

South Korea's Sunshine Policy Revisited*

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Abstract:

The Sunshine policy was based on the premise that providing charitable subsidies to North Korea would induce it to abandon communism and become a responsible member of the international community. Proving the assumption correct, the policy succeeded in inducing the North to finally cooperate with South Korea and the international community. But the policy's weaknesses cannot be ignored; it has not persuaded Pyongyang to reform and become more open to a meaningful extent, and the peace dividend that did result has not been institutionalized. Worst, perhaps, it has not prevented military confrontation in the form of disagreements over the nuclear issue. The Roh Moo-hyun administration needs to adopt a multi-dimensional approach if it wants to make the Peace and Prosperity Policy successful. It should also take heed of the policy's critics.

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South Korea's Sunshine Policy Revisited

South Korea's Sunshine Policy was an ambitious initiative with a clear and logical vision. It was a noble policy that took into account the post-Cold War international environment of global reconciliation, and the inevitability that South Korea would help the North as it suffered from the crisis of national collapse. Its intention was to promote a peaceful coexistence between the two Koreas, to transform the North through open communications, and help it become a member of the international community. The policy outcome was quite successful, and in a sense surprised the world: in fact, Kim Dae-jung received the Nobel Peace Prize.

However, the Policy has received as much criticism as praise. International criticism has come mainly from the Bush administration. The Bush team, which has always had a negative impression of the Pyongyang regime, did not agree with the legitimacy of the Sunshine Policy. They saw it as helping an immoral and decaying state stay in power and develop nuclear weapons. Within South Korea, similar accusations arose. However, the Sunshine Policy continues to serve as South Korea's basic policy line. Despite the North's secret nuclear development through uranium enrichment and the ensuing cessation of KEDO activities, the Roh Moo-hyun administration adheres to the policy's legitimacy, calling it the Peace and Prosperity Policy. This article discusses the accomplishments as well as the problems of the Sunshine Policy, and proposes some future policy directions.

I. Important Footprints

The Sunshine Policy has a long history. It was conceived by the Roh Tae-woo administration in the 1980s, and took into account a range of variables in implementing relations with North Korea as US-Soviet dialogue at the time progressed radically. These included the regional balance of power, inter-Korean peace and exchange, and a "soft landing" for North Korea rather than a collapse. However, the initiative, then called the Northern Policy (after West Germany's *Ostpolitik*), evaporated into thin air with the first crisis concerning Pyongyang's nuclear development in 1994. Pyongyang's nuclear development flew directly in the face of the 1991 North-South Korean Basic Agreement, which had not only stipulated political reconciliation, military non-aggression, and mutual cooperation, but had also pledged the mutual

non-development of nuclear weaponry and nuclear fuel. It put the Korean peninsula at the center of an international dispute, with the Clinton administration forced to think about possible military options, which, in turn, escalated the possibility of war. Though war was avoided, the crisis has been the major reason for frozen inter-Korean relations ever since.

The Sunshine Policy itself was introduced by the Kim Dae-jung administration, which came to power in 1997, and which valued inter-Korean rapprochement. The Policy reflected not only Kim Dae-jung's personal philosophy but also many other factors - political and strategic. It was most disappointing to see the two Koreas pointing guns at each other while reconciliation and prosperity were the major global post-Cold War trends. War would bring total disaster and had to be eschewed by whatever means. To reinitiate dialogue with Pyongyang incentives and a favorable regard for North Korea were needed, especially since Seoul was in such an advantageous situation overall. The chances for any North Korean collapse seemed remote, while more time would be needed for eventual unification.

The Sunshine Policy officially professed the goal of establishing peace through reconciliation and cooperation,¹ (Tong-il-bu, 1998) and it was assumed that it would eventually achieve unification through consensus between the two Koreas (Manning and Przystup, 1998).² The concept of "unification through absorption," which circulated widely around the mid-1990s, was formally excluded,³ but, to fill the gap, there was widespread acceptance of the idea of opening up and reforming the North. All this was actually a replica of the exchanges between East and West Germany. The policy instruments to help attain these goals in Korea were diverse. "Separation of politics from economics," grain subsidies, provision of light-water reactors, reunion of separated families, and socio-cultural exchanges were initially conceived, but, as time went on, diplomatic rapprochement between North Korean and the West became a high priority, as it would help to extricate the hermit country from its state of isolation. Separation of politics from economics meant promoting economic exchange and cooperation without linking them to political and military issues or situations, and relying on the autonomous judgment of the private industries; this

¹ This is what the Ministry of Unification officially announced.

² The political goals of the United States and South Korea during these times were compatible in that both pursued the avoidance of military confrontation and a political implosion within North Korea. The two allies concurred with the idea of "Reunification, but not now," which China also thought reasonable.

