A Difficult Path - Challenges for a Reunified Korea

Group Captain Stephen Meredith, RAAF
Centre for Defence and Strategic Studies
Australian Defence College

September 2013
The Centre for Defence and Strategic Studies (CDSS)

CDSS is the senior educational institution of the Australian Defence College. It delivers a one-year Defence and Strategic Studies Course, a postgraduate-level educational program which places emphasis on practical rather than theoretical research, on teamwork and support for the personal and professional goals of course members.

Course members and staff share a commitment to achieving scholarly and professional excellence, with course members graduating with a Master of Arts or Graduate Diploma awarded by Deakin University or a Graduate Certificate awarded by CDSS.

Shedden Papers

These papers have been submitted as coursework as part of the Defence and Strategic Studies Course and have been chosen for publication based on their scholarly attributes and the timeliness of their topic.

For further information about CDSS publications please visit: http://www.defence.gov.au/adc/centres/cdss/publications.html

Copyright

© Commonwealth of Australia 2013

This work is copyright. It may be downloaded, displayed, printed and reproduced in unaltered form, including the retention of this notice, for personal, non-commercial use or use for professional purposes. Apart from any use as permitted under the Copyright Act 1968, all other rights are reserved. To replicate all or part of this document for any purpose other than those stipulated above, contact the Editor, Dr Bob Ormston on 0408 801 950 or publications@defence.adc.edu.au

Disclaimer

This work is the sole opinion of the author, and does not necessarily represent the views of CDSS or the Department of Defence. The Commonwealth of Australia will not be legally responsible in contract, tort or otherwise, for any statement made in this publication.
The author

Group Captain Stephen Meredith joined the RAAF in 1986. After completing a flying tour as a navigator with 37 Squadron on C-130E, he transferred to F-111 strike aircraft in 1991, followed by postings at Number 1 Squadron, and an instructional position at Number 6 Squadron. Later postings included the Defence Material Organisation, Number 6 Squadron, Air Force Headquarters, Capability Development Group and Executive Officer Number 82 Wing, as well as attendance at the Australian Command and Staff College, where he earned a Masters of Management (Defence Studies).

In January 2006, he assumed command of Number 6 Squadron, overseeing the retirement of the F-111G. In late 2008, he assumed command of Number 42 Wing and assisted in the introduction into operational service of the Wedgetail Airborne Early Warning and Control capability. In 2011, he deployed to the Middle East to work in the US Air Force Central Command’s Combined Air and Space Operations Centre. On his return, he was Chief of Staff to the CDF. He is currently attending the Defence and Strategic Studies Course at the Centre for Defence and Strategic Studies at the Australian Defence College.

Abstract

This paper examines the challenges likely to be faced by a reunified Korean peninsula. It does not speculate on how such reunification might eventuate, other than noting that the commonly-discussed scenarios range from military conflict through to peaceful reintegration. Regardless of the circumstances that drive reunification, it makes the point that each scenario would bring unique challenges, costs and starting points.

For the purposes of discussion, the paper assumes a scenario whereby consensus has been reached by the existing Six Party nations of North Korea, South Korea, China, Japan, Russia and the US, and that South Korea has been requested to lead the reunification effort following a collapse of the North Korean regime. The paper concludes that the building of a reunited Korea seems likely to face many challenges and would be a long and difficult path but, with time and support from the international community, should ultimately be successful.
A Difficult Path - Challenges for a Reunified Korea

Five years after the end of the Second World War, on 25 June 1950, North Korean forces invaded South Korea setting off events that ultimately would cost the lives of millions of people.1 Following the armistice of 27 July 1953, a standoff across the 38th parallel has ensued, with recent North Korean rhetoric offering no optimism for progress.2 However, a reunified Korea has been the subject of considerable academic discussion and policy consideration. As the divide between the increasingly-isolated North and the prosperous and vibrant South increases, any effort to reunite the two Koreas would be difficult and face significant challenges.3

The Korean peninsula sits at an intersection which brings together several great powers including China, the US and Japan, giving this divided peninsula in Northeast Asia strategic importance.4 While reunification would see the divided people of Korea together again, a change of this magnitude would have strategic and economic ramifications well beyond the Korean peninsula, best exemplified by German reunification following the fall of the Berlin wall in 1989.5

