



POLITICAL AND  
SECURITY AFFAIRS



# The Fifth U.S.-ROK Dialogue on Korean Unification and Regional Security

CONFERENCE REPORT  
BY JULIA OH

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**A**gainst the backdrop of the Asia-Pacific's rapidly changing security environment, the Democratic People's Republic of Korea (DPRK, often referred to as the North Korea) has been pursuing a strategy of *byungjin*, or simultaneous development of nuclear weapons and the economy. Despite this goal, North Korea has simultaneously deepened its isolation and worsened its economic situation. China, for example, has taken a tougher stance toward Pyongyang since 2013, when the DPRK conducted its third nuclear weapons test. While marketization has partly contributed to political and economic stability in the short term, it also risks widening the gap between the rich and the poor and worsening corruption. Above all, the state's control over the economy is becoming weaker. At the same time, the number of elite defectors is increasing, even though the number of total defectors has decreased. This suggests that while the regime has loosened restrictions on the marketplace, it maintains a tight grip on political and social control.

There is a tendency to project the goals of the United States and the Republic of Korea (ROK) as normative for Korean unification. Considering the role that China plays on this issue, examining China's stance on unification can provide insights into how Seoul and Washington can exert greater influence on Beijing with regard to reining in North Korea. The pre- and post-unification alliance relationship between the United States and ROK is important for regional security and prosperity, but Beijing is concerned with ensuring that the alliance's role in unification does not undermine Chinese interests.

The greatest obstacle to unification of the Korean Peninsula is North Korea itself. Pyongyang's intentions are supported by its large military, and it has its own unification plan—one that is fundamentally at odds with

that of the ROK.<sup>1</sup> For the past few years, the Park Geun-hye administration has been increasing efforts to promote unification policy. Park also has worked to garner international interest in ROK-led unification by emphasizing the importance of denuclearization and the protection of human rights in North Korea. However, recent ROK unification policies, including the Dresden Initiative, have met with criticism from Pyongyang, which labels them “Seoul’s plot for absorption,” thus straining inter-Korean relations. While Park has attempted to reinvigorate relations with her policy of *trustpolitik*, designed to cautiously reopen dialogue following good behavior by the DPRK, the North has shown no interest in reciprocating. Instead, Pyongyang has issued public insults and threats toward the South Korean president, shut down the Kaesong Industrial Region, and canceled reunions of Korean families separated by the war. While trust is unlikely to lead to reconciliation in the short term, other avenues are unpalatable—forcing change risks chaos and conflict.

In light of the evolving political and security challenges on the Korean Peninsula, the National Bureau of Asian Research (NBR) and the Korea Institute for National Unification (KINU) convened a high-level conference in Washington, D.C., on June 16, 2015, to consider U.S. and ROK foreign policy toward North Korea and how it could affect unification of the Korean Peninsula. Participants also discussed the role of China in the unification of the peninsula and the geopolitical implications of Korean unification for Northeast Asia. The discussion involved academics and policy professionals from both the ROK and the United States. The following is a summary of the issues discussed at the conference. The views expressed herein are not necessarily those of all conference participants, NBR, or KINU.

<sup>1</sup> In the June 15th North-South Joint Declaration, issued in 2000, the North promoted a formula for a “loose form of federation,” which creates “a national reunification organ on top of the existing South and North Korean governments, while both states maintain their respective functions and powers, including political and military administrations, based on the principle of one nation, one state, two systems, and two governments.”

## *China’s Role in the Unification of the Korean Peninsula and the Implications for Northeast Asia*

China understands that the costs of maintaining the status quo in East Asia are growing because of North Korea’s expanding and modernizing nuclear program and ongoing provocations, which add to security concerns in the region. China feels threatened by U.S. involvement in regional security responses to Pyongyang’s potential proliferation and eventual deployment of nuclear-armed intercontinental ballistic missiles, which could reshape Beijing’s vision for the region.

It is evident that the relationship between China and North Korea is changing. Xi Jinping appears to view North Korea with disdain and is not interested in investing in a bilateral relationship with its leadership. Since Kim Jong-un came to power, there has been a curtailment of high-level exchanges and an absence of a summit with Xi—perhaps reflecting the unwillingness of both Beijing and Pyongyang to develop a deeper political relationship. It seems that the execution in late 2013 of Jang Sung-taek, who was the key contact for Chinese officials in Pyongyang, has further deteriorated the relationship. Thus, over the last couple of years, China has made some efforts to end its special relationship with North Korea and instead normalize ties.

