



U.S.-ROK Relations:
Searching for a Vision

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Executive Summary

There is general optimism about the future of the U.S.-ROK relationship, but its success depends on South Korea's ability to develop and articulate a vision of its place in the region and the role the alliance will play in achieving that objective. The U.S. must be prepared to accept a mature and confident Seoul as a more equal partner.

Despite shared security concerns and common interests, cooperation among the countries of Northeast Asia is difficult. Cold War divisions persist. Differing interpretations of the past drive a deep wedge between countries. Nationalism exacerbates these tendencies. North Korea makes the differences clear.

South Korea's dilemma is acute. Seoul is pulled one way by its alliance with the U.S. and another by its "brotherhood" with the North. The tensions are evident in most foreign and security policies. The government in Seoul faces a difficult choice: if it focuses on strategic concerns, then it must ally with the U.S. and betray "brotherhood"; if it puts a priority on Korean nationalism, then the alliance will suffer.

Efforts to modernize the alliance – FTA talks, U.S. readiness to transfer wartime control of ROK forces, U.S. Air Force willingness to play a support role in a contingency, and establishment of the U.S.-ROK Strategic Consultation on Allied Partnership – herald a broadening of the alliance's focus. But there are fundamental differences between the two countries on key issues. Also worrisome is a Korean exceptionalism: Korean policy often constitutes special pleading – the claim that South Korea's circumstances warrant special treatment.

Politics in both countries are volatile. South Korean liberalism and democracy have created a noisy, vibrant space in which power swings from one end of the political spectrum to the other. Traditional voting patterns in South Korea are changing – regionalism no longer commands the voter allegiance it once did – but no alternative structure is emerging to help predict electorate behavior. Younger voters are educated, affluent, demanding, and cynical. The political center is expanding and full of "neutral" voters. U.S. politics are likely to be volatile as the country heads into an election season.

Three issues in U.S.-ROK relations may play into domestic politics: the visa waiver, the Six-Party Talks, and the U.S.-ROK FTA. An FTA has economic merits, and it will aid ROK efforts to push structural and regulatory reforms. It also faces political obstacles: entrenched political interests, economic nationalism, and disputes over the Kaesong Industrial Complex. Failure by either legislature to ratify a deal could create a crisis.

For most South Koreans, anti-Americanism is not a concern. When it flares, it is the result of specific incidents. Nonetheless, threat perceptions are diverging, and the failure to reconcile the two countries' views will create problems. Most important, if Americans conclude that the U.S. commitment to the defense of the ROK is not appreciated, taken for granted, or deemed irrelevant by South Koreans (due to differing threat perceptions or priorities), then the alliance will not be sustained.

Tensions in the U.S.-ROK alliance are most evident when the two governments deal with North Korea (or fail to do so). They have vastly different priorities and divergent strategies to get the North to comply with its commitment to a denuclearized Korean Peninsula. But Seoul has come to appreciate the need for tougher measures against the North and the U.S. appears to be committed to a diplomatic solution to the crisis. Views of the Six-Party Talks are mixed. Some believe they can still resolve the situation, others consider them over in all but name. Yet others consider them a crisis management mechanism: each of the six parties wants to keep them alive and none wants to devise an alternative. There will be no real change in any of the six parties' policies as long as there is no sense of urgency.

Despite these challenges, the alliance still enjoys widespread support in South Korea. Official relations are good and the two governments are working to solve problems and making progress. But the situation could change if South Koreans perceive the U.S. as a major obstacle to North-South reconciliation and/or Washington mishandles instability in the North; if the U.S. denigrates or mistreats Seoul within the alliance; or if there is a perception in the South that the U.S. strongly favors Japan over the ROK.

Worries about a rupture are diminishing as the political pendulum in the ROK swings, but Americans should not expect a return to the "good old days." ROK political and economic successes have instilled self-confidence and a desire for greater self-reliance and autonomy in foreign and security policies. Seoul will not be satisfied as a junior partner. Redefining the alliance requires agreement on a vision. The general parameters of that vision are clear: the ROK wants more independence and self-reliance; it seeks good relations with neighboring countries; and Seoul must be able to defend its global interests, even though the U.S.-ROK alliance must be defensive, not offensive.

Regional integration poses challenges for both governments. Trade dynamism encourages economic integration while threat perceptions hinder cooperation. The dilemma is embodied in policy toward China, the leading trade partner of both the ROK and Japan and a looming security concern. A cooperative U.S.-China relationship is in the interests of both countries and the region.

Success in creating regional institutions depends on better leaders, the promotion of "minilateral" dialogues that focus on concrete areas of cooperation, the U.S. stepping forward to act as a real honest broker (at least when dealing with the ROK and Japan), and more energetic track-two diplomacy and activity by nongovernmental organizations. Functional issues, energy in particular, will provide the most solid basis for regional cooperation. Cooperation among the "plus Three" nations – the ROK, Japan, and China – is the cornerstone of Asian integration.

Key to the success of this effort is a shared sense of purpose. Yet, there is only the barest outline of the vision of an Asian community. Regional governments, and Seoul and Tokyo in particular as allies of the U.S., should be developing that vision, and explaining how alliances with the U.S. fit into it. To start, Seoul needs to understand its own place in Northeast Asia, and how its alliance with the U.S. serves both countries' interests. Seoul and Washington must then better articulate their common vision if public support for the alliance is to be sustained in both countries.

