

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

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Bechtel Conference Center, Stanford University



세종연구소



THE WALTER H. SHORENSTEIN  
ASIA-PACIFIC RESEARCH CENTER



## EXECUTIVE SUMMARY

The eighth session of the Korea-U.S. West Coast Strategic Forum was held at Stanford University on June 1, 2012. Established in 2006 and now convening semiannually alternately in Stanford and Seoul, the Forum brings together a distinguished group of South Korean (Republic of Korea, or ROK) and American scholars, experts, and former military and government officials to discuss North Korea (DPRK), the U.S.-ROK alliance, and regional dynamics in Northeast Asia. Stanford University's Walter H. Shorenstein Asia-Pacific Research Center (Shorenstein APARC) is co-organizer of the Forum in association with its partner, the Sejong Institute of Korea. The Forum operates as a closed workshop under the Chatham House Rule of individual confidentiality, allowing participants to engage in frank, in-depth discussion of current and emerging issues of importance and interest to both countries.

Participants of the eighth session focused on developments in North Korea in the aftermath of the transfer of power there to Kim Jong Il's third son, Kim Jong Un, and the challenges posed to the U.S.-ROK alliance. They reviewed North Korea's breaking of its "Leap Year" deal with the United States and its failed rocket launch, and considered the possibility of a third nuclear test by the North and how to respond to it. Most participants felt that North Korea was not prepared to give up its nuclear weapons program—indeed, Pyongyang had just revised its constitution to characterize itself as a nuclear-armed state.

Many participants felt that resolution of the North Korea problem thus depended largely on internal changes in North Korea. The people of North Korea were gradually learning more about the outside world, including through increased contact with China and through foreign CDs and DVDs. Meanwhile, the outside world was learning much more about North Korea through the information technology (IT) revolution and such tools as Google Earth. Participants discussed the need to prepare for various North Korean contingencies, including further armed provocations and chaos or even collapse.

Participants expressed general satisfaction about the strengthening of the U.S.-ROK alliance over the past five years. They discussed upcoming presidential elections in both the United States and South Korea and their possible effect on U.S.-Korean cooperation, especially in regard to North Korea. Some Korean participants predicted that South Korea's North Korea policy would change somewhat no matter who wins the upcoming

presidential election but that a progressive president would almost certainly re-introduce a variant of the Sunshine policy. Participants expressed concern about the continuing North Korean threat to South Korea, although some cautioned about an exaggerated view, arguing that North Korea's military had been greatly weakened due to its lack of an economic basis. They discussed steps that the United States and South Korea should take to strengthen defense and deterrence.

Discussion of regional dynamics again focused on China, its increasing influence, and its stance toward the Korean Peninsula. Even as East Asian nations relied more on the United States for security assistance, they relied increasingly on China for trade and none wanted to be forced to choose between the two countries. Korean participants underlined the lack of public support in South Korea for greatly increased security cooperation with Japan due to historical and territorial issues. Participants agreed that the alliance would remain vital to both the United States and the ROK in dealing not only with North Korea but in ensuring regional security.



*Participants at the Eighth Korea-U.S. West Coast Strategic Forum in Stanford, California.*

## THE EIGHTH KOREA-U.S. WEST COAST STRATEGIC FORUM

### I NORTH KOREA

An American expert opened the session by asserting that North Korea was no longer a black hole for information; windows of insight into North Korea were continuing to open as a result of the IT revolution. Sources included first-person accounts from foreign travelers to the country; North Korea's own media reports, many of which were now available online; and a number of wikis and blogs covering various aspects of the country. It was thus possible to develop a more detailed picture of some developments in North Korea by aggregating and analyzing publicly available information. For example, with publicly available images broadcast from North Korea, he and his team had used Google's SketchUp software to produce a 3-D model of the new KN08 long-range missile that North Korea paraded on April 15. The 3-D model made it possible to derive key dimensions of that missile. (Some analysts believe that some if not all of the six KN08 missiles displayed in the parade were only mock-up dummies.) Similarly, his team used commercial satellite images of North Korea, together with Google Earth, to pinpoint the sites of North Korea's two nuclear tests and its anticipated third test. The analysis provided a new, more accurate,



*Governor Yong Ok Park joins in the discussion.*

basis on which to derive estimates for the yield of the two nuclear tests so far (where estimates still range between two and seven kilotons for the 2009 test).

