

**SUMMARY REPORT**  
*from an IFPA-JIA Workshop*



**Northeast Asian Security after  
Korean Reconciliation/Reunification**

**Preparing the U.S.-Japan Alliance**

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Korean Reconciliation or Reunification  
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SUMMARY REPORT

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# PREFACE

In early 2000, the Institute for Foreign Policy Analysis (IFPA) and the Japan Institute of International Affairs (JIIA) launched a joint three-year study entitled *Northeast Asia After Korean Unification: Preparing the Japan-U.S. Alliance*. The project examines the long-term implications of the Korean reconciliation process and the eventual reunification of North and South Korea for the U.S.-Japan alliance. More specifically, the study explores how this vital security relationship can weather the short- to medium-term instabilities that may be unleashed by an inter-Korean reconciliation and, more importantly, how the partnership can retain and revitalize its long-term relevance in a post-unification security environment. As an initial step to provide an analytical framework for the project, IFPA and JIIA jointly sponsored a conference in Washington, DC in March 2001. The meeting convened a prominent group of experts from the academic and policy communities of the United States and Japan. Energetic discussions on the U.S.-Japan alliance produced invaluable insights that greatly enriched the analytical foundations for the study. This report, the first in a series to be released as part of the overall project, synthesizes and analyzes the conference proceedings, and integrates the material with more recent developments.

To set the stage for the report, it is worth revisiting at this point the basic premises of the project. It is taken as a given that the U.S.-Japan alliance remains the cornerstone of American regional strategy in the Asia-Pacific region, and that it is likely to remain so for the foreseeable future. Washington's political, economic, and military ties with Tokyo have sustained key American interests in the region. More specifically, the American military presence in Japan promotes security and stability, deters conflict, sustains U.S. security commit-

ments, and ensures continued access to the region. Moreover, America's commitment to defend Japan has for the past five decades allowed Tokyo to focus almost exclusively on economic development. The U.S. presence also dampens fears (however exaggerated or misplaced) among nations in the region of a possible resurgence in Japanese military power. In essence, America's reassuring presence enables Tokyo to pursue a more prominent role in global affairs without alarming Japan's neighbors. As such, the alliance will have enduring relevance to the security of the Asia-Pacific for some time to come.

As for the Korean dimension of this project, the potential impact of a reconciliation process that leads to eventual reunification, a widely accepted – if still rather distant – outcome, is an important policy question that demands immediate attention. First, reconciliation between the Koreas, however it unfolds, will deeply impact the Japan-U.S. alliance in ways that could ultimately unravel the security relationship if proper precautions are not taken. Hence, preparations within the alliance for coping with shocks and uncertainties attendant to the reconciliation process must begin as soon as possible. Second, while the steps to end the division on the Peninsula would eliminate a central *raison d'être* of the alliance in the post-Cold War era, the security ties between the United States and Japan would remain relevant to the region. Indeed, the dramatically altered security landscape that would likely emerge in the aftermath of reconciliation or reunification may well make a robust alliance more critical to regional stability than ever before.

Third, a reconfigured Japan-U.S. alliance in the post-unification era, one that forms the basis for trilateral cooperation among Tokyo, Seoul, and Washington, and one that better addresses relations

with China, would benefit the region by providing a broader security framework hitherto absent in Northeast Asia. To sustain the alliance, however, the United States and Japan must articulate a compelling rationale for broadening and deepening defense cooperation based in part upon shared interests and values. The justifications must be developed for the domestic audiences on both sides of the Pacific and for the states of Northeast Asia.

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For these reasons, a forward-looking analysis on how the alliance can prepare for the pressures of Korean reconciliation and thrive in the post-unification era is crucial for the United States, Japan, and the region at large. This report provides an initial assessment of key questions and policy dilemmas that the alliance must examine in undertaking such an analysis.

# INTRODUCTION

The reconciliation or reunification of the Republic of Korea (ROK) and the Democratic People's Republic of Korea (DPRK) could dramatically alter the strategic balance in Northeast Asia. Given the geostrategic importance of the Korean Peninsula, which has fueled internecine great power rivalries in the past, the future of inter-Korean relations figures prominently in the national security interests of the United States, Japan, China, and Russia. Hence, any significant change on the Peninsula will be carefully scrutinized. To be sure, some forms of reconciliation or reunification could reduce tensions and the potential for conflict on the Peninsula. Such a development, however, could also set in motion significant and unpredictable geopolitical shifts. A unified Korea has many strategic options, some of which could unsettle the regional balance of power. It could maintain its alliance relations with the United States (and indirectly with Japan), but Korea could also switch allegiances or foster closer ties with China or Russia. It could even set out on its own course, adding another formidable power to the regional system. These alternative futures could in turn trigger historical animosities and great power competition.

Whatever the preferred strategic posture of a unified Korea, the process and ultimate outcome of reconciliation or reunification on the Peninsula will present both difficult challenges and new opportunities to the U.S.-Japan alliance. The test will be whether Washington and Tokyo can turn these developments to their mutual advantage. In order to cushion the potential shocks to the alliance, Washington and Tokyo should anticipate the potential scenarios for – and understand the ramifications of – dramatic change on the Korean Peninsula. A comprehensive approach will entail the development of robust strategies for man-

aging the alliance's relations with the two Koreas and with other actors in the region.

This report provides a preliminary analytical framework for the U.S.-Japan alliance in dealing with changes on the Korean Peninsula and the long-term consequences of reunification. First, the report outlines the geostrategic context for Korean reconciliation and unification. The dynamics among key regional states will no doubt shape and be shaped by the process underway between the two Koreas. As such, a discussion of the fundamental interests and roles of the various actors in Northeast Asia is useful. On this basis, it will be possible to identify areas of potential agreement and disagreement among various actors as the process of reconciliation or reunification moves forward.

Second, the report examines a number of reconciliation and reunification scenarios and draws out the implications for the U.S.-Japan alliance. The report discusses the types of diplomatic, military, and economic initiatives that alliance planners will need to consider in order to effectively respond to and shape events on the Peninsula. Clearly, near-term changes in Korea could have far-reaching implications for the U.S.-Japan alliance beyond the military balance on the Peninsula. The removal of North Korea as a military threat and the potential removal or significant reduction of American forces in the South could create pressures on the continued presence of U.S. forces in Japan. Such developments may in turn increase the pressures for a redefined rationale for the alliance in the absence of a potential conflict on the Korean Peninsula.

Third, the focus shifts to the present state of the U.S.-Japan alliance. The security relationship is still undergoing a period of adaptation to the post-Cold War era. Given that the process is still incom-

plete, a dramatic change on the Korean Peninsula in the near-term could have adverse consequences for the alliance. At the same time, American and Japanese leaders have a unique opportunity to revise the alliance in ways that take into account alternate futures that might emerge in the wake of a reconciled or united Korea. Policymakers on both sides must proactively examine the U.S.-Japan security relationship to ensure that the alliance can meet the challenges of Korean reunification and remain relevant thereafter.

Fourth, the report examines the prospects and ideas for transforming the U.S.-Japan alliance to become more responsive and adaptive to the emerging challenges unleashed by Korean reconciliation and possible reunification. A new agenda for the alliance could provide the basis for a new security framework for the post-unification era. Policies to sustain the relevance of the alliance and a continued U.S. military presence in the region must be addressed. Important tasks include the development of a comprehensive strategic rationale, a review of forward-basing options and requirements, and a plan for fostering regional cooperation. Washington and Tokyo can and should bolster the alliance structure to ensure its vitality for years to come. As a part of that effort, the alliance could also be adjusted to enhance closer ties with major players to include the Republic of Korea, a unified Korea, and other regional parties such as Australia.

# A NEW ERA FOR THE KOREAN PENINSULA?

The June 2000 summit in Pyongyang between Kim Dae Jung and Kim Jong Il seemingly signaled a new phase in inter-Korean relations. From a public relations standpoint, the summit was a huge success. Many in South Korea believed that the summit might inaugurate the beginning of a new era on the Peninsula. Indeed, a number of promising events took place following the summit. These included the symbolic reunions of separated families, an agreement for the South to invest in economic development projects north of the DMZ, the planned railway reconnection between Seoul and Pyongyang, and defense ministerial meetings between the North and South.

However, intervening developments quickly blunted the post-summit euphoria. North Korea began to slow down the engagement process. Despite President Kim's renewed calls for a second North-South Summit in Seoul, Pyongyang has rebuffed the invitation. Using the new American administration as a scapegoat, the North insisted that it would not make further decisions until U.S. policy under President George Bush became clearer. In early 2001, Pyongyang threatened to cease its unilateral moratorium on missile testing that it had committed to until 2003 in reaction to President Bush's "hard-line" stance. In March 2001, North Korea postponed inter-Korean ministerial talks.

After a six-month hiatus, North Korea unexpectedly announced its willingness to restart dialogue with the South, presumably under Chinese and Russian pressure. On September 18, government ministers from both sides agreed to a thirteen-point inter-Korean accord that promised to resume family reunions, step up work on a cross-border railway, and establish a set of dates for future meetings. Despite some optimism, the North undercut the sixth ministerial-level dialogue. In

October 2001, North Korea once again suspended the fourth round of family reunions, citing South Korea's new security measures following the September 11 terrorist attacks in the United States as the trigger for the decision. Pyongyang argued that the heightened alert was directed against it. Despite Seoul's reassurances, the North remained unconvinced. Consequently, after tireless negotiations to resume family reunions and future ministerial meetings, inter-Korean talks stalled and broke down in November 2001.

What explains this frustratingly familiar and erratic pattern of North Korea dangling and retracting promises to cooperate? Perhaps, initially, the impulse of self-preservation motivated the North to engage the South and to build ties with the outside world. Pyongyang may have hoped to solicit increased foreign aid critical to its survival in return for its apparent moderation. Indeed, the North has been able to sustain itself with as little as \$1 to 2 billion of foreign aid per year. However, subsequently, a sense of uncertainty and rational calculation may have prompted North Korea's policy reversal. Fearing that this first step of engagement could inadvertently accelerate an opening process beyond its control, the leadership may have believed that this venture required some slowing. Moreover, Pyongyang may have felt that it had extracted as many concessions from Seoul as it could without having to reciprocate. The North Korean leadership may have concluded that the logic of reconciliation no longer served its purposes at this juncture. Hence, the North appears content to settle for a process of "creeping" reconciliation; engaging the South on a limited basis at opportune times at its own choosing.