There are several scenarios that could lead to reunification on the Korean peninsula, ranging from military conflict through to a peaceful reintegration. Each would bring unique challenges, costs and start points.6 However, survival has become the paramount concern for the North Korean regime, at the expense of all other considerations, bringing into question the sustainability of the regime. This potentially narrows the reunification options to conflict or collapse of the North Korean state.7

---

2 ‘US Sees North Korea Launch Possible Due to Kim’s Inexperience’, Sydney Morning Herald, 16 April 2013.
This paper will assume a scenario whereby consensus has been reached by the existing Six Party nations of North Korea, South Korea, China, Japan, Russia and the US, and that South Korea has been requested to lead the reunification effort following a collapse of the North Korean regime. It will use the diplomacy, identity, military and economic (DIME) construct to analyse the major challenges facing a reunified Korea. The paper concludes that a reunified Korea would face significant challenges but that, with time and support from the international community, it would ultimately be successful.

Reunification goals

South Korea has placed considerable resources and intellectual capital into reunification efforts. A Ministry of Unification was formed in 1969 and has led the development of policy and efforts toward reunification. The two major tenets of South Korean policy for a reunified Korea are to establish an inclusive democratic political system and a capitalist economic system.

The primary goals to achieve these objectives include peaceful political change, a stable society and continued economic prosperity.\(^8\) Importantly, it is based on the premise that reunification should be managed by the people of Korea (including those of the North). Indeed, the recent history of the Korean peninsula would not allow outside influence to a task that the Korean people would hold as an important part of their national identity.\(^9\)

International support to a reunified Korea would be critical given the likely financial cost. The South Korean Government, through its Ministry of Unification, has sought to engage the international community on reunification efforts.\(^10\) Ultimately, many eyes would be watching the outcome of reunification efforts to ensure their own interests and influence in a reunified Korea are satisfied. Key among these would be the need for a reunified Korea to redefine its relationship with China and the US.

---


Diplomacy

China

The government of a reunified Korea would actively seek an environment in which to build a harmonious Korean state. From a diplomatic perspective, the most important relationship that would need to be considered by a reunified Korea would be China, the country with which it shares its longest land border. While China has consistently argued that the internal affairs of a nation state are for that state to determine, it would have significant concerns about a US-aligned Korean peninsula.11

South Korea has significant economic ties with China and these seem likely to expand and deepen.12 However, Chinese support for the North Korean regime has been extensive and prolonged, and China views North Korea as a buffer against a US-aligned South Korea.13 Balancing this history and an emerging China would require a concerted effort and transparent policy on the part of reunified-Korean policy makers.

A reunified Korea would need to carefully reassure China that it is not a proxy for the US as part of its rebalance towards the Asia-Pacific. The narrative and consideration of the bilateral relationship with China would need to be a significant priority as part of reunification efforts.14 The relationship with China would underpin a Korean approach to the other key relationship, that with the US.

United States

While it may be argued that without significant US support South Korea would not have achieved the success it has enjoyed, this does not mean that the US should expect primacy or preferential treatment in an emerging Korean nation. South Korea has built a significant relationship with the US, including assurances of extended nuclear deterrence following the 2006 North Korean nuclear test.15 However, from a

11 Sunny Lee, Chinese Perspectives on North Korea and Korean Unification, Seoul, Korea Economic Institute, 24 January 2012, p. 5.
12 Kim, The Two Koreas and the Great Powers, pp. 43-45.
15 Hayley Channer and Rod Lyon, The Sharp Downside of Success: how a third North Korean nuclear test could change the strategic dynamic in Northeast Asia, Australian Strategic Policy Institute, Canberra, 21 August 2012, p.3.
Korean perspective, with the removal of the North Korean threat, a normalised approach to the US relationship and an independent security posture would be important to build a national identity.

