How the Inter-Korean Conflict is an indication of the New Cold War
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The Republic of Korea case study: How the Inter-Korean Conflict is an indication of the New Cold War.

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Intense military pressures on South Korea have been present for half a century, with the country being at the centre of numerous regional conflicts. The government’s technique for addressing external security threats differs depending on its nature, varying from assuming the position of great foreign powers to implementing its independent policy. The Republic of Korea’s reliance on foreign assistance for defence and protection shows no signs of ending, especially concerning North Korea. The incitement of Kim Jong Un’s government risks hostility in the region.

The country is under growing domestic pressures to find solutions for a rapidly ageing population and record low birthrates, one of the world’s weakest. Failure to do so compromises South Korea’s status as a growing power in East Asia, one of the four Asian Tigers, and risks leading the country to economic stagnation. Suppose the South Korean government does not find a way to make immigration more palatable to the Korean people. In that case, it is unlikely that South Korea will avoid a significant population decline.

Well-established antagonism with Japan could worsen as Japanese nationalist policies conflict with the South Korean government’s goals. However, the recent signing of the Regional Comprehensive Economic Partnership opens up several possible developments in Korean-Japanese relations, extending from an improbable reset in their bilateral ties to an equally unlikely economic confrontation. The Liancourt Rocks dispute also stands to be influenced by recent events, which may incline South Korea to turn to foreign mediation on the issue.

South Korean relations with the United States are evolving, with the Biden Administration recently inking a new cost-sharing deal with the South Korean Government to cover the expenses of American troops stationed on the Peninsula. Nevertheless, China’s growing influence threatens to overturn the established order in the region, and a rapprochement of South Korea to China may take place over the coming decades.

The future security of South Korea is directly tied to developments on the Korean Peninsula. Suppose relations with the North Korean Regime significantly improve, which most expect to be improbable in the near future. In that case, reunification may result, but North Korea’s nuclear weapons development could destabilise the region too. Scenarios relating to these events vary from an improbable reunification to an equally unlikely nuclear war.

South Korea’s attempts at navigating the growingly tense feud between the United States and China may force the country to choose a side in the conflict, which will have severe ramifications for its security architecture.
I. GEOPOLITICAL CONTEXT

The Republic of Korea (ROK) lies at the crossroads of North-East Asia, the East China Sea, and the Sea of Japan. Pulled between the influence of opposing great powers, China and the United States (US), South Korea is facing a complex geopolitical future. Its conflict with the Democratic People’s Republic of Korea (DPRK) also presents numerous security threats, which risk bubbling over into a full-blown regional war. This has forced South Korea to work with historical enemies, like Japan, but such cooperation continues to face obstacles.

1.1. Physical and Political Geography

South Korea is located on the Korean Peninsula, comprising an area of 100,363 km². It borders China to the west across the Yellow Sea. Japan lies to the east and south across the Sea of Japan and the Korean Strait. The DPRK is to the north. The land border between the two states is located at the demarcation line, along the thirty-eighth parallel. South Korea is a mountainous country, and the tallest peak is Hallasan Volcano, on Jeju Island at 1,950 metres, and 30% of the country’s land is suitable for agriculture.¹

Its three principal rivers are the Nakdong, which is the longest, runs for 521 km; the Han, which flows from its source in the DPRK; and the Geum River, which is dammed for agriculture and electricity production purposes. The country experienced significant deforestation during the first half of the 20th century, but reforestation efforts have succeeded in raising forest cover to 65% of South Korea’s total territory. Lastly, the country forms part of the East Asian Monsoon region, and it is hit by a few typhoons each year.²

The ROK is distributed into nine provinces: North Chungcheong, in the south-centre of the country, whose capital is Cheongju, it is a significant agriculture producing region; South Chungcheong, in the west, whose capital is Hongseong County, it has coal and mineral deposits; Gangwon, bordering the DPRK in the north-east, whose capital is Chunchon, it is renowned for its agriculture products; Gyeonggi, in the north-west, whose capital is Suwon, has a significant heavy industry; North Gyeongsang, in the south-east, whose capital is

Andong, produces substantial rice and barley; South Gyeongsang, in the south, whose capital is Changwon, has the best granary in the country; North Jeolla, in the west, whose capital is Jeonju, has important industrial and manufacturing centers; South Jeolla, in the south-west, whose capital is Muan County, has significant fishing industries; and, Jeju Province, located on Jeju Island to the south of the Korean Peninsula, whose capital is Jeju City, is the only self-governing province in the country and its main economic activity is tourism. Also, Seoul is recognised as a special city with its own governing structure, and Sejong, in the South-west, is recognised as a special self-governing city.\(^3\)

1.2. Contemporary History of the Republic of Korea

Korea has been under the influence and control of many different foreign powers throughout history. Before the modern era, the most significant of these has been China, under which Korea was a tributary state for centuries, and Japan, which colonised the Peninsula in 1910. Japanese colonial control of the Korean Peninsula ended with its surrender in World War II. On August 17, 1945, the Peninsula was temporarily divided by US General Order No. 1, igniting one of the most controversial security threats in modern history.

The Cold War is the fundamental reason for the division of the two Koreas. Seeking to stop the spread of Communist influence, the United States assumed control of South Korea’s territory. Following a surprise invasion by Kim Il-Sung, North Korean leader, in 1950, war raged on the Peninsula for three years. It represented the only proxy-war between China, the Union of Soviet Socialists Republics (USSR) and the Western world. The war’s impacts were significant, causing over 750,000 military and 800,000 civilian deaths; the conflict acutely impacted the DPRK, where it is estimated that around 10-15% of its 10 million population perished. An armistice was signed between the two Koreas on July 27, 1953, establishing a demilitarised zone (DMZ) along the thirty-eighth parallel. It has become the most heavily militarized border in the world. Significant mutual distrust and fear between the two countries continue to exist to this day.\(^4\)

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\(^3\) Ibid.
Following the war, most Korean industries remained in the North, while significant military power was located in the South, which led to a considerable imbalance for the Peninsula. The desire for reunification was spoiled by the great power politics playing out around them. As a result, the two countries went their separate ways. After experiencing two disastrous republics, South Korea experienced a military coup in 1961 that established Park Chung Hee as the new leader. Rivalry with North Korea accelerated ROK’s development by making it imperative that the country become the economic and military hegemon on the Peninsula. Park oversaw a complete reform of the South Korean economic, military and political systems and increased ROK’s reliance on American military support and financial aid. At the same time, he worked to improve relations with longtime foe, Japan. Internal political tensions, which North Korean insurgents fanned, led to another military coup in 1980. Notwithstanding this, the ROK officially transitioned to a representative democracy under the current Fifth Republic in 1987.

Throughout its existence, fraud and corruption have continued to transpire, with numerous elected officials accused of abusing their power. *Chaebols*, South Korean family conglomerates, have played a pivotal role in the ROK’s emergence as an economic powerhouse. Still, they have turned the country into a crony capitalist society. In 2017, the current president Moon Jae-in was elected under the promise of enacting wide-ranging *chaebol* reforms. Including greater transparency of government-*chaebol* contracts and a limit on *chaebol* influence in politics.

Inter-Korean relations have ebbed and flowed over time. While the push for Korean reunification has caused South Korea to offer economic, cultural and political assistance to North Korea, such as the *Sunshine Policy*, the United States and Japan’s influence has strained relations at other moments. In 2018, both Korean leaders signed the *Panmunjom Declaration for Peace, Prosperity and Reunification of the Korean Peninsula*, which focused on ending divisions on the Peninsula, increasing cooperation, and officially ending the Korean War. The ROK played an essential role in moderating North Korea and American diplomatic efforts, culminating in *the Singapore Summit* (2018) and the *Hanoi Summit* (2019). However, the COVID-19 pandemic (2020-current) has had severe consequences for the government’s ability to maintain its promises of reform and economic growth. It remains to be seen how the present crisis will impact the two Koreas’ rapprochement.5

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1.3. Human Demographics

South Korea is the 28th largest country in the world by population, with approximately 51.7 million inhabitants. The country is highly urbanised; around 81% of people live in a major metropolitan area, and the population is primarily concentrated in western and coastal regions. Its capital is Seoul, which holds 42% of the country’s population, and it is located approximately 23 km. south of the demilitarized zone with North Korea. Major cities in the country include Busan, Incheon, Daegu, and Daejeon, and it is one of the most ethnically homogeneous countries globally, with over 96% of its inhabitants claiming Korean ethnicity.6 There is a growing immigrant population comprising Chinese, Vietnamese, Thai, Americans, and Uzbekistani. The national language is Korean, but a significant part of the population is literate in English.

South Korea's annual population growth rate has been slowing for decades, and it is nearing stagnation. In 2019, the country recorded a growth rate of 0.19%, adding only 102,000 people to its population.7 The percentage of the population over the age of 65 is increasing (13,13%). For the first time in its history, the country recorded more deaths than births in 2020, that is, 275,815 births to 307,764 deaths.8 The ROK has one of the lowest fertility rates globally (1,096), and the median age is currently 43.7 years old. The country's population is projected to peak at 52 million individuals by 2030; afterwards, it is estimated that the population will decline to 44 million by 2060. During the same period, the population’s percentage over sixty-five will increase from 13.1% to 40.1%.9 This places significant stress on the South Korean labour market and negatively affects the country's economic growth.

1.4. Cultural and Religious Demographics

Historically Korea was a Chinese tributary state, and it has been heavily influenced by Chinese culture. Confucianism and Korean Buddhism have played central roles in dictating the societal

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norms in Korea. It is a rather conservative society by Western standards. Its family structure centres on Confucian values of respect for one's parents and filial piety. Traditionally, there has been a clear preference for sons, which was marked by a significant increase in the abortion of baby girls during the 1990s. There is considerable inequality in the cultural expectations of men and women. Korean culture has been growing in popularity abroad, with K-pop and Korean films increasingly gaining international recognition, a phenomenon known as the Korean Wave. The rise of Korean cultural influence abroad has simultaneously increased the country's soft power. Consequently, the ROK’s Government has pushed to raise the federal budget for cultural activities to support the Korean Wave abroad.

The religious practices of its inhabitants shape South Korean culture. The official 2015 household census by the Korea Statistical Information Service, the most recent to be held, recorded that 43.9% of the population adhered to a religious tradition, while 56.1% identified as non-religious. The most popular religious groups are Protestants (45%), Buddhists (35%), and Roman Catholics (18%). South Korea is the most Protestant country in Asia in terms of its percentage who considers themselves Protestant. This has helped the government to maintain strong and lasting relations with the United States.

1.5. Economy

Due to the economic impact of the COVID-19, there is no up-to-date information on all of South Korea's economic characteristics. We have chosen to base our economic data on the financial information provided in the last year before the beginning of the pandemic, 2019.

The ROK is one of the only countries that has successfully transitioned from a low-income agricultural economy to a high-income mixed economy in the past fifty years. Its revolutionary development is frequently referred to as the Miracle on the Han. The country has a total Gross Domestic Product (GDP) of $1.646 trillion and a GDP per capita of $44.011. It is the world’s

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14 World Bank, “GDP per Capita, PPP (Current International $) - Korea, Rep.,” International Comparison Program database, n.d., KR.
twelfth largest economy by market size. The total labour force of the ROK encompasses over 28 million people, and 67.1% of the population is between the ages of 15 and 65. 64% of the working ageing population is currently employed.\(^\text{15}\) The country is one of the world's largest producers of passenger and cruise ships, automobiles, and cyclic hydrocarbons.\(^\text{16}\) Over 4.76 million South Koreans are employed in manufacturing, providing 25.3% of its GDP.\(^\text{17}\)

In 2019, exports rose to $542 billion, providing 39.95% of the total GDP.\(^\text{18}\) The country has experienced a trade surplus in 2019. The country's principal exports are integrated circuits, automobiles, refined petroleum, and vehicle parts, which add a combined value of $183.4 billion to the South Korean economy.\(^\text{19}\) Top destinations for ROK’s exports are China, the United States of America, Vietnam, Hong Kong, and Japan. Meanwhile, imports have grown to $485 billion, constituting 37% of the country's GDP, mainly comprising imports of crude petroleum, integrated circuits, petroleum gas, and refined petroleum.\(^\text{20}\) The majority of imports come from China, the United States of America, Japan, Vietnam, and Saudi Arabia.