South Korea for its part has vacillated on the reconciliation process. South Korean public



opinion has already demonstrated signs of impatience toward North Korean foot dragging. A controversial trip among civic groups to the North in August 2001 further magnified the strain. Subsequently, in September 2001, the opposition in the National Assembly voted to oust Unification Minister Lim Dong Won, the chief architect of the Sunshine Policy, which forced the collapse and reshuffling of the cabinet. It was the most significant expression of frustration in Seoul over the lack of progress in inter-Korean relations. This fallout was also the product of opposition maneuvers to discredit the current administration by demanding short-term political results for a process that is inherently long-term in nature.

As noted above, the September 11 attacks prompted the South to tighten security measures that hampered engagement with the North. Border tensions in late September led to further agitation from opposition parties. On October 25, 2001, the opposition Grand National Party swept three parliamentary by-elections. In response to calls for a major shake up in his own ruling party, President Kim Dae Jung resigned as head of the Millennium Democratic Party. This internal political setback has further strained Kim's ability to fashion a coherent engagement policy toward the North. Observers have predictably pronounced President Kim as a lame duck president.

Despite the political blows that Kim Dae Jung suffered in the by-elections, his policies before he steps down in December 2002 could still have a major impact on the reconciliation process. Kim could press ahead more aggressively for a Seoul summit in a last ditch effort to create a lasting legacy for himself. However, such a move entails serious risks. Efforts to reach a grand bargain could heighten anxieties among hawks that Kim would compromise South Korea's vital interests for his own personal benefit. Such a collective sentiment could invite a major political backlash. Moreover, the series of broken promises by the North have left very little maneuver room for Kim to offer further concessions. On a more practical note, Kim may simply not have sufficient time to secure an agreement with North on any issue of substance.

Should the Kim administration end without progress, what is the prognosis for inter-Korean relations? Pyongyang's past behavior, which has hardly been encouraging, suggests that any successor government would not likely be as generous or ambitious in pursuing entente with the North compared to President Kim. However, the South's engagement efforts in the past 15 years ensure that a new administration in Seoul would not abandon entirely the course that Kim Dae Jung has set. Even with a more conservative president in power, reconciliation will likely still be the centerpiece of any South Korean policy toward Pyongyang. Short of a major breakdown in ties, the process is nearly irreversible and would most likely alter only in tone and pace. In sum, progress in inter-Korean relations will continue in a familiar pattern of ebbs and flows, particularly in the absence of major political breakthroughs.

In the first half of 2001, progress in U.S.-DPRK relations also stalled as the new administration in Washington reviewed U.S. policy toward the DPRK. Since the inauguration of President Bush, there has been little meaningful dialogue between Washington and Pyongyang. The initial March 2001 meeting between President Kim and President Bush in Washington indicated a shift in U.S. policy toward the North. Less enthusiastic about Kim's Sunshine Policy and more concerned about reciprocity from the DPRK on various initiatives and about the verifiability of potential agreements, the Bush administration has adopted a less sanguine and more realistic approach in dealing with Pyongyang.

However, by mid-2001, the White House provided assurances that it still supported the Agreed Framework. In June 2001, Washington announced that it intended to resume serious discussions with Pyongyang based on a "comprehensive approach" focused on reciprocity and verifiability. The Bush administration indicated that it would be willing to address a range of economic and security issues, including the DPRK's conventional military capabilities. Building on this new position, Secretary of State Colin Powell expressed the view that the United States would be willing to engage in a constructive dialogue "anytime, anywhere, and without preconditions." However, he cautioned that

Washington would not unduly court the North or attach the level of urgency to such engagement that the Clinton administration had previously. Indeed, benign neglect has thus far been Washington's general position on North Korea.

In response, North Korea has repeatedly rejected this comprehensive approach. In its unwarranted view that the new administration is less inclined toward engagement compared to Clinton, the North demanded that Bush revert to the position of his predecessor. Pyongyang has also indicated that it has no intention of adjusting the asymmetry in the military balance unless the U.S. forces on the Peninsula were also subject to negotiation. Moreover, the DPRK will likely resist certain elements of President Bush's proposal, such as renewed International Atomic Energy Agency (IAEA) inspections to determine if Pyongyang diverted plutonium from a nuclear reactor prior to 1994.

The September 11 attacks have added new dynamics and obstacles to U.S.-DPRK relations. At present Washington remains absorbed in the ongoing military campaign in Afghanistan. While the United States will not be able to divert its attention fully to the Korean Peninsula, several dimensions of this anti-terror war are directly linked to North Korea. First, America's vow to punish any state that harbors terrorism has placed North Korea in the spotlight. On November 26, 2001, President Bush broadened the scope of America's anti-terror campaign by suggesting that Iraq and North Korea could be the next targets. This is not surprising given Pyongyang's involvement in state-sponsored terrorist activities in the past. In the 1980s, North Korea gained notoriety for its bombing of the South Korean cabinet in Burma and the bombing of a South Korean airliner. Since 1988, Pyongyang has been on the State Department's list of states that sponsor terrorism. The North has also refused to hand over four Japanese Red Army hijackers that it has protected for years.

Second, the spate of anthrax attacks following the September 11 tragedy in the United States has sharpened the Pentagon's focus on WMD issues. This renewed attention has likely broadened to include North Korean NBC programs and the poten-

tial that such assets might fall into the wrong hands during crisis or war on the Peninsula. During South Korean Defense Minister Kim Dong Shin's visit to the United States in November 2001, Secretary of Defense Donald Rumsfeld took the occasion to express his belief that it was beyond question that North Korea has been developing intercontinental ballistic missiles and has been marketing missile technologies to several countries. During Biological Weapons Convention meetings that same month, American Undersecretary of State for Arms Control John Bolton described North Korea's biological weapons program as "extremely disturbing." North Korea's status as state sponsor of terrorism and a suspected producer of weapons of mass destruction will likely further complicate any future U.S.-DPRK dialogue.

Japanese relations with the DPRK have been equally difficult in recent months. While Japanese anxieties over North Korea's missile threat have subsided, the continuing failure of the Japan-DPRK negotiations to address key issues has made any real rapprochement virtually impossible. Japan remains deeply dissatisfied with insufficient answers from Pyongyang concerning the fate of Japanese kidnapping victims and North Korean demands for large reparations from Japan to compensate for its past occupation. The intrusion of North Korean spy ships into Japan's territorial waters in March 1999 and, more recently, the sinking of an unidentified ship in December 2001 that Japanese authorities suspect originated from the North have sustained tensions in bilateral ties. While Pyongyang has denied any links to the sunken ship, it has predictably decried Tokyo for piracy and terrorism. Japan's generous food aid and contributions to the Korean Energy Development Organization (KEDO) have yielded little political returns, wearing Japanese patience thin.

In the meantime, the Japanese-South Korean relationship has experienced its share of old problems and new promises. The controversy surrounding a Japanese history textbook, which many South Koreans believe did not address adequately certain sensitive aspects of Japan's wartime past, overshadowed whatever goodwill generated by for-

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mer Prime Minister Obuchi's heartfelt apology to Seoul for Japan's past misdeeds on the Peninsula. Under increasing domestic pressure, Seoul recalled its ambassador and ended all military exchanges, including a maritime search and rescue exercise. However, the terrorist attacks of September 11 created opportunities to mend the relationship. Japanese Prime Minister Junichiro Koizumi visited Seoul to assuage South Korean anxieties over his plan to dispatch naval forces to support America's war effort against terrorism. On the sidelines of a two-day summit between the Association of Southeast Asian Nations (ASEAN) and its Northeast Asian partners, Japan, China, and South Korea agreed to cooperate on the campaign against terrorism. South Korea later proposed a joint anti-terror panel to cope with potential contingencies during the co-hosted 2002 World Cup.

It is clear, then, that a complex web of regional relations form the backdrop to developments on the Korean Peninsula. Competing interests and divergent views among the various players ensure that reconciliation or reunification will be a gradual and often haphazard process. At present, all is not so gloomy. The new American administration's position toward North Korea has not differed as much from the Clinton era as many had feared. Bush in principle remains committed to the engagement process. Despite deep reservations toward the North, Tokyo has remained supportive of ROK efforts to bring about a peaceful reconciliation with the North. While South Korea will not likely have the necessary flexibility to pursue engagement further in an election year, any new successor to Kim Dae Jung will likely retain reconciliation as a central component of its North Korean policy. The only real wild card is North Korea. It has remained aloof from American initiatives in the hopes of returning to the heady days of Clinton's diplomatic overtures. It has also repeatedly undermined South Korea's Sunshine Policy and domestic politics. If the North continues on this course, Pyongyang risks missing an invaluable opportunity to make substantive and perhaps irreversible progress on peaceful reconciliation.

# THE BROADER GEOSTRATEGIC CONTEXT

All the major players in Northeast Asia have enduring interests and stakes in the future of the Korea Peninsula that are deeply rooted in history. Indeed, the fate of Korea in the past has often marked the rise and fall of empires. Korea's geostrategic importance to the United States, Japan, China, and Russia is no less pivotal today. While all actors involved unequivocally support a peaceful resolution, each has been and will continue to be driven by its own calculus and agenda. Some strategies toward the Korean Peninsula are more competitive in nature and are thus likely to induce regional competition or inflame tensions between the North and South. As such, identifying areas of potential agreement and disagreement among the regional states regarding the future of Northeast Asia generally and the Korean Peninsula specifically is a critical policy task. More importantly, finding ways to avoid exacerbating those differences and harmonizing the overlap of interests would lay important foundations for a more stable region in the long term. To that end, this section provides a snapshot of the enduring interests among the major powers, and of the roles that they will each play in the process of reconciliation or reunification.

