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# Managing Integration on the Korean Peninsula: The Positive and Normative Case for Gradualism with or without Integration

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## Introduction

The events leading to German reunification in 1989 were watched closely in Germany, Europe, and the rest of the world—particularly in South Korea, where for the first time in four decades distant and abstract dreams of Korean reunification suddenly moved into the realm of the possible. South Korean policymakers had a new alternative to consider, and the analytical and speculative literature regarding the “German reunification model” quickly burgeoned. Simultaneously, North Korean policymakers appear to have come to their own conclusions about German reunification, explicitly rejecting its application to the Korean situation.

The lessons drawn from German reunification have shaped the South Korean debate over reunification policy in the 1990s, dividing analysts into two camps roughly equal in size. One group argues that the goal of policy toward North Korea should be to induce immediate and rapid political changes leading directly to the desired end, Korean reunification; the second group argues that a more gradual, staged process of evolutionary change would preserve stability and more effectively manage Korean reunification.

American discussions have for the most part replicated the same terms of debate found in Korean policy circles, though with more consensus. With greater literal and figurative detachment, US policy has made main-

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taining stability between the two Koreas a priority and has until recently deferred the question of whether the pursuit of reunification should be added as an explicit goal. US policymakers have consistently encouraged a gradual process of tension reduction, rhetorically supporting the goal of Korean reunification but subordinating it to stabilizing and pacifying the Korean peninsula. Indeed, US policy is passive and somewhat ambiguous on this point, supporting Korean reunification in principle while making clear that the issue must be solved by the Koreans themselves.

This essay will discuss the structure of international relations in Northeast Asia and present the military, political, and economic rationale for a US policy that supports gradual tension reduction and integration on the Korean peninsula, whether the countries continue to be divided or are reunified. It will also highlight moral and humanitarian dilemmas that must be considered in choosing a gradualist or rapid approach to Korean reunification, assess the possibilities and likely consequences of the failure of each approach, and highlight the costs of the likely alternative approach to Korean reunification—namely, the possibility of sudden integration through system collapse.

## **Gradual Integration and the Structure of International Relations in Northeast Asia**

Although the pace and process of Korean integration will be primarily determined by North and South Korea, the cooperation of Korea's immediate neighbors is essential in managing both Korean integration and eventual reunification. With the end of the Cold War, superpower confrontation in Northeast Asia no longer blocks regional or inter-Korean integration. However, neighboring states may help in resolving tensions and supporting integration and reunification on the Korean peninsula.

Governments in the region have taken remarkably conservative approaches in the post-Cold War period, preferring to preserve political stability and a regional environment that fosters conditions for economic growth than to disturb the status quo. In each of the states neighboring the two Koreas, major changes might threaten entrenched institutional or national security interests or might require potentially wrenching domestic and international policy adjustments. Currently, no government in the region seems adequately prepared to manage the consequences of possibly destabilizing changes on the Korean peninsula. Near-unanimous support among Korea's neighbors for incremental adaptation—combined with concerns about the unpredictability that might accompany sudden change—makes it significantly more difficult for any approach to Korean integration not based on gradualism to work smoothly.

China retains an official policy of equidistance toward the two Koreas. The two primary objectives of China's policy in this area are to maintain

stability and to promote economic development. The emphasis on stability includes support for the status quo: that is, the continued division of the Korean peninsula and the continued existence of North Korea as a geographic buffer. China's promotion of economic ties includes fostering burgeoning trade and investment ties with South Korea (two-way trade was \$20 billion in 1996, up 25 percent from the previous year), while supporting North Korea's halting economic reform effort in the Rajin-Sonbong Free Economic and Trade Zone, as well as providing grain through direct government aid, trade, and barter transfers through the ethnic Korean community in northeastern China. The result of such a policy is to perpetuate the status quo on the Korean peninsula to the extent possible, while extending economic influence in order to increase political leverage.

