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South Korea: “Sunshine Policy” and Its Political Context

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Summary

Into his third year of rule, President Kim Dae Jung continues to receive high ratings in polls, except for his handling of political matters. The political situation is volatile and uncertain, with his ruling Millennium Democratic Party (MDP) locked in a partisan standoff with the opposition Grand National Party (GNP) led by Lee Hoi Chang. President Kim also has a tenuous relationship with his former coalition partner, the United Liberal Democrats (ULD). This fluid situation has complicated domestic support for the President’s “sunshine policy” of engagement with North Korea. U.S. policymakers, including many in Congress, have mixed views on the efficacy of the engagement policy and have a strong interest in South Korean political support for the policy and for President Kim.

The partisan strife is rooted in regionalism, a defining issue in South Korean politics. From 1961 through 1997, power was associated with the southeastern Kyongsang region; but under President Kim’s stewardship, it shifted to his political stronghold—the southwestern Cholla region. Significantly, this shift also marked the ascendancy of a power elite with a liberal political outlook quite different from that of the conservative establishment associated with the GNP. The opposition, with its previously dominant parliamentary majority, has tried to regroup to regain its strength. The ongoing partisan struggle has complicated President Kim’s effort to attain bipartisan support on various issues, including economic reform and policy toward North Korea.

President Kim has tried to engage Pyongyang in a more conciliatory and more consistent manner than was the case with his predecessors. The June 2000 inter-Korean summit seemed to vindicate this approach. Since 1998, President Kim has espoused a “comprehensive” approach to meet Pyongyang’s economic, security, and political concerns, with support from the United States and Japan. In return, Pyongyang is to mend fences with the South and, equally important, to halt its nuclear and missile programs. This approach is predicated on the provision of incentives to Pyongyang by Seoul, Washington, and Tokyo; a solid allied united front in policy coordination; and patience in dealing with Pyongyang’s penchant for contentiousness and duplicity. The underlying rationale is that, in time, North Korea will moderate and play by the rules of the international community. If the history of negotiations with Pyongyang is any indication, the settlement of inter-Korean conflict seems certain to be thorny, depending on, among other things, whether the goals and priorities of the allied engagement policy can be consistent with North Korea’s.

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Most Recent Developments

On December 10, 2000, South Korean President Kim Dae Jung received the Nobel Peace Prize for “peace and reconciliation with North Korea in particular” for his role as the prime mover behind the “sunshine policy” of engagement with North Korea. In an Oslo press conference, he reportedly expressed his wish to share the prize with North Korean leader Kim Jong Il, acknowledging that his prize was made possible in part by the historic inter-Korean summit meeting he had with Kim Jong Il in June 2000.

In February 2001, the engagement policy stayed on course, thanks to President Kim’s determined effort to promote reconciliation and cooperation with the North. This policy may shift to a more brisk pace in the months ahead as part of his resolve to support North Korea’s effort to rebuild its crippled economy. Significantly, the North’s effort was underscored by Kim Jong Il’s unannounced trip to China (January 15-20, 2001) for a first-hand view of Chinese-style economic reform. The trip was highlighted by a four-day tour of Shanghai’s industrial sites and high-tech center that has been flourishing with foreign investment and joint ventures. On January 17, the tour prompted President Kim to opine that North Korea was definitely changing as it seemed to be trying to become “a second China.” A few days later, he told his cabinet to prepare measures needed to accommodate North Korea’s likely shift to a new direction.

At present, in Seoul, the most anticipated event in the inter-Korean relations is Kim Jong Il’s promised visit to the South, rumored to be sometime between March and June 2001. Speculation was that his second summit talk with President Kim may reveal clues on how the North will embark on economic reform. Economic issues are seen as likely to dominate the second inter-Korean summitry. According to South Korean media, North Korea is said to be demanding political and economic “gifts” from the South in exchange for Kim Jong Il’s visit to the South.

President Kim appears satisfied with his sunshine policy currently implemented on the basis of so-called “flexible reciprocity,” which is mocked by critics as an aid-first, benefits-later giveaway policy. The President seems convinced that his peace-oriented, conciliatory approach will, in time, enable the North to address security issues and to initiate an open-door policy. In any case, according to South Korean media, the sunshine policy seems certain to face a challenge in the months ahead, as South Koreans seem troubled by the North’s uncertain political and military intentions. Equally troubling to them appears to be North Korea’s alleged penchant for taking without giving something in return. Even as President Kim maintains that

South Korea benefitted more from the engagement and despite his optimistic prognosis notwithstanding, critics continue to allege that his policy lacked three critical conditions: reciprocity, transparency, and national consensus. In his New Year press conference, President Kim vowed, “We will never extend aid to the North without the consent of the people.”

On February 7, after a Washington meeting with U.S. Secretary of State Colin Powell, South Korean Minister of Foreign Affairs and Trade Lee Joung-binn stated that the Bush administration expressed its full support for South Korea’s policy of engagement. In a joint statement issued on the same day, the two governments agreed to “work to achieve a meeting between President Bush and Present Kim at the earliest time.” This meeting seemed to help allay South Korea’s concern that the new Bush administration might adopt a more conservative stance toward the North. South Korea was reported to be worried that Washington’s likely hard-line approach could conflict with and slow momentum on President Kim’s engagement policy. The Bush administration’s North Korea policy was tentatively outlined at Powell’s Senate confirmation hearing in January when he stated that the administration would move ahead “without any sense of haste” in trying to normalize relations with North Korea. He also said that the U.S. is open to “a continued process of engagement with the North, so long as it addresses political, economic, and security concerns, is reciprocal and does not come at the expense of our alliance relationships.”

U.S. Interest in South Korea’s “Sunshine Policy”

U.S. interests in South Korea involve a range of security, economic, political, and North Korea policy issues. Of these, U.S. relations with the South Korean political leadership, especially over North Korea issues, have strong implications for U.S. security interests.¹ For decades, the United States has supported South Korea’s progress toward democratization. In this regard, the United States welcomed the inauguration in February 1998 of civilian President Kim Dae Jung’s administration — the second since 1993 — as another significant milestone in South Korea’s progress toward mature democracy.

U.S. concern for President Kim’s policy toward North Korea has drawn a renewed interest since 1998, as this represents a sharp break with the traditional emphasis on reciprocity. The reversal of direction from the right to the left has seemed to catch many in the South unprepared, leaving some confused and others conflicted. This policy shift has been caught up in the partisan strife between President Kim’s coalition government and the conservative opposition camp. Until recently, the sunshine approach endured without a bipartisan show of consensus and support. As a result, although the policy has been touted by the Kim administration as the only promising alternative to war, there has seemed some tenuousness with regard to the future of the engagement policy—beyond President Kim’s tenure in office ending in February 2003.

¹ For coverage of broader issues, see CRS Issue Brief 98045. *Korea: U.S.-South Korean Relations—Issues for Congress*, by (name redacted). (Updated regularly).

If President Kim prevails, the United States might find itself more closely associated with the sunshine policy. Since late 1998, the Kim administration has urged the United States to adopt its own sunshine policy as the cornerstone of a new “comprehensive” U.S. policy toward the North.² Frustrated with Pyongyang’s coolness toward its engagement policy, the Kim administration has pleaded for what amounts to a reinforcement from the United States.

From the U.S. perspective, the intent of the sunshine policy seems for the most part compatible with its overriding security interest in a denuclearized Korean peninsula. But there is a range of U.S. views about the appropriate means to use in order to achieve this desired end. Thus, many U.S. policymakers and other observers seemed to have mixed views on the efficacy of Kim’s “sunshine policy” and its compatibility with U.S. policy on the Korean Peninsula.

Quest for Political Stability

Background

Kim Dae Jung, the dissident voice of a generation of crusaders for democracy, won the presidential election in December 1997 by a razor-thin margin.³ He defeated Lee Hoi Chang of the center-right establishment that had dominated South Korean politics for nearly 50 years. Kim’s success, on his fourth try, was a historic first for South Korea’s perennial underdog—the opposition led by Kim.

Observers attribute this feat to several factors. The first was Kim Dae Jung’s pre-election compact with conservative rival Kim Jong Pil, a former Prime Minister under the military-dominated regime of President Park Chung Hee, whereby Kim Dae Jung would have the constitution amended by the year 2000, if elected, in return for Kim Jong Pil’s support for his candidacy. If amended, the constitution would allow for the establishment of a parliamentary cabinet system to replace the existing presidential system, presumably under the premiership of Kim Jong Pil (see Fragile Coalition below). There is a consensus that this pact was crucial to President Kim as

² Any new comprehensive policy will likely be based in part on a report prepared by William J. Perry, former defense secretary who was named in November 1998 by President Clinton to undertake a congressionally mandated interagency review of U.S. policy toward North Korea. See the provision on North Korea in Omnibus Fiscal 1999 Appropriations, H.R. 4328 (P.L., 105-277), *Congressional Record*, No. 149, October 19, 1998, H11098. The unclassified report entitled *Review of United States Policy Toward North Korea: Findings and Recommendations* was released in conjunction with Perry’s testimony before the Subcommittee on East Asian and Pacific Affairs of the Senate Foreign Relations Committee on October 12, 1999. For the full unclassified text, see U.S. Department of State, International Information Programs/Washington File, 13 October 1999, *Review of United States Policy Toward North Korea*.