Large family conglomerates, called chaebols, dominate the South Korean economy. The largest of these businesses are Samsung, L.G. and Hyundai. Samsung alone provides roughly 15% of the national economy, accounting for 20% of the Korean Stock Exchange market value.\(^\text{21}\) The chaebols have played, and continue to play, an essential role in the development of domestic infrastructure, manufacturing and trade. They dominate South Korea's economy, with the ten largest accounting for 67.8% of its GDP.\(^\text{22}\) As a result, rampant nepotism, bribery, and income inequality have developed. Transparency International's 2020 Corruption Perception Index ranks the country as the 61st most corrupt out of 180 countries.\(^\text{23}\)

Significant efforts to increase South Korea's economic influence abroad have been made in the past decade, with numerous financial agreements being signed between Seoul and partner


\(^{16}\) Ibid.

\(^{17}\) Ibid.

\(^{18}\) Ibid.

\(^{19}\) Ibid.

\(^{20}\) Ibid.


countries. The most significant development has been the ratification of the *Regional Comprehensive Economic Partnership* in November 2020.\textsuperscript{24} It is a free trade agreement between fifteen different Asia-Pacific countries, encompassing 30%\textsuperscript{25} of the world’s GDP and the same percentage of its population, making it the largest trading bloc in history. It represents a significant shift in the global economic order, positioning the ROK to be near the centre of international trade.

In December 2020, the OECD published a working paper with projections for the South Korean economy in the near post-COVID future. It recognizes that Seoul has been the country with the smallest overall GDP decrease in 2020, around 1%, and it estimates that it will rebound to around 3% annual growth in 2022 and 2023.\textsuperscript{26} Moreover, the strong economic comeback of the South Korean economy will be buoyed by increased domestic consumption, significant government stimulus, and a gradual recovery of the global semiconductor market. Thus, the near future of South Korea, despite the influence of the COVID-19 pandemic, is quite positive in the global context.

### Table 1: SWOT of the Republic of Korea

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tbody>
<tr>
<td>- Highly educated population</td>
<td>- Ageing population</td>
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<td>- Petrochemicals industry</td>
<td>- COVID-19</td>
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<td>- Shipbuilding industry</td>
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<td>- Automobiles industry</td>
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<td>- Integrated circuits industry</td>
<td>- Social and economic inequalities</td>
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<tr>
<td>- Technological industry and development</td>
<td>- Non-existent domestic energy sources</td>
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<tr>
<td>- New infrastructure</td>
<td>- Lack of allies in the region</td>
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<td>- Strong military power</td>
<td>- Lack of openness for foreign companies</td>
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<td>- Neutrality on regional and int. conflicts</td>
<td>- Low natural resources</td>
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<td>- World leader industries</td>
<td>- The financial deficit on exportations</td>
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<tr>
<th>Opportunities</th>
<th>Threats</th>
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<tr>
<td>- Increase of soft power through its culture</td>
<td>- Debt trapping</td>
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<tr>
<td>- High technological industry</td>
<td>- Foreign energy dependence</td>
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<tr>
<td>- Cultural affinity with China</td>
<td>- Rapidly shrinking labour force</td>
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<tr>
<td>- Mediator for US relations with China and North Korea</td>
<td>- Worsening relations with the US and Japan</td>
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<td>- Participation in China’s regional initiatives</td>
<td>- China-US rivalry</td>
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<td>- North Korea- US rivalry</td>
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<td>- Shrinking consume market</td>
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<td>- North Korea nuclear threat</td>
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\textsuperscript{24} Regional Comprehensive Economic Partnership, n.d,  https://rcepsec.org
\textsuperscript{25} Ibid
II. REPUBLIC OF KOREA’S THREATS FROM WITHIN

South Korea faces three primary domestic threats in the near future: demographic decline, the impacts of the COVID-19 pandemic, and foreign energy dependence. They are intertwined, affecting the foundation of the ROK’s modern development miracle, revealing an underlying fear that a decline in the country's economic and technological prowess is inevitable. These risks weaken its labour market, which is essential for its influence in East Asia and threaten its strategic autonomy. Both have been aggravated by the current pandemic, highlighting the country’s reliance on other nations resources. In this chapter, each problem will be analysed separately, pinpointing their impact on national security and the government’s approach to dealing with them and the future risks they presuppose.

2.1. Immigration and Republic of Korea’s Demographic Decline

The Republic of Korea has experienced one of the sharpest birth rate declines in the world. In 1970, there were 1.01 million live births recorded, but only 302.7 thousand were recorded in 2019.27 The decrease in childbirth has significant consequences on South Korea’s local labour and economic markets. The World Trade Organisation (WTO) estimates that if the ROK fails to remedy the situation, by 2040, its labour market will reduce by 17%.28 As a result, there have been increasing calls for Seoul to modify the immigration system to facilitate the immigration of persons from neighbouring countries to fill local labour needs. The Korean people have historically recognised themselves as an ethnically and racially homogeneous society that share a common culture and bloodline. Claims of ethnic and cultural uniformity are at the foundation of South Korean nationalism, which frequently contains xenophobic perceptions.29 Immigration is only a relatively recent phenomenon that began in the 2000s when the government approved temporary migration measures of low-skilled persons to meet local labour needs. In 2006, it was recorded that more than a third of male farmers married foreign women, mostly Chinese, Vietnamese, Filippian, and Uzbekistani.

In 2020, nearly ⅓ of children born in South Korea were biracial. Immigrants in South Korea can be classified into North Korean defectors, Korean Chinese, and immigrants of other ethnicities. An increasing number of North Koreans have been accepted into the ROK as political asylum seekers. They are considered ideal migrants because, despite potential ideological differences, they share common cultural and linguistic traditions, and form part of the same ethnic group. Consequently, significant social support programs are offered to North Korean immigrants. The overall number of North Korean immigrants in South Korea remains small, at around 32,000 people.

The Chinese represent the largest immigrant group in the ROK, numbering 700,000 people, and the majority from Manchuria, which shares a similar ethnic and cultural background to Korea. The Chinese make up the largest group of foreign marriages in South Korea. A significant Russian minority is located in Busan, the majority of whom are descended from Soviet migrants who came to South Korea before the 1990s. Many Russians also come to the ROK on short-term visas for fishing purposes. The majority of foreign workers come from Southeast and South Asia through the South Korean Guest Visa Program. They must come with a job contract, and they are forbidden from transferring to a new profession without approval from their current company. Increasing levels of immigrant diversity in the ROK risk producing an ethnocentric response by heightening social concerns.

2.2. Natural Resources and Energy Security

Image 1: Energy Consumption in the ROK

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33 South Korea, US Energy Information Administration, 2018, www.eia.gov/international/overview/country/KOR
South Korea faces one of the most severe energy security dilemmas in the world. The country has no domestic energy sources, and it’s dependent on foreign oil and liquified natural gas to power its economy. In 2018, South Korea produced an average of 1.54 quadrillion Btu (*British thermal unit*), while its final consumption needs reached 12.448 quadrillions Btu.\(^{34}\) It is the fifth-largest oil consumer in the world,\(^{35}\) importing the majority from Saudi Arabia (27%), the US (14%) and Kuwait (14%).\(^{36}\) It is the third-largest liquified natural gas importer, consuming 1.9 trillion cubic feet, which mainly comes from Qatar (27%), Australia (19%) and the US (14%). The ROK has very few natural resources, and practically all Korean peninsula energy resources are located in the north.

South Korea’s location at the far end of East Asian shipping lanes increases the costs and risks of importing energy. In 2019, 69% of the ROK’s energy supply came from fossil fuels, 25% from nuclear power plants, and 6% from renewables.\(^{37}\) Its consumption is divided between 54% destined for industry use, especially steel and petrochemical manufacturing, 26% for the services and commercial sector, and 14% for residential use.\(^{38}\) There are purported offshore oil reserves in the Kunsan Basin in the southern Yellow Sea, at the boundary of PRC and ROK jurisdiction, and in the West Korea Bay basin off North Korea’s coast, but these reports have never been substantiated. China has expressed desires to extend the West-East pipeline as far as Korea, but such proposals remain enmeshed in geopolitical disagreements. South Korea has benefited from various oil production projects in the region, such as the Sakhalin II, a joint project between Japan and Russia, but more projects are necessary to meet its future energy needs.

*The Korean National Oil Corporation* is the country’s largest oil processing company, and it has the world’s fifth-largest refining capacity. The future construction of pipelines to the ROK is uncertain. The threat of volatile conflicts breaking out in the Middle East risks oil imports’ reliability from the region. Similarly, regional oil forums have been held annually among the Association of Southeast Asian Nations (ASEAN) + 3, seeking to strengthen cooperation on oil production and oil-stockpiling programs. Domestically, South Korea has developed several initiatives to guarantee its energy supply. In 2016, the country passed the *Energy Act* (EA) and,

\(^{34}\) Ibid.

\(^{35}\) Ibid.

\(^{36}\) Ibid.

\(^{37}\) Ibid.

\(^{38}\) Ibid.
in 2017, the *Petroleum Substitute Fuel Business Act* (PASPA), establishing a national framework for an oil crisis response. Such measures are complemented by the ROK’s membership in the *International Energy Agency* (IEA), which requires members to store an estimated 90 days worth of energy imports.\(^{39}\)

Between 2020-2021, the ROK has published the *Third Energy Master Plan*, the *Green New Deal* and the *New Climate Regime*, based on the *Paris Agreement* (2015) and the *UN Framework Convention on Climate Change* (1994). The measures aim to accelerate South Korea’s renewable and nuclear energy production by 2040, and they are complemented by regulations to decrease pollution and oil consumption. Liquid natural gas (LNG) will continue to play an essential role in the energy plan. Efforts will also be undertaken to develop the foundation for prosumer-based power generation, cultivate the hydrogen power industry and reinforce regional energy power plants according to the 2015 *Emissions Trading System* (ETS) standards.\(^{40}\) The country has invested 1.12 trillion won this year in *Clean Energy Research and Development*, and it is creating a big data platform to provide instantaneous energy information. Thus the possibilities in the medium term for a successful transition to renewable energy are medium-high. The nation is committed to achieving its objectives by 2040, and it’s taking the necessary steps.\(^{41}\)

### 2.3. Impact of COVID-19 on the Republic of Korea Economy

*Although the coronavirus pandemic’s economic impact has been severe in South Korea, it does not represent its weightiest long-term security threat. However, it remains a critical obstacle to overcome for the country’s success in the short term, and it has significant implications for the future.*

The ROK announced its first confirmed case of COVID-19 on January 20, 2020, making it one of the first countries hit by the Coronavirus Pandemic. As of March 23, 2021, there have been 100,276 recorded cases of COVID-19 in South Korea, with an incidence rate of 193,41 infected

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persons (per 100,000 people) and 1,709 recorded deaths. In response, the ROK implemented a containment strategy to curtail the spread of the virus, implement foreign entry controls, increase testing capacity, establish contact tracing with mandatory isolation of positive cases, and improve treatment. There are three primary reasons for South Korea's relative success.