U.S.-ROK Relations: Searching for a Vision Conference Report

The U.S.-ROK alliance is searching for a new equilibrium. South Korea continues its domestic political evolution; while the pendulum may be swinging back to the center, its resting place has likely been permanently altered. The U.S. is reconfiguring its forces on the Korean Peninsula as part of a broader realignment of military forces worldwide. Those shifts necessitate new operational arrangements and basing agreements. At the same time, Washington and Seoul have agreed to proceed with a free trade agreement (FTA), the ultimate success of which is by no means guaranteed.

Some 21 experts from the U.S. and South Korea met in Hawaii, April 24-27, 2006 to explore these developments and their impact on each country's national security and that of East Asia as a whole. They were joined by 15 members of the Pacific Forum CSIS Young Leaders program, who provided the next generation's views on these issues. There was general optimism about the future of the U.S.-ROK relationship, but the success of that partnership depends very much on South Korea's ability to develop and articulate a vision of its place in the region and the role the alliance will play in achieving that objective. For its part, the U.S. must be prepared to accept a mature and confident Seoul as a more equal partner.

Changes in the external environment

Northeast Asia poses a startling range of challenges for security planners. For Kim Tae-hyo, assistant professor of political science at Sungkyunkwan University, Northeast Asian security is shaped by the interplay between regional and global orders. This dynamic is most evident in regional efforts to backstop the world's nonproliferation regime – challenged most immediately by North Korea's nuclear ambitions. On the economic front, countries balance the demands of globalization with the desire to strengthen regional economic entities. All Asian countries are coping with the long shadow cast by China, which poses important choices for policy makers in most dimensions of foreign policy.

Despite shared concerns and common interests, cooperation among the countries of Northeast Asia is more difficult than expected. There are many reasons for this. Some Cold War divisions – those between socialist and capitalist societies and between democratic and authoritarian regimes – persist. These differences inhibit the development of shared values that provide a foundation for common action. Even more important are differing interpretations of the past, which drives a deep wedge between countries like Japan and South Korea, two nations that should be able to work together in the pursuit of shared interests. Nationalism exacerbates these tendencies.

The North Korean nuclear crisis makes the differences plain. Countries of the region (and beyond) have a shared interest in preventing Pyongyang from building a nuclear arsenal, but they have other, sometimes competing, priorities that impede cooperation. Kim argued that the North's determination to acquire a nuclear weapon means that its interlocutors must be prepared

to take a harder line in negotiations. The diplomatic and nuclear dynamics are affecting bilateral relations throughout the region.

The South Korean dilemma is acute. The ROK, in Kim's view, is pulled in opposite directions by its alliance with the United States and its "brotherhood" with the North. The view that China shares South Korean priorities, especially when dealing with the North, introduces additional strains: the perception that Seoul is more closely aligned with Beijing than the U.S. is particularly worrisome given the fear that Beijing and Washington will compete for regional pre-eminence at some point. Korean society is deeply divided as a result with tensions evident in most foreign and security policies. Kim credits President Roh Moo-hyun with being more transparent than his predecessors when dealing with the North. Unfortunately, he is also more unilateral when dealing with Pyongyang as well, sometimes slighting his ally. Yet, the government in Seoul faces a difficult choice: if it focuses on strategic concerns, then it must ally with the U.S. and betray "brotherhood"; if it puts a priority on Korean nationalism, then the alliance will suffer.

In Kim's eyes, Seoul must change course and strike a better balance between Korean nationalism and its alliance with the U.S. Relations with China are important, but South Korea's relations with the U.S. and Tokyo are more so. The North poses a range of threats to the South, but Kim argues against sacrificing global norms in an attempt to appease Pyongyang.

Carl Baker, professor at the Asia Pacific Center for Security Studies, focused on the evolution in U.S. thinking about the alliance with South Korea. He, like many others, is worried about the future of the alliance and he agrees with Kim about interplay of regional and global forces on the Korean Peninsula. For Baker, strains have been introduced by the U.S. focus on the war on terror and the attempt to import a global agenda into Northeast Asia. He applauds attempts to broaden the scope of the alliance by focusing on economic issues (embodied in the decision to pursue a U.S.-ROK free trade agreement) and tackling other security concerns, such as humanitarian and disaster relief missions. This effort reflects both alliance dynamics as well as doctrinal shifts within U.S. foreign policy, spelled out most recently in the *National Security Strategy of the United States*.

Baker supports efforts to modernize the alliance, evidenced by the FTA talks, the U.S. readiness to transfer wartime control of ROK forces, the U.S. Air Force willingness to play a support role in a contingency, and the establishment of the U.S.-ROK Strategic Consultation on Allied Partnership (SCAP) talks, which began in January 2006, and heralds a broadening of the alliance focus. While borne of the particular circumstances of the U.S.-ROK relationship, these changes are also the product of a reformulation of U.S. alliances worldwide. The U.S. is trying to galvanize its partners to deal with new threats and that requires wider, broader, and longer security horizons. Modernization of the U.S.-ROK security alliance is part of the effort to develop coalitions and communities of like-minded states and the mobilization of resources to deal with new threats.

