

Unification of Korean Peninsula and its Leadership

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Honourable Dr. Chan Young Bang, President of KIMEP University, esteemed faculty members, students and distinguished guests, I am highly honoured to speak before the Leadership Speakers Forum today. I would like to express my gratitude to Dr. Chan Young Bang for inviting me to Kazakhstan and to this prestigious university. I am also grateful to Vice President Dr. Davis Landis for arranging the lecture at the Leadership Development Programme.

The title of my lecture is "Unification of Korean Peninsula and Political Leadership." I would like to talk about the reality and problems of the Korean unification and the political leadership required.

We are living in an 'era of transition.' The rise of China is a crucial aspect of the global transition. It has moved the pillar of the world economy from Trans-Atlantic to Trans-Pacific. It may bring about the era of Asia in concurrence of the emergence of a "new type of great power relations" between China and the United States.

Important changes are taking place in the East Asian regional order. The rise of China and the resurgence of Sinocentrism, the instability of the American policy of "rebalance" towards Asia, the strengthening of the Japanese military power, and North Korea's nuclear capability and regime instability are central to the present changes in the regional security environment.

Against this backdrop, Korean peninsula has witnessed a possibility to become a center of the regional dispute. The tension has already been shown, only to mention recent cases, at the North Korean Leader Kim Jong Eun's proclamation of a "quasi-state of war" in the course of military confrontation which involved an exchange of artillery attacks between North and South Korea. North Korean Leader Kim Jong Eun ordered to put frontline troops in full combat readiness during the dispute. This dispute occurred after the land mine attack by the North at the DMZ in August 2015.

Although this dispute was halted by the August 25 Agreement for the improvement of the South-North relations, which was followed by the 'Family Reunion' in October, this incident showed the possibility of the Korean Peninsula to become a lively spot of the military tension.

The military provocation by the North seemed to reflect the instability of the North Korean regime. The speculation was that Kim Jong Eun provoked military tension at the DMZ to solidify his power base from the early stage of the transition from his late father. The scepticism of the stability of Kim Jong Eun regime was triggered by the execution of Jang Song Taek, Kim Jong Eun's uncle, by firing squad. The purge and possible execution of the Defence Minister Hyun Young Chul is understood in the same vein.

Unification debate has been precipitated under these circumstances. It was triggered by the popular and sensational wording by President Park Geun Hye at the 2014 new year press conference: 'Unification is a Jack Pot.' But that is not all. The conservative Chosun Ilbo has also launched a grand campaign for Unification as their major yearly project. 'Unification' has thus become the major topic in the Korean society from the beginning of the year. President Park then formed a government organisation to deal with unification issues, that is, the Unification Preparation Committee, composed of a wide range of academic and civilian dignitaries.

The circumstances and conditions which gave birth to the unification campaigns were provided by the perception of the instability of North Korea. The general perception of this situation seemed to start with, as mentioned above, the execution of Jang Song Taek. This situation encourages the people, especially the conservative sectors of society, to anticipate the possibility of a 'sudden change' or, more bluntly put, the 'sudden collapse' of the North Korean Regime, which in turn precipitated unification debate.

Incidentally, the Park Keun Hye government started with high and favourable expectations with regard to the inter-Korean policy. President Park's 'Trust-building Process of the Korean Peninsula' and 'Northeast Asia Peace and Cooperation Initiative,' which is commonly known as the Seoul Process, have received favourable responses with high expectations for the improvement of inter-Korean relations. President Park seemed to have the will to show a definitely different stance from the former President Lee Myung Bak on the North Korean policy.

As the Trust-building Process and the Northeast Asia Peace and Cooperation Initiative of the Park Keun Hye platform had not shown visible progress, and as the instability of the North Korean regime seemed apparent by the recent occasions, however, President Park seemed to switch her stance to address the 'sudden change' of the North Korean situation, although no one in the government has admitted, explicitly or implicitly, to the sudden collapse scenario, not to mention President Park herself.