Firstly, the ROK has coordinated meticulous and extensive investigations for all coronavirus cases. This operation involved consulting patients and triangulating multiple sources of information, including GPS data, credit card usage information, and medical records. The goal was to identify, isolate, and test all potentially infected persons as quickly as possible. A 2020 survey by the Institute for Future Government recorded that 84% of citizens recognise privacy loss as a necessary concession for public health. Secondly, the Republic of Korea is a democratic unitary political system. Public health policy is centralised, making it possible for the South Korean government to implement health policy quickly at the local level. Following the MERS Epidemic (2015), the ROK streamlined its administrative and legal protocols related to pandemic responses, facilitating new procedures to fight against public health crises. The most important of these changes was the amendment of the Infectious Disease Control and Prevention Act (2009) to impede the spread of infectious diseases by securing the government's right to use surveillance and tracing methods related to disease spread.

Thirdly, a robust public health budget and adaptive resource management, permitted the ROK to offer sufficient resources to its population. With its national health insurance program, the South Korean government covered the entire cost of coronavirus testing, quarantine, and treatment for all citizens and residents. The National Assembly of South Korea passed a supplementary budget on March 17, 2020, which provided an additional $13.7 billion for COVID-19 prevention measures, vaccinations and healthcare workers' assistance.

2.4 Risk Assessment

44 Ibid.
45 Ibid.
Although its population has been ageing for decades, South Korea’s demographic decline has been worsened by the COVID-19 pandemic. The crisis has shown the hazards of relying too heavily on foreign markets for energy supply and domestic economic growth because it jeopardises a country’s independent foreign policy. The South Korean government must craft a national immigration policy to address local labour market needs and develop the *Third Energy Master Plan*. These measures will help to soften the economic impact of the COVID-19 and prepare the country to respond to any health crises in the future.

There are several scenarios in which the domestic security architecture of South Korea changes, involving numerous factors, some of which are more improbable than others.

a) A modest liberalisation of South Korean immigration policy with neighbouring countries is somewhat-likely, as the economic impact of COVID-19 has impacted various economic factors in the country, requiring heavy stimulus in local infrastructure and energy production to boost the local economy.

b) A rejection of foreign immigration by the Koreans is possible due to the COVID-19 pandemic, which has increased xenophobia and distrust of foreigners. As a result, the country will not have the domestic manpower to reform its domestic energy sectors.

c) The South Korean government focuses on the national COVID-19 recovery plan, investing money in the economy through renewable energy projects. This permits the ROK to increase its energy independence and geopolitical position. Nevertheless, it inhibits the country from enacting substantial immigration reform, which causes South Korea to suffer from a decrease in economic influence.

d) The global recovery from the COVID-19 pandemic is much slower than expected, which decreases international trade and increases regional tensions. This leads to energy and demographic crises in South Korea, which fuels nationalist sentiment.

These scenarios do not rule out the possibility of improving South Korea’s demographic figures and domestic market. However, current trends show that it is unlikely that South Korea will overcome the following decades without significant internal reforms.

Immigration from East Asian countries presents a medium-high long term risk of destabilising South Korea because of ethnic purity concerns. The Government of the ROK should implement
immigration policies that favour foreign ethnic Koreans and individuals from neighbouring countries, like China. If the government were to liberalise visa policies and open borders for all, they would risk a significant negative domestic response. The COVID-19 pandemic threatens to worsen South Korean’s perception of foreign persons because of countries’ failure, like the United States and China, to respond to the crisis adequately. However, without an increase in migrants, South Korea risks a steep economic decline that threatens to diminish its influence.

South Korea’s transition to renewable energy will not entirely resolve its energy security dilemma in the medium term. It lacks a clear long-term vision for modernising its liquified natural gas and electricity markets. However, the current health crisis presents an opportunity for the government to show its commitment to transition to more responsible policies. The country should promote an energy efficiency framework and renewable energy deployment. If such measures are adopted, it is moderately likely that South Korea will successfully transition to renewable sources for electricity generation. Still, it remains unlikely that the country will be able to guarantee complete energy independence soon. This last point is also affected by the current population decrease, which will not provide the required human capital to develop such projects.

The measures adopted by the ROK regarding the COVID-19 pandemic have strengthened the central government’s powers to respond to health security crises. The country is adequately prepared to act in future health crises. When comparing the country to the pandemic response standards presented in the 2018 Checklist for Pandemic Influenza Risk and Impact Management by the World Health Organization (WHO),47 the government does quite well. So the likelihood that the measures adopted by South Korea offer a successful model for forthcoming pandemic response is high.

III. THE INTER-KOREAN CONFLICT

The relations between the two Koreas began with significant discontent following their division on August 10, 1945. Both countries were placed under the protection and authority of rival nations, North Korea under the USSR’s tutelage, and South Korea under the United States. Mutual distrust followed anti-Communist sentiment based in Seoul and Washington’s fears that the Communist North Koreans would invade the ROK. The separation of families, political systems and economic markets set the countries on the path to permanent rivalry.

The relations between the ROK and the DPRK have always been complex, and a peace treaty has never been signed between them. North Korea has continued developing and advancing its nuclear weapons technology, which has led to a security crisis on the Peninsula. Periodic attacks on South Korean and the discovery of secret tunnels leading into its territory have heightened mistrust. North Korea has the fourth-largest ground force on Earth, and its nuclear arsenal includes 30-40 nuclear warheads. The United States has pledged to protect South Korea

Image 2: Map of Military Resources on the Korean Peninsula48

under *The Mutual Defense Treaty Between the United States and the Republic of Korea* (1953), with its nuclear arsenal. Over 28,500 US troops are stationed in South Korea. The ROK Armed Forces are classified as the 6th most powerful military as of 2020. South Korean foreign policy perspectives focus on limiting DPRK aggression without closing the door to a possible future reunification. The American influence in South Korean politics cannot be discounted, as the country continues to be the most prominent military and economic partner of South Korea.

The close relationship between the United States and South Korea has historically been a significant stumbling block in improving inter-Korean diplomacy. To counter it, the DPRK signed the *Sino-North Korean Mutual Aid and Cooperation Friendship Treaty* (1961) guaranteeing Chinese military aid if North Korea were attacked. The agreement has been renewed twice, in 1981 and 2001, but it remains to be seen if it will be prolonged after its expiration in 2021. While there have been many conflicts, there have also been occasional cooperation between the Koreas, most notably through the *Sunshine Policy*. The formation of the *Kaesŏng Industrial Zone* (2002), which consists of a North Korean industrial complex exclusively developed by South Korean companies, represents their most extensive economic cooperation. Nevertheless, tensions between the ROK and the DPRK have risen alarmingly since Kim Jong Un came into power in 2011. His leadership has ramped up the production and testing of nuclear weapons, confrontation with South Korea and the United States, and various purges have been carried out on his political opponents. This chapter will examine foreign policy directly affecting the possible denuclearisation of the Peninsula.

### 3.1. Nuclearization and Militarization of the Korean Peninsula

On September 3, 2017, North Korea carried out its sixth successful nuclear test, which led to an emergency meeting in the *United Nations Security Council* (UNSC). American officials reported an artificial earthquake consistent with the testing of a 140 kiloton nuclear bomb,

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showing continued developments in the North Korean nuclear program.\textsuperscript{52} Such actions flew in the face of international nuclear containment measures. As a result, the UNSC anonymously approved\textit{ Resolution 2397}, which increased sanctions against North Korea, froze DPRK financial assets, severely restricted its exports, and prohibited nearly all trade with the country.

In response, South Korea agreed to permit the United States to deploy an anti-missile system in the\textit{ Seongju region}, known as the\textit{ Terminal High Altitude Area Defense} system (THAAD). China decried the developments believing that the missile system could track their military actions and spy on their military facilities. In response, Beijing hindered South Korean businesses access to the Chinese market and increased bureaucratic controls on Chinese who wished to visit South Korea. The DPRK took advantage of the situation by resetting its relations with China, which had been strained because of the DPRK’s nuclear program. Russia denounced both the DPRK’s nuclear test and the THAAD system’s expansion, fearing they would lead to regional hostilities. This marked the most severe escalation in regional tensions in decades.\textsuperscript{53}

The ROK has long opposed the DPRK’s nuclear program, and President Moon Jae-In established unilateral sanctions against the DPRK for its actions in 2017. Nevertheless, the ROK’s government has made it clear that the door remains open to improving relations with its northern neighbour, hoping that an improvement in relations may lead to reunification. Moon Jae-In proposed the\textit{ Defense Reform Plan 2.0} (2018) to modernise the ROK’s military forces and lessen its dependence on American protection. Such attempts go hand-in-hand with American endeavours to streamline their military presence in South Korea.\textsuperscript{54} The 2018-21\textit{ Korean peace process}, which originated to resolve the long-standing Korean conflict, represents a substantial effort to denuclearise the Peninsula. International apprehension towards the DPRK’s nuclear weapons reached a boiling point the year before the country threatened to attack the US. Moon Jae-in, who favoured a return to the\textit{ Sunshine Policy}’s, pushed for a series of summits between the DPRK, the ROK, and the US. The talks led to the\textit{ Panmunjom}


GLOBAL AFFAIRS, April 2021

Declaration (2018), which called for the conclusion of military activities near the Korean border and Korea's reunification.\(^5^5\)

Former-President Donald Trump signed a joint statement, during the Singapore Summit (2018), with Kim Jong Un. He conceded several security guarantees for the DPRK in exchange for a pause in the DPRK’s nuclear program. A follow-up reunion, the Hanoi Summit (2019), failed to continue traction on the issue. Since then, the relationship between the various actors has gone back and forth, with the DPRK reneging its promises and the American-South Korean alliance maintaining military pressure on Pyongyang.

North Korea represents one of the most significant security concerns for the United States. Since 2017 the country has been on the United State's list of State Sponsors of Terrorism, which allows the United States to implement harsh sanctions against the DPRK.\(^5^6\) Historically, the DPRK has conducted nuclear provocations during US presidential transition years to set the tone for relations with the incoming administration. As a result, it is plausible that the DPRK will carry out a similar act in the coming months.

Since February 2021, the US government has made numerous attempts to contact Kim Jong-un with no success. In the past, Joe Biden has called the North Korean leader a ‘thug’ and has highlighted the necessity of DPRK disarmament before any sanctions are lifted. Moreover, recent reports that the DPRK is developing long-range missiles present a grave security threat for international security. Many American officials have warned that North Korea will likely carry out an Inter-Continental Ballistic Missile (ICBM) test soon.

3.2. US Implication in the inter-Korean Conflict

The Biden Administration has expressed plans to restructure its relationship with South Korea and increase US military forces in the East China Sea region. In March 2021, a new cost-sharing agreement with Seoul was announced, in which the ROK will pay a higher percentage of US deployment costs.\(^5^7\) It has also been reported that annual military drills between the US


\(^{56}\) “States Sponsors of Terrorism”; US Department of State, 2019, www.state.gov/state-sponsors-of-terrorism/

and the ROK will continue. US Secretary of State Andrew Blinkin visited the ROK March 16-18, showing the US's commitment to Korea. On March 16, 2021, the DPRK released its first official statement addressing the new American administration, which warned Biden to not make a stink or there would be consequences. A mere week later, the DPRK conducted a short-range cruise missile test, making its displeasure towards US-ROK military cooperation clear. It is likely that the DPRK will continue its nuclear escalations in the near future and that American-North Korean relations will continue to worsen.

The US has long-established a redline policy with the DPRK that if it directly attacks the US or its allies, it will counter with military action. Biden will likely continue such policies. Without a direct provocation, the US is unlikely to attack the DPRK directly. There are reports that during the Trump Administration, efforts were made to sabotage the DPRK by assassinating Kim Jong Un with a biological weapon. In response to such actions, North Korea rapidly increased their nuclear program and walked away from the 2018-2019 Korean peace talks. As such, it can be concluded that aggressive policies do little to convince the North Korean administration to work with the international community. Biden has made its commitment to multilateral institutions quite clear, and they will likely do all that they can to avoid confrontation with the DPRK.