The ensuing discussion focused on the disconnect between U.S. and ROK thinking about regional security. Several Korean participants cautioned against drawing overly broad conclusions from differences in opinion. Korea is a vibrant, pluralistic democracy; there is no

single “Korean view” on most issues. The key question is who (bureaucratically speaking) is dealing with a particular matter and what their opinion is. While some official statements may keep alliance managers awake at night, the individuals responsible for bilateral cooperation are facilitating partnership, not impeding it. Another Korean noted that the U.S. movement toward a more expansive definition of security is in line with ROK thinking and the evolution in the U.S. may help sooth tensions in the relationship.

U.S. experts countered that there are fundamental differences in outlook between the two countries that must be bridged. These differences are evident when discussions turned to North Korea, China, and Japan. Tokyo’s behavior is a particularly nettlesome issue. ROK distrust of Japan runs deep and there is an expectation in Seoul that the U.S. should do more to change Japanese policy. Some in the South nurture the suspicion that the U.S. is encouraging the Japan-China rift and fear that the U.S. is attempting to maneuver the South as well; the fear of entrapment in the event of a Taiwan Strait contingency is real.

All participants bemoaned the tensions in the South Korea-Japan relationship. All also attributed the recent deterioration of relations to political decisions in both capitals. While there was agreement that the issues in that troubled relationship are not new and certainly won’t go away, South Koreans called on the U.S. to do more to help manage the sources of friction.

Participants from both countries expressed concern over a disturbing tendency toward Korean exceptionalism. For them, Korean policy often constitutes special pleading – the claim that South Korea’s circumstances warrant special treatment. In particular, the country’s division, but the Korean Peninsula’s history too, gives Seoul the latitude to ignore some international norms in the name of Korean solidarity. Various participants criticized Seoul’s readiness to express a “parochial” view on issues of wider significance.

Political dynamics in domestic affairs

On closer examination of domestic political dynamics, Mah In-sub, a professor of political science at Sungkyunkwan University, highlighted the volatility at the heart of ROK politics. South Korean liberalism and democracy have created a noisy, vibrant space in which power swings from one end of the political spectrum to the other. The younger generation, well educated and affluent, is more demanding and more cynical. The result is an expanding political center, populated by “neutral” voters. While they are liberal in outlook, no party commands their loyalty. This heralds an era of fluidity and volatility in ROK politics.

U.S. politics are likely to be volatile as well as the country heads into an election season. Low approval ratings – and high disapproval numbers – for President Bush, scandals in the Republican Party, and the low esteem with which Congress is held point to ugly midterm election campaigns. Troy Stangerone of the Korea Economic Institute of America identified three issues in U.S.-ROK relations that may play into domestic politics. The first is the visa waiver program. Over 600,000 South Koreans visit the U.S. annually, and over 60,000 ROK citizens study in America. The ROK is the U.S.’s seventh largest trading partner and the only major U.S. trading partner that is not part of the program. This is a source of considerable

criticism in South Korea, but given the spirited debate over immigration in the U.S., there is unlikely to be any movement on this contentious issue for some time.

The Six-Party Talks over North Korea's nuclear program is another concern for Congress. In fact, there is little role for Congress in these (or any other substantive diplomatic negotiations), but the prospect of "regime change" in Washington – with the coming to power of a Democratic Congress in '06 and a Democratic president in 2008 – encourages North Korea to stall in the hope of getting a more amenable negotiating partner. (Pyongyang has not figured out that Republican presidents are better partners on national security issues.)

The third key issue is a U.S.-ROK free trade agreement (FTA). An FTA is far more than a "trade" deal: it is an attempt to broaden the alliance itself and to create another pillar to support the bilateral relationship. There are economic advantages, of course: an FTA is estimated to increase ROK GDP by 2 percent and expedite the structural change that will yield even more growth over time. But the real issues are strategic. An FTA binds the U.S. and South Korea more closely; indeed, it, like all other FTAs with Asian governments, ties the U.S. more tightly to the region.

The obvious merits of the FTA do not guarantee its success. All FTAs are difficult to conclude: the power of entrenched interests appears to have grown in recent years. A U.S.-ROK agreement will have to tackle agriculture and financial service industries, and thorny and nationalistic interest groups in both countries. With both leaders suffering low popularity ratings, neither has much ability to take on vested interests. The backlash from those groups is likely to feed fatigue about free trade more generally, which is growing stronger daily in the U.S.

The status of the Kaesong Industrial Complex – a special economic zone in North Korea that hosts South Korean companies – is problematic. Seoul sees Kaesong as an opportunity to stimulate reform in North Korea and build stronger ties between North and South; much of Congress (and virtually all of the right in the U.S.) sees it as an opportunity to exploit cheap North Korean labor and a huge human rights violation. Stangarone is convinced that Congress will exclude all Kaesong products from the FTA, a prospect that undermines one of the rationales for the project – producing goods that are competitive on international markets. That promises to be a tough fight.

Failure to reach agreement on a FTA would be a disappointment. Failure by either legislature to ratify an agreement could create a crisis. It is easier to minimize a negotiating failure than a legislative rejection.

