Overcoming the Cold War Legacy in Korea?
The Inter-Korean Summit One Year Later

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The move toward rapprochement between the leaders of North and South Korea, symbolized by their well-documented embrace at the June 2000 summit, gave reasons for hope and new expectations for reconciliation between the two Koreas. The enthusiasm and euphoria generated by this summit, however, failed to move forward to concrete steps toward genuine peace and stability on the Korean peninsula. The reason has less to do with the enthusiasm of the summer as the hard realities of the political and economic issues confronted by each Korea and the geopolitical situation surrounding the Korean peninsula. So far Seoul’s engagement policy toward North Korea has given an impression of one side giving and yielding without due reciprocity by the other side. This work will address the post-summit developments in inter-Korean relations, marking the one-year anniversary of the June 2000 Korean summit. It will reassess the meaning and significance of the summit talks by reevaluating the sunshine policy of ROK President Kim Dae Jung, analyzing the progress and problems for implementation of the June 15, 2000, joint declaration, and speculating about the DPRK’s possible opening and its reform policy measures.

The June 2000 Korean Summit Talk: An Analysis

For more than a half-century, North and South Korea had remained estranged from each other due to an internecine war (1950-53) and cutthroat competition. The two Koreas had persisted in internalizing the Cold-War norms and value orientations. There were signs of change in Korean peninsula dynamics, however, with the emergence of new leadership in the two Koreas and the opening of the new millennium. The historic Korean summit talks of June 13-15, 2000, in Pyongyang, between ROK President Kim Dae Jung and DPRK leader Kim Jong II, was one manifestation of the new modus operandi and peace-building
process at work on the Korean peninsula.

In 1998, ROK President Kim Dae Jung launched a new policy initiative toward the North, under the slogan of a sunshine policy of engagement. That seems to have borne its intended fruit two years later. In 2000, the DPRK adopted a new policy initiative characterized by peaceful dialogue and negotiation with the South and a limited opening of the door to its socialist "hermit kingdom." Pyongyang was particularly interested in the address that Kim Dae Jung gave at the Free University in Berlin on March 9, 2000. In that address he elaborated his North Korea policy, dubbed the Berlin Declaration. The gist of Kim’s proposal consisted of calling for (1) resumption of dialogue between the two Koreas, (2) terminating the Cold War on the Korean peninsula, (3) assisting the economic recovery of the North, and (4) humanitarian assistance to separated families. These calls, although not new by any means, gave the North Korean leader sufficient incentive to move forward on the ROK proposal.

An eye-witness account of the summit meeting described the historical encounter between the two leaders, the first face-to-face meeting of the Korean leaders in 53 years, as "an extended family gathering." "No vestiges of suspicion, distrust, animosity, and hostility, all of which have long governed the psychic template of elite and people in both Koreas could be found; war was forgotten, and peace was near," according to this account. The same source continued:

The climax of the summit meeting came during the farewell luncheon hosted by chairman Kim Jong-il. Before the official luncheon was started, vice marshal Cho Myong-rok, the first vice chairman of the National Defense Commission and the third in North Korea’s power hierarchy, and Lim Dong-won, director of the National Intelligence Service of South Korea, who is in charge of covert espionage warfare on the North, exchanged brief speeches pledging their support of the summit meeting and the June 15 declaration.

The most significant result of the summit meeting was the adoption of the June 15 North-South Joint Declaration. It was composed of five items. The declaration generally reaffirmed the "independent" and "peaceful" Korean unification formula (points 1 and 2) with agreements "to promptly resolve humanitarian issues such as exchange visits by separated family members" (point 3), to promote economic cooperation and exchanges (point 4), and "to hold a dialogue between relevant authorities" (point 5) in the two governments. Whereas the first two points were "political" in nature and tended to be "sensitive" and "controversial," the remaining three points were either "humanitarian,"
"economic," or "administrative" matters and, therefore, were less sensitive and controversial. Subsequently, a series of four inter-Korean ministerial talks was held in Seoul (and Cheju) and Pyongyang, alternately, before the end of 2000.

In view of the importance of this agreement, which provides a benchmark to assess and evaluate the subsequent post-Summit diplomacy in inter-Korean relations, each part of the five-point declaration requires analysis and discussion.

The first item stated, "the North and South have agreed to resolve the question of reunification independently and through the joint efforts of the Korean people, who are the masters of the country." This statement of the joint declaration has often been criticized as having reaffirmed North Korea's traditional position, which emphasizes the principle of independence and autonomy. Nevertheless, the Seoul side took solace in the fact that it omitted references to the exclusion of foreign influence and interference, which in the Korean context refers to the status of American forces in the South and the U.S.-ROK military alliance.

President Kim Dae Jung was quoted as saying that the most important outcome of his summit conference with North Korea in June was "a common understanding that American troops must stay in South Korea to prevent a vacuum on the Korean peninsula that would be inviting to its neighbors." During the Summit talks, President Kim took the position that when an official peace treaty replaced the current armistice agreement, the American troops in South Korea and on the Japanese island of Okinawa should operate "under the same logic" that governed the continuing presence of American troops in NATO after the collapse of the Soviet Union. During an interview with the New York Times in September 2000, while attending the United Nations General Assembly session in New York, President Kim Dae-jung categorically stated that North Korea was not insisting upon the U.S. troop withdrawal from South Korea. If true, this would represent a significant policy reversal on the part of Kim Jong-il's North Korea.

The second item stated that "(A)cknowledging that there is a common element in the South's proposal for a confederation and the North's proposal for a loose form of federation as the formulae for achievement of unification, the South and the North agreed to promote reunification in that direction." This statement was not free from ambiguity, raised the possibilities of varied interpretations, and touched the politically sensitive issue of the mode of Korean unification. It appeared to be a compromise between the North Korean unification formula of the DCRK (Democratic Confederal Republic of Koryo), which was first proposed by the late Kim II Sung on October 10, 1980,
and the South Korean formula of the KC (Korean Commonwealth) Plan (i.e., North-South union), as proposed by ex-President Roh Tae Woo in 1990 and reformulated by President Kim Dae Jung.