The American expert acknowledged that online information was sometimes incorrect and thus had to be regarded critically. Moreover, North Korean authorities were aware of such technologies as satellite photography and Google Earth and undoubtedly sometimes sought to deceive. In the case of nuclear testing, however, there were limits to deception. A nuclear test required a secure, remote site with particular geographic features. It was clear that North Korea was

now technically ready to conduct a third test. Of course, publicly available information could not reveal the timing of the next nuclear test, because that will primarily depend on a political decision by the North Korean leadership. Meanwhile, public source information about South Korea, for example, was also available to North Korea; it was almost certainly the case that North Korea knows much more about the South from such technology than the outside world knows about North Korea.

A Korean expert argued that the North Korean regime would never denuclearize. Recently, it had even revised its constitution to characterize North Korea as a nuclear-armed state. North Korea abused the Six-Party Talks, seeing the forum not as a means of denuclearization but of gaining recognition as a nuclear state. As noted in the late leader Kim Jung Il's alleged last testament, North Korea's strategy was to reduce American influence on the Korean Peninsula, especially through the withdrawal of U.S. forces from South Korea; achieve international recognition of its nuclear status; and eventually unify the peninsula on North Korean terms. In the meantime, North Korea would try to deepen divisions within South Korea, raise tensions in the West (Yellow) Sea to force a rewriting of the Northern Limit Line there, and press the United States to replace the Armistice Agreement with a peace treaty.

An American said that although North Korea might seem stable in the aftermath of its recent power transition, it was in fact a very unstable regime. Like the Soviet Union and other command economies, North Korea suffered from unresolvable political-economy contradictions. In an effort to resolve the contradictions, such regimes undertook limited reforms that could not succeed and would only lead to eventual systemic collapse. Even North Korea's increasing trade and other exchanges with China would increase instability, as they also increased the North Korean population's understanding of the reality outside of their borders. Russian scholar Andrei Lankov's call for "subversive engagement" focused,

correctly, on the corrosive effect that almost any outside contact would have on popular support for the regime. In that sense, the Sunshine policy had been the correct policy for dealing with North Korea. It was only the implementation of that policy that was flawed.

Participants agreed that detailed planning was needed for regime collapse and other North Korean contingencies, but they differed about which contingencies were likelier. Some foresaw an outright collapse of the North Korean regime; others feared that the North might actually use nuclear weapons against South Korea. Some said that the Sunshine policy had prevented regime collapse in North Korea and had given the regime the financial resources it needed to pursue nuclear weapons.

A Korean scholar questioned the premise that the North Korean regime was closely following the Soviet model and thus would collapse due to similar problems. Economically, the North was following the Soviet model, but it differed in also being nationalistic and dynastic in nature. North Korean collapse could occur on any of three levels: Kim dynasty collapse, system collapse, or state collapse (followed by its absorption by South Korea). The American expert countered that North Korea, like the USSR, was hollowing out from within; the regime was carrying out provocations to extract aid to make up for its economic and financial shortfalls stemming from systemic problems. The bottom line was that economic transformation was taking place and the regime would not be able to stop it.

An American noted that Kim Jung Il had told President Kim Dae-jung and Secretary of State Albright that he did not oppose the presence of American forces in South Korea and that, when they questioned him about North Korean government statements and media reports to the contrary, he had replied that those were only “propaganda.” A Korean replied that, in this case, the North Korean propaganda was actually truthful, and it was Kim’s statements to the foreign leaders that were “propaganda,” in the sense of being a lie.