## THE UNITED STATES

Given its obvious strategic and economic stakes in the Asia Pacific region, the United States has many incentives to continue its forward-deployed military presence for the foreseeable future. Alliance relationships with Japan and the ROK still serve as the bulwarks of a broader U.S. strategy in Asia and beyond. As a balancer among major Asian powers who share historical animosities, American presence has dampened the potential for regional conflict. As President Kim Dae Jung has noted, the U.S. military forces in Korea reassures a relatively small

and vulnerable nation sandwiched between great powers. The forward bases also enable the United States to project power to deal with various contingencies anywhere in the region and the world. In the case of South Korea specifically, U.S. forces provide an indispensable security guarantee by deterring North Korean aggression and maintaining a stable military balance on the Korean Peninsula. Hence, America's security role in the region will remain relevant for some time to come.

For these reasons, the United States will play a pivotal part in the reconciliation and reunification process. The presence of American military forces would signal Washington's commitment to South Korea during the reconciliation period, which will most likely entail hardship and setbacks. Moreover, the alliance structure would place the United States in a unique and advantageous position to maintain close ties with the unified Korea. The U.S.-ROK relationship will be especially relevant with respect to any interim security regime that emerges from the reconciliation process.

Given the above benefits of U.S. forward-deployed forces, a unified Korea may also wish to preserve its security relationship with the United States over the longer term even in the absence of a clear and present danger. The stability and confidence that American presence provides could compel any successor state to accept U.S. forces on its soil in some form (more details of this issue are provided in a subsequent section of this report). It is inevitable, in any event, that the future path a unified Korea chooses to pursue will have a significant and, to some extent, unpredictable influence on the level and configuration of U.S. forward-deployed forces. Managing this relationship skillfully in the post-reconciliation/unification era between the United States and Korea will be dif-

ficult. The future of U.S. forces on the Peninsula will also have broader regional implications as well. It is quite possible that Beijing will interpret an American presence – in whatever form – in a unified Korea, together with the U.S.-Japan alliance, as an elaborate part of a new containment strategy against China.

#### JAPAN

In recent years, Japan has been exploring options in fits and starts to assume greater responsibilities and duties commensurate with its economic power. Japanese leaders have worked with their U.S. counterparts to develop a more equal partnership within the alliance structure. While constitutional restraints and the deep-seated political sensitivities at home and abroad over the use of force have constrained the pace of change, recent events appear to have propelled Japan's strategic reorientation to a new frontier. First, debates over Japan's future as a "normal nation" had reemerged with greater vigor as a result of Junichiro Koizumi's resounding election victory. Prime Minister Koizumi has long championed a much more robust security role for Japan on the world stage. Second, most dramatically, the terrorist attacks of September 11 spurred Tokyo to make unprecedented decisions and actions on defense issues. American calls for Japan to "show the flag" on behalf of U.S. military operations in Afghanistan provided a powerful impetus for Koizumi's cabinet to push ahead on legislation that would enable Japanese forces to deploy alongside American counterparts in a support role. On October 29, 2001, the Upper House of Japan's Diet passed a new anti-terrorism bill that allows the Self-Defense Forces to dispatch supply vessels and escorts to the Indian Ocean. The historic event marked a new course for Japan's international security role that may prove irreversible.

It is within this context of change that Japan must cope with the potential reconciliation on the Korean Peninsula. In general, Japan favors a gradual reconciliation and an orderly integration of the two Koreas. Ideally, the successor state would permit a continued U.S. military presence and would seek good relations with Japan. However, should a significant withdrawal of U.S. forces from Korea

and possibly the abrogation of the U.S.-ROK alliance occur, the future rationale for and character of U.S. forces in Japan might come into question. Tokyo may then be forced to consider a more independent military posture. Subsequent regional concerns about the rise of a more powerful Japan – however misplaced they may be – would emerge. This could in turn spark the potential for rivalry between Japan and its wary neighbors. A long-term American commitment to forward deployment, therefore, would assuage the inevitable political pressures on U.S. forces in Japan after a withdrawal from the Korean Peninsula. In tandem with America's reassuring presence, Japan's substantive support for the reconciliation process, such as economic aid to address integration challenges, might help foster favorable sentiments in the new state that could overcome deep historical animosity between Korea and Japan.

#### THE PEOPLE'S REPUBLIC OF CHINA

Two fundamental interests drive China's security policy in the Asia Pacific: economic development and achievement of great power status. The confluence of these two interests both augment and restrain China's ambitions. Economic growth has made military modernization and other components of geopolitical power possible. At the same time, efforts to assert its power, such as threatening Taiwan, could disrupt economic development. China's longer-term interests and calculations for East Asia remain in a state of flux. At present, while China objects rhetorically to American preeminence in the region, Beijing believes that the U.S. military presence serves as a useful balancer to restrain perceived Japanese ambitions and to maintain peace on the Korean Peninsula in the near-to-medium term. Yet, Beijing is also acutely concerned with the potential for those same reassuring U.S. forces to intervene on behalf of Taiwan. As for Korea, China seeks a stable process of reconciliation and reunification. Beijing fears that a collapse of the DPRK could trigger massive refugee flows into China and generate instability along its shared border. China's planned response to such a worse case scenario remains vexingly shrouded in secrecy. For American and allied planning, Beijing therefore represents a

potential “wild card” in the event of a violent or destabilizing reconciliation process.

Both the United States and China appear to differ on the end-state of a united Korea’s strategic orientation over the longer term. During the interim transitional period on the Korean Peninsula, China might grudgingly accept the continuation of the U.S. military presence to avoid disorder and instability. However, perennial fears of a potentially hostile state along its periphery, which was a primary motive for China’s entry in the Korean War, could motivate Beijing to reject a reconfigured status quo. As noted above, Beijing fears a united Korea that retains strong ties with the United States at China’s doorstep. In particular, a staunchly pro-American Korean could become a partner in an elaborate containment strategy against China. As such, China might consider pressuring a unified Korea to end its security relationship with the United States.

#### RUSSIA

Given the persistence of its internal problems, Russian influence in East Asia has dwindled over the past decade. However, Russia’s geographic proximity necessitates its inclusion in any regional security evaluation. Moreover, under the leadership of Vladimir Putin, Russia has exercised a more muscular foreign policy around the globe, including in Northeast Asia. President Putin made a much-noted visit to Pyongyang in July 2000, during which Putin and Chairman Kim urged Washington to abandon its missile defense plans. Putin then presented a compromise plan that would halt missile development in the North in return for foreign aid to support a space program for the DPRK. During Putin’s visit to Seoul in January 2001, President Kim Dae Jung apparently felt compelled as well to oppose U.S. missile defense plans. The Moscow Summit between Chairman Kim and President Putin in August 2001, which produced an eight point joint communiqué, reinforced bilateral efforts to boost DPRK-Russian economic and military ties. Russian sales of advanced weapons to China (including fighter aircraft, submarines, and destroyers) have also demonstrated Russian influence in the region. Russian naval exercises with India sym-

bolically served notice that Moscow is still a serious global player.

However, several factors will continue to restrain Russian power. The frailties of Russian state and society, the economic malaise, and its obsession with European and Central Asian issues will distract Moscow from playing a major strategic role in Asia for some time. While Russia probably hopes to be included in any major process of change on the Korean Peninsula, it remains to be seen whether the United States, China, Japan, and the two Koreas would feel compelled to accommodate Russia in a Six-Party negotiating structure.

# REUNIFICATION SCENARIOS AND KOREAN RECONCILIATION

## REUNIFICATION THROUGH WAR

A second invasion by the North cannot be discounted out of hand. Both sides remain entrenched along the DMZ, poised for major war. While DPRK's conventional forces have deteriorated over the past decade, North Korea has gradually strengthened its niche asymmetric capabilities, such as ballistic missiles, chemical and biological weapons, and commando forces. The North has also heightened its military training and exercise activities to a level not seen in recent years, raising concerns in the region over Pyongyang's intentions. There are many types of conceivable conflict scenarios ranging from skirmishes spinning out of control to a deliberate major conventional war. While the likelihood of an all-out war may seem relatively low, preparation for such a worst-case scenario remains the baseline for American military planning on the Peninsula. A major conventional campaign would, in any event, involve U. S. Forces Korea (USFK) and the U.S. Pacific Command (PACOM), which would provide the necessary air and naval support to bolster American and South Korean forces on the ground. It seems almost certain that U.S. naval and air assets and the U.S. Marine Expeditionary Force stationed in Japan would also be called upon to take part in the defense of the South.

This scenario is potentially the most difficult for the U.S.-Japan alliance to manage. Given the ambiguities concerning Japan's ability to take an active role in such a crisis, the exact division of labor between the two allies remains unclear. A war on the Peninsula would no doubt destroy large portions of the infrastructure of the South and decimate the already weak material assets of the North. The magnitude of destruction to the South and the North would ensure a long, costly, and painful integration process. Assuming allied victory (a wide-

ly accepted outcome), massive foreign assistance from the United States, Japan, the European Union, and China would be needed. Under such circumstances, it is likely that U.S. forces would remain on the Peninsula to maintain stability and provide reassurance as reconstruction and integration took place. Nevertheless, the role of U.S. forces in Japan could still be called into question in the absence of a military threat from Pyongyang.

## REUNIFICATION BY COLLAPSE

Regime collapse in Pyongyang and the absorption of the North by the South is still a possible outcome for the Peninsula. The free fall of the North Korean economy in the 1990s and the widespread famines that compounded economic mismanagement heightened the potential for implosion. However, after Kim Jong Il's consolidation of power, few observers now believe the North Korea is on the verge of self-destruction. Through authoritarian control and sheer brute force, Pyongyang has been able to destroy dissent and sustain its rule. As such, a popular uprising to overthrow the regime is still highly unlikely. If a regime collapse were to occur, it would most likely originate from an internal conflict among factions within the power structure of the ruling elite. For instance, the unexpected death of Kim Jong Il could spark a violent succession struggle. Alternatively, military leaders might conclude at some point that the reconciliation process had severely undermined their power base and commit a coup against Kim.