The North Korean proposal of confederation, despite its formal name, was said to be much closer to federation than to confederation in the strict sense. This is so because the DCRK position is predicated on the notion of "one nation, one unified state, two local governments, and two systems." Diplomatic sovereignty and rights over military command and control were assumed to belong to one central government, while other functions were delegated to the jurisdiction of two local governments.

The South Korean side countered, based on President Kim Dae Jung's own "'Three Stages' Approach to Unification," that it was virtually impossible to make a transition from the state of national division and conflict to a complete stage of (con)federation at once. According to him, the stage of federation (yonbang) cannot be reached without going through the stage of confederation (yonhap). His version of "confederation" was predicated on "one nation, two states, two governments, and two systems," which was similar to union of states in the European Union (EU) or the Commonwealth of Independent States (CIS).

In the end, the North Korean leader was receptive to the proposal of the South Korean President. They both reportedly agreed on at least two points: first, Korean reunification could be achieved through incremental and functional approaches, and second, the form of confederation (South Korean proposal) was said to converge with the loose form of federation (North Korean proposal). With the convergence of discourse on a unification formula, both leaders were in a position to agree to institutionalize "confederation or union" of North and South Korea by formalizing summit meetings, ministerial meetings, parliamentary meetings, and ultimately developing an umbrella consultative body linking the two Koreas.

The third item, dealing with reunion of separated families, stated that "[t]he South and the North had agreed to promptly resolve humanitarian issues such as exchange visits by separated family members and relatives on the occasion of the August 15 National Liberation Day and the repatriation of 'unswerving Communists,' who had been given long prison sentences in the South." President Kim Dae Jung acted quickly to realize the exchange of mutual visits by dispersed family members. Upon his return from the Pyongyang summitry, his government also promptly arranged to release and turn over the North Korean prisoners of conscience without demanding reciprocation from the North."
The fourth item, on promoting economic, social, and cultural exchanges, stipulated that “The South and the North have agreed to consolidate mutual trust by promoting balanced development of the national economy through economic cooperation and by stimulating cooperation and exchanges in civic, cultural, sports, public health, environmental and all other fields.” Although the economic exchange and cooperation were also included in the previous North-South Korean agreements, such as the 1991 Basic Agreement, the June 15 Declaration was said to treat them not as goals, per se, but as instruments to promote “balanced” development of the “national” economy. This could be interpreted as the promise by Seoul to work toward an integration of the North and South Korean economies rather than to exploit the economic weakness of the North.

The fifth item stated, “[t]he South and the North have agreed to hold a dialogue between relevant authorities in the near future to implement the above agreements expeditiously.” Both sides activated official channels of dialogue and negotiation in order to implement this agreement, which was an important fundamental departure from the past. Unlike the past practices in which North Korea circumvented the South Korean government by expanding contacts with civic organizations and business firms, the opening of official dialogue and communication channels claimed to amount to recognition by the North of the South as the legitimate counterpart for dialogue and negotiation.

The summit meeting and the June 15, 2000, declaration had provided a historic turning point in inter-Korean relations. Both leaders expected to use the occasion to further mutual trust built upon a shared view that neither unification by force (the North Korean position in the past) nor unification by absorption (the previous South Korean intention) was acceptable. They initiated the inter-Korean summit meeting without help of third party intermediaries. With the anticipated return visit of the North Korean leader Kim Jong-il to the Second Korean Summit meeting in Seoul, the possibility of institutionalizing the inter-Korean cooperation would be greater. This was essential for tension reduction and confidence-building measures between the two Koreas.

The future path to Korean reunification, however, remained an open question. At least three scenarios were still possible—reunification by war, reunification by mutual consent, and reunification by default.” Both Korean states seemed to have ruled out the path of reunification by conquest (as in Vietnam) or by absorption (as in Germany). Instead, both Koreas apparently were committed to the path of reunification by agreement (as in Yemen), a process that incorporates either a confederation or a “federation of lower stages.”
The "Sunshine Policy" as ROK Grand Strategy: Origins and Background

The June 2000 Korean summit was the culmination of the Kim Dae Jung government's new policy initiative toward North Korea that was popularly known as the "sunshine policy." Its origin dated back to 1994 when Kim Dae Jung delivered a speech in Washington, D.C., in praise of ex-U.S. President Jimmy Carter's just-concluded visit to North Korea in order to defuse the North Korean nuclear crisis through personal diplomacy and negotiation with the late North Korean President Kim II Sung. Citing a well-known Aesop's fable on "wind and sunshine," Kim Dae Jung argued that sunshine was more effective than strong wind in inducing North Korea to come out of isolation and confrontation.

Kim Dae Jung initially used the analogy of sunshine in order to persuade the U.S. government to pursue a soft-landing policy in dealing with North Korea. But when he was elected president, the sunshine policy became the official North Korea policy of the Kim Dae Jung government. In his inaugural address on February 28, 1998, President Kim articulated his unification policy by announcing a set of three principles regarding North Korea: "First, we will never tolerate armed provocation of any kind; second, we do not have any intention to undermine or absorb North Korea; and third, we will actively pursue reconciliation and cooperation between the South and the North beginning with those areas that can be made available to us." He also expressed his "hope (that) the two sides will expand cultural and academic exchanges as well as economic exchanges on the basis of separating the economy from politics." For these purposes, he proposed "an exchange of special envoys to promote the implementation of the South-North Basic Agreement," adding that he was "ready to agree to a summit meeting, if North Korea wants."

The sunshine policy was the instrument through which to achieve Kim Dae Jung's strategic vision of Korean unification. Soon after his inauguration, President Kim began using international forums to promote the agenda of his policy toward North Korea. While attending the second Asia-Europe Meeting (ASEM) in London on April 3-5, 1998, he reiterated the three-fold principle of what he called a "comprehensive and flexible" policy toward North Korea: zero tolerance of military provocation of any kind, no pursuit of absorption of the North, and an active search for reconciliation and cooperation.

