



**NATIONAL COMMITTEE ON AMERICAN FOREIGN POLICY
(NCAFP), THE KOREA SOCIETY AND THE ASAN INSTITUTE FOR
POLICY STUDIES MEETING SUMMARY**

**THE U.S. – ROK ALLIANCE: A FORWARD LOOKING
AGENDA**

DECEMBER 2-3, 2008

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The NCAFP, together with The Korea Society, hosted a day and a half meeting with the ASAN Institute from Seoul, South Korea, on December 2-3, 2008. The ROK group was led by former Foreign Minister Han Sung-Joo and included a number of security specialists, ROK officials and assemblymen. The NCAFP group included several former ambassadors, including Amb. Alexander Vershbow, Amb. Winston Lord, and Amb. J. Stapleton Roy as well as former National Security staff member, Victor Cha, former Assistant Secretary of Defense for East Asia, James J. Shinn, and the current Director of the Office of Korean Affairs at the U.S. State Department, Kurt Tong.

OVERVIEW

1. There was a general consensus that the U.S.-ROK alliance has seen many positive changes in the past five years and holds the potential to be one of America's most enduring relationships in Asia. The challenge for the future will be to broaden the alliance to the regional and global arena.
2. There was also a consensus that the U.S.-ROK free trade agreement needs to be ratified by the U.S. Congress and the Korean legislature. This is the single largest bilateral FTA negotiated by the United States and the second largest next to NAFTA. The agreement has clear economic benefits for both sides. But most important, the FTA represents the elevation of the U.S.-ROK relationship to a higher plane.
3. With regard to North Korea and the nuclear issue, it is necessary to be realistic. Tortuous, difficult and challenging negotiations lie ahead and there is no immediate prospect for getting rid of North Korea's nuclear weapons. But the U.S. and its friends and allies can manage the threat. The Obama administration will inherit a functioning Six Party Process. The next big issue will be to develop a "phase three"

4. Some American participants thought it would be desirable for President Obama to send a high level emissary to Pyongyang to advance this process. Others thought this would send the wrong message. In any case, it would be necessary to design a process which continues to push North Korea to denuclearization while demonstrating a continuing U.S. commitment to negotiation. Some pressed the idea of a bold approach of big “sticks” and big “carrots.”
5. President-elect Obama needs to reassert at an early time the principle that the United States will never accept North Korea as a nuclear weapons state. So long as the nuclear issue is not resolved, there will be no peace treaty and no normalization of relations with the United States.
6. Several Korean participants expressed the importance of consultation with Seoul prior to any new U.S. initiatives or emissaries.
7. Some Americans argued that the new American president should make it clear that he understands the strategic importance of the Korean peninsula above and beyond the North Korean nuclear issue. The strategic importance of the peninsula is not well understood in the U.S.

THE U.S.-ROK ALLIANCE: KOREAN PERSPECTIVES

A Korean participant said there was strong support in South Korea for the alliance with the United States and this support would increase after the change of government in the United States in January, 2009. At that time, it would become easier to justify the alliance. There were at least two main reasons to justify the continuation of the alliance in South Korea. First, the North Korean threat remains. Second, the alliance provides Seoul with leverage vis-à-vis China and Japan. Former President Roh’s mistake, said the Korean participant, was based on his belief that in order to move closer to China, it was necessary to slight the U.S. alliance. On the contrary, China’s interest in a closer relationship with South Korea increased after it became clear that President Lee Myung-bak intended to revitalize the alliance with the United States.

The Korean participant concluded by saying that the meeting with the NCAFP had reassured him that the incoming Obama Administration would act in accordance with the “three C’s” – confidence, competence and composure. But there was the need for a fourth “C” - consultation.

However, some of the Korean participants expressed a palpable unease about what an Obama administration will mean for the future of the alliance. Much of this might stem from the erroneous opinion that President-elect Obama’s policies might skew too much

in the direction of former president Roh's "Sunshine Policy." However, President-elect Obama's policies should be viewed more as engagement tempered by conditionality, and this position is compatible with President Lee's. Also there was concern about an Obama administration's reopening the FTA. The crisis in the U.S. Auto industry is clearly a factor.

Some Koreans emphasized the need to spell out in more detail a "vision" statement for the future of the alliance.

Another Korean participant said that the majority of the Korean people favored a continuation of the alliance and of the presence of American troops. Korea, he said, is a small country surrounded by big powers, all of whom are regarded warily by the Korean people. The United States, he said, should not be overly sensitive to Korean nationalism. Despite the virulence of the past protests over imports of U.S. beef, that beef was now selling in record amounts in South Korea. The alliance with the United States is underappreciated both in Korea and in the United States. One factor needed is a strong personal tie between incoming President Obama and ROK President Lee Myung-bak.