Although some may argue that it would be in the US’ best interest to leave South Korea, this is not the case. DPRK provocations represent a menace to American foreign policy. Suppose the US fails to take swift action against North Korea. In that case, the DPRK will continue to develop its military capabilities at a rapid pace, which threatens stability in the Asia Pacific. Failing to respond to such a crisis opens up China's possibility of taking a more aggressive role in resolving it. This would be unacceptable for Washington, which wishes to preserve its global hegemony.

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The Biden Administration has reaffirmed and underscored its total commitment to protect and defend its allies in the East China Sea, including South Korea and Japan. The US will likely increase the deployment of military assets in the region, with both the trilateral cooperation between the ROK, Japan and the US playing a critical role in balancing the threats presented by the DPRK and the PRC.62 The US government must promptly address the DPRK if it wishes to control the country's growing threat. Failing to establish a stable relationship between the DPRK and the US, risks allowing North Korea to drift even further apart from the established international system. The US should develop a program of limited sanction relief for the DPRK in exchange for a verifiable suspension of nuclear development. These are measures that are supported by China, Japan, and South Korea.

The US should complement these policies with international agreements that focus on cutting off DPRK's military technology access. The Biden Administration must reassert its commitment to American allies in the region and clarify that the United States will never abandon them. Moreover, it must highlight their commitment to continued efforts to complete an official peace treaty between Pyongyang and Seoul. Such a treaty must consider social, economic, and human rights violations, which are regularly carried out by the North Korean regime.

The Biden Administration has begun to undertake concrete steps over the past few months to develop a security strategy for managing its relations with North Korea. In contrast to both President Obama and President Trump, it appears that Biden will pursue a middle of the road strategy which focuses on a practical measured approach. As stated in the Administration's newly published policy on North Korea, released on April 30, their aim is neither to achieve “a grand bargain, nor will it rely on strategic patience, [but rather] the complete denuclearization of the Korean Peninsula”.

objective of denuclearization under a regional strategy between Seoul, Tokyo, and Washington.⁶⁴

Although the United States may decide to relocate its troops away from South Korea, it is not likely that they would choose to do so unless there is significant positive developments in the inter-Korean conflict, which is unlikely. South Korea represents an essential geopolitical linchpin in the complex East China Sea security dilemma. Unless DPRK's complete denuclearisation is achieved, it is improbable to believe that Seoul or Washington would seriously entertain the idea of American forces abandoning the Korean Peninsula. Moreover, there are no other alternatives to South Korea that present an ideal location to protect American interests in the region. Its proximity to both China and North Korea are too valuable for the United States to ignore.⁶⁵

⁶⁴ Ibid.
IV. REGIONAL REACTIONS TO THE INTER-KOREAN CONFLICT

The inter-Korean conflict continues to impact the security dynamics in East Asia severely. The DPRK’s test of nuclear weapons has heightened tensions and instability in the region. The presence of American troops in Japan and South Korea, which are meant to counter any severe North Korean military provocation, is severely criticised by the People’s Republic of China (PRC) and the Russia Federation (RF). Simultaneously, their perceived lax approach to dealing with the North Korean threat is met with ROK and Japan’s scorn. As a result, unease and fear have developed between East Asian countries, which is likely to continue in the years to come.

Image 2: Actor Mapping of Drivers in the Korean Peninsula

The countries promote vastly different strategies for containing the Korean conflict. On the one hand, China and Russia maintain relations with the Koreas simultaneously, believing that doing so best protects their national security interests. On the other hand, Japan refuses to open any official diplomatic relations with Pyongyang, and its Korean policy focuses on triangulating efforts with Washington and Seoul. However, outside the realm of anti-North Korean military operations, South Korean-Japanese relations continue to be difficult due to widespread distrust of Japan in the ROK, which stems from Korea’s Japanese occupation in the XX century.

The inter-Korean conflict is a critical point of friction between China and the US. The PRC accuses the US of using its military assets to spy on Chinese military facilities near the East China Sea. China’s primary focus in the Korean conflict is increasing its leverage and limiting American influence in the region. Moreover, many multilateral actors mediate the inter-Korean conflict. The UN watches over communications between the Koreas and ensures the neutrality of the DMZ. It also establishes a common international framework for responding to the crisis through resolutions adopted by the UNSC.

This chapter will examine the key drivers in the regional reaction to the inter-Korean conflict and how the crisis can indicate a new Cold War.

4.1. China and the Korean Peninsula

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weakness</th>
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<tbody>
<tr>
<td>- Second largest GDP and population in the world</td>
<td>- Censorship</td>
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<tr>
<td>- Largest trading partner of North Korea &amp; South Korea</td>
<td>- Closed Chinese society</td>
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<tr>
<td>- China-South Korea Free Trade Agreement</td>
<td>- Government managed economy</td>
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<tr>
<td>- Large labour force</td>
<td>- North Korea’s dependence on China</td>
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<td>- Technological leaders</td>
<td>- High corruption and lack of transparency</td>
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<tr>
<td>- Historical, cultural ties</td>
<td>- High bureaucracy to establish businesses</td>
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<tr>
<td>- Geographical proximity</td>
<td>- Economic and social disparities</td>
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<tr>
<td></td>
<td>- South Korea’s distrust</td>
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<td></td>
<td>- Energy deficit</td>
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<tr>
<th>Opportunities</th>
<th>Threats</th>
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<tr>
<td>- Increase tourism</td>
<td>- COVID-19 pandemic</td>
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<td>- Cultural exchanges</td>
<td>- Tensions with the United States and Japan</td>
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<tr>
<td>- Migration</td>
<td>- Negative global perceptions of China</td>
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<tr>
<td>- One Belt One Road</td>
<td>- High pollution levels in China</td>
</tr>
<tr>
<td>- Alliance against Japan</td>
<td>- Presence of American troops in SK territory</td>
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<tr>
<td>- Foreign investment for infrastructure</td>
<td>- Establishment of THAAD and KADIZ</td>
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<tr>
<td>- Energy security</td>
<td>- Russian economic ventures in North Korea</td>
</tr>
<tr>
<td>- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)</td>
<td>- North Korean nuclear program</td>
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<tr>
<td></td>
<td>- Declining populations and increased ageing</td>
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China and Korea share an intertwined history. Both are heavily influenced by Confucian values, which spread a Sinocentric belief of ethnic superiority and a preference for strict hierarchical governance. This was especially relevant when Korea became a Chinese tributary state (1636-1876), recognising its western neighbour’s military, economic, cultural, and
religious superiority. Their close bonds helped both to weather the harsh demands of Japanese occupation (1910-1945). Abrupt changes in Sino-Korean relations followed the Korean division and the rise of the Chinese Communist Party (CCP). Although the cultural affinity between Manchuria and Korea ensured that relations never broke down completely.68

The ROK’s relationship with China has had its rough spots. The PRC refused to recognise South Korea as a country for decades and supported North Korean military aggression. The countries formally established diplomatic relations on August 24, 1992. By 2004 China had become South Korea’s largest trading partner,69 and their economic relationship has only intensified since. China represents the largest market for Korean steel, semiconductors, and auto parts. Significant efforts to strengthen diplomacy between the two countries have been made over the past two decades, culminating in signing the China-Republic of Korea Free Trade Agreement (2014).70

China’s rapid economic growth has led to an amplification of its political influence in East Asia, which has far-reaching consequences for balancing power on the Korean Peninsula. The end of the Cold War has led to economic interdependence supplanting ideology as the determining element defining relations in the East China Sea. This new regional approach forms part of Xi Jinping's goal of restoring China’s glory under the “new model of great power relations”. This plays a vital role in extending One Belt One Road Initiative in South Korea, but the country has not formally joined the program. Such developments open up the possibility for South Korea to pursue a new foreign policy strategy that centres on cementing its “alliance with the United States and [increasing] harmony with China (yonmi hwajung).”71

Nonetheless, relations have suffered since 2013 after China expanded its China Air Defense Identification Zone (CADIZ) over the East China Sea region. The zone infringed on South Korea’s purported territory on Socotra Rock (Yeodo), a submerged islet claimed by both countries. Another area of frequent contention surrounds the illegal entrance into South Korean waters, in the Yellow Sea, by Chinese fishermen, which Beijing adamantly denies. Finally,

70 Ibid.
China’s refusal to accept North Korean political refugees is a contention point with the ROK and the broader international community.\(^{72}\)

China’s complex relationship with South Korea can be appreciated after considering the East China Sea region’s structural variables, chiefly the interconnectedness of the regional economy, the North Korean nuclear risk, and US military forces in the area. Simultaneously, the intense domestic pressure that South Korea faces regarding North Korea cannot be ignored. Seoul requires Beijing’s assistance to prevent the DPRK collapse, which would lead to major humanitarian and security crises. As such, the primary characteristics of ROK’s actions towards China are based on the desire to ensure strong economic growth and a stable security environment. These objectives are paramount for South Korea, which is caught in the middle of numerous significant power conflicts. For this reason, Seoul has cultivated an engagement policy with China that focuses on fostering economic growth without choosing to sacrifice its long-standing military alliance with the United States.

Although Chinese-South Korean ties have significantly progressed, China has also maintained relations with Pyongyang, albeit the DPRK’s reliance on and contempt for China being primarily considered more of a handicap than an asset by Beijing. The PRC has long been the principal ally of North Korea, and diplomatic relations were established in 1961. PRC’s greatest fear has always been the loss of the Korean Peninsula to American influence. As a result, Beijing continues to offer periodic support to Pyongyang in military, economic and political aid. It is North Korea’s largest trade partner, experiencing its peak value in 2014 at 6.86 billion dollars, although it has since decreased.\(^{73}\) This permits China to play an influential role in guiding the policy decisions of the North Korean government.

While China and North Korea were once united by common cultural, social and ideological bonds, they are now quite different. China's economic reforms and burgeoning relations with Seoul are viewed as a deception of socialist principles and historical ties. Accordingly, the DPRK has become increasingly alienated from China whilst also becoming progressively more reliant on the PRC to meet its basic economic needs. Furthermore, Xi Jinping (2013-current)

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has adopted a more harsh approach to North Korea’s missile program. He has agreed to impose international sanctions on North Korea for its ongoing nuclear tests on numerous occasions.\textsuperscript{74}

The ROK will likely continue to try and balance its interests between those of the US and China. In the short term, it is improbable that the ROK will give up its long-standing military relationship with the US in favour of forming a military alliance with China. However, this does not preclude the expansion of economic cooperation with China. It is not likely the ROK will return to its historical role as a Chinese tributary state because of Korea’s embrace of Western values and religious views. The simultaneous establishment of American military forces in South Korea, such as the \textit{THAAD} missile system and the deepening of Sino-South Korean economic ties, is a manner for South Korea to hedge its bets between China and the US. Seoul recognises that its future economic development is directly tied to China rather than the US.

In the short and medium-term, China will continue to use the inter-Korean conflict to counterbalance the US’s influence in the East China Sea region. It will also use the competition to improve its relations with South Korea by supporting the denuclearisation of the DPRK and stability on the Korean Peninsula. This will likely lead to greater economic interdependence between China, South Korea, and other neighbouring countries. The energy security issue in the ROK will also play an essential role in developing the relationship between them. It might even influence a resolution to the inter-Korean crisis. However, it remains to be seen if the ongoing American trade war with China will negatively affect Chinese economic dominance.

