



MINISTRY OF UNIFICATION
Republic of Korea

The Road to Korean U n i f i c a t i o n





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도라산
都羅山
Dorasan

평양
平壤
Pyongyang

서울
Seoul

← 205km 58km →



What Unification Means to Korea

Unification as a Historic Undertaking

For Korea, unification is a historic undertaking to overcome the painful division of the country as well as to bring freedom and human dignity to all Koreans. At the close of World War II, the Korean Peninsula suffered the misfortune of arbitrarily being split in two. Since the division of the Korean Peninsula, there has only been confrontation and hostility between the two Koreas, and even in the 21st century, the old cold war order maintains its firm grip on the Peninsula. The tragedy of division is personified in the countless separated families : thousands of separated family members in South Korea die each year largely because of their old age while waiting to be reunited with loved ones not seen for over a half century.

Unification as a Process

Unification is a future-oriented process that aims to repair Korea's national identity while overcoming all adverse effects of division between the two Koreas. Therefore, a sudden unification not rooted in the will and effort of the Korean people is undesirable. In particular, a hasty and unprepared unfolding of this process can bring about social chaos and an enormous economic burden.

Unification is not only an integration of territories and governments, but also the successful convergence of culture, way of life and thinking among the people as a whole. It is crucially important to iron out differences between the two that have been deeply rooted in a range of areas. The first stage of overcoming the disparity between the two Koreas is to make genuine efforts to acknowledge each other's political entities, co-exist peacefully and restore a national identity. The unification process will take much time and can be achieved through determined efforts represented by mutual understanding, ongoing dialogues, and patience.

What Unification Means to Korea

Unification as a Creative Concept

For Korea, unification is not a simple return to the pre-division situation but a creation of a developed democracy on the Korean Peninsula appropriate for the 21st century. To be more specific, unification will open a new chapter in Korea's national history by aiming to build an advanced democracy that will be at the forefront of the globalization and information age. Also, during this transitional period in world history, the unification process will maximize our national potential to unite different values and usher in a new era of peace and prosperity in Northeast Asia.

The Korean people regard unification to be the creative process of building a new national community able to actively contribute to world development, not simply the integration of a divided country. Therefore, the Korean people have to approach the issue of unification in the light of building a democratic way of life and a set of common values.

Since division, from the ashes of the Korean War, South Korea has developed into a vibrant democracy, and due to the perseverance and creative effort of its people, South Korea's economy has emerged as the 10th largest in the world. Without a doubt, unification will once again unleash Korea's potential and make it a global contributor to peace and prosperity.

Guidelines for Unification Basic Guidelines for Peace Basic Guidelines for Unification Basic Guidelines for Unification



Basic Guidelines for Unification

Peaceful Unification

Korean unification should be realized peacefully on the basis of national consent and trust, not through war or other violent means under any circumstances. Unification will be achieved through dialogue, cooperation and trust among the people. With unification, the Korean people will expect a peaceful and prosperous life as a single nation. Unification through war or other violent means goes against the flow of world history and would undoubtedly inflict enormous damage.

A peaceful unification requires a future-oriented inter-Korean relations that aims at preventing another war and establishing a permanent peace on the Korean Peninsula. Since another war would result in a national catastrophe, the means and ends of unification all need to be peaceful. To the end, both Koreas should make every effort to maintain and promote peace during the transition toward unification.

Gradual Unification

Unification needs to be gradually achieved by both South and North Korea by enhancing their own capabilities for unification with the aim of building one national community. Because of the economic gap between the two, the difference in political systems and evolution of separate cultures, an immediate unification will not only be impossible but it would be a mistake. A lot of efforts prior to unification are needed to bridge these discrepancies.

Also, in order to minimize the cost of unification while still using it as a future growth engine, it is imperative that unification be gradual. If South Korea can induce North Korea to change while establishing an economic and social basis for unification, the cost and disorder expected from unification can be minimized and overcome. As economic cooperation with North Korea is enhanced, there is the expectation that a synergy effect might take place as markets are expanded, labor and capital are complimented, and industrial efficiency is mutually increased. Naturally, through such a process, there will be increased contact among the people and national unity can be restored.