However, China does not seem to want to abandon North Korea completely. Food and energy assistance continues, and Beijing has resumed importing North Korean coal. In general, there is a lack of domestic consensus on North Korea; powerful constituencies in the security services and the military and elements in the party remain staunchly committed to Pyongyang. Even as China’s relations with the ROK improve in many areas, including economic cooperation, people-to-people exchanges, tourism, and even military-to-military relations, Beijing still has doubts about its relationship with Seoul and

concerns about the robust nature of the U.S.-ROK alliance and its role in a united Korea.

China claims that peace and stability in Northeast Asia are prerequisites for any independent and peaceful unification of the Korean Peninsula that will be beneficial to China's economic development and political stability. The emphasis on peace also reinforces Beijing's claim that China's re-emergence is not a threat to neighboring countries. This "peaceful development policy" implies that a rising China will contribute to global stability, promote shared interests with other countries, and help build a harmonious world. However, Korean unification may prove to be a challenge to China's efforts to maintain internal stability and economic growth, as well as to its regional ambitions.

The main concern for China is U.S. influence expanding in the region during and after unification, which will determine the balance of power in East Asia. Any form of unification would also bring sudden changes on the Korean Peninsula, as the process will almost certainly be linked to a radical disruption or regime collapse in North Korea. Considering China's stance on the DPRK—that is, "no war, no instability, and denuclearization"—it is not difficult to understand China's reservations about unification. Such a process may include chaotic social changes and instigate instability not only on the Korean Peninsula but also in China and elsewhere across the region. In extreme circumstances, the process of unification could also ignite a new war that would burden China financially. Moreover, in the event of conflict, U.S.-led balancing against China would be strengthened by the likely expansion of U.S. alliances with the ROK and Japan into a trilateral security partnership.

China opposes a unification scenario that sees one side absorbing the other unilaterally, and hopes the process instead will take place through a mutual agreement between the North and the South. Chinese officials have increasingly come to the view that

unification will be led by the South; however, the ROK-China relationship is not yet strong enough to ensure that a unified Korea would be friendly toward China. To minimize disorder that may arise from rapid integration, Beijing prefers a gradual process rather than sudden unification. China does not want South Korea's democratic system to be the center of a unified Korea, given that a democratic Korean Peninsula might very well bring the power of Korea's ally that much closer to China's border. Furthermore, ROK-led unification is more likely to cause regime collapse in Pyongyang, which could affect China's domestic stability.

The changes that unification could cause not only are difficult to anticipate but also unlikely to align well with China's interests. In addition, a unified Korea with a potential nuclear arsenal and a strong conventional military capability could itself be a threat to China's defense. Denuclearization of the Korean Peninsula after unification is thus a key interest for China. To the extent that Beijing thinks about unification, it prefers an independent process because China is highly concerned about intervention by a foreign power, namely by the United States. Supporting a unification process carried out independently by the two Koreas aligns with China's stance on how to resolve the Taiwan question and the possible intervention of the United States and Japan in such a situation.

Seoul and Washington can develop plausible strategies for Korean unification that take Beijing's interests in the region into consideration. In the past two years, China has put more pressure on North Korea. If China can be convinced that unification is part of a larger strategy with an objective that benefits Chinese interests, then Beijing might do even more to influence Pyongyang. Greater progress toward unification will require making an improved U.S.-China relationship a priority. Assurances that the U.S.-ROK alliance will not harm Chinese

interests are necessary, especially since the current U.S. rebalance to Asia and growing pressure on China in its near seas make Beijing suspicious of U.S. intentions.

A fundamental difference also exists between U.S. and Chinese policymakers looking at Korean unification. China wants to ensure regime stability in North Korea and bail out the Korean Worker's Party in order to minimize potential conflicts that would affect China's domestic security. The United States, alternatively, views regime change as the beginning of a process. To that end, Washington seeks to change China's choices about regime survival in the DPRK, but it does not yet have an active strategy for this goal. It thus may benefit U.S. policymakers to talk to President Xi and his small core decision-making group. Specifically, given the close eye that Chinese leaders keep on domestic opinion, the United States and ROK should take advantage of growing sentiment within China that sees North Korea as a burden.

### ***Unification Policy and the U.S.-ROK Alliance***

The U.S.-ROK alliance and the idea of unification have coexisted in an uneasy balance for a long period of time. The alliance has in many respects been aimed at preserving the status quo, whereas unification challenges the current equilibrium and may plausibly only occur as a result of war. The alliance maintains stability and keeps the peace but only under conditions of division. A statement in June 2010 placed unification on Seoul's terms as a central objective of a joint U.S.-ROK vision. The joint vision statements are the starting point for unification and the broadening of the alliance through the promotion of free democracy, a market economy, denuclearization, and human rights across the entire peninsula. The two sides can work to further define the terms of unification, especially during the transition process. This is a significant issue that could give rise

to disagreements between the United States and the ROK over what unification means. Potential changes and the chaos that unification could cause in terms of regional security, economics, and social conditions raise concerns in other neighboring countries as well as China. In order to foster regional stability in a post-unification era, the current military-based alliance should develop a contextual understanding of the impact on regional interests.