Another American said that since North Korea could not change by itself and could not be forced to change without Chinese support for such change, the only options were to isolate the regime or increase people-to-people exchanges. North Korea was no longer as isolated as it had been in the 1990s, but additional people-to-people interaction was



*Daesung Song, president of The Sejong Institute, raises a point during a presentation.*

needed to stimulate internal change. Such contacts would also allow the outside world to understand better the attitudes in the government, party, military, and populace.

Asked why South Korea had never retaliated militarily against North Korea despite attempted assassinations of presidents and other provocations and threats over the decades, a Korean scholar replied that the U.S. military presence in Korea worked “both ways.” It not only deterred North Korea from launching a war but also checked South Korea’s ability to retaliate against provocations, as the United States feared military escalation with unpredictable consequences.

## II THE U.S.-ROK ALLIANCE

A Korean expert noted that Presidents Lee and Obama had stated that the U.S.-ROK relationship had never been better than during the past five years. Most South Koreans today understood the importance of the alliance, and anti-Americanism in South Korea was much reduced compared to a decade ago. Noting the upcoming presidential elections in the United States and South Korea, on November 6 and December 19, respectively, he expressed concern that the advent of a progressive administration in South Korea might lead to a repeat of the rise of anti-American sentiment witnessed under previous progressive governments. It was important to make South Koreans aware that the alliance served not only to enhance deterrence of North Korea but also contributed to the elevation of South Korea’s status in the world. The relationship needed to be carefully managed so that problems did not become politicized; that was especially the case for the two incoming administrations next year. Sensitive issues included allowing an increased range for South Korean missiles and the transfer of wartime operational control over South Korean forces from the United States to South Korea.



*Gi-Wook Shin and William J. Perry listen to presentations inside Encina Hall.*

Noting evolving challenges to the alliance, including the North Korean nuclear and missile threats and the effects of ROK demographic trends on its future military manpower pool, an American suggested that the ROK needed to be doing more now. We could not wait until the threats and problems were upon us. The United States had not fully comprehended the North Korean threat, not only to the ROK but also to the United States itself. The United States needed a clear strategy—whether preventive, preemptive, or responsive—for possible conflict scenarios with North Korea. In particular, policymakers needed to reassess South Korean counterstrike and nuclear and missile defense capabilities. Returning U.S. tactical nuclear weapons to South Korea might be an option. Contingencies for which preparation was needed included not only a possible North Korean invasion but also the collapse of the North Korean state. Despite a budget increase a few years ago, South Korean defense spending remained too low to deal with a North Korean collapse. In a collapse scenario, South Korean military manpower would fall very short as well, given the extremely low birth rate in Korea. At the current pace, the ROK army would be reduced to about 400,000 personnel by 2020.

Participants discussed possible challenges to the alliance as a result of the inauguration of new administrations in both countries in 2013. A number of Koreans predicted that South Korea's North Korea policy would change somewhat, no matter who won. A Korean expert said that any new Korean president inevitably would try to improve relations with the North. The change in policy would be less if the conservatives won; a progressive president would certainly return to some type of Sunshine policy. In fact, a new progressive president might go even further than did Presidents Kim Dae-jung or President Roh Moo-hyun to accommodate North Korea. That progressives had played to anti-Americanism by opposing the Korea-U.S. Free Trade Agreement (FTA) in the April National Assembly election, even though the FTA had been initiated by then-President Roh Moo-hyun, suggested that the U.S.-ROK alliance could face serious challenges if the opposition won the presidential election. Several participants stressed the importance of maintaining a strong alliance between the United States and Korea, regardless of which administration came to power.

An American asked if the Korean and American presidential campaigns represented a good opportunity to inform the public about the importance of the U.S.-ROK alliance. Why the alliance existed, what it should be doing, budget levels, etc., could be discussed. Several Korean participants, however, argued that using the Korean campaign to debate the alliance would result in damaging politicization. One added that North Korea might attempt to manipulate such a debate. An American said there was already a consensus in the United States in support of the alliance.