THE U.S. – ROK ALLIANCE: AMERICAN PERSPECTIVES

One American participant said that despite gloomy predictions in 2002 that the alliance was in trouble, the alliance had seen more positive changes in the past five years than in any five year period in the alliance's history. This ran contrary to the conventional wisdom which saw the leftist Roh Moo-hyun and the hawkish Bush administrations as completely incompatible.

An American participant drove home the following point; when thinking about the alliance, we should focus on results and not tone. Historically, the alliance has been underestimated in terms of results, and the fact that there are the occasional saber-rattling or heated exchanges, shouldn't lead observers to think that there are chinks in the alliance's armor.

Over the past five years, the two governments had agreed on a major base realignment and restructuring agreement, constituting the most far-reaching changes in the U.S. presence on the peninsula since the end of the Korean War. These measures included the removal of U.S. forces from the DMZ, the move of U.S. army headquarters (Yongsan garrison) out of the center of Seoul and the eventual return of more than 60 bases and camps to the ROK. Another watershed agreement was reached on the return of wartime operational control to the ROK by 2012. These changes maintain the U.S. treaty commitments to defend its ROK ally while reducing civil- military tensions with the host nation. On the diplomatic front, the Bush White House oversaw the creation of an informal but highly effective channel between the two national security councils and the creation of a formal new Strategic Consultation for Allied Partnership (SCAP) between Secretary Rice and her counterpart.

These new institutions, the American went on, helped expand the scope of the U.S.-ROK alliance beyond the peninsula to areas of mutual global concern. The ROK had proved to be an important coalition partner in Iraq, providing the third largest contingent of ground troops. The ROK also provides logistics support and a field hospital in Afghanistan. And in Lebanon, the ROK contributed troops for peace-keeping operations.

There were, said the American, three important challenges which had to be met in the near future in order to continue building the alliance.

First, the U.S.-ROK free trade agreement needed to be ratified by the U.S. Congress and the Korean legislature. This is the single largest bilateral FTA negotiated by the United States and the second largest next to NAFTA. The agreement has clear economic benefits for both sides. But perhaps more important, the FTA represents the elevation of the U.S.-ROK relationship to a higher plane. It represents a deepening of the relationship beyond its traditional and predominantly military aspects. Koreans are always looking for ways to improve bilateral ties and to increase “trust” in the relationship and there could be no more important way of doing this than through the FTA. An inability to ratify this agreement would be seen as a huge and potentially disastrous setback in the evolution and growth of the alliance. No FTA is perfect and the KORUS FTA may have flaws that need to be reviewed, but ratification of this agreement needs to be treated not just as an alliance issue, but as a larger strategic issue for the promotion of free trade in Asia and for the strength of the U.S. position in Asia.

Second, the political left in Korea needs to learn how to operate effectively within established democratic institutions. With the election of Lee Myung-bak in December 2007, the political left found itself out of power in both the executive and legislative branches of government for the first time in more than a decade dating back to the presidencies of Kim Dae-jung and Roh Moo-hyun. The conservative president Lee won by the widest margin of any Korean president since the establishment of democracy in 1987. Following that, the April 2008 National Assembly elections put the conservative Grand National Party back into power with almost a two-thirds majority.

In reaction, the Left, which had been at the center of the fight for democracy in Korea, and, to some extent, against the United States for the perceived U.S. support of military dictatorship in Seoul, took to the streets to voice opposition to the new conservative government (using imports of American beef as the pretext). Whether or not the decision to take the protests to the streets was merely an instinctive reaction among the left and the NGO civil society groups, what was most disturbing were the pictures of opposition party legislators joining the street protests rather than trying to operate through the legislature.

The nearly four months of protest paralyzed the government and are estimated to have cost the economy \$2.5 billion. The protests also took their toll on the alliance with the U.S.

The third challenge to the alliance, the American participant continued, was how best to prepare for change in North Korea. It is likely that the DPRK regime will come under severe stress in the near future and there is no clear line of succession. Thus the U.S. and the ROK should begin quiet but serious discussions among themselves and with others about how to prepare for political change in North Korea.

THE NORTH KOREAN NUCLEAR ISSUE: KOREAN PERSPECTIVES

Several Korean participants voiced concerns that the incoming Obama Administration might “send the wrong signals” to Pyongyang, make unwarranted concessions, and/or would not consult beforehand with Seoul on any overtures to the North. Several Americans sought to reassure the Korean participants that none of these concerns were justified.