³ In addition to information from printed sources in Korean, Japanese, and English, this report relies on interviews and consultations with a number of South Koreans of varied backgrounds, conducted in Seoul, Korea, in September 1998 and in October 1999; also useful were consultations since then with a number of specialists on Korean affairs in Washington.

it was believed to have minimized a split in opposition votes.⁴ The second factor was voters' anger and disgust with economic mismanagement and money scandals under the outgoing Kim Young Sam regime. The third was a split in votes for Lee Hoi Chang as a result of factional leader Rhee In-je's defection to seek the presidency for himself. The fourth was allegations of draft-dodging by two sons of Lee Hoi Chang. The fifth was a solid support for Kim Dae Jung from regional loyalists, "progressives," and labor union activists. Additionally, the absence of North Korean provocations in the run-up to the election (which meant more votes for pro-government candidates in the past) is believed to have helped Kim Dae Jung. These factors seemed to have enabled him to surmount two disadvantages: his narrow political base in the less populous, poorer, and the negatively stereotyped Cholla region in the southwest and, as one source put it, "years of military propaganda that portrayed him, unfairly, as soft on the Communist North."⁵

The Millennium Democratic Party (MDP), newly adopted name for the center-left National Congress for New Politics (NCNP) in January 2000, is the political arm of President Kim, who ruled in coalition with Prime Minister Kim Jong Pil's conservative United Liberal Democrats (ULD). The two parties formed the cabinet, with the MDP controlling more strategic portfolios. In the current setting, President Kim's command and control seem to extend to the entire governmental system including the National Assembly (parliament) and even the independent judiciary.⁶

South Korea's political parties—the weakest institutional link in the democratic process—continue to be the personal vehicles of their leaders, created to advance the interests of their leaders and regions. Principles and policies continue to matter little as defining issues in partisan competition. A reflection of the personality-dominated and regionalized nature of partisanship, parties are formed and disbanded at will depending on their leaders' wishes.⁷ The current coalition parties are no exception. As Kim Dae Jung's MDP and Kim Jong Pil's ULD are identified with the Cholla and Chungchong regions, respectively, so is the opposition Lee Hoi Chang's (GNP), with the Kyongsang region (see Map. South Korean Provincial Boundaries, p.6).

⁴ "NCNP-ULD Coalition Sets Sail for Dec. Election," *The Korea Times*, November 4, 1997, p.2. On the first anniversary of his victory in December 1998, President Kim is reported to have credited his triumph to the electoral coalition. Editorial: "Fate of Political Contract," *The Korea Herald* (Internet version), January 5, 1999.

⁵ Editorial: "Kim Dae Jung's Triumph . . .," *Washington Post*, December 21, 1997, C6.

⁶ Editorial: "Can the President Take Care of Everything?," *Dong-A Ilbo* (Internet version) in *Korean*, July 23, 1998; Paek Ki-ch'ol, "Cover Story – DJP's Duel," *Hankyore 21 (Ch'ollian Database version)* in *Korean*, November 19, 1998.

⁷ Stone Mirror: "On Political Parties, Power, and Proportional Representation," by David I. Steinberg, *The Korea Times* (Internet version), March 1, 1999.

Political Realignment

Political maneuvering for advantage and realignment consumed much of President Kim's first and second year in office.⁸ Holding a minority with 120 parliamentary members between them in the 299-seat National Assembly, the coalition parties wasted no time in trying to bolster their ranks at the expense of the opposition GNP that had a majority with 165 seats. This asymmetry was at the center of partisan strife since the inception of the coalition. However, realignment did not come easily, since South Korea's political culture allowed little leeway for conciliation or compromise. Another complication was the confusion coming from the suddenness of reversed political fortunes—an unprecedented opposition takeover of presidential power. Even as the ruling camp appealed for bipartisan collaboration, it seemed to provoke the GNP by trying to undercut its parliamentary majority.

For its part, finding its familiar world turned upside down, the GNP seemed unable to adjust to its new role as a loyal opposition. Indeed, within hours after Kim Dae Jung was sworn in, the GNP blocked approval of Kim Jong Pil as the presidential nominee for Prime Minister and denounced the ruling camp for targeting GNP members for actual or threatened prosecution on charges of corruption.⁹ The coalition eventually secured a majority by “welcoming” GNP defectors. By May 1999, the hard-pressed GNP seemed to face a crisis of identity.¹⁰ If the ruling camp has its way, more GNP members may break the ranks either to form a “new party” or to join the ruling camp.¹¹ A beleaguered GNP may well have the consequence of widening the gulf between the Cholla-centered Kim Dae Jung administration and the largely Kyongsang-based GNP opposition.¹²

⁸ “Politics Lags Far Behind Economy in Reform,” *The Korea Herald*, December 25, 1998, p.2; “Kim Gets Low Marks for Political Reform,” *The Korea Times*, December 31, 1998, p.2..

⁹ While rebuking the opposition for obstructing his plan for economic reforms by abusing its majority status, President Kim stated, “the prosecution’s investigation is nothing more than judicial procedures for criminal offenders.” *Yonhap* News Agency in English [Seoul], May 28, 1998. For his part, GNP leader Lee Hoi Chang offered a withering critique of the ruling camp that he claimed was undermining democracy by trying to dismantle the opposition, neutralize the legislature, tame the press, and use law enforcement authorities for partisan purposes. *The Korea Times* (Internet version), September 10, 1998.

¹⁰ The crisis could be attributed to two possible factors: the GNP’s failure to define a coherent policy agenda and a factional divide between the “mainstreamers” and “non-mainstreamers.” “Rebirth of the GNP,” *Chosun Ilbo* (Internet version), August 5, 1998.

¹¹ Indeed, in early March 2000, some dissenting GNP members formed a Democratic National Party to contest the general elections on April 13, 2000. *Hanguk Ilbo* in Korean, February 23, March 9, 2000.

¹² Tension between the ruling and opposition camps reached a new height in May 1999, when GNP’s Lee Hoi Chang announced an intention to launch a so-called “second pro-democracy campaign” against the Kim administration’s alleged dictatorial pattern of governance. *Yonhap* in English, May 6, 1999; *The Korea Times* (Internet version), May 6, 1999.

South Korean Provincial Boundaries



Adapted by CRS from Magellan Geographix. Used with permission.

Regional Favoritism

For decades, regionalism has been the most potent force in South Korean politics. Regional divisions defined partisan divisions and, more importantly, power alignments. From 1961 through 1997, positions of power and influence in politics, bureaucracy, the economy, and the military were disproportionately in the hands of those who hailed from the city of Taegu in the northern Kyongsang province—popularly dubbed “T-K mafia.” The T-K group tended to form the backbone of the GNP (and its predecessors). In this period, the Cholla provinces suffered from benign neglect, if for no other reason than that they happened to be the political stronghold of Kim Dae Jung, the vocal opponent of the military-dominated regimes under Park Chung Hee (1961-78), Chun Doo Hwan (1981-87), and Roh Tae Woo (1988-1992). It was no accident that under these generals-turned-presidents, who were all from Taegu, the Cholla region was left behind as an economic backwater.¹³ It has taken Kim Dae Jung’s presidency to begin to redress the regional inequity—but not without an ironic twist.¹⁴ Regional favoritism has continued to assert itself—now skewed to the Cholla and Chungchong regions under the control of Kim Dae Jung and Kim Jong Pil, respectively, at the expense of the T-K/GNP dominated power structure.¹⁵

Inter-Regional Harmony?

Political stability is now believed to be a function of regional harmony. The two are believed to be crucial to President Kim’s effort to extend the MDP’s narrow power base from the Cholla region into the GNP’s stronghold in the Kyongsang region. On February 1, 1999, for example, he vowed to pursue stability through a harmonious inter-regional realignment.¹⁶ If all goes as intended, this could go a long way toward forging what might be called a grand alliance between the Cholla and Kyongsang regions and, more importantly, to help the then-NCNP solidify its grip on power. To that end, the party hinted at the possibility of enlisting support from the two major components of the opposition: the “T-K” group and former President Kim Young Sam’s own group based in Pusan and the southern Kyongsang province.¹⁷ If realized, the regrouping may lead to the establishment of a so-called “super-party” to set the stage for a new mandate at the April 2000 general elections. President Kim

¹³ As a result, a bulk of the Cholla work force had to migrate to the Seoul metropolitan region for employment, eventually to emerge as a major voting bloc for Kim Dae Jung outside of the Cholla region. (CRS interviews)

¹⁴ “Kim Accused of Perpetuating Regionalism,” *The Korea Herald*, March 31, 1998, p.2.

¹⁵ For a case that regionalism reflects the personalization of power, see David I. Steinberg, “Continuing Democratic Reform in the Republic of Korea: Issues and Challenges,” a paper delivered before a Korea University conference, Seoul, June 19-20, 1996, p.14.

¹⁶ *The Korea Times (Internet version)*, February 1, 1999.

¹⁷ *Chosun Ilbo (Internet version)*, May 21, 1998; *Dong-A Ilbo (Internet version)*, January 27, 1999; *Hankyore (Internet version)*, January 27, 1999; *Hanguk Ilbo*, February 2, 1999; and *JoongAng (Internet Service)*, January 28, 1999.

Dae Jung sounded hopeful that his party could, by mid-2000, gain a broad national constituency under his initiative for intra-South Korean east-west reconciliation.

Inter-regional harmony proved to be elusive as ever, however. The April 2000 election, perceived to be a mid-term referendum on President Kim's leadership, was won by the GNP. As expected, regionalism was the decisive factor in the electoral outcome.¹⁸ The dramatic news of an inter-Korean summit to take place in June 2000, announced in Seoul and Pyongyang several days before the election, was widely regarded as the clincher for victory by President Kim's party. However, this news and the related unification issue seemed to have had little impact on the electorate.¹⁹

“Progressive” Power Elite

Kim's presidency also marks a significant departure from the past by ushering in a new, post-Korean War generation of power elite—veterans of political activism against the military-dominated, authoritarian rule in the 1970s and 1980s.²⁰ Mostly in their forties, the new elite now occupies strategic positions of power and influence in government and in the broadcasting and print media as well.²¹ Iconoclastic, nationalistic, and closely identified with President Kim's reformist stance, the new group has been characterized as embracing a so-called progressive vision of a new Korea, manifest in what was to evolve into an ambitious agenda for a “Rebuilding Korea Movement.”²² The elite, which appears steeped in a liberal political activism

¹⁸ For a preview that parties will exploit regionalism while publicly disavowing it for voter support, see *Hanguk Ilbo* in Korea, January 8, 2000.