³ The Sunshine Policy advocated three principles: they were that military provocation of the North was not allowed, unification through absorption (on the part of the South) was not

was considered a monumental step towards melting the frozen relations of the two Koreas, and inducing the North to understand the values and merits of a market economy. Progress in economic relations was expected to bring a spillover effect onto political relations, increasing interdependence. The provision of food would foster closer ties and create an emotional bond with fellow Koreans in the South. Confirming that separated family members were still alive and reuniting them with loved ones, hopefully, would retrench the sense of difference, as would mutual visits by clergy, scholars and artists.

Diplomatic normalization with other countries, especially the US and Japan, would rid the North of any incentive to develop WMD by bestowing on Pyongyang a sense of strategic stability, and the influence of liberal economies and cultures would lead to an opening up of the 'barracks' state. These would naturally bring the effects of dissolving the Cold War structures on the Peninsula and in Northeast Asia in general. Of course, there was substantial doubt as to whether the North Korean military would accept this. A long time would be needed for the People's Army to abandon nuclear, chemical, and biological weaponry, which implies a fight to the death against foreign invasion. Enormous effort would be required to ameliorate the go-for-broke spirit of the North Korean military, imbibed with characteristics of the Japanese Imperial Army despite a superficial resemblance to the Soviet military.

The Kim Dae-jung administration achieved its greatest victory two and a half years after the implementation of the Sunshine policy with the North-South summit in June 2000. This received enormous support from the constituents of both Koreas and neighboring powers, and pleasantly shocked the world. A summit had not been expected because the animosity between the two Koreas had been so severe and entrenched—the Korean War of 1950, the nuclear fuss in 1994, and a fifty-plus-year span of mutual hatred. The political surprise was accompanied with visible proof: cabinet-rank meetings, a ministerial defense meeting, an increase in the extent and frequency of exchanges and cooperation, and so on. Koreans had the impression that reconciliation was moving forward, peace was being promoted, and the threat of war was dissipating.

There was some success in the international arena as well. The March 1999 US inspection of North Korea's Kumchangri nuclear site, in exchange for several hundreds of thousand tons of grain and fertilizer, resolved suspicion over nuclear development there. At a meeting in September 1999 in Berlin, the North decided to suspend, but not cancel additional test firing of its Taepodong-2 missile on the condition that

permitted, and that reconciliation and cooperation were to be actively pursued.

economic subsidies are provided and that Washington promise to give diplomatic recognition. In particular, the contract for Hyundai Corporation to pay twelve million US dollars a month, beginning November 1998, and a total of nine hundred six million dollars by January of 2005 as a fee for sightseeing in the Geumgangsan Diamond Mountains was especially instrumental in appeasing the North, suffering as it was from a lack of hard currency.

Of course, there were obstacles. Although gratuitous economic subsidies and socio-cultural and religious exchanges resumed, a Pyongyang-dispatched spy submarine was discovered on South Korean shores in September 1998. Two months later, despite extremely depressed economic circumstances, Pyongyang was still able to launch an intermediate-range missile, which established the fear that this declining rogue state was keen on developing firepower that could reach Alaska, Guam, the US Territory of the Northern Marianas, and the Japanese island of Okinawa with its large contingent of US troops. This in turn implied that it had the ability to manufacture long-range missiles that could attack the US homeland within five years (Center for Nonproliferation Studies, 1999).⁴ In June 1998 several North Korean gunboats penetrated three kilometers south beyond the Northern Limit Line, forcing the ROK Navy to respond by destroying five of them and killing several dozen of their crew.

Other problems have arisen since President George W. Bush came to power in 2001. The North quickly developed a negative attitude toward the Bush administration. President Bush, of course, distrusted the Sunshine policy from the beginning, and was determined to resolve the aberrations apparent in the issues of nuclear transparency, missile development and export, and support for international terrorism (Scobell, 2002).⁵ The North blustered that it would not succumb to American pressure, and threatened to break the promise it made to Swedish Prime Minister, Goeran Persson - to observe a moratorium on Taepodong-2 missile testing throughout the year of 2003. Pyongyang criticized the South as well, stressing that the revitalization of US-ROK security cooperation was a stumbling block to national autonomy, and that South Korea's "main enemy" mentality with regard to the North was treacherous and destabilizing to

⁴ This is the Taep'dong-1 missile which flew over the Japanese port city of Hachinohe after traveling approximately 1,320km. Initially, it was believed to be a two-stage ballistic missile with a range of 1,600km, but later it turned out to be a multi-stage rocket with a potential range of 3,800-5,900km.

⁵ The members of the Bush administration see North Korea as implacable ideological foes. They have the conception that the Engagement policy of the Clinton era is an appeasement that should not be repeated.

security. The attitude from then on was characterized by a reversion to the past: North–South Korean dialogue was yet again in a state of abeyance, Kim Jong-il refused to make a return visit to Seoul, the fifth North–South cabinet-level meeting was cancelled, and a North Korean merchant ship, *Daeheungdan-ho*, purposely entered South Korean territorial waters.

