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Return of Power Politics in Northeast Asia and Korea’s Security

Jun Bong-geun*

I. Introduction

Regional trends in the 2010s such as the rise of China, increased nuclear threat emanating from North Korea, the U.S. government’s Pivot to Asia policy, the revival of Russia, and Japan’s movement of changing ‘peace constitution’ have brought about a great upheaval where security policy on the Korean peninsula and Northeast Asia have been concerned. Military tensions throughout Northeast Asia have recently been on the rise. In particular, the security and welfare of Korea has found itself directly challenged by the simultaneous emergence of foreign affairs and national security variables such as the intensification of the security competition between the United States and China and between Japan and China, China’s objection to the deployment of THAAD in Korea and the resultant economic sanctions imposed on the latter by Beijing, the aggravation of the conflict over past history between Korea and Japan, the rapid advancement of North Korea’s nuclear program, volatile situation between the two Koreas, and the worsening of maritime territorial disputes.

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throughout the East Asian region.

Previous security crises on the Korean peninsula have in general been the direct result of North Korean provocations. However, the recent crisis has involved complex intra-regional relations amongst the nations of Northeast Asia. In this regard, there are serious concerns regarding the emergence of the following situations:

First, the majority of specialists from Korea and abroad expect that the power struggle between the United States and China will continue to deepen, with the Korean peninsula and maritime areas in East Asia becoming the battleground on which this struggle is waged. At this juncture, there are very real concerns that the foreign affairs and national security crises surrounding Korea will not only worsen, but become entrenched.

Second, the United States and China have worked together to resolve the North Korean nuclear crisis that has posed such a security threat to Korea. However, the impetus for resolving the North Korean nuclear problem will be greatly decreased should China adhere solely to its power struggle with the United States and its objection to the deployment of THAAD.

Third, the pressure applied by China to Korea is expected to further increase as long as Beijing regards the THAAD issue as a litmus test in terms of its power competition with the United States.

Fourth, the normalization and rearmament of Japan can be expected to continue full steam as part of Tokyo’s growing security competition with China and accompanying gradual ignorance of the problem of past history.

If the above comes to pass, then Korea will have little choice but to review its basic diplomatic and security policy direction as the Korean peninsula and Northeast Asia become a sphere of influence within the greater hegemonic competition between the United States and China. To this end, this article analyzes security trends on the
Korean peninsula and with regards to the surrounding nations from the standpoint of war and peace, and seeks to draw forth the significant implications for Korean security. Here, an analysis of how theoretical frameworks that directly deal with war and peace problems such as those of geopolitics, great power politics and realism can be used to diagnose the Korean peninsula and Northeast Asia. Based on these analyses, future trends in great power politics in Northeast Asia will be identified, and the necessity for the development of a Korean-style security strategy will be laid out.

II. Concerns Regarding the Revival of Great Power Politics in Northeast Asia

1. Revival of Realist International Politics

The first 20 years of the post-Cold War era saw Korea adhere to an idealism or neo-liberal based approach to international politics that was rooted in such notions as international cooperation, mutual dependency, regional integration, free trade, multilateral security, international institutions, international law, and transnationalism. However, the theory of realist international politics characterized by great power politics, power competition, power transition, arms races, international conflicts, and nationalism has rapidly resurfaced in international politics since the late 2000s amid the ‘rise of China’ and onset of the era of ‘US decline’.

The hegemonic stability created by the emergence of only one superpower to manage world peace during the early post-Cold War era is now a thing of the past. It has gradually been replaced by a multipolar system in which a number of superpowers, namely the United States, China, Russia, Europe and India, share power and veto
rights. Consequently, East Asia and the wider world have searched for a new international political order that reflects this multipolarization.

Signs of the diastrophism that permeated the international order during the Cold War and post-Cold War era have reemerged over the past years. These include: China’s militarization of the South China Sea and the increase in its marine military power, the United States’ rebalance to Asia policy and its growing deployment of military power abroad, Russia’s annexation of the Crimea peninsula, NATO’s installation of a missile defense network and Russia’s opposition thereto, England’s withdrawal from the EU, China’s strong objection to the THAAD deployment in Korea, and Japan’s amendment of the Peace Constitution and pursuit of military rearmament. Furthermore, so-called ‘strong leaders’ advocating notions such as nationalism, militarism and ethnocentrism have emerged throughout the region. President Vladimir Putin of Russia, Prime Minister Shinzo Abe of Japan, U.S. President Donald Trump, President of the People’s Republic of China Xi Jinping, and the Prime Minister of India Narendra Modi have all emphasized the need to build up strong nations backed by military and economic power. The reality of the new international order based on the competition for power has provided the background for the rise of these leaders.

In this regard, U.S. Secretary of Defense James Mattis and U.S. National Security Advisor H.R. McMaster, both of whom are regarded as playing core roles within the Trump Administration’s national security team in their capacity as security specialists, are known to be adherents of the realist school of international politics. Both are known to emphasize the McKinley school of geopolitics, Clausewitz view of war, and Thucydides-style realist perceptions of history. As such, U.S. diplomacy and security strategy in the future can be expected to be in line with the tenets of these realist theorists and strategists.
2. Return of Geopolitics

The Grand Chessboard: American Primacy and Its Geostrategic Imperatives written by former national security adviser and leading geopolitical and strategist Zbigniew Brzezinski has greatly contributed to a heightening of interest in geopolitics. Having succeeded the Mckinley school of geopolitics, Brzezinski introduced ‘objection to the emergence of a predominant, power hostile to the United States’ as the best geostrategy for the United States in order to maintain its global hegemony. He in particular noted strategic instability in East Asia and the geopolitical sensitivity of the Korean peninsula as part of his assessment of regional geostrategies based on the segmentation of the Eurasian continent.¹

Having compared East Asia to a potential political volcano, Brzezinski focused on rapid economic growth and changes in national power levels, lack of balance of power in regions, trend towards ultra nationalism, arms races, territorial disputes, and the division of Korean peninsula as the main instability factors. He identified China’s long-term strategic goal as the achievement of regional rather than global hegemony. He concluded that China intended to have its hegemonic power accepted through its partnership with the United States. He also focused on China’s desire to strengthen its alliance with Korea (or unified Korea) while excluding Japan. Brzezinski identified stopping the rise of China and Japan as regional hegemons as the United States’ geostrategy in East Asia. To this end, he focused on the need to maintain the regional balance of power, to stop Japan from becoming an independent military power based on cooperation with Korea and a continued United States’ military presence in the region, and to block China from rising as a regional hegemon. He also introduced the notion of a ‘geopolitical pivot’ to refer to countries

with international political sensitivities in Eurasia. In this regard, he singled out five countries (Ukraine, Azerbaijan, Turkey, Iran and Korea), with Korea named as the only geopolitical pivot in East Asia, and emphasized the geopolitical importance of Korea in U.S.-China and China-Japan relations.

For his part, Robert Kaplan, author of the bestselling “Revenge of Geopolitics”, has emphasized the notion of ‘shatter zone’. This notion is based on Mackinder’s claim in a 1904 paper that should the global world develop into a single closed system the impact of chaos in one region would reecho and cause a great rupture that would shatter the weakest elements of the world. Kaplan identified China and its high internal instability factors occasioned by its numerous ethnic minorities and unbalanced development, the South China Sea where maritime territorial disputes have continuously emerged, and the Korean peninsula marked by division, conflicts and regime instability as the ‘shattered elements’ in East Asia. Here it should be noted that Kaplan singled out the Korean peninsula as the most representative shattered element.

Geopolitics has returned to the forefront in the 2000s as a result of the ‘rise of China’. Western geopoliticians and geostrategists have long warned of the risks attached to China’s control of East Asia and its expansion of power, and regarded China as a new Eurasian power that would replace the Russia of the Cold War era. They compared China’s military actions in the South China Sea to those

3. Halford John Mackinder, “The Geographical Pivot of History” (The Geographical Journal, 1904), “Every explosion of social forces, instead of being dissipated in a surrounding circuit of unknown space and barbaric chaos, will be sharply re-echoed from the far side of the globe, and weak elements in the political and economic organism of the world will be shattered.”
of the United States in the early 1800s that were designed to establish monopolistic influence in the Western hemisphere, especially in the Caribbean Sea through the Monroe Doctrine at the expense of the European powers. At this point, China’s intentions were identified as the desire to establish influence over the East and South China Seas, and further to pursue influence in East Asia and the entire West Pacific region.

Western geostrategists asserted that the United States should respond to China’s actions by establishing a marine buffer that would combine Japan, The Philippines, Vietnam, Singapore, Australia, and India. Such a U.S. response would engender renewed Chinese resistance. China’s strong objection to the deployment of THAAD in Korea, the Korea-US alliance, and its double standards vis-à-vis North Korea that seeks to deny the North’s right to nuclear weapons while guaranteeing its security seem to reflect the advent of ‘Chinese-style’ regional geopolitics. Marked by previous and current conflicts, the countries of Northeast Asia have exhibited a tendency to easily accept and make use of this geopolitical knowledge and strategies. This tendency is expected to continue until an alternative permanent peace structure can be found.

3. Return of History

The end of the Cold War ushered in optimistic views of history in which human history of oppression, discrimination, and war had finally ended as a result of the development of human reason and scientific technologies as the world arrived at the terminal of liberalism, market economy and peace. Francis Fukuyama for one proclaimed the End of History (1989).

However, not all political theorists agreed with this concept of the ‘end of history’. In his seminal work, “The Clash of Civilizations (1993)” Samuel Huntington of Harvard University presented the clash
between cultural groups as a new type of conflict in the post-Cold War era. His prophecy came true amid the concurrent emergence of terrorist attacks on the United States of 2001 and the ascendancy of Islamic fundamentalism.

For his part, in his work, “Back to the Future: Instability in Europe after the Cold War (1990), John Mearsheimer of the University of Chicago opposed universal ideologies in international politics during the post-Cold War era such as the theory of peace under a liberal economy, democracy-based peace theory, and peace through nuclear weapons from the standpoint of aggressive realism. He warned that the multipolar system that was going to emerge after the relatively stable bipolar system would be more unstable and increase the possibility of wars between great powers.

Interest in power politics and wars between strong states grew in the 2010s as the power competition between the United States and China expanded and concerns of the revival of Russia emerged. In this regard, special attention should be paid to works by John Mearsheimer and Margaret MacMillan of University of Oxford warning of the possibility of wars between great powers.

In the Tragedy of Great Power Politics (2014), Professor John Mearsheimer raised the question, “Can China peacefully rise?” He affirmed that the security competition between the United States and China was essential and the peaceful rise of China would remain impossible as long China’s economic growth continued apace. He asserted that under the current anarchic state of international politics, the great powers had no choice but to pursue an ‘aggressive realist’ based view of international politics rooted in an unlimited power struggle for their respective survival. As such, a clash between the established power the United States and the rising regional hegemon China became all but inevitable.

The number of politicians and theorists who compared the current state of international politics to that which prevailed right before World War I in 1914 grew exponentially by the time the 100\textsuperscript{th} anniversary of this global conflagration came around in 2014.

In her paper, “Rhyme of History: Lessons of the Great War (2013)” Professor Margaret MacMillan of the University of Oxford warned that the history of great wars would be repeated unless the great powers agreed to cooperate for world peace, and pointed out the lessons of World War I occasioned by the shared irresponsibility of the great powers.\textsuperscript{6} During a speech given before his inauguration, National Security Adviser H.R. McMaster drew attention to the analyses and suggestions put forward by Professor MacMillan while stressing the risks of the current international politics.

Some geopolitical specialists and realist theorists have pointed out the inevitability of clashes between marine powers, continental powers, and great powers. Others have disputed the inevitability of such clashes. Here, let us leave aside discussions about the inevitable nature of the current structure and the choices made by men in international politics. However, viewed from a historical standpoint, choices are always available, even during historical transitions. Especially, it can stop from drifting to the path of war by not making the necessary choices at least if we listen to the warning and lessons of realism and geopolitics.

III. International Politics in Northeast Asia and the Perspective of Security Crisis

1. The Perspective of Diplomacy and Security Policy of the Trump Administration

Let us now analyze the diplomacy and security policy of the Trump administration based on its declared policies. Under its America First diplomatic track, the Trump administration has promised to focus on protecting the national interests and national security of the United States. To this end, it has put forward the following policy line and major policy goals.  

First, the principle of ‘peace through power’ will become the center of U.S. diplomacy.

Second, the main policy priorities will be the defeat of ISIS and other rapidly growing Islamic terrorist groups. To this end, the U.S. administration will implement aggressive military operations whenever necessary. The U.S. will also pursue financial isolation as well as information collection and warfare in conjunction with partner nations.

Third, there will be a rebuild of the U.S. military. In accordance with President Trump’s belief that the supremacy of U.S. military power should not be questioned, special attention will be paid to the rebuilding of the navy and air force.

Fourth, the U.S. government will use diplomacy to advance its national interests. It will not look for enemies on purpose. In fact, certain enemies are expected to become friends. These declared policies represent the most official national security polices put forward by the United States at the current stage. However, these are very general and will remain limited in their efficiency if not accompanied by strategic notions.

While the Trump administration has yet to suggest any major diplomatic or security policies, Vice President Michael Pence became the first high-ranking official to provide a summary of the incoming administration’s international security policy centering on Europe during a speech he gave at the Munich Security Conference in February

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2017. Contrary to expectations that President Trump’s diplomacy and security policy would bifurcate significantly from the general policy line, Vice President Pence’s speech in fact marked a continuation of the United States’ traditional European-centered international security policy.

However, despite Vice President Pence’s speech reaffirming European countries expectations, many diplomacy and security specialists remain perplexed by the direction of the Trump administration’s diplomacy and security policy. During the campaign, President Trump proclaimed that the existing alliance system had become obsolete and suggested that allies pursue individual measures such as nuclear armament. Candidate Trump’s pro-Russian tendencies, ethnocentric outlook, lax approach to nuclear proliferation and nuclear weapon use, economic centralization, disdain for multilateralism and the importance of bilateral approaches, and his general unpredictability have raised concerns regarding his diplomacy and security policy. A prolonged period of adaptation between the Trump administration and international society can as such be expected.

Meanwhile, President Trump’s unpredictability has led some specialists to focus heavily on the role that will be played by H.R. McMaster as new Security Advisor. McMaster is a historian and strategist that possesses a great amount of knowledge about the history of war and geopolitics, thus raising the possibility that he will serve as strategic brain within Trump’s diplomacy and security team. Some specialists have raised the possibility of conflicts emerging within Trump’s political team due to the presence of such a traditional national adviser. Nevertheless, it is important to understand his perception of the position of international security adviser, and his reputation as one of the ‘(most) intelligent minds’ within the military. Let us introduce McMaster based on the contents of his speeches.8 In fact,

his perception of security reflects the United States’ traditional realism-based view of international security.

First, China, Russia, Iran and North Korea represent revisionist countries which are dissatisfied with the current international order. The United States, which serves as protector of the current international order, must as such maintain its strong military power and alliance network if it is to respond to ever expanding traditional and non-traditional threats.

Second, the Eurasian continental powers of China and Russia represent potential enemies who should not be allowed to emerge as regional hegemons. To this end, the current trend towards the reduction of military power in both the United States and allied nations should be curbed. In particular, investment in military power needs to be enhanced.

Third, the United States needs to be able to respond to the possibility of nuclear proliferation by rogue states and regional conflicts. It also needs to stem the tide of terrorism in the Middle East.

Fourth, in addition to its traditional nuclear capability and conventional military power, the United States must also be ready, using limited goals and tools, to counter unforeseen enemies and wars that might emerge as a result of increasingly virulent political wars, PR wars, cyber war and irregular conflicts involving elections.

To summarize, the Trump administration is expected to actively pursue a balance of power strategy that is based on military power and rooted in traditional power politics theories. It will also proclaim U.S. supremacy, new isolationism, and economic while moving away from the optimism, multilateralism and international norms for peace that prevailed during the early post-Cold War era. Meanwhile, debates between proponents of competition between the great powers and the need to block continental powers and those advocating the pursuit

of a flexible balance of power strategy based on restraint and cooperation will continue well into the near future. Moreover, U.S. international security strategy will most likely fall somewhere between these two schools of thought.

2. The U.S.-China Competition and the Worsening of International Politics in Northeast Asia

The U.S.-China competition can be identified as the core element of instability in Northeast Asia. The rapid growth of China and contraction of U.S. power in Northeast Asia that has occurred in the 21st century has brought about a rapid change in the relative balance of power between the United States and China. As a result, there has been a transition of power between the great powers and a significant conflict structure has begun to emerge. China surpassed Japan in terms of gross national product (GNP) in 2010 and the United States in terms of purchasing power parity (PPP) in 2014. China is expected to emerge as the world’s largest economic power in 2025, at which time it will surpass even the United States in terms of gross domestic product (GDP). A look at current trends reveals a high likelihood for China, buoyed by its economic power and ultra nationalist thinking, to move towards the achievement of regional political and military hegemony.

In keeping with its traditional international security strategy, the United States will attempt to impede the emergence of a regional hegemon in East Asia and to restore the balance of power in the region through the redeployment of its military power and enforcement of alliances. This power struggle may very well become more intense until the United States and China accept a new balance of power through peaceful or violent means.

Conflicts between the two great powers are expected to continue to increase, with the Korean peninsula and South China Sea standing
as the two main potential flashpoints. This phenomenon can be explained by China’s growing economic and military influence on the Korean peninsula and in the South China Sea, two areas that have traditionally fallen within United States’ sphere of influence. The struggle for power between the Eurasian continental power and the external maritime power long predicted by geopoliticians and geostrategists has as such taken root in East Asia. China’s resistance to the deployment of THAAD in Korea can be seen as a symbol of the U.S.-China power struggle. China has responded to the installation of the THAAD system in Korea, a move that came as a response to North Korea’s nuclear threats, by unilaterally imposing economic sanctions against Korea on the grounds that this move stands to ‘destroy the strategic balance (between the United States and China) in East Asia’. China has also sought to carve out its own exclusive sphere of influence in the South China Sea that has long served as the main staging point for the U.S. Navy. They have sought to do so by unilaterally asserting territorial sovereignty and marine rights in the area and implementing the reclamation and militarization of certain islands. The United States is expected to respond to these denouements by implementing ‘Freedom of Navigation Operations (FONOP)’ and to disable the position of China via cooperation with other countries in the South China Sea.

The arms race can be identified as another sign of the ongoing struggle for power in Northeast Asia. The most common response of states that distrust the intentions of other countries and has concerns about its future security of is to engage in an arms buildup that will allow it to either deter or win a potential future war. The ongoing arms race in Northeast Asia should be perceived as a symptom of this insecurity. Korea, China, the United States and Japan account for 25% of the global population and 47% of global economic production. The impact of the ongoing race in East Asia is evidenced by the fact that these four countries account for 81% of global
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armaments. Geostrategists and realist theorists have predicted that the security situation in East Asia will further worsen during the early part of the 21st century. The ongoing power competition in Northeast Asia has led to dire warnings of potential world war between the great powers as well as proxy wars between middle powers.

Numerous political and economic theorists however renounce these dark political predictions. These scholars identify factors such as China’s economic development-first policy, its relative political, economic and social weakness, the economic interdependence that exists within the region, the region’s high dependency on overseas resources, the presence of no military power stronger than that of the United States, and the resistance from surrounding countries as elements that will help to curb the aggressive behavior of regional powers. Political and military conflicts capable of negatively impacting China’s economy over a long period of time are in particular regarded as unlikely given the fact that the economic growth that lies at the core of Chinese power is dependent on exports to Western markets such as the United States, Japan, Korea and Europe, its current account surplus, and the introduction of foreign capital and technologies.

The East Asian policy of the Trump administration has emerged as a new and uncertain variable as far as the security situation in Northeast Asia is concerned. The Trump administration has announced its desire to pursue a policy of isolationism and economy-first. However, the worsening of the power struggle between the United States and China will necessitate a strong response by the United States. The United States could pursue isolationism right after World War I and II as well as in the 1800s because the security environment during these periods was conducive to such a denouement. In particular, this course of action was made possible by the collapse of the traditional great powers occasioned by the advent of war between the strong powers on the Eurasian continent, the
preservation of the balance of power in the region, and the lack of challengers to U.S. supremacy.

As U.S. National Security Advisor H.R. McMaster and U.S. Secretary of Defense James Mattis are known to be Geostrategists who believe in the ‘return of history’ and geopolitics, special attention will be paid as to how their positions are reflected in the diplomacy and security policies of the Trump administration. For his part, National Security Advisor H.R. McMaster has already defined the current situation as the most dangerous security crisis since the end of World War II’. When pressed to expand on this assertion, he put forward the challenges posed by continental powers and potential enemies China and Russia.

3. The Strengthening of North Korean Nuclear Capability and Heightening of the Security Crisis on the Korean Peninsula

The Korean peninsula has gradually become an Asian powder keg characterized by growing conflicts between the two Koreas and the United States and China were emerged. This is reminiscent of previous conflicts on the Balkan Peninsula in Europe and in Central Asia. In this regard, the North Korean nuclear problem has been identified as the biggest threat to Korean security and as the most noxious element to peace on the Korean peninsula and in Northeast Asia.

North Korea has repeatedly engaged in provocations that have included two nuclear tests and 24 missile launches in 2016. After a short winter respite, North Korea launched another North Star 2 Missile in February 2017, and four mid-range missiles and Scud-ER missiles in March 2017. The Korean Ministry of Defense assessed North Korea’s nuclear and missile capability as having reached ‘very threatening’ levels in its 2016 Defense White Paper.9 North Korea

is believed to have produced approximately 50kg of plutonium, which is enough to produce 6-10 nuclear weapons. In addition, North Korea’s highly enriched uranium (HEU) program has reached sophisticated levels of development, as has its capability to miniaturize nuclear weapons. In fact, domestic and international specialists’ alike estimate that North Korea already possesses in excess of 10 nuclear weapons and that by 2025 this number will rise to more than 50.

North Korea is expected to further pursue the development of nuclear weapons and the strengthening of its nuclear capability. First of all, North Korea has introduced ‘nuclear deterrence’ and ‘nuclear revenge’ as its nuclear doctrine. However, there remains a significant gap between this nuclear doctrine and the nuclear arsenal needed to actualize it. North Korea’s ability to actualize its strategy of nuclear deterrence and nuclear revenge is predicated on the ability to launch a secondary nuclear strike following the initial nuclear attack. To this end, it still needs to stockpile a large number of nuclear weapons, nuclear defense systems, and various delivery systems. A look at North Korea’s current nuclear development shows no signs that it possesses the nuclear capability to survive an initial attack by the United States.

As a result, North Korea is expected to do its best to minimize the current transitional period in which its security is further weakened. To this end, it will accelerate production of nuclear materials, seek to increase nuclear weapon production, pursue the miniaturization of nuclear warheads, improve its ballistic missile capability, develop submarine and missile launch technologies, and develop submarines capable of launching missiles.

In addition, North Korea has in fact raised the likelihood of inducing a preemptive attack by the U.S.-Korea alliance by threatening them with a ‘nuclear preemptive attack’. At this time, North Korea needs to have a strong enough nuclear deterrent to curb the possibility of a preemptive attack by the United States and Korea. As such, North Korea is expected to focus its national power on the building up
of a secondary nuclear strike capability for nuclear revenge. In addition, North Korea has seemingly adopted an ‘asymmetrical expansion’ nuclear doctrine under which any possibility of military conflicts between the two Koreas is met with nuclear threats. This strategy can be seen as a means to complement its relative weakness in terms of its security during the transitional period.\textsuperscript{10}

The Kim Jong-un regime’s hardening of its stance vis-à-vis nuclear armament and nuclear threats will facilitate concurrent military buildups rooted in the U.S.-Korea and U.S.-Japan alliances as well as the U.S.-Korea-Japan tripartite security cooperation. This will in turn induce China’s interference on the Korean peninsula and an increase in its own military wherewithal. This will create a vicious cycle in which North Korea’s nuclear weapons will further intensify the struggle for power between the United States and China and China and Japan, and worsen military tensions between the two Koreas.

The increased side effects of globalization and decline in international cooperation have led countries to search for means to ensure their own survival. Northeast Asia has also experienced a move towards a regional power struggle and worsening of military tensions. This has been occasioned by factors such as the emergence of a relative change in the balance of power, slowing of economic growth, the rise of nationalism, and the ongoing shift towards conservatism. The Korean peninsula is expected to continue to suffer as a result of the ongoing power competition between the United States and China, and to be held hostage by a security crisis that carries with it the possibility of military conflict.

IV. Conclusion: Development of Korean-style Security Strategy

A look at the ‘National Security Strategy’ reports published by every government since the Roh Moo-Hyun administration reveals that Korea identifies national sovereignty and territorial integrity, the assurance of national safety, freedom and happiness, maintenance of liberal and democratic order, the pursuit of peaceful unification and contribution to world peace and mankind as its main national interest and national security goals. However, despite these comprehensive and multifactorial policy goals, Korean diplomacy and security have been excessively focused on the North Korean problem in the post-Cold War era.

While Korea has focused on its diplomatic, security, and unification policy as means to resolve the North Korean problem in the post-Cold War era, the achievements of the goals of unification, denuclearization, reconciliation and cooperation seem more distant than ever. In this regard, I would like to focus on the following national characteristics and capabilities in order to implement a diplomatic and security strategy that is more in keeping with our broad national interests.