¹⁹ The outcome of the election showed the GNP winning 133 seats of the total 273 National Assembly seats as compared to the MDP's 115 seats. The latter's coalition partner, the ULD, suffered a major defeat, as it returned only 17 members out of the pre-election strength of 50. Several independents captured the balance of the total. “Opposition GNP Remains Largest Party at Assembly,” *The Korea Times* in English (Internet version), April 14, 2000.

²⁰ A significant milestone in that activism was a massive pro-democracy, civil uprising in 1980, in the southern Cholla provincial capital of Kwangju; a collateral consequence of the event was to mark the beginning of anti-American sentiments among South Korean students and youths because of their perception of the U.S. military complicity in the bloody South Korean military suppression of the uprisings. For an extensive report on alleged U.S. complicity, see *The U.S. Role in Korea in 1979 and 1980*, by Tim Shorrock: [<http://www.kimsoft.com/korea/kwangju3.htm>].

²¹ “History of Regionalism,” *The Korea Times*, March 13, 1998, p.2; “Korea Undergoes ‘Revolutionary’ Changes with Reform Regime,” *The Korea Herald*, December 22, 1998, p.2.

²² Enunciated by President Kim in August 1998, this government-initiated grass-roots movement, with civic groups reportedly playing a leading role, seeks major changes in the political, economic, and social sectors (President Kim's “sunshine policy” toward North Korea is listed as part of the reforms envisaged in this movement). Facing opposition suspicions of ulterior motives behind the movement, President Kim, on February 3, 1999, was quoted as saying unequivocally that he had no intention of using the movement as a tool for gaining partisan advantage. *Chongwadae* [The Blue House] WWW in English (Internet version), February 3, 1999; Presidential Commission for Policy Planning. *Second Nation-Building: Direction of Grand Transformation and Reform* [in Korean]. Seoul: October 1998.

(continued...)

of the 1980s, views a range of social, ideological, and political issues from a “progressive” perspective of the post-Cold War era.²³ Generally, these progressives (including some left-of-center activists) tend to regard conservatives as obstacles to domestic reform or change.²⁴ Some also seem to scoff at conservatives at home and abroad, dubbed as “archaic security-mongers,” as doing “more harm than good” in the Kim administration’s quest for ending the Cold War on the Korean Peninsula.²⁵ Implicit in their thinking seems to be the notion that Seoul’s effort to win the confidence of Pyongyang may be frustrated unless hawkish sentiment is moderated.²⁶

The progressive tendency is regarded as inevitable by many, since the post-Korean War generation—now accounting for some 70 percent of the South Korean electorate—is more attuned to pluralistic and less to ideological tendencies than the older generation. The potential political significance of this new demographic reality is not lost on the conservative ULD as well as the GNP. The latter, in particular, is reportedly contemplating a move away from its “deep-seated conservatism” in a bid to address the socioeconomic concerns of the middle class and underprivileged.²⁷

²² (...continued)

60 p.; “Kim Guarantees Politics-Free 2nd Nation Building Reform,” *The Korea Herald* (Internet version), September 28, 1998.

²³ On North Korea, for instance, South Korea’s “young intellectuals” are said to be more concerned about how not to offend Pyongyang, apparently in the belief that “criticism of the North” is contrary to the spirit of progressivism. *Chosun Ilbo* (Internet version) in English, March 11, 1999.

²⁴ In September 1998, Professor Choi Jang-jip, then-Chairman of the Presidential Commission for Policy Planning, reportedly said at an NCNP forum that the party should break with the conservative ULD in favor of collaboration with the progressive wing of the “P-K” (for Pusan and the southern Kyongsang province) group under former President Kim Young Sam. *Chosun Ilbo*, September 16, 1998. For Choi’s plea that South Koreans need to “adapt thinking to the transitional changes of the post-Cold War era,” see *Chosun Ilbo* (Internet version) in English, January 18, 1999 (Choi resigned from his post reportedly under pressure from the Blue House, April 1, 1999). Of interest to the United States, prior to 1997, rarely did South Korean intellectuals publicly reveal themselves as “leftists”; this seems to be no longer the case today. For a recent discussion on the leftwing political phenomenon in South Korea, see Ho Yong-pom, “Leftists Have Declared Themselves,” *Wolgan Chosun* [Seoul], December 1998, pp. 158-180, available on Internet in English translation by Foreign Broadcast Information Service (Document ID: FTS19981222000800).

²⁵ Editorial: “Archaic Security-Mongers,” *The Korea Times* (Internet version), April 11, 1999; this editorial asserted, “Defiance of hard core conservative political forces” to the sunshine policy will be counterproductive, “if not betrayal to the wishes of our forefathers for unification.”; *Taehan Maeil* (Internet version) in Korean, December 8, 1998. Editorial: “Kim Dae Jung Courts North Korea,” *New York Times*, June 3, 1998, A28; Nicholas D. Kristof, “Seoul Leader Asks End to Sanctions on North Koreans,” *New York Times*, June 2, 1998, A8; *Tokyo Shimbun* in Japanese, February 11, 1999, morning edition, p.3; *Chosun Ilbo* (Internet version) in Korean, March 8, 1999.

²⁶ *The Korea Times* (Internet version) in English, December 8, 1998.

²⁷ *The Korea Times* (Internet version) in English, April 14, 1999.

In any event, to this new generation, unresolved issues of the Cold War as they relate to inter-Korean relations appear to have much less real-life relevance. Observers suggest that the conventional assumptions about North Korea, the origins of the Korean War, and the rationale for the current and future U.S. military presence in South Korea can no longer be taken for granted. A case in point appears to be a sentiment among some South Korean progressives that Pyongyang's reported shift in its policy on U.S. military presence in the South can be construed as a "sign" of the North's positive response to the sunshine policy. The apparent policy shift was reportedly about redefining the status of U.S. forces to a peacekeeping role (see U.S. Troops As Peacekeepers? below).²⁸ Increasingly, progressive thinkers (now identified with some of the leaders of "citizens groups" that have mushroomed in recent months with tacit government support) seem to embrace the notion that South Koreans' conventional security assumptions should be reexamined to see whether their reliance on U.S. military deterrence enhances or hampers South Korea's chances for accommodation with North Korea.²⁹

Fragile Coalition

Through April 2000, perhaps the most worrisome situation in South Korean politics was the uncertainty President Kim faced over the future of his partnership with the ULD's Kim Jong Pil.³⁰ At issue was the President's 1997 pre-election pledge that, if elected, he would push to accommodate the latter's demand for a constitutional amendment to make for a cabinet system accountable to the National Assembly.³¹ Despite the ULD's effort to nudge the President to honor his pre-election pledge,³² the ruling party seemed deliberately ambiguous about the 1997 pledge, even

²⁸ Editorial: "Archaic Security-Mongers," *The Korea Times* (Internet version) in English, April 11, 1999.

²⁹ *The Korea Times* (Internet version) in English, November 21, 1998; *Yonhap*, December 9, 1998; "U.S. Remains Idle Despite Kim's Initiative," *The Korea Times* (Internet version) in English, December 10, 1998.

³⁰ Apart from the ongoing feud over the so-called "cabinet issue," the ULD voiced a dissenting view of President Kim's "sunshine policy" as unduly leaning toward "carrots" at the expense of "reciprocity"; it also takes issue with what has been characterized as the ideological softness of some of President Kim's inner circle people. *The Korea Times* (Internet version), November 15, 1998; *Hankyore 21* (Ch'ollian Database version) in Korean, November 19, 1998; "NCNP, ULD Show Signs of Rift," *The Korea Times*, November 16, 1998, p.2; "ULD's Yi Tong-pok [Lee Dong-bok] Views ROK's DPRK Policy," *Wolgan Chosun* in Korean, January 1999, pp.62-73, in English translation by Foreign Broadcast Information Service (Document ID:FTS19990214000238). For a report that the two parties did not have a regular policy cooperation forum for the first six months of the coalition rule, see *The Korea Herald* (Internet version), September 14, 1998.

³¹ This commitment as phrased in the pre-election coalition pact, November 3, 1997, is taken to mean "a public pledge before the nation." As cited in *Chosun Ilbo* (Internet version), January 19, 1999.

³² An ULD lawmaker argued that, absent a joint ULD-NCNP effort to address the issue by the end of March 1999, ULD cabinet ministers would have no alternative but to withdraw

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though the South Korean economy continued to rebound from its post-1997 financial crisis, which was the initial reason for putting the cabinet system issue on hold until after economic recovery. For years, Kim Jong Pil favored a cabinet system as a realistic solution to South Korea's two chronic political problems: 1) the deterioration of a presidential system into a virtual dictatorship; and 2) power alignment pivoting on the regional identity of a sitting President.³³ He argued that an equitable regional power-sharing through a cabinet formula could remedy those problems. Kim Jong Pil may have also hoped that a new cabinet system would boost his personal power.

Observers view the cabinet system issue as problematic for several reasons. First, were Kim Dae Jung to yield to Kim Jong Pil's pressure, he would have to share much of his power with the newly empowered cabinet (probably under Kim Jong Pil). Second, the GNP continues to support the existing presidential system, virtually ruling out a two-thirds majority needed for any constitutional amendment. Third, President Kim's more pressing priority is to continue policies to promote recovery from the economic crisis and to pursue his hoped-for summit with North Korean leader Kim Jong Il. Fourth, political reconciliation with the opposition GNP looms as another presidential priority, given the need to secure the GNP support for the President's "sunshine policy." Currently, the thaw with North Korea is a front-burner issue for President Kim.³⁴ If North Korea continues to respond in good faith to President Kim's engagement policy, a majority of South Koreans will more likely hold that dialogue with monolithic Pyongyang can be better handled under the existing presidential system.