Based on such realism, both Koreas have built a common understanding on the wisdom of gradual and phased unification. The South Korean government has steadfastly maintained such a position and North Korea realizes its “federation” formula is unrealistic and has offered a federation formula “at the lower level.” Both Koreas, now accepting that the South’s “commonwealth” formula and the North’s “low-level federation” formula have elements in common, have agreed that unification should be pursued in such a way (Article 2 of the Joint Declaration, June 15, 2000).

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- *According to North Korea’s Federation Formula, the two Koreas form a federal government while each government maintains its respective systems and ideologies.*
 - *In the Federation Formula ‘at the lower level’, North Korea allows greater autonomy for each local government in handling general government affairs including diplomacy and defense.*
 - *The common features between South Korea’s Commonwealth Formula and North Korea’s Federation Formula at the lower level are acknowledgement of the existing systems and the promotion of peaceful co-existence and gradual unification through inter-Korean exchanges and cooperation.*

The Prospect for Change in North Korea



There exists two theories concerning the prospect for change in North Korea. Some predict that North Korea will collapse sooner or later. Others are maintaining that North Korea will follow the course of regime transformation while undergoing incremental reform and the opening up of its society and economy.

Most North Korea observers believe that regime transformation is more likely than a total collapse. Although North Korea has been suffering from severe economic hardship, chances are slim that North Korea will collapse if we consider the durability of the regime. The North Korean regime is fiercely self-reliant and its people are well accustomed to hardship. It also maintains a firm control over its people. The fall of the former Soviet bloc, the death of Kim Il-sung and the food shortages have all contributed to the theory that

the North Korean regime would collapse overnight. This has not been the case. Rather, this expectation has fueled distrust and suspicion on the part of North Korea towards the international society.

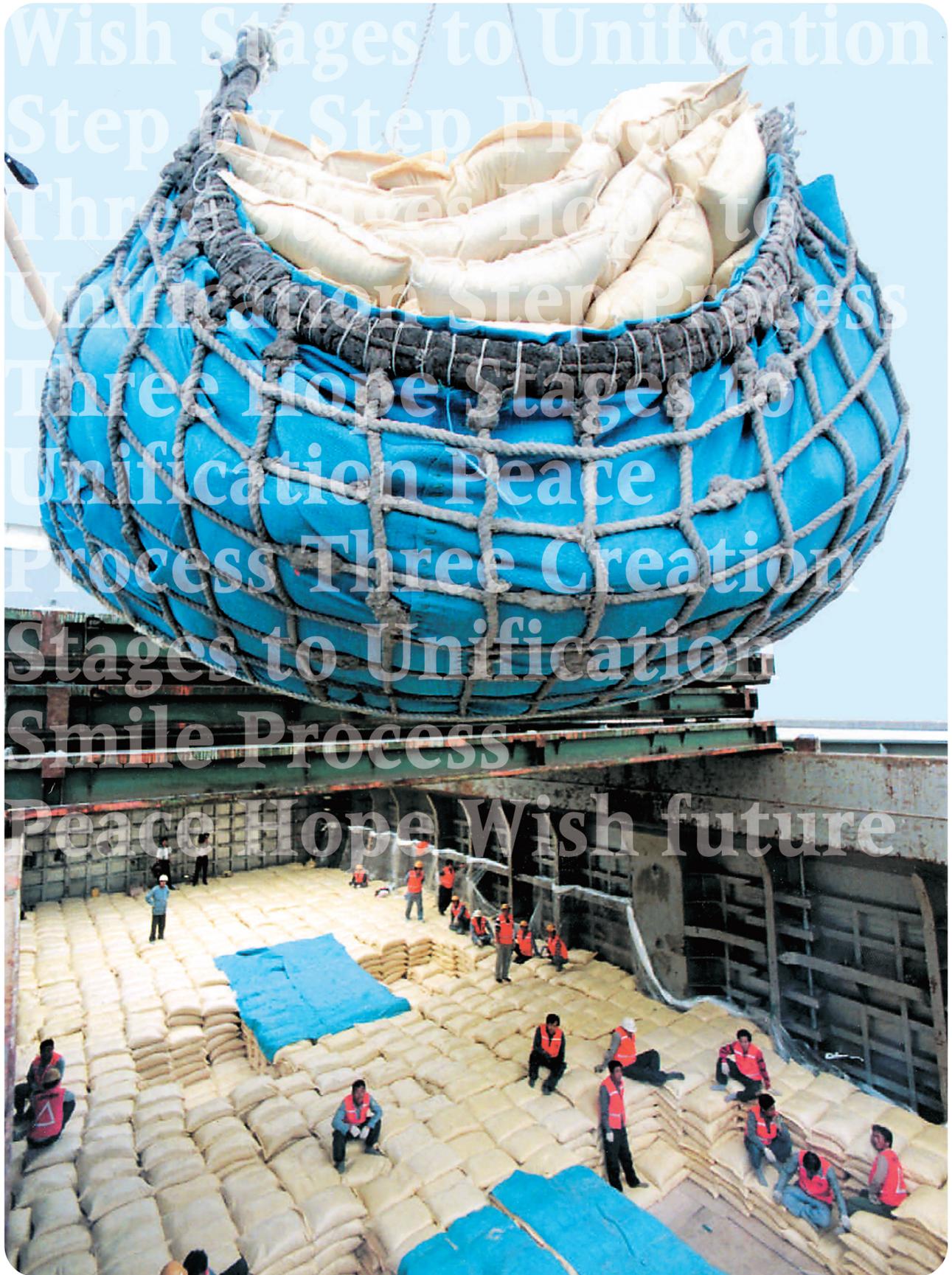
Neither South Korea nor neighboring countries want to see North Korea suddenly collapse. All concur that a soft landing for North Korea through reform and opening would better serve the peace and prosperity of the Korea Peninsula and the Northeast Asian region as well.

