important and sensitive current issues. Meeting in the aftermath of the March 26 sinking of the South Korean naval ship Cheonan, Forum participants focused on developments in North Korea, how the U.S.-ROK alliance should respond to North Korean challenges, and the role of China vis-à-vis the Korean Peninsula and the Northeast Asia region.

Participants were in consensus that North Korea was responsible for the sinking of the Cheonan. Opinions varied as to North Korea's motivations, including some combination of a desire to obtain revenge for earlier North-South clashes in the West (Yellow) Sea and "punish" South Korean President Lee Myung-bak's administration for its North Korea policy, underline North Korea's demand to drop the Northern Limit Line, and bolster the standing of Kim Jong Il and his family inside North Korea as a process is underway there to install Kim's third son as his eventual successor. Most participants agreed that the United Nations Security Council should take a clear stand on the Cheonan but believed China's reluctance would result in a weakened response. Most participants continue to support the Six Party Talks as a forum for dealing with North Korea but many expressed increased scepticism about the usefulness of the talks. Many participants expressed concern that North Korea might engage in further provocations in coming months, not only along the NLL but also in the air or along the Demilitarized Zone.

American experts provided updates on North Korea's nuclear weapons and long-range missile programs, and predicted additional tests of both in the coming year or so. Some Americans recommended that the United States prioritize efforts to induce North Korea not to produce more or better nuclear devices, nor engage in nuclear proliferation, while still working toward North Korea's eventually abandoning its nuclear weapons program altogether.

Participants agreed that the Lee and Obama administrations are in close alignment on North Korea policy and cooperating well. Most supported their policies, but some participants noted that the prospects are not good that North Korea will respond as the United States and South Korea wish. Some American participants urged that

consideration be given to a more flexible approach due to the dangers of escalation, as North Korea's internal situation remains unclear. Participants also discussed the controversy within South Korea over the Cheonan; some American participants noted that the election of a progressive as president in South Korea in December 2012 would result in a different South Korean approach toward North Korea and pose a challenge to U.S. policy toward Pyongyang.

Participants discussed internal developments in North Korea, especially the ongoing succession process. The promotion of Kim Jong Il's brother-in-law to vice chairman of the National Defense Commission was seen as a response to Kim's ill health and in preparation for Jang serving as "regent" if Kim passes from the scene before Kim's third son is fully ready for leadership. A Korean expert reported that the North Korean economy continues to suffer, in part because of Pyongyang's efforts last year to rein in free markets. Increasing political and economic difficulties have prompted the North Korean leadership to rely more heavily on PRC support, as reflected in Kim Jong Il's recent visit to China.

Participants agreed that the U.S.-ROK alliance remains strong. Many South Korean participants urged a lengthy, or even indefinite, postponement of the April 2012 transfer of wartime operational control (OPCON) over South Korean forces to South Korea. They supported their call with numerous arguments, especially the need to ensure deterrence in the wake of the Cheonan incident and North Korea's continuing nuclear and long-range missile development, belated South Korean progress in achieving the capabilities to replace certain U.S. military roles, and ensuring the most efficient possible response if North Korea initiates hostilities. Some South Koreans also urged the United States to agree to South Korea's extending the range of its missiles from 300 to 1,000 kilometers in response to North Korea's missile program, and to South Korea's use of pyroprocessing to deal with its spent nuclear power plant waste. An American participant expressed scepticism about the need to postpone the OPCON transfer, and predicted controversy within South Korea, especially if an indefinite postponement occurs.

Discussion of regional dynamics focussed on China, including its internal situation and its stance toward the Korean Peninsula. An American expert underlined that China's dramatic economic growth was only part of the picture; the PRC faced enormous political, economic, ethnic, and social problems as it sought to avoid being the first country in the world to become an aged society before becoming a developed one. In regard to the PRC's North Korea policy, many Korean and American participants expressed understanding of the PRC's concern about preserving stability on its border but frustration it was not willing to respond firmly in the case of North Korean provocations such as the Cheonan attack. Participants noted the continuing debate with Chinese society about North Korea and PRC policy toward it, but were not optimistic that the PRC would soon change its approach. Several Korean participants noted the difficulties that South Korea will face over the long term as it is situated between its American ally and an increasingly powerful and confident PRC. Participants also discussed Japan, and many expressed the hope that the new cabinet in Japan will contribute to smoother relations between Washington and Tokyo.