First, Korea is a ‘divided nation’. Korea has suffered under a chronic zero-sum security competition and war crisis with North Korea that can be seen as the remnants of the power struggle between the great powers and the Korean War. The North’s nuclear program and threats should be seen as one of these security threats. Korea will never be able to overcome the structural and all-consuming security competition as long as it remains a divided nation. Furthermore, as the national power of the Korean peninsula is divided in half, Korea finds itself with no choice but to be subject to outside interference and qualms as long as it remains a divided nation. Therefore, the priority is to enhance security in the face of the North Korean threats, to overcome the divided structure as soon as possible, and to eventually achieve
unification.

Second, Korea exhibits the characteristics of a ‘middle power’ situated in an area where the great powers have traditionally clashed. The Korean peninsula has historically suffered greatly because of war and found itself the victim of national division as a result of the power competition between the continental and maritime powers. The current division structure is a result of the struggle for power between these great powers. While the Korean peninsula has been located between China and Japan for more than 2000 years, the period in which Korea has found itself invaded or divided by the surrounding powers is relatively short. The surrounding powers have sought out justifiable reasons to interfere on the Korean peninsula when the latter was weak and unstable. In times of peace and stability on the Korean peninsula, the surrounding powers had to pay a heavy cost for their interference.

Third, Korea is the world’s ninth largest trading power (1 trillion dollars) and the world’s 15th biggest economic power (1 trillion dollars). At the same time, Korea is ‘resources and energy poor’ from a geoeconomical standpoint, and an ‘economically fragile state’ completely dependent on the international community. As such, Korea has to continuously secure resources and ensure the stability of the trading environment. To this end, Korea must be an active participant in efforts to secure vital interests such as world peace and regional stability.

Fourth, Korea is an ‘open country’ and ‘global country’ which trades with the world. Korea has enjoyed the benefits of globalization, a truth made evident by statistics such as the achievement of 1 trillion dollars in annual trade, 15 million overseas travelers, and 7 million overseas Korean residents. At the same time, Korea is fully exposed to the weaknesses of globalization, global conflicts, and the threat of terrorism.

Despite this geopolitical weakness, Korea (Korean peninsula) has successfully maintained its national sovereignty, territorial integrity,
and boosted the wellness and prosperity of the nation. Based on a thorough consideration of these national characteristics and capabilities, Korea needs to establish a diplomatic and security strategy that makes use of its strengths and weaknesses.

In particular, Korea needs to be fully aware of its role in the power competition between the great powers and between the continental and maritime powers occasioned by its geopolitical location and status as a middle power, and thoroughly prepare for any situation that might arise. The ability to establish such counter measures is predicated on the conduct of historical research regarding the relationships between Korea, China and Japan over the past 1500 years, domestic international conditions for peace and integration on the Korean peninsula, and the domestic and international conditions for division (or separation) of the Korean peninsula and war. Furthermore, it is also necessary to conduct comparative studies of various national security strategies employed by middle powers in similar geopolitical positions as Korea. (April 2017 Issue)
Possibility of Changes in China’s Policy toward the Korean Peninsula and Potential Countermeasures

Lee Hee-ok*

I. Maintenance of China’s Policy toward Korean Peninsula and Changes

China’s policy toward the Korean peninsula has changed in that domestic political elements have now started to deeply influence its international policy. Trump’s America-first policy focused on domestic problems so as to restore a crippled America opens the door for China to be more active than the past with regards to issues directly related to its national interests.\(^1\) In particular, it intends to achieve the ‘China Dream’ through the ‘Chinese spirit’, ‘Chinese wisdom’ and ‘Chinese path’ as part of the process of preparing for the 100\(^{th}\) Anniversary of the Chinese Communist Party and the 100\(^{th}\) Anniversary of the People’s Republic of China. This means that China’s compliance toward the U.S.-led international order or American exceptionalism will gradually decrease. Although it cannot yet replace

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the United States at the global level due to the gap in comprehensive national power, China intends to prepare its status as a bridgehead for global countries centering on the surrounding area. As such, U.S.-China conflicts will be heightened as the gap in hard power narrows and China expands in a geopolitical manner. The security topography on the Korean peninsula may very well switch to conflict as the alliance making of the United States clashes with the alliance breaking of China.

Amid these contexts, discussions on continuance and change in China’s policy toward Korean peninsula have once again emerged. The following aspects should be paid attention to in terms of the changes in China’s policy. First, the perception of the Korean peninsula underwent a fundamental change in accordance with the wider change in Chinese diplomacy from diplomacy for developing countries to that for great powers. Second, China’s policy toward North Korea has also undergone a fundamental change as fatigue with a North Korean regime that has continued to conduct nuclear tests despite China’s objection has set in. Third, demands for strategic negotiations over Korean peninsula issues became a new element of efforts to establish a new framework for U.S.-China relations. Fourth, the new normal in the Korea-China relationship has been the result of the change in the security structure on the Korean peninsula that has made it necessary to ensure ‘justified’ strategic security advantages, not of isolated incidents such as the deployment of the THAAD system.

Some scholars have argued that China’s policy toward the Korean peninsula has in fact been a continuation of the existing framework at the strategic level, albeit with some tactical adjustments.2

First, the strategic value of North Korea has been rediscovered in conjunction with the change in China’s perception of the United

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2. Lee Hee-Ok, “China’s New Type of Major Power Relationship and the restructuring of Korea-China relations”. 
States following the financial crisis in 2008.

Second, there has been recognition of the fact that Chinese pressure on North Korea will not bring about the desired effects and that an unstable North Korean regime is not in the national interests of China.

Third, China intends to strategically bind North Korea to it while connecting the Korea-China and North Korea-China relationships during the process of dealing with the Korean peninsula problem.

Fourth, despite the worsening of the Korea-China relationship, Korea retains a significant strategic value for China when it comes to restraining the United States and preventing any strengthening of the U.S.-Korea-Japan security cooperation. In other words, China perceives the Korean peninsula and North Korea as important strategic assets when it comes to developing and implementing its international policies.

A closer look at these shows China’s policy toward the Korean peninsula can be said to have changed from a ‘rule based international order’ to a ‘deal based international order’. The Korea-China and North Korea-China relationships were also approached from the bigger framework of the U.S.-China relationship as well that of the regional security order. This means that the degree of internationalization of Korean peninsula issues will undergo a relative heightening. As such, Korean peninsula issues run the risk of becoming dependent variables within the new U.S.-China relationship, and this whether the latter is established based on conflicts or cooperation. At this point, there is an urgent need for Korea to establish countermeasures and transform them into efficient policies.
II. Chinese-style ‘Rebalance of the Korean Peninsula’ and the Korea-China Relationship

The United States has attempted to alter the balance of power in Northeast Asia to its advantage. In particular, it seeks to weaken the power of China by strengthening bilateral alliances in the region as well as regional alliances. In fact, the notion of peace through power pursued by the Trump administration is based on the presence of the strong military power needed to build up long-lasting alliances and new alliances. At this juncture, the United States’ diplomacy of isolationism should be seen as intended to break the will of any challenger based on its strong power alone, and not as any signal of the abandonment of the rebalance of the Pacific region in Asia.

The Korean peninsula is still perceived as a linchpin and important strategic bridgehead to the United States. It is also perceived as a strategic buffer capable of weakening the U.S.-led blockade against China. Unlike the South China Sea regarded as the core interest of Taiwan, and the de facto core interest of China, the Korean peninsula is perceived as a space where the United States and China can relatively achieve strategic negotiations. There also remains the possibility of a change in the strategic composition in the South Sea China region. Although the U.S. and China have already engaged in a power struggle over THAAD deployment, the possibility cannot be ruled out that both sides will use the ‘lebensraum’ on the Korean peninsula to their strategic advantages, and this despite of Korea’s own objectives.

China’s policy toward the Korean peninsula now functions within the bigger framework of the U.S.-China relationship and East Asia. In other words, China has implemented its own rebalance of power

on the Korean peninsula, which it now perceives as a policy unit rather than as a part of bilateral Korea-China relations or North Korea-China relations. In fact, the worsening of North Korea-China relations amid Pyongyang’s nuclear tests and frequent missile launches has not translated into any improvement of Korea-China relations. Although the Korea-China relationship was negatively impacted by the deployment of the THAAD system, this was not accompanied by any rapprochement with the North. In addition, the stable development of Korea-China relations did not translate into any great progress towards the unification of the Korean peninsula or the North Korean nuclear problem. Moreover, regardless of the THAAD deployment, China has maintained its denuclearization policy when it comes to the Korean peninsula.

China’s policy toward the Korean peninsula has been based on three principles: peace and stability on the Korean peninsula, denuclearization of the Korean peninsula, and the resolution of issues through dialogue and negotiations. China responded to North Korea’s third nuclear experiment right after the inauguration of the Xi Jinping government by emphasizing the denuclearization of the Korean peninsula, even going as far as to place this above peace and stability on the Korean peninsula in terms of priorities. Some have argued that China was now adhering to the ‘status quo + α’ in that it was now open to a change in the North Korean system. However, viewed from a strict sense, this did not mark a strategic change in China’s policy toward the Korean peninsula, but rather a diplomatic signal that the Xi Jinping government strongly favored denuclearization. Despite the change in the order of priorities between ‘peace and stability on the Korean peninsula’ and ‘denuclearization of the Korean peninsula,’ the fundamental gap in positions stems from the Chinese

principle that ‘neither can be neglected’. Viewed from this standpoint, the advent of peace and stability on the Korean peninsula can be seen as the most important goal of China. Meanwhile, the denuclearization of the Korean peninsula can be seen as a tool to achieve this goal, and the finding of a solution through dialogue and negotiations can be regarded as a kind of methodology.

In addition, while criticizing North Korea’s possession of nuclear weapons, China has nevertheless separated the ‘North Korean nuclear risk’ from the ‘North Korea risk.’ This distinction can be linked to its belief that the surrounding powers must show patience in order to solve the North Korean nuclear problem. As such, China has stressed the need to establish a stabilized environment in which North Korea can participate in the international community, without making any assumptions of the collapse of the North Korean regime or sudden changes in North Korea. In other words, China’s policy toward North Korea and the North Korean nuclear issue went in a direction that differed from that of the conservative government of Korea. More to the point, China concluded that the North Korean nuclear problem could not be effectively resolved as long as the reductionist logic that all the problems would be solved through a change of the North Korean regime prevailed.

China’s ‘evolved’ perception of the Korean peninsula has also been the result of efforts to build up a new Korea-China relationship. China has long viewed Korean diplomacy as being captive to the wider framework of the U.S.-Korea alliance. Moreover, it has even viewed the policies of progressive Korean governments toward the United States and alliance policies as having been based on the framework of the U.S.-Korea alliance. As such, China set out to restrain the expansion of U.S. power on the Korean peninsula and to prevent the United States’ unilateral blockade of China on the Korean peninsula based on the strategic value of Korea in Northeast Asia. In other
words, it attempted to create a ‘dependency dilemma’ through the so-called development of an omni-directional relationship. This can be seen as the background to China’s decision to upgrade the Korea-China relationship to a strategic cooperative partnership with the Lee Myung-bak government in 2008, even though the latter placed great importance on the U.S.-Korea alliance, and pursued the ‘actualization of a strategic cooperative partnership with the conservative government of Park Geun-hye government in 2013.

At this point, Korea-China and North Korea-China relations have been marked by a cycle of cooperation and conflict over individual issues amid a regional environment in which the degree of consent regarding the structure of the international order remains weak while individual countries have heightened their attempts to secure their security autonomy. First of all, China’s North Korean policy has been shaken because the North Korea-China relationship has historically been based on strategic distrust and a growing gap in terms of the respective recognition of the existence of the Kim Jong-un regime. A similar phenomenon emerged within the Korea-China relationship. Despite the United States’ implied objections, President Park Geun-hye participated in the events surrounding the 70th anniversary of the end of World War II in 2015, and also joined the Asian Infrastructure Investment Bank and signed the Korea-China FTA that same year, a year that was evaluated as the ‘historical high point of the bilateral relationship’. The Korea-China relationship took a sudden turn for the worse in 2016 following the agreement to deploy THAAD systems reached by the United States and Korea. This sudden turnaround would seem to indicate that images and substance have become mixed when it comes to China’s policy toward the Korean peninsula and its perception of Korea and North Korea; meanwhile, the level of strategic consent in terms of the political structure remains very weak.
III. Possibility of Change in China’s Policy towards North Korea and the North Korean Nuclear Problem

1. China’s North Korean Policy

The basic goals of China’s North Korean policy are to stabilize the North Korean regime, achieve denuclearization, and bring about long-term change in North Korea through internal reforms and opening. However, its North Korea policy faces the double dilemma of having to choose between difficult to achieve peaceful denuclearization and equally difficult to achieve denuclearization through non-peaceful military force.5

First, China supports North Korean efforts to pursue the development of its economy through the market, to implement reforms and opening, and to provide North Korea with humanitarian aid.

Second, it actively encourages North Korea to establish economic policies and exchanges so as to improve public welfare.

Third, despite the change in the direction of North Korean politics from military-first politics to that dominated by the Workers’ Party of Korea and the Party Central Military Commission, concerns still exist about fear politics in North Korea such as routine executions. However, China does not interfere in North Korean politics, perceiving this as an internal matter.

Fourth, China has been openly critical of the North’s nuclear, weapons of mass destruction, and ballistic missiles programs, all of which has caused a rift between China and North Korea. Thus, China’s policy toward North Korea has been one based on an issue by issue approach.

In terms of sanctions on North Korea, China has kept a pace with the international community in that it has opposed North Korea’s

possession of nuclear weapons and missiles. However, it has opposed sanctions which could fundamentally affect the North Korean regime.

North Korea has in reality continued to exhibit economic growth under the sanctions imposed by the United Nations Security Council.

First, although it has been clear in its support for the denuclearization of the Korean peninsula, China’s attitude toward the existence of the North Korean regime has been more obscure. China has in fact refused to suspend food or oil supplies as a means to induce change within the North Korean system.

Second, China had exercised its influence to North Korea based on soft resources. However, the collapse in mutual political trust has rendered the use of this method difficult.

Third, China’s policy on North Korea began to be less clear once a gap in the perceptions of North Korea began to emerge between the Chinese Communist Party, government, opinion-leaders and netizens.

Fourth, North Korea is a very obstinate country. While recollecting the extent to which Soviet pressure on China was effective during past Sino-Soviet border disputes, China has had to admit that the pressure it has brought to bear on North Korea has not been very effective. In fact, North Korea has criticized China for its participation in the UN Security Council Resolutions against North Korea, saying “even some of the great powers which attach great importance to the preservation of their face have bent the knee before the nasty coercion and demands of the United States.”

The China-North Korea relationship has been managed in a manner designed to maintain the strategic asset known as the stability of the North Korean system while repeating the pattern of cooperation and conflict. China has in particular continuously attempted to improve the North Korea-China relationship despite North Korea’s

6. RodongSinmun, (April 2, 2016)
numerous nuclear tests.

In the aftermath of North Korea’s third nuclear experiment, Prime Minister Wen Jiabao paid a visit to North Korea and Kim Jong-il reciprocated with a visit to China. Moreover, member of the Politburo Standing Committee Liu Yunshan visited Pyeongyang and participated in events surrounding the 70th anniversary of the foundation of the Workers’ Party of Korea after the fourth nuclear experiment, at which time he met First Secretary Kim Jong-un in order to attempt to achieve a diplomatic breakthrough. In short, China has separated the North Korean nuclear problem from the wider North Korean problem based on the assumption that their bilateral relationship encompasses more than just the nuclear problem.

2. China’s Perception of the North Korean Nuclear Issue

China has taken a critical position toward North Korea’s nuclear tests. China perceives North Korea’s nuclear tests as having negatively influenced the U.S.-China relationship, provided an opportunity for surrounding countries such as Japan and Korea to also develop their own nuclear weapons, and affected China’s push for sustainable development. However, China has made it clear that it does not have enough influence over the North to stop its actions, claiming that a resolution is fundamentally dependent on advancements in the U.S.-North Korea relationship. However, China has attempted to apply an international solution by creating a platform of dialogue and negotiations akin to the six-party talks. China’s perception of North Korean nuclear weapons has remained the same even after North Korea’s fourth nuclear test on January 6th, 2016.

take actions at the early stage. In addition, China has also asserted that principles and objectivity should be maintained during the process of resolving the North Korean nuclear problem, and that any worsening of the political situation or event negatively impacting peace and stability was not in accord with the interests of the various parties. Furthermore, it is clear that China will not actively participate in any dialogue with North Korea as long as the United States does not move ahead with sanctions against the North.

<table>
<thead>
<tr>
<th>Year</th>
<th>China’s reaction</th>
<th>Sanction</th>
<th>North Korea-China relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>First nuclear test</td>
<td>2006 Implemented the nuclear experiment at its own way</td>
<td>UN Security Council Resolution No. 1714</td>
<td>February 13 Agreement, passing China</td>
</tr>
<tr>
<td>Second nuclear test</td>
<td>2009 Resolutely opposed</td>
<td>UN Security Council Resolution No. 1874</td>
<td>Summit after short-term coordination</td>
</tr>
<tr>
<td>Third nuclear test</td>
<td>2013 Resolutely opposed</td>
<td>Statements by the Chairman of the United Nations</td>
<td>Searched for the relationship after mid-term coordination</td>
</tr>
<tr>
<td>Fourth nuclear test</td>
<td>2015 Resolutely opposed</td>
<td>UN Security Council Resolution No. 2270</td>
<td>Searched for the relationship after short-term coordination</td>
</tr>
<tr>
<td>Fifth nuclear test</td>
<td>2016 Resolutely opposed</td>
<td>UN Security Council Resolution No. 2321</td>
<td>Situation turnover after short-term coordination</td>
</tr>
</tbody>
</table>

7. This is the contents of a hot line conversation between Vice Foreign Minister Wang Yi and Secretary of State John Kerry of the United States on January 8th, 2016; He also had an interview with Chinses scholar J who influenced the Chinese government (January 10, 2016; Beijing).
However, there are differences in the particulars. In other words, while China agrees that it should be ascertained whether strong sanctions can bring about behavioral changes in North Korea, whether a nuclear freeze constitutes a realistic source of momentum for talks, and whether sanctions against North Korea should be further strengthened, continuous efforts should be made to provide North Korea with opportunities to search for its own exits. This is evidenced by China’s response to the UN Security Council’s sanctions against North Korea in the aftermath of the fourth nuclear test.

First, China set the degree, scope and goals of the sanctions it imposed on North Korea. It strongly criticized North Korea’s actions and participated in much stronger than expected sanctions against the North. However, it expressed its pessimism about whether these international sanctions would actually bring about a change in North Korea’s actions. In this regard, it signaled its intention of not allowing these sanctions to initiate a vicious cycle. China has attempted to block the application of any sanctions that would negatively affect the public welfare of North Korean residents. In actuality, it ensured that UN Security Council Resolution No. 2270 allowed for the delivery of crude oil for public livelihood, the dispatch of North Korean workers abroad, and the export of textiles and apparel goods.

Second, China has its own solution to the North Korean nuclear problem. China has emphasized the importance of simultaneously ‘treating both principal aspects’, namely denuclearization and a peace system. While this approach may not resolve the entire North Korean nuclear problem at a time, it may at the very least bring about a freeze in North Korean nuclear development. It made clear that the sanctions imposed against North Korea were not the goals of UN Security Council Resolution No. 2270, which specifically highlighted the importance of maintaining peace and stability on the Korean peninsula in Article 49 and professed support for the Six Party Talks and the Joint Statement of September 19 2005 in Article 50.
has even called for a reopening of the six party talks.

Third, there is a gap in the perception of the root cause of the North Korean nuclear problem. The Korean government has taken issue with China’s perceived passiveness whenever North Korea has implemented nuclear tests. China has responded by pointing the finger at the United States’ hostile policy toward North Korea, and claimed that the North Korean nuclear problem is fundamentally rooted in the U.S.-North Korea relationship. China has singled out the necessity for a more progressive dialogue between the United States and North Korea through the installation of liaison offices capable of addressing North Korea’s ‘reasonable concerns about its security’.

Fourth, the North Korean nuclear tests have exposed a gap in the interpretation of the security topography on the Korean peninsula. In the aftermath of the North Korean nuclear tests, China emphasized the need for principles and objectivity to prevail, and called on all relevant parties to refrain from engaging in any military actions. China has in particular strongly criticized the United States for having used events on the Korean peninsula as an opportunity to strengthen its Rebalance to Asia policy rooted in U.S.-Korea-Japan security cooperation and to deploy THAAD and other strategic assets. This can be seen as the background to why Vice Foreign Minister Wang Yi quoted the ancient idioms such as “Xiang Zhuang performed the sword dance as a cover for his attempt on Liu Bang’s life (項莊舞劍意在沛公)” and “Sima Zhao’s ill intention is obvious to everybody in the street; the trick is all too evident to the man in the street (司馬昭之心路人皆知)”.

China’s position on the North Korean nuclear problem can be summarized as follows: There should not be nuclear weapons on the Korean peninsula under any conditions. The two Koreas should not deploy any nuclear weapons, whether made domestically or brought in from the outside. The North Korean problem should not be resolved through force of arms. No wars or chaos should be tolerated on
the Korean peninsula. In fact, China’s interests lay in its guarantee of security.

IV. Main Issues with China’s Korean Peninsula Policy

Following the inauguration of the Xi Jinping government, China has paid renewed attention to Korea’s geopolitical value. This has come as part of the process of strengthening its diplomacy centering on relations with great and surrounding powers in accordance with its New Type of Major Power Relationship policy. However, Korea-China relations face clear limits when it comes to the achievement of a ‘strategic relationship’ in that their relationship is closely intertwined with that between the U.S. and Korea.

First, there is a clear gap between Korea and China in terms of their perceptions of the reunification of the Korean peninsula. China’s basic principle regarding the reunification of the Korean peninsula is that it should be an independent and peaceful process. The Chinese methodology for the reunification of the Korean peninsula has revolved around improving inter-Korean relations through dialogue, trust and negotiations. For its part, Korea has made clear that the reunification of the Korean peninsula should be achieved in accordance with the values of liberal democracy, and not ‘neutralization’. China and Korea are particularly hard-pressed to agree on the end state of the reunification of the Korean peninsula under the current situation in which North Korea has in fact implemented a ‘two Koreas’ policy

and the inter-Korean relationships has taken a turn for the worse. The likelihood of China making any moves before the two Koreas fully commence the detailed reunification process will remain very low as long as China remains unsure whether reunification is truly in its interest. This can be seen as why, despite the development of Korea-China relations, China did not officially participate in or support any Korean government-led unification efforts. China had also not responded to Korea’s calls for a high-level strategic dialogue regarding the emergency situation in North Korea. The Korean government revealed in 2015 that it had engaged in a positive exchange with the Chinese leadership regarding the reunification of the Korean peninsula. However, China never followed up on this and Korea also allowed the matter to drop.

Second, there is a gap between the two countries when it comes to the U.S.-Korea alliance. Although Korea-China relations have improved and strategic differentiations have emerged between the U.S.-Korea and Korea-China relationships, Korea has continuously abided by the basic framework of the U.S.-Korea alliance. China’s perception of the U.S.-Korea military alliance as a ‘legacy of the Cold War’ has as a result become further entrenched. In fact, although China has accepted the United States’ role as an offshore balancer, it has nevertheless questioned the objectives of the alliance whenever Korea has leaned more toward the United States or the inter-Korean relationship has been severed a long with the rise of China and the ensuing regional power struggle between the United States and China. For example, China strongly criticized the Lee Myung-bak government’s decision to develop the U.S.-Korea relationship into a comprehensive value-based alliance following the conclusion of the U.S.-KOR FTA shortly after its inauguration, or when it allowed U.S. forces entered the seas off the Korean peninsula following the sinking of the Cheonan and the shelling of Yeonpyeong Island. The worsening of Korea-China relations during the process of THAAD deployment can be perceived
as a sign of China’s concern about the return of the U.S.-Korea alliance. Thus any Korean decision to involve China by strengthening the U.S.-Korea alliance may have the unintended result of bringing the U.S.-China power competition into the reunification process on the Korean peninsula.

Third, there is a clear gap in the goals and methodologies employed by China and Korea to resolve the North Korean nuclear crisis and the overall North Korean problem. In the past, Korea implemented the so-called ‘sunshine policy’ and rigid policy of reciprocity in its relationship with the North. This brought about some achievements, but also shortcomings. However, as North Korea continued to forge ahead with its nuclear and missile tests, Korea adopted a more coercive form of diplomacy that involved sanctions and restrictions. Desiring to break the vicious cycle that saw North Korea repeatedly engage in negotiations and provocations, the conservative government of Korea decided to solely concentrate on coercion and sanctions until North Korea adopted more ‘sincere actions’. It also heavily criticized China for what it saw as its passive role in the resolution of the North Korean nuclear problem. Furthermore, it stated that it could not exclude the strategy of regime change as long as North Korea refused to follow the path of denuclearization. Meanwhile, while it has continued to adhere to its denuclearization policy, China has also pursued change in North Korea through the ‘stabilization of the North Korean regime’. China is cognizant that North Korea’s development of nuclear weapons has had a nuclear domino effect on surrounding countries, broken the strategic balance between the United States and China on the Korean peninsula, and affected the safety of China. On the other hand, China has also emphasized the need to handle denuclearization and the establishment of a peace system on the Korean peninsula in a manner that reflects the ‘reasonable security concerns’ of North Korea. In addition, the United Nations has maintained that the sanctions against North Korea should
be used as a ‘tool for dialogue’ and that North Korea should return to the six-party talks based on the presumption of a North Korean nuclear freeze.