Japanese policy interests on the Korean peninsula also favor gradual rather than sudden change, with the main emphasis on managing the current tensions. It is in Japan's best interest to adopt the approach of gradualism in dealing with the two Koreas, because Japan's current political leadership is weak and a domestic political consensus on policy toward the Korean peninsula is difficult to achieve. Japan's economic interests argue for maintaining regional stability as a primary policy objective. Also, any instability requiring a military response would break new ground in testing US-Japan defense guidelines, which might in turn heighten debate on contentious issues regarding Japan's own security posture and its pacifist constitution. Despite some speculation that its policymakers prefer the status quo, Japan has no special interest in promoting either Korean division or Korean reunification; but it does have an interest in supporting a gradualist approach and preventing the development of sudden instability.

Russia and other members of the international community, while supporting Korean reunification more in principle than by any action, would be better prepared to aid an incremental process than one involving instability or sudden change. Its own difficulties with economic restructuring have limited Russia's ability to influence the relationship between the two Koreas in the near term, although Russia may have a special political role to play in ratifying any new security relationships established as a result of a change on the Korean peninsula, whether gradual or sudden.

The United Nations will be called on to ratify such changes on the Korean peninsula, including the replacement of mechanisms such as the Military Armistice Commission and the dissolution of the UN Command and other institutions created in the aftermath of the Korean War, once peace is achieved. Finally, international financial institutions will presumably be called on to provide economic support for any large-scale process of inter-Korean integration. Such institutions, too, are more likely to be adequately prepared to play their respective roles if

the process of change on the Korean peninsula is gradual rather than sudden.

The institutional structure of confrontation on the Korean peninsula itself is a factor more conducive to gradualism. Under current circumstances, entrenched institutional interests may hinder rapid change, forcing a slower, more adaptive approach. Should a sudden transition occur, it might lead to an unpredictable redistribution of resources and authority among competing interest groups, both between North and South Korea and within South Korea itself. Such changes could significantly affect the institutionalization of the democratic process in South Korea. For instance, the current status of the respective militaries, political leadership, and other resource-controlling authorities in both North and South Korea might be threatened in any transition to a new arrangement of power in a reunified Korea. If the present structure of confrontation between competing systems is to be dismantled, gradual adjustments may be the best way to avoid unleashing the social discontent of large groups of losers in a new Korean polity.

## **Gradual Integration and US Interests**

The US policy interest in a gradual process of change on the Korean peninsula parallels that of countries in the region, emphasizing stability as a primary goal in managing any transition. Such an approach allows the United States to continue to play a leading role as stabilizer and balancer in the Asia Pacific region, protects American military interests in avoiding war on the Korean peninsula, and preserves the American economic stake in the continued growth and prosperity of the region. The United States should seek an active policy of engagement to pursue its interests and to facilitate the reduction of tensions. Its goal should be to decrease the prospect of instability between the two Koreas while supporting regional economic development and democratization.

The US military presence in South Korea serves both to deter North Korean military aggression and to stabilize the peninsula. US troops also remain a significant regional stabilizing force, deterring potential new hostilities that might lead to an arms race or military conflict in the Asia Pacific. Therefore, gradual, managed change on the Korean peninsula serves US military interests; in contrast, sudden instability on the peninsula would present a direct challenge to US objectives. Should the United States fail to respond to such instability, the rationale for a continued US presence in the region might be undermined, which would harm future US political and military interests. Therefore, the United States is best served by taking an active role in supporting a managed tension-reduction process on the Korean peninsula rather than passively allowing events to drive a process that appears to be beyond US influence.

The prospect of sudden instability in North Korea complicates US military planning on the ground because it expands the range of objectives for which military forces must be prepared. In addition to preparing for the possibility of war, the United States must be ready to respond to potential humanitarian challenges, including managing the distribution of food and other supplies within North Korea and accommodating the needs of large numbers of refugees who may flee to the South during such turmoil. To deliberately induce sudden changes in North Korea—or to neglect to take actions to minimize instability—would involve taking on the difficult task of conducting humanitarian and wartime operations simultaneously, while running the risk of losing American public support and perhaps distorting perceptions of US interests on the Korean peninsula.