4.2. Japan and the Korean Peninsula

The relationship between Japan and the ROK is dominated by Korean resentment of Japanese colonial rule during the 20th century. Since the division of the Peninsula, the United States has played an essential role in moderating their relationship to create a solid alliance against American enemies in the region. The three countries have attempted to work together on numerous international security matters, including joint military training exercises, missile shield protection, and sharing intelligence information. However, territorial disputes over

\textsuperscript{74} Kim, J.J, “ROK caution and Concern about China”, \textit{Asian Institute for Policy Studies}, https://en.asaninst.org/contents/south-korean-caution-and-concern-about-china/
Dokdo/Takeshima islets, mutual hatred and a lack of trust between them threaten to make long-term, meaningful cooperation impossible.  

Seoul and Beijing have expressed concern towards American efforts to increase Japan’s security capabilities in East Asia, fearing that an empowered Japan would destabilise the East China Sea’s geopolitics. Moreover, frequent DPRK nuclear missile tests in Japanese territorial waters has drawn Japan into the inter-Korean conflict. Also, the abducting of 17 Japanese civilians by North Korean forces in the 1970s continues to be a point of diplomatic tension. Tokyo is in a difficult position of balancing its various security interests, varying from countering Chinese regional hegemony to pushing for the denuclearisation of the DPRK. Such efforts are further complicated by Japan’s lack of nuclear weapons, its need to establish regional allies, and its domestic demographic decline.

Japanese Prime Minister Shinzo Abe and ROK President Moon Jae-in strove to improve bilateral relations in recent years. An essential tool for enhancing their cooperation has been the China-Japan-ROK trilateral summit; a conference focused on improving the regional economy, trilateral relations, and disaster relief. However, the ongoing Liancourt Rocks Dispute (Dokdo/Takeshima) and calls for Japan to take responsibility for its actions during the Korean occupation continues to sour relations. This is despite the fact that Japan signed the 2015 Agreement on the Comfort Women Issue, accepting to pay war settlements totalling 1 billion yen to 46 surviving victims.

Japan has gradually shifted its foreign policy focus away from traditional bilateral agreements with China, the ROK, and the US to expand its ties with the European Union (EU), ASEAN, the North Atlantic Treaty Organization (NATO), and other multilateral organisations. The most important, known by some as the “Asian NATO”, is the Quadrilateral Security Dialogue (QSD or Quad), which was created by the Abe Administration (2007), and comprises Japan, the US, Australia and India. Its main objective is to counter Chinese military and economic power while

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working with ASEAN and the EU. In March 2020, South Korea and other countries joined Quad’s discussion over the COVID-19 pandemic, but efforts to convince South Korea to join the organisation so far have failed to succeed. South Korean national security advisors have said that joining the Quad Plus would endanger its security interests and destabilise the East China Sea region. Furthermore, the Quad’s anti-Chinese rhetoric presents a dilemma to South Korea, as China is its largest trading partner. It is highly improbable that South Korea will join the Quadrilateral Dialogue.\(^79\)

Moreover, one cannot forget the impact of the Trump Administration’s policies on the South Korean-Japan-American security paradigm. His ‘American first’ strategy coupled with a ‘take it or leave it’ approach to foreign policy left both Japan and the ROK disillusioned with their American ally.\(^80\) This has negatively impacted Japan and the ROK’s ability to cooperate, and such challenges are likely to continue in the medium to long-term. While Washington may convince Tokyo and Seoul to overcome differences relating to Seoul’s request for reparations from Japanese companies in 2018, it will not fundamentally change their relationship. China provides a significant counterbalance to Japanese influence in the ROK. Although Seoul has its reservations regarding China's growing power, it prefers to work with Beijing over Japan for many historical reasons.\(^81\)

Ultimately, the countries have different long-term security interests. The ROK’s primary concern is to work towards reunification on the Korean Peninsula. Meanwhile, Japan is focused on preserving its regional power in the face of Chinese hegemony. Considering the historical disagreements between the countries and the complexities in their relationship, it is more probable that their relations will continue to cooperate in areas of mutual gain and interest. Such cooperation will likely increase tourism, economic ventures, cultural exchanges, energy security, and limited military collaboration.

### 4.3 Russia and the Korean Peninsula

\(^{79}\)Park, J, “Biden Should Embrace South Korea’s Strategic Non Decision on the Quad”, *The Diplomat*, 2021, https://thediplomat.com/2021/03/biden-should-embrace-south-koreas-strategic-nondecision-on-the-quad/


The relations between the Russian Federation (RF) and the Koreas are peculiar because their tones were established decades ago. The USSR supported the DPRK during the Korean War, and it was one of its principal allies. Russian interest in maintaining relations with the DPRK has long centered on countering American influence in East Asia, and such a policy continues to this day. Following the USSR’s disintegration, the RF and the ROK officially opened diplomatic relations on September 30, 1990. Since then, bilateral economic trade has skyrocketed, and direct investment has increased ten-fold. The RF and the ROK share a common distrust of Japan, both having experienced Japanese aggression throughout history.82

Diplomatic relations between Moon Jae-in and Vladimir Putin have mainly focused on developing a cooperative energy security relationship and establishing a free trade area between their respective countries. Russia’s 2030 Energy Strategy has proposed transporting liquified natural gas to the ROK via pipelines that run through the DPRK. The project would help to address ROK’s looming energy crisis while offering a stable export market for Russian gas. However, such a proposal comes with significant risk as the DPRK could use it as a ‘bargaining chip’ in future conflicts, and it remains to be seen if Pyongyang will support the proposal. An alternative strategy would be establishing a common energy market in the region, but China has not shown interest in the project.83

The RF is primarily concerned with limiting the growth of American influence in the East China Sea region. Such fears have led to a strengthening in Sino-Russian cooperation, but mistrust remains, as they view each other as economic competitors. A clear example of this can be seen in how the RF advanced its economic interests in the regions following THAAD’s deployment and China’s refusal to work with South Korea on an even playing field. Moreover, the DPRK’s economic dependence on the PRC plays a prominent role in limiting Russia’s actions with the country; however, if the political environment were to change, Russian influence in the Peninsula might increase. Such a change does not come without its risks. Influence on the Korean Peninsula frequently works as a ‘zero-sum game’. For the RF to

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significantly increase its impact, China’s power would have to decrease dramatically. A geopolitical shift of this magnitude would raise the possibility of a military conflict.\textsuperscript{84}

Consequently, the most likely path in the short and medium-term forward for Russia’s involvement in the inter-Korean conflict is to present itself as the “Russian alternative” against Chinese and American influence. Moreover, its vital energy sector will likely play an essential role in ensuring Russian relevance in the security dynamics taking place across Korea and the broader East China Sea region. Finally, RF cooperation with the PRC on the containment of the DPRK will likely continue so far as it helps counter American military efforts in the area. However, this does not mean that the RF views the denuclearisation of the DPRK as its primary security interest in the Korean Peninsula.

4.4. International Measures and the Korean Peninsula

The development of nuclear weapons by the DPRK has angered many countries and multilateral organisations. Numerous international measures have been taken regarding the inter-Korean conflict, varying from denouncements of human rights violations to sanctions. The UN repeatedly speaks out against the DPRK’s failure to comply with the Non-Proliferation Treaty, from which they withdrew last time in 2003.\textsuperscript{85}

Many international actors like the US and the EU have agreed to levy unilateral sanctions against the DPRK, targeting the North Korean regime and its partners. Simultaneously, the UNSC has passed seven security resolutions against the DPRK (2006-2017), which call for implementing multilateral sanctions against the country. The most recent, Resolution 2397, has frozen DPRK financial assets, severely restricted its exports, and prohibited nearly all trade with the country. Recently, there have been calls to return to the Six-Party Talks (2003-2007), a group of talks composed of the PRC, the DPRK, the ROK, Japan, the RF and the US, aiming to find a peaceful resolution to the security conflict in the Korean Peninsula. However, many worry that returning to such diplomatic measures would fail to provide the desired results as the DPRK pulled out of the previous talks to continue with its nuclear program.\textsuperscript{86}

\textsuperscript{86} Ibid.
In 2014, a UN human rights report found that the DPRK has committed grave human rights violations, including genocide, torture, kidnapping, imprisonment, mass-rape, forced abortions, and enslavement. The UN General Assembly approved a resolution condemning these human rights violations in the DPRK on December 17, 2018.\(^{87}\) *Amnesty International* and other human rights organisations regularly report that such abuses continue to this day. On March 17, 2021, US Secretary of State Anthony Blinkin, while on a diplomatic trip to the ROK, reaffirmed the Biden Administration’s commitment to fighting North Korean human rights abuses, highlighting its systemic and widespread abuse of its people.\(^{88}\) There are concerns about the humanitarian impact of the sanctions levied against the DPRK. Various humanitarian experts argue that the current sanctions cause grave food and fuel shortages, provoking malnutrition or starvation in nearly 10 million DPRK citizens. To address this issue, a bicameral bill was released in the American Congress on March 2, 2021, which intends to expedite lifesaving measures for North Korea’s people. The bill’s purpose is to mitigate the unforeseen consequences of economic sanctions on the North Korean people.\(^{89}\) It remains to be seen if the legislation will be passed.

Simultaneously, while the PRC has so far supported measures to impose multilateral sanctions against the DPRK, there has been growing evidence that Beijing has helped the country circumvent them. A UNSC report (2020) claims that China’s shipping industry has allowed North Korea to bypass coal and oil sanctions. There has also been growing calls by Iran, the RF, the PRC, the DPRK and other states to support a UN coalition, known as the *Group of Friends in Defense of the Charter of the United Nations*, against the threat of unilateral sanctions. This flies in the face of American foreign policy against the ROK.\(^{90}\) Growing tensions between China and the US, shown at the *Anchorage meetings* (2021), risk sanctions against the DPRK becoming a chess piece in the geopolitical conflict. The growing conflict between the US and China represents a possible crack in the international front against the DPRK. China may refuse to impose sanctions against the North Korean regime if the US


continues to push back against Chinese interests. Russia may follow the PRC in pushing against US influence in the region, which would make a resumption of the *Six-Party Talks* impossible.\(^9^1\)

So far, it appears that the international sanctions against the DPRK do not have their intended effect. The country has continued its nuclear and missile programs in direct violation of international norms. Historically, the DPRK has failed to make long-term progress in closing down its nuclear program. Sanctions have not succeeded in coercing Pyongyang to change its security paradigm. It is improbable that the North Korean regime will change its strategy in the medium-term. Nevertheless, the sanctions have seriously harmed the DPRK population, and many international actors are questioning this approach, especially during the COVID-19 pandemic. As a result, it is unlikely that there will be a severe increase in sanctions. However, it remains to be seen if Kim Jong Un’s provocation will decrease; without such a change, it is unlikely that sanctions will be lifted.

The inter-Korean conflict is the top security threat in the East China Sea region. In the following decade, the crisis’s evolution will dictate countries’ foreign policy decisions in the area. Some key drivers relating to such developments include the DPRK’s denuclearisation, regional friction, economic, energy and demographic needs, and the battle over regional hegemony. In this section, possible future scenarios relating to the nexus of the inter-Korean conflict and the regional security dilemma over the next decade will be provided.

