
South Korea: Preparations Awaiting Unification—The Political Components

DAVID I. STEINBERG

Introduction: The Insufficiency of Current Planning

The most popular South Korean song, which is sung at most concerts and events, may be the one called “Our Wish.” Not surprisingly, that wish is for unification. But wishes, while retaining their emotional overtones, are now increasingly accompanied by cautions. Both are reflected in the constant theme of Korean unification, which must be the most prevalent of subjects for academic conferences and has been so for over a generation, long predating this ubiquitous melody. Never, perhaps, has so much intellectual energy been concentrated on an event that, although it may be historically inevitable, may still be somewhat distant and vague in its timing and dimensions.

But wishes are quite different from actions. Much of what has been studied in academic and popular publications, in public forums and in classified meetings and documents, concerns how to negotiate, how unification will eventually occur, or what to do while or when unification finally is achieved in whatever form and in whatever manner. Massive studies have been made of the costs of unification under various scenarios and at various times, as well as of the international ramifications of such events. Research institutes on this subject have been established by the South Korean government and by a number of universities.

David I. Steinberg is concurrently representative of the Asia Foundation in South Korea and director of Asian Studies at Georgetown University, Washington. The views expressed in this chapter are those of the author alone, and not those of the Asia Foundation or Georgetown University.

There are detailed sectoral studies undertaken by government think tanks, and one can be sure that every Korean *chaebol* with funds to invest has closely scrutinized the situation and has been concerned over how it might profit from unification or some close economic relationship between the two states. Some joint ventures have recently been approved. The assumption seems to have been that unification would once again make Korean products made in a unified Korea competitive; that is, the *chaebol* would take advantage of the low costs of labor in North Korea in a cultural atmosphere that would apparently be understood by South Korean management. In many other societies, in contrast, Korean leaders have had confrontational and poor relations with local labor because of disregard for local societal norms.

In spite of all this effort, there seems less done, or perhaps less done publicly, on what the South Korean government might do now, as opposed to what it might do later when unification seems an imminent certainty. The South Korean government has been reluctant to make public statements concerning unification policies because the policies are predicated on the absorption of the North under any one of a number of scenarios; discussing them openly would “stimulate” (the word often used) the North to undertake a propaganda campaign, and perhaps even more aggressive attitudes and actions. The caution involved is commendable, but the decision to be reticent in public about unification policies may prompt neglect of various options or policies that might be expressed in a nonthreatening, even in a constructive, vein. There are also other and more informal methods and venues by which to let the North Koreans know what policies might be followed should there be unification. To dismiss summarily public disclosure may avoid some immediate unpleasantness, but it may also result in lost opportunities.

All of this quiet planning is no doubt necessary and even critical. But is it sufficient? Two issues are involved: first, is it possible to convey relatively soon to the North Korean leadership South Korean intentions that might positively influence the North’s actions; and second, could or should such intentions be disclosed in South Korea?

I would suggest that present planning is not sufficient. On the first point, there are public policies concerning the South’s intentions toward the North that might be announced in the relatively near future, perhaps initially as trial balloons and under a variety of either official or unofficial auspices, to ease what certainly would be a trauma for many individuals and institutions should the relationship between South and North Korea suddenly change. On the second, many of these issues ought to be openly debated in the South. The euphoria of unification is no substitute for a realistic appraisal that considers and prepares the South for its political, as well as economic, ramifications. How now to prepare politically is a question that I hope partly to address.

North Korea is increasingly pluralistic and in a process of democrati-

zation. Where transparency and informed public opinion take on greater salience than ever before in Korean history, and where there must be heightened respect for the public's views, internal political requirements may demand new approaches to foreign policy. This chapter will argue that much of the planning for unification should be discussed in public forums in the South to be effective in political terms for both South and North—to affect the public positively and to mobilize the people for new relationships in the South, and to provide possible alternatives to the elites in the North.

Four questions might be asked about the possible public discussion of unification issues.

- What public policies toward the North (and, as we note below, with implications in the South) might or should be announced or debated now, or at least long before unification under whatever scenario seems imminent, and under what auspices should such policies be debated?
- Would any of these announcements contribute to the process of unification or at least the lessening of the tense relations between the two states?
- Could such statements articulated now or soon in the South contribute to the earlier and smoother process of unification in both South and North?
- How politically feasible are such announcements in the South Korean political culture and climate?