One Korean participant said that Seoul was not yet aware of Obama’s plans for North Korea and the principal challenge for South Korea would be to coordinate its policies with those of the new American president. After listening to several U.S. perspectives on the subject which counseled patience (see later), the Korean participant said that he agreed that the best we can do now is “manage” rather than denuclearize North Korea, freeze and possibly reverse its nuclear capabilities, maintain a negotiating framework, and prevent a larger conflict.

On a more discordant note, another Korean participant said that “action for action” was no longer a credible principle because the North Koreans had been removed from the U.S. terrorism list and still had not agreed to a verification document. He went on to say that all the talk about a “peace regime” on the Korean peninsula was North Korean “propaganda” designed to guarantee the regime’s continued existence. And he said that any policy of both “carrots and sticks” is exactly what Kim Jong-il wants. The danger of such a policy is that it would lead to the acceptance of North Korea as a de facto nuclear state.

Another Korean participant said he was skeptical about the future prospects for denuclearizing North Korea. First, the U.S. and the ROK made a “series of concessions” to North Korea without appropriate concessions in return. Second, full scope verification of any nuclear disarmament agreement would be difficult. Third, the North Koreans would inevitably raise a number of conditions for agreeing to any complete denuclearization – e.g. the need for light water reactors, the need to focus on the conditions of peace, i.e. a peace regime, etc. He concluded on a pessimistic note that Pyongyang had already decided it will keep its nuclear weapons on the India or Pakistan model. The U.S. and the ROK need to be clear on this. The two allies must also be wary of North Korea’s “salami tactics” and must focus on the robustness of the U.S.-ROK alliance.

Another Korean participant said that President Lee Myung-bak would cooperate with President Obama but two points had to be clear. First, the United States and the other

parties in the Six Party Talks must continue to insist on the complete denuclearization of North Korea and stick to this principle. North Korea must not be allowed any false hopes that the United States may accept a nuclear North Korea. There must be a clear message to Pyongyang that a nuclear North Korea will not be accommodated. Second, there was the need for prior consultation.

On a more positive note, another Korean participant said there were three reasons why Seoul would go along with the current Bush Administration policy of disabling and dismantling North Korea's nuclear weapons capability and obtaining the necessary verification. First, this policy, even if it did not lead in the short run to a complete nuclear disarmament of North Korea, would enable the other parties to cap and freeze North Korea's plutonium. Second, even if the process fails, the international effort needed to achieve it will facilitate rallying international support for further sanctions against North Korea if they are needed. Third, the process could eventually work.

THE NORTH KOREAN NUCLEAR ISSUE: U.S. PERSPECTIVES

An American participant offered a detailed and balanced assessment of the complex problem of dealing with North Korea's nuclear capability. President-elect Obama, he said, would inherit a verification agreement in the process of being implemented and with many loose ends. Even if North Korea were to cooperate in this process, it would take a year or so to implement if the North Korean declaration of 38 kilograms of plutonium is accurate. Even then, North Korea will figure out ways to demand more payment and Obama will be asked to pay again.

The bigger issue, said the American, would be the phase three agreement which would involve a road map designed to destroy the nuclear weapons capability, and to get North Korea to give up all its plutonium and nuclear weapons in exchange for appropriate compensation.

President-elect Obama needs to reassert at an early time the principle that the United States will never accept North Korea as a nuclear weapons state. And so long as the nuclear issue is not resolved, there will be no peace treaty and no normalization of relations with the United States. Such a declaration would be needed to restore confidence in U.S. leadership.

On the other hand, said the American, it is also necessary to be realistic. Tortuous, difficult and challenging negotiations lie ahead and there is no immediate prospect for getting rid of North Korea's nuclear weapons. But the U.S. and its allies could use containment and deterrence to manage the threat.

Another U.S. participant said it will be necessary to test North Korea's willingness to give up nuclear weapons by designing a process which will continue to push Pyongyang to denuclearization while demonstrating a U.S. commitment to negotiations. He was not

sure that North Korea would give up its nuclear weapons but it would be good to have people on the ground in North Korea in order to degrade its nuclear capability.

Another U.S. participant said that President Bush would hand over to President-elect Obama a functioning Six Party process. But denuclearization would remain a formidable challenge. The United States would not recognize North Korea as a nuclear weapons state but there may be greater flexibility on tactics, including a high-level emissary to North Korea.