In any event, the coalition began to unravel in late December 1999 so that on January 20, 2000, President Kim's new Millennium Democratic Party (MDP) was launched without any reference to his pre-1997 pledge. By February 24, the ULD's acting leader Lee Han Dong publicly hinted at a split from the MDP, and the ULD campaigned for the April 2000 election, vowing "no-more-collaboration" with the ruling party.³⁵ On May 22, 2000, Lee Han Dong accepted President Kim's invitation

³² (...continued)

from the coalition cabinet. *Hankyore* (Internet version) in Korean, March 3, 1999. (Actually, the ULD withdrew from the coalition in February 2000).

³³ News in Review: "Imperial Presidency—Korean Tradition," *The Korea Times* (Internet version), April 21, 1999.

³⁴ "Seoul Preparing for S-N Summit: Kim," *The Korea Times* (Internet version), March 3, 1999. A GNP party memorandum submitted to the GNP leadership reportedly claimed—without offering proof—that the Kim administration's push for inter-Korean dialogue was designed, inter alia, to put to rest the notion of the constitutional amendment; the report also claimed that the Kim administration's goal was to realize an inter-Korean summit meeting on August 15, 1999. *Chosun Ilbo* (Internet version) in Korean, February 19, 1999.

³⁵ *Hanguk Ilbo* in Korean, January 22, February 25, 2000. Kim Jong Pil was reported as saying that President Kim was "reneging on a commitment to amend the constitution." *Reuters*, May 23, 2000.

to be his new nominee for prime minister, signaling a virtual revival of the erstwhile coalition.³⁶

Sunshine Policy

Overview

The policy of engagement with North Korea, popularly known as the “sunshine policy,” was unveiled informally on December 19, 1997, the day after Kim Dae Jung won the presidency, suggesting that he came “prepared” to tackle the issue.³⁷ President Kim made it official in his inaugural address, on February 25, 1998. The policy has since been fleshed out to make it more receptive to skeptical Pyongyang and adjustable to situational needs.³⁸ In the closing months of 1998, expanding on this policy, the Kim administration began to advocate a more inclusive approach, one conditioned on reinforcement from the United States (see Coordination with the United States) below.³⁹

The sunshine policy, South Korean observers judge, is the personification of Kim Dae Jung who is believed to be its principal architect as well as hands-on overseer.⁴⁰

³⁶ *Reuters*, May 23, 2000. When he split from the opposition GNP in January 2000, Lee Han Dong was a vice president of the opposition GNP and ally of GNP leader Lee Hoi Chang.

³⁷ “Kim DJ Espouses Sunshine Policy Toward North Korea: Clinton Asked to Arrange S-N Summit,” *The Korea Times* (Internet version) in English, December 19, 1997.

³⁸ For the Kim administration’s perspectives, see Hong Soon-young, “Thawing Korea’s Cold War: The Path to Peace on the Korean Peninsula,” *Foreign Affairs*, May/June 1999; *The Korea Herald* (Internet version) in English, March 18, 1998; Lim Dong-Won, “‘Sunshine Policy’ and a New Era in Inter-Korean Relations” (April 24, 1998, The Shilla Hotel), 5 p.; “Major Points of Secretary Yim Tong-won’s Address: ‘Dismantling Cold War Structure in Korea to Lead to Virtual Reunification’,” *Chosun Ilbo* (Internet version) in Korean, February 10, 1999; Yang Sung Chul, *Kim Dae Jung Government’s Policy Toward North Korea: Theoretical Underpinnings and Policy Directions* (a paper prepared for the Conference on the United States and the Two Koreas at the Crossroads: Searching for a New Passage, Seoul, March 26-27, 1999, 12 p.; Park Sang-seek, *The Sunshine Policy: Why Should We Pursue It?* (a paper prepared for the Conference on the United States and the Two Koreas at the Crossroads: Searching for a New Passage, Seoul, March 26-27, 1999, 10 p.; Ch’oe Song, “‘Government of the People’: Principles and Direction of North Korea Engagement Policy,” in *T’ong’il Kyongje* in Korean, August 1998, pp 10-24; National Security Policy Institute, *The Sunshine Policy: A Bridge Linking the North and South* in Korean, Seoul (no date), 48 p.; *North Korea/Unification Policy of the ‘Government of the People’* in Korean, Issue Brief 148, May 14, 1998, by Lee Seung Hyun, Legislative Research and Analysis Service, National Assembly Library, Seoul, 11 p.

³⁹ *Taehan Maeil* (Internet version) in Korean, November 15, 1998.

⁴⁰ Editorial: “Active Policy Toward Pyongyang,” *The Korea Herald*, March 6, 1998, p.6; Emphasizing the need for scrupulous scrutiny of what it describes as the Kim Administration’s policy of “aggressive and even hasty rapprochement,” this editorial argues:

(continued...)

It is rooted in Kim's belief that avoiding war is his overriding priority and that, figuratively, honey works better than vinegar in trying to entice the North to moderate and change. It seems also to reflect his conviction that South Korea must take the lead in trying to initiate steps for the settlement of inter-Korean issues.⁴¹ The philosophical underpinning of the policy runs deep, as the sunshine policy is believed by many to be the culmination of an evolutionary process in the making since the early 1970s.⁴²

The sunshine policy is in a stark contrast to the containment- and reciprocity-oriented policy pursued by the Kim Young Sam administration. Its objective, as one writer put it, is to use sunshine to enable North Korea to voluntarily remove its 'coat' of isolation and hostility and give up its vision of 'liberating' the South.⁴³ In setting the basic tone of his policy, President Kim vowed that while his administration would actively seek reconciliation and cooperation with the North, and forswear any attempt to harm or absorb the North, it would not tolerate armed provocation of any kind by the North. To expedite reconciliation, he also promised to encourage the South's private-sector to explore and capitalize on economic opportunities in the North without government intervention. However, major projects requiring public funding are to be premised on inter-government dialogue and reciprocity.

It seems that several assumptions underpin the sunshine policy. First is President Kim's overarching notion that there is an emergent need to help ease beleaguered Pyongyang's concerns about domestic and external uncertainties, which might cause the North to lash out in desperation. Second, in such a scenario, North Korea's formidable fire power positioned on the other side of the demilitarized zone (DMZ) could decimate the Seoul metropolitan region—home to 19 million people or 43 percent of the national total (1990 census), 46 percent (1994) of South Korea's gross regional domestic product, and the nation's major financial, educational, and cultural centers.⁴⁴ Third, peace and stability are essential to Seoul's effort to attract foreign

⁴⁰ (...continued)

"Rightly or not ... [the] present inter-Korean policy matters are formulated and implemented following the dictation of one man, the President."

⁴¹ He was quoted as saying in June 1998, "for the first time in 50 years," the South took the initiative in implementing a policy toward the North." *The Korea Times*, June 25, 1998, p.2; "Kim Calls for Resumption of S-N Dialogue," *The Korea Times* (Internet version) in English, January 4, 1999.

⁴² Choi Song, "'Government of the People': Principles and Direction of the Engagement Policy Toward North Korea," *T'ong'il Kyongje*, August 1998, p.13; he writes that the basic direction and specific contents of the current engagement policy were actually set forth in a University of London speech in August 1993.

⁴³ Yang Young-shik, "Kim Dae-jung Administration's North Korea Policy," *Korea Focus* in English, November-December 1998, p.51. The writer is the head of the government-funded think-tank, the Korean Institute of National Unification.

⁴⁴ "Hardline Posture of U.S. Congress on NK Worrisome," *The Korea Times* (Internet version), October 14, 1998; *The Korea Times* (Internet version), December 8, 1998; *The Korea Herald*, June 21, 1996. As of 1990, Seoul alone had nearly a quarter of the national

(continued...)

investment and revive its economy. Fourth, a stable coexistence would enable the North to creatively adjust to the emerging situation without fear of being unraveled. Lastly, the Cold War-derived culture of confrontation would gradually dissipate to minimize the chances of renewed hostilities in Korea.

President Kim initially seemed hopeful that the two Koreas could achieve a significant breakthrough if they first revisited the historic inter-Korean Agreement on Reconciliation, Nonaggression and Exchanges and Cooperation that formally went into effect in February 1992 but since has remained on the shelf. He proposed an activation of the 1992 accord, an exchange of special envoys, a possible summit meeting,⁴⁵ reunion of separated families, and cultural and academic exchanges. His overtures also included an offer to provide generous food aid, assistance for agricultural reform, economic cooperation including investment in the Najin/Sonbong area, and continued cooperation in KEDO's (Korean Peninsula Energy Development Organization) lightwater nuclear reactor project. In addition, he promised to address unspecified "other factors of imbalances between the two Koreas." Underscored were two key points: one was that the process of engaging the North should be crafted to minimize the confrontational atmospherics of the past through a gentler and kinder approach.⁴⁶ The other was that this process should, in the near-term, aim for neighborly coexistence rather than the potentially convulsive end result of unification. At the same time, the President seemed realistic about the attendant difficulty in trying to mend the fences with North Korea, counseling patience and steadiness in dealing with wary Pyongyang. He was particularly emphatic about the need for a robust deterrence against North Korean provocations.⁴⁷ Pyongyang would respond in time to his sunshine policy in order to ensure its survival, he judged.

Below are examined important developments and influences on South Korea's recent sunshine policy toward North Korea.

Reciprocity

The first critical test of the sunshine policy was reciprocity, the Kim administration's guiding principle for inter-Korean cooperation. This came in April 1998, in Beijing, where North and South Korean governmental representatives met

⁴⁴ (...continued)

total of 43 million; the metropolitan region includes Incheon and the surrounding Kyonggi province. *Korea Yearbook*, 1995, p.547. For a "horribly destructive" scenario in a war on the Korean Peninsula, see Ashton B. Carter and William J. Perry, *Preventive Defense: A New Security Strategy for America*, Washington, D.C., Brookings Institution Press, 1999, p.218.