Fourth, there exists a clear gap between the two countries where Japan’s role is concerned. China has focused on trying to decrease Japan’s influence and leadership within the region. One of China’s main motivations for implementing the New Type of Major Power Relationship policy was the United States’ perception of Japan’s role in the Asia-Pacific region. For China, Japan represents the most important anchor point for the United States, a non-regional power, in its efforts to wield the greatest influence within the region. As such, China has perceived the deepening of Korea-Japan military cooperation under the United States’ strong intervention as contradictory to its strategic interests. In reality, the Japan variable is dependent on whether Korea-Japan security cooperation can be brought about, and whether Korea and China can take a united stance vis-à-vis Japan’s historical revisionism based on the framework of the U.S.-Korea-Japan cooperation. Although China adopted a cautious approach to the ‘comfort women agreement’ reached by Korea and Japan at the end of 2015 on the grounds that it constituted matters related to the internal affairs of other countries, it roundly criticized the Korea-Japan General Security of Military Information Agreement, stating that, ‘adherence to the Cold War mindset and enforcement of military information only serve to further intensify confrontations and conflicts on the Korean peninsula.’

10 For the simple purpose of revenge, China unofficially limited the spread of hallyu (Korean Wave) in China.

(Search Date: 2016.11.27).
V. Korea’s Response

As analyzed above, China’s Korean peninsula policy has increasingly been seen within the wider lens of the U.S.-China relationship and the overall East Asian region. This means that once the status of the U.S.-China relationship has been established, the Korean peninsula issue may very well become a dependent variable of the relationship between the two regional giants. Moreover, as the gap in national power between the United States and China decreases, both countries will increasingly pressure Korea to ‘adopt a position’ that is closer to theirs. Therefore, a new normal may very well emerge within the Korea-China relationship in which a cycle of cooperation and conflict influenced by the security structure on the Korean peninsula emerges to replace the amicable relationship of the past, and this even if are solution to the deployment of THAAD systems. At this point, Korea should establish the direction and principles for its new China policy and accumulate diplomatic assets while renovating its diplomatic government and diplomacy toward China.

First of all, Korea needs to establish a clear direction, principles and vision for its China policy. In the past, Korea’s China policy was mainly a passive one that simply adapted or complied with China’s policy on the Korean peninsula. Korea failed to accumulate the diplomatic assets based on Korean-style methods, which in turn decreased the predictability of its China policy. At this point, the 25th anniversary of the establishment of China-South Korean diplomatic relations should serve as an impetus for the development of a clear direction, goals and core interests where Korea’s policy toward China is concerned.

Second, Korea needs to establish a solid China policy that would

make it impossible for individual governments to overturn on a whim. The breadth of diplomacy has fluctuated in accordance with government regimes, which has led to the advent of significant sunk costs in the form of responses to the diplomacy of former governments. In other words, a new momentum should be found during the process of selecting a new government capable of selectively accepting the diplomatic achievements of the former government.

Third, there is a need to renovate the governance of the decision-making process when it comes to diplomacy towards China. The Ministry of Foreign Affairs in effect became an executive organ during the process that saw Korea’s China diplomacy spread into domestic politics. Even the strategic communications between the Ministry of Foreign Affairs and Ministry of National Defense, and between the Ministry of Foreign Affairs and the Ministry of Finance and Economy, were very limited. One symptom of this malaise within the organizational culture has been the failure to highlight the specializations possessed by working-level people engaged in diplomacy. In this regard, there is a need to put in place a deliberation process through ‘specialist committees’ to review elements that deeply influence public welfare.

Fourth, Korea’s indigenous diplomacy towards China needs to be accepted by the international community. Despite inherent limits, Korea needs to persuade the international community of its ability to assume a leadership position in terms of Korean peninsula issues. However, the international community failed to listen to Korean-style methods in the past due to the big gap that existed between Korea’s diplomatic share and Korean-style methods. In this regard, it is necessary to establish a bottom line under which the Korea variable does not become subordinate to the security structure on the Korean peninsula on which the wider U.S.-China relationship operates.

This policy on China will serve as a litmus test in the search for an exit strategy for the THAAD problem. Additionally, consideration should be given to lowering the sensitivity of the North Korean nuclear
issue that caused the THAAD crisis and to coordinating the U.S.-Korea and Korea-China relationships; developing a new approach to the inter-Korean relationship that involves the United States based on cooperation between the two Koreas- China-Russia; finding methods to prevent security risks from becoming economic ones; altering negotiation formats such as the six-party talks to include missiles and nuclear weapons; developing methods to separate bilateral relations such as U.S.-Korea and Korea-Japan relations into the U.S.-Korea-Japan security cooperation; and attempting to put together a package deal that includes diplomatic assets valuable to China based on the spread of human rights and democracy. To this end, there is an essential need to construct a new form of diplomatic governance toward China which combines the refined strategies of diplomatic specialists with the wisdom of strategists needed to build up long-term assets within the Korea-China relationship and a political leadership culture that seeks the consent of the people. (April 2017 Issue)

Change in the Political Situation on the Korean Peninsula and Review of Korea’s Japanese Diplomacy

Jo Yang-hyeon*

I. Introduction

This study analyzes how the change in domestic and international politics surrounding the Korean peninsula will influence the Korea-Japan relationship at the time of the inauguration of the Trump administration, centering on the U.S.-Japan relationship, and present policy implications from the standpoint of the restructuring of Korea’s diplomacy towards Japan.

While the world order over the first 20 years that followed the end of the Cold War can be characterized as a unipolar system led by the United States, the 2010s has seen a ‘revival of geopolitics’ marked by multipolarization and the dissemination of power. The change in the balance of power occasioned by the rise of China has led to the advent of a competition structure between the U.S.-Japan and China in East Asia.1 The change in the strategic tripartite

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relationship between the United States, China and Japan has greatly influenced regional bilateral relationships such as those between Korea-Japan and Korea-China. Countries throughout the region have also had to expend much resources ascertaining what position they should adopt in the competition between the United States and China.

In addition, ‘politics of identity’ have emerged as a periodic trend in East Asia in the 21st century. Countries increased focus on national calls for ‘strong countries’ has resulted in arguments and disputes between regional countries over maritime and territorial sovereignty as well as past history becoming further intensified. The use of diplomacy as a tool for domestic politics has helped to fray the principle of the separation of politics and economy in international relations. Past history related to Japan’s continental invasions and colonial rule have become particularly thorny sources of conflict within the region.

As such, the trend in East Asia towards the increased importance of strategic recognition and past history has served as a structural element that has worsened the Korea-Japan relationship over the last a few years. In addition to past history, Korea-Japan relations have tended to revolve around security issues such as China policy and the North Korean problem amid the ongoing change in the balance of power in East Asia. In reality, Korea-Japan relations under the Park Geun-hye government have continued to worsen amid the inability to overcoming the gap in their respective positions over such issues as the comfort women and the perceptions of China.

Korea had traditionally regarded the alliance relationship (the United States’ involvement in Asia-Pacific region) and free trade system with the United States as its vital interests. The inauguration of the

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Trump government in January 2017 has forced Korea to seriously reconsider its foreign policy, and raised the possibility of having to reorganize the strategic tripartite relationship between the United States, China and Japan that constitutes the core axes within the East Asian regional order.\(^3\) It is expected that the Trump government, which has exhibited a clear penchant for protectionism and isolationism, will cause changes in the Asia rebalancing policy implemented by the Obama administration as well as the liberal international order, which the United States had built based on free trade, democracy and alliance since World War II, under the slogan of America First policy.

II. The Trump Government’s Asia-Pacific Policy

The Trump government’s Asia-Pacific policy still has many uncertainties.\(^4\) While on the one hand, President Trump has emphasized his desire to curb military campaigns as part of efforts to achieve economic recovery in keeping with his America First policy, he has also highlighted the need to increase military power and expenses. As such, the actual direction of his policies remains a mystery. This policy disarray became even more pronounced after the inauguration of the Trump administration as the composition and roles of the security and foreign affairs line-up underwent changes and core policies implemented by President Trump, including those related to immigration and medical policy, were checked/ contained. The Trump government’s basic framework for its Asia-Pacific strategy will in all likelihood come into focus during the second half of 2017 once now vacant security and foreign affairs posts have been filled.


and the review of existing Asia-Pacific policy has been completed. Nevertheless, the Trump government’s policy direction can be ascertained by comparing it with those of former governments.5

First of all, the United States will maintain its superior power in the Asia-Pacific region. President Trump suggested bolstering the military power of the army, navy, air force and the Marine Corps as part of the policy of ‘peace through strength.’ The United States will as such continue to adhere to its policy based on alliances with Asian countries. Trump’s perception of security is closer to the Reagan administration’s foreign policy of pursuing ‘superiority through power’ than the Nixon government’s New Asia Policy through which U.S. Forces stationed abroad were decreased. In terms of the competition structure between the United States and China, the Trump administration may maintain the offshore balancing strategy based on the strategic importance of Asia-Pacific region. Although Trump has claimed that he will curb military interventions, this does not mean that he will renounce the value of alliances in Asia, which serves as a hub to develop the global front needed for the ‘revival of the great United States’ and provides leverage with which to assume a superior position in negotiations with China. As such, Trump’s non-interference can be seen as neo-isolationism in that it is more reminiscent of selective interference than traditional isolationism.

Second, the Trump administration’s perception of security is rooted in an economic approach based heavily on the calculation of profits and losses. Trump has criticized allies for what he sees as them having enjoyed a free ride in terms of security, and raised the possibility that he might demand that they increase defense expenses, to withdraw U.S. troops and allow nuclear armament. Trump’s view of security will most likely be adjusted once he is confronted with the reality on the ground. The U.S. administration will need to cooperate with

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the U.S. Congress if it is to actualize its policy; moreover, the positions of the mainstream of Republican Party may still be reflected in the Trump government’s East Asian strategy. The majority of the security and foreign affairs posts that have to date been filled within the Trump government are occupied by internationalists and hardline right-wingers. Should Trump with his strong entrepreneurship approach based on cost reasoning exclude the Asia-Pacific security problem from the vital interests of the United States (trade-off of commerce and security), its allies throughout the region may find themselves exposed to a serious security vacuum occasioned by the North Korean nuclear problem, East China Sea (Senkaku Islands and Formosa Strait) and South China Sea problems.

Lastly, President Trump prefers trade protectionism and unilateralism when it comes to foreign economic policy. Regardless of its alliance relationships with Asian countries, the Trump government appears set to readjust currency exchanges and adverse trade balance through a bilateral approach, to suppress market opening, and to conduct a full review of existing trade liberalization agreements. Contrary to the Obama government’s focus on free trade and multilateralism, the Trump government’s foreign economic policy places more importance on the economy than security, which has led it to pursue a U.S.-centered unilateral approach. The Trump government will in all likelihood have recourse to unilateral trade measures such as the Super 301 of the Trade Act last enacted during the Reagan administration, and this even if it potentially infringes on internationally accepted standards such as those of the World Trade Organization (WTO). While both staunch allies of the United States, Korea and Japan are nevertheless expected to be negatively impacted by the howling winds of trade protectionism.
III. Prospects of the United States-Japan Relationship

The strategic competition between the U.S.-Japan and China became clear when China fully started its aggressive advancement in the East China Sea and South China Sea in the 2010s. Cooperation between the United States and Japan has been strengthened in the security and economy realms. This was made possible by the common objective of curbing the rise of China under the Obama government’s Asia rebalancing policy and the Abe government’s proactive pacifism. The United States and Japan strengthened the joint response system between the Self-Defense Forces and the U.S. forces, and agreed to build up a multilateral alliance with India, Australia and ASEAN. The two countries have responded to China’s strategy of building up a ‘Chinese economic bloc’ based on the Asia Infra Investment Bank (AIIB) and One Belt One Road, by concluding the Trans-Pacific Strategic Economic Partnership (TPP) designed to maintain economic superiority based on a high level of trade liberalization and the establishment of the rules and norms.

The U.S.-Japan alliance will be maintained and even further strengthened under the Trump government. As previously mentioned, the U.S.-China relationship may very well enter a confrontational phase in terms of security for some time. Prime Minister Abe and President Trump held their first summit in Washington D.C. on February 10, 2017, at which time they agreed to continuously strengthen the U.S.-Japan alliance. The two leaders reaffirmed that Article 5 of the U.S.-Japan Security Treaty was applicable to the Senkaku Islands/ Diaoyudao Islands dispute in the East China Sea.

Both leaders demanded that all concerned parties cease all actions capable of heightening tensions in the South China Sea and to behave in accordance with International Law. Japan had grown uneasy with the United States in terms of the effectiveness of its response to China’s advance to the maritime area, the application of the U.S.-Japan Security Treaty to the Senkaku Islands, effectiveness of the deterrent to North Korean nuclear expansion, and the priority given to the denuclearization of North Korea. However, the majority of these fears were allayed during the summit. Japan may very well accept the demands of the United States in the name of maintaining the U.S.-Japan alliance, which has been perceived as a ‘foundation for Asia-Pacific security’, and this even if the Trump government pressures Japan to increase its share of the expenses for the U.S.-Japan alliance in the future.

Meanwhile, U.S.-Japan conflicts are expected in the economic and commerce spheres. As mentioned above, the possibility of the Trump government taking unilateral action such as invoking the Super 301 clause in order to improve the trade balance cannot be ruled out. The United States and Japan only agreed to strengthen their economic relationship during the U.S.-Japan summit on February 2017, leaving individual issues affecting the U.S.-Japan economic dialogue aside for the future. President Trump has in particular highlighted the importance of the currency exchange with Japan. The actualization of conflicts over currency exchanges between the two countries could very well have a negative impact on Japan’s monetary policy (Abenomics) rooted in the maintenance of lower yen.

Japan’s trade liberalization policy will inevitably readjust as a result of the inauguration of the Trump government. The Abe cabinet has actively pursued the conclusion of the TPP, which it has perceived as a symbol of the U.S.-Japan alliance and the impetus for the structural reform needed to achieve the revival of the Japanese economy. The TPP bill was finally ratified by the Japanese Diet in November 2016.
However, no agreement was reached on the U.S.-Japan FTA during the U.S.-Japan summit in February 2017. Although Japan left room for the continued implementation of the TPP, the United States has already signaled its desire to withdraw from the TPP in favor of increased focus on the U.S.-Japan bilateral FTA. Growing concerns about the United States’ participation in the TPP have led Japan to consider a couple of alternatives: (1) The implementation of a new TPP without the United States followed by subsequent efforts to woo U.S. participation, (2) Acceleration of FTAs with the EU, Southeast Asia and South America, (3) The implementation of bilateral FTAs with Japan’s major trade partners.

The issue of past history may very well be put on the back burner under the Trump government. While it expanded and strengthened the U.S.-Japan alliance, the Obama government remained on high alert for any sign of Japan’s regressive perceptions of history. President Obama intended to cure the historical scars between the United States and Japan by visiting Hiroshima and Pearl Harbor with Prime Minister Abe in 2016. This had the effect of curbing Japan’s excessive historical revisionism. The Obama government mediated the historical conflicts between Korea and Japan because it was concerned about the negative impact such conflicts could have on the U.S. Asia-Pacific security strategy. However, it is expected that the Trump government, which favors practical interests over ideology, will adopt a passive approach when it comes to curbing Japan’s historical revisionism and mediating past history conflicts between Korea and Japan.

IV. Implications for the East Asian Order

The inauguration of the Trump government, the United States’ presentation of a new Asia-Pacific regional strategy, and the establishment of new relationships with regional players can be regarded as the most highly anticipated events in East Asia in 2017. The outcome of core security and economic issues such as the North Korean nuclear problem, trade and currency exchanges, and the South China Sea, will be greatly dependent on the U.S.-China relationship. The implications of the U.S.-Japan relationship for the regional order are as follows.

First, as previously mentioned, it appears that security cooperation based on the U.S.-Japan alliance will be further accelerated. The direction of the U.S.-Japan alliance laid out during the U.S.-Japan summit in February 2017 may provide an opportunity to strengthen the hegemonic competition between the United States and China and to build up regional security. The United States has relocated its advanced naval and air forces to Asia as part of efforts to curb China’s access to the maritime area and to maintain its military superiority in East Asia. It also strengthened its MD system and anti-submarine warfare capabilities through the U.S.-Japan alliance, while also expanding security cooperation with Australia and India. China has responded by strengthening its military and diplomatic responses so as to expand its influence in East Asia. This is to be achieved through the development of military technology and modernization of weapons, and the gaining of access to maritime areas based on the Anti-Access and Area Denial (A2/AD) strategy while avoiding military confrontations with the United States.8 The possibility of a ‘northern tripartite versus southern tripartite’ confrontational structure cannot

be ruled out should the hegemonic competition between the United States, China and Japan worsen as a result of the strengthening of the U.S.-Japan alliance.

The second is the stabilization of the regional order based on competitive cooperation between the United States and China. Although the strategic competition between the United States and China has grown stronger, the two countries may very well pursue ‘competitive cooperation’ or ‘controlled competition’ in fields such as the economy, climate change, and the North Korean problem. Meanwhile, all efforts will be made to avoid physical confrontations. President Trump has shown signs of a willingness to cooperate with China, a denouement whose outcome will have a very real impact on Japan’s strategic position. President Trump has continually criticized China with regards to the trade imbalance and currency exchange and taken issue with the ‘One-China’ principle (both Taiwan and mainland China are inalienable parts of a single China) and the actual purpose of China’s land reclamation projects in the South China Sea. However, President Trump confirmed that the United States would respect the ‘One-China’ principle during a hotline conversation with President Xi Jinping shortly before the U.S.-Japan summit in February 2017. The Trump government has not hidden its intention of building up a cooperative relationship with China to ensure stable management of the regional order, even as Secretary of Defense James Mattis and Secretary of State Rex Tillerson highlighted the importance of the ‘U.S.-Japan alliance’ during their visits to Japan.

The last point is the duality of the expansion of Japan’s role in regional security. The expansion of Japan’s security role at the regional and global levels by strengthening the U.S.-Japan alliance may bring about a political upheaval in the Northeast Asian security order over the long run. In particular, the normalization of Japan will in all likelihood increase its influence on the Korean peninsula. Any Japanese
attempt to rearm that is not accompanied by a clearing up of its past history will face stiff resistance from surrounding countries such as Korea and China that have suffered under Japan’s invasions and colonial rule in the past. On the other hand, Japan’s normalization could contribute to peace and the stabilization of the region by making it possible to increase Japan’s role in terms of regional security. Viewed from the long-term standpoint, a decrease in U.S. influence would spur Japan to become an important power capable of curbing a fast rising China.

V. Implication for Korean Diplomacy

Any political upheaval in Northeast Asia, be it a transition of power from the United States to China, the competition between China and Japan, and the enhancement of Japan’s regional power, poses new challenges to Korean diplomacy. The difficulties faced by Korean diplomacy may further increase as it moves deeper into the United States-Japan-China competition structure. Korea’s responses to current issues related to security, economy and history; such as U.S.-Korea-Japan/ Korea-Japan/ U.S.-Korea security cooperation (GSOMIA, collective self-defense right and THAAD), trade liberalization and regional financial organizations (TPP, Korea-China-Japan FTA, and AIIB), historical perception (comfort women and visits to the Yasukuni Shrine) can be interpreted as choices imposed on it by its position within the major magnetic field that is the U.S.-China-Japan tripartite strategic game.

Korea’s diplomacy towards China and Japan is expected to face the dual burden during the Trump administration of enhanced U.S.-Korea-Japan security cooperation as a result of the North Korean problem coupled with an intensification of the U.S.-China competition.
Meanwhile, the stabilization and normalization of the Korea-China relationship, which had worsened after the decision to accept the deployment of THAAD, has become the main assignment for Korean diplomacy. On the other hand, Japan’s stabilization of its position as a security partner for the United States may very well prompt the latter to increase its demands for the enforcement of U.S.-Korea-Japan security cooperation to counter the threat emanating from China and North Korea. Korea’s security cooperation dialogue with the United States and Japan accelerated greatly when the Korea-China relationship took a turn for the worse over North Korea’s conduct of a nuclear test at the beginning of 2016. Following the conclusion of the agreement on the comfort women between the two countries and the signing of the General Security of Military Information Agreement (GSOMIA), security cooperation discussions were held between Korea and Japan, the United States-Korea-Japan, and the United States-Japan-Australia-India in conjunction with the North Korean nuclear problem. Should the North Korean nuclear problem continue to deteriorate, the possibility cannot be ruled out of the joint management of a Korea Air and Missile Defense (KAMD) system and a U.S.-led missile defense system that goes well beyond THAAD.

These current diplomatic and security issues require keen political decision-making skills. Intense arguments can be expected within both the domestic and international spheres during this decision-making process. The tendency within Korean society to place much more importance on China than Japan, and the conflicting views of the importance of security and history, can double the difficulties Korea faces in terms of its diplomacy towards Japan. For example, even though the necessity for GSOMIA is accepted from a security

standpoint, namely the enforcement of the deterrent against North Korea, the opposite arguments cannot be ignored when considering the historical specifics of the Korea-Japan relationship. Examples of opposing arguments include: increased security cooperation with Japan will have a negative impact on the improvement of inter-Korean relations and the reunification of the Korean peninsula; despite Korea’s actual intentions, Korea-Japan and U.S.-Korea-Japan military cooperation will aggravate China; and enhanced Korea-Japan security cooperation runs the risk of glossing over Japan’s militarization and historical revisionism.

The United States and Japan’s calls for Korea to take part in a strengthening of U.S.-Korea-Japan security cooperation based on the U.S.-Japan alliance may very well result in an increase in Korea’s expenses with regards to its Japanese policy, a denouement that can be attributed to conflicting interests in the form of security and past history. An adverse wind can be expected in terms of Korean diplomacy vis-à-vis Japan amid a worsening of national sentiment as security cooperation with Japan is implemented under a situation in which concerns about Japan’s historical revisionism have not been addressed. The Trump government, which places more importance on pragmatism than ideology, has made clear its support for the ‘active pacifism’ of the Abe cabinet. As such, it may be difficult to expect support from the United States should conflicts over past history erupt once again between Korea and Japan. Moreover, the ongoing U.S.-China conflict will limit Washington’s ability to curb Japan’s historical revisionism.

In addition, the uncertainty surrounding the United States’ new government’s diplomacy only serves to further compound the instability of Korea’s own diplomacy towards the United States. If unpredictability is perceived as an advantage in diplomacy and the vision of President Trump, who is sensitive to a decrease in security
costs, are reflected in U.S. diplomacy, then the United States’ Asia-Pacific strategy may be one that favors results over policy consistency. Should this come to pass, Korea’s will have no choice but to fundamentally adjust its response strategy. The major change in Korea’s role relating to the North Korean problem will limit the strategic sphere of Korean diplomacy. For example, Korean diplomacy will have to deal with public opinion should the United States-North Korean begin a dialogue or a big deal be reached between the United States and China that centers on nonproliferation rather than denuclearization of North Korea.

VI. Korean Domestic Politics and Korea-Japan Relations

The year 2017 has been labeled the ‘Year of Politics’ in Korea. In this regard, domestic politics appear to have come into play within the Korea-Japan relationship. The ongoing transition of power and lack of leadership has raised concerns about a weakening of the government’s control over foreign diplomacy. The opposition party has demanded a full review of the major diplomatic issues addressed by the Park Geun-hye government over the past year, including THAAD, the comfort women agreement, and GSOMIA. Tensions within the Korea-Japan relationship will only be further heightened when diplomacy and security become political issues in the lead up to the presidential election to be held in May 2017.

Korea and Japan fought over the issue of comfort women for the first three years of the Park Geun-hye government. In fact, these conflicts between Korea and Japan developed into a historical war that engulfed the international community and Washington D.C. Concerned about the appearance of fissures in the U.S.-Korea-Japan
cooperative system, the Obama government decided to mediate between the two. The Korea-Japan relationship underwent a temporary improvement following the agreement on comfort women reached between the two governments at the end of 2015. However, a new confrontational phase began at the end of 2016. The Japanese government recalled its ambassador to Korea to mark its opposition to the installation of a comfort women statue in front of the Consulate-General of Japan in Busan. The Korea-Japan relationship took a further turn for the worse following Japan’s assertions regarding the sovereignty of Dokdo Island. While a new government of Korea will be inaugurated following the presidential election in May 2017, the issue of comfort women will continue to be the biggest issue in the Korea-Japan relationship.

Contrary to the Korea-Japan relationship, the Korea-China relationship enjoyed a honeymoon period during the early days of the Park Geun-hye government. The Park Geun-hye government’s ‘Trust-building process on the Korean Peninsula’ policy was based on the strategic idea of changing the North Korea-China relationship in a manner advantageous to Korea based on balanced diplomacy towards the United States and China so as to advance the reunification environment. Japan responded by claiming that ‘Korea was leaning toward China’ and cautioned that this rapprochement between Korea and China would lead to the isolation of Japan or even the formation of an anti-Japanese alliance. Although Japan’s concerns decreased following the emergence of Korea-China conflicts over THAAD following North Korea’s nuclear test in 2016, the differences in the positions of Korea and Japan vis-à-vis their Chinese policies remains one of the major structural obstacles to the improvement of the Korea-Japan relationship.