These questions create a different dimension to our thinking, for they necessarily would involve the South Korean government in calculating the internal South Korean political costs and opportunities of any actions, or even statements, that it might make, as well as their impact on the North both formally and practically. Objective economic studies of the state of the North Korean economy usually ignore South Korean politics, accepting it as a constant. Sectoral studies concentrate on the North's needs and financing issues. If policies are proposed before unification, they now must also be considered in the context of future four-power talks (in contrast with the talks-about-talks). It is even possible that if couched in generalized and oblique language, such discussions could be considered confidence-building measures.

The complexities of the South Korean political process—even in the most placid of times, let alone in this tumultuous period prior to a presidential election that seems to be becoming even more complicated—require most careful consideration before public statements are made. It is evident that any political leadership would have to ponder carefully the potential political fallout in South Korea resulting from any policy

statements made about the future in the North. These policy statements would produce more complex reactions in the South because of the obstinate and virtually formalistic public attitude of the North Korean regime in according any respect to announcements of whatever nature that emanate from the South, thus furthering charges by the South Korean people and government of the North's insincerity and intransigence and the uselessness of even suggesting ameliorating policies. This obviously affects the capacity of a South Korean regime publicly to discuss policies based on logic and not local politics.

The process of policy formulation becomes infinitely more complex as South Korea continues the process of democratization. With a freer press and intense legislative debate, and a civil society ready to demonstrate publicly for goals it considers worthwhile or against state actions it considers detrimental to the public good, it becomes incumbent on the state to explain policies to the people, with all the attendant political dangers that such explanations involve. Korean political leaders have rarely talked directly to the electorate except under the most dire of circumstances or in political campaigns. Pronouncements *ex cathedra*, not dialogue, have been the model.

Any comment or activity in South Korea regarding the North becomes political, as events of the past couple of years have amply illustrated. South Korean plans for providing food aid, for example, have been buffeted by internal political considerations, to the consternation of many. This political dilemma is especially acute not only because of the historical relations between the two states, but because 10 percent of the South Korean population have Northern origins or roots (although only about 400,000 individuals who personally left the North are still alive). Many of these individuals have assumed the highest positions in the South Korean government, perhaps because they have been a self-identified and entrepreneurial elite. Some came south because they were from the upper classes in the North; holding considerable assets, they were subject to potential political purges. No doubt they have strong views on what ought to be done on and about unification now and in the post-unification period.

Overcoming one's national prejudices is a particularly difficult part of the problem. One of the most dangerous features in the development of state policies is that governments unconsciously come to believe their own propaganda. For the Koreas this threat is especially strong, after 50 years of intensive mutual demonization—and restrictive legislation, such as the National Security Law and related edicts—that have required conformity to an official ideological position in the South. The situation has been far more severe and deleterious in the North. It is important that any South Korean administration should undertake to alleviate such problems now, treating the North objectively while at the same time carrying out the normal state functions necessary to prevent subversion.

In considering what might be done to break new ground related to the unification issue and South Korean politics, this chapter is premised on a set of South Korean political hypotheses, as follows:

- Any policy statement on specific policies related to unification with North Korea under any scenario by any South Korean government will have political impact in South Korea.
- That impact will produce negative reactions among a considerable portion of the South Korean population, whatever such pronouncements proclaim, under a democratizing system.
- Any policy statements of substance by the South Korean leadership need to be undertaken by a strong South Korean government—that is, one that is popular, not one that is autocratic.
- The present administration is not capable of undertaking any such policy statements, even should it want to do so, not only because it is in its last months of existence but also because it has become inherently weakened.
- Any new government inaugurated in February 1998, assuming that it is indeed popular and not burdened with marginal political legitimacy, will have a relatively short honeymoon period—perhaps only the first year of office—in which such controversial policies might be articulated. As a corollary, even a new but weak administration elected by a plurality might find it could garner popular support by laying out a set of cogently argued policies. This chapter is then addressed to that unknown new government.