Another U.S. participant agreed with the need to show more flexibility on tactics and said that the U.S. needed to send to Pyongyang a credible senior envoy who was close to the incoming president. Others disagreed.

Another U.S. participant was critical of the U.S. approach as giving in to North Korean “salami” tactics. Moreover, the U.S. was alienating Japan on this issue and causing unease in Seoul. Meanwhile, Pyongyang was hostile to the ROK, trying to drive a wedge between the U.S. and ROK and reducing the latter to second class status.

Another American participant said that the only time real progress had been made on the North Korean nuclear issue was when the U.S. and ROK cooperated on an engagement track. When they cooperated on a tough track, this simply did not work. What would be needed is a long path of thoroughgoing engagement with North Korea by the U.S., ROK, Japan and China before Pyongyang puts its weapons on the table. He urged a “more robust” negotiating mechanism with North Korea that would produce a road map and a structure for a larger deal.

In this vein some Americans called for a bold package of bigger “sticks” and “carrots.” Each side would be required to take major steps in tandem. Both sides recognized the difficulty of devising credible sticks. But rallying China and others to put pressure on North Korea would be more feasible if North Korea rejected serious deals.

CHINA: KOREAN PERSPECTIVES

A Korean participant said that ROK-China relations had grown rapidly during the previous two governments of Kim Dae-jung (1998-2003) and Roh Moo-hyun (2003-Feb 2008). China and South Korea converged on engaging with North Korea and they believed that their approach had helped “soften” the Bush Administration’s hard-line stance on North Korea. In 2006, the ROK-China trade volume exceeded \$134 billion which exceeded ROK trade with both Japan (\$78.5 billion) and the United States (\$76.8 billion).

In January 2008, President Hu Jintao of China had dispatched a special envoy to Seoul and President-elect Lee sent his special envoy to Beijing. President Lee pursues more active relations with China on the basis of a close ROK-U.S. relationship rather than with the intent of playing a balancing role between Washington and Beijing in Northeast

Asia. In May, 2008, China proposed upgrading its relationship with the ROK to a “strategic and cooperative partnership.”

CHINA: U.S. PERSPECTIVES

An American participant argued that it was important for the incoming Obama administration to show early on that it understood the strategic importance of the Korean peninsula in ways that transcend the North Korean nuclear issue. It would be necessary to keep China on board so that China should not lose confidence in the U.S. approach to North Korea. And U.S. relations with Japan would require special attention.

The U.S., he went on, was deeply ambivalent about China and President-elect Obama needs to recognize and manage this contradiction. On the one hand, the rise of China is potentially threatening. On the other hand, it is manageable and the two great powers could cooperate on many issues.

Another U.S. participant predicted that the Obama policy towards China would show continuity with that of the Bush Administration. He urged that the new administration pay more attention to the security and economic architecture in the Asia-Pacific region. He said, too, that in order to be effective in its China policy, the U.S. would have to get its own domestic house in order in areas like economics, energy, the environment and human rights. He urged President-elect Obama to travel to Asia in March before he goes to Europe in April with stops in Japan, South Korea, China and Indonesia -- the latter to show concerns for Southeast Asia and to give a speech on Islam. This would help show that the U.S. recognized the importance of the region and would not be totally preoccupied with Europe, the Middle East and domestic challenges.

With regard to the North Korean nuclear issue, though some South Korean participants felt as if China was rather nonchalant when it came to the potentiality of North Korea maintaining its nuclear weapons arsenal, most American participants disagreed. Rather, the American perception is that China has very real, practical concerns about not only a potential arms race in the region should denuclearization fail on the Korean Peninsula, but also what will happen post Kim Jong-Il. Regime collapse and possible state failure in North Korea would have serious consequences for China which could see hundreds of thousands of refugees crossing the border into its territory.

There were further discussions about a post Kim Jong-Il North Korea. There would be a need for coordination and consultation between China and the United States (as well as South Korea) to deal with what is, after all, an inevitability; a day when Kim Jong-Il is no longer in power. This sort of coordination would also serve to proactively stave off mistrust and miscalculation. For instance, should there be a collapse in North Korea, a move made by either Beijing or Washington D.C. to help remedy the situation, which wasn't previously discussed with the other side, could lead to an escalation of tensions.

Therefore, a Track II dialogue, including the Chinese, which could address both a failure of nuclear negotiations and post Kim Jong-II scenarios was thought to have merits, though American participants realized that this process would be very politically sensitive and would have to be pursued cautiously. In any event the U.S., Japan and ROK should be exploring these contingencies both at the government and Track II levels.