Session 1: North Korea

An American expert began the session with an update on North Korea's nuclear and missile programs. He assessed that North Korea has roughly enough plutonium to construct 4-8 nuclear devices. Plutonium production, however, has come to a standstill in North Korea. The Yongbyon reactor is not operational, and the North Koreans have already reprocessed their last batch of spent fuel. Reconstruction of the cooling tower and preparing fuel for the reactor would require at least six months.

While North Korea clearly has nuclear devices, the American expert said, their sophistication is low. North Korea has conducted only two tests of nuclear devices, one only partially successful, one more so. North Korea has yet to master the art of making nuclear weapons so as to miniaturize them for placement on a missile. Any delivery therefore would have to take place via less sophisticated means such as airplanes or ships. To miniaturize a nuclear device, the American expert said, a third test is needed. This would not only provide further scientific feedback for nuclear development but would bolster the regime politically. A third test would convince speculative North Korean military generals that the scientific development of the state's nuclear arsenal is indeed progressing. He thus assessed that a third nuclear test is likely. He dismissed North Korean claims of having developed nuclear fusion technology.

The American expert said that North Korea has been pursuing uranium enrichment technology for a decade or more. Since plutonium is the fissile material of choice to make nuclear weapons in advanced countries, North Korea began its uranium enrichment program primarily as a hedge. After long denying even having a program, the North Koreans recently announced they have a program and have successfully enriched uranium. In actuality, the North Koreans are most likely still in a research-and-development phase. Enriching uranium is a daunting engineering challenge; North Korea would be likelier to develop the capability if it collaborates with states such as Iran that have made significant advances.

The American expert outlined three threats posed by continued North Korean nuclear weapons development. First, the mere fact that North Korea has nuclear devices increases instability in the region, even though North Korea is unlikely to launch an attack with nuclear weapons. Second and most worrisome is the possibility of North Korea's collaboration with states such as Iran to export its nuclear technologies (for example, it is clear that North Korea built a plutonium-producing reactor for Syria – one that Israel destroyed in 2007). Because North Korea has already conducted two tests of nuclear devices, Iran might be able to piggyback on North Korean technological advances. An Iran with working nuclear weapons would be a much more dangerous threat than North Korea having nuclear bombs. Third, there is always the possibility for miscalculations or accidents in working on nuclear devices, and the state of nuclear safety in North Korea leaves much to be desired. He recommended that the United States pursue a policy of "3 No's" in regard to North Korea's nuclear program, i.e., it should give priority to ensuring that North Korea engages in no further export of nuclear technology, no production of

more bombs, and no better bombs—all while trying to induce North Korea eventually to abandon its nuclear weapons program entirely.

Asked if the Six-Party Talks would be a sufficient framework to pursue a “3 No’s” strategy, the American expert replied that it is a necessary but not sufficient forum in the pursuit of a denuclearized Korean Peninsula. The ultimate goal must be total denuclearization of North Korea, because peace and stability depend on it. If, however, denuclearization is made the first priority, no progress is likely, and North Korea will continue to export its nuclear technologies. This most dangerous scenario must be addressed first. The 3 No’s, particularly no exporting, must be prioritized while working toward eventual complete denuclearization.

A Korean expert discussed four major issues regarding North Korea. First, the succession process is proceeding, shown clearly by the recent appointment of Kim Jong Il’s brother-in-law Jang Song-Taek as a vice chairman of the National Defense Commission. This is basically a promotion to the “number two” spot in the hierarchy. While Kim Jong Il’s intention is for his third son, Kim Jong-un, to succeed him, Jang is being positioned as a regent until the very young Jong-un is able to develop the experience and capacity to take power. This will most significantly dissuade the military from taking over after Kim Jong Il leaves the stage.