Many issues facing a unified Korea under any scenario cannot be discussed before the process is either imminent or under way. For others, however, it would be disastrous to wait that long. Through constant study and much interchange between Korean and German scholars and officials, the German problems and mistakes are now being understood and absorbed. We now know better, for example, than to suggest parity of currencies and equal labor costs. The swiftness and unexpectedness of German unification obviously have taught us a great deal. We may also learn from the Yemeni experience, which is not now well understood.

The heritage of over 50 years of negative propaganda on both sides and the excesses committed by both during the Korean War excite strong emotions, even after so many years. Care must be taken not to let emotions overcome reason and the prospects for a more peaceful relationship. It is very likely that unification will be greeted with contradictory feelings: a sense of fear based on history and anticipation in both societies, and a sense of euphoria and well-being in the South (and perhaps in the North). The expectations among the people of the South are so high, however, that a sense of frustration, and even anger, will likely

set in before too long when reality intrudes and the social, economic, and political costs of unification must be paid. Perhaps this letdown will occur on both sides. The South Korean government may also be, quite naturally, apprehensive. Actions are thus needed early in the process to mitigate the problems that will almost certainly become far worse if they are not addressed before unification is on the verge of reality.

The most critical and basic issue affecting the preparation for unification is the skillfulness of the South Korean government and its acceptability to the South Korean people. All past and present governments and leaders have used the North Korean threat for internal political and/or personal purposes. Park Chung Hee in 1972 used the excuse of negotiating with North Korea to justify expanding an already strong government into perpetual authoritarian rule. He did not understand, or preferred not to believe, that the strongest government is not authoritarian but is one viewed as politically legitimate, popular, and trustworthy. A weak or unpopular government that is seen as either illegitimate or corrupt will not be able to convince the populations of either state, especially given the expected economic and other problems, that it is acting appropriately and in the long-term interests of the Korean people.

While recognizing the South Korean government's unstated rule to avoid publicizing policies related to unification, I suggest an alternative approach. To be sure, for the South Korean government to publicly address the following issues would be both innovative and politically dangerous. It would be innovative because such an act would recognize that the new politics of democratization require new approaches to informing the electorate, and it would be potentially dangerous because neither a new administration nor the electorate might be comfortable with the concept of dialogue on these issues. And while the dictum that issues should be discussed publicly may be a standby of American politics, not a Korean pattern, the potential benefits are such that this approach warrants consideration and debate internally within the Korean government in the first instance; it should not be summarily dismissed as mere American naïveté.

Some of the suggestions below are justified by the current needs of South Korea, irrespective of its relation to the North. But the impetus of deliberating unification could hasten interest in reform and prompt earlier consideration. It is recommended that these issues be explicitly discussed; here, they are considered in terms of unification policy.

Issues of Unification

Financing Unification

Much has been written on the costs of unification, but relatively little on how such costs will be met. There are expectations that Japan would

provide massive assistance as a type of “reparations” (regardless of the actual euphemism chosen for such payments). The World Bank and the Asian Development Bank will no doubt be heavily involved in the process.

Whatever external assistance may be forthcoming, the economic burden of unification will fall in part on the South Korean people. This burden politically should not be too great, for more than a marginal drop in the standard of living could undercut the effectiveness of any South Korean regime: economic efficacy has become an integral part of political legitimacy, and any gains made by unification might be lost if hardships are perceived to be unequally shared. But if the German model (which few now want) is followed, the costs to South Korea and its people would be enormous—greater even than Germans experienced, because the South has a lower GNP and population than does the Federal Republic of Germany. To ensure more equitable distribution of the costs is also to ensure less resentment after the initial euphoria of unification inevitably wears off. This will require that private financing supplement government assistance to the North, in the form of bonds floated for public and private investors to finance North Korean development.

Because the populace must be made to understand the economic potential of such investments, South Korean financial markets will have to be open and responsive to international investment far more than they are today. Such opening must precede unification, a consideration that alone should prompt any South Korean regime to speed up the liberalization of the financial sector and markets, aside from any pressures that might be exerted by the Organization for Economic Cooperation and Development (OECD) or the World Trade Organization (WTO) on this subject. A long-term benefit to Korea would accrue even if unification is postponed; should it come more quickly, South Korea could respond with measured alacrity.