Discussion focused on the future of Korean politics. While the traditional voting pattern in South Korea is changing – regionalism no longer commands the voter allegiance it once did – no alternative structure is emerging to help predict electorate behavior. Political views are much more diverse. One Korean argued that the younger generation is swinging back to the right and evidencing more conservatism than did its immediate predecessors. Other Korean speakers called this "flexibility" and the sign of a less ideological approach to Korean politics. A U.S. participant agreed that this generation appears more critical of the North – one indicator of more conservative thinking – but suggested its members are most likely to be apathetic. Another

Korean participant countered that the traditional language of politics – liberal and conservative – doesn't apply in the ROK. For him, policy toward the North is the only important pivot in ROK politics and its application cuts across traditional ideological divisions.

For many ROK participants, anti-Americanism is not a concern. When it flared, it was the result of specific incidents. In other words, it was context dependent. This speaker called for analysts to distinguish between U.S.-ROK relations and the U.S.-ROK alliance. Values undergird the former, and there is little disagreement about them. The alliance, however, is based on two sets of perceptions. The first is threat perceptions: these are diverging, and the failure to reconcile the two countries' views will create problems in their relationship. The second, and just as important, is each ally's perception of its partner. Americans, especially in Congress, dwell on images of South Koreans protesting the U.S. presence and feel unwanted. Ultimately, the two sets of perceptions converge: one U.S. participant warned that if Americans conclude that the defense of the ROK is more important to the U.S. than it is to South Koreans, then the alliance will end.

Economic dynamics of the U.S.-ROK relationship

The U.S. and South Korea are the first and 10th largest economies in the world; the ROK is the third largest economy in Asia after China and Japan. South Korea is the seventh largest U.S. trading partner and the U.S. is South Korea's third. These numbers underscore the strategic value of the current relationship and the importance of the Korea-U.S. Free Trade Agreement (KORUS FTA), negotiations for which began June 7, 2006, and which was the central point of our discussion on the economic dimensions of the U.S.-ROK relationship.

The U.S. view of the FTA is positive, but guarded, reported Jane Skanderup of the Pacific Forum CSIS. While there are concerns about political pressures in both countries, recent signs are encouraging: Washington and Seoul agreed on a bilateral investment treaty and screen quotas for U.S. films in the South.

Skanderup, like South Korean presenter Jeon Jong-kyou from the School of International Relations at Kyunghee University, focused on the benefits an FTA would have for both countries. It will provide an estimated 2 percent boost to ROK growth and 0.23 percent for the U.S. Jeon highlighted how the FTA would increase South Korea's share in the U.S. market. In 2004, China and Japan had 13.8 percent and 8.7 percent of the U.S. import market, respectively, while Korea had only a 3.1 percent share. U.S. foreign direct investment in South Korea is expected to increase after a deal as occurred in Mexico and Singapore after those two countries completed FTAs with the U.S. Productivity growth should increase through rising trade in capital and service goods. That in turn should spur South Korean research and development.

Furthermore, the FTA will aid ROK efforts to push structural and regulatory reforms begun after the Asian financial crisis, but that have provide difficult to implement as a result of resistance from bureaucrats, politicians, and corporations. Such reforms are essential if the ROK is to maintain competitiveness with China and other Asian economic and financial powerhouses. Finally, the FTA will provide valuable lessons for ROK trade negotiators. Jeon explained that South Korea is a laggard when it comes to negotiating FTAs: it has concluded just one to date,

with Chile. With the Doha Development Round on the ropes, Seoul needs more experience in bilateral negotiations.

Of course, reforms will also create losers and there is concern that the ROK is not prepared for the political fallout of an FTA. Income disparities are already growing in South Korea and the adjustment process set in motion by a trade deal will exacerbate them in the short-term. Cynics in our group speculated that some in Seoul might be counting on fears reaching a point that politicians can use them as a platform: opposition to the FTA would be a device for bashing the U.S. and “standing up for” Korean nationalism. Other cynics countered that an FTA would divert U.S. trade from Japan to Korea and that was a point in its favor.

That set off a debate about the motivations behind the FTA. It is unclear which side proposed the agreement. South Koreans heard the initiative came from the U.S.; Americans were told Seoul was responsible. Some Korean participants asserted that President Roh was thinking about his legacy: Americans asked if he accomplished more by getting an FTA or rejecting one.

There are formidable obstacles to the realization of an agreement. First, neither party has defined what a successful FTA negotiation would look like. Second, rules of origin, particularly regarding products from the Kaesong Industrial Zone, will be critical. Singapore allows for manufactured goods made there to carry the “Made in South Korea” label. Europe has stated that as long as 60 percent of component parts come from the South, the finished product could be labeled as made in South Korea. But, as noted, the U.S. Congress is extremely unlikely to agree to any deal that gives those products access to the U.S. market. Third, there are questions about the protection Korea is prepared to give U.S. intellectual property rights. This is an increasingly touchy subject in global trade negotiations.

Congressional objections are especially important since the U.S. president’s Fast-Track Authority for Trade Agreements expires June 30, 2007. This allows the president to negotiate trade agreements and only gives Congress the chance for an up or down vote without amendments on the deal. Congress is not expected to extend the authority, which means FTA negotiations have to be completed soon so that Congress can take up the draft.

There will be complaints about the negotiation process. Roh supporters have already criticized the lack of transparency. There needs to be studies, compensation measures, and public input into this process. Both presidents need to make a stronger case to their publics on the merits of such a deal. This is likely to be a long and labor-intensive process: Skanderup argued it would take a generation to change South Korean attitudes on economics and trade.