As such, the year 2017 can be regarded as one in which the focus should be on efforts to prevent any further deterioration of the Korea-Japan relationship under the principle of ‘separation and response’ of Korean diplomacy toward Japan. The current government cannot be expected to unravel complicated problems in Korea-Japan relationship such as those of past history and Dokdo Island. While the current government should focus on amending any shortcomings stemming from the extension of existing policies and preventing any worsening of the relationship, the fundamental review of Korea’s policy towards Japan should be left to the next government. There is a need to manage diplomatic frictions while maintaining Korea’s basic position on the issues of comfort women, Dokdo Island, compensation of the victims of Japan’s conscripted Korean laborers, and descriptions of history textbooks. In addition, Korea’s economic and security interests should be enhanced by expanding actual cooperation as part of the reopening of the Korea-Japan currency swap in preparations for the murkiness surrounding the international economy.

Inflammatory remarks by conservative politicians and the media during the presidential election campaign in Korea run the risk of throwing the bilateral relationship into further disarray. There is a need for the Korean government to reflect on accusations that it did not echo public opinion in the comfort women agreement or the General Security of Military Information Agreement (GSOMIA). Nevertheless, given the strategic importance of the relationship, caution should be exercised during the transition period to ensure that no excessive link is allowed to form between foreign relations and domestic politics that could lead to further instability in the Korea-Japan relationship.
VII. The Future of the Korea-Japan Relationship

As evidenced by the saying ‘close but distant neighbor’, Korea’s perception of Japan after liberation in 1945 was twofold. Japan was at once a topic that had to be cleared up and a quasi-ally that Korea needed to survive under the Cold War structure and to develop its economy. Although the Korea-Japan relationship was relaxed as the global Cold War structure fell into disarray, both parties continued to need to cooperate with one another in the fields of economy and security. The two countries are under desperate to minimize conflicting interests and build a trust-based relationship.

The advent of a new international political situation in East Asia, where realism-based international political views have gained ascendancy, has made it necessary for Korea to conduct a view of the Korea-Japan relationship from the strategic standpoint known as the maximization of national interests. Cooperation between the two countries is needed to restrain the advent of an East Asian order led by the United States and China. The importance of strategic cooperation between Korea and Japan has become even more crucial given the uncertainty surrounding the U.S. government’s Asian policy following the inauguration of the Trump administration. Concerns have been raised about the fluidity that would mark the regional order should the United States’ involvement in Asia be decreased or the hegemonic competition between the United States and China be accelerated.

Korea and Japan should objectively perceive international politics and accept their respective strategic values. While the ‘1965 system of Korea-Japan relationship’ could be assailed for being an arrangement between an advanced and a developing country and colonial ruler and ruled, the new Korea-Japan relationship should be based on horizontal ties between two normal countries. As it now stands, the
two countries have entered an era in which cooperation has become increasingly difficult amid the rapid reorganization of international relations with in the region based on the rise of China.

Viewed from a macro-standpoint, Korean diplomacy towards Japan in 2017, or prior to the inauguration of the next government, should be focused on preparing the foundation for the erection of stable Korea-Japan relations.\textsuperscript{11} Successive Korean governments since the 1990s have promised to develop an amicable cooperative relationship with Japan. However, they all adopted a hard line stance toward Japan whenever the issues of past history and Dokdo Island emerged. It is very difficult to predict whether the new government will restore the traditional amicable cooperative relationship that existed before the Park Geun-hye government, or whether the conflicts and confrontations surrounding history and territorial problems will once again reemerge.

The time has come for Korea to hold serious deliberations on the approaches needed to use relations with Japan as an opportunity, from both a regional and multilateral standpoint, to help bring about of peace and stability in East Asia. Moreover, efforts should be made to construct Korea-Japan relations that are not fettered by the framework of past history. Rather than merely reissuing elections pledges, the new government will have to come up with alternative feasible policies that have an actual chance of succeeding. (April 2017 Issue)

How to Change North Korea

Sohn Seon-hong*

I. Introduction

The international politics surrounding the Korean peninsula are abound with great change. The biggest change has been the onset of the Trump administration with a slogan of ‘America First’. The core goal of the Trump government’s policies is to ‘Make America Great Again’ based on this ‘America First’ policy. President Trump has promised such action as the renegotiation of NAFTA, withdrawal from the TPP, and the erection of a U.S.-Mexico border wall. President Trump’s ‘America First’ policy will also influence Korea. Especially, it is necessary for Korea to prepare for renegotiation of the Korea-U.S. FTA and demands to increase Korea’s share of defense expenses.

China has strongly opposed Korea’s deployment of the THAAD system and has taken strong vengeful actions. China’s revenge included prohibiting Korean tourism, the suspension of LOTTE Mart’s business activities in China, and the enforcement of the Korean Restriction Order prohibiting Korean stars from appearing on Chinese TV programs, movies or performances. The Abe administration of Japan, efforts to become a normal country that can make war, also urges

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to teach Dokdo as part of its own territory in elementary and middle school, a brazen provocation to say the least. The competition for strategic hegemony between the United States and China in East Asia has further reduced Korea’s position. Tensions on the Korean peninsula have been further heightened amid North Korea’s continuous nuclear and missile provocations. Under the current situation all dialogue and exchanges between the two Koreas have been suspended.

In addition to fostering responses to the strong challenges from surrounding powers, Korea also faces the important task of finding a solution to the North Korean nuclear and missile problems and improving inter-Korean relations while also securing peace on the Korean peninsula. Most of all, Korea must lead North Korea down the path of abandoning its nuclear weapons and missiles and taking steps toward its economic development.

This study analyzes the North Korean political and social system, previous Korean governments’ policies on North Korea,¹ and then suggests the ways to change North Korea for improving the Relations between South and North Korea and securing peace on the Korean peninsula.

II. Analysis of North Korean Political and Social System

Any attempt to bring about changes in North Korea must be based on a clear understanding of the North Korean regime and society. The main characteristics of the North Korean regime and society

¹. The policy goals of the Ministry of Unification in 2017 are to establish the basis for the denuclearization of North Korea and peaceful unification based on actual change in North Korea.
can be summarized as follows.

First, North Korea has developed nuclear weapons. North Korea’s nuclear weapons have made it impossible to improve the inter-Korean relationship and become a serious threat to the Korean peninsula and international peace. North Korea has reached an advanced level at which it can produce a variety of smaller, lighter and diversified nuclear weapons through the nuclear tests conducted since its first test on October 9, 2006. North Korea is known to possess 13-21 nuclear weapons. Furthermore, U.S.-Korea intelligence agencies have concluded that North Korea possesses 758kg of highly enriched uranium (HEU) and 54kg of plutonium, enough to produce up to 60 nuclear weapons.

North Korea clearly stated that it is a ‘nuclear state’ in the Charter of the Workers’ Party that followed the 7th Congress of the Workers’ Party, as well as in its Constitution. This can be taken as a clear sign that North Korea does not have any intention to abandon its nuclear weapons.

North Korea has also improved its missile functions while implementing intermediate-range ballistic missile (IRBM) tests of the Pukguksong-2 and of a powerful new rocket engine and submarine-launched ballistic missile (SLBM). The threat posed by North Korea’s nuclear and missiles has continuously expanded.

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Second, the Kim Jong-un regime is maintained through vicious horror politics.\(^5\) The reign of terror and cruelty of the Kim Jong-un regime was already on display with the execution of his uncle Vice Chairman of the National Defense Commission Jang Song-taek, Chief of the General Staff of the Korean People’s Army Ri Yong-ho and Minister of People’s Armed Forces General Hyon Yong-chol. The Kim Jong-un regime further exposed its cruelty by assassinating the leader’s half-brother Kim Jong-nam with the banned nerve toxin VX at Kuala Lumpur International Airport on February 13, 2017. The Malaysian police confirmed that Kim Jong-nam was killed by the North Korean regime. This assessment was based on the fact that all the male suspects were from North Korea and the diplomats of the North Korean Embassy in Malaysia were also found to have been involved in the incident.

The Institute for National Security Strategy of Korea has concluded that about 340 people, including high-level ranking officials and North Korean residents, have been executed or purged in the last five years since Kim Jong-un took power in December 2011.\(^6\) The Kim Jong-un regime would appear to be generally stable. However, this superficial stability can be seen as being rooted in the politics of fear characterized by purge and execution. And the assassination of Kim Jong-nam exposed the instability of the Kim Jong-un regime.

In addition, serious violations of the human rights of North Korean have continued apace. The Ministry of Unification of Republic of Korea estimated that North Korea has sent about 50,000-60,000 laborers to 50 different countries, earning 200 million-300 million dollars a year from these laborers.\(^7\) For its part, the Korea Institute for National Unification (KINU) estimated that Pyongyang has

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5. Former deputy ambassador Thae Yong-ho defined Kim Jong-un’s reign of terror as ‘an anticipatory reign of terror’, designed to stimulate people’s fears so that they absolutely cannot resist. *ChosunIlbo*, (December 28, 2016).


dispatched 123,000 its people to 40 countries. These laborers have suffered under a poor labor environment that includes 12-16 hours of labor a day.

Third, North Korea is based on a succession regime ruled by the third generation of leaders. Although many communist countries believing in Marxism-Leninism were founded after World War II, no country has ever experienced three generations of leaders like North Korea. The Kim Jong-un regime is an unprecedented one in world history. The idolization of the Kim Jong-un regime has already begun in earnest. Former deputy ambassador to England Thae Yong-ho emphasized that North Korea is a slavery society functioning only for Kim Jong-un and not a communist society.

Fourth, North Korea is a hermit society thoroughly closed off from the external world and covered with the Iron Curtain. The knowledge and information about the international community and South Korea possessed by North Korean has been extremely limited. And they are also blissfully unaware of how the international community has assessed North Korea and their leader Kim Jong-un. The information and statistics on North Korea collected by South Korea has been very limited and the precision of this information has also been very low.

Fifth, North Korean markets have increased and the number of users of mobile phones has also grown. In December 2016 Hong Min, researcher of KINU has maintained that there are 404 official markets in North Korea, an estimation that was based on satellite

10. Former North Korean deputy ambassador Thae emphasized that North Korea is a closed society, saying “North Korea existed in the situation that the inflow of external information was thoroughly stopped.” ChosunIlbo (December 28, 2016).
imagery and testimonies from North Korean defectors. Official markets are allowed by the North Korean authority.

These markets were activated due to (1) the phenomenon of dollarization happening within the North Korean economy, (2) Instead of controlling market economy activities; the North Korean authorities have used residents’ market economy activities to secure hard currency such as U.S. dollars. Everyday consumer products in addition to housing and high-end products are sold in dollars. In addition to its original functions of buying and selling products, markets are also places in which all kinds of news and information are exchanged. Although North Korea is a closed society, the news from the external world could be conveyed through these markets.

The number of users of mobile phones increased from 1.70 million in 2012 to 3.24 million in 2015, showing an increase of 90.6% (1.54 million). Mobile phones can promptly and broadly spread information at a rate much faster than the mouth-to-mouth conveyance of information of the past. Although North Korea is a thoroughly controlled society, the increase of number of markets and mobile phones will facilitate the spread of information and could bring about changes in residents’ awareness. This will bring about change to the North Korean system, albeit in a gradual manner.

11. Hong Min, “The distribution of North Korean official markets by region and the current state of the management of official markets,” KDI Review of the North Korean Economy (KDI, March 2017). On the other hand, the US-Korea Institute at Johns Hopkins University released that the number of North Korea’s markets (jangmadang) increased from 200 in 2010 to 406 in 2015. ChosunIlbo (September 21, 2016).
III. Former Korean Governments’ North Korean Policies and the Reasons for the Failure to Change North Korea

1. The Former Korean Governments’ North Korean Policies

Every Korean government had implemented its own North Korean policies armed with their own priorities. This can be seen by the fact that each government has given independent titles to its policies. The North Korean policies of the last four Korean governments have been respectively known as the ‘Sunshine Policy’ (Kim Dae-jung government), ‘Peace and Prosperity Policy’ (Roh Moo-hyun government), ‘Co-existence and Co-prosperity Policy’ (Lee Myung-bak government), and ‘Trust Building Process on the Korean peninsula’ (Park Geun-hye government).

Korea’s case is different from the West German government’s policy on East Germany, which was consistently implemented under the same title. West Germany implemented its East German policy in the name of ‘die Deutschlandpolitik’ until the unification, and did not use the term ‘unification policy’. Even though there were two times of change of government (1969 and 1982) during the division period, the term ‘die Deutschlandpolitik’ was continuously used.

Although the titles of their North Korean policies differed, the goals of all Korean governments have been the same: to positively change North Korea and to prepare the base for unification. The main goals were (1) to improve inter-Korean relations and implement continuous exchanges, (2) to make North Korea abandon its nuclear weapons and stabilize peace on the Korean peninsula, (3) to build up the base for peaceful unification. The methods to implement these goals have however differed. Overall, the following two methods can be identified.

One has been to expand dialogue and exchanges under the principle
of separation of politics from economy and to change North Korea through economic support (Kim Dae-jung and Roh Moo-hyun governments). The other policy has been to engage in exchanges and economic support based on the pursuit of a sincere dialogue, settlement of the North Korean nuclear problem, and on the basis of a national consensus (Lee Myung-bak and Park Geun-hye governments). These latter policies were designed to assuage public opinion that while Kim and Roh governments had given assistance to North Korea in the form of the provision of economic support through the ‘Sunshine Policy’ and ‘Peace and Prosperity Policy’, but there had been no change in North Korea. In conclusion, there has been lacked consistency in policies on North Korea.

2. Reasons for the Failure to Bring about Change in North Korea

Although previous Korean governments have implemented their own independent North Korean policies, all of these policies share the commonality of having failed to bring about change in North Korea. The failure to stop North Korea from nuclear tests has resulted in the latter making great advancements in its development of nuclear weaponry. Moreover, there have been no continuous exchanges between the two Koreas. For example, the reunion of separated families,¹⁴ which was one of the representative humanitarian programs, has not been carried out on a regular basis, but only on the consent of North Korea. Why have Korean governments failed to bring about change in North Korea despite these elaborate policies?

First, the North Korean policies should consistently be implemented over the long term regardless of what government regime was in

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¹⁴ The reunion of separated families was first carried out in September 1985 when the exchange of ‘separated families’ visit to their hometowns and art troupe’ was implemented. There were 21 instances of exchange of separated families until the program was suspended in October 2015.
power. However, different policies have been implemented every five years, altering the former government’s policies. Even similar progressive and conservative governments have put forward different North Korean policies. Each government has been eager to achieve epochal advancements in the inter-Korean relationship or the unification issue within the short term of five years.

Second, all governments have failed to put forward detailed implementation plans regarding how to change North Korea. Every government has espoused the lofty goals of increasing exchanges between the two Koreas by changing North Korea and preparing the foundation for unification. However, they failed to change North Korea, which refused to abandon nuclear weapons while remaining passive to dialogue and exchanges, due to a lack of detailed plans to change the latter.

The Kim Dae-jung government could establish the foundation (treaty or agreement) for continuous exchanges based on the first South-North Korean summit. However, the only concrete accomplishment was the June 15th North-South Joint Declaration. In addition, the Kim Dae-jung government underestimated North Korea’s willingness to develop nuclear weapons and conduct nuclear tests during this period. The Park Geun-hye government’s policy (‘Trust Building Process on the Korean peninsula’) was intended to (1) develop the inter-Korean relationship (2) secure peace on the Korean peninsula and (3) create the base for unification, by building up ‘trust’ between South and North Korea while decisively responding to any provocations by North Korea based on the solid security foundation. However, the Park Geun-hye government failed to bring

15. Looking at the example of West Germany, Chancellor Willy Brandt concluded the Basic Treaty (Grundlagenvertrag) with East Germany during the third year of his term in December 1972 that served as the base for continuous exchanges between East and West Germany. Based on this Basic Treaty, East and West Germany joined the United Nations in 1973 and exchanged the offices of representatives in 1974.
about any progress in South-North Korean relations in large part because of a lack of detailed implementation plans regarding how to build up ‘trust’ with a North Korea that refused to abandon the development of nuclear weapons.

Third, the Korean governments did not strongly respond to North Korea because they underestimated its will and capability of developing nuclear weapons and missiles. South Korea erroneously thought that it could stop North Korea from developing nuclear weapons and missiles by engaging it in exchanges and economic support; meanwhile, the North should itself willing to take any risk possible to develop such weapons. Furthermore, South Korea also underestimated North Korea’s capability to develop nuclear and missile tests, thinking that a long period of time would be needed to develop such a capacity. In conclusion, South Korean governments have (1) underestimated North Korea’s will and capability to develop nuclear weapons, and as such (2) North Korea has been able to make great advancements in its development of nuclear weapons as a result of its continuous nuclear tests made possible by the lack of strong sanctions against North Korea. During the joint press conference held with Minister of Foreign Affairs Yun Byung-se on March 17, 2017, United States Secretary of State Rex Tillerson admitted that the United States’ attempts to engage the North in a dialogue over the past 20 years had ended in failure. He also stated that the 1.35 billion dollars the U.S. had provided to the North had yielded little actual change in North Korea.16

Fourth, North Korea showed itself disinterested in engaging in continuous exchanges and dialogue to improve relations, including the reunion of separated families. Although North Korea showed keen interest in dialogue and exchanges related to the provision of economic

support such as food, fertilizer, and financial assistance, it has been very tepid towards humanitarian exchanges. It is fearful that such continuous dialogues and exchanges will expose the backwardness of its political system. Until 2002 the reunion of separated families were held at same time in Seoul and Pyongyang, but now it is held only at Mount Kumgang. Even the reunion had been implemented in a limited way.

IV. How to Change North Korea

Then how can we change North Korea? Egon Bahr, who designed basic theory of the ‘new eastern policy’ called ‘die neue Ostpolitik’ implemented by German Chancellor Willy Brandt (1969-1974), said “no communist regime changes for itself.”\textsuperscript{17} Likewise, North Korea does not intend to change for itself. This is where the difficulties implementing North Korean policies lie. However, for the improvement of the inter-Korean relationship and the advent of peace and stability on the Korean peninsula, we should bring about changes in North Korea that includes the abandoning of nuclear weapons and the adoption of the opening and reform needed to develop its economy. Various measures must be implemented in order to bring about change in North Korea.

1. Continuity of Strong Sanctions Against North Korea

The international sanctions were imposed on North Korea to make North Korea move toward the ‘right path’, namely abandoning its nuclear weapons and developing its backward economy. North Korea

\textsuperscript{17} Egon Bahr suggested the “Wandel durch Annaeherung” (change through rapprochement) at the Evangelical Academy in Tutzing in July 1963, and stressed that no communist regime changes for itself.
could conduct nuclear tests because sanctions have not been strong enough to inflict any real pain on the North Korean regime. The sanctions against North Korea should be so strong and powerful that the very preservation of the North Korean regime comes into question. A ban on the dispatch of North Korean laborers overseas should be included in such sanctions.

In particular, the continuous and complete participation of China is required in order to ensure that the sanctions have any chance of bringing about results. Korea needs to make diplomatic efforts to ensure continuous and full Chinese participation in sanctions.

The United States has also taken a harder stance on sanctions against North Korea. The House of Representatives passed a bill listing ‘North Korea as a terrorism-sponsoring state’ on April 3, 2017. In addition, the House of Representatives is also expected to enact the Korean Interdiction and Modernization of Sanctions Act. Secretary of State Tillerson has stated that the era of ‘strategic patience’ had ended, while emphasizing the need for ‘patience’, ‘persistence’ and ‘perseverance’ when it comes to sanctions against North Korea. The U.S. administration included the ‘Korea Paek Sol Trading Corp’ engaged in the trade of coals and metals as subject to the sanctions when it announced the administrative order for sanctions against North Korea (March 31, 2017). President Trump implied that he would take a stronger stance against North Korea when he stated that the North’s nuclear and missile threats constituted one of the top priorities and that he perceived North Korea as a big problem. Given the speed of North Korea’s nuclear development, we can

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18. This act was passed by the Committee on Foreign Affairs of the House of Representatives on March 29, 2017 ahead of the passage at the General Assembly.
19. ‘Strategic patience’ was the U.S. policy on North Korea adopted by the Obama administration in 2009. The main principle of this policy was that the U.S. government would not negotiate with North Korea as long as North Korea does not first choose the change in nuclear and missile problems.
safely surmise that the Trump administration represents the last opportunity to resolve the North Korean nuclear problem.

2. Implementation of Consistent North Korean Policy

Korean Governments’ policies on North Korea have been plagued by a lack of consistency that has been occasioned by the fact that each government has implemented independent policies as part of efforts to differentiate itself from previous governments. However, the time has come to establish basic principles for North Korean policies within a wider framework that can be implemented based on consistency and regardless of changes in government regimes. While inter-Korean summits have been suggested as a means to resolve outstanding issues such as the North Korean nuclear problem, such summits do not represent a surefire solution to guarantee the resolution of these problems. Inter-Korean summits can only yield true results when a certain level of ‘trust’ has been established between the two Koreas. The failure of the two previous North-South Korean summits can in large part be explained by this lack of ‘trust’.

Germany can be seen as a successful case of the steady implementation of policies despite changes in government regimes. Chancellor Helmut Kohl, who came to power in 1982, took over the German policy implemented by Chancellors Willy Brandt and Helmut Schmidt of the Social Democratic Party (1969-1982). Chancellor Kohl improved the relationship with East Germany and convinced General Secretary of the Socialist Unity Party Eric Honecker to visit West Germany in 1987. In 1990 Kohl achieved unification taking advantage of peaceful revolution of breaking down the Berlin

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21. Foreign Affairs Minister Yun Byung-se said, “In our analysis of the North Korean nuclear problem, the tipping point may be only a few years away” during the Korean Peninsula session of the 51st Munich Security Conference on February 18, 2017. *KyunghyangShinmun*, (February 20, 2017).
Wall by the people of East Germany.

3. Implementation of Continuous Exchanges with North Korea

Any change in the North requires continued exchanges between North and South Korea. Dialogue and exchanges with North Korea may be possible if North Korea shows a clear turn in its position toward nuclear weapons. As such, exchanges could start in humanitarian fields such as support for newborns, children and pregnant women and non-political fields such as regeneration of forests, the environment, and medical health. West Germany made efforts to change East Germany based on continuous contacts based on the notions of ‘transformation through rapprochement (der Wandel durch Annäherung)’ and ‘small step policy (die Politik der kleinen Schritte)’. These efforts resulted in continuous exchanges and paved the way for the achievement of the unification of Germany.

The problem is that although North Korea is interested in receiving economic exchanges, it remains very lukewarm towards humanitarian exchanges such as reunions of separated families. This can be seen as the main reason why dialogue and exchanges with North Korea have not been continuously implemented. Despite these numerous difficulties, it is necessary to establish the foundation for continued exchanges with North Korea. There is also a need to remember that continuous humanitarian exchanges can gain the hearts and minds of North Koreans.

While dialogue and exchanges with North Korea remain vital, this is not the time for exchanges with the North. The initiation of talks with North Korea and lifting of sanctions despite no clear change in its attitude towards nuclear development will only give Pyongyang more time to develop its nuclear and missile arsenal. Secretary of State Tillerson also said, “This is not the time in point to talk with North Korea and it is too early to discuss any nuclear freeze.”22 The
possibility of North Korea suggesting talks, even using the card of temporarily suspending its nuclear tests, cannot be ruled out. As such, Korea needs to be prepared for possible North Korea’s demands such as the removal of sanctions, suspension or reduction of U.S.-ROK military exercises and the conclusion of a peace treaty.

4. Inflow of External Information to North Korean Residents

North Korea is an extremely closed and thoroughly blocked society from the external world. North Koreans’ perceptions and values have been shaped solely by the information selectively provided by their regime. They should be made aware of news and information related to Korea and the outside world, as well as about the true state of North Korea.\textsuperscript{23} To this end, there is a need to strengthen radio broadcasts directed at North Korea and to provide external information using such means as fliers, USBs and DVDs.

First of all, there is a need to strengthen radio broadcasts toward North Korea. To this end, it is necessary to increase the number of transmitting towers and expand frequencies for radio broadcasting. In addition, we should continuously provide the people of North Korea with a variety of contents such as news about Korea and the international community, news of North Korea relating to the lies of the Kim Jong-un family, as well as Korean dramas and songs. The United States is to invest 8 million dollars (about 8.8 billion won) annually for five years from 2017 onwards to send more information to North Korea.\textsuperscript{24} For this purpose we should spend

\textsuperscript{22} Secretary of State Tillerson made such a statement during his visit to Korea. \textit{JungangIlbo}, (March 18, 2017).

\textsuperscript{23} In a Forum on North Korean Human Rights to Commemorate the 1st Anniversary to Enact North Korean Human Rights Act organized by the Ministry of Unification on March 3\textsuperscript{rd}, 2017, the Director of the Unification Media Group Lee Gwang-baek asserted, “North Korean do not even know about the internal situation in North Korea and therefore, it is necessary to let them know about the internal news of North Korea”.

\textsuperscript{24} \textit{ChosunIlbo}, (September 9, 2016).
more money, because such information runs the risk of changing North Korea for a much lesser cost than that of purchasing weapons. Korea spends several trillion won every year to purchase foreign weapons in preparation for a North Korean attack.  

5. Raising the Human Rights Violations of the North Korean Regime

The Kim Jong-un regime is generally regarded as stable. However, the impregnability of the Kim Jong-un regime is based on a brutal reign of terror that constitutes one of the important axes of its survival. As such, attention should be drawn to the state of human rights violations committed by the Kim Jong-un regime, which has emerged as one of the biggest human rights violators in the world.