The *Chaebol*

One of the most contentious issues that will have to be faced concerns the potential role of the *chaebol* in North Korean development. The hold over the South Korean economy by the *chaebol* has become a political liability for any South Korean government; but at the same time they have become intimately related to economic growth and political legitimacy in South Korea. Rapid development of the North Korean economy, if the burden is not to be borne excessively by the South Korean state and thus the South Korean people, will require that the *chaebol* be extensively involved in the process, which in fact will further strengthen their hold over the Korean economy as a whole. The process has already begun. What legislation is needed and how this issue should be

resolved are questions that cannot wait until unification is imminent: they should instead be addressed rationally as soon as possible. The public needs to understand the relative positions of the state and the *chaebol* in a peninsula economy, recognizing the degree of regulation required for effective and equitable growth. This situation is dynamic and in flux, but it cannot remain unaddressed even if complete resolution may not be possible at the present.

North Korean Assets

One of the most vital issues that any South Korean government will face in relation to unification is that of distributing assets in the North originally held by families who came south. There will be strong pressures to return land and, to a lesser degree, industrial enterprises to those who had owned them. They should be strongly resisted. However, the nationalized land policies of the North need to be reformed. Such reform is necessary not only to achieve the heightened agricultural productivity that will come from private farm ownership and resulting economic incentives, but also to meet the political need to satisfy a population in the North that requires reassurance in the unification process.

Reform will likely create consternation among an influential group of South Koreans from North Korea; one South Korean presidential candidate has already been questioned on the subject. In a democratizing and pluralistic state, this obviously poses problems for any administration. To an outsider, it seems essential that a new government should attempt to deal with the issue early in a new administration when its authority is highest. (The lesson to be drawn may come from the Philippines: Cory Aquino could have pushed through land reform early in her term of office but failed to do so, and the problem remains acute.)

It may be politically necessary to recompense previous owners of North Korean property. This can be accomplished by issuing government bonds in accordance with some reasonable formula that, although perhaps unsatisfying to much of the affected population, might mitigate political problems in the South. Public announcements calling for the return of land to the tiller might also draw a strong response from farmers (who admittedly are a small minority in North Korea's heavily urbanized society), even though the position might be anathema to the regime itself.

In most societies that purport to have a rule of law, due process is slow, contentious, and lengthy. The political fallout from relying on such a cumbersome system in connection with the distribution of assets within the North or between the North and South should be avoided. A special court or adjudicative or arbitration system should be established that would deal expeditiously with any problems arising—and they are likely to be numerous, even under an articulated policy—and avoid the backlog of cases that the existing court system would encounter.

The Judiciary

The issue of a unified court system, or two separate court systems, is far more problematic, but planning for that institution(s) should also begin. What role will the Constitutional Court play in issues related to North Korea, and what powers will the South Korean government have under the constitution? Should, indeed, the South Korean judiciary now be brought into the planning process? These issues deserve attention now.

Local Autonomy

Whether a unified Korea will have two autonomous systems or some form of integrated government is unclear, though some form of local autonomy is likely to be required over time. But to minimize political problems of adjustment in the short term, some real local autonomy will have to be granted to the northern provinces, or to the North as a whole. If this is to be acceptable to the southern population, equity will require that real local autonomy will also have to exist in the South. It is important that any South Korean administration now, not when unification seems imminent, diminish the authority of the Ministry of Home Affairs—which has been a most powerful ministry that for historical and cultural reasons is not prepared to see effective local autonomy—and reform the present “local autonomy” system in South Korea. The local elections in South Korea are said to reflect local autonomy, but that is a misnomer. Locally autonomous police, judicial, educational, fiscal, and other functions will be required to ease the transition in the North, but they will necessarily have to be instituted equitably throughout the peninsula.