Addressing the London University School of Oriental and African Studies on April 4, 1998, President Kim also stated: "It is now time for big changes in inter-Korean relations. This is because a new
administration has been inaugurated in the South which is pursuing peace and cooperation with a flexible and sincere attitude, while maintaining a firm security posture. ... I have been steadfast in advocating what I call a sunshine policy" he continued, "which seeks to lead North Korea down a path toward peace, reform and openness through reconciliation, interaction and cooperation with the South. As President, I will carry out such ideas step by step." In presenting this new policy, Kim said he was willing to wait patiently. When his sunshine policy measures took effect, sooner or later, North Korea was expected to change itself from within. In this sense Kim Dae Jung's North Korea policy was based on the functionalist notions of gradualism and evolutionary process of change and advances.

Kim Dae Jung's "Sunshine Policy" could also be thought of as a grand strategy of his administration vis-a-vis North Korea, and an attempt to evolve a workable foreign policy toward the North in the post-Cold War era. Kim's sunshine policy of engagement toward the reclusive North Korean regime of Kim Jong-il, therefore, could be assessed from the theoretical perspective of "the strategy of conflict." As such, Kim's sunshine policy epitomizes a rational actor model of foreign policymaking as pioneered by such scholars as Thomas Schelling and Graham Allison.

The rational actor model of foreign policymaking is based on a series of assumptions to explain (or predict) a phenomenon "X," such as Kim's sunshine policy initiative toward the North and the North Korean response to South Korea's new policy initiative. It assumes that "X" is the action of a state, that the state is a unified actor, that it has a coherent utility function, that it acts in relation to either threats or opportunities, and that its action is or is expected to be value-maximizing." Based on this set of assumptions, one can ask: what threats and opportunities arise for the actor? Who is the actor (in North Korea as in South Korea)? What is its utility function? Is it survival of the regime, the maximization of power, or the minimization of threat? In order to maximize the actor's objectives in the specified conditions, what is the best choice?"

The sunshine policy could be seen as a proactive policy to induce incremental and voluntary changes in North Korea for peace, opening, and reforms through a patient pursuit of reconciliation, exchanges, and cooperation. But the sunshine policy, as Chung-in Moon and others argued, seemed to go beyond simple engagement, because it comprised several components such as military deterrence, international collaboration, and domestic consensus."Nevertheless, President Kim Dae Jung's policy objective was clear: to lay the foundation for peaceful Korean unification by severing the cycle of negative and
hostile actions and reactions by furthering peaceful co-existence and peaceful exchanges and cooperation. 20

The structure of the DJ Doctrine, as Chung-in Moon chooses to call President Kim Dae Jung’s sunshine policy, had at least five major operating principles 21 of which the notion of “strategic offensive” was the most pronounced. In the past, Seoul’s policy on North Korea was said to be mostly reactive, often resulting in inconsistent, incoherent, and even erratic policy outcomes. 22 The Kim Dae Jung government wanted to overhaul this passive and reactive policy by taking its own initiative. In this sense, the sunshine policy was an “offensive and proactive” policy, based on self-assurance and a moral high ground of strength, instead of appeasement or a weak apologist stance.

The remaining features of the DJ Doctrine had to do with the operating principle of “flexible dualism” which was predicated, according to C.I. Moon, on major changes in the sequential order of inter-Korean interactions. This concept involved dealing with “easy tasks first, and difficult tasks later,” “economy first, and politics later,” “non-governmental organizations first, and government later,” “give first, and take later.” Other principles named by Moon ranged from the principle of “a simultaneous pursuit of engagement and security, in which credible military deterrence was emphasized,” to the principles of “emphasis on international collaboration” and that of “the centrality of domestic consensus.”

The Kim Dae Jung Government articulated an ambitious goal of working to dismantle the Cold War structure surrounding the Korean peninsula, since Korea remained the last frontier of the now-defunct Cold War system. The means through which to accomplish this feat, suggested by President Kim Dae Jung, were better managing the inter-Korean conflict and the unification process through the self-initiative measures represented in the sunshine policy. This is why the DJ Doctrine or the sunshine policy is the functional equivalent of a grand strategy of the Kim Dae Jung administration. The concrete measures to achieve the ambitious policy goal of dismantling the Cold War structure included: improving inter-Korean relations, normalizing U.S.-DPRK relations, normalizing Japan-DPRK relations, encouraging North Korea’s participation in the international community, preventing the proliferation of WMD (Weapons of Mass Destruction) and accelerating arms control, and replacing the armistice agreement by North-South Korean peace treaty.

The sunshine policy of melting the Korean peninsula glacier, in short, was the ROK grand strategy in the post-Cold War era. Its aim was to dismantle the Cold War structure of the Korean peninsula so that the last legacy of the Cold War years could be wiped out from Korean
soil once for all. A key step in furthering this policy was a proposed follow-up summit involving a U.S.-North Korean summit. Although President Clinton appeared to be open to such a meeting, arrangements were not completed before the end of his administration.

When the newly elected George W. Bush Administration decided to delay the U.S.-DPRK talks until it had completed a comprehensive policy review on overall defense and foreign policy, progress in implementing the sunshine policy of President Kim Dae Jung slowed dramatically. Kim’s March 2001 trip to Washington to solicit the new U.S. President’s blessing and support did not succeed; U.S. President Bush expressed his skepticism that the North Korean leader could be trusted. Three months later, the Bush Administration reversed its stance by offering to conduct bilateral talks with North Korea. But the damage had already been done, and Pyongyang decided not to resume the official dialogue for the time being.

Implementation Measures following the June 15 Joint Declaration

Nevertheless, President Kim Dae Jung’s sunshine policy had opened an unprecedented window of opportunity for improving inter-Korean relations. The Korean summit talk of June 2000 and the June 15 North-South Joint Declaration, which resulted from Seoul’s proactive diplomacy, had provided the concrete venue for dialogue and negotiation between Seoul and Pyongyang. This section will document the ways in which the inter-Korean relations in the post-Summit era evolved in the second half of 2000.