Future of the Six-Party Talks

The tensions in the U.S.-ROK alliance are most evident when the two governments try to deal with North Korea. While the two agree that North Korea should not become a nuclear power, they have vastly different priorities when dealing with Pyongyang and divergent strategies to get the North to comply with its stated commitment to a denuclearized Korean Peninsula. As Kim Sung-han of the Institute for Foreign Affairs and National Security explained, South Korea first wants a peace regime on the Peninsula, then it worries about North Korean

nuclear weapons, and the alliance comes last. Washington's priorities are the exact opposite: its first priority is the alliance, then North Korean nukes, and only after those two issues are dealt with is it prepared to tackle the thorny issue of a peace regime. The two sides also differ on a fundamental question: is a peace regime the result of, or a precondition to, denuclearization?

Within the Six-Party Talks, the differences are plain. The ROK flatly rules out any use of force to resolve the nuclear crisis, while the U.S. refuses to take any option off the table – even as Washington insists it is committed to a peaceful resolution of the situation. Kim sees a narrowing of the gap between the two capitals, however: Seoul has come to appreciate the need for tougher measures against the North and the U.S. appears to be committed to a diplomatic solution to the crisis.

Kim believes the Six-Party Talks are still useful. Their success depends on South Korea and the U.S. working together to provide clear objectives and strong leadership within the negotiations. The two governments must develop a strategy that ensures that they use sticks and carrots in a coordinated fashion. Most important, the U.S. must not give China the opportunity to drive a wedge between the two alliance partners. Washington must not do anything that pushes Seoul into China's arms. For Kim, the ROK-PRC relationship is influenced most profoundly by U.S. policy.

While the Six-Party Talks can still resolve the North Korean crisis, the U.S. and the ROK must be prepared for their failure. The two should design a joint approach for that eventuality. Critically, it must be clear to all parties – and the world – that the fault is Pyongyang's; only then can the Six-Party Talks be transformed into a punitive coalition to compel North Korea to give up its nuclear weapons.

Other observers are not so optimistic. Most U.S. participants considered the Six-Party Talks over in all but name; one U.S. participant called them the diplomatic equivalent of a “dead man walking.” Scott Snyder, senior associate of the Pacific Forum CSIS and the Asia Foundation, is pessimistic, but believes they will continue, nonetheless. For him, the Six-Party Talks are a crisis management mechanism: each of the six parties has reasons to keep them alive and none wants to devise an alternative policy. Most significantly, both the U.S. and North Korea are content to wait out the other – each prefers “regime change” in the other capital – and the talks provide a convenient framework for that tactic.

For the U.S., in particular, the Six-Party Talks are preferable to bilateral negotiations. They permit the U.S. to use others to pressure Pyongyang, and allow the U.S. to work outside the multilateral framework to frame the North Korean debate. For example, the financial sanctions imposed on Banco Delta Asia, for alleged North Korean counterfeiting of the U.S. currency and money laundering, raise a basic question for other countries, especially China: will they back international norms or promote North Korean exceptionalism? Snyder argued that this strategy is part of a larger attempt by the U.S. to turn Pyongyang into a strategic liability for the PRC. Snyder also highlighted rising South Korean concern about PRC relations with Pyongyang, especially the expansion of Chinese influence in North Korea.

There was considerable debate about the aims and objectives of Washington and Pyongyang. Has either government made the key strategic decision – to give up its nuclear ambitions in North Korea’s case, and will the U.S. accept the government in North Korea? Will either decision be recognized as such? Some argued the Sept. 19, 2005 Joint Statement constitutes such a “strategic decision.” It accepts the “actions for actions” roadmap and all sides agreed on the need for an inspection/verification regime as well as the resolution of other issues raised by North Korean behavior – missiles, weapons of mass destruction, and human rights.

Others consider the resort to financial sanctions as proof that Washington maintains a hostile policy toward Pyongyang; North Korea certainly makes that case. The imposition of such measures is an attempt to employ “smart sanctions” that have a focused impact, hurting policy makers rather than citizens. A U.S. participant pointed out that the sanctions froze the North Korean banking system for a week. A South Korean participant countered that North Korean society still functions, it is getting plenty of aid from China, and its citizens are being fed. The regime has lost “bribe money,” but that is balanced by the acquisition of a new device with which Pyongyang can blame the U.S. for the stalemate in the talks, distract attention from its own behavior, and stall for yet more time.

The key then is whether other countries accept the North Korean claim that sanctions are another form of U.S. unilateralism and an attempt to bring about regime change. The two key actors in this regard are China and South Korea. China continues to court the North; it is unclear what President Hu Jintao promised Kim Jong-il during his January 2006 southern tour of China. Growing Chinese investment in the North – sparking ROK concerns about “colonization” – implies that Beijing is not ready to put the screws to Pyongyang, much less contemplate regime change.

The ROK appears to be talking tougher, however, and demanding more reciprocity from the North. Some believe that the new unification minister, Lee Jong-seok, will take a harder line. A South Korean participant noted that Lee has pledged to resolve the abductee and POW issues “at all costs,” even though the speaker admitted that North Korean human rights policy is unlikely to make the inter-Korean agenda. A U.S. participant countered that the change in unification ministers resulted in changes in style rather than substance.