⁴⁵ Reportedly, President-elect Kim disclosed that he had earlier asked President Bill Clinton to help arrange an inter-Korean summit meeting. *The Korea Times* (Internet version) in English, December 19, 1997.

⁴⁶ Shim Jae Hoon, "Spring Thaw?," *Far Eastern Economic Review*, June 11, 1998, pp.30-31.

⁴⁷ *The Korea Times* (Internet version) in English (November 21, 1998) affirms the President's position by observing that the hawkish approach of the past will no longer best serve Seoul's "security and other national interests"; it also observes that the formerly unpopular "dovish" strategy is "the proper approach" in the present circumstances.

for the first time since June 1994. The meeting's outcome was not what the South might have anticipated. Seoul's apparent intention was to negotiate a reciprocal deal whereby it would send 200,000 tons of fertilizer to the North in return for the latter's agreeing to discuss the longstanding issue of reuniting separated families. But Pyongyang seemed interested only in the fertilizer delivery, turning aside Seoul's proposition that inter-government-level cooperation should be conditioned on the principle of reciprocity.⁴⁸ No deal was struck as Pyongyang ridiculed Seoul's "reciprocity" as a "logic" better suited for horse-trading than for collaboration between the two halves of the same nation. Pyongyang claimed that reciprocity was a norm applicable only in relations among sovereign nations but not between fellow countrymen. It then tried to take the moral high ground by chiding the Kim administration for treating an humanitarian issue as part of its mercantile pursuits.⁴⁹ For emphasis, Pyongyang reiterated, "We, being a sovereign country, cannot exchange our sovereignty for fertilizer. We can live without fertilizer but cannot live without sovereignty."⁵⁰

Unfazed, a senior Blue House official stated: "Dialogue between the authorities will be based on reciprocity...No forcing, no begging and *quid pro quo* will be our policy."⁵¹ By year-end, however, because of Pyongyang's disdain for mutuality, the Kim administration may have realized that reciprocity as originally intended might be abandoned. Cabinet ministers began to publicly hint at the need for "flexible reciprocity," with a renewed emphasis on the need for patience and an altruistic demonstration of sincerity in approaching the North. On December 26, 1998, for example, Foreign Minister Hong Soon-young was reported to have second-guessed "the mechanical application of the principle of reciprocity."⁵²

⁴⁸ At the time of his state visit to Washington in June 1998, President Kim reportedly asked for U.S. help so that his administration's principle of reciprocity could be put into effect in North-South Korean relations. *The Political and Economic Significance of the Presidential Visit*, Special Issue Brief 153, June 18, 1998, Office of Legislative Research and Analysis, National Assembly Library, p.10.

⁴⁹ "S. Korean Authorities Responsible for Deadlocked Inter-Korean Talks," [North] Korean Central News Agency (KCNA) in English, April 24, 1998. To get a North Korean perspective on inter-Korean relations in general—and the sunshine policy in particular, it will be useful to note that North Korea defined the 1992 inter-Korean agreement on reconciliation, nonaggression, and exchanges and cooperation as an *intra-Korean* document and not an international treaty as suggested by President Kim Dae Jung. See Commentator: "Mutualism Cannot Be Applied in North-South Relations," *Nodong Sinmun* [Pyongyang's Ruling Party daily organ], May 23, 1998, available in a translated text by Foreign Broadcast Information Service, Document ID: FTS19980525000044; for President-elect Kim's view, *Chosun Ilbo* (Internet version) in Korean, December 19, 1997.

⁵⁰ As cited in *Hankyore 21* (Ch'ollian Database version) in Korean, February 11, 1999.

⁵¹ "Sunshine Policy and a New Era in Inter-Korean Relations," Remarks by Ambassador Lim Dong-Won, Senior Secretary to the President for Foreign Policy and National Security (April 24, 1998, The Shilla Hotel).

⁵² *News Plus* (Internet version) in Korean, January 7, 1999; *Hankyore* (Internet version) in Korean, January 4, 1999.

Media commentators were quick to characterize the Kim administration's flexibility as a "retreat," if not "a desperate attempt" to draw Pyongyang into negotiations.⁵³ Further, the administration's purported offer, reported on January 14, 1999, to provide 500,000 tons (worth \$100 million) of fertilizer to the North free of charge — conditioned only on a "formal" request for fertilizer — seemed likely to reinforce such a characterization.⁵⁴ More to the point, the appearance of unilateral concessions without North Korean reciprocation may have fueled speculation that the Kim administration was bent on engagement at any cost and that Pyongyang might become even more "arrogant" toward the South. Some observers viewed as unwise the Kim administration's reported shift to a flexible policy of aiding the North first—and waiting patiently for signs of favorable response from the North.⁵⁵ In a public lecture on April 28, 1999, Foreign Minister Hong seemed to confirm the shift, stating that the sunshine policy seeks to provide "political, economic, and social favors" to the North not in a "one-sided way" but to receive "rewards from the North sometime in the future." He hastened to add that, for now at least, there would be more emphasis on "giving."⁵⁶

In early 1999, the Kim administration was rebuffed again over reciprocity — in this instance, about an humanitarian issue. President Kim sought to exchange 17 ex-North Korean agents freed from prisons in the South for several hundred South Koreans believed to be in unacknowledged detention in North Korea. The South Korean Red Cross appealed for international cooperation in securing the release of these detainees, in addition to 231 South Korean prisoners of war believed to be in the North. The Kim administration, in April 1999, broached the issue at the 55th session of the UN Commission on Human Rights in Geneva. Pyongyang rejected the "exchange" proposal as "unjustifiable both from the humanitarian point of view and in light of international law," claiming that if there were indeed such South Koreans in the North, they came over to the North or joined the North Korean army on their own volition and that, if any case, they live "happily as [North Korean] citizens," with no desire to return to the South.⁵⁷

⁵³ Editorial: "Change in Mutualism Toward North Korea," *JoongAng Ilbo* (Internet version) in Korean, January 13, 1999; Editorial: "Modification of North Korea Policy," *The Korea Times* (Internet version) in English, January 11, 1999; *Chosun Ilbo* (Internet version) in Korean, January 5, 1999; and *The Korea Herald* (Internet version) in English, January 4, 1999; Editorial: "Hastiness Should Be Avoided in North Korea Policy," *Dong-a Ilbo* (Internet version) in Korean, February 18, 1999.

⁵⁴ The amount of fertilizer was the same as the North had requested in April 1998. Seoul's offer was viewed by one source as "a sharp setback in South Korean government's stand." See *Hankyore 21* (*Ch'ollian Database* version) in Korean, February 11, 1999; also "Seoul To Provide 500,000 Tons of Fertilizer to North, Kang Says," *The Korea Herald* (Internet version), January 15, 1999.

⁵⁵ *Dong-A Ilbo* (Internet version) in Korean, February 17, 1999; *Chosun Ilbo* (Internet version), February 17, 1999.

⁵⁶ *Yonhap* in English, April 28, 1999.

⁵⁷ *KCNA* in English, March 25, 1999; see also "Not a Single 'ROK Army Prisoner of War' Or 'Person Abducted by the North' Is In The Republic," *Nodong Sinmun* in (continued...)

Consistency

The Kim administration has stayed the “sunshine” course despite provocations by North Korea, maintaining that its policy would be different from that of the previous government, which it characterized as “reactive and inconsistent.” If the administration’s reaction to the four instances of North Korean provocations between June and December 1998 is any clue, consistency may well remain an operative norm. Amid domestic criticism in June 1998, the Kim administration played down a reported North Korean submarine intrusion into the South Korean waters, possibly to minimize a hardline reaction that could derail the sunshine policy.⁵⁸ In July 1998, facing intensified public criticism in the wake of a new North Korean infiltration of spies into the South, President Kim was reported as saying that he would press the North “very hard” to obtain a promise not to repeat similar provocations. His administration also revealed its intention to put on hold some aid and economic cooperation programs, pending Pyongyang’s apology, but then decided to forgo the intended step for the sake of consistency.⁵⁹

Pyongyang denied the infiltration charges, blaming Seoul’s “ultra-rightists” for staging the incident as part of a plot to embarrass the North. In the end, President Kim vowed to stick to the engagement policy, not swayed by each and every instance of such provocation. This was affirmed on August 15, 1998, when the President extended an olive branch, proposing the establishment of “a standing dialogue mechanism” and expressing the readiness to send his envoy to Pyongyang to discuss a range of inter-Korean issues. He also stated that the Mt. Kumgang tour project would proceed as planned (see Mt. Kumgang Tourism Project below).⁶⁰

Consistency seemed also to have weathered new uncertainties on the heels of two developments in August 1998: the discovery of a suspect underground nuclear complex at Kumchang-ni, 90 kilometers north of Pyongyang; and a Taepodong-I three-stage ballistic missile launch through Japanese airspace. In a speech before the UN General Assembly in September, South Korean Foreign Minister Hong stated that although his government “deplores these acts of provocation” as a serious threat to the South, the sunshine policy would remain so that the two Koreas could in time

⁵⁷ (...continued)

Korean, April 2, 1999, p.5. *The Korea Herald*, October 12, 1998, p.3; Editorial: “Let the Captives Come Home,” *The Korea Herald* (Internet version), March 15, 1999.

⁵⁸ The President reportedly stated, “If we change our position at the whims of the times and situation, we might face internal and external criticism and such a capricious change of mind will be of benefit only to the North. This way our policy is not confusing.” “Policy on NK Not Wavering: Kim,” *The Korea Times*, July 25, 1998, p.2.

⁵⁹ “Seoul Demands N.K. Apology, Curbs Aid, Economic Relations,” *The Korea Herald*, July 16, 1998, p.1; “Inter-Korean Ties Face Tough Strain,” *The Korea Times*, July 18, 1998, p.2; “ROK to Keep Peace Bid Despite NK Provocations,” *The Korea Times*, September 28, 1998, p.2..