Should the North collapse, two scenarios are the most worrisome. First, amidst the chaos of an internal struggle, a shooting war between two or more military factions could break out. Such violence could send refugees streaming toward the South and China. A military leader could seize

WMD assets for direct use against rivals or as a bargaining chip when dealing with the United States and South Korea in anticipation of unification. Second, China may be compelled to deploy forces along the border to manage the refugee problem. Some have speculated this may even provide a convenient opportunity for Beijing to deploy Chinese ground forces within North Korea to stabilize the situation. Beijing could use its military presence as leverage to extract American concessions with regard to the size and structure of U.S. forces that remain during and after the unification process.

It is difficult to envision how the USFK and South Korea would react to such scenarios. Washington and Seoul both have little leverage on internal developments in the North or decision-making in Beijing. However, the use of WMD in the North or against the South (or the credible threat thereof) and evidence of massive human suffering could force U.S. and ROK leaders to consider military responses. Washington and Seoul might deploy forces north of the DMZ to secure facilities suspected of housing weapons of mass destruction. American and South Korean forces could also engage in a peace enforcement action to separate combatant groups. Given the lack of clarity over Chinese intentions, concerns about Beijing's reaction would be a critical factor in such decisions. More likely, USFK and South Korean forces might be called upon to manage refugee flows and encampments along the DMZ. Refugees escaping by sea could require joint action between the U.S. Navy and the Japanese Maritime Self Defense Force. South Korea and Japan may have to coordinate actions to rescue boat people and to provide for temporary shelter on one of the islands in the Sea of Japan. This outcome would entail a variety of costs such as reconstruction, refugee relocation, the provision of basic humanitarian needs for displaced persons, and the disarming of rival factions.

#### RECONCILIATION SCENARIOS

The term "reconciliation" has come into vogue in the aftermath of the June 2000 inter-Korean summit. Given that its meaning and significance remains in a state of flux, it is useful to elaborate

on this concept. An inter-Korean reconciliation is currently understood as an all-encompassing, calibrated process by which the two sides would gradually move toward peaceful unification. There are several dimensions to this complex process that could progress in tandem or in independent phases. First, reconciliation would involve significant reductions in military tensions on the Peninsula. Both sides could agree to a mutual pullback of troops from the DMZ and perhaps even a partial disarmament or arms control process with regard to conventional forces. Second, closer economic ties would be an important step in the reconciliation process. The North could agree to open its borders more fully for trade and investment from the South. Third, both sides could engage in regular political dialogue and consultations, including high-profile summits, to enhance mutual confidence and build momentum toward unification.

Presumably, the synergies from these three tracks would eventually lead to a comprehensive settlement of the five-decade old division. The two rivals could sign a formal peace agreement and negotiate a final status for the unified Korea. Depending on the pace of reconciliation, the two sides could agree to a "peace regime" – possibly leading to some form of confederation – in the interim period. It is important to note that not all South Koreans share the optimism implicit in President Kim Dae Jung's Sunshine Policy or the reconciliation process. The vote of no confidence in the legislature in August 2001 forcefully demonstrated the level of domestic frustration at the stalled rapprochement. Some South Koreans firmly believe that Kim Jong-Il is merely exploiting the political capital derived from the Sunshine Policy as a tactical maneuver to maximize economic aid without reforms and thus prolong the longevity of his regime.

In any event, reconciliation is likely to be a tortuous path filled with risks and dangers, and the future state of North Korea poses perhaps the most problematic challenge to any reconciliation process. An internal political and economic transformation in the North remains a distant prospect. Pyongyang has thus far resisted embracing fully China's model of economic reform. Moreover, rebuilding the



shattered economy with external assistance would require inordinate financing worth hundreds of billions of dollars that will not be forthcoming any time soon. South Korea, still suffering from the lingering effects of the Asian financial crisis, would be unable to foot the bill. While Japan has provided generous aid to North Korea, Tokyo will remain unwilling to provide additional funding so long as normalized relations remain elusive and as its economy stagnates. Similarly, the United States has become increasingly impatient with Chairman Kim's apparent unwillingness to reciprocate American overtures. Meanwhile, U.S. influence within international financial institutions will prevent any flow of funds to the DPRK until some real diplomatic progress has been achieved. Despite being a long time patron, China has provided only limited funding to North Korea to sustain its communist brethren. In sum, while subsistence aid might keep the reclusive regime alive, money alone will not be sufficient to create necessary conditions for an economic "soft-landing."

**Rapid Reconciliation.** In addition to the North's weaknesses, the changes and pressures attendant to reconciliation could gradually generate uncontrollable forces. In this way, reconciliation could develop an internal logic that could cascade into chaos and implosion. A rapid reconciliation is particularly worrisome for the North Korean regime, which views challenges to its authority with great hostility. Moreover, Pyongyang's ossified political structure would not likely be flexible enough to adapt to radical reforms. The ability to survive the unpredictable forces of rapid reconciliation would be largely dependent on Chairman Kim's grip on the instruments of state power to oversee an orderly process toward confederation and eventual reunification. It would also require unshakable consensus within the political elite. However, if Kim's authority is challenged internally or if the process fails, a rapid reconciliation could suddenly resemble a collapse, the dreaded "hard landing" scenario. It is likely as well that a rapid reconciliation would not provide sufficient time to address key issues of interest to Washington, such as the future of DPRK missile and WMD capabilities. This suggests that sensitive military concerns should be

resolved ahead of time before the Korean Peninsula reaches such a major juncture.

**Gradual Reconciliation.** A gradual reconciliation is arguably the most desirable outcome. A gradual and comprehensive reconciliation between the two Koreas would help solidify the social cohesion, political stability, and prospects for prosperity of a successor state. Given the formidable short-term costs of the absorption after collapse or rapid reconciliation scenarios, a controlled process allows for an adequate period of readying the North. A longer timeframe would also offer an opportunity for the United States, Japan, and China to work constructively in support of an emerging security environment on the Peninsula and in the region. A gradual approach would involve a comprehensive process that allowed for incremental reforms within the North to prepare its people and institutions for eventual integration with the South. At the same time, the ROK would implement a domestic political agenda to cope with the potential economic and political costs of integration. The health of the South Korean economy would be a large factor in determining the success of gradual reconciliation. Even a soft landing would still likely leave the unified Korean government with a number of economic, political, and societal challenges. Significant investments prior to reunification could somewhat mitigate the massive economic costs of integration. Such financial assistance would ideally flow toward building basic infrastructure, technical assistance, education, and institutional building in the North. This would ease regional factionalism in Korea and broader societal inequalities that could obstruct genuine national unity.

For Washington, this scenario would likely trigger an extensive review of the U.S. force presence in South Korea. At a cursory glance, a permanent peace accord would seemingly eliminate the rationale for certain components of the UN Command, Combined Forces Command, and the USFK as presently conceived, particularly the deployment of heavy ground forces. Indeed, a reconfiguration of American forces on the Peninsula might well dovetail with the types of future realignments in U.S. global force posture as envi-

sioned in the 2001 Quadrennial Defense Review (QDR). For example, the emphasis on long-range strike assets suggests a gradual reduction of forward basing and a greater reliance on over-the-horizon capabilities. Some have argued that domestic pressures in the United States to eliminate a costly overseas budget item that has fulfilled its purpose would likely mount. However, there is a growing view that a restructured American military presence that would be smaller and different in composition from what it is today could still serve an important reassuring and stabilizing role that no other force could replicate.

Reunification Scenarios  
and Korean  
Reconciliation

#### MUDDLING THROUGH

Given that the status quo of an uneasy peace has been the predominant trend in the past 50 years, the two sides could simply muddle through. The depth of the division between the two Koreas means that the potential for either a gradual or rapid reconciliation process to stall or fail is significant. Moreover, the erratic behavior and totalitarian character of Pyongyang make confident predictions difficult. Indeed, Chairman Kim has often refused to follow through on agreements, held out for more concessions, or railed against perceived slights. It is obviously difficult to postulate precisely how the process might be stalled, given the myriad issues that need to be negotiated between the two sides. A continued U.S. presence, to serve as a guarantor of stability, would be essential in such a stalemate. A powerful deterrent that only the United States can provide at present would be particularly important if a disagreement were to lead to a protracted standoff or a DPRK retrenchment.

# ALTERNATIVE FUTURES: KOREA AFTER UNIFICATION

As noted extensively above, the process of reconciliation and eventual reunification would shape the successor state's future strategic posture. The responses of regional powers would also prominently shape the long-term course of a unified Korea. The complexities associated with forecasting the paths of reconciliation make it exceedingly difficult to predict Korea's post-unification security strategy. The scenarios below provide four distinct paths that a unified Korea could pursue. It is important to note that the alternative futures are not mutually exclusive. Indeed, it is entirely conceivable for a new Korea to adopt a multi-pronged strategy that incorporates a mix of the main features of the potential unification outcomes summarized below.

*Neutrality.* A powerful aversion to great power competition – a persistent feature in the history of Northeast Asia – might compel the successor state to declare neutrality. Korea could pursue such a course to avoid future entanglements in a geopolitical struggle among the large land and maritime powers. Given its history of subjugation, this option promises many attractive benefits. A stance that eschews alliance politics or closer association with one power (which inevitably fuels enmity from another) could allow Korea to attract as many patrons as possible to fund and support the high costs of integration. Neutrality would help project an image of non-hostility, which would presumably allow Korea: 1) to disengage from potentially distracting regional balancing acts; 2) to avoid prohibitively expensive military modernization plans; and 3) to focus on more pressing internal matters.

*Strategic independence.* This outcome is the inverse of the neutrality stance. The Korean leadership could conclude that military might provides the most reliable security hedge against entanglements in great power politics. Moreover, a credible military capability would allow Korea to determine its own new destiny and perhaps even play the role of an emerging regional power. The intensity of nationalism resulting from unification could make this option nearly irresistible. The successor state would no doubt inherit a sizeable conventional military, a significant missile arsenal, and perhaps a relatively intact nuclear weapons and other WMD infrastructure from North Korea. The combined military power of the two states could infuse enough national confidence for Korea to chart its own course. In such a scenario, Korea would engage in a classic balance of power game, playing one power off another.