“South Korea has no intention to foster North Korea’s collapse. We assume that the North Korean regime maintains a quite firm hold on its society and is well-prepared for any contingency.” (President Roh, in his address to Korean residents in Germany on April 13, 2005)

North Korea seems to have

admitted the inevitability of reform and opening of its society and economy in order to overcome its current difficulties. The evidence for North Korea’s changes include strengthening its market mechanism and introducing an incentive system through the adoption of modest economic reforms in July 2002. The opening of Gaeseong city and Mt. Geumgang as sites for inter-Korean economic cooperation and exchanges is another example showing North Korea’s will to change.

In his address to the World Affairs Council on November 13, 2004, President Roh also said, “To the question whether North Korea is changing, my answer is positive. We can notice signs of North Korea’s strong will for reform and opening. North Korea seems to have adopted a market economy to the extent that it is now irreversible.”



Wish Stages to Unification
Step by Step Process
Through Hope to
Unification Step Process
Three Hope Stages to
Unification Peace
Process Three Creation
Stages to Unification
Smile Process
Peace Hope Wish future

Three Stages to Unification Process



Stage 1 | Reconciliation and Cooperation between the Two Koreas

The objective of the reconciliation and cooperation stage is the co-existence and co-prosperity of both Koreas through firmly establishing peace on the Korean Peninsula. This stage consists of three phases: (1) the stable development of inter-Korean relations, (2) the strengthening peace and cooperation, and (3) the establishment of peace and cooperation system. The current status of inter-Korean relations is proceeding from ‘stable development of inter-Korean relations’ to ‘strengthening peace and cooperation’. Official dialogue and exchanges have been conducted on the basis of the reconciliation and cooperation between the two Koreas promoted by the June 15 Joint Declaration.



1. The Stable Development of inter-Korean Relations

This phase is characterized by three changes. First, since the inter-Korean summit on June 15, 2000, there have been vital exchanges and dialogues, such as ministerial level talks, the opening of a dialogue channel in the military sector, construction of the Gaeseong Industrial Complex, the reconnecting of railways and roads between the two Koreas, and overland tours of Mt. Geumgang. Second, there have been incipient confidence building measures in the military sector. The two Kroeas have held military talks, taken measures to prevent accidental clashes in West Sea, and also taken military assurance measures for the reconnection of railways and roads. Third, there is an agreement on the general direction of resolving the North Korean nuclear issue through the Six-Party Talks. In the Fourth Round of the Six-Party Talks, South Korea played a leading role in adopting the Joint Statement that contains the main principles needed to resolve the North Korean nuclear issue (September 19, 2005).