The inter-Korean summit was meant to accelerate the process of normalization and institution-building in inter-Korean relations in three important ways: first, a shift from confrontation to reconciliation; second, the normalization of government-to-government relations; and third, the beginning of a process to end the Cold War on the Korean peninsula. The historic summit marked a dramatic turning point in inter-Korean relations. The two Korean leaders agreed that “the two Koreas must avoid war and end confrontation while promoting reconciliation and cooperation” between the two Koreas. The June 15 joint declaration was, in fact, based on such a consensus. The initial expectation of the summit talks was to bring an end to the Cold War on the Korean peninsula by accelerating the normalization process between North Korea and the international community.

The South and North Korean Red Cross delegations met on June 27, 2000, in the Mt. Kumgang Hotel to work out the details of the agreement reached in the joint declaration on resolving humanitarian issues. The talks led to the two sides agreeing to exchange visits by separated families and to establishing a meeting place for repatriation
of unconverted long-term prisoners in the South. The ROK government hailed this agreement as a success because it was the first concrete project produced in the wake of the June 15 joint declaration, and also the first in 15 years. The last prearranged visit by a group of 50 members of separated families from the two Koreas had occurred back in 1985.

On August 15, 2000, two 100-member groups of South and North Korean separated families each visited Seoul and Pyongyang and met with their families and relatives according to a pre-arranged schedule. On September 2, South Korea also repatriated all of the 63 unconverted long-term prisoners who had wished to return to the North. On November 30-December 2, the second exchange of mutual visits, consisting of 100-member groups of separated families from each side, also took place.

Next, the two Koreas agreed to hold ministerial talks regularly in order to implement the agreements stated in the joint declaration. This process involved two tiers of dialogue and negotiation between the two sides: ministerial talks to discuss issues related to reconciliation and cooperation, and a series of working-level discussions on particular issues and issue-areas such as a joint committee for economic cooperation. In the six month period from July to December 2000, four rounds of ministerial talks and several working-level meetings were held to implement the June 15 North-South Joint Declaration.

The first South-North Ministerial talks were held in Seoul, July 29-31,2000. The two sides agreed to conduct their meetings according to a three-fold principle, "as a way of faithfully implementing the agreement of the June 2000 Korean summit." First, they agreed to "discuss and resolve the ways to implement the Joint Declaration signed by the two leaders in such a way as to respect the agreement and pursue common interest." Second, they agreed to "depart from the past habits of distrust and disputes to resolve easy issues first in the spirit of mutual confidence and cooperation." Third, they agreed to "give importance to actions so that they can produce realistic outcomes before the nation, and shall aim at achieving peace and unification." These principles provided the benchmark and guidelines for conducting the business of subsequent inter-Korean ministerial talks between the government officials of the two sides.

The first South-North ministerial level talks, held on July 30 in Seoul, adopted a six-point statement of agreement to be released to the press at the end of the meeting. These included agreements (1) "to resume the operations of the South-North Liaison Office at Panmunjom"; (2) "to hold events in the South, North and overseas respectively in support of the South-North Joint Declaration"; (3) "to
drum up national determination at large to put it into practice” on August 15 (National Liberation Day); (4) “to rehabilitate the Seoul-Shinuiju Railway and discuss the issues thereof at an early date”; (5) ”to cooperate and take appropriate measures to ensure that members of Chongryun (the General Association of Korean Residents in Japan) can form tour groups to visit their hometowns”; and (6) to hold the next round of inter-Korean ministerial talks in Pyongyang on August 29-31, 2000.”

The second South-North Ministerial Level Talks were held in Pyongyang on August 29-September 1, 2000. The joint press communique issued at the end contained a seven-point agreement that included: (1) ”to hold two more rounds of reunions of separated families and relatives within the year” and to arrange for a new round of inter-Korean Red Cross talks; (2) ”to work toward easing military tension and ensuring peace and to hold, for such purposes, talks between South and North Korean military authorities at an early date”; (3) ”to establish a legal framework for economic cooperation, such as guarantee of investment and avoidance of double taxation” and, for that purpose, to hold working-level contacts sometime in September; (4) ”to hold working-level contacts to discuss [a] groundbreaking schedule for connecting the railway between Seoul and Shinuiju and opening the road linking Munsan with Kaesong”; (5) ”to meet to promote [a] joint flood prevention project on the Imjin River at an early date”; (6) ”to exchange about 100 tourists from each side to visit Mt. Halla in the South and Mt. Paektu in the North between mid-September and early October” (such exchange visits of tourists did not take place during 2000); and (7) ”to hold a third round of ministerial-level talks in Mt. Halla on September 27-30, 2000.”

In addition to the two rounds of North-South ministerial-level talks held in Seoul and Pyongyang, respectively, several working-level meetings were also held between the two Koreas in an attempt to further clarify the agenda and to deepen the process of consultation and negotiation on the matters of mutual interest before holding the subsequent round of inter-Korean ministerial talks. The first important and notable working-level talk was a three-day visit to Seoul by the North Korean Workers’ Party Secretary Kim Yong-sun on September 11-14. He came to Seoul in the capacity of a special envoy of North Korean leader Kim Jong-il to discuss views on a wide range of issues addressed between the two Koreas. He also met with President Kim Dae Jung at the Blue House before returning to Pyongyang via the truce village of Panmunjom.

A seven-point press statement was issued at the end of Kim Yong-sun’s Seoul visit. The statement noted that (1) the North Korean leader
Kim Jong-il would visit Seoul in the near future but that the DPRK President Kim Yong-nam will visit Seoul prior to Kim Jong-il's visit; (2) both sides welcomed the ongoing discussion over holding the talks between the South's Minister of Defense and the North's Minister of People's Armed Forces; and (3) "to start the process of address checks" for separated families and "to allow those who have confirmed addresses to exchange letters," and to hold a round of Red Cross talks in Mt. Kumgang on September 20 "to discuss the issues related to exchanging two additional groups of separated families within the year as well as to establish and manage a permanent meeting center."