Pyongyang vigorously refused the three conditions President Bush mentioned while declaring support for the Sunshine Policy--early IAEA inspection of nuclear facilities, verifiable constraints on missile development programs and prohibition of their export, and the implementation of conventional arms control. When Bush stipulated North Korea as part of the "axis of evil" along with Iraq and Iran at his State of the Union Address on January 29, 2002, four months after the September 11 incident, the North insisted that the right wing in both the United States and South Korea were increasing tensions under the pretext of fighting international terrorism; it also continued to demand that Seoul abandon its "main enemy" perspective and that its anti-communist National Security Law be rescinded. The American forces on the Korean peninsula should be withdrawn, too, which has been a perennial demand (Yonhap News 2002a; Yonhap News 2002b). Even though economic and socio-cultural exchanges did resume between the North and South when Lim Dong-won was dispatched north as President Kim's special envoy, Pyongyang staged another provocation in the Yellow Sea in June 2002, destroying some ROK patrol vessels and killing or wounding more than twenty South Korean sailors. This incident is consistent with North Korea's standard political tactics, and was intended to induce appeasement from the South by military threat (Cha, 2002).

In September 2002, the Tokyo-Pyongyang summit was suddenly held through an initiative instigated in Seoul. It was what the South had been pursuing all along as an important part of the scheme to dissolve the Cold War structure in Northeast Asia.⁶ Japan, which favors peace and stability on the Peninsula, has long touted the necessity of Japanese–North Korean diplomatic normalization, and Pyongyang on its part has long pursued bilateral normalization with Tokyo. The two heads of state discussed many issues in the meeting--international and bilateral, current and historical-- to include nuclear and long-range missiles, the status of kidnapped Japanese citizens, diplomatic rapprochement, and economic compensation for colonial rule. However, Kim Jong-il's admission that the North Korean military had indeed kidnapped Japanese

⁶ It was realized due to the harmony of interests among the three political leaders involved – Koizumi was seeking a political exit from domestic quagmire, Kim Jong-il was pursuing diplomatic stabilization and economic assistance, and Kim Dae-jung was looking for a coalition in face of Bush's opposition to some elements of the Sunshine Policy. President

citizens aggravated the Tokyo-Pyongyang relationship to a surprising extent.

In October 2002 something critically damaging to the credibility of the Sunshine policy occurred. It was exposed and admitted that, under breach of the 1994 Agreed Framework, North Korea had attempted further nuclear development through a new method of uranium enrichment. The North had provided Pakistan the necessary equipment and technology for Gaurri missiles, while Islamabad reciprocated by delivering sophisticated technology to create fuel from naturally occurring uranium. Pyongyang had already conducted numerous uranium enrichment experiments, and the required facilities were widely scattered in places like Pyongyang, Kusung, Youngju-dong and Hagap. Extremely angry, the Bush administration strongly criticized Pyongyang and cut off its gratis supply of heavy fuel oil. The Kim Jong-il regime responded in an equally extreme manner, withdrawing from the NPT and restarting its frozen reactors.

In South Korea, public opinion surged against Washington's hard-line policy, regarding it as a stumbling block to the advancement of inter-Korean relations, and many demonstrations were staged demanding that the USFK (US Forces in Korea) withdraw. As many counter-demonstrations called for the USFK to stay, and the political and social scene in Korea became polarized. In the United States, critics insisted that Americans should not be held hostage to North Korean missiles and long-range artillery deployed near the DMZ. The 'tripwire' role, they said, was no longer acceptable. Doug Bandow of the Cato Institute argued that the United States should terminate the alliance because "American commitment to South Korea had little to do with vital US interests, but rather was a reflection of a lingering Cold War strategy." (Bandow, 2003) Ted Galen Carpenter said: "South Korea became capable many years ago of ceasing to be security dependent. Unfortunately, it has chosen instead to be an international military welfare queen. It is high time to expel that prosperous and capable country from the security dole." (Carpenter, 2003) Other influential figures including Robert Novak, an anchor for *CNN's* Crossfire and reporter for *the Wall Street Journal*, and *New York Times* columnist William Saphire had similar opinions: Korea should deal with North Korea directly and be responsible for their own defense: The US should withdraw its forces from Korea before being humiliated: Koreans do not distinguish their protectors from their enemies." (*Dong-A Ilbo*, 2003)

In early 2003 in South Korea, the Roh Moo-hyun administration began its five-year term, and

Bush was informed of this event only three days beforehand.

announced the official goals of its Peace and Prosperity Policy: settle peace on the Peninsula, pursue common prosperity to form a basis for peaceful unification, and prepare the basis for coexistence and co-prosperity in Northeast Asia. For these goals, the highest priority was given to the peaceful resolution of North Korea's nuclear debacle (Gukga Anjun Bojand Hoei, 2004). Of course, like its predecessor the Sunshine Policy, its goal was to achieve political rapprochement between the two Koreas and more exchange and cooperation; despite the uranium enrichment incident, the sightseeing at the Geumgangsan Diamond Mountains would continue and, if possible, another summit meeting would be held.