Retribution

Given the horrors of the Korean War and the confrontational propaganda disseminated by both governments, there will likely be vindictiveness and emotional calls for retribution against those who committed atrocities or excesses against South Korea or who denied rights to the citizens of North Korea. This natural tendency has been observed in many societies, including the South in connection with the Kwangju incident and the punishment of those responsible. It is likely to be more acute in regard to North Korea. These demands, which may come from both the North and the South, should be resisted. This will no doubt make many in the South unhappy, but the experience of a variety of countries has shown that retribution or its threat creates more problems than it solves. The threat of retribution would likely increase the determination of those in power to remain in position and deflect change. The evidence from the Korean War indicates that both North and South have committed excesses against each

other in the past, and careful control will be needed to prevent the spread of long-simmering rage. Prior to unification, policies related to amnesties and other forms of conciliation should be announced. The experiences of Spain, Portugal, Argentina, Chile, and other states that have had to compromise under changing regimes should be studied, as they might provide useful examples. Admittedly, no system will completely satisfy everyone. The trials of the former presidents in South Korea must make those who might have to give up power in the North or elsewhere fear that the same thing will happen to them. Even if such offers of amnesty are not believed by Kim Jung Il and some others in the upper echelons of the North Korean hierarchy, and even if they are circumscribed, they may convince a significant number; this might accelerate the process of change in North Korea and make unification more palatable.

The Danger of Labor Exploitation

Based on their practices in Southeast Asia and China, Korean factory managers have developed the worst reputation of any foreign investors because of their poor treatment of local labor and their abusive management techniques that are often in conflict with local cultural norms. One economic attraction of North Korea is its cheap labor. It is likely that the workers will be exploited and that such exploitation will lead to anti-South feelings. This will have to be monitored carefully. Advance policy announcements on labor issues to reassure the population of proper treatment would be helpful; they could set guidelines for the treatment of labor and the adjudication of labor disputes. The surest way to continue enmity between regions that already are stereotyped in their differences is to allow the “carpetbaggers” of the South to exploit the North. In the United States, it took perhaps a century for the North to shed its reputation of having exploited the South following the Civil War.

Social Safety Net

The North had developed a social safety net for those who adhere to the dictatorial political ground rules. This has been demolished for much of the population under the stringent economic conditions that have lasted for almost a decade. The reinstatement of such a net, or even the announcement that such a net were being considered, might have a positive impact on attitudes in the North, easing fears of unification.

The Military

No consideration of pre-unification policies can ignore the future of the North Korean military. There is now, before reunification, a need to

publicly reassure the North Korean army about its future: either its partial integration into a unified army, its possible function as part of a national guard or local militia, or its gradual demobilization paced to match the increased availability of alternative employment. Defense budgets of a unified Korea are not likely to decrease below the current South Korean levels as percentage of GNP until such time as the regional reconfiguration of power in Northeast Asia has been defined, and after employment opportunities in the North grow. The treatment of the North Korean military may be the most important issue for the South Korean government to address at an early date. If this crucial issue is left to unification, the result might be widespread bloodshed, revolt, or forms of anarchy.

Migration

The issue of migration from North to South, where initially more jobs are available, will be an important question, as will the desire for some former residents from the North, as well as some radical students, to move from South to North. Inundation of the South by refugees from the North would not only severely overtax the capacity of the South Korean government to integrate these peoples in the short term, but it might also overwhelm the security apparatus in the South that now is quiescent but still in place. It is obvious that policies related to these issues need to be addressed and announced at an early stage; probably limits should be set on migration for some interim period.

Gradualism

Much thought has been no doubt given to the general issue of gradualism, not only in the process of unification but in specific sectoral or social policies after unification has been achieved. There is evidence that gradualism in some of its forms has become the policy of the South Korean government, which would like to maintain the Demilitarized Zone (DMZ) for an extended period in order to eliminate extensive migration and allow the slow integration of the two regions. How quickly will the processes of social, economic, and political life be adjusted after unification takes place? If gradualism is to become the overall policy, then it should be articulated early to ensure that the obvious pains of change are eased for all concerned. It is obviously incumbent on the South to consider alternative policies; while these cannot now be spelled out in detail, some overarching policy on the question of gradualism might be expressed.