The changed strategic circumstances of a reunified Korean peninsula would also mean that there would likely be domestic calls for the US to withdraw its forces from the peninsula.\textsuperscript{16} While this step would likely be supported and viewed positively by China, a reunited Korea would need to carefully consider any drawdown of US military forces to match the development of a consolidated Korean defence force. South Korea’s current Mutual Defence Treaty with the US would need to be recrafted to address the changed circumstances to ensure that US support to a reunified Korea is balanced with other relationships and agreements.\textsuperscript{17}

\textit{Japan}

The Japanese and the Korean people have shared a tumultuous history. The outcomes of Japanese militarism in the 20\textsuperscript{th} century and the subsequent effects on the Korean peninsula are an ongoing source of friction and irritation.\textsuperscript{18} The abduction of Japanese citizens by North Korea in the late 1970s and early 1980s, and the use of Korean women as comfort women by the Japanese during World War 2, also remain sources of tension.\textsuperscript{19}

The sovereignty dispute over the Dokdo or Takeshima islands is also likely to remain a source of irritation and nationalism for a reunified Korea and Japan. A nation-building, reunified Korea would be watched carefully by an increasingly nationalistic Japan. This relationship would require careful management and considerable effort. However, the reunification of the Korean peninsula could prove a catalyst for a new start to a turbulent relationship, given the rise of China and the strategic geography of both nations relative to China.\textsuperscript{20}

\begin{itemize}
\end{itemize}
A chance for change

While the Six Party Talks have not resulted in any significant improvements or change in North Korean behaviour, reunification could provide an opportunity to develop a regional security dialogue based on the Six Party framework. A five party group, comprising a reunified Korea, China, Japan, the US and Russia, would bring together the key regional powers and could provide an opportunity to resolve existing disagreements, such as Korean and Japanese territorial disputes. A five party arrangement could possibly also be used as a security framework within the East Asian region.\(^{21}\) The strategic change of a reunified Korea would seem to be an ideal catalyst to bring together those nations with mutual interests in the region and offer an institutional vehicle for discussing strategic and security issues outside of ASEAN and its various sub-groupings.

Identity

The building of a cohesive Korean identity from a liberal, democratic South Korea and a communist, totalitarian North Korea would perhaps be the biggest long-term challenge to South Korean-led reunification efforts. The people of the Korean peninsula share cultural, ethnic, language and historical links, despite the border arbitrarily placed at the 38th parallel after the end of World War 2.

However, the highly isolated nature of the North Korean population and extremely centralised nature of the regime would mean that the key tenets of democracy and a market economy would be alien and difficult initially for the North Korean people to accept. This is best illustrated by the highly-connected and open South Korean society versus an isolated and highly-controlled North Korean society.\(^{22}\) While a clear vision for a harmonious and peaceful society has been articulated, bringing about the change to democracy and a market economy to the population of North Korea would be difficult.

To address the significant cultural change that would need to be addressed in a reunited Korea, the South Korean Government considers that education would be the key to building the cohesive society and peaceful political change required to


\(^{22}\) Pfennig, ‘Korea and Beyond: national reunification has international implications’, pp. 120-121.
achieve success. This approach is enshrined in policy and significant investment has been made over time by successive governments to provide educational resources in preparation for reunification. Comprehensive education programs have been developed for North Korean refugees to ensure they are assimilated appropriately. These educational programs would be essential following reunification and would need to change to accommodate the actual conditions found in North Korea, given the opacity of the regime.

Military

Nuclear legacy

A reunited Korea would be forced to consider the nuclear legacy left by North Korea’s nuclear and ballistic missile programs. Despite several UN Security Council sanctions, North Korea has pursued a nuclear weapons capability and conducted nuclear weapons tests in 2006, 2009 and, most recently, in February 2012. The stated aim of the program has been as a deterrence against a US nuclear threat. Estimates have placed North Korean capabilities at being able to generate enough materiel to produce one nuclear weapon per year. The nuclear ambitions and development of a nuclear weapons capability by North Korea continue to be a source of considerable instability in the region.

South Korea has consistently stated in presidential statements and policy documents that denuclearisation of the peninsula would be a key requirement for reunification. A South Korean-led reunified Korea would unlikely feel threatened by the US and would have no need to maintain a nuclear weapons capability. Immediate steps would need to be taken to secure nuclear material, stockpiles and facilities, and to dismantle and dispose of these capabilities using a process similar to that implemented following the collapse of the Soviet Union. This path would have a significant stabilising effect on the region by preventing a nuclear arms race

involving those nations most immediately threatened previously by North Korea, most notably Japan.29

A combined Korean defence force

The rebuilding of a combined Korean defence force would be a significant challenge in light of considerable North Korean military investment and the number of personnel under arms. A coherent policy articulating the way forward would quickly be required and would need to consider a range of factors, including the large chemical and biological weapons capabilities held in the North, a restructured Mutual Defence Treaty with the US, and a reunified Korean force structure.30