Though the Gulf War II erupted in Spring 2003, the United States did not ignore the North Korea problem. Washington insisted that Pyongyang acquiesce to inspections and abolish all of its nuclear facilities as a precondition for security and economic subsidy guarantees; it continuously warned that tailored containment could be executed if diplomatic options were exhausted. All advanced democracies including the United Kingdom, France, and Germany chastised Pyongyang, saying it should return to the NPT. Alternatively, and playing the role of mediator between the US and North Korea, South Korea advocated a return to the spirit of the Agreed Framework of 1994, which stipulated provision of light-water reactors and heavy fuel oil in exchange for a freeze of the nuclear program; Russia and China supported South Korea's position, but Japan favored the American approach.

The United States, China and North Korea had tripartite talks in April 2003, and there were six-party talks in August. Washington, however, did not refrain from special measures: the Proliferation Security Initiative (PSI) was a scheme with which several advanced industrial democracies concurred; its main purpose was to directly sanction a ban on the proliferation of WMD by rogue states. Spain searched a North Korean cargo ship heading toward Yemen, Australia seized North Korean ships carrying heroin, and Japan barred North Korean cargo ships from its harbors – these were all part of this endeavor.

In 2004, six-party talks were held twice more. At the second round in March, Pyongyang announced that the talks were meaningless, stressing that it would never give up nuclear development unless Washington relinquished its hostile policy. At the third six-party talks in June, Washington suggested that it would back a multilateral security guarantee for North Korea on the condition that Pyongyang abandoned nuclear development, but still there were no visible results. Since President Bush was reelected in November 2004, it is now of great concern how the Washington-Pyongyang-Seoul relations will proceed, and how the North Korean nuclear issues might be resolved.

II. Positive Contributions

Before Kim Dae-jung came to power, relations between the two Koreas were totally frozen, and Pyongyang's spokesman even threatened to turn Seoul into a "sea of fire." The chances for North Korea to collapse were very low, and the South had to come up with whatever measures it possibly could to reinstate communications. The Sunshine Policy was instrumental in breaking the impasse.

Initially, Pyongyang was suspicious of the intentions and contents of the Sunshine Policy. The Kim Jong-il regime surmised that the Policy was an artifice to impose a capitalist yoke, and emphasized this view publicly. The suspicion began to dissipate, however, as various favorable outcomes came to the attention of the world. The circumstances of loved ones, the life and death of parents, relatives, and spouses became known to a few of the ten million separated family members in the two Koreas; in turn, it became clearer to many that war must be avoided at all costs and peace pursued: another Korean War could kill more than twenty million people in a month. Humanitarian subsidies provided critical help to people in the North living at a level of bare subsistence with merely two hundred grams of grain a day. Although there were speculations that some food sent from the South was diverted to the military, many civic organizations and the personnel affiliated with international organizations attested that most of it reached the needy.

Many people in the North felt a bond of ethnicity, and realized that the South was much better off. This was the positive outcome of the Sunshine Policy aiming at a de facto (rather than the institutional) unification.

The Kim Jong-il regime responded affirmatively, enough to make the world focus on the Korean peninsula, and it helped President Kim Dae-jung win the Nobel peace prize. All of this was indisputable evidence of the inter-Korean political rapprochement; the fear of war dissipated and a mood of peace prevailed. Although this atmosphere began to wither after the advent of the Bush administration, there was definitely an aura of reconciliation, peace, and cooperation up until then.

Thus, the Sunshine Policy was a significant international breakthrough and was achieved at the regional level. The inter-Korean peace proved that state relations in Northeast Asia could be improved through the efforts of any individual party. Given that in Northeast Asia the political interests of four great powers - the US, Russia, China, and Japan – intersect, observers of the Policy's success could not help but

wonder: If the fifty year old animosity between the two Koreas could end, why not the problems between the US and China, or Russia and Japan, or even Beijing and Taipei?

The contribution of the Sunshine Policy on a global level was more prominent. The biggest headaches for the international community at the time were Iraq and North Korea, because they were thought to be the main threats to stability and the containment of WMD. They caused more concern on the international scene than the ethnic, racial, or religious conflicts in Somalia, Rwanda, Haiti, Bosnia, and Kosovo. Even though international terrorists struck in Asia, Africa, and the Middle East with sabotage or hidden bombs, the biggest concern for the world remained the issues in Iraq and North Korea. The Sunshine Policy was critically conducive to making North Korea refrain from involvement in the activities of which it had been accused, and cooperate with the world community by allowing a US inspection of the Kumchangri site and putting a stop to missile testing.