There will be no real change in any of the six parties’ policies as long as there is no sense of urgency. This creates a dilemma, as the Six-Party Talks are designed to keep the situation from reaching a crisis point and forestalling the contemplation of any alternative strategies. Thus, stalemate is likely to continue.

Outlooks for the U.S.-ROK alliance

The divergent perspectives on the threat posed by North Korea and the appropriate ways to respond go to the heart of the U.S.-ROK alliance. Security planning on the Korean Peninsula is shaped by two possibilities: external threats (which must be defended against and deterred) and the possibility of a sudden collapse in North Korea that creates instability. The U.S. is preoccupied with the former, while Korea is most concerned with the latter. That difference yields two markedly different strategies for dealing with Pyongyang.

For Lee Geun, associate professor at Seoul National University, the alliance has three future options: acquiring a power projection capability to deal with regional contingencies (the most likely is a Taiwan Strait crisis); focusing on maintaining a balance of power on the Korean Peninsula (i.e., deterring North Korea and ensuring that China's sphere of influence does not grow); and guarding against uncertainty (i.e., ensuring stability on the Korean Peninsula). A strategy that combines the first and second options is likely to be seen as aggressive and offensive and could threaten Korea's neighbors; many consider the U.S.-Japan alliance to have taken this path and the results are worrisome for some East Asians. A strategy that combines the first and third would embed the alliance within the U.S. global alliance network. A strategy that combines the second and third options would be less threatening – as it would forsake the acquisition of power projection capabilities – but some countries in the region would still be threatened.

For Lee, and many other Koreans, the key question is whether the ROK needs power projection capabilities. Given its interests in the region and throughout the world, the answer would seem to be yes. But, the ROK's growing economic interests in China make it increasingly sensitive to Chinese concerns and increases Seoul's reluctance to antagonize Beijing. Plainly, the country also needs to be prepared for uncertainty. Lee believes the ROK should adopt a strategy that maximizes flexibility to deal with regional problems, but does not alarm China.

The future of the alliance is not for South Korea alone to decide. But the U.S. must better understand the changes occurring in that society; failure to properly account for the evolution in the ROK will undermine the alliance. Worries about a break may be diminishing as political pendulum in the ROK swings: the leftward shift appears to be coming to an end and momentum is returning to the right. But Norman Levin, a long-time observer of the alliance at the Rand Corp., warns against expecting a return to the “good old days” of the alliance. ROK political and economic successes have instilled self-confidence and a desire for greater self-reliance and autonomy in foreign and security policies. This is part of a renewed effort by the ROK to better define itself and protect its interests throughout the world. As a result, Seoul is no longer willing to be satisfied as a junior partner.

That does not mean that it will break the alliance or ally with China. China has become more important to the ROK and South Koreans want good relations with the PRC. But that relationship remains unidimensional: it is centered on economics and student exchanges. Most South Koreans remain leery of Chinese intentions, and those suspicions have been hardened by the Goguryeo incident and the rewriting of Korean history, as well as the economic investment in the North that spurs talk of modern-day colonialism.

Talk of “independence” is more of an expression of nationalism than a policy objective. The alliance still enjoys widespread support in South Korea. As Levin pointed out, even the ROK left concedes that the country's foreign policy latitude depends on a strong alliance with the U.S. As proof, he noted that there is no longer any talk in South Korea about being a “balancer” within the region. There is talk about being a “bridge,” however, a role that is commensurate with the ROK status as a middle power.

Contrary to media hype, the U.S.-ROK alliance is stronger than it looks. Official relations are good and the two governments are working to solve their problems – and making progress. Nonetheless, Levin warns that the situation could change. He identified three possible catalysts: 1) if South Koreans perceive the U.S. as a major obstacle to North-South reconciliation and/or Washington mishandles instability in the North; 2) if the U.S. denigrates or mistreats Seoul within the alliance; or 3) a perception in the South that the U.S. strongly favors Japan over the ROK. This is not a one-way process, however: U.S. policy will reflect Korean initiatives and reaction to U.S. policy, too.

Plainly, the first step in redefining the alliance is agreeing on a vision. In this context, the primary burden appears to be on South Korea, as the U.S. has already laid out its plans in the Global Posture Review. The limited, phased redeployment of U.S. forces in Korea has been agreed, but the success of that process depends on the Seoul government articulating its own vision and purpose of the alliance. Our discussion made plain that the general parameters of that vision are clear: the ROK wants more independence and self-reliance; it seeks good relations with all neighboring countries; and Seoul must be able to defend the country's global interests, even though the U.S.-ROK alliance must be defensive, not offensive. There were a number of suggestions on how the alliance should operate. One ROK speaker maintained the traditional approach: North Korea should remain the starting point for alliance planning. Several other ROK participants agreed that Seoul should continue to focus on ROK interests, rather than those of "Korea" as a whole, with all the attendant implications of that perspective. Another suggested that the proper foundation for the alliance is a "comprehensive development strategy for the developing world," which would draw on the ROK postwar experience and Seoul would provide knowledge, technology, and capital.