West Germany strongly responded to the human rights violations by East Germany. When East Germany established the Berlin Wall, West Germany reacted by setting up the Central Registry of State Judicial Administration (CRSJA) in November 1961 to collect and record human rights violations committed by the East German regime. This organization, which was established by West Berlin’s Mayor Willy Brandt’s suggestion, had two goals: (1) to reduce human rights violations by drawing people’s attention to potential assailants within

25. South Korea had purchased 36.36 trillion won worth of weapons from the United States by October 2016 since the Defense Acquisition Program Administration was established in 2006. This means that Korea has annually purchased an average of 3.28 trillion won worth of weapons. ChosunIlbo (January 16, 2017).

26. Freedom House, which is an international human rights organization in Washington D.C., designated North Korea as one of the worst countries in the world in the aspect of political and civil rights in its “Freedom in the World 2017” Report released on February 1st, 2017. MunhwaIlbo (February 1, 2017)

27. The Central Registry of State Judicial Administration (Zentrale Erfassungsstelle der Landesjustizverwaltungen) established in Salzgitter, West Germany implemented the following missions: 1) to verify human rights violations by the government of East Germany like homicide along the Inter German border, 2) to lead the initiation of criminal proceedings into illegal judgments and 3) look into political persecution, torture and maltreatment, or deterrence during the execution of sentences.
the East German regime, (2) and to use them as the materials for criminal prosecution once unification was achieved. The CRSJA was so efficient that General Secretary Honecker consistently asked its dissolution. The North Korean Human Rights Archive installed in the Ministry of Unification in accordance with the North Korean Human Rights Act of 2016, should act as the CRSTA did in Germany.

The international community has also continuously raised the issue of human rights violations in North Korea. Since 2005 the UN General Assembly passed a resolution on North Korea’s human rights situation every year. The Commission of Inquiry (COI) defined the human rights violations of North Korea as crimes against humanity on February 17, 2014 and recommended that the UN Security Council submit the North Korea’s human rights situation to the International Criminal Court (ICC).28 This recommendation has been included in every resolution on North Korea’s human rights violations since 2014.

The United States has also actively raised North Korea’s human rights violations. The U.S. State Department reports to the U.S. Congress every six months on its interrogations of those responsible for North Korea’s human rights violations and their detailed actions under the ‘North Korea Sanctions and Policy Enhancement Act of 2016’ (came into effect on February 18, 2016). The United States has listed 22 individuals, including the General Secretary of Workers’ Party Kim Jong-un, and 10 organizations as being subject to sanctions.

The passage of the North Korean Human Rights Act has made it imperative for the current state of Kim Jong-un regime’s human

28. Judge Silvia Fernandez De Gurmendi, President of the International Criminal Court revealed her position on April 4, 2017, “the ICC cannot deal with the humanitarian crimes committed by North Korea because the latter did not join the Rome Statute of the International Criminal Court. However, an exception could be made if the UN Security Council decided.” HangukIlbo, (April 5, 2017).
rights violations to be raised within the international community. It is also necessary to cooperate with the international community such as the UN and the United States. In this regard, former North Korean diplomat Thae Yong-ho pointed out that the human rights problem seriously restricted North Korea and its diplomacy in general.\[29\] Although it may not be easy to usher in a change in terms of the human rights problem in North Korea over the short term, the human rights situation of North Korean residents must be improved, and gradual change must be brought about in North Korea by continuously raising the human rights problem.

6. National Leader’s Will and Capability

National leader’s role is also important to make North Korea take a right path. In particular, the leader needs to make efforts to secure a national consensus and support for his policies on North Korea. This foundation should be developed in an incremental manner rather than based on epoch-making achievements. In addition, the leader should strengthen cooperation with the international community so that the latter, including the United States and China, does not make any decisions pertaining to the Korean peninsula without consulting with Korea (so called the Korea Passing).

V. Conclusion

The Kim Jong-un regime is an extremely closed one that has held on to power for three generations. It is also a system which has managed to maintain its regime through a reign of terror. Actual change in North Korea may be difficult, because the Kim Jong-un regime has adhered to nuclear and missile development rather than talks and

\[29\] ChosunIlbo (December 28, 2016).
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exchanges. However, Korea’s goal as a divided country is to secure a stable peace on the Korean peninsula by inducing North Korea to give up its nuclear weapons and missiles and to eventually achieve peaceful unification. As such, Korea must urge North Korea to engage on the right path.

Effectuating veritable change in North Korea will not be an easy task. Efforts to coax North Korea in the right direction must include the continuance of strong sanctions, the implementation of a North Korean policy within a bigger framework that is based on a national consensus, the inflow of various external contents geared towards North Korean residents, the constant raising of the Kim Jong-un regime’s human rights violations, and the preparation of a foundation for continuous exchanges. Sanctions against North Korea and its human rights violations should be addressed in tandem with the international community.

Efforts to change the North should be accompanied by preparations for the advent of a sudden emergency in North Korea. The increasing number of high-ranking officials such as Former Deputy Ambassador Thae Yong-ho defecting from the North means that it cannot be excluded the probability of sudden political change in North Korea. Former Secretary of State Henry Kissinger prospected the possibility of emergency in North Korea, saying “because of its unpredictable and unknown nature, the possibility of North Korea’s sudden collapse can never be ruled out.”

North Korea will not change as long as all we do is waiting for it to change. Real change in North Korea will require the continuous implementation of a consistent policy on North Korea within a bigger framework. The improvement of North-South relations, stabilization of peace, and peaceful unification, are all predicated on the successful implementation of such a policy. (April 2017 Issue)

Impacts of the Permanent Court of Arbitration (PCA)’s Award Regarding the South China Sea on the Maritime Order in Northeast Asia

Hwang Yong-shik*

I. Implications and Characteristics of International Arbitration

The Permanent Court of Arbitration (PCA) is a court which determines awards, through arbitration, to parties to international disputes whom have requested arbitration from that organization.

The PCA is an inter-governmental organization that was established to handle the peaceful settlement of international conflicts in accordance with the first Hague Convention of 1899 and the second Hague Convention of 1907.

The subjects of arbitration awards are legal conflicts, the parties to the conflicts are expected to select the two *ad hoc* judges from a list of judges, with each country that joined the conventions allowed to name four judges.

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While other international organizations responsible for the peaceful settlement of disputes such as the Permanent Court of International Justice (PCIJ) and the International Court of Justice (ICJ) reach judicial judgement, the PCA’s decision is made in the form of an award reached through arbitration.

In accordance with international opinion that it would be more effective for international conflicts to be handled by select judges in a manner akin to domestic justice systems, the PCIJ was established by the League of Nations after World War I. Meanwhile, the ICJ was established by the United Nations after World War II as part of efforts to establish the judicial court separate from arbitration.

The differences between arbitration and a judicial court expand beyond the mere selection method of judges, they also include procedures and the impact of their decisions.\(^1\)

Compared to judicial court, arbitration features a wider scope for the definition of agreements by the parties of disputes and is intended to respect the sovereign rights of each party.\(^2\)

In addition, arbitration is different from judicial court in terms of jurisdiction in that a comparatively flexible position is maintained. Contrary to judicial court carried out based on the explicit, implied agreement between the claimants without recognizing the compulsory jurisdiction of the court, arbitration revolves around a determination of the merits by an arbitration tribunal agreed to by the claimants, and as such, the court’s jurisdiction is generally accepted.\(^3\)


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1. The term ‘award’ refers to the outcome of arbitration while ‘judgment’ is used to refer to the result of a judicial court.
signing, ratifying or acceding to this Convention or at any time thereafter, a State may, without prejudice to the obligations arising under section 1, declare in writing that it does not accept any one or more of the procedures provided for in section 2 with respect to one or more of the following categories of disputes

(a) (i) dispute concerning the interpretation or application of articles 15, 74 and 83 relating to sea boundary delimitations…”(Article 298 of the Convention).

However, the Convention widely accepted the settlement of disputes through arbitration, by clarifying that “a State Party, which is a party to a dispute not covered by a declaration in force, shall be deemed to have accepted arbitration in accordance with Annex VII.(Article 287 (3) of the Convention)”.

Therefore, the likelihood of disputes being referred to arbitration, rather than a judicial court is greatly enhanced when the claimants cannot agree on jurisdiction. There were only 20 international disputes referred to the PCA from 1900 to 1932. However, in Article 287 (1) the Convention allowed parties to settle disputes over the interpretation and application of the Convention before the International Tribunal for the Law of the Sea, the International Court of Justice, or a special arbitral tribunal set up for specific issues such as fisheries, the maritime environment, maritime science, and pollution by ships.

The Article 287 (3) and (5) of the Convention stipulate : A State Party, which is a party to a dispute not covered by a declaration in force, shall be deemed to have accepted arbitration in accordance with Annex VII. If the parties to a dispute have not accepted the same procedure for the settlement of the dispute, it may be submitted only to arbitration in accordance with Annex VII, unless the parties otherwise agree. These provisions made it possible that from 1994

when the Convention entered into force up to 2015, there were 11 cases of the disputes over the interpretation and application of the Convention referred for arbitration.⁵

Arbitration awards are final, and do not require any further procedures like ratification or acceptance by the parties to the dispute. (Article 81 of 1907 Convention for the Pacific Settlement of International Disputes).

Retrials are accepted in cases where facts discovered after the issuance of the original award are deemed to have had the potential to decisively impact the award. The award can be overturned in cases where the tribunal was found to have abused its authority or to have failed to follow important trial procedural (Article 35 of Model Arbitration Procedurals).⁶

The reason why the PCA’s awards in conjunction with disputes over the South China Sea are important is that they will serve as precedents when similar disputes are referred to another arbitral tribunal or International Court of Justice in the future. Moreover, they may also become a criteria for decisions in similar cases before other arbitral tribunals or judicial courts as long as no fault can be found with the awards, and clausula rebus sic stantibus is accepted (Article 38 (1) d of Statute of the ICJ). The fact that Japan, Thailand, Malaysia, Vietnam and Singapore sent observer delegations to the arbitral tribunal dealing with disputes over the South China Sea indicates the importance of this arbitral tribunal.

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II. Main Contents of the Decisions Made by the PCA Regarding the Disputes Over the South China Sea

1. The Philippines’ Claim Against China and China’s Reaction

The Philippines was able to bring its dispute with China over the South China Sea to the PCA because both countries were party to the Convention. While the Philippines ratified the Convention on May 8, 1984, China ratified it on June 7, 1996, meaning that both countries were obliged to comply with the Convention.

The Convention stipulates that any territorial claim should be excluded from the jurisdiction of arbitration because territorial disputes are regarded as matters of national sovereignty.

China’s proclamation on August 25, 2006 that it refused to accept the compulsory jurisdiction of the tribunal regarding the maritime boundary delimitations under Article 298 (1) (a) (i) of the Convention, spurred the Philippines to introduce the reasons for its taking of the case over the South China Sea to the PCA.

Through the Notification and Statement of Claim dated 22 January 2013, the Philippines initiated arbitration proceedings against China pursuant to Articles 286 and 287 of the Convention and in accordance with Article 1 of Annex VII of the Convention.

The Philippines stated that it sought an Award that:

(1) declares that the Parties’ respective rights and obligations in regard to the waters, seabed and maritime features of the South China Sea are governed by the Convention, and that China’s claims based on its “nine dash line” are inconsistent with the Convention and therefore invalid;

(2) determines whether, under Article 121 of the Convention, certain of the maritime features claimed by both China and the Philippines are islands, low tide elevations or submerged
banks, and whether they are capable of generating entitlement to maritime zones greater than 12 nautical miles, and (3) enables the Philippines to exercise and enjoy the rights within and beyond its exclusive economic zone and continental shelf that are established in the Convention.

In response, China presented a Note Verbale to the Department of Foreign Affairs of the Philippines on 19 February 2013 in which it rejected arbitration, and was hereby returning the Notification and Statement of Claim to the Philippines. In its Note Verbale, China stated that its position on the South China Sea issues “has been consistent and clear” and that “at the core of the disputes between China and the Philippines in the South China Sea are the territorial disputes over some islands and reefs of the Nansha Islands.” China noted that “the two countries also have overlapping jurisdictional claims over parts of the maritime area in the South China Sea” and that both sides had agreed to settle the dispute through bilateral negotiations and friendly consultations.

Afterwards, China also issued a Position Paper on December 7, 2014, in which it asserted (1) the dispute was not subject to arbitration because it was ultimately a matter of territorial sovereignty, (2) China and the Philippines had agreed to settle the disputes based on negotiations in various documents and in the Declaration on the Conduct of Parties in the South China Sea (3) the claim raised by the Philippines was indivisibly related to the question of the maritime boundary delimitation between the two countries.

China made its position known through several channels, including in a letter sent to the arbitrators on February 6, 2015 through the Chinese ambassador in the Netherlands stating that Beijing would

7. Ibid., 14, p.4 and 37, p.14.
8. Ibid., 42, p.15. In addition to the reasons cited in the above position paper, China
Impacts of the Permanent Court of Arbitration (PCA)’s Award Regarding...

not participate in the arbitral tribunal nor accept the results thereof. China continuously refused to accept the arbitral tribunal convened by the Philippines, denied its judicial jurisdiction and refused to receive documents from it, did not participate in the trial procedural, failed to submit the counter-memorial requested by the arbitral tribunal, and also refused the requests of the arbitral tribunal to cover trial costs.9

2. Constitution of the Tribunal Court and Start of the Arbitral Tribunal

In accord with Article 3 (b) of Annex VII of the Convention, the Philippines designated German national Rüdiger Wolfrum as arbitrator. For its part, as China did not designate any arbitrators, the Director of the International Tribunal for the Law of the Sea (ITLOS) designated arbitrators from Poland, France, Netherlands and Ghana under Article 3 (c) and (e) of Annex VII of the Convention. Thomas A. Mensah of Ghana was named chief justice of the Tribunal at the moment of the latter’s formation on June 21, 2013.10 The Tribunal requested that the Philippines submit a memorial stating the reasons for the claim on August 21, 2013. The Philippines submitted the final memorial on November 30, 2015, which supplemented the previous memorial requesting arbitration award in conjunction with 15 items.11

The Tribunal reviewed these 15 items, classifying them into the following four categories.12

also asserted that the Philippines had not initiated settlement procedures based on negotiations with China and that as such the Philippine shadab used a compulsory procedure of the Convention. Ibid., 166, pp.64-65.

9. Ibid., 116, p.45. The Philippines paid for China’s trial costs as the latter refused to do so.

10. Ibid., 30, p.12.

11. Ibid., 112, pp.41-42.
First, the Philippines seeks a declaration from the Tribunal that China’s rights and entitlements in the South China Sea must be based on the Convention and not on any claim to historic rights. In this respect, the Philippines seeks a declaration that China’s claim to rights within the ‘nine-dash line’ marked on Chinese maps are without lawful effect to the extent that they exceed the entitlements that China would be permitted by the Convention.

Second, the Philippines has asked the Tribunal to resolve a dispute between the Parties concerning the entitlements to maritime zones that would be generated under the Convention by Scarborough Shoal and certain maritime features in the Spratly Islands that are claimed by both the Philippines and China. The Convention provides that submerged banks and low-tide elevations are incapable on their own of generating maritime areas and that “rocks which can not sustain human habitation or economic life of their own” do not generate an entitlement to an exclusive economic zone of 200 nautical miles or to continental shelf. The Philippines seeks a declaration that all of the features claimed by China in the Spratly Islands, as well as Scarborough Shoal, fall within one or the other of these categories and that none of these features generates an entitlement to an exclusive economic zone or to a continental shelf.

Third, the Philippines has asked the Tribunal to resolve a series of disputes between the Parties concerning the lawfulness of China’s actions in the South China Sea. The Philippines seeks declarations that China has violated the Convention by;

(a) interfering with the exercise of the Philippines’ rights under the Convention, including with respect to fishing, oil exploration, navigation, and the construction of artificial islands and installations;

12. Ibid., 7-10, pp.2-3.
(b) failing to protect and preserve the marine environment by tolerating and actively supporting Chinese fishermen in the harvesting of endangered species and the use of harmful fishing methods that damage the fragile coral reef ecosystem in the South China Sea; and
(c) inflicting severe harm on the marine environment by constructing artificial islands and engaging in extensive land reclamation at seven reefs in the Spratly Islands.

Fourth, the Philippines has asked the Tribunal to find that China has aggravated and extended the disputes between the Parties during the course of this arbitration by restricting access to a detachment of Philippine marines stationed at Second Thomas Shoal and by engaging in the large-scale construction of artificial islands and land reclamation at seven reefs in the Spratly Islands.

3. Main Contents of the Arbitral Tribunal

A. Jurisdiction of the PCA

The Tribunal regarded China’s refusal to recognize jurisdiction as the preliminary objection to the merits of Philippines’ lawsuit and prioritized the review of this issue. As a result of this review, the Tribunal determined on October 29, 2015 that it did in fact have jurisdiction over the matter, which led to a decision that the Philippines had legal ground for a complaint. Moreover, China’s refusal to participate in the Tribunal on the grounds that sovereign states possessed the right to refuse to engage in such proceedings was rejected on the grounds that the two parties were obliged to follow the Convention.

The Tribunal held that China’s Position Paper showed intention to participate in the proceedings initiated by the Philippines, and Article 9 of Annex VII of the Convention stipulated that “the absence
of a party or failure of a party to defend its case shall not constitute a bar to the proceedings.”

B. Nine-dash line on the South China Sea and China’s historic rights

China presented various documents to support its assertion that it had ‘historic rights’ to the South China Sea. These included statements made by the Director General of the Department of Treaty and Law of the Ministry of Foreign Affairs on May 12, 2016.

It also asserted on August 25, 2006 that the Tribunal did not have jurisdiction over maritime boundary delimitations under Article 298 (1) (a) (i) of the Convention.

However, the Tribunal decided that, judging by the enactment process of the Convention or other judicial precedents, the term ‘title’ included in the wider term ‘historic bays or titles’ found in Article 298 (1) (a) (i) did not imply the territorial sovereignty over a specific feature which could create a right for marine areas exceeding the limits of marine territory based on historic facts.

As a result, the Tribunal concluded that the Convention superseded any historic rights or other sovereign rights or jurisdiction in excess of the limits imposed therein. It also concluded that China’s claims for historic rights over living and non-living resources within the nine-dash line are not in accordance with the Convention because historical voyages and fishing in marine areas outside of territorial waters could not create any historical rights.

15. Ibid., 169-278, pp.67-117.
C. Legal interpretation of Article 121 of the Convention

Article 121 of the Convention stipulates that (1) an island is a naturally formed area of land, surrounded by water, which is above water at high tide. (2) Except as provided for in paragraph 3, the territorial sea, the contiguous zone, the exclusive economic zone and the continental shelf of an island are determined in accordance with the provisions of this Convention applicable to other land territory. (3) Rocks which cannot sustain human habitation or economic life of their own shall have no exclusive economic zone or continental shelf. In connection with these provisions, the Tribunal reached the following conclusions regarding the status of features.

(1) Because of the relationship with Article 121(1) under Article 121 (3) of the Convention, rocks have to be exposed above water at high tide. This does not only refer to geologically formed rocks.

(2) The phrase, “cannot sustain human habitation or economic life of their own” should not be determined solely by the current situation. The fact that, in the past, human beings have inhabited or led economic livelihood in an area can be used as evidence proving that human beings can continue to inhabit and engage in economic livelihood in that particular area. The word, ‘sustain’ means to maintain for a reasonable period of time and based on appropriate life styles. While multiple communities are not necessary, human habitation should be regarded as habitation involving individuals who truly have intention to settle there.16 If the independent economic life is limited to a situation in which economic activity is solely dependent on external support or involves exporting the natural resources for the interests of external people, then this should be deemed as insufficient to satisfy the conditions needed to

16. Ibid., 542, p.228.
independently sustain economic livelihood.\textsuperscript{17}

(3) If a rock meets one of two criteria, namely to be able to sustain human habitation or economic life, then it can be included within an exclusive economic zone or continental shelf. However, the sustainment of human habitation and economic life should be determined based on the mutual relationship between these two criteria.\textsuperscript{18} If life cannot be sustained on a rock because it is non-arable land and no basic life necessities such as food or drinking water can be found, then it should also be deemed that human habitation cannot be sustained.\textsuperscript{19}

(4) The decision on whether a rock has its own exclusive economic zone and continental shelves should be made based on the natural status without any modification or changes from the outside for the purpose of sustaining human habitation or improving the capability for economic activity.\textsuperscript{20}

D. Legal status of islands and rocks located in the South China Sea raised by the Philippines

The Tribunal reviewed the legal status of the claim under Article 121 of the Convention regarding features such as islands and rocks in the South China Sea raised by the Philippines. It concluded that any rock which was not above water at high tide could not have its own territorial waters. In the case of an island or rock above water at high tide, it concluded that there were no features that could be deemed to have its own exclusive economic zone or continental shelf under Article 121 (3) of the Convention.\textsuperscript{21}

\begin{thebibliography}{99}
\bibitem{17} Ibid., 547, p.229.
\bibitem{18} Ibid., 543, p.228.
\bibitem{19} Ibid., 548, p.230.
\bibitem{20} Ibid., 541, p.227.
\bibitem{21} Ibid., 1203, pp.471-472.
\end{thebibliography}
E. China’s alleged failure to protect and preserve the marine environment

The Tribunal concluded that China violated the Convention for the Protection of Endangered Species by ignoring or supporting Chinese fishing vessels engaging in harmful harvesting activities of endangered species in the South China Sea. It also agreed with the Philippines’ assertion that China failed to observe the Marine Environment Protection Clauses under the Convention (UNCLOS) by developing uninhabited islands and engaging in land reclamation activities in the South China Sea. 22

F. China’s actions to worsen the dispute during the tribunal proceedings

The Tribunal accepted the assertion that the Chinese had further amplified the issue by sending government officials and vessels into the sovereign waters of the Philippines in the South China Sea during the tribunal procedures, and also concluded that China worsened the dispute by engaging in land reclamation projects at Mischief Reef, a rock featured at low-tide that is located within the exclusive economic zone of the Philippines. Moreover, it had further extended the dispute by developing various artificial islands within the Spratly Islands and destroying the marine environment. 23

III. Impacts of the PCA’s Award Regarding the South China Sea on the Maritime Order in the Northeast Asian Region

On August 25, 2006, China claimed that the PCA did not have any jurisdiction with respect to maritime areas, and argued that its

\[22. \text{Ibid.}, \ 925-993, \ pp.369-397.\]
\[23. \text{Ibid.}, \ 1110-181, \ pp.437-464.\]
refusal to participate in the arbitration regarding the maritime boundary delimitation was justified under Article 298 (1) (a) (i).

However, the Tribunal decided that the maritime boundary delimitations were not included in Article 298 (1) (a) (i) and as such the Tribunal had jurisdiction over this case. As such, even though the other party did not participate in the arbitration procedural, it continued arbitration in accord with Article 9 of Annex VII of the Convention.

The Tribunal implemented its decision based on China’s position laid out in its Position Paper submitted by the Chinese Ministry of Foreign Affairs on December 7, 2014 and other various official documents from the Chinese government.

As the PCA’s decision regarding the South China Sea will be established as a judicial precedent, the contents of this decision will greatly impact the maritime order in Northeast Asia; especially in the following regards.

First, the Tribunal presented a widespread definition of the jurisdiction of tribunals. Therefore, any dispute not related to territorial sovereignty and maritime boundary delimitation, but rather to the application and interpretation of the Convention, will fall under its jurisdiction, and this even if countries question its jurisdiction under Article 298 of the Convention. It is also clear that if the two parties to a dispute do not attempt to refuse its jurisdiction, the PCA wields jurisdiction under Article 287 (3) of the Convention. Like wise when the two parties could not reach a procedural agreement on which court they should submit the case to, the PCA was granted jurisdiction under Article 287 (5) of the Convention.

Korea proclaimed on April 18, 2006 that in keeping with Article 298 (1) of the Convention, it rejected all the compulsory procedural stated in Section 2 of Part XV of the Convention with respect to the disputes in all the categories stated in Article 298 91) (a), (b) and (c) of the Convention. As mentioned above, China announced
in August 2006, that is did not recognize the jurisdiction of the tribunal. Despite these countries’ policy proclamations, the award in the case of the South China Sea indicates that in the future the PCA may have more room to exercise its jurisdiction in cases concerning the application and interpretation of the Convention.

Second, the PCA ruled that even if a party does not participate in an arbitral tribunal, its public pronouncements and official documents can be regarded as its official position.

Third, the PCA established criteria to clearly distinguish islands from rocks as defined in Article 121 of the Convention. These criteria might be a useful guideline with which to resolve disputes arising from different interpretations on islands and rocks in the future.

The logic employed to explain the PCA’s decision in the case of the South China Sea would seem to encourage Northeast Asian countries to bring forth issues related to the interpretation and application of the Convention before an arbitral tribunal, and may have a great impact on the maritime order in the Northeast Asia.

1. The Status of Okino Torishima under Article 121 of the Convention

Okino Torishima is a Japanese uninhabited atoll located 1740km away from Tokyo. It occupies a total area of 8,842 m², the majority of which is under water at high tide. Japan officially included this area within its territorial scope in 1931. It installed an observation facility in 1939 and built an artificial island out of concrete in 1988, moves which spurred it to announce a maritime area equivalent to

420,000 km² as part of its exclusive economic zone.