The dominant currents of the time were reconciliation and cooperation. The nuclear arms race founded on the ideologies of two competing superpowers ended, liberating the human race from the appalling threat of a nuclear holocaust; mutually assured destruction the MAD of the two superpowers' weaponry was no longer necessary, and the curbing of nuclear weapons technology and deployment came about with successive negotiations over the START treaty.

The chances for large-scale nuclear war were virtually reduced to nil. US-Russian cooperation, withdrawal of nuclear weapons from Europe, and the closing of frontline military bases were considered a symbol of global peace. Liberal democracy and the market economy settled in, and international trade expanded. In the old Soviet Union and Eastern Europe, numerous political parties appeared to prove that political pluralism was the spirit of the day. In China, communist totalitarianism converted to authoritarianism, and the unique experiment of a socialist market economy helped 1.3 billion people enter the World Trade Organization. Chinese nuclear forces were not yet a dominant threat to the international community due to a small number of ICBMs, and its open, peaceful evolution was the basis of future optimism.

The Sunshine Policy added to the legitimacy of "democratic peace," which President Clinton was pursuing, a strategy to promote international peace by expanding democracy as far and wide as possible. The United States had been trying hard to induce the Beijing regime and Chinese society to transform into a democracy following this moderate line of thought. Only when absolutely necessary would the US would

rely on force, Bosnia and Kosovo being representative cases. All told, the peaceful exchanges between the two Koreas, Pyongyang's voluntary restraint from a proliferation of WMD and the reform and openness, however slow and minor these may have been, as a result of the Sunshine Policy, were deemed a successful case of the democratic peace process.

III. The Weak Points

Despite its beneficial contributions, the Sunshine Policy also revealed several weaknesses. Firstly, since 2001, North-South Korean exchanges seem to be influenced almost entirely by unilateral decisions on the part of the Pyongyang regime. Relations between the two Koreas have not yet entered the stage of institutionalization witnessed between East and West German. The frequency of mutual visits by politicians was low and inter-Korean economic exchanges barely surpassed a total of 400 million dollars a year; so not much progress has been seen over the past few years. The number of separated family members reunited so far is under three thousand, nowhere near enough to make a substantial difference. Visitors to the Geumgangsán Diamond Mountains make little contribution in opening up the North because they stay in an isolated region on the east coast for three or four days (paying considerably for the privilege) and have virtually zero contact with rank and file North Koreans who have not passed rigid ideological tests and loyalty checks by the Pyongyang regime.

There is no assurance that German-style benefaction would lead to a reform and opening up of the North.⁷ The reason that East Germany accepted mutual exchanges, despite its fear that a West German political system advocating rule of law and economic prosperity could threaten its polity, was that it had a vague (but wrong) conviction that the East-West Cold War structure would refuse to allow Bonn's absorption of Berlin (Hwang, 2000). The situation of the two Koreas is very different. Today's North Korea is in an unfavorable position, and the Kim Jong-il group assumes that the German model would lead to its demise. Just as Kim Il Sung repeatedly emphasized while he was alive, Kim Jong-il and his circle are convinced that opening the North would trigger a dismal destiny reminiscent of what Eastern European regimes encountered.

⁷ For example, according to Russian specialist, Richard Pipes, reform is possible only in the face of major internal and external setbacks, and only when the nomenklatura recognize that they have to pay a price for survival. Russia's abolition of serfdom and introduction of an independent judiciary came about only after the defeat at the Crimean War.

North Korea has been adopting various reforms to create a partial liberal market economy to overcome its extreme stagnation: radical price and wage reform, selling government bonds, allowing farmers' markets, devaluing the currency, and floating exchange rates. North-South economic cooperation has accelerated as many projects signify, such as the construction of the Gaesong Industrial Zone and the finalizing of several treaties to guarantee safe investment, avoid double taxation, settle business disputes, and settle accounts. (Park, 2004) North Korea's reform and openness do render a certain degree of hope for positive change and general peace in Northeast Asia. Nevertheless, there remain many anxieties. Apart from the dim prospect of resolving the nuclear problem, there is a long way to go before the Pyongyang regime transforms its internal political, constitutional, and military structure to the satisfaction of the outside world.⁸ The question remains as to whether Kim Jong-il's behavior is tactical, based on short-sighted interests, or aiming for real strategic change (Wit, 2001).