⁶⁰ “Kim Renews Sunshine Offer Despite Tension,” *Reuters*, August 16, 1998; “‘Sunshine Policy’ Delivers Positive Results,” *The Korea Herald*, August 15, 1998, p.19.

“enjoy the benefits of peaceful coexistence.”⁶¹ Critics argued, however, that the Kim administration seemed to make light of the security implications of the nuclear and missile issues, portending a potential policy coordination problem with the United States and Japan, both of whom viewed North Korean behavior with grave concern. The critics seemed perturbed by the Kim administration’s alleged stance that the issues in question had more to do with the security interest of United States and Japan than with that of South Korea.⁶²

In its defense of the sunshine policy, the Kim administration began to underline three major notions: 1) South Koreans and outsiders alike need to be patient and to think “long-term” in dealing with the North; 2) one should try to visualize, figuratively, the big picture of a “forest” (i.e., North-South Korean reconciliation) rather than be distracted by isolated “trees” (i.e., instances of provocative North Korean behavior) in relations between the two Koreas;⁶³ and 3) there is an urgent new need for a “comprehensive” policy to deal with “all pending problems” related to the North (see Coordination with the United States below).

Mt. Kumgang Tourism Project

Hyundai’s Mt. Kumgang tour project is officially touted as the first tangible result of President Kim’s sunshine policy. Premised on the separation of private-sector cooperation from that of public-sector endeavor, this project was supported despite North Korean provocations between June and August 1998. Approved by the leadership of both North and South Korea, it was launched in November 1998 by Hyundai business group as part of a 30-year plan to develop a tourist/resort complex at Mt. Kumgang on North Korea’s east coast some 13 miles north of the DMZ (see Map. South Korean Provincial Boundaries).⁶⁴ In return for its “exclusive rights” to the tour project, Hyundai is obligated to pay \$942 million to the North in monthly installments over a span of six years and three months, without any strings attached—a controversial arrangement because of its potential monetary diversion to

⁶¹ “ROK to Keep Peace Bid Despite NK Provocations,” *The Korea Times*, September 28, 1998, p.2; *Hankyore* (Internet version) in English, September 1, 1998..

⁶² *Hankyore* (Internet version) in Korean, September 1, 1998. At National Assembly deliberations, opposition representatives reportedly argued that the Kim administration was trying to minimize the importance of Pyongyang’s suspected underground nuclear facility in a bid to sustain the sunshine policy; *The Korea Times* (Internet version) in English, November 20, 1998. In this regard, possibly reacting to Seoul’s stance on the underground nuclear facility, U.S. Defense Secretary William Cohen reportedly requested, on his visit to Seoul in mid-January 1999, a more proactive diplomatic effort by South Korea to persuade the North to open the underground facility to outside inspection. *Chosun Ilbo* (Internet version) in Korean, January 15, 1999. (North Korea opened the facility to U.S. inspectors in May 1999 and again in May 2000).

⁶³ Editorial: “DJ’s Resolve to End Cold War,” *JoongAng Ilbo* (Internet version), February 12, 1999; the forest-tree metaphor is attributed to Lim Dong-Won, *The Korea Times*, February 25, 1999.

⁶⁴ *The Korea Times*, November 2, 1998, p.2. One potential complication was North Korea’s unexplained refusal to comply with Hyundai’s request for an agreement in writing.

the North Korean military.⁶⁵ Relatedly, Hyundai is reported to have discussed other possible projects with North Korean paramount leader Kim Jong Il. Among these projects are: offshore oil exploration, a 100,000 KW thermal power plant in Pyongyang, and an industrial complex on North Korea's west coast near Haeju. As planned, the Hyundai group reportedly stands to earn as much as \$3.7 billion from the Mt. Kumgang project alone on an initial investment of nearly \$1 billion.⁶⁶ Not to be outdone, Hyundai's rivals — Daewoo and Samsung — sought to establish their own bases in the North but reportedly dropped the idea, for now at least, given Pyongyang's demand that they follow Hyundai's "precedent."

According to one analysis, the Mt. Kumgang tour project is potentially a "good business" investment in the long term, contingent on a substantially improved inter-Korean environment. For the near term, observers are said to be "skeptical" about the rationality of the project since the project is "expected" to run a deficit of up to \$127 million per year, unless a land route can be opened across the DMZ to the tour sites to save on the daily cost of ship leasing and crew wages amounting to \$100,000.⁶⁷ Many seemed nonplused by the question over how Hyundai could continue the deficit tour project, given its ongoing "severe financial problems" since 1997.⁶⁸

In any event, for the cash-starved and politically wary North, the Mt. Kumgang project seems to typify a risk-free way to "open up" to the outside world for earning hard currency—virtually at no cost to itself.⁶⁹ For one thing, it would potentially allow the North to extract benefits from the South essentially on its own terms.⁷⁰ For another, the North would be able to shield its local population from coming into contact with South Koreans under a strict code of discipline. Visitors would not be allowed to stray off tour routes or to talk to or fraternize with locals on pain of punishment by a fine. To ensure local isolation, the 6.2 mile-road from a makeshift dock at Changjon to the mountain tour sites is still fenced with 8-foot high barbed wire.

⁶⁵ For details, see Ministry of Unification. *Kim Dae-jung's Policies on North Korea: Achievements and Future Goals*. Seoul: March 25, 1999, pp. 16-17; and *The People's Korea* [North Korea's unofficial outlet in Tokyo] (Internet version) in English, February 3, 1999. Predictably, the cash deal drew strong criticism from opposition parliamentary members and other concerned commentators asserting that the money could be used for the North Korean development of nuclear and missile programs. For Rep. Lee Se-ki's critical remarks, see *The Record of Proceedings* in Korean, Committee on Unification, Foreign Affairs, and Trade, November 6, 1998. Secretariat of the National Assembly.

⁶⁶ *The Korea Herald* (Internet version), January 22, 1999.

⁶⁷ Kim Ki-Jung and Yoon Deok Ryong, "Beyond Mt. Kumgang: Social and Economic Implications" (a paper presented at the conference on "Kim Dae-jung's Sunshine Policy: Conceptual Promise and Challenges"), Georgetown University, Washington, D. C., May 17, 1999, pp.9-11.

⁶⁸ *op. cit.*, p.10, 14-15.

⁶⁹ Pyongyang argued that the South Korean "rightwing reactionaries" opposing the Kumgang tour project are "a herd of traitors to the nation." *KCNA* in English, September 25, 1998.

⁷⁰ *KCNA* in English, April 27, 1999.

Pyongyang and the Sunshine Policy

Has Pyongyang's policy toward Seoul been any different under President Kim's sunshine policy? Whether or not North Korean leader Kim Jong Il's cordial treatment of President Kim Dae Jung during their June 13-15, 2000 summit resulted from the sunshine policy cannot be determined, but clearly North Korea has showed a new and warmer attitude toward relations with the South. This, however, was not the case in 1999.

At first blush, Pyongyang's policy in 1999 seemed different because its February 3, 1999, overture for dialogue with the South contained a nuance of expression that can be construed as "a sign of change." Closely examined, this overture seemed to reflect a shift in style, not in substance. There was little to suggest that Pyongyang changed its policy of attempting to use the South to its own advantage.

In a hint of change in February 1999, Pyongyang proposed a reunification-oriented dialogue, repackaging a previous overture. Unlike a similar 1998 proposal, for instance, the proposal this time contained an explicit reference to a possible dialogue "between the authorities" of the two sides in the second half of 1999. Uncharacteristically, it also refrained from repeating Pyongyang's familiar demand for the dissolution of Seoul's counterintelligence unit—the Agency for National Security Planning, now renamed the National Intelligence Service (NIS). Initially, the Kim administration seemed to read the 1999 proposal as a welcome sign of change, courtesy of its sunshine policy.⁷¹

A close reading shows that the 1999 overture was essentially a reiteration of Pyongyang's past position. It argued that the dialogue should be guided solely by the principles and guidelines set forth by the "great leaders" Kim Il Sung and Kim Jong Il.⁷² Then it urged the South to comply with three preconditions before the dialogue could take place. It demanded that the Kim administration should immediately: 1) cease cooperation and joint military exercises with "outside forces" (i.e. the United States); 2) abrogate Seoul's national security law that is designed to control Pyongyang's covert operations in the South as well as pro-North Korean activities among South Koreans; and 3) guarantee the freedom of activities for "patriotic, pro-unification" (i.e. pro-North Korean) groups in South Korea.⁷³ North Korea defined

⁷¹ *Hankyore* (Internet version) in Korean, February 4, 1999. (This newspaper was, before 1998, reputedly anti-establishment, anti-government, and anti-U.S. but now it is widely regarded in Seoul as supportive of the Kim administration.) For ruling party lawmakers' upbeat statements on the possibility of Pyongyang's positive response "in the near future" see *The Korea Times* (Internet version), February 19, 1999. The Kim administration's so-called "affirmative" assessment of Pyongyang's proposal was acknowledged by the North, even while rejecting Seoul's objection to the preconditions laid down by the North. *KCNA* in English, February 8, 1999.

⁷² *Radio Pyongyang in Korean to South Korea*, February 13, 1999.