A specific country may very well demand that the PCA rule on whether Okino Torishima can have its own EEZ or continental shelf as stated in Article 121 of the Convention. Moreover, if the PCA applies the same criteria as shown in the case of the South China Sea, it may very well decide that Okino Torishima could not have its own EEZ or continental shelf based on the logic that it is not an island above water at high tide and it cannot sustain human habitation or economic life of its own.

2. The Status of Dokdo under Article 121 of the Convention

The issue revolves around whether Dokdo has the status needed to bestow it EEZ under Article 121 of the Convention. Dokdo consists of two large islands, called Dongdo (88.74 m²) and Seodo (73.297 m²), as well as 89 annexed islands. The total area of the rocks is 187.554 m².

The issue of whether Dokdo should have its own EEZ is closely related to the assertions made by the two countries during a meeting of the director-generals of the Department of Treaty and Law regarding the delimitation of the EEZ between Korea and Japan.

This director-general level meeting was held annually from 1996 onwards, but stopped after 2000 due to the large discrepancies between the two countries over the delimitation of the EEZ.

While the 5th meeting of this gathering was convened in Tokyo in June 2006, the 6th was held in Seoul in September 2006. In terms of measuring the breadth of the EEZ between the two countries, the Korean side had until in 2000 suggested that the median line be drawn between Ulleungdo and Oki Island; meanwhile, the Japanese side suggested that the median line should be drawn between Dokdo and Ulleungdo. However, in April 2006, it happened that when Japan announced a plan to make a survey of a waterway adjacent to Dokdo,
Korea protested, on the grounds that this was a provocation meant to question Korea's territorial sovereignty over Dokdo. Thereafter, the Korean side changed its position on measuring the breadth of the EEZ during a meeting in 2006, now claiming that a median line should be drawn between Dokdo and Oki Island in order to determine the EEZ between Korea and Japan.

If the PCA applies the same criteria as in the case of the South China Sea to the question whether Dokdo has the status to and from which the breadth of EEZ could be measured, then it might determine that Dokdo does not have a status of being a point to measure the EEZ on the ground that it was originally an uninhabited island and it is still a non-arable rock, with no sustainable drinkable water or food for human habitation in itself.

3. The Status of the Senkaku Islands / Diaoyudao under Article 121 of the Convention

The Senkaku Islands are made up of five uninhabited islands and three rocks located between Taiwan and the Ryukyu Islands. The total area occupied by the individual islands spans from 800 m$^2$ to 4.32 km$^2$. The total area occupied by the overall Senkaku Islands spans about 7 km$^2$. The Senkaku Islands are currently occupied by Japan. However, China and Taiwan have claimed their sovereignty over these territories, and thus the islands are considered an area under territorial dispute.

The five islands are known as Uotsuri-shima, Kuba-shima, Taisho-to, Minami-kojima, and Kita-kojima. Japan has asserted its sovereignty over all of these islands. In this regard, Taisho-to became Japanese state-owned land, while Kuba-shima is currently occupied by the U.S. forces stationed in Japan in a way that the Japanese government treated the land to a private ownership. The other three islands are registered as the property of Japanese individuals. China
and Taiwan strongly opposed moves by the mayor of Tokyo to purchase these three islands in September 2012.

The countries claiming territorial sovereignty over these islands had never announced EEZ. However, in September 2012, China drew straight baselines to and from the low tide elevation of the islands and utilizing these lines, claimed the area as its continental shelf and submitted documents claiming it with a map showing this to the UN Commission for Limits of the Continental Shelf (CLCS) in December 2012.25

In case when any country requests the PCA to clarify whether the Senkaku Islands / Diaoyudao have the status to and from which straight baseline lines can be drawn making it possible to claim the breadth of continental shelf and whether China’s claim is in accordance with the provision of Article 121(3) of the Convention, the PCA will have jurisdiction to give an award on those requests. If the PCA applies the same criteria as shown in the case of the South China Sea, it may decide that the Senkaku Islands / Diaoyudao do not have such a status on the ground that these islands are uninhabited islands and therefore China’s claim is not in accordance with Article 121 (3) unless China can prove that these islands are connected with the uniqueness of the relevant geological features, to extend beyond the limits of 200 nautical miles from the baselines from which the breadth of the territorial sea is measured in accordance with Article 76 (4) and (5) of the Convention.

IV. Conclusion

The PCA’s award in conjunction with the case of the South China

Sea may have great impacts on the maritime order in Northeast Asia.

First, despite the fact that China refused to accept its jurisdiction and refused to participate in the procedures, the PCA nevertheless concluded that it did in fact have jurisdiction in the case submitted by the Philippines. It also regarded the official documents submitted by China as a statement of its official position and continued to forge ahead with its decision with regard to the dispute.

As mentioned above, the Tribunal is an institution to settle disputes between parties through arbitration. As such, despite having a much wider jurisdiction than judicial courts, China has nevertheless asserted that the PCA does not have jurisdiction over the case of the South China Sea. It has also waived its right to actively appeal its position by not participating in the proceedings.

Meanwhile, the Philippines has actively participated in the proceedings of the Tribunal, and explained their position in detail.

As a result, 13 of the 15 claims made by the Philippines were accepted by the Tribunal, with the exceptions being the claims related to China’s military activities and the request to abide by the Convention.

The PCA’s determination of its jurisdiction means that maritime disputes in Northeast Asia can in fact be submitted to the PCA as long as they are not directly related to territorial sovereignty and boundary delimitation but related to the interpretation or application of the Convention. Therefore, even though China and Korea refuse to accept the jurisdiction of the PCA, any country can request that the PCA clarify the status of islands under dispute as long as the request is connected solely to the interpretation and application of the Convention.

Second, the PCA’s decision has brought much needed clarity to the definition of islands and rocks found in Article 121 of the Convention. As such, the possibility of finding methods through arbitration to distinguish the status of islands from that of rocks,
which account for a significant part of maritime disputes in Northeast Asia, has been enhanced.

Third, most of the maritime disputes in Northeast Asia revolve around sovereign rights based on historical facts. However, the principle of ‘Convention supersedes historical right’ was established by the PCA’s decision in conjunction with the dispute over the South China Sea. Therefore the interpretation and application of the Convention were deemed more important than difficult to resolve historical issues when it comes to the maritime order in Northeast Asia. As such, the need to search for solutions to maritime disputes in Northeast Asia that are rooted in legal bases rather than historical facts has been highlighted.

Last and most importantly, what actions the international community can take toward China should the latter continuously refuse to accept the PCA’s decisions with regard to the dispute on the South China Sea. International pressure will be brought to bear on China to accept the PCA’s decision. However, individual countries with deep links to China will attempt to mitigate such pressure on China. This will embolden China to render the PCA’s decision useless, refuse to accept the PCA’s conclusions, and try to explain the injustice of the PCA’s decision to individual countries.

As long as China maintains its position regarding the maritime order and the international society is unable to take action, the maritime order in Northeast Asia will inevitably remain unstable with the seeds of disputes and ruled by the principle of power rather than ruled by Conventions. (October 2016 Issue)
Assessment of the 22\textsuperscript{nd} Conference of the Parties and the Future Tasks

Kwon Sei-joong*

I. Introduction

The 22\textsuperscript{nd} session of the Conference of the Parties (COP 22, hereinafter referred as “Marrakech Conference”) was held in Marrakech, Morocco, from November 7 to 18, 2016. About 25,000 people from international organizations and NGOs as well as from 197 member governments participated in this Conference that constituted the biggest climate change event ever.\textsuperscript{1} Six meetings including the Conference of the Parties (COP) were held during the Marrakech Conference: the twelfth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 12), the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA1), the forty-fifth session of the Subsidiary Body for Implementation (SBI 45), the forty-fifth session of the Subsidiary Body for Scientific and

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\textsuperscript{1} 15,800 government officials from member countries, 5400 people representing international organizations such as UN and NGOs, and 1200 people from the media participated in the conference.
Technological Advice (SBSTA 45), and the resumed session of the Ad Hoc Working Group on the Paris Agreement (APA1-2). The first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA1) in effect received the most attention from the participants in its opening on November 15th due to the early effectuation of the Paris Agreement.2

On the other hand, the High Level Segment in which the heads of 70 states and governments took part was held on November 14th. The High Level Segment concentrated on dispelling international concerns regarding the Trump government’s implementation of the Paris Agreement, and also concentrated on uniting the political willingness of the international community to combat climate change.3

The Marrakech Conference was held amid circumstances in which the effects of climate change are clearly being felt and came on the heels of the early effectuation of the Paris Agreement. The world recorded the highest temperatures over a three-year period, from 2014 to 2016, since climatological observation began in the 1880s. Carbon dioxide concentration levels in the air reached in excess of 400ppm, which has been regarded as a symbolic Maginot line, for the first time in history in 2016.4 This phenomenon provided an opportunity to further raise international interest in the implementation of the Paris Agreement.

Viewed from the standpoint of international politics, the Marrakech Conference received attention as it occurred at a time when changes and cracks in climate leadership were emerging. In actuality, the main

2. The Paris Agreement came into effect on November 4th, which was three days before the opening of the first session of the Conference of the Parties. 97 countries accounting for 69% of greenhouse gas (GHGs) emission in the world ratified the Paris Agreement on the day of its effectuation.

3. United Nations Secretary-General Ban Ki-moon appealed for strong international support for the Paris Agreement entering into force, stating “What once seemed unthinkable is now unstoppable”.

actors for the early effectuation of the Paris Agreement were the United States and China. The two countries announced ratification of the Paris Agreement on September 3, 2016, a day before the opening of the 2016 G20 Hangzhou Summit, and submitted the ratification instrument to the Secretary-General of the United Nations, Ban Ki-moon. The European Union (EU) was initially uncertain about ratifying the Paris Agreement. However, concerned about potential damage to its leadership on the issue, the EU eventually fast tracked on its ratification. More to the point, although ratification of any treaty should only be carried out after all 28 EU members have ratified it, the EU modified its policy to make ratification possible based solely on the procedural of the European Commission and the countries that had completed ratification by the deadline.\(^5\) India also completed ratification as part of the celebration of the anniversary of Gandhi’s birthday (October 2), a denouement that marked a clear change from their passive position of the past.

However, strong concerns about the future of the Paris Agreement surfaced on November 8, 2016, the day after the Marrakech Conference; Trump was elected as the President of the United States.\(^6\) The Marrakech Conference was also a stage to test the international community’s willingness to act on climate change. Although the unexpected ‘Trump shock’ emerged as a great challenge to these negotiators on climate change, members nevertheless participated in negotiations on various issues and expressed their will to implement the Paris Agreement.

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5. The EU submitted the ratification instrument to the United Nations on October 7, 2016, a move which came after seven countries, including France and England, had ratified the agreement at the level of the EU on October 6, 2016.

6. Trump stated that climate change was a hoax and he would cancel the Paris Agreement on climate change.
II. Main Agenda of the COP 22

The key negotiation tasks of the COP 22 can be summarized as follows.

First, it has been only a year since the Paris Agreement was adopted and steps must be taken to ensure the momentum to advance the implementation of the Agreement and to strengthen the willingness.

Second, this gathering was seen as an opportunity for members to voluntarily set their goals for greenhouse gas emission mitigation, to encourage them to implement nationally determined contributions (NDC), and to induce them in setting higher goals for the future.

Third, there was a focus on ensuring climate-related finances and increasing the financial sources to be allocated to adaptation, which constituted developing countries’ main source of interest.

Different agendas were adopted and discussed during the six main meetings held during the Marrakech Conference. In particular, the Subsidiary Body on Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) dealt with detailed and technical themes related to the implementation of the Convention on Climate Change and Kyoto Protocol. This study analyzes the discussions over CMA1 designed to deal with the work programmes needed to implement the Paris Agreement centering on the six pillars\(^7\) of the Paris Agreement, and the main agenda discussed by the subsidiary bodies such as market mechanisms.

1. Effectuation of the Paris Agreement and Work Programmes for the Implementation

The greatest interest at the Marrakech Conference was reserved

\(^7\)The six pillars of the Paris Agreement are (1) mitigation, (2) adaptation, (3) transparency, (4) climate finance, (5) technology, and (6) capacity building.
for the resolution of the problems stemming from the lack of institutional preparation for the implementation of the Paris Agreement due to its early effectuation. Concluded in June 1992, it took about two years for the United Nations Framework Convention on Climate Change (UNFCCC) to be ready for the implementation in March 1994. Adopted in December 1997, it took about 7 years and 2 months for the Kyoto Protocol to be implemented in February 2005. In the case of the Paris Agreement, as it came into an effect only a year after the conclusion of the Agreement in December 2015, few MPGs, Modalities, Procedures and Guidelines were prepared in conjunction with many issues.

Two issues were raised in conjunction with the drawing of the work programmes designed to facilitate the institutional enforcement and implementation of the Paris Agreement. The first was the time frame in which the next CMA meeting would be convened following the CMA1. The Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) planned to reconvene the meeting after suspending the CMA1 before the Marrakech Conference. However, they needed to secure agreement from the members regarding the reconvening period. The second was the question of whether the decision to become fundamental grounds for negotiations in the future would be adopted at the CMA1, and what agenda would be selected based on what kind of scope if the decision was indeed adopted at the CMA1. Although the majority of members agreed that the CMA1 was a meeting to deal with procedural issues rather than actual contents, several different opinions were nevertheless expressed. In addition, although entrusted to the Paris Agreement, other issues, including those that were not part of the negotiation process as well as measures designed to organize facilitative dialogues in 2018, were also raised as part of the agenda for CMA1.
2. Characteristics of Nationally Determined Contributions (NDC) and Related Information

Nationally Determined Contributions (NDC) is the name given to the voluntary commitments made by each member in order to limit global warming to the target of 2° reached before industrialization. However, interpretation of the contributions of NDC has differed. Developing countries have asserted that the NDC should deal with adaptation and reduction in a balanced manner, and that the finances, technology and capacity building that serve as the means of implementation should also be given great importance. Meanwhile, advanced countries have insisted that the NDC should be focused on reduction.

Three detailed issues were raised relating to the characteristics of NDC during the Marrakech Conference: (1) the perception of how the NDC should be approached and interpreted, based on what contexts, (2) what kind of information should be included in the NDC, and (3) how the methods of accounting for greenhouse gas should be defined in the NDC, based on what standards.

3. Transparency Framework and Global Stocktake

The transparency framework is closely related to the building up of trust and confidence and to the preparation of verification procedures for the effective implementation of the Paris Agreement.\(^8\) Given that it is directly related to the establishment of the detailed methods, procedural and instructions for the reductions and adaptation intended in the Paris Agreement, and to the measurement, reporting and verification of MRV at the supporting level, which is

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\(^8\) In order to build mutual trust and confidence and promote effective implementation, an enhanced transparency framework for action and support, with built-in flexibility which takes into account Parties’ different capacities and builds upon collective experience is hereby established. (Article 13 (1) of Paris Agreement)
an obligatory action for advanced countries, it goes without saying that this has emerged as a very sensitive issue.

The biggest issues during the negotiations over a transparency framework were those of whether the transparency framework should be the same for advanced and developing countries or whether developing countries should be given more flexibility, and if so, then how much flexibility should be given to the developing countries. Most members were in agreement on the need to provide more flexibility to weak developing countries, such as small island nations.

4. International Market Mechanisms

As stipulated in Article 6 of the Paris Agreement, market mechanisms were on the issue during the forty-fifth session of the Subsidiary Body for Scientific and Technological Advice (SBSTA 45). The market related provisions found in Article 6 of the Paris Agreement were greatly emphasized in terms of how to introduce market mechanisms for greenhouse gas reduction. Article 6 of the Paris Agreement consists of three parts; while market mechanisms are covered in Article 6 (2) to (3) regarding internationally transferred mitigation outcomes (ITMOs) under the voluntary cooperative approach that exists between members, Article 6 (4) to (7) deals with the mechanisms contributing to the mitigation of greenhouse gas emissions and support for sustainable development. The third part, from Article 6 (8) to (9), deals with non-market mechanisms.

The main issues relating to market mechanisms included the obedience of environmental soundness and prevention of duplicated accounting on greenhouse gas emission reductions at the mitigation level by the members; actual problems such as the equalization of the quality of reduction results, transaction conditions and institutions and the relations with Article 6 (2) and (4), and further the definition of relations with these provisions and other provisions in the articles of the Paris Agreement.
5. Means of Implementation  
(Finance, Technology and Capacity Building)

The means of implementation consist of finance-related matters such as the establishment of the financial resources requested by the developing countries, technology transfers, and technical support for capacity building. The discussions on raising the financial resources were focused on the drawing of a roadmap to create 100 billion dollars in financial resources for long-term financial commitments as agreed during the United Nations Climate Change Conference in 2010 (COP16). The Paris Agreement called for the annual collection of 100 billion dollars in financial sources by 2020, and decided to establish new financial goals in 2015 based on the results to date.

Discussions were carried out on the establishment of work programmes to strengthen technology transfers and cooperation through the Technology Mechanism stipulated in the Paris Agreement and to link finance along with the technology mechanisms.

The issue of capacity building has continuously been raised by developing countries in many fields in terms of adaptation as well as reduction. In particular, the establishment and management of the Paris Committee on Capacity Building (PCCB) stipulated in the Paris Agreement and the need for a comprehensive review of the capacity building framework were dealt with during the Marrakech Conference.

III. Assessment of the Major Results of COP22

The members adopted the Marrakech Action Proclamation for Our Climate and Sustainable Development, and the total of 35 decisions were passed by the various conference bodies. More to the point, 25 decisions were taken during the Conference of the Parties (COP),
8 during the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), and 2 decisions during the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA).

1. Adoption of the Marrakech Action Proclamation

One of the key results of the Marrakech Conference was the adoption of the Marrakech Action Proclamation for Our Climate and Sustainable Development that clearly highlighted the political will of the international community to combat climate change. This proclamation urges the international community to participate in climate change actions, as a primary issue to respond against climate change and to strengthen response efforts against climate change at the level of poverty reduction and food security. It also calls for the comprehensive participation of various interest groups from the governments to civil groups and NGOs.

The Marrakech Action Proclamation is important in that members recognized the Paris Agreement as irreversible even amid the shock of Trump’s victory in the presidential election and urged continued international cooperation for climate change. Furthermore, it helped to bring pressure on members to facilitate the implementation of the Paris Agreement. The decision reached during the CMA1 to complete the work programmes by 2018 when the facilitative dialogue will be held, and it exhibits the clear political implications of the Marrakech Action Proclamation.

2. Agreement on Work Programmes to Implement the Paris Agreement

The meeting on the work programmes related to the implementation of the Paris Agreement was carried out based on informal consultations rather than the contents. The decision was adopted on November
18th (actually 2:00 am on November 19th). During the information consultations, the members exhibited different opinions as to whether they would adopt the decision at the Conference of the Parties to the Paris Agreement (CMA), and whether the decision would include only simple procedurals or even only actual parts of the procedurals if the decision was adopted at the CMA.

The members exhibited different opinions as to whether the CMA1 should be reconvened in 2017 or 2018. The majority of developing countries preferred to do so in 2017. The developing countries asserted that the CMA1 should support the prompt adoption of the decisions taken at the APA and SB in 2017. They stressed that the political momentum surrounding the Paris Agreement could be weakened if the CMA1 was only reconvened in 2018 after having been prorogued in 2016. On the other hand, the advanced countries and some developing countries maintained that unnecessary arguments could be reduced by reconvening the CMA1 in 2018 once the work programmes had been completed through the negotiations. They asserted that reconvening in 2017 without any decision being reached will be significant reputational risks.

With regard to the reconvening of CMA1, the advanced countries eventually gave in to the demands of the developing countries regarding the need to discuss the progression of the work programmes established under the Paris Agreement. In addition, the members decided to prepare various outcomes through three meetings during the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA1-3) by completing the work programmes at the earliest stage possible so that they could be reported and adopted by the 24th session of the Conference of the Parties (COP24) in 2018 at the latest.

Although these issues were entrusted to the Paris Agreement, orphan issues (or homeless issues) also emerged as a hot button issue during the conference. 9 orphan issues were presented in the informal note submitted to the President of the Conference of the Parties during
the informal consultation. Many opinions surfaced as to how to deal with these 9 orphan issues, as well as with regards to the channels through which these should be addressed. In addition, the operation of the Adaptation Fund installed in accordance with the Kyoto Protocol was also raised in conjunction with these orphan issues.

3. Results of the Meetings by Agenda

(1) Characteristics of Nationally Determined Contributions (NDC) and Related Information

The issues surrounding NDC, which became a spotlighted issue at the Marrakech Conference, originated from the differing viewpoints and perspectives of NDC. The advanced countries viewed the NDC from the contexts of transparency as spelled out under Articles 14 and 13 of the Paris Agreement defining the NDC. Meanwhile, the developing countries viewed the characteristics of NDC from the standpoint of various elements such as reduction, adaptation, finance, technology, and capacity building. In terms of the information contained in the NDC, the advanced countries called for detailed quantification goals. They also called for the use of IPCC methodology as the estimation method for quantification because the latter was deemed capable of guaranteeing objectivity. However, the developing countries opposed the advanced countries’ assertions, insisting that the NDC should be drawn in accord with the situation of each country in an autonomous and discrete manner based on the Common but

9. ① common time frames for NDCs, ② adjustment of NDCs, ③ "enabling" the response measures forum, ④ recognition of adaptation efforts, ⑤ guidance to the operating entities of the Financial Mechanism, ⑥ guidance to the LDCs Fund(LDCF) and Special Climate Change Fund, ⑦ new collective goal on finance, ⑧ ex ante finance information, ⑨ education, training and public awareness.

10. Differing opinions emerged over whether ‘may’, ‘should’, or ‘shall’ be used in conjunction with the Adaptation Fund. The developing countries preferred ‘shall’ while the advanced countries preferred ‘may’ or ‘will’. The advanced countries also had the intention to abandon ‘should’ under certain conditions.
Differentiated Responsibility and Respective Capabilities (CBDR & RC). As such, it appears that a tight tug-of-war game is being carried out between the advanced and developing countries to gain the lead at the roundtable of APA1-2 set for May 2016.

(2) Transparency and Global Stocktake

Transparency was the issue on which the most progress was made during the Marrakech Conference. This proves that the measurement, reporting, and verification (MRV) system established under the Kyoto Protocol was only partially functional. The advanced and developing countries officially recognized the importance of transparency for the success or failure of the implementation of the Paris Agreement. The members agreed that the transparency process should consist of reporting, technical reviews, and multinational consideration. As far as the details of this transparency are concerned, the members planned to submit their proposals during the first half of the year and to discuss the relevant details during the APA to be held in May 2016.

The global stocktake, which is a provision clarified in Article 14 of the Paris Agreement, is supposed to be first preceded in 2023. As the decision was taken to engage in facilitative dialogues in 2018 as part of the early preparations for to the implementation of the Paris Agreement, discussions were held at the Marrakech Conference as to how such facilitative dialogues could best be held. Input data is very important when it comes to global stocktake, and should be based on the IPCC report. Nevertheless, debates between the advanced and developing countries continued over the matter of how much members should recognize the other data. The members also agreed that the review process should be composed of technical and political reviews. Further discussions about the global stocktake will take place at the APA1-3 in May 2016.
(3) International Market Mechanisms

In accordance with Article 6 of the Paris Agreement, market mechanisms were divided into three sections during discussions at the Marrakech Conference. However, discussions were mainly based on Article 6 (2) and (4). In conjunction with Article 6 (2), discussions revolved around issues such as the definition of Internationally Transferred Mitigation Outcomes (ITMOs), greenhouse gas accounting systems designed to prevent duplicate calculation, and linkages between the transparency framework and other provisions of the Paris Agreement. With regard to Article 6 (4), the discussions were carried out centering on the issues of governance, management, procedures and instruction of greenhouse gas reduction systems controlled by the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC). Many opinions regarding the scope of application, quantification, and establishment of governance were suggested in relation to the non-market approaches found in Article 6 (8).

The market mechanism issue was especially focused on commonly applied elements, principles, and the relationship with the other provisions of the Paris Agreement. Members are planning to hold a roundtable during SBSTA46 slated for May 2016, at which time they will fully carry out the related negotiations.

(4) Means of Implementation

Discussions about finances revolved around detailed issues such as the establishment of long-term finances and increase of the scale of financial sources, the review of Standing Committee on Finance (SCF) functions, instructions of GCF, and the adaptation fund. Different opinions emerged between the advanced and developing countries regarding the concept of long-term finances and accounting standards. With regard to the roadmap to establish 100 billion dollars by 2020 prepared by the advanced countries, the developing countries
exposed the distrust while raising suspicions about the exactness of the numerical values presented. The members decided to draw out the details of the measures that should be used to continuously increase the size of financial resources during workshops held as part of the 2017 and 2018 sessions of the CMA.

With regard to the review of the SCF functions established in 2012, the Marrakech Conference decided to agree on the terms of reference (TOR) and to submit proposals during the first half of 2015. As far as the Green Climate Fund (GCF) is concerned, the members agreed to strengthen cooperation with the Climate Technology Centre Network (CTCN). With regard to the adaptation fund, the members argued about the adoption of decisions on orphan issues as well as priorities on the last day, before finally getting down to negotiations. After having clarified the phrase, “The Adaptation Committee should serve the Paris Agreement,” the members agreed to deal with the detailed issues related to the governance and management of the adaptation fund during the APA. Meanwhile, the High-Level Dialogue on Climate Finance was held on November 16th, concluding an agreement on the necessity to increase the Adaptation Fund.