There are three potential asymmetries between the two allies in the unification process. First, there is an asymmetry of U.S. commitments to Korean unification. In today's environment, it is hard to see the U.S. Congress allocating additional resources for unification. Second, there is asymmetry in the depth of knowledge: on the South Korean side, the public has been living with the potential of unification for a lifetime, but there is not a similar instinctive awareness of this issue on the U.S. side. Last, the unification process must progress in tandem on both the peninsular and regional levels. After the events of the late nineteenth and mid-twentieth centuries, regional stakeholders must work to ensure that Korea is not the location of further great-power competition.

Recent examinations of the political, social, and economic benefits of unification have led some experts to envision an international coalition based on the U.S.-ROK alliance. Such ROK-led unification would lead to a nuclear-free peninsula, thus contributing to regional stability. In the post-unification period, the alliance would prevent the emergence of a new regional hegemon while strengthening the current U.S.-led order. A major task for the alliance would be to convince China to support this process. In this context, Presidents Barack Obama and Xi Jinping will need to agree not only on the ultimate goal of denuclearization but also on a feasible strategy for maintaining a stable Korean Peninsula. The prospect of a non-nuclear peninsula may be the most cogent reason that China would agree to a unified Korea



allied with the United States versus the alternative of an independent nuclear Korea.

This issue also has important ramifications for relations between Japan and China, which have fundamentally opposing views of equal importance on the idea of a friendly Korea as essential to their respective security needs. While Japan has not opposed Korean unification or the ROK's unification policies, it is wary of potentially unfavorable effects unification could have on the regional balance of power, especially between Japan and Korea. Unification will also have a dramatic impact on Russia. Russia has an interest in the economic effects of Korean unification on the Russian Far East as well as concerns about the loss of influence in East Asia because of the potential for a unified Korea to have a pro-U.S. orientation. The U.S.-ROK alliance will thus need to consider the geopolitical interests of neighboring countries, accelerate economic integration, and transform today's military-based cooperation into a more comprehensive approach.

## ***Conclusion***

With recent developments in the relationship between China and the ROK, as suggested in the ROK's decision to join the Chinese-led Asian Infrastructure Investment Bank in April 2015 and the ROK-China Free Trade Agreement signed in June 2015, the role that China can play in Korean unification is more important than ever. North Korea's nuclear program is escalating regional tensions, and its evolving missile capabilities are significantly reshaping geopolitics in the Asia-Pacific. A unified Korea is both an opportunity for and a threat to Northeast Asian security. While unification would most likely eliminate the nuclear threat from North Korea—assuming an ROK-led scenario—it will shake the current balance of power. Not only will unification be a difficult goal itself to achieve, but the process will need to incorporate various factors

ranging from social integration to transformation of the economic and political systems.

While the U.S.-ROK alliance provides a cohesive force to maintain stability and security on the Korean Peninsula, China remains concerned about U.S. influence in the region and maintains a certain distance from the ROK. In this context, trust-building between the United States and China is a priority in order to discuss realistic and feasible strategies for unification. A cohesive effort by Washington and Beijing toward Pyongyang could initiate the unification process by emphasizing the mutually beneficial element of denuclearization of the Korean Peninsula. Again, the alliance should assure China that unification is not a threat but rather an opportunity, especially in economic terms.

For improved coordination on unification, Washington and Seoul should maintain continuous communication. Additionally, they should consider pressing other great powers of Northeast Asia—China, Japan, and Russia—to become involved further in this issue via bilateral and multilateral dialogues. With the right preparation, the robust U.S.-ROK alliance could remain a cornerstone of stability and prosperity in the post-unification era as it has been for the last 60 years. ◆

*Julia Oh is an Atlas Corps Fellow at the National Bureau of Asian Research.*

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*Media inquiries may be directed to Rachel Wagley, Assistant Director for Outreach, at [media@nbr.org](mailto:media@nbr.org) or (202) 347-9767.*

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1414 NE 42ND STREET, SUITE 300  
SEATTLE, WASHINGTON 98105 USA  
PHONE 206-632-7370, FAX 206-632-7487

1301 PENNSYLVANIA AVENUE NW, SUITE 305  
WASHINGTON, D.C. 20004 USA  
PHONE 202-347-9767, FAX 202-347-9766

For more information on NBR's Political and Security Affairs, please contact Roy Kamphausen at [psa@nbr.org](mailto:psa@nbr.org) or 202-347-9767.