*Sino-Korean entente.* A deterioration of American power and influence in the Asia-Pacific could force a unified Korea to look to China for enhanced security. An unexpected decline in U.S.-Korean relations or a partial American military withdrawal from the region could lead a unified Korea to doubt Washington's security commitment to Korea. Another factor that would trigger such a decision would be the weakening of the U.S.-Japan alliance. In such a scenario, Tokyo might be obliged to consider a more robust, independent posture, triggering alarm throughout the region. Coupled with the loss of confidence in the United States, Korea might then feel compelled to foster closer strategic ties with China in order to manage the potential vacuum in the wake of a perceived weakening of Amer-

ican regional influence and to balance a resurgent Japan. Moreover, there are strong cultural, historical, and economic ties between Korea and China that would form the basis of a special relationship.

*U.S.-Korea alliance.* Short of the major upheavals listed above, a unified Korea would probably opt for a reconfigured status quo. The new Korea could conclude that the best option for its long-term security would be to continue to anchor America's defense commitments in the region. Washington's security umbrella and relatively benign strategic objectives have proven to be (and would continue to be) the most stabilizing for the region. Such a scenario would entail a renegotiation of the existing U.S.-ROK alliance, including the nature of American security guarantees to the successor state. The revitalized alliance could involve a major shift in the American force structure on the Peninsula toward air and naval power. Alternatively, Korea could host highly mobile ground forces, provide basing access for air and naval assets, pre-position American equipment, maintain a logistical facility, and conduct joint military training. The roles and missions for American forces on the Peninsula would be focused primarily to augment the United States as a peace guarantor. In addition, the roles and missions could be expanded to include regional crises and extra-regional contingencies.

Each of the scenarios offers benefits and imposes costs on a unified Korea and Northeast Asia more broadly. Some outcomes may enhance stability in the region while others could inaugurate a prolonged period of volatility. Moreover, as cautioned above, Korea could adopt a strategic posture that blends several of the scenarios. Similar to Sweden, it could opt for neutrality that is guaranteed by a powerful military deterrent. The new Korea could also rely on its alliance with the United States along with the military assets inherited from the North as a convenient springboard to achieve broader strategic ambitions of an independent-minded unified state. It is clear that the first three scenarios would significantly weaken the ra-

tionale for U.S. military presence on the Peninsula. How secure a new Korea, still weak from the unification process, would feel in the absence of American forces would depend on Washington's perceived security commitment to the region.

The neutrality course is perhaps the most problematic. The powerful gravitational pull of the great powers would no doubt make neutrality an impossibly unsustainable position. The option for a strategically independent course would require substantial resources at the expense of a simultaneous North-South integration effort. The costs of expanding and then maintaining military capabilities to balance other regional powers would likely be too prohibitive for the fledgling regime. Such a position might also provoke hostility from all directions, particularly if it retained the nuclear option. Allying with China risks substantial loss of Korean freedom of action. Moreover, should Sino-U.S. relations deteriorate, Korea risks being forced onto a collision course with a superpower. Notwithstanding the benefits of maintaining the status quo, alliance relations with the United States could pose significant challenges as well. Beijing would no doubt place tremendous pressure on a new Korean government to discontinue the hosting of U.S. forces. Historical distrust between Japan and Korea could render any opportunity for a new trilateral security framework moot.

*Alternative Futures:  
Korea After Unification*

# KOREAN REUNIFICATION AND THE U.S.-JAPAN ALLIANCE

## STATE OF THE ALLIANCE

The 1997 Guidelines for U.S.-Japan Defense Cooperation (hereafter “The Revised Guidelines”) positioned the alliance to address more effectively the challenges of the post-Cold War security environment. The Revised Guidelines set out a framework within which Japan can defend itself better and assume a more equal role within the alliance structure. Specifically, the Revised Guidelines laid out a new division of labor between American and Japanese forces and clarified additional roles and missions that the Japanese Self Defense Forces (JSDF) could undertake within existing Constitutional constraints. Moving away from a primary focus on deterrence and defense against a large-scale Soviet attack on Japan, the Revised Guidelines outlined a wider range of responses to a spectrum of smaller-scale, yet often complex contingencies, such as peacekeeping and disaster relief operations. Tokyo openly unveiled the new framework for bilateral military ties to the public. This move demonstrated the importance of transparency in civil-military relations, a crucial element in any democracy, and in calming anxieties in Japan and elsewhere over a more visible role for the JSDF in regional security affairs. While the Revised Guidelines provides the framework for reform and certainly a necessary prelude to adapting the U.S.-Japan alliance to post-Cold War realities, substantive problems must still be addressed and resolved.

The legal debates resulting from the review reflect the difficulties that Japan will need to untangle in order to bring the vision of the Revised Guidelines to fruition. Moreover, the lingering economic difficulties that Japan has been unable to reverse over the past decade and the attendant public malaise have further clouded discourse on this issue. Since Pyongyang launched a medium-range

ballistic missile over Japan in 1998, a perceived decrease in the North Korean threat has also eroded the sense of urgency in implementing the Revised Guidelines. However, as mentioned above, the September 11 attacks have reenergized Japanese efforts to move forward the debate on Japan’s security policy. In October 2001, the Diet passed two critical pieces of legislation that dramatically expand the role of the SDF. The new anti-terrorism bill provides a legal framework for the Japanese military to support U.S. forces in rear area operations. More specifically, the legislation permits: resupply of American forces; surveillance and intelligence activities; refugee relief; search and rescue operations; and the use of force in defense of people under SDF protection. A second piece of legislation allows SDF forces to defend and protect U.S. facilities in Japan, a task that usually rests with the National Police Agency. This latter bill is a part of a broader effort to improve Japan’s crisis management capabilities. Both will be critical in enhancing joint operations between Japanese and American forces.

However, problems still persist for the alliance. Continuing problems emanating from the presence of sizeable U.S. forces on Okinawa and the tragic USS *Greenville-Ehime Maru* accident have marred the image of the U.S. military, and complicated efforts to deepen bilateral cooperation. Local demands for force reductions or base consolidations on Okinawa have diverted attention away from efforts to implement and further refine the Revised Guidelines. To be sure, pressures to restructure the American military presence on Okinawa cannot be ignored. But the time and energy they have demanded from U.S. and Japanese officials have made it difficult to adequately address other equally important issues.

Through an admittedly tortuous political process, Japan has come more fully to grips with assuming a more realistic and activist-minded role within the alliance structure. However, more work lies ahead. Additional crisis management legislation fundamental to a more flexible and timely use of JSDF units still needs to be passed by the Diet. There is also disagreement among Japanese experts on Japan's role in a regional contingency, such as a crisis on the Korean Peninsula. Some feel that, under the existing Revised Guidelines, Japan can take part in alliance missions such as logistics support, search and rescue, and intelligence sharing (excluding combat operations). Others argue that Japan's role in a crisis beyond the Japanese home islands remains unclear.

The complexity of politics in Japan on this score has been a major source of frustration on the American side. Despite swift political action in Japan in the after September 11, the persistence of internal disagreement in Tokyo has left many U.S. experts concerned over the ability of the Japanese government to take decisive action in the event of an emergency. More worrisome, a paralysis in Japan's decision-making could have dire consequences for the alliance. Should Japan fail to act, the alliance could very well crumble. The debate over a potential Taiwan-China crisis, a scenario that neither the United States nor Japan could remain indifferent to, is even more uncertain. Given the political sensitivities involved, there is an implicit consensus that the details of U.S.-Japanese military cooperation in a cross-strait crisis should not be subjected to an open public debate that would likely become divisive. Indeed, seeking clarity on joint crisis response – particularly in cases that are more likely to involve the JSDF – that may or may not occur could spark unnecessary controversies that could further obscure or even derail efforts to devise a robust security role for Japan.

#### TRANSFORMING THE ALLIANCE FOR THE POST-UNIFICATION ERA

For much of the past 50 years, the United States and Japan have focused on deterring North Korean aggression against South Korea. However, beginning with President Kim Dae Jung's Sunshine

Policy, the prospects for reconciliation have brightened. While peaceful reunification is far from assured, it has become clear that U.S. and Japanese officials must now develop a coordinated, coherent strategy to address a variety of reconciliation or reunification scenarios. Such a strategy must support an orderly, peaceful transition on the Peninsula, strengthen a positive relationship with the ROK that will transcend the reunification process, maintain sufficient capabilities to react to a crisis if the process breaks down, and explore opportunities for a new and more inclusive security architecture for the region.

The U.S.-Japan alliance after Korean reunification will no doubt face pressures that could challenge its coherence and relevance. However, Korean reunification and its impact on U.S. military presence in Japan and the region should not be exaggerated. The United States has played an essential regional balancing role that helped underwrite Japan's unprecedented economic prosperity during the Cold War. Common values – such as liberal democracy – have always been a core factor binding the two countries together. The promotion of core values may well become a major *raison d'être* for the alliance as Japan's relative economic importance to the United States declines and its strategic value becomes less relevant after Korean reunification. Indeed, Cold War-based American alliances around the world have proved far more durable than assumed. The end of the Soviet Union did not dissolve the U.S.-Japan alliance. Indeed, compared to the U.S.-ROK alliance, the U.S.-Japan alliance has always been more multifunctional and less oriented toward a single threat, which has also made it shallower and less formal. These characteristics suggest an inherent degree of flexibility and adaptability that may facilitate efforts to transform the alliance in an era of Korean reconciliation and eventual reunification.

At the same time, the earlier-noted shallowness of the alliance has made it more fragile and vulnerable to internal and external pressures during a crisis. As such, it is important for Japan and the United States to reinforce the alliance in peacetime so that it will be better positioned to deal with the still unsettled Asian security environment,

which in time will likely include a unified Korea. Nonetheless, rationalizing a continued American presence in Japan after Korean reunification could be a challenging task. For the American public, the costs of balancing and the notion of providing stability in the absence of a clearly defined threat may be difficult to justify. Equally challenging, promoting shared values and ideals – however deeply held – is likely to remain too abstract and may not be sufficiently compelling politically for maintaining U.S. forces in Japan after Korean reunification. In order for the U.S.-Japan alliance to withstand the shocks of unification and to flourish in a new regional landscape, both sides must effectively blend a combination of strategic, economic, and values-based rationales that better reflect the changed circumstances of the post-unification security environment in Northeast Asia.