IV. Korea’s Position and Future Tasks

1. Korea’s Activity

International climate change negotiations have to account for different positions of the 197 members. Moreover, coordination, adjustment and negotiations between members represent a very important element of agenda-based negotiations. However, many parts of the negotiations are carried out between the negotiation groups, the negotiation group and chairmen’s panel, and between the internal negotiation groups, rather than between the members. As such, it
is very important for Korea which negotiation group Korea belongs. Korea has participated in negotiations in its capacity as a member of the Environmental Integrity Group (EIG) since 2000.\textsuperscript{11} This negotiation group held a meeting at nine every morning during the Marrakech Conference and presented their major agendas and common positions. When they could not agree with each other, they presented their individual positions.

The main goals of Korea during the Marrakech Conference were to make all the members equally participate in the CMA1 regardless of ratification or their status as non-effectuation members\textsuperscript{12} to the Paris Agreement, and to have Korea’s position reflected in the agendas pertaining to market mechanisms and transparency. As such, Korea asserted that the Conference of the Parties should discuss procedural at the initial level, and emphasized the universal importance of the Paris Agreement during CMA1. It also called for the reconvening of the CMA in 2018 following its proration in 2016. Korea viewed the Ad Hoc Working Group on the Paris Agreement (APA) in charge of work programmes related to the implementation of the Paris Agreement as having to implement its tasks and related roles and responsibilities. However, Korea perceived the importance of guaranteeing the completion of the work programmes within the given two years. In addition to its role within the Environmental Integrity Group (EIG), Korea also submitted a joint proposal that emphasized the prevention of duplicate accounting and guaranteed environmental soundness regarding issues such as market mechanisms and transparency. It presented its positions individually or jointly during the COP22, APA1-2, SB45, and CMA1.

\textsuperscript{11} The members of the Environmental Integrity Group include Korea, Switzerland, Mexico, Liechtenstein, and Monaco.

\textsuperscript{12} Korea submitted its ratification instrument to the United Nations Secretariat on November 3rd, which was one day earlier than the actual effectuation date of the Paris Agreement (November 4th). However, Korea was part of the non-effectuation countries at the time of CMA1 as membership only came into effect 30 days after the completion of ratification.
With regard to the means of implementation, Korea has actively participated in the issue of technology mechanisms. Korea’s position on the issue of finance was one that achieved a balance between the positions of the advanced and developing countries; meanwhile, it established its own position based on consideration of its influence over the Green Climate Fund (GCF) located in Songdo. With regard to support for capacity building, Korea actively expressed its opinion that the GCF should be included in the participation body of the Paris Committee on Capacity Building (PCCB) during the Marrakech Conference based on the position that Korea would support the developing countries.

2. Future Tasks

The Marrakech Conference helped advance the implementation period for the Paris Agreement serving as the foundation for the new climate change system, establish momentum for implementation, and to determine the completion time frame for the work programmes and potential roadmaps. The adoption of the Marrakech Action Proclamation and encouragement of action on the climate through the selection of high-level climate champion can be regarded as the result of this political will. Korea’s future tasks regarding the implementation of the Paris Agreement based on the Marrakech Conference can be summarized as follows.

First, a rulebook to implement the Paris Agreement based on the completion of the work programmes by 2018 should be established. During the Marrakech Conference, members were asked to submit their opinions based on the main agendas presented prior to SB46 and APA1-3 in Bonn, Germany in May 2017. While submitting its

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13. With regard to the advanced countries’ promise to implement financial support for the adaptation of developing countries, the advanced countries decided to provide 23 million dollars to the CTCN, 50 million dollars to the CBIT. Korea decided to contribute 1 billion won to the CTCN over the next 3-4 years.
position on various agenda items, Korea will establish a comprehensive negotiation strategy within two years. To this end, a negotiation response system will be established in Korea and issue-based policy-specialist meetings will also be held.

Second, Korea needs to implement the NDC by member and to strengthen its will in order to be brought into line with the principle of progression in the future. In accordance with the decision of Marrakech Conference, the first session of the Paris Committee on Capacity Building (PCCB) will be held in 2016, and its theme will be the capacity building needed to implement the NDC of the Paris Agreement. Advanced countries including Germany established the NDC partnership based on cooperation with the United Nations Climate Change Secretariat to implement cooperative activities for developing countries. For its part, Korea completed the ‘basic roadmap to achieve the national greenhouse gas reduction by 2030’ in December 2016. However, there remain tasks related to the drawing of the roadmap for implementation and plans are in the works for the continuous review and strengthening of reduction activities in development, industry, transportation and architecture, along with the stabilization and activation of the carbon permit trading market.

Third, Korea will implement the global stocktake designed to be carried out every 5 years and search for economic and energy transfer for carbon neutrality based on the ‘2050 low carbon development strategy’ stipulated in the Paris Agreement. To this end, Korea should analyze the long-term strategies of countries such as the United States, Canada, and Germany. It should also implement research related to the long-term reorganization of the carbon neutrality industry and implement these policies in a consistent manner.
V. Conclusion

Although the advanced and developing countries clashed with one another enough to create the impression that we had returned to the days before the Paris Agreement when the gap in positions was significant, the Marrakech Conference did in fact achieve some concrete results in terms of protecting the Paris Agreement. In terms of the Global Action Agenda, a High-Level Event on Accelerating Climate Action was held on November 17 2016 to strengthen actions centering on climate champions and to emphasize the necessity for action by allowing civil society stakeholders to participate in such actions in a broader manner.

During the Conference of Parties, the members selected Fiji as president of the COP23, a decision that was motivated by its commitment to make the climate change issue a priority in terms of development cooperation. The COP 23 will be held in Bonn, Germany from November 6th to 17th 2017.

The stage of full-scale negotiations related to the preparation of the work programmes leading to the implementation of the Paris Agreement has begun in earnest. The competition to secure individual advantages is expected to continue between the advanced and developing countries until 2018. In the name of the protection of national interests and global properties, Korea must establish persuasive and balanced positions that lie somewhere between the advanced and developing countries. (January 2017 Issue)

14. The representative from Fiji emphasized the role of the United States, saying “You came to save us during World War II, it is time for you to save us now”, suggesting that President-elect Trump visit Fiji and appealing for the United States not to withdraw from the Paris Agreement.
Emergence of Protectionism and Korea’s Response

Kim Jung Sik*

I. Introduction: Protectionism and the Korean Economy

Concerns regarding the spread of protectionism have increased as the presidential election in the United States draws closer. Claiming that the trade balance deficit of the United States has doubled since the KOR-US FTA came into effect in 2012, candidate Trump of the Republican Party has called for a renegotiation of the agreement. Furthermore, Trump has also called on the need to strengthen protectionism in order to protect domestic industries and decrease the unemployment rate. Although the degree of emphasis has been lower than candidate Trump, Candidate Clinton of the Democratic Party has also stated the need for protectionism to protect U.S. industries and to create jobs. As such, worries have increased that the global world could be swirling into the protectionist wind should the United States strengthen protectionism after the presidential election.

A closer look at history reveals that the trend towards protectionism becomes stronger in times of economic recession. In 1929, the United States passed the Smoot-Hawley Tariff Act designed to heighten tariffs

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by a maximum of 59%. World trade decreased by up to 60% as other countries charged retaliatory tariffs. As a result, the world economy fell into the Great Depression.

There are very real concerns that a global turn towards protectionism will have a negative impact on the economies of emerging market countries as advanced countries raise their trade barriers. The Korean economy is characterized by a small scale domestic market and a high dependency on international markets. In other words, unlike the advanced countries, the Korean economy creates income based on exports and boosts the domestic economy with income from exports in order to heighten the growth rate without household or corporate debt. The characteristics of such an economic structure are very different from those of countries such as the United States and Japan, which feature large-scale domestic markets. For these reasons, the Korean economy will be greatly affected by the global trend towards protectionism.

Korea is experiencing the transfer of its key industries such as shipbuilding, steel, petrochemical, and electronics to China. Korea’s large corporations, which did not find alternative industries to replace these key industries, have found themselves unable to increase investment, which has in turn led to a worsening of the domestic economy and an increase in youth unemployment. The increase in household debt amid consumption without income has also become a big problem. There are very real concerns that the growth rate will be further slowed and the unemployment rate increased as exports begin to decrease amid rising protectionism.

The prevention of a hard landing for the Korean economy is predicated on a clear understanding of the background of protectionism, which has resurfaced of late, and an analysis of how the trend of protectionism will develop in the future. Based on these analyses, countermeasures against protectionism can be prepared.

As such, this study analyzes the background and causes of existing
protectionism and the characteristics of the protectionism that has once again been strengthened centering on the United States in recent days. Moreover, the trends related to protectionism are highlighted and the countermeasures which the Korean government should establish are identified.

II. Background of Protectionism

Protectionism is closely related to economic recession and the creation of national wealth. When an economic recession worsens, governments attempt to protect industries and to create jobs through protectionism. Viewed from a historical standpoint, protectionism has generally prevailed in times of economic recession. Even amid the Great Depression of the 1930s, countries sought to overcome their economic recessions by protecting industries and increasing exports, heightening tariffs and not opening their markets. In addition, they increased exports and restrained imports by competitively devaluating their monetary currencies.

Protectionism is also influenced by the economic situation of a country. England, whose competitiveness in exports was heightened by the Industrial Revolution, preferred free trade while the other countries like Germany, which had relatively lower competitiveness in exports, opted for protectionism. England called for free trade, which was advantageous to the country, and established the theory that free trade would heighten the welfare of the country and world to support its assertion. For its part, Germany, whose level of industrial development was relatively lower, adopted protectionism based on the infant industry protection theory and hailed the theory of economic development stages.
On the verge of a serious economic recession that would lead to the Great Depression of the 1930s, the United States passed the Smoot-Hawley Tariff Act in 1929 calling for the implementation of protectionist measures that included tariffs of up to 59%.\textsuperscript{1} Other countries responded by also charging retaliatory tariffs, which in turn ushered in expanded protectionism and the Great Depression. The heightening of the competitiveness of U.S. industries towards the end of World War II in 1944 resulted in the establishment of a new international trade order centering on General Agreement on Tariff and Trade (GATT) that was itself based on a free trade order. Thereafter, the weakening of the competitiveness of the U.S. manufacturing industry combined with the growing competitiveness of the agricultural and services industries led to the establishment of the Uruguay Round based on the liberalization of services trade. A look at such changes in the international trade order makes it clear that free trade and protectionism are closely related to national interests.

Protectionism is also related to mercantilism. Trade is an important tool through which to create national wealth. Building up a strong nation by increasing national wealth represents a very important task for the public and decision-makers alike. Many economic studies have been conducted on how to increase national wealth in order to provide welfare to the public since the release of Adam Smith’s ‘An Inquiry into the Nature and Causes of the Wealth of Nations’.\textsuperscript{2}

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\textsuperscript{1} The United States passed the Smoot-Hawley Tariff Act during the Great Depression in 1929 making it possible to charge up to 400% tariffs toward the 20,000 import items including the agricultural and manufacturing products. As a result, other countries also charged retaliatory tariffs. This caused a more than 60% decrease in U.S. trade, a drop in economic growth, and the skyrocketing of the unemployment rate.

\textsuperscript{2} In his book, “Why Nations Fail”, Prof. Daron Acemoglu of MIT searched for the causes of a state's failure, and in particular the causes to fail at national economy growth, from the choice of politics and economic system. He asserted that low income countries cannot develop into advanced countries by failing at institutional reforms, which are accord with the change in its economic conditions. He also stressed that it was very
Although there are various methods for a state to increase national wealth, those countries with enriched natural resources or with higher labor productivity can create greater national wealth under a closed economic system under which trade is limited. These countries could increase their national wealth when they produced higher value added based on the use of enriched resources. However, the fastest way to create national wealth is to bring in wealth from foreign countries under an open economy system based on free trade. In addition, national wealth is created by increasing wealth through exports and preventing outflow into foreign countries by restraining imports. In other words, when protectionism is resorted to.3

Protectionism can emerge as a result of not only external elements but domestic ones as well. Free trade increases exports of products in competitive industries and facilitates imports of products in non-competitive industries. As a result, the production of export goods is increased to heighten the income of those who are engaged in competitive industries. Meanwhile, the domestic production of imported goods is decreased to lower the income of those who are engaged in such industries. In other words, free trade and protectionism bring about a change in income distribution.

Groups whose income levels are decreased because of free trade are the ones calling for protectionism. As such interest groups have fewer free riders and are well united, they can lobby more effectively the politicians to pass protectionist laws and therefore heighten the possibility for protectionist laws to be passed at the national assembly level.4

Thus, protectionism is spread during times of economic recession or as a result of pressure from groups with an interest in the presence

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3. National wealth was created in the past based on extreme methods such as the invasions of foreign countries and colonization.
of such protectionism. In addition, protectionism becomes popular when a specific country adopts amercantilist policy through which it intends to create national wealth in a short period through trade.

Tools to implement protectionism include tariff or non-tariff barriers designed to restrain imports. A tariff barrier can be seen as a countervailing duty or a retaliatory tariff imposed on the grounds that the other party is engaging in unfair trade. A non-tariff barrier denotes efforts to regulate market approaches based on the application of subsidies and quotas. In addition to such trade barriers, protectionism can also be implemented through an exchange rate policy designed to depreciate the value of its currency. A rise in the exchange rate means export prices can be lowered to increase exports; meanwhile, imports can be decreased by heightening import prices.

III. Recent Trends in Protectionism and the Implications Thereof

While the recent round of protectionism stems from the ongoing economic recession, its fundamental causes are closely related to the global financial crisis (GFC) which emerged in 2008. In turn, the global financial crisis (GFC) was deeply related to the growth strategies of the United States and China. As such, it becomes necessary to analyze both the global financial crisis and China’s growth strategy if we are to examine the recent round of protectionism and establish the proper countermeasures.

Because of the high costs of domestic production, the United States has relied heavily on imports for manufacturing industry products. It has applied a strategy of covering up trade deficits in the manufacturing sector by exporting products from the services, financial and agricultural industries. The United States has always demanded that countries with a trade surplus with the United States open up
their agro-livestock, services and capital markets. Countries such as Korea and Japan, which have exported the products from manufacturing industries to the United States, were forced to open up their agricultural, services and capital markets under strong pressure from the United States.

However, this U.S. strategy could not successfully be implemented toward China. The existing strategy of the United States faced a more formidable challenge in the form of China and its growth strategy. China is a humongous country with a population of 1.4 billion people. China adopted mercantilist policy in the form of a growth strategy based on exports to expand its economy in a short period of time. China opened up its trade market to increase exports, but as part of a policy of ensuring that there was no massive outflow of national wealth because of exports to the United States, it did not open its services and financial markets. As a result, the U.S. economy faced problems such as a growing trade deficit and a disruption of the US financial goods needed to cover up this deficit to the Chinese financial market. This so-called global imbalance, led the U.S. economy to suffer under the global financial crisis (GFC).  

To resolve this problem, the United States organized the G20 summit in Korea, a gathering whose goals were to facilitate the opening of the Chinese capital market and to change China’s fixed exchange rate system into a floating exchange rate system. However, these efforts failed to achieve the desired results. Thereafter, the United States responded to China by adopting a loose monetary policy known as quantitative easing (QE), thereby worsening the conflicts between the United States and China.  

6. The United States can gain the effect, which the Chinese yuan is revaluated, when
States’ quantitative easing (QE) strategy by internationalizing its currency (yuan) and increasing interest rates. China was able to have the yuan included in the International Monetary Fund (IMF)’s special drawing right (SDR) currency basket, thereby heightening the status of the yuan as an international currency.\footnote{The United States have also responded in a strategic manner. The internationalization of the yuan means the opening of the Chinese capital market, and the United States thinks that it can transfer China’s national wealth to the United States by exporting its financial goods to China. This is why the United States has approved the inclusion of the yuan in the SDR currency basket of the IMF.}

Another characteristic of protectionism is the strengthening of protective trade by devaluing currency value based on quantitative easing (QE). When the exchange rate is heightened as a result of devaluation, a country can decrease imports as import prices within the domestic market are heightened; meanwhile, it can also increase exports as export prices have been lowered.

The devaluation of a currency is made possible by a government’s intervention in the foreign exchange market, an action which is prohibited under international agreements. Attempts to devaluate a home currency by artificially raising the exchange rate based on intervention in the foreign exchange market have been prohibited under the Kingston Proclamation agreed to by members of the IMF in Kingston, Jamaica in 1976.

Despite these international regulations, individual countries nevertheless implemented exchange rate policies designed to facilitate intervention in the foreign exchange market so as to increase national wealth and exports while decreasing imports. However, the United States’ announcement that it would impose trade regulations on currency manipulators made it more difficult to engage in protectionism based on exchange rate intervention. In other words, it became more difficult to increase exports and decrease imports by undervaluing the home currency through such means as China’s

\textit{it applies quantitative easing (QE) as its key currency.}
adoption of a fixed exchange rate system.8

However, advanced countries such as the United States, Japan and the Eurozone have the ability to devalue their home currencies without directly intervening in the foreign exchange market. This is carried out through a loose monetary policy, or so-called quantitative easing (QE). Most of the advanced countries possess international currencies that can be used overseas. On the other hand, the emerging markets possess non-convertible currencies, which can only be used in domestic markets and not overseas. When an advanced country with convertible currencies implements a loose monetary policy to increase the currency supply, the value of the currency within the international foreign exchange market drops; thereafter, the country can increase its exports and decrease imports by devaluating its currency value even without intervening in the foreign exchange market. This is how advanced countries can implement protectionist and mercantilist policies.

As seen in <Figure 1>, the United States induced a revaluation of the Chinese yuan through its devaluation of the dollar after China refused to open its capital market and revaluate the yuan based on the maintenance of the fixed exchange rate system. In other words, the United States implemented a quantitative easing (QE) strategy. Perceiving the usefulness of such a policy, the Eurozone countries and Japan also attempted to create national wealth and heighten the growth rate by increasing exports based on a devaluation of their home currencies through quantitative easing (QE). We can see in <Figure 2> that the Japanese yen/dollar exchange rate increased from 75yen to 120yen per dollar after the advent of Abenomics.

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8. The United States Department of the Treasury has actively responded, establishing detailed standards for currency manipulators.
The other countries cannot interfere with this quantitative easing (QE) policy as currency policy falls under the sphere of domestic economic policy. As such, under the current international economic order, only advanced countries with international currencies can implement protectionist policies through the devaluation of their home currencies. Emerging countries without international currencies find
themselves trapped in an asymmetric game situation in which they can only heighten their exchange rates through intervention in the foreign exchange market. This can be perceived as an unfair international game that creates worries regarding the contraction of emerging countries’ economies.

The economies of emerging countries are greatly affected by this strategic game played by the advanced countries. The advanced countries are expected to raise tariffs and non-tariff barriers in order to protect their industries from unfair trade by the emerging countries. At the same time, the advanced countries can legally increase exports through the devaluation of their home currencies via quantitative easing (QE), without having to intervene in the foreign exchange market, an action which is proscribed by the IMF. The trade balance of emerging countries and overall economic recession are expected to worsen as a result of this decrease in exports. In other words, there has developed an international trade and financial environment conducive to the victory of advanced countries over emerging countries.

<Figure 3> Global Economy Growth and Trade Increase Rate (1985-2015) (Unit: %)

Source: IMF, 2016
How will the protectionism trend develop? Many economic specialists agree that the global economy is about to enter a long-term recession. The world is entering a New-Normal era. As we can see in <Figure 3>, the growth of global economy has slowed. The scale of trade has also decreased.

The background to this New Normal characterized by economic stagnation is a complex one. An economic recession becomes worse when new product development is delayed due to the slowdown of technological progression and a decrease in the birthrate and increase in the elderly population led to a decrease in demand. In addition, the economic recession will continue amid a decrease in total demand occasioned by the decrease in employment as online industries increase under the digital revolution. There is a very high possibility that the current round of economic stagnation will be a prolonged one akin to that of the 1930s and that protectionism will deepen as oversupply is expanded due to the increased production emanating from China while demand is decreased. In actuality, the current economic recession is similar with the Great Depression of the 1930s in that the latter was a result of oversupply during the process of increasing production as a result of the Industrial Revolution.

The United States and EU have already strengthened tariff barriers. Recently, the United States Department of Commerce imposed countervailing duties and anti-dumping tariffs on hot rolled steel products emanating from seven countries including Korea. As a result of these actions, POSCO has had to face a maximum tariff of 61.1% while Hyundai Steel finds itself faced with a tariff of 13.3%.\(^9\) The

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9. As the global economy slows, domestic unemployment in non-competitive industries increases. The groups formed by these non-competitive industries are well united. As the sector boasts smaller chances of a free rider emerging, this increases the possibility for successful protectionism. The agricultural and livestock industry can be regarded as a representative example of such a sector. In the case of domestic industries such as services, market opening becomes more difficult.
U.S. government has imposed a 64.7% tariff on cold rolled steel, 48% tariff on corrosion resistant steel emanating from Korea.

The United States has taken issue with Korea’s low electric charges for industrial use. In addition, the United States has imposed a 522% antidumping tariff on Chinese steel products. It has also imposed a 71.35% antidumping tariff on Japanese products in the past. It has enforced import regulations such as antidumping tariffs on the 21 export items from Korea since 2016. The EU has also implemented a dumping investigation of the Korean petrochemical industry and in particular purified terephthalic acid (PTA). Protectionism will become even more prevalent within the EU should England make the decision to withdraw from the EU.

IV. Korea’s Countermeasures

The Korean economy is greatly affected by the strengthening of protectionism at the global level. In particular, the United States and other advanced countries view a great increase in Korea’s current account surplus as a matter of great importance. Korea will find itself the target of protectionist measures imposed by the advanced countries as long as its current account surplus continuously increases. As we can see in <Table 1>, the ratio of Korea’s current account surplus to total GDP started to increase in 2012, reaching a 7% increase in 2015. Korea is expected to reach a current account surplus of 100 billion dollars by 2016. Germany and Korea currently have the biggest current account surpluses in the world.
As can be seen in Figure 4 and Figure 5, the increase in the current account surplus is caused by a decrease in imports rather than an increase in exports. This can be understood to be the result of a combination of a marked increase in import levels amid the economic recession and the drop in revenues from imports occasioned by the fall of international oil prices.

Source: Bank of Korea, Economic Statistics System
Emergence of Protectionism and Korea’s Response

**Figure 5** Increase in Korea’s Exports-imports: 2000-2015

(Unit: %)

![Graph showing the increase in Korea’s Exports-imports: 2000-2015.](image)

Source: Bank of Korea, Economic Statistics System

**Table 2** Trends in Korea’s Exports-imports to the United States and Trade Balance

(Unit: million dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports</th>
<th>Imports</th>
<th>Trade balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>41,342</td>
<td>30,585</td>
<td>10,757</td>
</tr>
<tr>
<td>2006</td>
<td>43,183</td>
<td>33,654</td>
<td>9,529</td>
</tr>
<tr>
<td>2007</td>
<td>45,776</td>
<td>37,219</td>
<td>8,547</td>
</tr>
<tr>
<td>2008</td>
<td>46,376</td>
<td>38,364</td>
<td>8,012</td>
</tr>
<tr>
<td>2009</td>
<td>37,649</td>
<td>29,039</td>
<td>8,610</td>
</tr>
<tr>
<td>2010</td>
<td>49,816</td>
<td>40,402</td>
<td>9,414</td>
</tr>
<tr>
<td>2011</td>
<td>56,207</td>
<td>44,569</td>
<td>11,638</td>
</tr>
<tr>
<td>2012</td>
<td>58,524</td>
<td>43,340</td>
<td>15,184</td>
</tr>
<tr>
<td>2013</td>
<td>62,052</td>
<td>41,511</td>
<td>20,541</td>
</tr>
<tr>
<td>2014</td>
<td>70,284</td>
<td>45,283</td>
<td>25,001</td>
</tr>
<tr>
<td>2015</td>
<td>69,832</td>
<td>44,024</td>
<td>25,806</td>
</tr>
</tbody>
</table>

Source: Korea International Trade Association, Korea Trade Statistics
In addition to the overall current account surplus, the increase in the trade surplus with the United States has emerged as another factor that has instigated calls for protectionism and the revaluation of the Korean currency (won). Korea’s trade structure is set up in such a fashion that the trade deficit with Japan is offset by the trade surplus with the United States. It is also based on the fact that Korea’s entire trade balance is determined by its trade surplus with China. As we can see in <Table 2>, the trade surplus with the United States has increased 2.2 fold since the KOR-US FTA came into effect in 2012.

Both presidential candidates have called for a renegotiation of the KOR-US FTA. The United States Department of the Treasury has also voiced its suspicion that the Korean Monetary Authority has intervened for the purpose of currency manipulation. <Figure 6> shows the trend in the Korean won/dollar exchange rate. Protectionist policies toward Korea and pressure on the exchange rate are expected to continue apace regardless of who is elected president in the United States.

<Figure 6> Trends in Korean won/dollar Exchange Rate: January 1990-August 2016

Source: Bank of Korea, Economic Statistics System
The United States has traditionally placed great importance on its economic interests when establishing diplomatic and security policies. The clear and present threat posed by North Korea’s nuclear weapons has only served to further highlight the importance of diplomacy and security for Korea. A continuation of the current trade and current account surpluses may very well create a conflict structure between the United States and Korea that could negatively impact U.S. diplomacy and security support for Korea.