US economic interests also favor the gradual integration of the two Koreas. External costs of a gradual process may be primarily market-driven, may represent a more efficient use of capital and higher proportion of capital investment, and may enable a more equitable balance between private and public capital than would be possible with sudden reunification. If reunification takes place in stages, then the costs could be borne by a broader group of financial donors and deferred or spread out over a longer period of time, in accordance with the ability of North Korea to absorb capital. A process of gradual transition in North Korea might help keep the external burden placed on the international community lower than would be the case with sudden reunification.

If Korean reunification were to occur suddenly, however, there would be considerable up-front costs to stabilize the situation. Such costs would probably be borne primarily by South Korea and her immediate allies and neighbors, including the United States (through military operations in Korea), Japan (most likely through diplomatic pressure from the United States to pay), and China (through measures to achieve economic and political stabilization in its immediate border area). The United States would thus be forced to bear a higher share of the external costs of reunification, in the form of investments in stability that would not yield direct capital returns.

Finally, one must take into account the ironic possibility that a US policy of engagement to manage gradual transition on the Korean peninsula may indeed lead to “accidental” collapse, whereas a policy of overtly inducing sudden change may serve only to bolster North Korea’s survival in its current form. The argument that American engagement is a significant external factor in shaping the policy choices of other systems facing economic failure or a loss of legitimacy among their own people is made by John Chettle (1995). In “The American Way: Or How the Chaos, Unpredictability, Contradictions, Complexity, and Example of Our System Undid Communism and Apartheid,” he argues that it was precisely the unpredictability of US engagement and the inconsistent

foreign policy produced by the American democratic system that facilitated the demise of the regimes in the Soviet Union and South Africa. These countries desired to have relations with the United States, and the complexity of the policy choices necessitated by their response to the chaotic and confusing democratic American system helped to hasten their decline.

Chettle asserts that the good cop, bad cop combination is needed to force despotic regimes toward complex responses. “For an authoritarian regime,” he points out, “the easiest attitude to deal with is one of total opposition.” The corollary to Chettle’s argument is that “it is precisely those states (Cuba and North Korea) in which there has been little or no positive American involvement, only American hostility, that are most likely to maintain stable and despotic governments” (1995, 16-17).

If Chettle is correct, then anything that complicates the policy choices of the leadership in Pyongyang will facilitate change in North Korea. Forcing North Korean leaders to make difficult choices, though not necessarily a sufficient influence to immediately determine the future of the regime, is a necessary factor in catalyzing real change in North Korea (either reform or collapse). The US pursuit of gradual change in North Korea may be seen as a strategy for complicating Pyongyang’s policy choices and increasing the pace of change in a regime that has already demonstrated its limited capacity for dealing with multiple decision sets. There is no guarantee that such a strategy will induce reform or regime collapse—nor does the process matter to the immediate national security interests of the United States, as long as the United States is able to maintain existing security relationships in the region and the outcome is a regime on the Korean peninsula that is stable, peaceful, and economically and politically nonthreatening to its neighbors.

## **Views of the North Korean Regime and Rationales for Gradual Integration**

Chettle’s argument in favor of engagement as a necessary component of inducing change in authoritarian regimes might have bearing on the other question that has caused a great deal of confusion in formulating US policy options in dealing with North Korea: How long will North Korea last? The great debate on this matter has been categorized by Jim Mann as representing three schools of thought (*Los Angeles Times*, 30 December 1996): “Hawks,” who believe that the United States and its allies should not bail out a failed North Korean system; “Doves,” who support a policy of peaceful integration; and “Hummingbirds,” who think that North Korea is still strong enough to survive even if it makes no far-reaching changes. Regardless of one’s particular stance, there are

cogent arguments for engagement and a negotiated process of gradual change on the Korean peninsula.