In order to ensure that Japan and the United States remain committed to the concrete justifications for the alliance, both sides must also avoid certain pitfalls that could stress and even wreck the relationship. Washington and Tokyo should not base the future of the alliance on any specific threats that may be compelling and tempting at the time, but may not prove lasting. For example, the trans-Pacific leaderships should not focus entirely on threat-based analysis such as a major conventional war on the Korean Peninsula or Chinese regional predominance. Should such threats disappear or prove to be a mirage, the American and Japanese public might conclude that the fundamental rationale for the alliance has again evaporated. As mentioned above, certain aspects of the relationship, which are still undergoing gradual transformation, are best left as implicit understandings. For instance, articulating clearly the alliance's role in a cross-strait contingency could fuel Chinese enmity and set off a self-fulfilling prophesy of confrontation with Beijing. Moreover, a muted approach would both alleviate domestic and regional concerns over the broader future of the alliance, and, most importantly, anxieties about Japan at a delicate period of transition. This would then provide ample freedom of maneuver for the alliance partners to resolve outstanding issues without unnecessarily alarming the public and other powers.

While the alliance should continue to devise comprehensive approaches to familiar threats, such as missile and WMD proliferation, both sides should also cooperate to address a wider spectrum of emerging, non-traditional threats such as cyber warfare, ethnic-sectarian violence, terrorism, transnational crime, and piracy. Japan should seek a more symmetrical partnership that expands its role beyond base access and rear area support. Washington should regularly consult Tokyo on developing security situations and ensure that Japan is an integral aspect of any joint response. In particular, the United States should leverage Japan's strengths beyond military capabilities, such as its skilled diplomatic corps. The United States can ill-afford to make token gestures to involve Japan. Equally important, Tokyo can no longer treat security issues with benign neglect.

There is a need as well to understand more fully how current laws and agreements would enable Japan to support U.S. military operations in the Asia-Pacific region in cases other than a direct armed attack on Japan. The Revised Guidelines and subsequent enabling legislation provide Japan's leadership with far greater mandate to offer U.S. forces base access, traditional rear area support, and direct operational assistance by JSDF units (though not for missions integral to combat). These activities have also been geographically expanded to situations that may arise in areas surrounding Japan. However, Japan's constitutional constraints on its right to participate in "collective self-defense" and the ambiguities surrounding Article 6 of the 1960 U.S.-Japan security treaty (dealing with operations in support of regional security in the "Far East") muddy the implementation of the Revised Guidelines. Successive Japanese governments have broadly interpreted the geographic scope of Article 6 in the 1960 treaty as anywhere "north of the Philippines." Indeed, drafters of the original 1978 guidelines on U.S.-Japan defense cooperation accepted this interpretation. Since the 1997 revisions to the guidelines were largely an extension of the 1978 document, the geographic constraints associated with the 1960 Far East clause might also apply to any future U.S.-Japanese defense cooperation.

This legal dilemma has spawned two distinct schools of thought. On the one hand, there is now growing support for an amendment of Japan's Constitution and/or the 1960 Treaty to eliminate any confusion on such matters. Indeed, there is a process now underway in the Diet to study and then propose constitutional amendments by 2004. On the other hand, some within the U.S. and Japanese policy communities believe that the steps necessary to build a more robust alliance can be accomplished without amending either the Constitution or the Treaty. According to this line of reasoning, reinterpreting the constitutional and Treaty-based constraints may be sufficient. For example, the official Japanese interpretation of the right of self defense could be harmonized more closely with common international law. The Japanese foreign ministry had recommended this option to the prime minister (but without success) during the Gulf War.

Geostrategic realities and technological trends could render these legal debates moot in the future. Drawing a fine distinction between Article 5 (defense of Japan) and Article 6 (regional security) will be increasingly difficult in a world where longer-range ballistic and cruise missiles, cyber terrorism, and collapsing states could have an immediate impact on Japanese security. Recent cyber attacks on Japan's computer network infrastructure and Japanese non-governmental organizations' contributions to the East Timor relief operation highlight the security challenges and the responses required for the future. These new demands are likely to blur or render irrelevant the traditional distinction between military and civilian authorities within each nation and the alliance. The protection of critical civilian infrastructures in Japan could be crucial to future joint military operations originating from Japanese base facilities. Key military assets residing in the JSDF or U.S. forces based in Japan could be essential to civil emergency efforts both at home and abroad. As such, policy debates rooted in legalese may not provide sufficiently clear or timely guidance.

The new demands of the future conflict environment will fundamentally challenge the highly bureaucratized decision-making procedures that

often prevail in Japanese policy circles. The disorganized responses to the 1995 sarin gas subway attack, the 1995 Hanshin earthquake, the 1999 Tokai-mura nuclear plant accident, and the 1999 intrusion of North Korean spy ships into Japanese territorial waters stirred public outcries. While the Diet has passed a series of crisis management-related laws since 1996, which should provide some relief, closer U.S.-Japanese collaboration and timely alliance response remain largely untested. For example, both sides have yet to fully explore complementary approaches to crisis scenarios involving WMD use or cyber warfare. Some degree of pre-crisis coordination would also be helpful at the U.S.-Japan-ROK trilateral level and perhaps on a wider multilateral level.

In summary, the alliance should shift from an American-centered defensive posture to a more evenly balanced partnership configured to cope with regional instability. The alliance should move toward a more flexible structure capable of rapid response to a wider range of threats. This more broadly cast strategic concept may eventually require the United States and Japan to reach out to a united Korea, whose security will remain critical to Washington and Tokyo. At the same time, the alliance must also draw China into cooperative relationships where the opportunities exist. A greater focus on regional security could also direct U.S.-Japanese efforts toward establishing deeper strategic dialogues with Russia, India, the ASEAN states, and Australia.

#### FUTURE FORCE STRUCTURE AND BASING OPTIONS

While reconciliation on the Peninsula may generate pressures for U.S. withdrawals from Korea and Japan, other forces could deepen American commitments in the region. First, the security environment could deteriorate sufficiently to warrant a stabilizing U.S. military presence. As mentioned in the scenarios outlined earlier, a unified Korea could embark on an independent course or retain WMD capabilities inherited from the DPRK. Fearing a regional arms race, Tokyo may not wish to unilaterally expand its capabilities in response. In such a scenario, Japan would likely wish to retain a forward



U.S. presence (and perhaps strengthen it) and the alliance would receive an upsurge in public support. A strengthening of the American basing structure would depend, however, on whether serious issues related to building a more symmetrical U.S.-Japanese security relationship have been resolved by the time Korean reunification occurs. Secondly, it is possible in the near future that Japan may not be the only other location in Asia where U.S. troops are deployed. As access denial tactics and area denial threats increase around the world, the requirement for adjusting U.S. forward-deployed forces will become crucial. Indeed, the September 2001 Quadrennial Defense Review called for a reorientation and redistribution of America's global military posture that would rely on a far more flexible basing system. Expanded base access arrangements within a regional network of nations, including Singapore, the Philippines, Australia, and New Zealand, are entirely conceivable. A recent RAND study suggested that the United States could also rely more heavily on Guam.

In any event, a significant reconfiguration of U.S. forces in Japan may be necessary regardless of American military presence in Korea. Given the proliferation of ballistic missiles in the region, highly visible U.S. bases could become lucrative and vulnerable targets in a future conflict. As such, some level of reduction, consolidation, and restructuring will be required. Moreover, the widening spectrum of military missions throughout the region would require the United States to diversify its basing options. This demand will become especially urgent once the Korean Peninsula ceases to be a flashpoint and the strategic trouble spots shift to Taiwan or the South China Sea. Within the alliance, American and Japanese forces will have to operate from a shared base facility to strengthen joint and combined operations. Such a move would also alleviate the more conspicuous disparities between the quality of USFJ and JSDF facilities.

A more urgent priority is making the political and financial costs of Japan's generous host nation support more palatable to the Japanese public. As a result of Japan's prolonged economic decline, political support for host-nation funding in the Diet has understandably become increasingly strained.

Hence, Tokyo and Washington must present a convincing case in their respective legislatures and to the public that the appropriations needed to maintain an effective base infrastructure are worthy investments. While such costs will remain substantial, the alternatives are much less preferable. Once the bases are closed, they are very expensive to restore. The funding issue and its potential to trigger acrimonious public debate demonstrates the need for continuous and committed efforts to deepen the political support for the alliance in both nations. American and Japanese leaders must convincingly present the strategic rationale for a reconfigured base system. They must also adroitly manage public perceptions of the costs and benefits of an American forward presence. For the American side, the military must minimize the potential for incendiary crimes on Okinawa and build positive relationships with host communities. The U.S. authorities should be prepared to deal promptly and comprehensively with tragedies such as the USS *Greeneville-Ehime Maru* incident and to manage the consequences of such incidents with greater sensitivity to avoid inflaming the situation. Failure to take remedial actions will only serve to breed further resentment.

#### BOLSTERING REGIONAL COOPERATION

Beyond U.S.-Japanese bilateral efforts to enhance stability in Northeast Asia, Washington and Tokyo can exploit a number of bilateral, regional and even multilateral dialogues for a regional framework. At the bilateral level, Japan and South Korea must transcend the phenomenon of alliance by association in which they share strong security links with the United States but not with each other. Despite recent problems, Tokyo and Seoul should deepen bilateral relations based on their longstanding, common regional economic and security interests. Tokyo's broad support for inter-Korean engagement, including the Sunshine Policy and the activities of KEDO, has deepened relations with the South and would likely pay dividends for post-unification cooperation. Should bilateral ties deepen meaningfully, a broader range of joint security cooperation is conceivable. Both could engage in joint training for peacekeeping duties, coordina-

tion on anti-piracy at sea, and collaboration on responding to nuclear, biological, or chemical (NBC)-related accidents. The Trilateral Coordination and Oversight Group (TCOG), a forum set up to organize policies between the United States, Japan, and South Korea toward North Korea on a regular basis, is another avenue for strengthening regional-based approaches. The TCOG process has already demonstrated the capacity of Japan and the ROK to cooperate effectively in sensitive policy areas despite recent difficulties in bilateral ties. The strongest legs of the triangle (the U.S.-ROK and U.S.-Japan alliances) could compensate for and build up the weak ROK-Japan leg, and, in the process, create a virtual alliance. This virtual alliance could begin more open dialogue on a post-unification strategic framework for Northeast Asia. Rather than negotiate on a bilateral basis, then, a trilateral forum could discuss areas of consensus and disagreement on the preferred posture of American forces in the region after unification. However, Chinese fears of encirclement could compel Beijing to oppose or complicate any effort to open the way for a formal three-way alliance.