Korea’s policy-making authorities must establish countermeasures in order to move U.S. diplomacy and security policy in a direction that is advantageous to Korea, respond to global trends in protectionism, and properly cope with trade pressure from the United States.

First, there is a need to decrease the trade surplus with the United States. Under the current situation in which the economic recession has rendered any decrease in exports difficult, it becomes essential to turn existing import windows into the United States so as to decrease the trade surplus with the latter. In other words, it is necessary to decrease the trade surplus with the United States by increasing imports from the United States based on policy support designed to concentrate Korea’s imports from the United States. This will lead to a decrease in the trade pressure emanating from the United States, and to the establishment of U.S.’ diplomatic and security policies toward Korea under an environment that is more advantageous to Korea.

There is also a need to decrease the overall current account surplus. Korea’s current account surplus has reached up to 7% of GDP, which can be seen as the main reason why Korea has found itself subject to trade and exchange rate pressure from not only the United States but other advanced countries as well. Imports must be increased by stimulating the economy in order to decrease the current account surplus. There is also a need to boost domestic demand after creating jobs based on expansionary fiscal and monetary policies and to create
revenue from overseas through the increase of exports.

In May 2016, the Peterson Institute for International Economics (PIIE) estimated 1,007 won per dollar as the ideal Korean won/dollar exchange rate. This was based on the consideration of an optimum level of current account surplus to GDP of 3%. If Korea does not decrease the current account surplus, it may very well find itself the constant recipient of protectionism and pressure to bring down the exchange rate.

It is also necessary to lower the degree of foreign exchange market intervention in order to decrease the pressure to lower the exchange rate. The advanced countries including the United States and Japan have decreased their degree of foreign exchange market intervention over the past two to three months. Korean authorities must now also prove that they did not actively intervene in the foreign exchange market by lowering its degree of foreign exchange market intervention.

It is important to deconcentrate exports, which have heretofore been concentrated on the United States and China, through the diversification of export markets. New export markets such as South America, the Middle East and Africa should be developed in order to diversify existing export markets concentrated on advanced countries and increase exports. Furthermore, it is also essential to heighten export competitiveness in order to respond to China’s chase and overcome the waves of protectionism. This can be achieved based on technological power and quality competitiveness, rather than price competitiveness.

Markets should also be expanded based on the conclusion of FTAs. Free trade with countries and regions with which Korea has already signed FTAs and possess relatively complimentary industrial structures should be expanded based on the loosening of regulations. In addition, Korea should ensure that it does not become a target for protectionism
by improving unfair trade practices including the provision of subsidies.

It is important to overcome protectionist barriers through technological priority based on technological support for new industries. Industrial policies marked by direct government intervention provide causes for market distortion and create protectionist barriers because of the appearance of unfair trade. Therefore, it is important for the government to indirectly support industries so that they can exhibit export competitiveness and industries based on support for the production of human resources in new technology fields and technological support. The Korean government should respond to the decrease in exports stemming from protectionism and China’s chase by assuring the development of new export markets and export competitiveness based on new industrial policy. (October 2016 Issue)

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Emerging Cyber Security Threats and Desirable Responses
- With a Special Focus on the Viewpoint of International Politics -

Lee Seo-hang*

I. Introduction

Interest in ‘non-traditional security threats’ has increased at the global level as a new type of national security threat has emerged. These new threats are not actions based on pure military power such as the terrorism experienced during the unprecedented 9/11 terrorist attacks of 2001. Terrorism has been pointed out by many security specialists and scholars as a non-traditional security threat since the end of the Cold War era in the early 1990s. For its part, cyber security, which is linked to problems such as harming communication devices and distorting data and materials, has become entrenched as a non-traditional security threat as a result of the spread of computers and new communication tools such as the internet. In this regard, cyber security threats have increasingly been regarded as a security threat equivalent in importance to terrorism.

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For example, a group believed to be from North Korea hacked the communication network of Sony Pictures in the United States at the end of 2014 in order to stop the screening of the film, ‘Interview’ because it was deemed critical of Kim Jong-un. In addition, a group objecting to the development of nuclear power plants also seemingly linked to North Korea hacked the network system of Korea Hydro & Nuclear Power (KHNP) at the end of 2014. This group threatened to release related data and materials and destroy the facilities if the KHNP did not stop the operation of the nuclear power plant. There have been many instances of computer attacks and hacks against major society facilities and organizations in Korea conducted by groups believed to be linked to North Korea. The Korean Broadcasting System (KBS), National Agricultural Cooperative Federation, and the Shinhan Bank were all attacked by ambiguous identities that caused their computer systems to be temporarily closed or become inoperable during 2013-2014. It was even reported that the vaccine routing server of ROK Cyber Command managing the security of individual public computers was also hacked by an unknown identity group.\footnote{ChosunIlbo, October 1, 2016. p.1.}

On the international front, a group from Russia hacked the Democratic National Committee of the United States and the Election Assistance Commission in at least two states shortly before the nomination of the candidates for the presidential election in the summer of 2016, thereby creating the suspicion that Russia had interfered in the US presidential election.\footnote{International New York Times, August 18, 2016. p.1; MunhwaIlbo, August 30, 2016. p.1.} As such, cyber security has become a generalized daily interest. In addition, a group linked to Russia implemented a cyber-attack known as DDoS to paralyze the communication network of Estonia. This event resulted in the intervention of NATO, which has maintained that cyber-attacks cause damage similar to terrorism such as social chaos and fear.\footnote{This incident began when the Estonian government announced plans to relocate a}
According to data provided by the International Telecommunication Union (ITU), the internet-using population stands at 3.2 billion people out of the 7.3 billion people who inhabit the globe. In the case of the advanced countries, 60-80% of the population uses the internet, proving that the majority of the global populations can be victims of cyber-attacks. <Table 1> shows the current state of top 10 countries with the most internet users in the world, as estimated by the Council for Security Cooperation in the Asia-Pacific Region (CSCAP) in 2014.

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of internet users</th>
<th>Percentage of the total populations (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>568,192,066</td>
<td>42.3</td>
</tr>
<tr>
<td>USA</td>
<td>254,295,536</td>
<td>81.0</td>
</tr>
<tr>
<td>India</td>
<td>151,598,994</td>
<td>12.6</td>
</tr>
<tr>
<td>Japan</td>
<td>100,684,474</td>
<td>79.1</td>
</tr>
<tr>
<td>Brazil</td>
<td>99,357,737</td>
<td>49.8</td>
</tr>
<tr>
<td>Russia</td>
<td>75,926,004</td>
<td>53.3</td>
</tr>
<tr>
<td>Germany</td>
<td>68,296,919</td>
<td>84.0</td>
</tr>
<tr>
<td>Nigeria</td>
<td>55,930,391</td>
<td>32.9</td>
</tr>
<tr>
<td>England</td>
<td>54,861,245</td>
<td>87.0</td>
</tr>
<tr>
<td>France</td>
<td>54,473,474</td>
<td>83.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,483,616,840</strong></td>
<td><strong>60.5</strong></td>
</tr>
</tbody>
</table>


Despite of the spread of computers and increase of the internet users along with the development of information and communication technology (ICT) at the global level, there has been a lack of systematic bronze soldier statue in Tallinn marking the Soviet’s participation in World War II, a symbol of dishonor in Estonia, to the outskirts of the capital. A group linked to Russia paralyzed the internet system of Estonia’s presidential palace and public and financial institutions, starting a large-scale cyber-attack based on DDoS attacks. Myriam Dunn Cavelty, “Cyber-security,” in Alan Collins, ed., Contemporary Security Studies, 3rd ed. (Oxford: Oxford University Press, 2013), p.370.
research and analyses on cyber security as it relates to threats and attacks within both international and domestic academic society, and in particular international politics dealing with diplomatic issues. Cyber security has simply been perceived as a newly emerging security issue or a non-traditional security field without any organized academic research. This study examines the newly established concept of cyber security in international politics, reviews the characteristics of cyber security threats, analyzes the main areas of cyber security, and suggests desirable responses to international and domestic cyber security threats.

II. Concept of Cyber Security and Characteristics of Cyber Threats

The necessity to define the concept of cyber security and to establish effective responses against cyber security have just recently started to be discussed. This has occurred amid the rise of the cyber security issue along with the spread of computers and the introduction of new communication tools such as the internet. As such, the establishment of the concept of cyber security has been rather rapid, with numerous scholars and specialists providing their notions of the concept since the 2010s.4

To understand the concept of cyber security, it is essential to first define the cyberspace in which cyber security issues occur. In other words, there is a need to define the scope of the emergence of cyber

4. For example, Alan Collins’ *Contemporary Security Studies* (3rd ed. Oxford: Oxford University Press, 2013), which has been recently pointed out as one of the major texts for international politics, included cyber security as one of the representative non-traditional security threats, as did related studies and papers. A book entitled *Non-Traditional Security in Asia: Issues, Challenges and Framework of Action* published in 2013 by an institute for Southeast Asian studies in Singapore also dealt with cyber security in the last chapter.
security. Cyberspace is defined as ‘the realm of computer networks in which information is stored, shared, and communicated online.’ The realm of computer includes the internet, which is made up of public computer system, closed intranets between the members of a specific organization, cellular technologies based on individual mobile phones, fiber-optic cables based on fiber optic technology, and all the space-based communications based on space. The realms and subjects in cyberspace have become the sphere of daily life for those living in the 21st century with cutting-edge communication technologies. As such, cyberspace has become an inescapable space for modern people.

Based on the above definition of cyberspace, cyber security means ‘all the technological and non-technological actions to protect the cyberspace from the insecurity or threats created through cyberspace.’ The ultimate goal of cyber security is to protect the bioelectrical environment and data used and stored by mankind from all possible threats raised in cyberspace. Cyber security can be regarded as an action to safely defend cyberspace, which is expressed as all the realms of computer networks on which information is stored and shared and which are communicated through wired and wireless internet, and which have become the daily life sphere for mankind in the 21st century.

As cyber security involves protecting all the communication systems such as the internet from any unstable or threat elements which can emerge in cyberspace, there are two core issues faced whenever a cyber security issue is raised. The first is to protect the information

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7 Ibid., p.34.
8 Ibid., p.35.
and data stored in cyberspace (internet, individual mobile phones and computer systems). The second is to decrease the risk to the cyber environment sustaining cyberspace and to the critical infrastructures of society that support the cyber environment and prevent external threat elements. Cyber security deals with these two core issues and therefore demands the establishment of a specific strategy, rules and institutions at the global and individual country levels if we are to create and maintain cyberspace in a safer and more stable manner.

Where do cyber threat elements that raise the necessity for cyber security come from and what are the characteristics of cyber threats? The expansion of the number of threats faced in cyberspace can be traced back to the following environmental elements. First, there occurred a rapid expansion of computer devices as demand exploded. Second, computer systems underwent a rapid commercialization process. Third, computer systems have become more complex increased as globalization has expanded. The increasingly complex information and communication systems of today that lie at the core of cyberspace have faced the frequent emergence of computer faults, or so-called ‘bugs.’ The more complicated information and communication systems become, the more difficult it becomes to safely control and manage computer systems.

Based on these environmental elements, the threats to cyberspace can be seen as originating from fundamental problems with computer devices on which cyberspace is based. There are generally three causes of computer problems. First, fault or failure caused by the computer devices themselves. These faults and failures may originate from programming errors, or so-called ‘software’, malfunction of the

10. Ibid., p.364.
11. Ibid., p.364.
software program, or a lack of capacity. It can also originate from the user’s lack of operation or management skills when it comes to the software program. Second, external elements—for example, accidents including natural disasters like earthquakes. It is very natural for faults and damage to occur when a shock is added to the computer systems by natural disasters or external accidents. Third, and most serious cause of threats to cyberspace, are the artificial attacks conducted by humans. The core discussion theme in terms of cyber security these present days is man-made attacks, or what is generally called ‘hacking’. Those who engage in hacking are called ‘hackers’.

Hackers, which have become the main actors behind artificial attacks against computer systems, have become computer invaders armed with the necessary technologies, and include not only specific individuals, but also organizations and countries such as terrorist groups. The technologies and tools used by these hackers to invade (attack) the computer system of other individuals, organizations and institutions are varied, and their devices are generally called ‘malicious software (malware)’. A representative case of malicious software, or so-called malware, would be a computer ‘virus’ or ‘worms’.

The goals of artificial attacks against computer systems, so called hacking, are clear. They are basically aimed at maximizing profits and damaging the enemy, with the actual goals exposed by the hostile takeover and control of the enemy’s computer systems and information, as well as the distortion, destruction and delay of data. However, the damage caused to countries can be tremendous when hacking attacks are implemented against the critical social infrastructure (CSI) at the core of their societies such as government institutions, the financial system, power plants, and the water supply system. A hack of a power plant or financial institution that paralyzes the management of critical social infrastructure causes social chaos and even paralyzes the functioning of the state. This is why many security specialists and scholars have claimed that cyber security should
be seen as part of the national security agenda.\textsuperscript{12}

Hacking- cyber-attacks boast three characteristics that clearly differentiate them from any other attacks based on the use of physical military power.\textsuperscript{13} The first is asymmetric vulnerabilities. Cyber-attacks are asymmetric because, due to the characteristics of global information systems, they can be conducted by one person or a few people with specialized technologies. It is even possible to conduct an attack using devices that are different from the computer networks of those targeted in the cyber-attack. As such, cyber-attacks can be conducted against any country using only a few individuals and limited devices. The second characteristic of hacking involves the anonymity of the attackers. It is very difficult to identify attackers in global cyberspace. This has caused a so-called attribution problem. The third characteristic of hacking is trans-national boundaries and the non-existence of borders in global cyberspace. Countries are separated by boundaries. However, there are no boundaries in cyberspace. This creates a cyber environment in which it becomes easy to invade the computer systems of countries or societies and organizations. In addition, cyber-attacks represent one of the non-traditional security threats that do not involve the mobilization of any military power. Cyber-attacks also possess the following characteristics of non-traditional security threats: (1) possibility of attack at the individual or society level beyond a country; (2) prompt spread; and (3) the possibility of resolving problems based on multilateral cooperation.\textsuperscript{14}

\textsuperscript{13} Singer and Allan Friedman, Cyber security and Cyberwar, pp.72-84.
\textsuperscript{14} Putra and Punzalan, “Cyber Security,” pp.268-269.
III. Three Realms of Discussion of Cyber Security and the Emergence of Cyber War

Cyber security is aimed at safely protecting and defending information stored under the situation in which the exchange of domestic and international information and communication can be actively carried out due to the development of ICT at the global level, and to prevent it from being illegally exposed, damaged or distorted. However, cyber space is created based on computer devices and the users span from individuals to countries and international organizations. As such, cyber space can be characterized by its ‘asymmetric vulnerability’, ‘anonymity’, and ‘trans-national boundary’. The following can be regarded as the main realms of interest when discussing cyber security or safety based on these characteristics.15

The first realm is a ‘technical’ problem. The main interests at this technical level regarding cyber security include the malicious software called ‘malware’ and the computer networks invaded by this malicious software. When external elements such as viruses, worms and bugs invade computer devices that constitute the basic element of cyberspace, the information and communication systems become paralyzed or cease to function properly. As such, the first interest realm in discussing cyber security is that of how to protect individual computer devices and further computer network systems from invasions by external enemies.

The second realm of discussion about cyber security is how external invasions of computer devices and network systems are connected to organized misconduct and information collection. Collecting information by illegally connecting to a computer device can be seen as a crime. Collecting information for a specific company, organization

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or country can be regarded as a kind of espionage. A computer invasion aimed at collecting information can be implemented by targeting business networks or the classified information of a specific government. A series of recent accidents related to the collection of confidential information from governments and organizations has led to the creation of two new terms. One is ‘hacktivism’ and the other is ‘cyber-espionage’. Hacktivism is a combination of ‘hacking’, meaning the illegal connection to computer devices or information network systems, and ‘activism’, meaning action and participation. Those who engage in hacktivism connect to the information network systems of specific countries and organizations so they can openly disclose confidential data to the public and media under the belief, ‘all information should be released’. A representative example of hacktivism has been the disclosure of confidential government documents by Julian Assange and WikiLeaks and their subsequent sporadic released since 2012. In 2010, WikiLeaks indiscriminately revealed 240,000 confidential communications between the U.S. government and 270 U.S. Embassies from 1996 to 2010. The term ‘cyber-espionage’ originated from Edward J. Snowden who worked for the National Security Agency (NSA) as a technical assistant when he revealed that the NSA had illegally connected computer network systems around the world to collect information in June 2013. Of course, ‘cyber-espionage’ was not only carried out by the United States but also by the other major powers. Even China has collected information by illegally connecting to the computer network systems of the United States and European countries.

The last realm of discussion regarding cyber security is cyber-attacks against the critical economic, social, military and security facilities of countries, including the military and civil defense sectors. Cyber-attacks can cause tremendous material damage in the aspect

16. Ibid., p.369.
that it can impede the national security and even paralyze state functions, becoming a critical agenda item in terms of cyber security. Of course, today’s cyber-attacks and computer invasions (hacking) do not necessarily involve a clear separation of the above mentioned three realms. However, it is also true that the emergence of a cyber-attack or hack in any realm will seriously affect the national security of a country. In this sense, the external attacks between countries regarding the above three realms can be generally called as ‘cyber war’ or ‘cyber conflicts’.

The Gulf War of 1991 marked the first instance in which elements of ‘cyber war’ emerged in conjunction with national security. The United States, which interfered in this war in order to punish Iraq for having invaded Kuwait, showed off its superior information locator system. This superior computer-based information locator capability contributed to controlling the military power of Iraq and to supplementing military operations, and was as such hailed for having marked the opening of ‘cyber war’. Thereafter, NATO’s DDoS attacks and hacking against the Milosevic government and financial system of Yugoslavia in 1999 exhibited the extent to which the protection and defense of information and data had become important in international conflicts including war.

The term ‘cyber war’, meaning ‘intended interruption and destruction against a computer system of the enemy’, started be broadly used in international politics.

<Table 2> exhibits the major cases of ‘cyber war’ or ‘cyber conflict’ which have emerged since 2000. Among these cases is a DDoS attack that emerged between the netizens of both countries to malign to each other when a U.S. reconnaissance vehicle(EP-3) made an emergency landing in Hainan, China after having come into contact

17. Ibid., p.370.
18. Ibid., p.372.
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Accident Year of emergence Introduction of the accident Attacker/invader

‘Cyber World War I’ 2001 DDoS attack between the netizens of the United States and China after an EP-3 made an emergency landing in Hainan following a clash with Chinese combat planes over the skies of Hainan, China Hacktivists from all over the world (Saudi Arabia, Pakistan and India etc) participated in this DDoS

Stuxnet 2010 Invasion of Iran’s computer network system to shut down the nuclear development program (spread of worm) Intelligence agencies from the United States and Israel

WikiLeaks disclosure 2010 Disclosed 240,000 confidential documents between the U.S. government and 274 embassies during the 1996-2010 WikiLeaks

Paralysis of the computer network system of Korean financial institutions and broadcasting companies 2013 Computer shut down for the major broadcasting company such as KBS and three financial institutions such as Shinhan Bank, National Agricultural Cooperative Federation, and Jeju Bank Estimated to have been conducted by a North Korea-connected group

Hacking of the network systems of Sony Pictures 2014 Threat to ban the film, “Interview” criticizing Kim Jong-un of North Korea Believed to have been conducted by a North Korea-connected group

Hacking the network systems of Korea Hydro & Nuclear Power (KHNP) 2014 Threat to close down the nuclear power plant (disclosed the blueprint and operational map of KHNP) Believed to have been conducted by a North Korea-connected group

Disclosure of the US government’s intellectual property rights and government officials’ individual data 2015 Revealed the copy of 1 million government officials’ individual data and information Chinese hacker

Disclosure of Italian ‘hacking team’ company’s client data 2015 Disclosed data proving that many countries including the Korean government were clients of a ‘hacking team’ company that engaged in the wiretapping of mobile phones Hackers unknown

with a Chinese combat plane in 2001. This has been referred to as ‘Cyber World-War I’ because many countries such as Saudi Arabia, Pakistan, India and Indonesia participated in this DDoS attack.

*<Picture 1> Change in the Face of War: from World War I and II to Cyber War*

![Image of World War I, World War II, Cold War, Cyber War]


In addition, current illustrations in many U.S. newspapers (refer to *<Picture 1>* ) after North Korea hacked into Sony Pictures computer systems to protest the film, “Interview” in December 2014 clearly exhibit that after going through World War I and II, and the Cold War era, international warfare has now entered the era of cyber war.

Any look at ‘cyber war’ or ‘cyber conflict’ must take into account to North Korea’s recent actions. Groups believed to be connected to North Korea had already attempted illegal connections against the major computer systems of Korean government organizations by 2011.
They even implemented the DDoS attack aimed at paralyzing computer systems. Furthermore, the computer hacks and attacks against the critical social infrastructure (CSI) such as financial institutions, broadcasting companies and nuclear power plants that have taken place from 2013 to recent days have been estimated to have been conducted by groups connected to North Korea. North Korea’s cyber threats against South Korea have been evaluated to be part of an ‘asymmetric strategy’ used to frequently invade the South through so-called ‘cyber tunnels’.19 One information specialist warned that North Korean attacks and terrorist actions against Korea’s social infrastructure facilities such as nuclear power plants through ‘cyber tunnels’ could be compared to a nuclear attack.20

IV. Desirable Responses to Cyber Threats

There has been a rapid increase in the number of cyber threats characterized by asymmetric vulnerability and anonymity capable of negatively impacting national security by paralyzing the critical social infrastructure (CIS) such as financial institutions and power plants as well as government organizations through computer hacking. Furthermore, considering the continuous development of ICT at the global level, increase in the national dependency on the development of ICT, and the trend in current economic and social development towards further dependency on the internet and big data, one can surmise that cyber threats emanating from North Korea will become even more common. One media outlet in Korea reported that North Korea has implemented a multi-directional ‘cyber terror’ campaign against South Korea that has encompassed everything from security

20. Lim Jong-in, Korea Herald, Sept. 20, 2016, p.3.
hacking to shopping mall attacks.21 As such, the protection and defense of social infrastructure and military facilities from cyber threats has emerged as an important national security task.

What are desirable responses against cyber threats? Specialists have identified two points as important components of effective responses against cyber threats.22 The first is cyber capacity building. This denotes a national capacity capable of safely sustaining cyberspace and defending and protecting against various threats. Assuring of the capacity to safely sustain the cyberspace is created through (1) legal systems and institutions; (2) research and development; (3) education and training of human resources; and (4) the establishment of cooperative systems between related organizations and the division of roles. In other words, it is necessary to make efforts to establish a proper legal system, to research and develop related technologies and to educate the necessary human resources, and to build up a cooperative system that includes the sharing of information between related organizations and the division of roles.

Another important component of the policy response to cyber threats is international cooperation. Cyber threats are characterized by trans-national boundaries and the absence of borders. Furthermore, the anonymity and possibility of proxy that characterize cyberspace have rendered effective responses difficult. Individual country responses to such cyber-attacks on its national security have proven to be largely ineffective. As such, international cooperation in terms of cyber defense and cyber investigation is needed to establish effective joint responses. International cooperation includes all cooperation such as actual cooperation at the bilateral level, multilateral cooperation at the regional level, and normative cooperation at the pan-global level. International organizations, including the United Nations, have

21. Munhwallbo, August 1, 2016. p.3.
adopted recommendations and rules relating to international cooperation on cyber security. Growingly aware of the importance of international cooperation on cyber security, Korea held a large-scale international meeting in Seoul in 2013, during which time the international cooperation needed to ensure safe cyber space was emphasized. Nevertheless, there has been a clear lack of actual international cooperation.

V. Conclusion

Threats and cyber attacks capable of negatively impacting national security without mobilizing material military power have become more common amid the epoch-making development of ICT. Cyberspace’s dependency on the state has already been heightened. Furthermore, cyber threats have been regarded as a threat to everyday human life. In this regard, North Korea has launched cyber-attacks and threats against South Korea in a wide range of fields that have included the critical social infrastructure. North Korea’s cyber threats have been compared to a ‘cyber tunnel’ because of its characteristics of anonymity and secrecy. As such, cyber security has emerged as a security matter which Korea should pay close attention to.

How should Korea respond to this cyber threat that has further evolved and become more sophisticated along with the continuous development of the ICT field? The two elements needed to have effective responses against cyber threats. They are ‘cyber capacity building’ and ‘international cooperation’. The strengthening of the capacity building for cyber security will require the completion of a proper legal system and institutions, research and development into

23. For example, the United Nations annually adopted the reports of the Group of Governmental Experts (GGE) on Cyber Security.
related technologies, the training and education of necessary human resources, and the establishment of a cooperation system between related organizations and the division of roles. Meanwhile, effective international cooperation requires the establishment of actual bilateral cooperation with related countries, multilateral cooperation at the regional level, and normative cooperation at the pan-global level. A comparison of the damage suffered by Korea from the cyber-attack against the Korea Hydro & Nuclear Power (KHNP) at the end of 2014 with that suffered by Sony Pictures from the hack found a lack of ability to identify the criminals and ensure post-deterrence. This can be seen as having originated from the outstanding gap in cyber capacity building and international cooperation between the two countries. The strengthening of cyber security in Korea requires the improvement of these two fields, as well as of the perception of the importance of cyber security. (October 2016 Issue)
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