An American suggested that the United States could deter North Korean use of nuclear weapons just as it had deterred Soviet use during the Cold War. The United States should make clear how it would retaliate in the event of another North Korean provocation. Another American responded that in some cases we might not be able to deter North Korea because its leadership might not care a great deal if some of its cities were bombed or its people killed. Instead, we should be prepared to target things the leaders themselves valued, such as their residences. Also, a commitment to support South Korea, such as when the United States committed 400 submarine-launched ballistic missile warheads to the defense of NATO during the Cold War, would be valuable. When North



*Karl Eikenberry, former U.S. ambassador to Afghanistan, listens to T. J. Pempel of the University of California, Berkeley.*

Korea conducted nuclear tests, we would have to respond politically. In an actual conflict, it would be difficult to prevent North Korea from using nuclear weapons because it would see them as valuable assets. The United States needed to make it clear that any North Korean use of nuclear weapons would mean the end of the regime.

An American recalled that several Korean experts at previous Forum sessions had advocated the reintroduction of U.S. tactical nuclear weapons to South Korea in response to North Korea's development of nuclear weapons; he asked if their views remained unchanged. A Korean replied that the North Korean nuclear program was a policy issue for the United States but it represented an existential threat to South Korea. South Korea never intended to possess nuclear weapons. As long as South Korea maintained the surveillance capabilities necessary to locate nuclear weapons in the North, U.S. tactical nuclear weapons did not need to be reintroduced into South Korea.

An American expressed skepticism about North Korean conventional and nuclear military capabilities and the degree of threat they posed to South Korea, much less the United States, given all the economic and other problems North Korea faced.

A Korean suggested that the United States and the ROK lacked shared goals and priorities in dealing with North Korea. He asked rhetorically if the United States had a North Korea policy and if it supported Korean unification. An American replied that if the North invaded, South Korea and the United States together would immediately respond. Another American said that American and South Korean interests and goals on the Korean Peninsula were very similar. In their Joint Vision Statement in 2009, President Obama and Lee had explicitly supported Korean unification on South Korean terms. (The statement read: "Through our Alliance we aim to build a better future for all people on the Korean Peninsula, establishing a durable peace on the Peninsula and leading to peaceful

reunification on the principles of free democracy and a market economy.”) Most Americans expected and hoped that the Korean Peninsula would one day be united under South Korea’s leadership. But U.S. leaders’ first priority was the security of the Republic of Korea. Thus, whenever tensions rose on the peninsula, American officials’ instinct was to take measures to reduce tensions. There was thus an implicit contradiction between the United States’ support for Korean unification and its even greater support for South Korean security. Moreover, U.S. leaders had to take into account that there were profound divisions within South Korea over North Korea policy. The United States had to be wary of adopting a North Korea policy likely to be frontally challenged by the ROK after a change of administration there.

Another American stressed the importance of getting more outside information into North Korea to expose the people there to what life was like for the rest of the world. Even information from China was useful in helping North Koreans understand how far behind they were. There were signs that North Koreans were becoming more curious about the outside world. For instance, South Koreans working with North Koreans in the Kaesong industrial complex had reported that some North Koreans had asked things such as “How big is your house?” and “Do you have a car?”



*Se Hee Yoo, chairman at the Daily NK, takes part in the dialogue following one of the presentations.*

### III ISSUES IN NORTHEAST ASIA

A Korean expert updated participants on Korea-China-Japan trilateral free trade negotiations. Leaders of the three countries had announced on May 13, 2012, that negotiations would begin before the end of this year. China and Japan desired a prompt start to the negotiations, but Korea was reluctant. Korea believed that a trilateral FTA would increase trade, improve Korea’s image, and bolster stability on the Korean Peninsula, but Korea still found it difficult to cooperate with Japan due to their unresolved historical issues. Moreover, each country’s motivations and goals for trilateral economic cooperation

differed. A Korea-China bilateral FTA would be important and was actually preferred by the two countries, but Korea sought a “high-level” FTA (covering not only manufactured goods but also agriculture, services, and the cross-recognition of industry standards and rules and norms of transactions) while China was only prepared to enter into a “low-level” FTA. Meanwhile, a Korea-Japan FTA lacked public support in Korea due to the ongoing history disputes, and the two economies were more competitive than complementary.