The Sunshine Policy was unable to persuade Pyongyang to give up nuclear development. The fact of secret attempts at nuclear development since early 1998 when the Sunshine policy in its infancy proves that Pyongyang harbors a serious obsession; it was not simply a defense against the hard-nosed Bush administration because Pyongyang could not have known who would win the 2000 presidential election. Such secret developments, even when the Kim Jong-il regime was benefiting from light-water reactor construction, donated fuel oil and political rapprochement, highlights a naivety in the Sunshine Policy.

It is also a big worry that no progress has been made at conventional arms control. Although there was once a defense ministerial talk and a meeting of several generals, these cannot be touted as meaningful military confidence building. The Seoul government has faith that mutual trust among political leaders can prevent military confrontation, but whenever the leaders or their thoughts change, military tension usually recurs. It is essential for peace to maintain a military balance at a lower level through serious confidence building and arms reduction. Admiral Dennis C. Blair, Commander-in-Chief of the U.S. Pacific Command, argues that the North Korean military is still massed forward along the peninsula's invasion corridors and should be reconstituted in a more defensive array⁹ (Washington File, 2002). Long-range heavy artillery is

⁸ While adding a new preface to the constitution in 1998, North Korea declared once again that it was a Kim Il-sung Republic advocating Juche ideology. The covenant of the Chosun Workers' Party did not change, either. North Korea still regards the year 2004 as the 93rd year in the Juche calendar.

⁹ While visiting South Korea in March 2002, Admiral Blair emphasized that North Korea was

deployed ridiculously far forward, not only useless against any attack that Pyongyang might pretend to fear from the South, but also subject to decimation if the South were to attack. Military planners know the North Korean generals are certain the South will not invade, nor make a lightning strike across the DMZ to wipe out long-range rocket installations. Yet the DPRK is a garrison state under constant preparation for war, and refuses to accept military confidence-building and arms control measures in reciprocation for North-South rapprochement and economic assistance. It would be naïve to expect that the North Korean regime, which needs the military and whose top levels are filled by the military, will any time soon be serious about conventional arms control and arms reduction.

Another worry related to the Sunshine Policy is the strain it has put on the US-ROK alliance. The disharmony in the US-ROK alliance intensified after the Bush administration questioned the intentions and efficacies of the Sunshine Policy. Washington was negative about the Policy from the beginning, regarding it as reviving a moribund rogue regime, encouraging nuclear development, and unnecessarily prolonging military confrontation by providing hard cash. However, Seoul stuck to the legitimacy of the Policy, and in the process, mutual distrust has grown. Difference of opinion has widened over how to diagnose and resolve the nuclear issues. The escalating confrontation had an inevitable impact on South Korea's internal politics. Politicians from both incumbent and opposition parties, mass media, and general populace split into ideological camps of liberals and conservatives; one side argued that Washington was blocking progress in inter-Korean relations and the USFK should withdraw; the other argued that there should be a change to a policy line that keeps propping up the Kim Jong-il regime.

IV. The Questions of Weapons of Mass Destruction and International Terrorism

The biggest international problems that North Korea might be involved in are WMD and international terrorism. The reason the United States and the international community distrust Pyongyang so much is that it could very likely develop and disseminate WMD to international terrorists. Another reason why the world is particularly sensitive to North Korea's WMD is that Japan could be provoked into nuclear armament, which in turn would provoke an arms race with China. Taiwan could easily join. If so, South Korea might want equip itself with nuclear weapons to avoid being the only country without commensurate

the No. 1 enemy in the Asia-Pacific; North Korea has the ability to attack Japanese islands with missiles, and the American bases in Okinawa and Guam with conventional forces; there

military capability in the region. Imagine the outcome of any of these deadly weapons falling into the hands of a terrorist group. The result could be catastrophic because the likes of those who flew airplanes into the two WTC buildings in New York can hardly be trusted to refrain from using the WMD to attain their political goals.

North Korea's nuclear development was an object of great concern from the late 1980s through to the early 1990s. The general appraisal at the time of concluding the 1994 Agreed Framework was that Pyongyang probably possessed enough plutonium to manufacture from one to three warheads. The Agreed Framework concentrated on preventing the production of materials for more warheads, setting aside the issue of the plutonium produced earlier. Otherwise, according to former Secretary of Defense, William Perry, Pyongyang would be able to make ten nuclear weapons within a year.

For many years, South Korea and the international community believed that Pyongyang was abiding by the 1994 Agreed Framework and freezing its nuclear activities; however, in November of 2001, the United States surprisingly designated North Korea, along with Iraq, as a country producing WMD and rejecting the inspection of its programs. Pyongyang refused IAEA challenge inspections that are required before any delivery of key technology for light-water reactors. The IAEA said the North should accept the inspection immediately if it wanted to prevent delays in the delivery of its first light water reactor by 2003, because three or four years are necessary for its preparation. But the North procrastinated, arguing that this question was supposed to be discussed between IAEA and Pyongyang when the key components were ready (Niksich, 2001a).¹⁰ The North had to prove to the IAEA and the international community that nuclear-weapons-grade plutonium would not be extracted in large quantities from its 50 MWe and 200 MWe reactors and plutonium reprocessing plants, and also prove that the eight thousand fuel rods already taken out of the closed 5 MWe reactor would not be used for that purpose either. The North was to certify that it did not construct any nuclear facilities anywhere else following the secret confidential minute concluded between the United States and North Korea as part of the 1994 Agreed Framework (Niksich, 2001b)

However, Pyongyang constantly rejected Washington's demands, while secretly pursuing another round of nuclear development through uranium enrichment. This was a new venture at a time when the

is a big possibility for disputes to occur with North Korea having that capability.