Is the 'sudden collapse scenario' then viable? The answer maybe yes or no, but my speculation is still negative. In a recent column of a major Korean newspaper, Professor Steven Haggard of UC San Diego mentioned quite categorically that North Korea is not easily going to collapse. He wrote that a clear sign of change was perceived in Kim Jong Eun's new year address which stipulated the *raison d'etre* of the Party as to serve the people.

What Professor Haggard defined as Kim's populist strategy is to promote investment for the future generation. It is aimed at encouraging market economy that will produce economic elite, and emphasizing technology which will raise the standard of living of the people, Haggard said. He concluded that, if the North Korean regime pursues this reform and permits the activities of the capitalist enhancing the investment capacity, and if Kim secures China's support for his reform effort, the demise of the North Korean regime would come far later than we can think of. As a matter of fact, China may not simply watch North Korea collapse - we have watched the appearance of Ryu Win San, a Standing Committee Member with the rank number 5 of the Chinese Communist Party, at the podium of the military parade on the 70th anniversary of the North Korean Labour Party.

Sudden collapse may or may not come into reality. But, is the sudden collapse of the North desirable, if it really takes place? My answer is also No. Everyone knows that immediate unification, if it ever happens, will be a disaster. It is unlikely that the present capability of South Korean economy is able to accommodate North Korean needs if the peninsula is unified at present. When Germany was unified in 1990, East Germany's per capita GDP was 38% of West Germany's. Even with the strong economy of West Germany, unified Germany suffered serious economic and fiscal difficulties mainly due to the sky-high welfare expenditure for the East German people. North Korean per capita GDP in 2013 was 5% of the South's. Not only the economic gap between North and South, but the significant difference of life styles and culture would drive unified Korea into a serious social conflict. The society may come into a turmoil and chaos. We need a longer period of social integration through expanded exchange and cooperation between the two Koreas.

Furthermore, sudden collapse of North Korea may induce neighbouring superpowers to launch into the North Korean territory on the excuse of peace-keeping activities. There were reports about contingency plans to divide North Korea into 4 superpower rules. Japanese Defence minister mentioned the possibility of dispatching Japanese forces to North Korean territory without the permission of the South Korean government. We have to worry about the possibility of the Korean peninsula becoming a military dispute spot if sudden collapse is not managed under proper control.

For various reasons mentioned above, unification by sudden collapse of North Korea is not viable nor desirable. What, then, is the viable and desirable scenario of unification of the Korean peninsula?

The answer is simple and clear: the unification should be made by peaceful co-existence and co-prosperity in the long term. South Korean government has long established an official unification policy, that is, the Korean National Community Unification Plan. This plan was designed by the Roh Tae Woo government. This plan stipulated a three-stage unification road map: first stage of exchange and cooperation; second stage of confederation; third stage of full and legal unification. This plan was designed by the then Unification Minister Lee Hong Koo, and this basic policy plan has provided the foundation for the later unification policies

of the successive governments, notably including Kim Dae Jung's 'Three Stage Unification Plan.'

The basic philosophy and policy line of the Korean National Community Unification Plan is the peaceful coexistence and the recognition of the North Korean Regime. It stipulates: first, enhancement of the exchange and cooperation between two Koreas; second, establishment of peace regime; third, pursuit of co-prosperity; fourth, narrowing the economic gap and cultural differentiation between two Koreas; fifth, formation of confederation or federation of Korea; sixth, leaving the possibility of legal unification open.

Given the basic principles of unification, the state of affairs of South-North relations is far from the original position. Even the first principle to strengthen the exchange and cooperation went stalemate. There has been frequent and abundant exchange and cooperation since the June 15 Joint Declaration, including Keum Kang Mountain Sightseeing and Kaesong Industrial Complex projects. The exchanges and cooperations had been scaled down since Lee Myung Bak government came into office. Former President Lee Myung Bak's policy was "Denucleariation, Openness and 3000." That is, if North Korea abandons its nuclear programme and moves to openness, then South Korea will support North Korea to achieve \$3,000 GDP per capita. This proposal was bluntly rejected by the North, and South-North relations was aggravated from the beginning of Lee's Government. Economic cooperation had been completely stopped by the May 24 Measure which banned all economic exchange apart from the Kae Song Industrial Complex. The May 24 Measure was proclaimed as a revenge to the Chon An Ham attack by the North.