Second, the Korean expert highly evaluated the investigative report on the torpedo attack on the South Korean vessel Cheonan. Because, however, two permanent members of the UN Security Council continue to express uncertainty about the incident, UNSC action may be limited. The ROK will most likely impose its own sanctions against the North.

Third, North Korea continues to suffer economically. Last year’s currency devaluation wreaked havoc on price stability and contributed to increasing popular discontent over economic hardships. It raised questions as to why such a policy was ever invoked, but it appears to have been a desperate crackdown on black markets and other uncontrolled economic activities. The country is experiencing another food shortage, due to the ban on private markets, malfunctioning of the public distribution system, hyperinflation following the currency devaluation, and a steep decline in the international food aid.

Fourth, the Korean presenter discussed the significance of Kim Jong Il’s visit to China in May. It was the largest North Korean delegation ever to visit China. Kim visited Dalian and Tianjin, both models for the success of Chinese economic reforms. As inter-Korean relations have frayed in recent months, the North Koreans appear to be focusing more attention on China. Chinese President Hu Jintao made a series of proposals including deepening economic cooperation and fostering regular exchanges, both of which are vital to North Korea’s survival.

Another American expert called current U.S.-DPRK relations a sort of “new cold war” as the United States deals with the country in terms of the balance of power and deterrence. This, he said, is not necessarily a bad thing at this point. Every player knows how to do it well, and it works for every country in the region. For its part, the United States is not in

a position to risk political capital by offering more inducements to North Korea. The current policy also benefits the U.S.-ROK alliance, especially in light of the recent Cheonan attack. Meanwhile, North Korea can claim that the current situation proves that the United States and its allies could never be trusted and that its own belligerence was therefore justified. China can focus attention on other pending issues. The disadvantage of the current situation is that it only manages the problems; it does not resolve them.

The American expert predicted that Korea would eventually be unified, although it is not possible to predict when. It is essential to consider the non-military aspects of what unification would entail, especially how to successfully integrate 23 million North Koreans into a modern society. Korean unification should not be compared to the unification of Germany; it will be much more comparable to cases where civil and ethnic conflict are involved, for example, South Africa or Rwanda. Last year's currency reforms may have failed in many ways but they can also be seen as a political success for the regime in terms of reasserting control over private economic activities. That the regime felt obliged to do so indicates it may be more vulnerable than many might have thought to the destabilizing effects of marketization.

In the ensuing discussion, an American asserted it is striking how many South Koreans doubt or deny the DPRK's responsibility for the Cheonan's sinking. A Korean participant responded that the South Korea government knew immediately that the DPRK was the culprit. It was critically important, however, that this be proven to the international community, thus the government's sponsorship of a methodical international investigation. South Korea is still divided deeply along partisan lines, and a certain percentage of South Koreans will tend to defend North Korea even in the face of clear evidence.

An American said it appeared that North Korea sank the Cheonan to punish the administration of President Lee Myung-bak for its policy toward North Korea. The regime was angry with President Lee for not reaffirming his predecessor's 2007 agreements. North Korea is well aware of the ideological split that defines domestic South Korean politics and probably foresaw that the attack would deepen the division between progressives (who were already critical of President Lee's North Korea policy) and conservatives in the South. The situation now is dangerous. History has shown that the North Koreans respond to pressure with more pressure.

An American expert on naval and missile affairs said he strongly believes that North Korea attacked the Cheonan, probably to get revenge on South Korea for previous clashes in the Yellow Sea and also to strengthen the North Korean military's position within North Korea. He noted, however, that a photograph that the ROK investigative team showed of the torpedo that was said to have sunk the Cheonan, appears to be incorrect. He said that China is focused on stability on the Korean Peninsula. China is supporting North Korea economically because it fears the country is fragile.