¹⁰ The KEDO officials assumed that the first reactor could be completed in 2008 if the

reactors were 'frozen' and the extraction of plutonium not allowed. DPRK Vice Foreign Minister, Kang Suk-Ju, confirmed this new development when James Kelly, the US Assistant Secretary for East Asian and Pacific Affairs, visited Pyongyang as a special envoy. North Korea had struck a deal with Pakistan to supply nuclear equipment it lacked: Pyongyang would help Pakistan deter India by providing technologies and parts for Gaurri missiles, while Islamabad reciprocated by supplying sophisticated technology to create nuclear fuel from naturally occurring uranium.

When the Bush administration dissolved KEDO and stopped delivering heavy fuel oil, Pyongyang immediately threatened that it would reprocess the 8,000 spent fuel rods. Soon, Pyongyang officially announced that it had acquired more plutonium, and showed it to American representatives who visited North Korea. Even though it could not be proven since sampling of the plutonium was not allowed, the former presidential candidate of the Democratic Party insisted that the number of the nuclear weapons Pyongyang possessed could have increased to between four and seven. Democratic Party, John Kerry, All things considered, Pyongyang seems obsessed with the necessity of having more nuclear weapons.

North Korea's missile development, too, is a subject of great concern. A US report in early 2000 revealed analysis that the North was developing the Taepodong-2 intercontinental ballistic missile, within range of the western coast of the United States. In the 1990's North Korea exported short-range Scud missiles and related technology to many countries in the Middle East, and since 1995 has sold Rodong missiles and related technologies to Iran, Pakistan, and Libya. Washington and Pyongyang held six separate missile negotiations during the Clinton period, but failed to reach a conclusion. While Washington insisted that Pyongyang should permanently cease experimenting with and producing missiles beyond a certain range, the Kim Jong-il regime proposed in-kind assistance in exchange for stopping the export of intermediate and long-range missiles and related technologies. Apart from sales, Pyongyang also insisted that the development, experimentation, and deployment of missiles were not subject to negotiation. The two sides also differed over the dismantling of Rodong missiles already deployed, verification procedures, and the nature and scale of any compensation package. So far, the Bush administration has not issued any concrete demands over the missile issues because the more imminent nuclear question was yet to be resolved. Since having earned four more years of presidency, however, the Bush team might now suggest new proposals, and, once the talks begin, there is sure to be further conflict. Issues would include whether inspection was implemented.

or not on-site challenge inspections are possible; whether the whole missile program should be closed, including missile development, or instead only those parts that cannot be monitored and whether it is comprehensive missile suspension or individual missile programs that will be subject to negotiation; and, what would be the format of compensation, if necessary (Niksich, 2001a).¹¹

Since 9-11, the Bush administration has become more sensitive to the possibilities that terrorist groups or rogue states could acquire WMD, mainly because the incident was a vivid demonstration of how vicious the behavior of terrorist groups might become in the future (Behrens, 2002). Washington currently places highest foreign policy priorities upon resolving the turmoil in Iraq and quashing international terrorism; the Western democracies, especially the United Kingdom, are in full cooperation. While the United States has mobilized diverse operations to rein in international terrorism -- diplomatic cooperation among liberal democratic countries, reinforcement of criminal court and criminal law, financial control, use of force, and intelligence gathering -- North Korea has been unfortunately designated as a disseminator of the WMD as well as a terrorist-supporting country (Pillar 2001). Although the North did announce that it has opposed terrorism since 1993, only ten years earlier Pyongyang operatives had killed seventeen South Korean government officials with a bomb in Rangoon, Burma. Moreover, the North is still affiliated with the passive activity of providing sanctuary to members of the terrorist group that hijacked a Japan Airlines flight in 1970 (Perl, 2001). Compared to the Cold War era, the export of terrorism and weapons by the North has declined, but the supply of long-range missiles to the Middle East has entered the picture. Pyongyang still exports missile parts and technologies to Iran and Pakistan. It is known to be exporting conventional arms as well to the MNLF and Abu Sayyaf in the Philippines¹² (Dillon and Pasicolan, 2001). In the far Northeastern part of the country, North Korea also grows opium for secret export. Decades ago in the 1970s, several North Korean diplomats were evicted from Western countries, including Sweden and Denmark, on charges of narcotics trafficking, but in April 2002 narcotics were again detected, enough for three million doses, on a ship that had temporarily anchored in North Korea en route between China and South Korea.