For both Hummingbirds and Doves, arguments for engagement and gradual integration are intuitively obvious, either because the continued existence of North Korea will make it necessary to find an appropriate modus operandi for resolving conflicts by negotiation or because a negotiated process of tension reduction could facilitate a peaceful Korean transition. And even Hawks, who believe that North Korea's collapse is inevitable, should be persuaded by arguments to pursue gradual integration. This case was presented by Stanley Roth (then director of research and studies at the United States Institute of Peace) in his September 1996 testimony during a hearing on North Korea organized by the Senate Subcommittee on East Asia and Pacific Affairs: the argument for a "soft" hard landing for North Korea. Even if collapse is inevitable, he suggested, the price of sudden instability or collapse on the Korean peninsula is too high; thus it is necessary to lessen the impact to the extent possible. Engaging North Korea can provide a buffer against the enormous dislocations that will occur as part of Korean reunification.

In numerous presentations, Byungjoon Ahn has made the useful distinction between the process and event of reunification in his description of a three-stage process that includes economic collapse, regime transition, and eventual systemic collapse. Thus the process should be facilitated to the extent possible prior to the actual event of Korean reunification in order to reduce the inevitable costs of instability and adjustment that will follow. For example, the process of exchanges initiated through West Germany's Ostpolitik policy of the 1970s was an important factor in making German reunification easier. A similar process of exchanges was initiated in conjunction with inter-Korean high-level talks in 1990 and was codified in the December 1991 Agreement on Reconciliation, Nonaggression, and Exchanges between North and South Korea (known as the Basic Agreement); however, exchanges were halted as the North Korean nuclear program heightened tensions and the Kim Young Sam government subsequently tied inter-Korean economic exchanges to official dialogue conducted by government representatives.

## **The Humanitarian and Moral Dilemmas of Gradual Integration**

In the process of implementing a policy of gradual integration, tactical humanitarian and strategic moral dilemmas must also receive special consideration. In any debate on policy toward North Korea, both may affect public perceptions and political considerations—particularly those of the American public and the US Congress.

The tactical humanitarian issue centers on the question of whether to link food aid to the negotiations with North Korea or not. The latter choice entails providing substantial amounts of food aid to a regime that refuses to reduce tensions and engage in the fundamental political and economic reforms necessary to resolve its problems. As a matter of official policy, the United States has not linked food aid to North Korean participation in political negotiations, and the UN World Food Program (WFP) has until recently consciously attempted to target for assistance vulnerable groups—including children and victims of flooding and other natural disasters.

However, even this level of assistance has faced political opposition from individuals who argue that food is fungible and that food assistance constitutes welfare and blackmail paid to a failed regime. Though the cooperation by North Korean authorities with the international relief community since 1995 has been unprecedented, it remains limited; thus far assistance has included only “Band-Aid” relief, with relatively little being addressed to the structural reforms necessary to repair the systemic failures that are at the core of North Korea’s food crisis.

There are two possible ways to solve these humanitarian dilemmas while continuing to support a policy of gradual integration, and they require careful consideration. First, sustained efforts should be made to establish channels for providing food aid that rely as little as possible on the North Korean government acting as intermediary. Perhaps government-level assistance through the WFP will inevitably be delivered in cooperation with North Korean central government authorities, but the emergence in China of hundreds of individuals who trade for grain on behalf of local and provincial authorities suggests that aid can be provided to the people without going directly through the central government. Nongovernment organizations should be encouraged to establish humanitarian linkages with such representatives rather than giving de facto control over food distribution to authorities in Pyongyang.

Second, government negotiations over structural economic assistance for North Korea should be delinked and carried out separately from political negotiations. Many different proposals have been put forward for conducting negotiations on economic and agricultural reform measures using the model of the Korean Peninsula Energy Development Organization (KEDO), an international organization under US leadership with substantial South Korean and Japanese participation. KEDO has shown impressive success in negotiating agreements to build two 1,000-megawatt light-water reactors in North Korea. Led by South Korea or jointly by the United States and South Korea, a Korean Agricultural Development Organization (KADO)—designed specifically to negotiate and manage the North Korean agricultural and economic reform processes essential to gradual integration—might be created. It would coordinate the response of the international community to North Korea’s

structural needs, with the goal of making North Korea both self-sufficient and well-integrated into the international economic community. In return, North Korea would change its economic structure to resolve the fundamental bottlenecks that inhibit efficiency and self-sufficiency in key areas.