There was – from a U.S. perspective – one troubling note in our discussion. ROK speakers noted that defending ROK interests requires an alliance that is omnidirectional. ROK participants seemed to identify Japan as a threat as often as any other country. One ROK speaker said the U.S. should support Seoul in its dispute with Tokyo over ownership of the disputed Dokdo/Takeshima (Liancourt) islands.

Changing dynamics in Northeast Asia

A key factor shaping the two countries' visions is regional integration. There is much talk about the emergence of a new East Asian regionalism, a process driven by economic integration that is spilling over into political and security policy. There are a plethora of institutions that tackle regional problems, ranging from the Asia Pacific Economic Cooperation forum (APEC), which focuses on economic concerns, to security bodies like the ASEAN Regional Forum (ARF) and the Shanghai Cooperation Organization (SCO), ad hoc initiatives like the Six-Party Talks, and political initiatives like the ASEAN Plus Three (A+3) and the new East Asian Summit (EAS).

For Lee Jung Hoon, associate professor at Yonsei University, Northeast Asia is tugged by trade dynamism that encourages economic integration and threat perceptions that hinder deeper cooperation. The dilemma is embodied in policy toward China, which is the leading trade partner of both the ROK and Japan and simultaneously a looming security concern. ROK thinking is

further complicated by the uncertainties surrounding North Korea's nuclear program (explained above) and the changes in the U.S. military posture.

Central to the resolution of these uncertainties will be, for Lee, the U.S.-China relationship. A working, cooperative partnership is the interests of both countries and the region as a whole. The U.S. can do more to help develop northeast China, which would diminish Chinese concern about instability engendered by North Korea. Washington should also turn down the rhetoric regarding China and do more to "cap" Japan to gain Beijing's trust.

Peter Beck, director of the Seoul office of the International Crisis Group, is much more skeptical about the prospects for regional integration in Northeast Asia. The factors driving economic and cultural integration are plain: the soaring trade and investment figures and skyrocketing student exchanges and visits by tourists among the ROK, Japan, and China. But Beck sees equally powerful forces impeding cooperation: disparate political systems, nationalism, territorial disputes, the legacies of history, the failure of any country to play the role of leader, and a lack of statesmanship among regional leaders. He dismissed the various regional institutions: ASEAN Plus Three is a consultative body that provides no meaningful security cooperation; APEC is four adjectives in search of a noun; even ad hoc mechanisms, such as the Six-Party Talks, are stalled.

Success in creating regional institutions depends on better leaders, the promotion of "minilateral" dialogues that focus on concrete areas of cooperation, the U.S. stepping forward to act as an honest broker (at least when dealing with the ROK and Japan), and more energetic track-two diplomacy and activity by nongovernmental organizations. Beck suggested that regional governments fund an East Asia Peace Institute to provide additional impetus and creativity to the integration process.

There was general agreement that functional issues, energy in particular, will provide the most solid basis for regional cooperation. There was also consensus that cooperation among the "plus Three" nations – the ROK, Japan, and China – is the cornerstone of Asian integration. Several ROK participants warned their government against focusing on subregional (i.e., Northeast Asian) concerns and look to wider regional and global interests. There was also a warning for Washington: the U.S. must not appear hostile to Asian integration and community building. Instead, the U.S. should back a process that will ultimately benefit itself and its allies in the region.

An obvious key to the success of the community building effort is a shared sense of purpose among the participants. Yet, it is also apparent that there is only the barest outline of the purpose and vision of an Asian community. The governments of the region, and Seoul and Tokyo in particular as allies of the U.S., should be developing that vision, and explaining how their alliances with the U.S. fit into it. To start, Seoul needs to understand its own place in Northeast Asia, and how its alliance with the U.S. serves both countries' interests. The Pacific Forum CSIS has worked with the New Asia Research Institute and the Korea Economic Institute to guide that process and sharpen that vision. We will continue those efforts in the years to come.

About the Authors

Brad Glosserman is executive director at Pacific Forum CSIS in Honolulu. He is editor of *Comparative Connections*, the Pacific Forum's quarterly electronic journal, and writes the chapter on U.S.-Japan relations. He directs the Pacific Forum's Young Leaders program. He is co-author of many monographs on U.S. foreign policy and Asian security relations. Other articles have appeared in scholarly journals throughout the region, and he has contributed several chapters to various books on regional security. He is the editor (with Tae-hyo Kim) of *The Future of U.S.-Korea-Japan Relations: Balancing Values and Interests* (CSIS Press 2004). His opinion articles and commentary have appeared in *The Japan Times*, *South China Morning Post*, the *International Herald Tribune*, *The Asian Wall Street Journal*, *The Index on Censorship*, *Japan Digest*, and *The Straits Times*, as well as other publications. Mr. Glosserman has been a regular commentator for the BBC and other Asian radio programs. Prior to joining Pacific Forum, Mr. Glosserman was, for 10 years, a member of *The Japan Times* editorial board. He has a JD from George Washington University, an MA from Johns Hopkins University's School of Advanced International Studies (SAIS) and a BA from Reed College.

Sun Namkung is a research assistant at Pacific Forum CSIS and a coeditor of *Comparative Connections*. She holds an M.B.A. from the College of Business Administration at the University of Hawaii Manoa and received her B.A. in art history from Wellesley College in Wellesley, Massachusetts. She has also studied international relations at the Graduate School of International Studies at Korea University in Seoul, Korea. She has previously worked for DFS Hawaii and the American Red Cross.