President Park Keun Hye announced a Trust Process and the Northeast Asia Cooperation Initiative with regard to the North Korea policy at the outset of her government. There were mounting expectations on Park Keun Hye's initiative for the improvement of relations between South and North, for she had already established a good relationship with the late North Korean leader Kim Jong Il and was known to be very eager for unification. However, this expectation was not met by real achievement. Instead, Park responded with the rhetoric of 'Unification as a Jack Pot' which, as mentioned above, is based on the implicit notion of North Korea's 'sudden change.' President Park showed a somewhat lenient position at her Dresden Initiative in April 2014, in which she proposed a simultaneous approach of denuclearisation and exchange/cooperation activities. President Park always stressed 'principle' in that South Korea will never give material reward in return for dialogue or exchange. She has kept her 'principle' until North Korea 'submitted' to a dialogue after the military tension caused by the land mine incident in August this year. She has kept her hard line policy in her UN address in September 28 and the Korea-US Joint Statement issued after the summit on October 16.

President Park Keun Hye's path towards inter-Korea policy is closely intertwined with her China policy. She has maintained very friendly relations with China which was highlighted at her attendance at the military parade in commemoration of the 70th anniversary of the

Peoples Liberation War Victory. It was an extraordinary performance as a leader of a US-alliance state. She was in turn extraordinarily received by China so much so that she stood second next to Chinese Leader Xi Jin Ping, after Putin of Russia, at the podium. This picture of the podium must have given a heavy stress to the North Korean Leader because Kim Jong Eun has never met President Xi since he took office, whereas Park Keun Hye has had five times summit with him. In this context President Park's North Korea policy, that is, the 'policy of principle' seemed successful. It is a matter of deep contemplation, however, whether isolation of North Korea is the best policy from the South Korea's point of view, not to mention North Korea's position.

What the Korean government should do with regard to the North Korean issue is, firstly to encourage 'reform and openness' of North Korea and, secondly, to facilitate peaceful regional order around Korean peninsula. For the primary aims of the North Korea policy from the perspective of South Korean interest are: first, easing the security tension in the Northeast Asia region so as to relieve Korea's risk in the short term and to form a friendly environment for the unification of the Korean peninsula in the long term; second, seeking economic opportunities and securing economic interests through cooperation between the two Koreas.

The basic policy orientation to implement these policy aims should start with the establishment of the peace regime in the Korean peninsula. In order to achieve this goal, the recognition and guarantee of the North Korean regime should follow, whether or not it is desirable.

The immediate task to implement this policy aims should start with exchange and cooperation between the two Koreas. To this end, relaxation, if not full abolition, of the May 24 sanction should be made as soon as possible. And then the preparation of transition from the armistice regime to the peace regime should soon be made. Normalisation of relations between North Korea and the United States is then stepped in order to reach the peace regime. The positive role of the South Korean government is essential in this process.

The peace process, however, will involve a serious question of North Korea's nuclear arms programme. Shall we close eyes on the Nuclear arms and acquiesce North Korea's Nuclear programme? Of course, we cannot tolerate North Korea armed with Nuclear weapons. It will cause security anxiety and ignite arms race in the Northeast Asian region. Denuclearisation is essential in the peace process. What we must take into account is that the demand for denuclearisation as a precondition of the peace process has not been fruitful so far. What I suggest is that denuclearisation and peace process should go together in terms of sequence.

The most important question lies in the North Korean position. The North Korean Leadership should keep two essential points in their stance. The one is that nuclear and mass destructive weapons cannot be the solution for their security. Not only US and Western Allies, but China also strongly opposes to North Korea as a nuclear power. It will only aggravate the relations with neighbouring countries. The other is that the only way to survival and prosperity is

reform and openness. Through this path only they can achieve long term social stability and thus regime security. To this end North Korea ought to introduce market economy so that its economy can enjoy growth, which in turn will elevate the standard of living of their people.