The strategic moral issue associated with the process of gradual integration is how to respond if North Korea refuses to reform, if it muddles through and the regime survives apart from the international community. Most members of Congress and the American public see the North Korean regime as despotic and totalitarian, with a leadership that has shown itself to be uniquely cynical and even immoral in its treatment of its own population. Even with the food crisis in full swing, it is an understatement to say that North Korea is not a popular cause among the American public.

One must confront the moral question of whether it is satisfactory to allow such an oppressive regime to perpetuate itself, quite apart from the question of North Korea's ultimate viability. Conditions within North Korea are so dire that that the average North Korean is widely reported as perhaps preferring war as more humane than the current situation: in many isolated villages inhabitants are dying from starvation-related causes at rates more commonly associated with wars—possibly reaching well into the tens of thousands.

The moral argument for encouraging the rapid collapse of the regime in North Korea is emotionally appealing, but it is unrealistic as a policy option; it could be viable only with major changes in the political landscape in the United States, South Korea, China, and Japan, combined with changes in the ability of North Korea's own leadership to maintain political control. If North Korean authorities chose to shut the door to political negotiation that four-party talks offer or took an overtly aggressive stance that risked destabilizing the region, such an option might possibly be considered. This was the case in 1993, when the UN Security Council considered North Korea's threat to withdraw from the 1968 Nuclear Nonproliferation Treaty; but even then the campaign for sanctions against North Korea was halted because of Chinese opposition. It is hard to imagine that a similar campaign would be successful absent an imminent threat of instability that might extend beyond North Korea's borders.

## Costs and Dangers of Collapse

Larry Niksch (1996) has noted the strange role that anticipation and fear of North Korea's collapse have played in US policy deliberations during the past few years. Following the drafting of the Agreed Framework, US negotiators privately justified it by arguing that the project was

unlikely ever to reach completion because North Korea would probably collapse within the time frame of the agreement. Jim Hoagland reported a year after the Agreed Framework was completed that American negotiators described the project as a “Trojan horse” that might even facilitate North Korea’s collapse (*Washington Post*, 2 August 1995, A25). More recently, however, an increasing number of analysts and officials have argued that steps must be taken to ward off the regime’s collapse in order to prevent the failure of the Agreed Framework and the widespread crisis on the Korean peninsula that would accompany it. This is precisely opposite the view presented by those who were part of the Geneva negotiations.

As some new elements have entered the debate among Americans regarding the likelihood and desirability of North Korean collapse, two recent arguments favoring collapse and early Korean reunification deserve special consideration. Karen Elliott House argues that “for a terminal regime there are no miracle cures”; so the Clinton administration would be wise not to attempt to save North Korea from collapsing under the weight of its own failed policies (*Wall Street Journal*, 21 February 1997, A14). Protection from the risk of military instability caused by any suicidal “lashing out” by North Korea “doesn’t lie in more appeasement. . . . [T]he diplomacy is theater of the absurd: Pyongyang promises, then procrastinates, then provokes, then pauses. After a prolonged pause come new promises, and the cycle starts anew.” Enhanced deterrence is the answer, according to House; the United States should “cease seeking to prop up Pyongyang and let its inevitable collapse come sooner rather than later.”

House presents a compelling moral argument for not standing in the way of North Korea’s demise, but it rests on three dangerous assumptions: (1) that the collapse of North Korea is imminent and inevitable, (2) that outside actors such as China or Japan will not use North Korea’s vulnerability to increase their own leverage in ways that may harm US interests, and (3) that the United States or other external parties have the capacity to influence North Korea’s future, which lies primarily in the hands of its own leadership. She dismisses options for American diplomacy to manage inter-Korean tensions while failing to underscore the need for contingency planning to prepare for the very scenario of collapse that she paints as inevitable.

