

## Reunification costly, but worth it



In 1988, "reunification" represented a dream for many Germans. Back then, a wall separated families and although people on both sides of the wall spoke the same language, they had experienced a starkly different upbringing. The dream for citizens of then-West and East Germany is not much different from the dream held today by Koreans on both sides of the north-south border of the Korean Peninsula.

While Germany is celebrating the 20th anniversary since the fall of the Berlin Wall, Korea is searching for ways to overcome the last remnants of the Cold War.

"The situations are different. It is not easy to compare the German situation with the Korean situation," said Deputy Secretary General of the Konrad Adenauer Foundation, Gerhard Wahlers.

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AUSLANDSBÜRO KOREA

MARC ZIEMEK

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He explained to The Korea Herald during a trip to Seoul last week that the differences are vast.

"Germany didn't experience a war; that's a big difference," he said. "Also, there were more contacts, more possibility of getting information on what was going on in West Germany."

Even if differences on both sides could be resolved and the Koreas could move toward reunification, the big question on everyone's mind - especially among industry and government - is the cost of reunification.

For Germany, the cost was astronomical - one expert cited 750 billion euros (\$1.1 trillion); others said it was double or triple that number. Critics slammed the reunification, saying that Germany went from being a world leader to having the biggest debt in its history.

In a Northeast Asia Peace and Security Network Special Report, "Modeling Korean Unification," co-author and leading authority Marcus Noland predicts \$300-600 billion over ten years would be needed just to raise North Korea income levels to 60 percent of the Southern average, and to prevent mass migration from the poverty-stricken North to the more prosperous South.

Scholar Lee Young-sun concurs with the high end of Noland's estimate.

However, World Bank estimates peg the overall cost at 5-6 times South Korea's GDP, or \$2-3 trillion.

After seeing where Germany was then and where it is today, Wahlers believes that money should not be the motivating force to prevent a reunification for the Koreas.

After all, Germany is not the country it was 20 years ago. It's also not the country it was 10 years ago. Today, Germany has overcome many of the hurdles associated with reunification but that is not to say that there are not still growing pains, even though Germany received money from different sources to cover the initial cost of reunification.

"When one talks about costs, a lot of the money was invested into East Germany, and that money came back to companies residing in West Germany," through investments and so on, he said.

Wahlers suggests that the best way to deal with the question of reunification on the peninsula is to have the Koreas reunite quickly.

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"It is imperative to help develop the North but when the situation is right," he said. "Invest into the North's infrastructure so that the people who live there do have the possibility to earn money in this circumstance."

He added that there must be opportunities for people living in the North to entice them to continue living there.

For one, jobs need to be created. One idea floating around is to open factories in the North.

Also, Wahlers believes that the South should help to create infrastructures while in the process of unification.

Furthermore, "when it comes to the cost, in the long run, you will see a Korea comprised of 65 million-plus people and will be, in a globalized world, much more competitive. So there are a lot of benefits as well for those living in the south when this process of reunification materializes."

Another important fact Wahlers points out was that both sides could divert their respective military budgets toward the cost of reunification.

While North and South Koreans consider themselves "family," the fact remains that their educational systems and upbringing have them very different from one another.

One just needs to look at the difficulties many North Korean refugees face adapting to a democratic South.

Differences between East and West Germans were also a major hurdle to overcome 20 years ago but Wahlers believes that time will eventually mitigate those differences.

"It is true that when you experience 40 years of dictatorship, definitely it has an impact as well," he said. "But I firmly believe that this is a question of age."

"We have to differentiate between those who are now in their 60s and the younger generations. When one sees the way young people are living, then I don't see many differences between somebody who's born in Cologne and someone born in Dresden."

He added that such differences will disappear more quickly today than in the past, because today's world moves at a faster pace.

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Considering Kim Jong-il and recent events between the Koreas and the United States, Wahlers' impression is that the signal coming out of North Korea is indicative that the reclusive leader is now willing to consider fulfilling North Korea's obligations.

"One has to engage, one has to try to talk to the regime but one has to be firm with the demands we do have, this is very important," he said. "At the same time, what is important as well is that one should not delude oneself on the nature of the regime in the North."

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