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Table 3: Drives of change in the Korean Peninsula

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<tr>
<td>Nº1</td>
<td>North Korea’s stance</td>
<td>Kim Jong-Un's nuclear policies represent the biggest obstacle in achieving a peace treaty and officially ending the Korean War; however, the current political climate supports his reckless policies.</td>
</tr>
<tr>
<td>Nº2</td>
<td>South Korea’s stance</td>
<td>The ROK supports improving inter-Korean relations, but its main interest is eliminating the DPRK nuclear threat and advancing its security interests.</td>
</tr>
<tr>
<td>Nº3</td>
<td>US-South Korea relations</td>
<td>The ROK is an essential player in the United States’ ambitions in East Asia, and it holds significant influence over ROK foreign policies.</td>
</tr>
<tr>
<td>Nº4</td>
<td>China-North Korea relations</td>
<td>China has been North Korea’s most prominent supporter for decades. However, the DPRK’s nuclear program is a sensitive issue that threatens to worsen their relationship. If North Korea aggression continues, it risks further American military responses in the region, which China would not tolerate.</td>
</tr>
<tr>
<td>Nº5</td>
<td>Japan’s stance</td>
<td>Japan is a prominent ally of the United States which offers an alternative location to base American troops in East Asia.</td>
</tr>
<tr>
<td>Nº6</td>
<td>Russia’s stance</td>
<td>Russia has maintained decent relations with the DPRK since the fall of the USSR. Nevertheless, the country is leary of Kim Jong Un’s nuclear ambitions and its potential to lead to a broader conflict involving the U.S in the region.</td>
</tr>
<tr>
<td>Nº7</td>
<td>UN’s mediator role</td>
<td>The UN has played an essential role in the crisis since the division of the Korean Peninsula. The Security Council attempts to moderate the conflict and punishes North Korea with economic sanctions for failing to cease its nuclear weapons program.</td>
</tr>
<tr>
<td>Nº8</td>
<td>Nuclear deterrent</td>
<td>Both countries have access to nuclear weapons, with the US offering to protect South Korea with its nuclear weapons supply. This deters the development of a serious confrontation, but more minor skirmishes do develop.</td>
</tr>
<tr>
<td>Nº9</td>
<td>Panmunjom Declaration</td>
<td>The agreement highlights efforts to bring an official end to the Korean War and begin a new era of peace, sharing and reconciliation on the Korean peninsula.</td>
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</table>
4.5. The East China Sea region in 2030

Table 4: Morphological analysis matrix of developments in the East China Sea

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<td>2</td>
<td>Status quo</td>
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<tr>
<td>4</td>
<td>None</td>
<td>Hegemony</td>
<td>Withdrawal</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>Withdrawal</td>
<td>None</td>
</tr>
</tbody>
</table>

Scenario 1: Towards a Conflict Breaking out in the East China Sea Region
(A1→ B3→ C1→ D1→ E1→ F3→ G1→ H1)

Probability: Low

The impacts of the COVID-19 pandemic continue to be felt across the East China Sea region. GDP growth has been sluggish for many countries in the area for the past decade, and the economic impacts of demographic decline are felt intensely. South Koreans and the Japanese have grown weary of their Chinese neighbours, blaming them for the ongoing health and financial crisis. While China’s economic power in the region is not disputed, Beijing has lost a significant amount of political influence. Distrust and fear grip the Korean Peninsula and the broader region. Consequently, the ROK has strengthened its ties with the US, believing that the PRC represents a severe regional threat. Washington has increased the American troops stationed in South Korea and Japan. Moreover, a growing percentage of young South Koreans disparage American military presence in their country, claiming that it makes the possibility of Korean reunification practically impossible. This will likely lead to a severe political crisis in the years to come.

An American missile shield, similar to THAAD, has been established in Japan. A certain rapprochement between Japan and the ROK has taken place, with the countries cooperating on military and economic projects. The ROK has also joined the Quad Plus at Japan and America’s request. However, at times cultural disagreements continue to flash up between Tokyo and Seoul. Recognising the decline in China’s influence in the Korean Peninsula, Russia
has attempted to make serious efforts to develop energy projects in the region. Nevertheless, American criticism of the proposal has made it a political non-starter in Seoul.

North Korea has entered a years-long humanitarian crisis following its disastrous COVID-19 containment and recovery efforts. Illegal migration of North Koreans into the ROK and China has increased significantly, risking the region’s destabilisation. The DPRK regime has criticised the increase in American forces, calling it a grave provocation against the Supreme Leader. As a result, North Korean nuclear tests have increased, angering Washington and the international community. The UNSC has agreed to expand and tighten multilateral sanctions against the DPRK. The increase in North Korea’s political instability, illegal migration flows, and military blocks’ development has divided the region. The risk of a conflict breaking out in the East China Sea region is high.

Scenario 2: The Status Quo is Largely Maintained
(A2→ B2→ C2→ D2→ E2→ F2→ G2→ H2)
Probability: High

While the beginning of the 2020s was dominated by the political, economic and social impacts of the COVID-19 pandemic, its political prevalence will have waned by 2030. China’s economic dominance in the region is indisputable. However, the US remains an important military actor in the East China Sea, even if its economic clout has waned. There is a growing divide among the South Korean populace between those favouring American influence and others preferring a rapprochement with China.

Japan remains a middle power in East Asian affairs, but it has diversified its military cooperation with different international actors, including ASEAN +3, the Quad, and NATO. In recent years, the country has pushed to create a regional security organisation in the East China Sea region. Still, the ROK does not support such measures due to their historical disagreements. Yet, the two continue to move forward in their relations, pushed by the US, but with limited success outside of trade and investment. The RF has made numerous overtures to the ROK and the DPRK about the possibility of creating a joint energy framework based on Russian energy resources. However, China’s pushback against such actions has made it impractical in the near future.
The continued presence of American military forces in the ROK and Japan is of grave concern to North Korea. Supreme Leader Kim Jong-un continues to threaten the international community with military provocations. Many attempts to resolve the denuclearisation crisis have occurred between the US, the PRC, the ROK and the DPRK, but they have come up empty-handed. The Korean nuclear program continues, which causes US forces to remain in the ROK, leading to a continuation of international sanctions against the DPRK.

Scenario 3: A Gradual Shift Towards China
(A3→ B1→ C3→ D3→ E3→ F3→ G3→ H3)

Probability: Medium

Due to the successful containment of the COVID-19 pandemic in East Asia, the region experiences a quick recovery from the crisis. China becomes the largest economy with world-class manufacturing and industrial sectors. After seeing Western nations’ disastrous response to the pandemic, the PRC takes advantage of the situation to improve its reputation. This has led to a notable shift in the global economic market, with East Asian countries comprising over 20% of the world’s GDP. This has been accompanied by an expansion of Chinese soft power in the region.

A decrease in American military presence in the East China Sea has taken place over the past decade, pleasing the DPRK regime. The US has consolidated its resources between limited military bases in Japan and the ROK. Due to widespread disapproval, Seoul has shut down THAAD. It appears that American military projection in this region will soon be irrelevant. This has left Japan in a precarious position, with very few allies in the area. Without significant American support, Japan’s influence has decreased, and the government has agreed to modify its constitution, allowing the creation of a Japanese army. The ROK and the PRC have grown closer, united by their shared cultural background and distrust of Japan. Russian efforts in the region are based around cooperating within the PRC established frameworks. The RF has proposed developing a common energy framework for East Asia but cannot carry out the project until the PRC lends its support. It remains to be seen if this will take place.

This has led to a reduction in military provocations, including nuclear and missile tests. The increase in Chinese influence in the region has played an essential role in enforcing stability on the Peninsula. However, the DPRK struggles to maintain popular support among its civilians.
without an overarching military purpose for its existence. The PRC has made it clear that it will not support any multilateral sanctions on the DPRK. Such actions would go against China’s security interests, which include not destabilising the DPRK.

Scenario 4: **China becomes the Undisputed Hegemon in East Asia**

(A4→ B4→ C4→ D1→ E4→ F4→ G4→ H4)

**Probability: Low**

The impact of the COVID-19 pandemic in East Asia has been surprisingly light. The centralised governments and civil collectivism common to the region have caused it to weather the crisis relatively unscathed. The PRC has rapidly become a world leader and the undisputed hegemon in the East China Sea. Reasons for China’s rise stem from the lacklustre response by Western governments against the pandemic and global economic trends, which have shifted international finances eastward.

Although Biden initially tried to improve relations with Korea, he could not avoid the inevitable. The US has withdrawn its military forces from the Korean Peninsula because climbing costs and tensions have made the deployment of military troops there untenable. Negative opinions by Korean citizens towards the US have increased significantly compared to thirty years ago. A growing percentage of the ROK’s population recognise the PRC’s dominance as a positive development for their country, thanks to their historical, cultural and ethnic ties. Japan is in the most precarious security dilemma in contemporary history. Without American support, Japan is forced to reach out to other regional actors, like India and Australia, to counter China’s dominance. The ROK maintains economic ties with Japan but limits political engagements due to historical precedents. Russia’s aspirations in the region are limited to Chinese interests. The RF cannot have an independent policy in the area without risking a conflict with the PRC.

The DPRK has ceased to make nuclear threats following the departure of the US from the region. PRC’s newfound diplomatic power has allowed it to coerce the DPRK regime to halt its nuclear and missile programs. All international sanctions have been lifted, and the country is forced to reform its political and economic systems based on China’s frameworks. This has increased the possibility of a reunification of the two Koreas in the coming decades.
V. RESOLUTION OF THE KOREAN CONFLICT

In this chapter, possible future scenarios for the inter-Korean conflict will be investigated. Special attention will be paid to explaining the main characteristics required for an improvement in diplomatic relations and a possible future reunification of the two Koreas. Also, it is important to consider that the DPRK’s information may not be up to date. The North Korean regime does not publish official data.

5.1. Main features of the DPRK

The Democratic People’s Republic of Korea declared independence under Kim Il Sung (1948-1994) in 1948. The country has been governed by three distinct leaders, which have formed part of a hereditary Communist dictatorship. Its political framework’s central pillar is to work towards the Korean Peninsula reunification by any means necessary. However, such a policy never comes at the expense of the DPRK’s independence. This is based on the notion that DPRK sovereignty must be protected from imperialist forces’ domination, primarily the US. The country professes an ideological philosophy known as juche, which teaches extreme “self-reliance” and perseverance. It establishes the DPRK leader and his family as the unifying force in DPRK society and reaffirms that the Korean homeland’s defence is a sacred battle to be rewarded in the afterlife. This ideology has been imposed through a reign of terror, especially during the 1967 North Korean Cultural revolution, when the government has carried out...
sporadic purges of all opposition figures and religious practices. The last known purge to take place happened after Supreme Leader Kim Jong Un came to power in 2011. As a result, the DPRK has developed into a guerilla state, and it remains isolated from the international community (‘Hermit Kingdom’). Moreover, the DPRK is very hierarchical, and its citizens are divided by the *Songbun ideology*, where families inherit their social status based on historic loyalty to the government. This classification determines an individual’s access to food rations, housing, jobs, goods and education. Any person found to be acting in violation of this system is sent into the national prison camp system to be reeducated through forced labour. In 2018, it was estimated that between 80,000 to 120,000 people were imprisoned in these camps.\(^9^5\)

After the fall of Communist regimes in Eastern Europe and the USSR (1989-1991), it has been questioned how much longer the DPRK government can survive. The DPRK is a failed state that cannot provide for even its citizens’ most basic needs. Some have argued a popular uprising against government oppression is inevitable, as happened in Romania. In contrast, others believe an internal reform of the DPRK’s domestic policies is inescapable, as undergone by the PRC. Although the government has attempted minimal reforms to help develop its economy, it has failed due to its unwillingness to open up its internal markets. East Germany’s fall is an excellent example of the DPRK risks if it opens the country. This fear has resulted in a government survival strategy that prioritises the DPRK’s continuance above all else.