Three Stages to Unification Process



Gaeseong Industrial Complex

2. Strengthening Peace and Cooperation

This phase is characterized by three developments. First, there will be an expansion of comprehensive economic cooperation between the two Koreas. This economic cooperation places the groundwork for the inter-Korean Economic Community through the expansion of economic assistance and investment in the North. Second, there will also be active promotion of various military confidence building measures. Consensus on building military confidence and a peace regime through military dialogue on a regular basis and prevention of accidental clashes will be broadened. Thirdly, the September 19 Joint Statement on North Korea's denuclearization will have to be implemented.

3. Establishment of a Peace and Cooperation System

This phase also features three changes. First, the unstable 'armistice regime' will be transformed to a 'peace regime' that guarantees sustainable peace by mutually signing a peace agreement and acquiring stronger international support. Second, sustainable peace on the Korean Peninsula

needs to be achieved through frequent and regular dialogues and exchanges between the two Koreas. In fact, there has to be exchanges of resident representatives in order to provide protection and consular services to visiting personnel and facilitate communication and transportation. Third, the North Korean nuclear issue will have been resolved and, in the process, North Korea's normalization of its relations with both the US and Japan will be facilitated.

Understanding the Peace Regime on the Korean Peninsula

The Korean peninsula Peace Regime is a state where war is legally terminated, tensions between the two and related countries are resolved, and the institutionalization of inter-Korean relations sustains peace.

“Equipping one nation only with a strong army and flourishing economy does not guarantee the security of a country. We have to prevent war more actively. We have to establish a peace regime on the Korean Peninsula as well as in Northeast Asia.” (President Roh, in his National Liberation Day address on August 15, 2003)

A peace Regime means:

- legal termination of war on the Korean peninsula through a peace treaty and overcoming political and military difficulties
- the last phase that wraps up the stage of reconciliation and cooperation and leads to the next

stage of a Korean Commonwealth

Major tasks in establishing a Peace Regime are:

- termination of war and resumption of peace; military confidence building and arms control → to substantially reduce the threat level
- resolution of the North Korean nuclear issue; normalization of North Korea's relations with the US and Japan → stabilization of the security environment on the Korean Peninsula
- conclusion of a peace agreement and the arrangement of International supporting mechanisms; organization and operation of a peace-keeping body; transformation of the DMZ into a peace zone → institutionalization of peace

Promoting the establishment of a Peace Regime is:

- to take a phased approach based on the security realities on the Korean Peninsula and in Northeast Asia (stable development of inter-Korean relations → strengthening peace and cooperation → establishing peace and cooperation system)
- to institutionalize the mechanism of a Peace Regime and to enhance its effect along with international support
- to mobilize national support and secure international cooperation

“We are pursuing a phased and incremental unification policy. First, we implant a peace regime on the peninsula and gradually expand exchanges and cooperation with North Korea. In the process, North Korea will improve its own competence to join us in the Commonwealth that leads to unification.” (President Roh, in his address to Korean residents in Germany on April 13, 2005)

Three Stage to Unification Process



Gaeseong Industrial Complex

Stage 2 | Korean Commonwealth

The objective of the Korean Commonwealth stage is to achieve de facto unification by establishing a socio-economic community between the two Koreas. Based on the established Peace Regime and the mutual democratic consensus-building process, the two Koreas adopt the Korean Commonwealth Charter and enter into the stage of Korean Commonwealth. This stage also consists of three phases: the formation of the Commonwealth system, the realization of the integrated socio-economic community and preparation for institutional unification.