¹¹ The Rodong missile was first test-fired in 1993 to prove that it could travel the distance of 600–800 miles.

¹² The Abu Sayyaf group was established by Jamal Khalifa, a subordinate of Osama bin Laden, and is most active among the terrorist organizations in the Philippines. Its current leader is

IV. Future Policy Directions

Inside and outside of Korea, much controversy remains over the legitimacy and efficacy of the Peace and Prosperity Policy, which inherited the spirit of the Sunshine Policy. Some say that there is no other option; others say that the policy only props up the immoral Kim Jong-il regime. Between those extremes are arguments such as applying a “hawk engagement,” meaning that the policy should be more aggressive while continuing the basic strategy of moderate engagement, or other similar but more conservative ideas. For the moment, the Sunshine Policy and the Peace and Prosperity Policy are appraised as useful in peacefully administering the division of Korea and preventing war, and in applying a “shock from the outside” effect however incremental they may be.

Multi-dimensional measures are needed for the Peace and Prosperity Policy to succeed. Firstly, in light of the extreme divisions within the South, a strong foundation--political, economic and moral--for unification should be laid, which would begin with a clear understanding of the Policy. Its goal should still be to establish peace on the peninsula through reconciliation and cooperation, realizing that excessive or extreme demands for radical reform and an opening up of North could easily drive Pyongyang to self-imposed isolation, that the confrontation among the same ethnic people is a tragedy which dialogue and exchanges can help to solve, and that the final political order towards which the unified Korea is headed is definitely liberal democracy. Moreover, for effective exchanges and cooperation, the economic capacity of the South should be strengthened, and, to give confidence to people in South, a firm attitude towards security should be demonstrated.

Secondly, North-South relations need to be institutionalized. For this, the political authorities of the North and South should actively continue inter-governmental dialogues, and within a tough policy environment the Policy should aspire to be consistent. A policy line towards trying to bring in cooperation could be more helpful than simple exchanges because it would enable mutual economic benefit and simultaneously induce more reform and openness (Hwang, 2000). Thirdly, there should be more effort to attract cooperation from powerful neighbors to dissolve the Cold War structure on the Korean peninsula. Political rapprochement between Washington-Pyongyang and Tokyo-Pyongyang is needed, and eventually normalization, so that North Korea can voluntarily introduce reform and openness and end its isolation. Multilateral consultation, especially US-Chinese organic cooperation should be intensified (Shin,

Kim, Kim, and Yeo, 1999).

On the other hand, the Policy should affirmatively consider correcting those issues that have been so roundly criticized. Extreme unilateral assistance should be restrained, especially provision of cash for political purposes such as summit meetings, even more so in light of today's economic downturn. To have done nothing in response to the North's military attack in the West Sea, which caused the death of many South Korean sailors, should be renounced and prevented from occurring again because it goes against the basic and original tenets of the Peace and Prosperity Policy.

As the Roh administration acknowledges, the most immediate concern is to find a solution to the issue of North Korea's nuclear program. As long as this is not resolved, Washington is unlikely to put faith in the reliability of the policy, and will continue to think that it ultimately does no more than make nuclear development easier for Pyongyang. The US-ROK alliance, which has only just overcome a major crisis, can be damaged again. Advancing inter-Korean relations is important, but so is maintaining good US-ROK relations in light of future geopolitical interests.

What Washington proposed at the third six-party talk--to trade multilateral security guarantee for nuclear dismantlement--makes sense. Apart from the security pledge of the four great powers and South Korea, the North long ago obtained a certain level of strategic protection through its alliance with adjacent China. The North's ten thousand long-range artillery units deployed along the DMZ also serve as an extremely credible military deterrence to Seoul. The material interests Pyongyang hopes to regain by returning to the Geneva Agreement could be provided with a generous economic subsidy from the South, and even Washington could provide similar aid. As far as the nuclear issue is concerned, Seoul should pay more attention to what Washington says. If Pyongyang refuses to compromise to any extent, disaster could come to the Korean Peninsula and Northeast Asia.

The Sunshine Policy and Peace and Prosperity Policy have achieved many positive outcomes, and their merits should be further developed, but to confer absolute confidence in them is unwise. It is too optimistic to assume that limited North-South exchanges and cooperation will guarantee peace on the peninsula, or that a limited degree of reform and openness would automatically lead to unification under liberal democracy. In particular, the North's secret development of nuclear capabilities, despite good will and enormous help from the international community, shows how cautious we should be in trusting the Kim Jong-il regime and implementing this Policy.

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