The DPRK suffers from periodic famines due to food and energy shortages. The most critical, which occurred in 1995 under Kim Jong Il’s (1994-2011) leadership, forced the DPRK to seek international aid for the first time in its history. Around 10% of the population perished (2 million people) in the crisis. In 2019, the *UN World Food Programme* estimated that 11 million North Koreans suffer malnutrition. Under Jong Il’s guidance, the DPRK abandoned Marxist-Leninist ideology and substituted it with its way of socialism based entirely on *juche*. Furthermore, he amended the constitution, shifting power away from the *Korean Workers’ Party* (KWP) favouring the military.\(^9^6\)

Current Supreme Leader, Kim Jong Un (2012- current), has largely followed his predecessors’ approach, with some fundamental changes. He has developed a more aggressive foreign policy

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\(^{96}\) Ibid.
to gain international concessions by threatening military action while also relying on China for economic and political support. Regarding internal politics, a tepid economic liberalisation has taken place, with the government attempting various means of diversifying its economy. All leaders have based North Korean foreign policy on the “three revolutionary principles” in the North Korean Constitution (1972), which calls for the DPRK to develop a strong economy accompanied by a powerful military state. The intended aims of these measures are to foster public support for unification, destabilise South Korea through coercive measures, and create a global movement that pressures the US to leave South Korea.

It is crucial to consider the current socio-economic situation in the DPRK due to the ongoing COVID-19 pandemic. Although the government official states that the country does not have any active cases of the virus in the country, it was reported that around 80,000 civilians were in quarantine in November 2020. Trade between the DPRK and the PRC dropped sharply by 74%. Experts believe that the strict measures implemented by Kim Jong Un to control the spread of the virus will continue to wreak havoc on its economy. The DPRK likely will not be in a position to weather the economic consequences (i.e. sanctions) of another weapons test.

The DPRK has had very little success in convincing the ROK to meet its various diplomatic demands. The divergence of the two countries’ political and economic systems makes the prospects of a seamless reunification much less likely. In the short term, an alternative would be for the DPRK to undergo severe political and economic reforms in hopes that such changes would help to lead to a reset in relations with the ROK. However, reforming the North Korean financial system presents a much more complex task than it has in other Asian Communist countries. The DPRK is too small to establish special economic zones remotely located from the rest of the country. The DPRK, compared to these countries, is a highly urbanised, industrial society where 70% of the population lives in urban areas. The privatisation of Korean national enterprises risks an economic collapse and the overthrow of the regime.

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97 Ibid.
5.2. Inter-Korean Diplomacy

The process of reunifying the Korean Peninsula has been addressed under the DPRK and ROK joint communiqué of 1972 by defining the three fundamental principles under which a unification must occur. Firstly, it must be carried out independently, with no foreign powers interference. Secondly, it must be peaceful. Finally, it must be based on cultural and racial affinity. Nevertheless, the possibility of reunification appears less favourable than it has in years past. Public opinion among younger South Koreans has shifted from admiration and friendliness, based on familial ties, to scorn for DPRK’s backward society and controlling regime. These obstacles have been heightened in recent years following an increase in DPRK defectors crossing the border in South Korea, which numbered 32,000 in 2018. The majority suffer from various physical and mental ailments caused by malnutrition, poor working conditions and a lack of decent education. This is worsened because the DPRK has a GDP per capita estimated to be twenty times less than that of the ROK.

Despite government restrictions, many South Korean television programs and music artists have been growing in popularity in the North. This has rekindled feelings of cultural and ethnic oneness across the Peninsula. However, the DPRK is now facing a new challenge to maintain its isolation from foreign influence due to the increasing use of cell phones. Up to this point in time, the government has not had to fear popular uprisings due to the strict controls it places on its people. If the government were to allow increased cultural contact between its citizens and the outside world, it risks popular dissent and a complete regime collapse.

In 2018, both Koreas partook in the Korean Peace Process, which led to the Panmunjom Declaration signing. The ROK invited the DPRK to participate in the 2018 Winter Olympics hosted in Pyeongchang County (ROK), representing Korea together. At the start of the games, Moon Jai-in shook hands with Kim Yo-jong, Kim Jong Un’s sister, which meant the first time a Kim family member had entered the ROK since the Korean War. The Moon Jae-In Administration is carrying out the Defense Reform Plan 2.0 (2018-present) to mitigate the ROK’s harsh military stance towards the North. Moreover, it has announced an official policy of working towards Korean reunification in 2045. It remains to be seen if the necessary

101 Ibid.
102 Ibid.
103 Ibid.
diplomatic and political changes will be undertaken in the following years for such a monumental event to happen in such a short time. Additionally, regular military provocations by the DPRK, such as the missile launch tests in 2018-19, have further clouded relations between the two countries.\textsuperscript{104}

Although an aggressive foreign policy has been a staple of modern DPRK political theatre, it shows very little desire to engage in an actual conflict with the ROK or the US. The DPRK understands that its archaic armed forces would be easily defeated in the event of a war. It is for this reason that Kim Jong Un continues to emphasise the country’s nuclear arms. This is further complicated by the DPRK’s permanent rivalry with the ROK over assertions to be the legitimate Korea. Both of these struggles go hand-in-hand; unless the DPRK commits to denuclearisation, it is impossible for there to be substantial developments in inter-Korean diplomacy. Moreover, without improvements in diplomatic efforts, Korean reunification remains a far off dream.

The following section provides a table listing the most critical milestones in inter-Korean relations. It will be followed by an analysis of possible future developments in inter-Korean relations by 2030. All propositions are based on historical results, and plausible near-future events contextualise their accompanying proposals.

### Table 6: Key dates in inter-Korean Relations

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<td><strong>Diplomatic openness</strong></td>
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<tr>
<td>• 1948: Following their separation, the countries followed their own development without trading between them. DPRK benefited from the infrastructure created during the colonial time. China and the USSR gave DPRK economic aid, and the US to ROK.</td>
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<tr>
<td>• 1961: DPRK’s creation of the Committee for the Peaceful Reunification of Korea</td>
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<tr>
<td>• 1969: ROK’s creation of the Ministry of Unification</td>
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<td>• 1972: DPRK and ROK joint communiqué establishing the three principles for reunification</td>
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<td>• 1973:</td>
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<td>- Park’s Special Foreign Policy Statement regarding peace and unification</td>
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<td>- Three-way Talks between the US, ROK and DPRK</td>
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<td>• DPRK UN proposal for Confederal Republic of Korea</td>
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<td>• 1974: Assassination of Park’s wife: cooling of inter-Korean diplomacy</td>
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<td>• 1983: failed attempt of assassination of ROK’s president Chun Doo-hwan by DPRK</td>
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<td>• 1990:</td>
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<td>- Roh Tae-woo’s Nordpolitik Policy</td>
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<td>- First Ministers Talks</td>
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<td>• 1991:</td>
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<td>- Collapse of the USSR</td>
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<td>- Admission to the UN</td>
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<td>• 1992: China-ROK establishment of diplomatic relationships</td>
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<td>• 1995: DPRK famine</td>
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<td>• 1996:</td>
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<td>- Four Party Talks between US, China, ROK and DPRK</td>
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<td>- ROK admission to the OCDE</td>
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<td>- Kim Dae-Jung’s Sunshine Policy</td>
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<td>• 2000:</td>
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<td>- 6/15 Declaration</td>
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<td>- ROK and DPRK Joint communiqué</td>
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<td>• 2003-2006: Six Party Talks</td>
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<td>• 2007: Peace Declaration</td>
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<td>• 2010: DPRK unilaterally ceased all ROK business assets in the region</td>
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<td>• 2013: Trust building process</td>
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<td>• 2018:</td>
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<td>- Panmunjom Declaration for Peace, Prosperity and Reunification of the Korean Peninsula</td>
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<td>- Singapore Summit (DPRK, ROK and US)</td>
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<td>• 2019:</td>
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<td>- Hanoi Summit (DPRK, ROK, US)</td>
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<td>- Moon Jae-in’s 2015 Reunification Speech</td>
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<td>• 2020:</td>
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<tr>
<td>- COVID-19 pandemic</td>
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<td><strong>Economic openness</strong></td>
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<td>• 1948: Following their separation, the countries followed their own development without trading between them. DPRK benefited from the infrastructure created during the colonial time. China and the USSR gave DPRK economic aid, and the US to ROK.</td>
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<tr>
<td>• 1961: Park’s reforms, the beginning of the “Economic miracle”</td>
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<td><strong>ROK&gt; DPRK</strong></td>
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<td>• 1979: DPRK bankruptcy</td>
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<td>• 1985: Re-establishment of economic relations between South Korea and North Korea</td>
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<td>• 2002: ROK sent fertilizer to DPRK</td>
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<td>• 2003:</td>
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<td>- China became ROK first trade partner</td>
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<td>- Kaesong Industrial Complex between ROK and DPRK</td>
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<td>• 2006: ROK becomes second largest trading partner of DPRK</td>
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<td>• 2007:</td>
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<tr>
<td>- Korean Economic Community proposal</td>
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<td>• 2008: ROK enters G-20 group</td>
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<td>• 2010: DPRK unilaterally ceased all ROK business assets in the region</td>
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<td>• 2010: Suspension of commerce between the Koreas except for tuberculosis medicine due to nuclear tests</td>
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<td>• 2011: Reunification tax by ROK President Lee Myung-bak</td>
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<td>• 2015: China-ROK Free Trade Agreement</td>
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<td>• 2017: Reunification Investment Fund initiative</td>
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<td>• 2019: ROK becomes the 12th largest economy in the world</td>
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<td>• 2020: DPRK contraction -8% DPRK</td>
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<td><strong>Cultural openness</strong></td>
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<td>• 1967: DPRK Cultural Revolution</td>
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<td>• 1988: Special Presidential Declaration for National Self-esteem, Unification and Prosperity, under Nordpolitik program</td>
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<td>• 1982: Seoul Summer Olympic Games</td>
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<td><strong>Nuclear and military provocation</strong></td>
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<tr>
<td>• 1950-1953: Korean War</td>
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<td>• 1953: Korean Armistice Agreement and establishment of DMZ</td>
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<td>• 1961: Sino-North Korean Mutual Aid and Cooperation Friendship Treaty</td>
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<td>• 1967-1969: DPRK 17000 infiltrations in ROK</td>
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<td>• 1974: Arms race between ROK and DPRK</td>
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<td>• 1975: ROK cancelled nuclear program</td>
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<td>• 1985: DPRK entered in the Non-Proliferation Treaty (NPT)</td>
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<td>• 1987: DPRK bombs on Korean Air Flight 858</td>
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<td>• 1994: US-DPRK framework for denuclearization</td>
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<td>• 1996: First DPRK nuclear test</td>
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<td>• 2003: withdrawal DPRK of the NPT</td>
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<td>• 2006: - First DPRK nuclear test - First UNSC Resolution 8074 regarding DPRK’s sanctions</td>
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<td>• 2008: ROK development of THAAD</td>
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<td>• 2010: Sinking of ROK naval ship Cheonan, 46 deaths - DPRK attack on Yeonpyeong island</td>
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<td>• 2017: - DPRK entered in the US list of State Sponsors of Terrorism - Sixth DPRK nuclear test - Last UNSC Resolution 2397, regarding DPRK’s sanctions</td>
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<td>• 2018: ROK’s Defense Reform Plan 2.0</td>
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<td>• 2021: ROK renewal on US troops</td>
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5.3. Pathways towards Korean Reunification by 2030

Table 7: Drivers of change in the Koreas

<table>
<thead>
<tr>
<th>Scenarios / Drivers of change</th>
<th>Scenario 1</th>
<th>Scenario 2</th>
<th>Scenario 3</th>
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<tbody>
<tr>
<td>A. COVID-19 impacts</td>
<td>+</td>
<td>-</td>
<td>+</td>
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<tr>
<td>B. Economical openness</td>
<td>+</td>
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<td>+</td>
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<tr>
<td>C. Political stability</td>
<td>-</td>
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<tr>
<td>D. Cultural Openness</td>
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<tr>
<td>E. Emigration</td>
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<tr>
<td>F. Nuclear and military actions</td>
<td>-</td>
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<td>-/+</td>
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<tr>
<td>G. International pressure</td>
<td>-</td>
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**Scenario 1: A Reset in inter-Korean Diplomacy by North Korean Openness**

**Probability: Low-Medium**

The economic impacts of the COVID-19 pandemic have been disastrous for the Korean Peninsula. International experts estimate that thousands of North Koreans have caught the virus, making it the country's worst humanitarian crisis since the 1995 famine. It has left the economy in ruins after trade with China diminished sharply, forcing Kim Jong Un to push for economic reforms in the country. *The Kaesong Industrial Complex* has reopened, and other *special economic zones* are being created with ROK and Chinese companies. Projects regarding the development of medical infrastructure which ties the modernisation of DPRK hospitals to educational programs have been developed, wherein ROK medical practitioners teach in the DPRK for a limited time. This has led to a restart in inter-Korean diplomacy.