Nicholas Eberstadt’s provocative argument in favor of “hastening Korean reunification” (1997) is more forward-leaning<sup>1</sup> than Karen Elliott House’s editorial, but it also founders in several key areas. Like House, Eberstadt overemphasizes the likely influence of US policy in determining whether or not North Korea is able to survive. However, if the United States should attempt to hasten Korean reunification while lack-

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1. Eberstadt wants to actively press for a collapse, while House believes that collapse is inevitable if the international community stops intervening and allows it to occur.

ing the capacity to succeed, such a policy would be perceived as provocative and would make confrontation and conflict more likely.

Eberstadt argues that the risks of delay outweigh whatever costs might be involved in seeking early reunification. The potential economic and military costs accompanying the likely implosion of North Korea, in his view, should give Western nations pause as they “classify the Korean question as a problem that can be postponed and then muddled through” (1997, 80). He argues that the cost of Korea’s reunification will only increase as the economic levels of North and South grow further apart and as the North Korean military grows more lethal. Eberstadt paints a rather optimistic picture of a “free and united Korea” that “would be a force for stability and prosperity” (1997, 85). He believes that “A united Korea’s foreign policy would likely be moderate and pragmatic” (1997, 86), voluntarily giving up a nuclear weapons option and setting aside decades-old feelings of hostility toward Japan.

While the exercise of considering the possibility of hastening Korean reunification is worth thinking through, Eberstadt provides in the course of his own argument a lengthy list of the major “constraints” that will likely make policymakers hesitate to follow his advice, including issues in Sino-Russian relations, China’s own strategic interests, South Korea’s degree of readiness for unification, and the need for good relations between Japan and South Korea. In the unlikely event that these matters are resolved, Eberstadt’s policy recommendation will become salient.

Although Eberstadt’s and House’s arguments are not ultimately convincing, both authors provide a useful service in pointing out that not enough attention has been paid to the way that security and reunification issues have become inextricable elements of US and South Korean policy, elements that are in dire need of comprehensive coordination. While North Korea’s leadership has plunged the country into a disaster of its own devising, it has also shown an extraordinary instinct for survival, and in an era in which no external power will actively intervene in North Korea’s domestic affairs, the leadership continues to control its fate.

## Conclusion

As a practical matter, gradual integration is the only policy approach that can achieve all the objectives of US policy toward the Korean peninsula effectively, accepting the practical realities of the international situation in Northeast Asia. However, such a policy can succeed only if pursued actively—and even then, there is no guarantee that sudden change or instability will not occur. Alternative policies are not practical and carry risks for American political, military, and economic objectives that are too great to allow them to be considered seriously. Only the

moral issue may give pause to one considering a policy of gradual integration; and even within this context, there may be limited steps that can be taken to ease the lives of the ordinary North Koreans who have suffered the most as a result of tensions between the two Koreas.

Nonetheless, the North Korean government still remains the primary authority in the country and the entity with which the United States and South Korea must work to manage tensions and reduce the risk of war. The job of a mixed strategy of diplomacy and military deterrence—if properly implemented—is to influence the process of change where possible by making the policy choices of the North Korean leadership more complex. This can be done by fashioning an approach both more strict and generous that is designed explicitly to induce gradual change and integration with South Korea and the international community.

The South Koreans were able to take part vicariously in the euphoria of German reunification, but the analytical lessons drawn from the German experience have also brought plenty of vicarious indigestion, hesitation, and concern regarding the pains of “the day after”—the “hang-over” of considerable structural, financial, social, and psychological costs as a reunified Germany continues a process of national integration, adjustment, and recovery from decades of separation and division. Those difficulties have given South Koreans pause, for their country has less material capacity or institutional depth to manage such a process. In addition, almost no progress has been made in isolating the most serendipitous and attractive aspect of the German reunification model, to answer the most essential questions: What were the characteristics of German reunification that allowed the process to be nonviolent? How can they be translated to the Korean case? Unless it is possible to answer these questions and replicate peaceful reunification on the Korean peninsula, the German “model” of sudden integration may prove to be a chimera for South Korean policy analysts—a combination of warning and wishful thinking that diverts them from the right track and fails to engage the realities with which policymakers must contend.

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