An American noted the dramatic redistribution of wealth from the West to Asia and its military implications. The United States was responding by “pivoting” back to Asia. Korea, Japan, and other American partners in Asia depended on the United States for security, but they did not want to be put into situations in which they would be forced to choose between the United States and China. As China’s confidence grew, it was redefining its interests in the region, expanding its defense perimeter, and becoming a maritime power. The rest of the region would try to adjust to the rise of China; the adjustments would require diplomatic as well as military responses. Japan, the ROK, and the United States should be realistic in developing bilateral military relationships with China; political difficulties would act as a constraint. The countries should pursue military transparency, and military and political cooperation with China in areas such as humanitarian assistance, disaster relief, and crisis management and avoidance.

Participants discussed the difficulty that Asian countries found in trying to balance their growing economic dependence on China with their heightened security dependence on the United States, although some felt that the problem was exaggerated. One participant said that regional economic integration and interdependence would provide the opportunity, if not the necessity, for a collective regional security architecture involving China. A Korean scholar agreed on the need for security cooperation, but noted the difficulties, including that Korea would try to play the China card with Japan and vice versa. Agreeing, an American pointed out that efforts to establish Northeast Asian security forums had been stymied by regional complexities. These included China’s protection of North Korean interests.

An American expressed difficulty understanding why South Korea would hesitate to enter a trilateral FTA, because it would be useful not only in inducing China to open up its market but ultimately also in achieving a high-level FTA with China. Another American responded that the Korean public’s feelings against Japan outweighed the economic logic in favor of an FTA including Japan. A Korean agreed. Another Korean urged that American foreign policy be more sensitive to the cultural and political sensitivities of its allies. He added that it would be in American interests to encourage better relations between Korea and Japan.

A Korean said Japan itself was eager for increased economic and military cooperation with South Korea, but its insensitivity to historical and territorial issues with Korea made it difficult to make progress. Recently, for example, the Japanese Foreign Ministry had complained about a monument in New Jersey dedicated to Korean sex slaves of the Japanese imperial army. Thus, multilateral, rather than bilateral, cooperation involving Japan was politically easier for South Korea.

Several participants agreed there were major economic and security reasons for South Korea to pursue a bilateral FTA with China, but one Korean commented that South Korea was already too dependent on trade with China. Another Korean agreed that history

issues made it difficult for Korea to cooperate militarily with Japan, but said the South Korean public was becoming more aware of the need for such cooperation due to China's increasingly aggressive attitude in the region and the continuing threat from North Korea. Another Korean said that countries involved in territorial disputes with China should act more firmly, with U.S. backing, to induce the PRC to take a more reasonable approach. An American responded that the United States should and would continue to defend the principle of freedom of navigation.

A Korean asked about the China-North Korea relationship. Some participants agreed it was, as Chinese and North Korean officials publicly claim, like "lips and teeth." An American said that the PRC did not necessarily like North Korea or its behavior, but was deeply committed to it for strategic and political reasons. Views differed about the degree of Chinese influence on North Korea, but several participants said we needed Chinese cooperation with international efforts to deal with North Korea and to promote better North Korean behavior. A Korean suggested that one way to induce Chinese cooperation would be to challenge China's traditional view of North Korea as a security buffer and of the U.S.-ROK alliance as an outdated legacy of the Cold War. The United States should permit an extension of South Korea's missile range to cover all of North Korea. That would not only deter North Korea but would also help the PRC to realize that its one-sided support of North Korea had negative consequences for its own interests.



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