Orthodoxy

Social adjustment in a unified Korea will be difficult. The role of the state will continue to be strong; state intervention will be extensive and

obviously necessary in many fields. Both Koreas, because of a shared Confucian heritage of viewing leaders as paternal heads of national families, have a powerful tradition of state intervention and of popular acceptance of much of that intervention. Obviously state control in the North is egregious, but the tendency toward orthodoxy and conformity to state-held positions is pervasive, even if the degree of such acceptance has varied and is now changing. The issue of the degree of social distance between the state and society will be important. It has been narrow in the South, and nonexistent in the North, with important implications for human rights and the concepts of privacy and personal as well as collective autonomy. Whatever compromise is found most suitable would best be studied before unification to establish procedures and ground rules. In any event, the role of the state in a unified Korea is likely to be very strong, at least in the first decade of unification. The issue deserves attention and debate.

Education

The truth of the old adage that the victors write history is likely to produce some of the most acrimonious debates related to unification. The formation of a national education system and its curricula are manifestations of power. In the short run, it would be attractive to many in the South to reeducate the youth of the North, eliminating both the pervasive cults of the personality and the interpretations of Korean history that conflict with Southern mainstream thinking. What kind of an education system will be fostered in the North, and, more important, what will be taught? How will the Korean War be interpreted? How will Kim Il Sung be treated in the history books? Even such remote questions as those dealing with the relative roles of the Three Kingdoms are political, with Shilla stressed in the South and Koguryo in the North. As Andre Schmid has observed (1997, 27), "Both the north and south Korean states have employed history as a legitimating device in their bids to present themselves as the sole champion of national causes."¹ Should separate textbooks and curricula be authorized by the central government, then what happens to autonomy within South Korea in local approval of texts? Policies on education will require much debate.

On Possibilities and Realities

Will any of these issues be publicly aired by any South Korean administration in a manner that will ease the process of unification before it

1. The reputed finding of Tan'gun's grave in Pyongyang is a manifestation of this phenomenon as well.

occurs? This is highly improbable. Some Koreans will argue that it would be political suicide for any government to raise these questions with the public, because in opening up controversies it would lose more than it would gain. Others would say, with a great deal of accuracy, that this is not the Korean way: the state must lead, not engage in dialogue with its own people. A further argument against public discussion might be that any policies enunciated before unification would tip the South Korean hand in negotiations. Knowledge is power, and to share it earlier than necessary is self-defeating. South Korea would give up a great deal while gaining little, if anything.

All of the above points have validity, but as the country has changed politically in many respects, so perhaps a South Korean administration must develop new approaches to dealing with its populace. The fear that North Korea might benefit from knowing policies beforehand and use them as propaganda against the South is, of course, understandable and real. But perhaps the doubts about continued intransigence that a set of moderate policies, enunciated by the South Korean authorities, could plant among influential members of the North Korean elite, even if not among the top few, might sufficiently compensate for some of the political losses suffered in the South.

If South Korea might gain from discussion of public policies toward the North, what might it lose? Statements about unification have always been addressed to the North Koreans, and perhaps little would be lost there: the North would likely continue its diatribes against the South and its purported meddling in the North's internal affairs. Opening up these issues might cost more within South Korean politics, although there are ways that they could be debated without the government being identified as the source of any particular proposed policies. There are enough private think tanks in Seoul alone to undertake such debates. In a sense, the question of how publicly the government will deal with its policies toward North Korea is a test of the South Korean political system and its responsiveness to its electorate. To avoid the test is essentially to question the robustness of an evolving democratic culture—though attempting a new approach to politics has, admittedly, considerable potential dangers. Nevertheless, such efforts should be essayed. The United States should also privately encourage the South Korean government to consider seriously some of these issues, prepare its own population for unification, and at the same time offer assurances to the North.

The ultimate purpose of enunciating such policies relatively soon would be to reassure the North and to guarantee moderation in light of the South Korean political victory that, it is obvious, will eventually take place. Such actions would ease the process, protect the people, and gain the foresighted leaders a positive place in Korean history.

Confrontation is only the last resort—it should not be the first. In the classic Chinese novel *Romance of the Three Kingdoms*, General Chu Ko

Liang says that when he besieged a city, he always left one gate unguarded to provide an escape route for the enemy so that confrontation could be avoided. That is still good advice at all levels of negotiation.

Reference

Schmid, Andre. 1997. Rediscovering Manchuria: Sin Ch'aeho and the Politics of Territorial History in Korea. *Journal of Asian Studies* 56, no. 1 (February): 26-46.