Four additional points of agreement on substantive matters were also reached during Secretary Kim's Seoul visit. Both sides agreed, for instance, (4) to settle the issue of investment guaranty and avoidance of double taxation by holding a working-level meeting in Seoul on September 25 to develop an institutional mechanism, (5) to have a groundbreaking ceremony to connect the Kyongui Rail Line and a road as soon as possible, (6) to send to the South an economic mission of North Korea composed of about 15 people in the month of October, and (7) "to start a joint survey for a flood prevention project in the Imjin River area and develop detailed plans for the project before the end of the year."

At the groundbreaking ceremony for the restoration of the Seoul-Shinuiju railroad and the inter-Korean road, held at the Imjingak, Kyonggi Province, south of the DMZ, on September 18, 2000, President Kim Dae Jung took the occasion to hail the project as a milestone in ending the Cold War on the peninsula. He said that 

"(Whereas) the severed railroad has been a symbol of the division and Cold War... today's groundbreaking for the restoration of the railroad will begin a new age of reconciliation, cooperation and partnership."

Subsequent to Kim Yong-sun's Seoul visit, a historic meeting was held between the defense ministers from the two Koreas on Cheju Island in the South on September 25-26. The purpose of the talks was to provide military assurance for the implementation of the June 15 Joint Declaration that had been adopted during the historic June 2000 Korean summit. This meeting issued a five-point statement of agreement broadly "to ease military tensions and remove the threat of war on the Korean Peninsula." The statement declared that both sides "would do their utmost to implement the joint declaration made by the heads of the South and the North" and "actively cooperate with each other to remove military obstacles in assuring travel, exchange and cooperation between civilians." The most interesting point made was that both sides (2) "hold the same view that to reduce military tension on the Korean Peninsula and remove the threat of war by establishing
a durable and stable peace is a matter of vital importance and agreed that they shall work together towards this end."

The two defense ministers also stated that both sides (3) "shall allow the entry of personnel, vehicles and materials into their respective sections of the Demilitarized Zone with respect to the construction of a railway and a road that connects the South and the North, and to review issues related to the safety of construction workers, that the working-level officials from both sides shall meet in early October to discuss the details related to this"; (4) "will handle the problem of opening the Military Demarcation Line and the Demilitarized Zone in the areas around the railroad and the road that connect the South and the North on the basis of the armistice treaty" and, finally, agreed (5) "to hold the second round of the talks of a location in the North in mid-November."

Next, a follow-up working-level meeting on economic cooperation was held in Seoul on September 25-26. This meeting addressed substantive "issues related to an institutional mechanism for investment guarantee and avoidance of double taxation." Participants reviewed a draft of the written agreement and agreed that "they needed written agreements on procedures for settling business disputes and clearing accounts and need to discuss this through" by establishing the working-level contacts in the next inter-Korean ministerial talks. Apart from the procedural points, the meeting produced an important seven-point inter-Korean agreement on food aid, whereby (1) the South agreed to provide the North "in the form of a loan of 300,000 tons of foreign rice and 200,000 tons of foreign corn as soon as possible"; (2) "the purchase and delivery of food shall be made by an agent designated by the South,"; (3) "the amount of the loan shall include the cost of purchasing the food and the cost of delivering it to the North"; and (4) "the terms for repayment of the loan shall be 30 years, including 10 years of a grace period and the annual interest rate to be 1.0%."

The agreement went on to state that (5) "the extension of the loan and its repayment under this agreement shall be made according to a loan agreement signed between the Import and Export Bank of the South and the Foreign Trade Bank of the North"; and (6) "the North shall provide all the facilities needed for their smooth implementation of the food loan and assure transparency in distribution." Finally, (7) "any problem arising during the process of implementing this agreement shall be resolved through a consultation between the authorities of the South and the North," according to the agreement. The South Korean government also offered an additional 100,000 tons of foreign corn that would be provided to the North free of charge through the United Nations World Food Program (WFP). The total cost...
of the food loan and donation to the WFP would amount to approximately $100 million."

The third inter-Korean ministerial talks were held on the Cheju Island on September 27-30. This meeting led to a six-point statement of agreements. A 22-member North Korean delegation, led by a senior cabinet councilor, Jon Kum-jin, flew to the southern resort island of Cheju on September 27 via Beijing and Seoul. South Korean Unification Minister Park Jae-kyu led the South Korean delegation as before. Each delegation had five regular members, along with four other delegates from each side. The six-point statement of agreement was broad-gauged, starting from the promise (1) "to implement all the agreements already made in various forms of talks and continue to discuss a wide range of issues in depth"; (2) "to cooperate with each other and to encourage the Red Cross societies of both sides to immediately take necessary measures for a prompt settlement of issues related to separated families...."; and (3) to praise "the successful completion of the first round of the working-level contact to provide institutional mechanisms for economic cooperation...."

The only substantively notable agreement at this session had to do with (4) establishing "a Committee for the Promotion of Inter-Korean Economic Cooperation to discuss and implement various issues to expand exchange and cooperation in the economic area." At this meeting the South proposed "to expand exchanges and cooperation in various areas, including academic, cultural and athletic," and to hold "regular soccer matches alternatively in Seoul and Pyongyang." The South (5) "urged exchange of visits by college professors, students and cultural leaders, while the North promised to give a positive review of the projects for exchange and cooperation, including the ones proposed above." Finally, they agreed (6) to hold the fourth round of the inter-Korean ministerial talks on November 28-December 1 at a location and venue to be decided later.

The fourth round of inter-Korean ministerial talks was held on December 12-16 in Pyongyang. At this meeting the two sides traded criticisms on issues that had posed obstacles to the steady improvement in inter-Korean relations. These included the North’s denunciation of the Pyongyang regime as the "potential enemy number one" in a South Korean defense white paper, and the South’s complaint against the North’s criticism of the South Korean Red Cross president for what he said during an interview with a monthly magazine in Seoul. Nevertheless, both sides agreed that the projects undertaken during the preceding six months to implement the historic inter-Korean joint declaration were a success. At the end, an eight-point joint press release was issued that reflected the gist of inter-ministerial and working-level
discussions.