⁷³ "Broad-Ranged North-South Dialogue Should Be Brought To Realization," *Nodong Sinmun*, March 5, 1999, p.5; *Hanguk Ilbo* (Internet version) in Korean, April 17, 1999; Unattributed talk: "Providing Wide-Ranging Dialogue Is Development of the Fatherland's

(continued...)

these conditions as the standards by which to judge whether the Kim administration was “pro-unification” or pro-American.⁷⁴

The Kim administration reacted with watchful prudence, aware that compromise on those conditions would generate two equally unattractive consequences: adverse domestic public opinion and probable complications for South Korea’s security alliance with the United States. Nevertheless, in Seoul, some with connections to the Kim administration seemed to feel that, to break the inter-Korean deadlock, the admittedly “superior” South should compromise first to make up for the “economic and diplomatic weakness” of the “inferior North.”⁷⁵

It should be noted that, for years, these preconditions were among the parameters of Pyongyang’s attempt to turn the South into a permissive environment for North Korean infiltration and covert operations.⁷⁶ To be sure, Pyongyang’s silence on the NIS, alleged to be the “notorious headquarters of anti-North fascist plots,” appeared to be revealing, but did not signify its willingness to condone the NIS’s existence. On the contrary, the North continues to press the South to “dismantle” the NIS.⁷⁷ The silence was apparently calculated for effect because, in the unlikely event that the national security law were abolished, the NIS would have no legal standing on which to base its anti-spy operations. One may also note that the NIS would be under the same legal constraints, should the Kim administration decide to guarantee the freedom of pro-North Korean activities in the South. A case can be made, then, that the February 1999 overture was probably intended to gauge the efficacy of Pyongyang’s reinvented, for lack of a better term, “dialogue card” that apparently has been designed to capitalize on the Kim administration’s reputed craving for high-level talks with the North.

⁷³ (...continued)

Reunification,” *Radio Pyongyang in Korean to South Korea*, February 13, 1999.

⁷⁴ *Korean Central Broadcasting Network* in Korean, February 24, 1999.

⁷⁵ “Taehan Plaza”: “Path to Non-Absorption Peaceful Unification,” *Taehan Maeil* (Internet version), February 13, 1999. (This daily newspaper is reportedly funded by the South Korean government).

⁷⁶ Unattributed talk: “The Anti-Reunification Criminal Act Should Be Stopped at Once,” [North] *Korean Central Broadcasting Network* in Korean, March 17, 1999. For Pyongyang’s consistent line that South Koreans should collaborate with “Communists and with the North” by rejecting reliance on the United States, see *Minju Choson* [North Korea’s governmental daily] in Korean, February 4, 1999, p.4. Pyongyang’s standard line is that “independence” [North Korea’s code word for national liberation from the U.S. when applied to inter-Korean issues] and self-reliant unification are possible only through an alliance with the North; and that a pro-American line will perpetuate the South’s dependency on Washington and hence an indefinite national division. Yu Choon-taek, “Pro-American/Anti-North Korean or Pro-North Korean/Anti-American?,” *Ch’ongmaek* in Korean [published in North Korea], March 1981, p.17.

⁷⁷ “Open Statement” of the [North Korean] National Reunification Institute on the South Korean National Intelligence Service, April 21, 1999, carried by [North] *Korean Central Broadcasting Network* in Korean, April 30, 1999.

Until recently, Pyongyang seemed ambivalent about the sunshine policy. It took umbrage at that policy's alleged aim "to undress the North in all aspects of politics, economy, and military affairs."⁷⁸ And it denounced the policy as reactionary and deceptive, a subterfuge aimed at the overthrow of the North.⁷⁹ Nonetheless, Pyongyang seemed to have judged that this policy could be useful because of a possible "win-win" outcome in relations with the South, an outcome that would enable the North to have it both ways—extracting financial/economic benefits from South Korean firms such as Hyundai virtually risk-free without conceding anything substantive to the South.

Some observers opine that Pyongyang is in a "no-lose" situation, given the premise that success or failure of the sunshine policy hinges on Pyongyang's action and that, therefore, the North may be able to affect the outcome of the policy either by going through the motions of a positive response to the South, or by withholding it from the South as a means of extracting further concessions.⁸⁰ Critics say that in its quest for "a positive response" from the North, the Kim administration could run the risk of playing into the hands of the opportunistic North.⁸¹

South Korean Domestic Reaction

Under past authoritarian regimes, the South's policy toward the North was more often off-limits to the opposition, nor was it a subject to be addressed independently by free-lance journalists or academics. The policy was, in and of itself, a national security matter controlled exclusively by the Blue House and national security agencies. In 1993, however, when the democratically elected administration of the first civilian President Kim Young Sam took office, backed by pro-democracy activists, the North Korea policy veered to the left — briefly — for the first time since independence. Under pressure from conservatives and public opinion alike, the sometimes erratic policy could not be sustained. Even after a shift to the right, the Kim Young Sam administration (1993-1997) seemed hard pressed to maintain the delicate balancing act. When North Korea refused to acknowledge reciprocity or tried to force an issue, Kim Young Sam reacted, hardening his position to perceived slights from Pyongyang.⁸²

⁷⁸ *KCNA* in English, March 11, 1999

⁷⁹ *Korean Central Broadcasting Network in Korean*, March 7, 1999; *KCNA* in English, March 11, 1999; *Minju Choson* in Korean, October 25, 1998, p.4.

⁸⁰ On the significance of Pyongyang's role, Lee Hong Koo, a former South Korean Prime Minister and also minister of unification, is quoted as remarking (prior to his current posting as Seoul's ambassador to Washington) that: "In North-South relations, 90 percent depends on North Korea...It does not depend so much on who is in the Blue House." Nicholas D. Kristof, "South Korea's New President Appeals to North to End Decades of Division," *New York Times*, February 25, 1998, A8.

⁸¹ A case in point is the concern expressed by the opposition Grand National Party that the North will capitalize on the Kim administration's "hasty approach" to Pyongyang. *The Korea Times* (Internet version), February 21, 1999.

⁸² This situation prompted Kim Dae Jung to remark, several days before the December 18, (continued...)

The sunshine policy is intended to correct the perceived failings of the previous administration.⁸³ But some South Koreans seem conflicted about this policy, which they see as having gone to the other extreme. As in the past, the current North Korea policy has been perceived by many essentially as a “Blue House” show, in this instance closely identified with President Kim’s persona. That may yield apparent stability for the engagement policy during his tenure in office ending in February 2003, despite uncertainty about sustainability beyond. Respected for his expertise on unification and foreign policy issues, coupled with his reputedly forceful personality, President Kim has seemed to have a free hand in directing the policy.⁸⁴

President Kim is widely believed to have an advantage of being at the helm of an authoritarian, bureaucratized ruling system. In this milieu, past and present, people tend not only to defer to presidential authority but also try to be on the presidential side of a policy issue. It is not uncommon that a policy perceived to have a presidential imprimatur tends to go more often unquestioned in public, unless the policy is perceived to be untenable on its own merit. On the other hand, despite the predominant influence of the Blue House over the engagement policy, South Koreans do not seem as intimidated as they used to be when it comes to freedom of expression or of the press. To be sure, it is an open secret in Seoul that the South Korean media continue to “self-censor” while reporting or editorializing on issues judged to be potentially offensive to the authorities.⁸⁵ Nevertheless, critics and observers across the political spectrum have seemed able to express their views, albeit, in carefully measured language.

Domestic reaction also has been tempered by two key perspectives. First is an across-the-board consensus that war must be avoided. Second is a view of a majority that the engagement policy deserved the benefit of the doubt, a view augmented by the Kim administration’s reasoning that the only way to find out whether the sunshine policy will work or not is to engage the North. There has seemed to be few public qualms about the rationale and structure of the policy, provided the South remained ever alert to Pyongyang’s potential entrapment game or to the risk of falling prey to wishful thinking. Some observers opined that such thinking was reflected in the condescending notion that the sunshine policy reflects the confidence of a government

⁸² (...continued)

1997 election, that Kim Young Sam’s hardline policy on the North and lack of policy consistency caused “unnecessary conflict with the U.S. policy of soft-landing the North.” “Kim Dae Jung to Take a More Flexible Approach to NK, If Elected,” *The Korea Herald*, December 12, 1997, p.1.

⁸³ Ibid.

⁸⁴ *News Plus* (Ch’ollian Database version) in Korean, March 3, 1999.

⁸⁵ The author’s interviews in Seoul, in October 1999. For an opinion suggesting that South Korean reporters may not be duly sensitive to their professional code of ethics, see Lee Chae-jin, “Collusion Between Government and Media Unprecedented in the World,” *Hanguk Ilbo* in Korean, October 30, 1999.

that has the upper hand in overall national strength rather than “the submissive posture of a weak government.”⁸⁶

Among political circles, reaction to the policy differs along partisan as well as ideological divides. Political supporters of President Kim have seemed to follow the top-down line of reasoning that there are “signs” of a changing North Korea linked to “a pragmatic force” within the circles of the party, military, and government functionaries. The sunshine policy, the argument goes, has been not to “appease” the North but to help bolster this pragmatic group as a way to induce the North to “open up and reform” in the long run. This line of reasoning also underscores that the engagement policy is aimed at ending the Cold War on the Korean Peninsula.⁸⁷ South Koreans have been asked to be patient and not to expect a quick return on the long-term engagement policy.

Dissenting views have come mainly from the opposition GNP, insurgent members of the ruling coalition partner ULD, a dwindling number of concerned journalists, and foreign and inter-Korean affairs specialists on the center-right. Despite their reservations about the sunshine policy, though, they have appeared to agree with the rationale for the policy in broad terms.⁸⁸ Critics have tended to argue that even as the policy may help allay — eventually — Pyongyang’s concerns about its survival, it still might not be able to cajole the North to lower its guard on the touchy question of openness and reform. In this reasoning, the critics have taken a skeptical view of the Kim administration’s “haste” in trying to stretch the notion of reciprocity to an indefinite future. From Pyongyang’s perspective, non-transparency and isolation are believed to be critical to its survival, in a bid to catch the adversaries off guard or keep them at bay and guessing on the “unpredictability” of its intentions and actions.⁸⁹ It might be wishful thinking, critics have opined, to anticipate a desired change in the North in the foreseeable future. Having exploited, for lack of a better term, a “reverse-sunshine-card” to ensure its survivability, a self-centered Kim Jong Il regime might decide to keep its Stalinist ways more or less unchanged; and worse still, buttressed by large conventional military forces coupled with a reasonable suspicion of nuclear capability, it might even try to bully the South to accede to its terms for coexistence or unification.⁹⁰

⁸⁶ Yang Young-shik, “Kim Dae-jung Administration’s North Korea Policy,” *op.cit.*, p.52; *Taehan Maeil* (Internet version) in Korean, February 13, 1999..