However, such developments risk destabilising the DPRK. Many members of the government question the political efficacy of the reforms. This has led to further political purges of Kim Jong Un's political opponents. A gradual cultural openness is unfolding in the DPRK, although not without great consternation. The spread of technologies, such as the internet and smartphones, has increased civilian access to the outside world. Moreover, through the reestablishment of the tourist regime directed at the ROK, everyday North Koreans see that the world outside their borders is not as oppressive as they once believed. This has forced the
government to evolve its political system to greater openness for the modern era to protect the DPRK regime's longevity.

As a result, the number of DPRK emigrants has increased, and Seoul has established protocols for integrating them into ROK society. Due to the economic hardships facing North Korea, Kim Jong Un has decreased military threats against the US, and its nuclear program is indefinitely stalled. The PRC is growing increasingly impatient with Pyongyang, believing that Manchuria’s increased migration crisis is the DPRK regime's fault. Fearing an imminent collapse, the PRC convinces North Korea to undergo similar economic reforms to those it undertook in the 1980s-1990s. Greater openness in the DPRK has brought a better standard of living for its citizens, creating the necessary conditions for better inter-Korean diplomacy. It is unlikely that such developments would have occurred if it were not for the country's economic hardships.

Scenario 2: Changing inter-Korean Diplomacy

Probability: Low

The COVID-19 pandemic had minimal long medical term impacts on the Korean Peninsula. The DPRK’s isolation from the global community prevented it from contracting the virus in significant numbers, and ROK’s swift response to the crisis prevented it from suffering severely. Following a mild economic downturn, the two Koreas have returned to their economic relations’ prior status quo. Moon Jae-in’s efforts to reopen the Kaesong Industrial Complex have succeeded, but there have been no new economic zones created to date. DPRK’s trade with China has returned to previous high levels.

There have been minimal changes in regards to the political stability of the DPRK. The ROK has experienced two presidential elections since 2022, which has made it clear that popular support for reunification is decreasing. A majority of South Koreans now prefer a future comprising two independent Koreas. US military operations in the ROK have remained essential to its defence strategy. As a result, there has not been a successful restart to inter-Korean diplomacy. The continued American presence in the region is unacceptable for both the DPRK and the PRC. Unless the ROK decides to deviate from its current trajectory, relations will continue to sour. A greater rapprochement between the Koreas is practically impossible in the near future. For such a change to take place, the DPRK must be willing to denuclearize
verifiably, and, at the same time, the ROK must purposefully distance itself from its historical allies. The plausibility of such a development taking place soon is relatively low, if not impossible.

The spread of the internet and smartphones has allowed many North Koreans to get a glimpse of life outside their country. As a result, pirating South Korean films and K-pop has grown in the DPRK. Kim Jong Un has responded to this crisis by cracking down on public access to the internet and nationwide censorship of ‘sensitive material’. In response, the government has enacted an entertainment policy with government-approved programs. Illegal migration from North Korea to the South has increased gradually over the past ten years. This has greatly angered the DPRK regime. To reassert itself in international affairs, the North Korea government has ramped up efforts to test nuclear weapons and its missile program. The ROK and Japanese fears of North Korean aggression cause them to increase military cooperation, which angers China and Russia. This risks the development of a military conflict in the region in the coming years.

Scenario 3: Reunification of the Korean Peninsula

Probability: Low

The COVID-19 pandemic had severe economic and political consequences on the two Koreas, leading to massive inter-Korean relations changes. The countries now recognise that the division of the Peninsula considerably worsened their experience of the crisis. This has coached leaders in both countries to consider the possibility of speedy reunification. The question, however, is how to best go about it.

The first option would involve the overthrowing of Kim Jong Un to force reunion with the South. Such a change could come about through the murder of Kim Jong Un by political insiders or a third party. Both options are unlikely, the former due to the oppressive political machinery in the DPRK, the latter due to the nuclear risk that this could entail.

The second option would be to incite a popular uprising in the DPRK and establish a temporary transition government, whose sole purpose would be to reunify South Korea as soon as possible. Pressure for institutional reforms in North Korea has increased because its people call to live in a free and modern society. Such a change, however, comes with grave risks. It is
not certain that a popular uprising would topple the DPRK regime without help from the military establishment; however, the DPRK military benefits from the current political institutions.

The third option would be a peaceful reunification of the Korean Peninsula. It is unlikely that by 2030 the two countries’ political, social and economic systems will have aligned significantly. As a result, the most favourable political system for a speedy reunification would be a confederacy, as proposed in 1980 (Confederal Republic of Koryo),\textsuperscript{105} allowing each country to retain its identity and characteristics. Nevertheless, the creation of a Korean confederacy comes with drawbacks. On the one hand, the ROK is unlikely to accept this proposition due to the human rights abuses that the DPRK would continue to exert on its population. On the other hand, the DPRK is unlikely to support such a motion as it would heavily disadvantage its state-controlled economy, leading to massive migration flows, similar to those seen East to West Germany following their unification.\textsuperscript{106}

The last option would be a violent unification of the Korean Peninsula. If the DPRK continues to threaten the ROK with military action, Seoul may decide that a first strike is in its best interest. However, the risk of high civilian casualties and the obliteration of the ROK’s economy in the process makes such an option practically unthinkable. The possibility of an invasion of the ROK by the DPRK is equally unlikely. The country’s antiquated military forces would be unable to conquer the South before American forces annihilated them. Furthermore, the Peninsula is currently situated in a tug-of-war between the PRC and the US. The explosion of a serious military conflict in the region risks igniting World War III, where the US and the DPRK, leading to a disastrous war where the possibility of nuclear weapons is high.

5.4. United Korea

Regardless of how the two Korea’s reunify, the consequence of such a hypothetic development would be colossal. The economic repercussions of integration would be high, combining the

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resource-rich geography of the North with the technological know-how of the South. It is estimated that reunification would cost $1 trillion, and the political costs would be high in the short-term.\textsuperscript{107} The country’s population would include over 70 million people, situating it between Thailand and Germany.\textsuperscript{108} As a result, there is an excellent possibility that the new country will experience temporary economic stagnation or collapse in the years following its creation. However, if a United Korea were to survive its difficult early years, the new nation would become an economic powerhouse, rivalling Japan, which would increase Chinese and Russian interest in cooperation.

In an ideal scenario, reunification would be progressive, allowing the states time to align their economic and political systems. \textit{Goldman Sachs} forecasts that United Korea’s economy would grow to become more prominent than all of the current G7 nations except for the US.\textsuperscript{109} The supply of cheap labour and resources from the DPRK, combined with the ROK’s extensive infrastructure, would create one of the most competitive markets globally. Such a development would lead to a rise in the living standards and wages in the DPRK, increasing its internal demand. It would take decades to restructure the economy of the new state successfully. However, decreased military and diplomatic costs, coupled with the removal of structural inefficiencies, would allow for significant labour mobility in the new country. This would help solve the demographic decline in the ROK and open up solutions to the Korean energy crisis. The construction of Russian natural gas pipelines into the Korean Peninsula would be an attractive option since there are no longer risks of the DPRK cutting off access to it.\textsuperscript{110}

Chinese reactions to such a change would be largely positive if a United Korea government were to reassert Korea’s historical position as a faithful ally of the PRC. It would signify the resolution of one of China’s most significant foreign policy challenges. Moreover, a reunification of the Korean Peninsula would have tremendous implications on US presence in the East China Sea region. Without the need to protect the ROK from DPRK aggression, it is possible that the US would pull out of the area entirely. An ideal scenario for the PRC and the

\textsuperscript{108}Ibid.
\textsuperscript{109}Ibid.
\textsuperscript{110}Ibid.
RF.\textsuperscript{111} Japan, however, would likely feel threatened by the new country as it would represent a severe threat to its regional influence. Historical disagreements between the two countries would probably take centre stage, representing Japan’s opportunity to make amends for past aggressions. If such actions were undertaken, they could create lasting peace in the region. Nevertheless, the possibility of a Unified Korea’s economy overtaking Japan’s GDP presents a severe obstacle. It is also equally possible that tension between the two countries would rise in the decades after unification, culminating in a military conflict.\textsuperscript{112}

It is essential to consider that Koreans relations have historically been quite difficult. Comparing them with East and West Germany, we can see that one country’s absorption into the other does not come without problems. A rise in social tensions, economic inequalities, and political dissatisfaction is practically assured. Moreover, it cannot be overlooked that DPRK’s economy is far less developed than that of East Germany when it joined the Federal Republic of Germany.

The most critical obstacle to a prosperous United Korea is the lack of social cohesion between the two Korean peoples. Without strong public support to buoy a United Korea during the difficult years following its creation, its survival is far from assured. However, if they overcome their differences and work together, their future would be bright.

VI. CONCLUSION

South Korea’s location bordering on the East China Sea offers the country leverage in international affairs. Its unique political condition, a result of Cold War politics, plays a vital role in influencing the region's security dynamics. The ROK will face unprecedented challenges due to its severe demographic decline, and which solution, immigration, does not seem to be popularly accepted. Furthermore, the ongoing energy crisis risks leaving the country at the mercy of other great powers. Such obstacles have been worsened by the COVID-19 pandemic, which has shown the country’s weaknesses depending on foreign trade for economic growth.

The growing influence of China in the region has brought about significant changes in inter-Korean relations. Although the PRC has historically been the main ally of North Korea, economic interests have pushed for a gradual rapprochement between Beijing and Seoul. Nonetheless, China’s main interest in the region is to counter American influence. This goal is shared with Russia, yet, it also desires to present itself as the “Rusian alternative” to Chinese and American hegemony.

The Korean Peninsula, thus, represents the arena where these two powers face the US and Japan. The presence of US military forces in ROK is likely to continue for the foreseeable future, continuing the status quo. The US also faces the challenge of bettering relations between Japan and South Korea. The two countries continue to be hung up on past colonial aggressions, and their security concerns frequently diverge. Other international actors, especially the UN, also play a role in moderating the conflict in Korea. International sanctions have been the primary tool used to coerce North Korea to halt its nuclear program. However, such efforts have had very little success to date.

Although inter-Korean relations have improved during the past decade, they remain far from perfect. North Korea's continued provocative behaviour makes it impossible to establish lasting peace and stability in the region. The Peninsula reunification has been at the heart of inter-Korean foreign policies since their separation. Nevertheless, their unwillingness to compromise and growing differences between them make the reunification process a difficult task. The truth is that such a change would only be possible through a greater DPRK’s openness, which may come about soon due to the struggles that COVID-19 could cause.
For all these reasons, South Korea is on the precipice of significant change. The growing conflict between China and the United States, coupled with its historical challenges with Pyongyang, make it sure that the coming years will be turbulent. Developments on the Korean Peninsula reflect the growing tensions in the broader region. For this reason, it can be said that the Korean conflict is a reflection of the new Cold War. Nevertheless, it remains to be seen how ROK will choose to confront these future challenges.
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