1. Formation of the Commonwealth System

This is the phase where without denying each others' sovereignties, the two Koreas consult and resolve most problems by summit meetings(a supreme decision making body), ministerial meetings(an executive body) and council meetings (a legislative body). In the 'two-systems-two-governments' regime phase, the two Koreas manage the implementation process of the integrated socio-economic community while maintaining their own respective power in the area of diplomacy and defense and conducting phased arms reduction.

2. Realization of a Socio-Economic Community

This is the phase where the two Koreas forge a common market. Consequently, the two Koreas narrow the gap between their respective economic capacities, expand investment in North Korea in various areas and build the basis for financial integration through the coordination of financial and monetary policy. Most importantly, this stage also entails the two Koreas establishing a community where people, goods and information are exchanged freely through implementation of agreements on passage, trade and communication. This is important because through this phase de facto unification is realized.

3. Institutional Preparation for Unification

The two different systems on the Korean Peninsula gradually converge to become homogeneous and build an environment suitable for integration into one sovereign country. It is also at this phase that legal and institutional unification is prepared through drafting a unified constitution, providing the form of a government and parliament, and agreeing on the method, timing and process of general elections.

Understanding the Korean Commonwealth

The Korean Commonwealth is a transitional system to form and operate an inter-governmental cooperative body between the two Koreas while maintaining their respective systems and government functions, developing cooperative relations in light of unification and effectively promoting an integration process while peacefully managing the current state of division.

The Korean Commonwealth organizes Commonwealth bodies to institutionalize inter-Korean

cooperation: Korean Summit(a supreme decision making body), Korean Ministerial Meeting(an executive body), Korean Council(a legislative body), a Common Secretariat etc.

The Korean Commonwealth functions:

- to build political confidence through the formation of a Commonwealth : the basis for political integration
- to build and develop an integrated economic community : the basis for

economic integration

- to resume national unity through free travel and contact : the basis for nation-building
- to realize a phased arms reduction: the basis for military integration
- to reorganize the legal system and conclude a unification constitution : the basis for institutional unification and general elections
- to make an international environment in favor of unification : the basis for the support and guarantee of the international community



Three Stages to Unification Process



Stage 3 | A Unified Korea

The objective of this stage is to achieve legal and institutional unification and complete sectoral integration. A unified Korea will be one where everyone in it feels like its owner. It will also be an advanced democratic country where each individual is guaranteed his/her freedom, welfare and human dignity.

Specifically, unification is completed when a unified constitution is agreed on and announced democratically, providing the basis for a legal and institutional unification. Meanwhile, sectoral integration is in the works. The ‘one nation, one country, one system, one government’ is accomplished and integration of sector-specific systems and institutions is being completed such as in the political, military, economic, social, education, cultural sector and so on.

As the unified country is expected to be a sovereign country that guarantees freedom, welfare and human dignity to all its nationals, liberal democracy and market economy will be essential elements. Also, the gap between South and North Korean people and any other differences will be resolved and a genuine national community will be achieved. This vision will concentrate national potential so that it can not only contribute to the prosperity and development in Northeast Asia but also facilitate the advent of the Asia Pacific era.

Understanding Unification Costs

In order to achieve substantive development in inter-Korean relations and to make South-North economic community a reality, understanding the implications of unification costs is essential. Overemphasis on the burdensome aspects of the unification can degrade positive aspects of it. As mentioned earlier, the unification implies both ‘benefit’ and ‘investment for the future’. (Often, the term “Unification Cost” implies only a contingency situation of an abrupt unification which is neither

desirable nor feasible.)

The financial burden arising from assistance to the North and inter-Korean economic cooperation should be regarded as an investment for future peace and ultimate prosperity. In fact, the investment will eventually reap both economic and political benefits to the Korean peninsula. It will also generate viability in North Korea narrowing the economic gap between the two Koreas. Ultimately, it will spare the cost caused by the

division and retrieve the cost spent for the unification.

Economic cooperation between the two Koreas will launch more potential and aptitude for the future Korean economy, bringing mutual benefits such as integrated market, ‘Blue Ocean’. From this perspective, the cost needed in the course of unification should be regarded as part of an investment to promote peace and shared prosperity on the Korean peninsula and to prepare for a peaceful and incremental unification that we envision.





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