Appendix A

Institute for Defense Analyses
Korea Economic Institute
New Asia Research Institute
Pacific Forum CSIS

“New Directions in the ROK-U.S. Relationship”

April 25-27, 2006
Maui

AGENDA

Tuesday, April 25

6:00 PM *Young Leaders Meeting - ALII TERRACE*

6:30 PM *Welcome Reception- ALII TERRACE*

7:00 PM *Welcome Dinner- ALII TERRACE*

Wednesday, April 26

8:30 AM *Continental Breakfast – HALE PIILANI ROOM*

9:00 AM **Opening Remarks – HALE PIILANI ROOM**
Chairs: Ralph COSSA and RHEE Sang-woo

9:15 AM **Session I: Regional Security Challenges for the U.S. and the ROK**
Presenters: KIM Tae-Hyo and Carl BAKER

Topics: This session assesses the current developments and reviews respective strategic interests related to regional security concerns in general and to the Korean Peninsula in particular. What are the key developments since our last meeting? What does each side consider the most crucial short-, medium-, and long-term security threats and challenges?

10:30 AM *Break*

10:45 AM **Session I continues**

11:45 AM *Session adjourns*

12:00 PM *Lunch- ALII TERRACE*

1:15 PM **Session II: Political Dynamics in Domestic Affairs: Implications for the U.S.-Korea Relationship**
Presenters: MAH In-Sub and Troy STANGARONE

Topics: This session will explore the domestic political forces and their effect on the U.S.-ROK relationship. How will South Korean local elections in 2006 foreshadow the presidential elections of 2007? How does Korean civil society impact on the alliance? How does this affect Korean foreign policy? How will the 2006 U.S. mid-term elections affect U.S. foreign policy toward Korea? How will identity politics affect the elections and bilateral relations?

3:00 PM *Break*

3:15 PM **Session III: Economic Dynamics of the ROK-U.S. Relationship**
Presenters: JEON Jong-Kyou and Jane SKANDERUP

Topics: What is the state of the ROK-U.S. bilateral economic relationship? How will an FTA affect the bilateral relationship? How will the WTO Doha Round affect ROK-U.S. trade relations? What impact does “China’s rise” have on the ROK-U.S. alliance? What effect will greater economic integration have on the ROK-U.S. relationship? Will changing economic relations impact the alliance and U.S. relations with the region? How?

5:30 PM *Session adjourns*

6:30 PM *Cocktails - ALII TERRACE*

7:00 PM *Dinner- ALII TERRACE*

Thursday, April 27

8:30 AM *Continental Breakfast– HALE PIILANI ROOM*

9:00 AM **Session IV: Future of the Six-Party Talks – HALE PIILANI ROOM**
Presenters: KIM Sung-Han and Scott SNYDER

Topics: How does each country evaluate the Six-Party Talks? What are the obstacles to future progress? What should each country do to push the talks forward? What kind of coordination should there be between South Korea and the U.S.? Can this coordination be broadened to include China, Japan, and Russia? How will discussion of a peace treaty and peace regime affect the U.S.-ROK alliance? What should be done to ensure that the alliance is not negatively impacted?

10:30 AM *Break*

10:45 AM **Session V: Outlooks for the ROK-U.S. Alliance**
 Presenters: LEE Geun and Norman LEVIN

Topics: *This session examines the alliance from the ROK and U.S. points of view. How does each evaluate the state of the alliance? What was the outcome of the Bush-Roh Gyeongju Summit in November? What are the hopes and expectations for the Strategic Consultation for Allied Partnership (SCAP)? What is South Korea's vision of being a partner of the U.S.? What is the U.S. role in the partnership? How does U.S. force restructuring affect the region and South Korea? What are the implications of a shift in wartime control of ROK forces?*

12:15 PM *Session adjourns*

12:30 PM *Lunch – ROYAL OCEAN TERRACE*

1:45 PM **Session VI: Changing dynamics in Northeast Asia**
 Presenters: LEE Jung-Hoon and Peter BECK

Topics: *This session looks at Northeast Asia's attempts to overcome Cold War inhibitions through regional political cooperation, via the ASEAN Plus Three and other trilateral dialogues among the PRC, ROK, and Japan. What impact will Asian regionalism have on alliances, and in particular the U.S.-ROK alliance? How does each side idealize the various Northeast Asian bilateral relationships? Is there a role for the ROK and U.S. in relations between China and Japan? What role should the U.S. play in ROK and Japan relations? How do South Koreans see their role in the growing integration of Asia? How do South Koreans evaluate the emerging East Asian community? What is their role in the process? How does Japan fit in? Does the U.S. have a role to play in the "emerging" Asia? What is that role?*

3:30 PM **Wrap-up discussion and closing remarks**
 Chairs: RHEE Sang-woo and Ralph COSSA

4:00 PM **Young Leaders Session**

6:20 PM **LUAU – Meet in Main Lobby**

Evening Open

Appendix B

**Institute for Defense Analyses
Korea Economic Institute
New Asia Research Institute
Pacific Forum CSIS**

“New Directions in the ROK-U.S. Relationship”

**April 25-27, 2006
Royal Lahaina Hotel – Maui**

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Korean Consulate Representative

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