North Korea may be suspicious of the possibility that reform and openness would shake the base of their political stability. They should understand, however, market economy can be introduced without abrupt change in the political system. We have witnessed model cases in China and Vietnam. And indeed, Kazakhstan showed the achievement of remarkable economic development through the introduction of market economy without destabilising its political system. It was possible by boldly reforming the old socialist economy, particularly by the privatisation of nationalised property. Incidentally, as we all know, the reform in this country was largely owed to the honourable Dr. Bang's dedicative assistance to the President Nazarbayev. The reason why I was tempted to speak about Korean unification and particularly about the reform and openness of North Korea at my visit to this country of Kazakhstan is that Kazakhstan provides an excellent model of successful reform without causing political instability. We need to ensure North Korean Leadership that introduction of market economy will not cause any considerable threat to the security of their political regime if the reform is implemented in the due process.

The question of leadership is of paramount importance in this context. The key to leadership is the capability to adopt the change of the world. The leader has to perceive the nature of the challenge of the new world and to properly accommodate the challenge. This is what is commonly known as 'Zeitgeist' in German or, 'Spirit of the times' or 'Historical Consciousness' in English. The second important point is to position him/herself centering around the development of the nation and the happiness of his/her people, liberating him/herself from the bondage of family background or political regime inherited. I would like to name it as 'servant leadership.' The leader ought to dedicate him/herself only to serve the nation and his/her people.

The leadership required for peace and prosperity, and indeed, for the unification of the Korean peninsula would be, to put simply, open and reform-minded leadership, co-existence and embracement-oriented leadership, and, most importantly, servant leadership.

For President Park Keun Hye, the more positive stance of recognising the North Korean political regime is required in order to attain the peace regime. To this end, engagement with North Korea, not coercive strategy based on the sudden collapse scenario, is essential. This policy of engagement and cooperation will also provide a solid base for her 'Trust Process' policy. As the Governor of Geonggi Province, the largest local government with the population of 12 million, I offered a large scale rice production assistance project to North Korea during my term of office. I remember this project created a considerable level of trust-building between North Korea and Gyeonggi Province. We should remind the remarks of Egon Bahr, the architect of the Ost-Politik of Billy Brandt, which provided the cornerstone for German unification: "Changes by Rapproachment."

The Guarantee of the North Korean regime should be the key point of the inter-Korean policy. This is not because North Korea's performance or, indeed, the nature of its regime is acceptable or desirable. But, only through this peace process, we can secure peaceful environment in the Korean peninsula, which will in turn provide stable and happy life of the people of Korea without the anxiety of national security. This path only will lead the people to a hope to see a unified Korea in the future.

For the First Secretary Kim Jong Eun, the imperative virtue required for him as the new leader of North Korea is a firm belief in reform and openness. He should be confident that he can maintain his political power more effectively with economic prosperity which can be accomplished by market-oriented reform. He must be aware that this is much more effective in maintaining his political regime than nuclear weapons and military power. For people of North Korea will be more complacent by the rising welfare and elevated living standard accompanied by market economy. South Korea and neighbouring powers should guarantee the security of the regime since it will contribute to the peace order in the region. Kim Jong Eun will then be more positive in dialogue, exchange and cooperation, which will contribute to peace and prosperity and, eventually, to the favourable atmosphere of unification.

Competent South Korean leaders may be able to persuade the North Korean Leader to lead to reform and openness. He/she can persuade the North Korean leader that this is mutually beneficiary both to his people and the leader himself. He/she can persuade him that he should be confident of this scenario since he has already been inherited with the seeds of market economy from his father. North Korean economy is now largely supported by *Jangmadang* market economy, and North Korea has quite naturally adapted to this situation.

Reform and openness of North Korean economy and assurance of regime stability of North Korean politics should go together. This is the key point of the peace process that will eventually lead to the unification of Korea in the future. And this is what we should do at this time of history.

I would like to end this talk by quoting the remarks of former Chancellor of Germany Helmut Schmitt. When asked to anticipate when Korea might be unified he answered, "Unification can be achieved when unification is not talked about."

Thank you.