The four-party process among China, the United States, and the two Koreas is essential to the foundations for peace on the Peninsula. It has facilitated U.S.-DPRK exchanges and engaged China in the Korean reconciliation process. Given that China's involvement in any future plans for the region is crucial, the four-party talks may be another convenient vehicle to air and address Beijing's concerns. And, similar to China, a resurgent Russia could become an unsatisfied regional power in the future. It could use its influence to challenge any new regional arrangement created that it does not support. Hence, there may be a need to develop a six-party mechanism to include Russia and Japan more directly (although Tokyo will enjoy greater input via the trilateral process) to promote an even broader regional collaborative effort conducive to a stable transition. To circumvent political and logistical obstacles, the six powers could engage in sub-regional discussions at the ASEAN Regional Forum (ARF) meetings. At the broadest multilateral level, the ARF and the Asia Pacific Economic Cooperation (APEC) meetings may provide addi-

tional forums for advancing long-term stability in Northeast Asia. APEC draws the region's leaders together and allows them full opportunity to address fundamental security issues. The Auckland APEC Summit in 1998 solidified ASEAN involvement in the East Timor crisis. The October 2001 Shanghai APEC Summit has also served as an important regional vehicle for the United States to drum up support for the campaign against terrorism. However, results from APEC have been lackluster in the past, so high expectations should be tempered with a measure of caution.

Ultimately, the U.S.-ROK and U.S.-Japan alliances will provide the most credible hedges against an implosion of North Korea. The Bush administration's decision to place renewed priority on key alliances in Asia represents a hopeful move in the right direction. The United States and its two Northeast Asian allies need to jointly evaluate the processes of change and identify major triggering events (such as major conventional force pull-backs from the DMZ to bolster confidence building efforts) that may require adjustments to the current modes of deployment. For example, the alliances need to reconsider existing force structures and command relationships so that they can be altered to meet future challenges, including how the security ties fit with the strategic requirements of a peace regime on the Peninsula. Without thinking ahead of the potential challenges, the future of both alliances will be left to the force of circumstances. The allies could then be left without a roadmap for charting a new course for the region.

# THE WORK AHEAD

## ALLIANCE CONSIDERATIONS

As the Japanese government presses the implementation of existing legislation, it is important that the United States exercise patience. American pressure or browbeating will only serve to undermine the relationship. Tokyo for its part must maintain transparency regarding its defense plans to assuage residual fears in the region of a more active Japan in the security arena. Both countries must expend more public relations energy to convey the virtues of the alliance to their respective domestic audiences and overcome the mutual “shallowness” of public support. Maintaining an active, targeted campaign to raise public awareness on defense issues will be crucial as Tokyo assumes a greater role in the alliance. In the past, trade disagreements have had serious negative consequences for the overall relationship. As such, Tokyo and Washington must take all possible steps to minimize disagreements over economic issues and their attendant effects on security matters. The decade-long stagnation of the Japanese economy has made this task an even more urgent.

Regular consultations between Washington and Tokyo, which have been sporadic at best, on key strategic issues will be essential. A strategic dialogue at the highest governmental levels, paralleling the very fruitful dialogues that are taking place in a semi-official or non-governmental format, would produce fruitful results. The Bush administration has demonstrated hopeful signs that the era of “Japan passing,” during which Clinton engaged more closely with China, has finally ended. Indeed, there is at present a confluence of interests and views among sub-cabinet officials in both governments. They concur that the two sides need to focus on a more credible and forward-looking agenda for the alliance. While President Bush’s

proposed visits to Japan and the ROK in fall 2001 were postponed as a result of the September 11 attacks, the October APEC Summit in Shanghai provided a crucial opportunity for Bush to convey his vision for the alliance and the region. Moreover, Bush’s planned visit to Japan, South Korea, and China in February 2002 will be yet another occasion to express and consult views on the region’s future.

American and Japanese interests will inevitably diverge on important aspects of Korean unification. As such, both sides must air those differences in a constructive manner as soon as possible. Such dialogue might help to harmonize the positions between Tokyo and Washington and prepare the alliance for any shocks that might emanate from the Korean Peninsula. Washington has enthusiastically supported a peaceful reunification process under the aegis of the ROK. The United States hopes that Seoul’s leadership would permit some form of U.S. military presence in the post-unification era. In contrast, Tokyo’s position has been much more ambiguous due to anxieties over the potential strategic consequences of an emerging united Korea. While Japan also wishes to see peaceful unification, it is far less sanguine about the future of a unified Korea. An independent-minded Korea could harm Japanese security interests. Fear of this potential outcome could in turn force Japan to consider other options that could prove destabilizing for the region. It is therefore critical to address Japanese concerns over the implications of a unified Korea within the alliance framework.

The United States can do much to bridge the gap in perceptions over the future of Korea. With Washington’s alliance ties to Japan and South Korea, it could push for deeper trilateral military-to-

military relations through joint exercises. For example, future maritime drills could focus on the protection of key sea lines of communication. As mentioned earlier, the TCOG forum could also harmonize trilateral views on future force structure needs and basing options. A more radical approach would focus on ROK-Japanese collaboration in future peacekeeping missions in the region and beyond. This would appeal to Tokyo's growing interest in peacekeeping operations. It would also dovetail with Seoul's desire to expand its security role beyond the Peninsula. A joint peacekeeping task force composed of Japanese and Korean personnel with American support would be one way to accrue shared operational experience on the ground. The division of labor could be based on relative comparative advantages. For example, the ROK and Japan could contribute ground forces and other support logistics, while the United States could offer strategic air and sealift assets.

Given Canberra's active involvement in regional peacekeeping operations, Australia could also supplement the joint peacekeeping task force. Trilateral or quadrilateral exercises focused on operational effectiveness and interoperability would directly benefit Japanese-Korean military ties. The main problem is the potential asymmetry in responsibilities. Given Japan's constitutional restraints on the use of force in self-defense, Seoul could find itself taking the brunt of the risks. In a confrontation where the casualties were principally ROK soldiers, Japanese-Korean relations could take a plunge. Still, while there are drawbacks and flaws, this idea is conceptually attractive and should be explored more fully to build cooperative ties between the United States, ROK, and Japan.

#### REGIONAL CONSIDERATIONS

The emergence of China may be the single most important challenge facing the alliance. Finding the right balance in U.S.-Japan relations with Beijing will be difficult. Given the uncertain future path of a nation in transition, the alliance should not organize itself around the "China threat." At the moment, the U.S.-Japan alliance risks being perceived by China as a vehicle for containing Beijing. Given the limited ability of either Washington or

Tokyo to persuade China otherwise (or conversely, Beijing's unwillingness to accept the alliance's perspective), it remains to be seen how this potential collision course can be avoided. As such, Japan and the United States must carefully manage the emergence of a more powerful China to ensure that it evolves into a country that embraces global norms and practices. Fortunately, Korean reconciliation is an area where the United States and Japan can constructively engage China. China for its part has already demonstrated a balanced approach toward both Koreas. It may also be possible through multilateral forums (both formal and informal) to include China in dialogues on key security issues.

It is clear that Chinese and Russian interests in Korean unification cannot be ignored. Both countries fear that the United States and Japan might be formulating a new security framework that would be at odds with their long-term security. These concerns should be acknowledged. Closer military-to-military contacts or exercises with these two powers should be encouraged to the extent possible. While September 11 has provided new opportunities for cooperation, engaging China and Russia in cooperative security activities will still likely prove disappointing and difficult. As mentioned above, there are severe limits to how much the alliance can influence the perceptions of Beijing and Moscow. China and Russia would likely exploit their involvement in regional activities as a vehicle to veto American and Japanese interests whenever and wherever possible. The real challenge is striking a delicate balance between recognizing their valid interests and preventing them from undermining the process toward developing a new security framework that will survive reconciliation or reunification. Diplomatic engagement and confidence building measures (CBMs) are alternative options to closer military ties with China and Russia. But again, their utility will remain limited.

#### TECHNOLOGICAL CONSIDERATIONS

Over the longer run, the revolution in military affairs (RMA) could fundamentally restructure U.S. forces deployed in Northeast Asia. President Bush

has already hinted at a future force that focuses on long-range, precision strike, stealth, and mobile capabilities. In addition, budgetary constraints will challenge America's ability to maintain forward-deployed forces, to project power, and to respond to distant crises in the longer-term future. This trend suggests that U.S. allies must prepare now in anticipation of carrying a larger share of the collective burden. However, America's allies also face serious budgetary problems. While Japan's emerging strategic requirements will soon compel the JSDF to incorporate some RMA technologies, they will not be able to replicate certain capabilities that only the United States can provide. This reality, in turn, will place a greater premium on coordination and joint planning, equitable divisions of labor, and a proper delineation of roles and missions between the United States and Japan.

One important aspect of a new division of labor should focus on improving defense industrial ties between the United States and Japan. Such cooperation will become an increasingly important component of an alliance in transition. Joint research and development and coordination on industrial policy would enhance interoperability between U.S. and Japanese forces and generate large savings. An emerging priority is bilateral collaboration on new information technologies and cyber-related security issues. Tokyo and Washington should consult more intensively over critical infrastructure protection, which would ensure that Japanese facilities and operational support would be available in a crisis. Given the relatively informal nature of U.S.-Japan ties, a joint effort on information technologies could create a virtual integration that would enhance alliance responsiveness and agility in the future. Indeed, such an approach to IT cooperation enjoys substantial support in American and Japanese policy circles. Joint research and development efforts in ballistic missile defense (of which several components are well underway) will require mutual access to a common operational picture, rapid decision-making command structures, and intense intelligence sharing hitherto missing in the alliance.