The statement included an agreement (1) "to promote a balanced development and co-prosperity of the Korean national economy" by establishing and operating a Joint Committee for Promoting Inter-Korean Economic Cooperation. This joint committee will consist of a vice-ministerial level head of the delegation and five to seven members from each side. Items to be discussed by the joint committee were to include such practical issues in prospective economic cooperation as the supply of electricity, connection of railroads and highways, construction of the Kaesong industrial complex, and promotion of the Imjin River flood prevent projects.

They also agreed (2) "to cooperate in the fishing industry." The North offered a part of its fishing ground on the East Sea to the South. People representing their respective fishery authorities would meet in the Mt. Kumgang area to discuss the matter. They agreed (3) "to advise their respective Taekwondo organizations to meet with each other to discuss the exchange of exhibition teams between the two Koreas, and (4) "to promote address check and exchange of letters between the members of separated families." Initially, the address check should be limited to 100 people from each side, both in January and February, but the exchange of letters, limited to about 300 people from each side, would occur sometime in March. They agreed (5) to exchange the third group of one hundred separated families at the end of February 2001. The North shall (6) "send its Mt. Halla tourist delegation in March and its economic mission during the first half of 2001."

The most important point of agreement at this meeting was that they will "have each of four agreements signed by the heads of delegations, related to investment protection, avoidance of double taxation, account settlement and business dispute arbitration." They agreed (7) "to go through the necessary procedure for effectuating these agreements and notifying each other of the result" and (8) to hold the fifth round of inter-Korean ministerial talks in March 2001, although the venue for the meeting was to be decided later through mutual consultation.”

With the expected reopening of the South-North liaison offices at the truce village of Panmunjom, as agreed to in the South-North Joint Declaration but not instituted, the two Korean governments were to complete the connection of the fiber cables linking the Peace House and the Tongilgak, respectively situated at the southern and northern part of Panmunjom. As a result, the two Koreas were to be able to exchange data, using cutting-edge computer technology. When and if their agreement to carry out future facilities beyond Panmunjom was implemented, this would pave the way for the two Koreas to set up an
information infrastructure that would be vital to various and stepped-up inter-Korean exchanges and cooperation.

**Future Prospects and Conclusion**

In retrospect, the objective of melting the Korean peninsula glacier with the sunshine policy, the vision of President Kim Dae Jung's grand strategy toward North Korea, was admirable. The approach contained elements of both idealism and realism. For the policy to succeed, however, required the determination not only of the South Korean President but also the positive response of the North Korean leadership to South Korean moves and actions. So far, the record of achievements has been mixed, reflecting success and failure.

On the one hand, the Kim Jong-il regime of North Korea finally responded favorably to the Seoul government's gesture of goodwill after more than two years of initial hesitation and hiatus. Its shift to an accommodative posture came about two years later in 2000, as manifest in the form of the Korean summit meeting between the two Korean leaders in June 2000. However, this was motivated not so much by Pyongyang's agreement with the premise of Kim Dae Jung's sunshine policy as by a decision on the part of the North Korean ruling elite to use improving relations with the South as a way of overcoming the desperate shortages of food and rebuilding its failing economy with the help of a more dynamic South Korea.

For inter-Korean relations to evolve meaningfully, they had to proceed according to the rule of reciprocity, a basic principle of international relations and diplomacy. Unfortunately, the record of North-South Korean dialogue and negotiations during the first year since the June 2000 Summit has been largely characterized by "one-side giving and the other-side receiving." The Seoul government has been largely yielding to Pyongyang's demands and pressures for special compensation and perks, like food assistance and the release of "unconverted" communist prisoners in the South. There has been no reciprocation with the release of the South Korean Prisoners of War, dating back to the Korean War, or the release of the kidnapped fishermen and citizens from the South.

The North side received tangible benefits and payoffs while the South acquired more symbolism than substance. There is value in psychological and political gratification that goes with the exchange of mutual visits by the divided family members, but the overall effort was more like a wealthy brother offering a helping hand to an impoverished brother. To be meaningful, the exchange and cooperation between the two Koreas must be balanced and based on "quid pro quo" to be meaningful.
There is an indication that North Korea in 2001 was seriously considering a change in its foreign and economic policies. In the annual New Year's Day editorial, carried in three official newspapers, the North Korean government emphasized: "There is no more important task before us today than to consolidate the national economic might commensurate with the 21st century." In another article in the official *Rodong Sinmun*, North Korean leader Kim Jong-il was quoted as saying, "We entered a new epoch, so (we) should learn structures and rules existing in foreign countries." Kim Jong-il further called for the North Korean people to "abandon old ideas and develop a new way of thinking and a new viewpoint," according to the *Korea Herald* reporting coverage on North Korea.

The visit to China by Kim Jong-il in January 2001 received a lot of good press coverage. He expressed enthusiasm for the booming economy in Shanghai, an observation that was taken as confirmation of a "change" to come in North Korea. His visit to the Shanghai Stock Exchange and information technology industry sites, which are symbols of capitalism, seemed to indicate to many that the North's political leaders were prepared to recognize the benefits of a market system. Considering Kim Jong-il's attitude towards capitalism only a few years ago, this "embracing openness" was a monumental development for North Korea. Implementation may, however, require bold steps over a relatively long period of time.

Even President Kim Dae Jung was surprised because he was, according to his spokesman Park Joon-young, "seeking ways that could develop inter-Korean relations on a wholesale basis." Park said President Kim had ordered steps to be prepared for a "considerable" level of change. Pyongyang appears to be pursuing change in terms of reform and openness in a departure from the staunch ideological basis of "socialism of our own style." Giving this instruction, President Kim reportedly observed that the North Korean leader Kim Jong-il would most likely give further hints of change, such as the North's adoption of "New Thinking," after returning home from his tour of industrial areas of China.