Another American noted that the North Korean attack on the Cheonan was the first such attack since North Korea developed nuclear devices. He also noted that North Korea's

provocations now seem directed against South Korea. Another American suggested that North Korea attacked the Cheonan for several reasons, including to punish the Lee Myung-bak administration and to obtain more aid by intimidating the South. Regarding some South Koreans' rejection of the ROK investigative report, this is more the result of national identity issues than of politics.

A Korean participant said he was greatly disillusioned by PRC Premier Wen's visit to Pyongyang last year after the second North Korean nuclear test. The PRC sees North Korea as part of its global strategy vis-à-vis the United States. It regards North Korea as an ally by instinct and by training. He said that the North Korean attack on the Cheonan was purely for revenge, as the North had been bested in three earlier clashes with the South in the Yellow Sea in the past decade.

Another Korean agreed that the Cheonan attack was for revenge. The ROK must be prepared for further North Korean attacks this summer. Top Chinese officials seem firm in their support for North Korea. South Koreans have become very pessimistic about the Six Party Talks, even though they are an important consultative mechanism.

Another Korean participant said that the divergent North Korean and PRC reports of Kim Jong Il's recent visit to the PRC are worth noting. The Chinese version says that China and North Korea should coordinate more not only on foreign policy but also on domestic policy.

A Korean participant expressed concern that North Korea may conduct a third nuclear test before long. North Korea issued a statement that it has developed nuclear fusion technology, which raises the possibility that the regime may test a fusion device. The succession in North Korea may proceed more smoothly than many have anticipated. President Lee's "grand bargain" policy toward North Korea is practical, because, although it puts everything on the table at once, implementation would be step by step.

Session 2: The U.S.-ROK Alliance

A Korean expert said that North Korea attacked this time at sea, but in future it may also attack on the land or in the air. In any event, it will likely continue to use low-tech asymmetric forces. Undoubtedly, he said, U.S. support is essential to stabilize the situation. However, the most appropriate route to increased security for South Korea at this moment is to give higher priority to the immediate Northern threat while unilaterally strengthening South Korea's independent deterrence capabilities. For example, all South Korean ships need to be equipped with anti-submarine surveillance capabilities. To deter another North Korean provocation, the ROK must also seek China's support. As long as Chinese opinion remains unchanged, efforts to deter North Korea and induce it to denuclearize will not succeed.

The Korean participant strongly recommended U.S. support for three changes. First, the United States must agree to allow South Korea to expand its missile range from the current 300 to 1,000 kilometers, which would allow South Korea to cover every corner of

the peninsula. Second, the transfer of wartime operational command (OPCON) over South Korean forces to South Korea, scheduled for 2012, must be postponed. Third, the U.S.-ROK atomic energy cooperation agreement, which must be renegotiated in 2014, must be amended to allow South Korea to engage in pyro processing to deal with its snowballing nuclear waste problem.

An American participant said that U.S.-ROK relations have truly never been better, thanks to the personal “chemistry” between the two presidents and their common perspective on North Korea. He noted, however, that there are several problems or potential problems. The United States is profoundly committed to the security of the Republic of Korea but is strategically overextended in the Middle East and South Asia. For domestic political reasons, the Obama administration has not yet moved to obtain Congressional approval of the U.S.-ROK Free Trade Agreement (KORUS FTA). Finally, the Obama administration’s North Korea policy depends on having a conservative in the Blue House, which could change with the election of December 2012. The OPCON transfer should not be delayed, since the South Korean military is capable of taking primary responsibility for the ROK’s security. Re-opening the issue will spark domestic political controversy in South Korea over the alliance.

Another American participant said it is important that the United States not write off the progressives and the younger generation in South Korea, whose views do not accord with those of conservatives. The recent local elections in South Korea demonstrated that progressives remain a force there. A South Korean professor responded that there are significant differences within the younger generation. Those who studied in the 1980s have strongly progressive views, while those of the 1990s are inward-looking and those of the 2000s have little interest in current events.