#### A STRATEGIC REVIEW CONCEPT

In the longer-term, Tokyo and Washington may need to revisit and reenergize the foundations of the alliance, as they have in the past. As mentioned above, the Revised Guidelines is merely a stepping-stone for expanding the scope of the alliance and not an end in itself. It is possible that both sides may wish to engage in a formal U.S.-Japan strategic concept review (along the lines of NATO's recent review) that could set the terms for broader alliance issues during the post-Korean unification era. Additionally, a strategic concept review could broaden the alliance beyond threat-based assessments and anchor the security ties in shared fundamental principles. While it is appealing (especially from a public diplomacy perspective), this review would no doubt be a very long-term proposition. Moreover, the time may not be ripe at the moment to press ahead for three reasons.

It may simply be too premature to engage in such a public, formal exercise. Given the fluidity of the security environment in Northeast Asia, particularly in the context of Korean reconciliation, who and what the threat might be defies confident predictions. The nature of the North Korean threat could evolve along different paths, producing radically different challenges. China's future intentions and capabilities also remain unclear. At the more intangible level, the term "strategic" carries relatively negative connotations in Asia. The Chinese see strategy primarily as a means of deception. The North Koreans tend to equate strategy with surprise. A U.S.-Japanese strategic concept review, therefore, would not be viewed with equanimity in Beijing and Pyongyang, which could in turn complicate efforts to renovate and strengthen the alliance.

Moreover, both China and the DPRK will be important actors in this crucial period of transition. Any review that might pin either down as an adversary could very well polarize the region when an opportunity looms to do just the opposite. By the time Washington and Tokyo actually agreed on a new concept, the strategic goals the alliance embraces may no longer apply to a new political situation. Alternatively, a strategic review could degenerate into a sterile, navel-gazing exercise.

Japan is undergoing its own domestic transition that may consolidate political support for a more flexible, proactive strategic role for Tokyo. A rigorous strategic concept review along the NATO model would turn the spotlight on Japan's Constitution, the Mutual Security Treaty, and the Revised Guidelines perhaps to an uncomfortable degree. Such a public profile should be avoided at such a delicate juncture for Japan. The priority for the alliance should be to press forward with the more practical and operational aspects of the 1997 Revised Guidelines. For now, increased consultation between U.S. and Japanese leaders and concerted efforts to improve the image of the alliance for domestic audiences should be the immediate objectives. In short, it is critical that U.S. and Japanese policymakers direct their attention to building a more seamless working relationship that will facilitate joint activities in the future. The alliance should look ahead and anticipate the short- to medium-term difficulties that will inevitably arise. If they do this well, the alliance would have the best chance to deftly manage the geopolitical shifts that will accompany Korean reconciliation and eventual reunification.

*The Work Ahead*



*Appendix A*  
**AGENDA**

Northeast Asian Security after Korean Reconciliation/Reunification:  
Preparing the U.S.-Japan Alliance

March 13-14, 2001

*organized by*

The Institute for Foreign Policy Analysis

*and*

The Japan Institute of International Affairs

*sponsored by*

The Japan Foundation Center for Global Partnership

*Workshop Held in*

The Executive Chambers

The Madison Hotel

Washington, D.C.

**Tuesday, March 13**

8:00-8:45 AM Registration and Continental Breakfast

8:45-9:00 AM Welcome and Introductions

9:00-10:30 AM **Session I**

**The Korean Reconciliation/Reunification Process: Possibilities, Prospects, and Implications**

*Synopsis:* Korean unification, and even just reconciliation, will pose many interrelated strategic, political, economic, and military challenges. Most prominently, Korea will likely suffer long-term economic and social problems that promise to be far more severe than those experienced in Germany. A unified Korea will also reawaken historical anxieties and competition that have hitherto remained dormant during the era of division, including regional (North-South) factionalism that could be quite disruptive to South Korean democracy. This session will examine the likelihood and broader ramifications of various reconciliation/reunification options to provide a clearer strategic context for discussions in subsequent sessions.

1. Alternative Outcomes for the Koreas and Their Implications

- Unlikely scenarios: war, collapse
- Reconciliation scenarios: rapid, gradual, stalled, failed
- Reunification outcomes: a neutral Korea, an independent Korea, a Korea tilting toward China or Russia, a Korea tilting toward the U.S. and Japan
- Prospects for the U.S. security commitment and military presence



## 2. Regional Dynamics Shaping and Shaped by the Reconciliation/Reunification Process

- China's role and interests
- Russia's role in Korea and reemergence as a Pacific actor
- America's enduring role and interests
- Japan's evolution as a major regional and global actor

10:30-10:45 AM

Break

10:45 AM-12:15 PM

### Session II

#### The U.S.-Japan Alliance in the Context of Korean Reconciliation/Reunification

Agenda

*Synopsis:* The U.S.-Japan alliance has adjusted to the immediate post-Cold War environment. The alliance will next have to adjust to major change on the Korean Peninsula. Several factors will present significant challenges to the alliance and to a new security framework. These include: a reconciled or unified Korea, divergent views in Tokyo and Washington on bilateral relations with this Korea, a more active role for Japan under the new Defense Guidelines, and the prospect of having to engage China in a different way in the new security situation.

#### 1. State of the Alliance and Considerations for Future Planning

- Status of implementation of the Defense Guideline Revisions
- Operational issues arising from the changes in Korea
- Residual requirements for Korean contingency planning

#### 2. The Impact of Korean Reconciliation or Reunification on the Alliance

- The challenges and pitfalls of devising and presenting a new, coherent strategic rationale to all audiences -- regional, American, and elsewhere
- The concept of an ongoing U.S. presence in Korea and Japan -- can it be sustained?
- Preparing for the task of managing major changes to the alliance -- are the mechanisms for cooperation in place?

#### 3. Additional Cooperative Measures to Encourage Stability and Peaceful Change on the Peninsula

- Humanitarian assistance and economic initiatives
- Korea Energy Development Organization (KEDO) and other energy security measures
- Enhancements to the Trilateral Cooperation and Oversight Group (TCOG) process

12:30-2:00 PM

Luncheon (The Montpelier Restaurant)

2:00-5:00 PM

### Session III

#### Transforming the U.S.-Japan Alliance to Meet Reconciliation and Reunification Challenges:

##### The New Security Agenda

*Synopsis:* An end to, or thorough diminution of, America's traditional deterrent role in Korea will alter the strategic rationale and bring into question the purpose of U.S. alliances in Asia, raising sensitive and critical issues with respect to threats, anticipated missions, and appropriate force levels. The alliance must devise and then embrace a broader concept of security to ensure relevance. This will demand, for example, "out of the box" thinking with respect to the roles of alliance forces, the prospects for U.S.-Japan-ROK trilateral cooperation, and the future position of China with respect to an evolving or new security framework. At the same time, important changes in missions and force structures must be thought through thoroughly.

#### 1. Working Toward a Comprehensive Strategic Rationale

- Acknowledging possible persistent traditional threats

- Recognizing new and non-traditional threats and their implications
- Dealing with the unpredictable in threat analysis: appreciating that entirely new and unanticipated threats to regional stability may emerge

## 2. Designing a New Alliance Strategic Concept:

### From a Defensive Alliance to Primarily a Framework for Regional Stability

- Redefining the concept of mutual defense
- Envisioning roles and missions: crisis response, peace operations, flexible response to diverse contingencies
- The defense of Japan in a new and changing environment

3:30-3:45PM

Break

3:45-5:00 PM

Session III *Continued*

Agenda

## 3. Looking to Future Force Structure and Basing Options and Requirements

- The pace of change: the need for understanding the new situation and “living with it a while”, so as not to act precipitously
- Coping with public, governmental, and legislative concerns and desires
- The problem of “singularity” if U.S. forces were to leave Korea
- Likely force posture parameters for American forward presence
- Costs and implications of adjusting force structure
- Fully taking into account the defense of Japan

## 4. Bolstering Regional Cooperation

- Alliance initiatives to support Korean reconciliation
- Hedging against a reversal or collapse of reconciliation or unification
- Options for trilateral security cooperation
- Engaging China and Russia
- The ASEAN element in regional security

5:30-7:30

Reception Hosted by the Embassy of Japan (The Montpelier Restaurant)

## Wednesday, March 14

8:15-9:00 AM

Continental Breakfast

9:00 AM-12:00 PM

Session IV

### The Work Ahead

Synopsis: The process of adapting to a new security environment will be difficult and wrenching. Policy inertia will inhibit action. The fear that reforms may disrupt ongoing enhancements is legitimate. A roadmap for alliance cooperation is needed. Achievements in the immediate future will lay the groundwork and provide the confidence needed for the much broader reforms to come. A systematic means to review the structure of regional security and the role of the alliance therein should be given careful consideration. This session will begin to sketch out the basic elements of a roadmap for closer U.S.-Japanese cooperation, identifying areas that merit more in-depth examination in a follow-on workshop to be held in Tokyo.

#### 1. Short- to Medium-Term Considerations

- Relating implementation of Defense Guideline Revisions to the future
- Accommodating or reducing differing Japanese and American views on Korean unification
- Interacting more effectively with Seoul and Pyongyang
- Engaging China, Russia, and others
- The economic dimensions

Agenda

2. Long-Term Considerations

- U.S. force factors
  - Prudent adjustments to conform with new Asia-Pacific conditions
  - Competing priorities worldwide
  - Enhancing R&D and defense industrial cooperation (e.g., on TMD/NMD)
  - Reconsidering the division of labor with U.S. forces
  - Improving joint operational capabilities
- Preparing for domestic political challenges
  - Making the case to the public in terms we will not regret
  - Building governmental and legislative support in both countries
  - Reconciling constitutional, institutional, and legal constraints

3. The Prospect of a Strategic Concept Review (similar to that for NATO)

- Is such a review appropriate for examination of the issue? If so, what would be the objectives?
- Should the review be primarily focused on the alliance(s) or on regional security?
- Would such a review be most valuable if conducted openly or more discreetly? And what of the results and conclusions, public or confidential?

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