Suddenly, reclusive North Korea seemed to be reaching out to rest of the world. Although this new diplomacy might reflect confidence by Pyongyang's leadership, it may also be a desperate move for the regime struggling to insure the survival of a bankrupt system. North Korea reciprocated the former U.S. Defense Secretary William Perry's North Korea visit in May 1999 by sending its own special envoy Vice Marshal Cho Myong-rok to Washington in October 2000 to meet with U.S. President Bill Clinton. He carried a special message from Kim Jong-il. This was reciprocated, again, by the historical three-day visit
of U.S. Secretary of State Madeleine Albright to Pyongyang at the end of October in order to explore the possibility of a state visit by U.S. President Bill Clinton to Pyongyang before his term ended in January 2001. The idea of such a trip was later aborted. The European Union delegation to Pyongyang in November 2000 reported that North Korean officials were considering allowing multinational corporations to retain full control over investments in North Korea. Since January 1, 2001, Pyongyang has rapidly accelerated the apparent stalled contact with the South, proffering several economic and social meetings ranging from new fisheries talks to resuming Red Cross talks on family reunions. However, the inter-Korean talks on ROK electricity aid, originally scheduled to take place in Kaesong on January 29, were delayed at the request of Pyongyang. North Korea had previously requested that the South transmit 500,000 kilowatts of electricity to the North.

Both North and South Korea were apprehensive that the new U.S. Administration of President George W. Bush would pursue a policy that was contrary to former President Bill Clinton's support for Seoul's engagement policy toward North Korea. The Bush administration appeared to take a tougher line than its predecessor had toward the DPRK, especially on the missile proliferation issue. Secretary of State-designate Colin L. Powell’s characterization of the North Korean leader as "dictator" during his U.S. Senate confirmation hearings earlier in January triggered an angry response from Pyongyang. A DPRK Foreign Ministry spokesman told the official Korean Central News Agency that the DPRK "cannot but interpret what he (Powell) said as a statement reflecting the sinister intention of big war industrial monopolies and other conservative hard-liners in the United States to keep U.S.-North Korean relations in the hostile and belligerent relationship forever." The spokesman warned that the DPRK would respond in kind, as he said, "If the U.S. brandishes a sword at us, we will counter it with a sword, and if it shows good faith, we will reciprocate."

Seoul wished to see its engagement policy toward North Korea continue within the framework of its close alliance with the United States and in consultation with Japan. As the Bush Administration was installed, Seoul feared that its engagement policy toward Pyongyang might be disrupted by a possible tougher stance toward the DPRK. The Asian Wall Street Journal on January 31, 2001, published an editorial "Shocked Pyongyang," which said that the DPRK's reactions to remarks made by U.S. Secretary of State Colin Powell reflected its defensiveness toward the tough stance it was likely to encounter from the Bush Administration. The article quoted ROK Representative Lee Bu-young, a vice president of the opposition Grand National Party, as saying, "(U.S. deputy Secretary of State designate) Richard Armitage
told me that the Bush Administration will never give a 'penny' of economic aid to North Korea if Pyongyang does not secure transparency in its production and export of missiles.” It also cited an unnamed ROK government official as saying that Armitage urged the ROK to use the term "engagement policy” rather than "sunshine policy" in its dealings with the DPRK. The editorial argued, "the former implies reciprocity and consistency; the latter, indulgence and leniency. One relies on concrete actions; the other, symbolic gestures.”

In a New Year press conference, on January 11, President Kim Dae Jung stated that he would continue "to pursue his engagement policy toward the North on a reciprocal basis” and would seek close consultations with the new U.S. Administration of President George W. Bush. President Kim ordered his Cabinet "to coordinate positively but carefully" with the new U.S. administration's policies on Pyongyang. "I believe there will be no change in the basic format of cooperation between the two countries, but we need exchanges of opinion regarding implementation (with the George W. Bush Administration),” he said, stressing that "it is indispensable not only to enlist the support of the four neighboring powers but also that of the international community." However, in marking the one-year anniversary of the Korean summit, President Kim reaffirmed his determination to continue the sunshine policy toward North Korea and his conviction that North Korean leader Kim Jong-il would visit Seoul by the end of 2001 for a second inter-Korean summit.

The scheduled return visit of Kim Jong-il to Seoul for a second face-to-face Korean Summit meeting, if it materializes, will strengthen the political stance of President Kim Dae Jung. The Seoul government of President Kim Dae Jung was seeking a "wholesale development” of inter-Korean relations in 2001, and has ordered preparations for change in North Korea "at a time when North Korea seems to be struggling to make the biggest ever leap out of its socialist cocoon.” The “wholesale development” theory here refers to landmark steps to be taken in the forthcoming North-South Korean summit. If the summit materializes as planned, key steps like the signing of a historical inter-Korean peace treaty could be tackled during the upcoming visit to Seoul by the North Korean leader. President Kim was also reported to have expressed his frustration about the current pace and scale of inter-Korean exchanges, such as limited family reunions, amid signs of further delays by Pyongyang."

Although Kim Jong-il's intention was said to imitate the PRC and to reform his country's economy while trying to maintain a tight grip on political power, any attempt by the DPRK to become a "second
China" would be extremely difficult. Even if Kim wanted to learn from China's experiences, the situation in North Korea is different and requires its own solutions. Unlike the PRC, the DPRK is much more heavily industrialized, and only a tenth of its workers are engaged in farming. To restart its economy, the DPRK would need to tackle its huge, stagnating state industrial sector. Furthermore, there are really not many overseas North Koreans waiting to invest in North Korea as there were overseas Chinese. And there are not as many countries in the world interested in investing in North Korea as in China. North Korea does have a cheap labor force, but there is plenty of cheap labor elsewhere in the world and in Asia.

To overcome the difficulties that both North and South Korea will confront in the years ahead, some speculate that both Korean leaders, Kim Dae Jung and Kim Jong-il, are working toward a breakthrough concept. This would include first and foremost the signing of the peace treaty between North and South Korea. The signing of such a historic treaty or agreement would usher in a new "fait accompli" worked out by the Koreans themselves. Under this scenario, the major powers, including the United States and China, would react and respond to the "fait accompli" and change in the status quo signaled by the signing of such an agreement between Seoul and Pyongyang.