Like the nuclear capabilities, retaining chemical and biological capabilities would exacerbate regional instability and prove a source of discomfort to near neighbours, including China and Japan. Destruction of these capabilities would enhance regional security and fit with the existing South Korean policy and treaty responsibilities regarding this type of capability.31

Giving up nuclear, biological and chemical capabilities, and consolidating the military based on the current South Korean force structure would see the development of a balanced conventional force built on the considerable South Korean conventional capabilities. While this approach would see a reunified Korea lean towards the US, the combination of nuclear disarmament, a potential withdrawal of US forces from the peninsula, and a coherent and strong bilateral relationship could see China take a pragmatic approach to the development of a conventionally-armed Korean defence force.

Economic

The differences between the two Koreas have been most stark in terms of economic wealth. With a philosophy that held military priorities above the needs of its citizens, the North Korean regime has spent a considerable proportion of its gross domestic product on maintaining military capabilities.32 A direct comparison of per

---

capita income illustrates that a South Korean enjoys an income at least 15 times that of their North Korean counterpart.

This disparity is significantly greater than that in the prelude of a reunited Germany.33 North Korean infrastructure is also in need of significant maintenance and upgrading because of the regime’s focus on military capabilities and a subsequent lack of investment in public infrastructure.34 While a program of rebuilding this infrastructure would generate significant employment opportunities, it would require significant investment and add to the overall cost of reunification.

The critical nature of economic development to form a market economy and related employment and social security policies is well understood by the South Korean Government. Currently, the Gaeseong industrial complex inside North Korea sees significant investment by companies in the south and significant employment for the North Korean population.35 This type of collaboration provides a useful and, importantly, a working model for reunification efforts.

Ultimately, the cost of Korean reunification would be significant, with estimates placing the total at trillions of dollars.36 The German experience has shown that significant fiscal management and policy effort would be required to overcome the issues, such as income inequities and infrastructure development, over a considerable period of time.37 While the South Korean Government seems committed to fund the reunification effort and has actively considered starting a mechanism to fund reunification, a plan to engage and harness support from the international community and associated institutions, such as the IMF, would require development and management as a priority.38

Conclusion

Reunification of the Korean peninsula has been the topic of significant discussion and consideration. Regardless of the circumstances that drive reunification, there would be significant challenges that would need to be overcome to ensure success.

34 DFAT, Democratic People’s Republic of Korea Country Brief, p. 4.
36 David Coghlan, Prospects from Korean Reunification, Carlisle, Strategic Studies Institute, April 2008, p. 3.
37 Hart-Landsberg, ‘Korean Unification: learning from the German experience’, pp. 66-68.
The strategic path and identity of a reunified Korea would be carefully watched by a regional and global audience.

The strategic position of the Korean peninsula and the considerable investment of both China and the US in North and South Korea would mean that a reunified Korea would need to carefully manage these key diplomatic relationships. The significant strategic change that a reunified Korean peninsula would bring could also be an opportunity to recast the security framework for the region.

The long-term position of these key relationships seems certain to impact the development of a reunified Korean defence force, which would also need to manage the nuclear and other military legacies of the North Korean regime. A conventional force based on existing South Korean capabilities seems likely to emerge. However, a reduction in US forces, dismantling of weapons of mass destruction capabilities, and a strong bilateral relationship with China may balance Chinese concerns of a Western-leaning reunified Korean peninsula.

The cost of reunification is likely to be significant and would require the support of the international community. The economic development and management that would be required to overcome the considerable economic inequities between the North and the South would drive policy and associated social programs. Prudent planning and consideration of the key challenges by the Korean people would increase the likelihood of success. The building of a reunited Korea seems likely to face many challenges and would be a long and difficult path but, with time and support from the international community, should ultimately be successful.
Bibliography


Boik, William, Understanding the North Korea Problem: why it has become the land of lousy options, Strategic Studies Institute, Carlisle, July 2011.

Channer, Hayley and Rod Lyon, The Sharp Downside of Success: how a third North Korean nuclear test could change the strategic dynamic in Northeast Asia, Australian Strategic Policy Institute, Canberra, 21 August 2012.


Coghlan, David, Prospects from Korean Reunification, Carlisle, Strategic Studies Institute, April 2008.


‘US Sees North Korea Launch Possible Due to Kim’s Inexperience’, *Sydney Morning Herald*, 16 April 2013.