A Korean participant agreed with his Korean colleague that OPCON transfer should be delayed. Otherwise, the U.S. commitment to the ROK would be weakened; U.S. augmentation of its forces on the peninsula in the event of hostilities would become more difficult; and current war plans would have to be changed. Another American responded that the risk of actual war on the Korean peninsula is very low. Therefore, the decision to transfer or postpone transfer of OPCON should be based on its effect on deterrence.

Session Three: Regional Dynamics

An American participant discussed the role of China and its relations with the major regional powers. While China is indeed increasing its influence and stake in the region, there are significant limitations to China’s power and influence. These limitations stem primarily from China’s domestic challenges, such as economic inequality, poverty, corruption, unemployment, worker unrest, ethnic tensions, and the party’s lack of legitimacy. Given the need, above all, to maintain robust economic growth if the party is to retain power, the notion of China as the new superpower needs to be seen more in terms of a “fragile superpower.”

The American said that the Cheonan incident underscores the continuing threat to stability in the region. Chinese policy elites are clearly unhappy with Kim Jong Il and the North Korean regime, and they have asked whether, under current circumstances, North Korea is more of a strategic liability than a strategic asset. However, the political and economic costs of further destabilizing North Korea, if China were indeed to support sanctions, outweigh the policy elites' scepticism about the North. As the situation is now, Beijing regards it in its interests to continue its strategic and economic relationships with the DPRK.

The American said there is hope for an improvement in U.S.-Japanese relations as the new DPJ government remains committed to the alliance. If Japan can also develop a more positive relationship with China, regional stability will be enhanced. Japanese policy elites have complex views of China, and their desire for strengthened ties with China is in part to address the rise (and potential threat) of China. In this sense, the alliance with the U.S. becomes more important to Japan. However, there are still many issues in U.S.-Japanese relations. The Okinawa base issue remains, but, more fundamentally, the U.S. and Japan must agree on the nature and roles of the alliance for the new century and build political support for the new vision.

The American said that China's relations with the ROK are being tested in the aftermath of the Cheonan sinking. However, a significant portion of the South Korean public does not support President Lee's tough approach to North Korea, suggesting that the damage in terms of Sino-ROK relations is perhaps less than initially believed. The United States and South Korea also need to keep in mind that the less economic contact there is between the North and South, the greater the opportunity for China to fill in the gap.

The ensuing discussion centered on China's role in the region, including the PRC's likely attitude in the UNSC discussions about the Cheonan sinking. A Korean said that South Koreans are aware that the China factor is key to any South Korean long-term approach for dealing with North Korea. An American said that it is necessary to discuss the Cheonan incident at the UN Security Council, but we should not be too disappointed if the outcome is not as strong as we hope. South Korea's own actions have been strong and firm. Other countries and companies throughout the world shy away from dealing with North Korea when they learn of acts such as the Cheonan sinking.

An American said that China face enormous problems, the least of which is that the newest figure is that 4/10th of the people control 75% of the country's wealth. Another American said that the long-term question is how Korea will fit into China's thinking about the United States. The PRC is not eager to have a unified Korea. Also, how will South Korea position itself between the United States and China when it must work with both? China could have enormous problems and still be very influential.

Another American commented on the perception of many Americans that the North Korean problem will only be solved with Chinese collaboration. He was pessimistic: as a rational actor, China will want to see a North Korea that is nuclear-free, pro-China, and

stable. China has been vacillating between two extremes: thinking of North Korea as a strategic asset and as a strategic liability.

A Korean said it is important but very difficult to maintain a smooth triangular relationship among the ROK, the U.S., and China. If the ROK were to remain in the middle, could the United States trust South Korea? Three other Koreans agreed. An American responded that it is important to factor Japan into the equation as well. Another American diplomat said that the Japanese have been rethinking their policies and roles in the post-Cold War period. For instance, Japan has modified its ban against the export of military technology to the United States, and it has dispatched forces to Iraq. The policies of greatest sensitivity to other countries in the region remain in place, however, including the no nuclear principles, the limit on no more than 1% of GDP for defense spending, and the ban on offensive systems.

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