However, whatever determination the Korean leaders exhibit and reaffirm in terms of Korea's future, they must be tempered and moderated by the exigencies of the external balance of power in regional and world politics. Fortunately for the ROK, U.S. President George W. Bush announced the resumption of talks with the DPRK on June 6, 2001, over a broad agenda that includes nuclear, missile, and conventional military posture issues. Although Pyongyang's initial response was cool, the Kim Jong-il regime cannot afford to miss the opportunity to resume dialogue with the U.S. that would take place sooner or later. Kim Jong-il's travel to Moscow for consultation, taking him on a trans-Siberian railway ride in August, reflected his attempt to acquire the support of Russian President Vladimir Putin before confronting Seoul about plans for a possible second summit meeting with President Kim Dae Jung, and before responding also to Washington on resuming bilateral talks.

Kim Dae Jung is a brilliant strategist and an accomplished politician not only in domestic politics, but also in international diplomacy. After all, as a human-rights activist and pro-democracy champion, the politician Kim Dae Jung was the one who inspired public support as an opposition politician and who was jailed and sentenced to death by the military regime for leading the pro-democracy campaign. He was sent abroad into exile, but he survived the ordeal of
adversity and rose to the presidency by winning a popular election in December 1997. In recognition of his unfailing faith and dedication to the causes of human rights, democracy, and peace, reinforced by his latest moves toward promoting reconciliation and reunification between the two Koreas, Kim Dae Jung was honored as the winner of the Nobel Peace Prize in 2000. He traveled to Oslo in November to receive the award. This award recognized Kim Dae Jung as a world-class citizen leader, placing him in the company of such figures as Nelson Mandela and Henry Kissinger.

The winds of change in world politics were blowing, however. The change in American politics was signaled by the inauguration of the Republican President George W. Bush. This change affected the policies of the major powers surrounding the Korean peninsula and the regional balance of power. As a result, the time schedule for implementing the June 15 Joint Declaration has been affected. Significantly, North Korean leader Kim Jong-il’s return visit to Seoul has been delayed. Instead of the initial plan for Kim Jong-il’s Seoul visit at the beginning of 2001, the trip will not materialize until later in the year, if at all. Each of the Korean leaders is operating under a double imperative that is unique to domestic political and economic systems of his respective country, as well as to changes in the international politics surrounding the Korean peninsula.

While the Kim Jong-il regime in North Korea continues to face an acute dilemma in regime survival along with the need to consolidate political power, the democratically elected Kim Dae Jung government in South Korea does not need to be concerned about legitimacy, though popular opinion has become far more skeptical about the potential results of the sunshine policy over the years. Kim Jong-il in the North faces difficult policy choices: (1) rapid rapprochement with the ROK, (2) getting tough with the South, the U.S., and Japan, (3) relying on old allies, China and Russia, and (4) improving ties with the European Union countries and others in the Asia-Pacific region. President Kim Dae Jung in the South is becoming concerned that time is rapidly running out for the ROK government to pursue the sunshine policy of engagement toward the DPRK. With his presidential term ending in February 2003, Kim Dae Jung will effectively become a lame duck president in 2002. External contingencies, such as the new U.S. administration, have worked to delay the implementation of key aspects of the June 15 Joint Declaration, including the signing of a peace treaty between the North and the South, as planned by the Seoul side.

It is most unlikely that the Bush Administration will ultimately block or derail the peace process that has been put into place through ROK President Kim Dae Jung’s initiative and worked out with patience.
and skill in close consultation with the previous administrations of its allies, the United States and Japan. President Kim Dae Jung was eager to acquire reassurance and support from his allies that the sunshine policy initiative was not in conflict with the new policy on North Korea that the United States was developing. He wanted a vote of confidence from the new U.S. President similar to the support that he had received from the administration of former U.S. President Bill Clinton. Although he was not initially successful in gaining that support, Kim Dae Jung’s courageous efforts directed at lessening tensions on the Korean peninsula and overcoming the Cold War legacy in Korea will hopefully bear fruit in time with the changing environment in regional and world politics surrounding Korea. On the home front, continued tangible results are essential if the momentum set in place by the historic Summit of June 2000 is not to be lost in a rising tide of skepticism and frustration.

Notes


5. Ibid.

6 The North Korean authority has not publicly acknowledged this position of reversing Pyongyang’s stance on U.S. troop presence in the South. Therefore, President Kim Dae Jung’s statement remains an unofficial view.


8 There are many ROK citizens who have been kidnapped and abducted to the North, including an unspecified number of ROK Prisoners of War dating back to the Korean War years. The return of these people should have been part of the exchange on a quid
pro quo basis, according to some critics in South Korea.


10. The sunshine policy gets its name from the Aesop's Fable about the contest between the sun and the wind to compel a man to remove his overcoat. According to the story, the harder the wind blew, the more the man clutched his coat. But the sun easily convinces the man to remove his coat through its radiance of heat. Because of its overly optimistic and perhaps naive tone, this policy is sometimes known as "the engagement" or "the constructive engagement" policy.


14. Ibid.


18. Ibid.


21. An exception to this rule, however, is "the Northern Policy," or Nordpolitik, pursued by the ROK Government of President Roh Tae Woo in the late 1980s.

22. Ibid.

23. Ibid., pp. 38-43.

24. These and other measures are discussed in the various publications of the Korea Institute of National Unification, a government think-tank on unification issues.


27. “The Result and Significance of the Second Round of Inter-Korean Ministerial Talks,” Korean Unification Bulletin, No. 22 (August 2000), Seoul: Ministry of Unification of the Republic of Korea, pp. 1-2. The third reunion of separated families, however, was postponed at the request of North Korea and was to be rescheduled sometime in the early part of 2001.


34. Some 19,000 POWs were held captive in the North at the end of the Korean War in 1953. Of these, some 351 are believed to be still alive and 19 have returned home to the South.


40. Ibid.