⁸⁷ Park Sang-seek, “Why Should We Pursue Sunshine Policy?,” *The Korea Herald* (Internet version), March 26, 1999.

⁸⁸ For example, GNP leader Lee Hoi Chang is reported to have once said that “the GNP does not denounce the engagement policy altogether.” *The Korea Times* (Internet version) in English, March 16, 1999; also “GNP Head Lee Raps ‘Sunshine Policy’,” *The Korea Times*, July 17, 1998, p.2.

⁸⁹ For typical North Korean style of negotiation, see Chuck Downs, *Over the Line: North Korea’s Negotiating Strategy*. Washington, D. C.: The AEI Press, 1999.

⁹⁰ A similar concern was voiced in 1994 by Defense Secretary William Perry as a likely scenario with the North commanding “an unchecked nuclear capability” and large conventional forces. William Perry, “U.S. Security Policy in Korea”: Address to the Asia

U.S. Troops as “Peacekeepers”?

The preceding line of reasoning has suggested that an isolated and insecure Pyongyang may refuse to make concessions unless it can gain guarantees of absolute regime survival. To Pyongyang, an eventual U.S. military withdrawal from the South has appeared most important in this regard. Barring that, some analysts say that, Pyongyang might acquiesce in continued U.S. presence, albeit, in a neutral “peacekeeping” role.⁹¹ If Pyongyang’s reported “shift” in policy is true, the implication seems to be that the United States might be pressed to relinquish its defense obligations to the South as part of a new role as “peacekeepers” in Korea. To the consternation of critics in Seoul, the Kim administration reportedly tried to take Pyongyang’s so-called “policy shift” as a sign of Pyongyang’s positive response to the sunshine policy.⁹² Later, blaming “media competition and misunderstanding,” the Kim administration clarified that the structure and disposition of “all forces on the Korean Peninsula” can be addressed only after substantial progress is achieved on establishing a peace regime on the peninsula.⁹³ President Kim is known to favor continued U.S. military presence even beyond Korean unification—but without explaining in what capacity.⁹⁴

Coordination with the United States

By mid-1998, President Kim seemed to have become convinced of an emergent need to craft a new approach within his overall sunshine policy. This may have reflected his disappointment at a lack of a positive response from Pyongyang to his overture for dialogue and because of his concern that Seoul and Washington could end up working at cross-purposes, to Pyongyang’s advantage. Apparently, it was unsettling for the Kim administration to realize that Seoul and Washington might have a different focus in dealing with the North—Seoul being absorbed in the narrower issues germane to the two Koreas, as opposed to Washington’s global concerns about

⁹⁰ (...continued)

Society, Washington, DC, May 3, 1994, in *U.S. Department of State Dispatch*, May 9, 1994, p.227.

⁹¹ For this “shift in policy” and a view that the South Korean-U.S. military alliance should be redefined “in a future-oriented way,” see Yi Ch’ol-ki, “We Should Again Think About the Status of the US Troops,” *Hankyore* (Internet version) in Korean, April 20, 1999.

⁹² Editorial: “Unwarranted NK Policy Shift,” *The Korea Times* (Internet version) in English, April 7, 1999.

⁹³ *Hankyore* (Internet version) in Korean, April 7, April 11, 1999; Editorial: “The Status of USFK [U.S. Forces in Korea],” *Chosun Ilbo* (Internet version) in English, April 7, 1999; “Why Confusion Over USFK?,” *Hanguk Ilbo* in Korean, April 8, 1999; *Taehan Maeil* (Internet version) in Korean, April 8, 1999..

⁹⁴ For a report that the Korea summit may kindle “a significant rethinking and restructuring of U.S. forces” in South Korea and Japan, see “Korea Summit May Portend Changes for U.S. Military,” *Washington Post*, June 21, 2000, A7.

nuclear and missile proliferation.⁹⁵ The Kim administration also seemed troubled by a perceived lack of a clear road map in Washington's North Korea policy.⁹⁶ Thus President Kim seemed to sense the need to integrate the South Korean and U.S. policies into a more coherent and coordinated framework.

In June 1998, in an interview with the *New York Times* several days prior to his state visit to Washington, President Kim called for the United States to change its North Korea policy by increasing economic and political engagement with the North. As part of a more future-oriented and flexible approach, he suggested that the United States end its economic sanctions against the North, without setting conditions.⁹⁷ In addition, he urged the United States to normalize its relations with the North to help the North end its isolation and "open up" to the outside world.

His notion of a new U.S. approach seemed to take shape rapidly, having gained a new urgency precipitated by two security-related developments in August 1998. One was the public disclosure of the existence of a possible underground nuclear facility in the North; the other was Pyongyang's launch of a three-stage Taepodong-I ballistic missile through Japanese airspace. President Kim seemed worried by the disquieting prospect that his sunshine policy could be derailed by a U.S. congressional reaction to these developments. Particularly at issue was the Omnibus Appropriations Act for FY 1999 specifying that no new funds could be allocated for KEDO after March 1, 1999, without the presidential certification that North Korea is in compliance with all provisions of the U.S.-North Korea Agreed Framework of October 1994. Another key issue was the congressionally mandated presidential certification by June 1, 1999, that the United States is making "significant progress in negotiations with North Korea on reducing and eliminating the North Korean ballistic missile threat." President Kim seemed to fear that a tough reaction from Washington might put North Korean hardliners into a bellicose mood.

Crystallized by year-end in the form of a "package deal," Kim Dae Jung's new approach, or a "comprehensive engagement policy," can be seen as an extension — on a grander and more inclusive scale — of his sunshine policy. Vague as it was, it became the centerpiece of the Kim administration's diplomatic agenda tailored to gain unqualified support from the United States (especially from congressional Republicans), Japan, China, and Russia. Specifically, following up on his earlier June

⁹⁵ Pak Che-kyun, "A Chasm in the ROK-US-Japan Coordination System," *News Plus* (Ch'ollian Database version) in Korean, March 3, 1999.

⁹⁶ The concern over the "road map" issue seemed to have been fueled since late 1998, in the wake of Washington's perceived "hawkish" reaction to Pyongyang's nuclear and missile issues; the Kim administration apparently judged that such a hardline, case-by-case reaction to every single instance of North Korean behavior would not only be futile but also adversely influence the sunshine policy. The Kim administration seemed to argue that the United States needed to put the North Korean issues in a broad perspective and thus its plea for "a comprehensive" U.S. approach. *JoongAng Ilbo*, February 9, 1999; *JoongAng* (Internet Version) in English, February 12, 1999; *The Korea Times*, (Internet version), December 10, 1998; *Yonhap* in English, April 8, 1999.

⁹⁷ Nicholas D. Kristof, "Seoul Leader Asks End to Sanctions on North Koreans," *New York Times*, June 2, 1998, A1.

1998 suggestions, President Kim proposed that the United States improve its economic and diplomatic ties with the North, provide economic assistance, and guarantee Pyongyang's national security—conditioned on the latter's reciprocal commitment to end its nuclear and missile programs and to refrain from military provocations against the South.⁹⁸ He further suggested that U.S.-Japanese normalization of relations with the North no longer be predicated on parallel progress in inter-Korean relations.⁹⁹ A major departure from the policy of his predecessor, the shift seemed to signal the Kim administration's concerted effort to reinvent the inter-Korean environment to make it more hospitable to a wary Pyongyang, one which still appeared to be operating on the basis of a distorted vision of reality.¹⁰⁰ Part of that effort included Seoul's resolve, as a senior Blue House official stated, "to leave no stone unturned to persuade them ["hawkish" U.S. Republicans and other U.S. skeptics] into accepting our practical proposal."

The Kim administration had hoped that a comprehensive engagement policy would be adopted by the Clinton Administration's North Korea policy coordinator William Perry as the centerpiece of the so-called "Perry report."¹⁰¹ Released in October 1999, this report was viewed in Seoul as being in step with its own engagement approach and expressed support for the report's findings because they are said to "endorse and complement" President Kim's policy.¹⁰² However, even as the Perry report was appraised as "realistic and balanced," some South Korean "experts" are reported as criticizing it for not paying sufficient attention to inter-Korea issues, dealing as it did "exclusively with North Korean nuclear and missile issues."¹⁰³ Simply put, the Perry report concludes that the United States has two policy alternatives toward Pyongyang. The first and better one is to normalize relations gradually as the DPRK relinquishes its nuclear weapons programs. The other one, in case North Korea fails to do so, is for the U.S. and its allies to take

⁹⁸ *Ch'ongwadae* WWW in Korean, December 8, 1998; *The Korea Herald* (Internet version) in English, December 9, 1998; *The Korea Times* (Internet version) in English, December 8, 1998.

⁹⁹ This seemed to depart from President Kim's own position as of December 30, 1997, when, even as he urged Japan and the United States to promote economic relations with North Korea, he stressed that they should not allow the North to seek dialogue with Tokyo and Washington to the exclusion of South Korea. President Kim made the point to then-Japanese Foreign Minister Keizo Obuchi. *The Korea Herald* (Internet version) in English, December 31, 1997; earlier in the same month, then-candidate Kim Dae Jung was reported to have also said, "... any improvement in the North's relations with the United States and Japan should be made in harmony with progress in inter-Korean relations." *The Korea Herald*, December 12, 1997, p.3.

¹⁰⁰ The previous administrations' position was that improvement in the U.S.-North Korean relations should be conditioned on similar progress in North-South Korean relations. Kim Jae-il, *Sisa Journal*, December 25, 1997, p.51.

¹⁰¹ *The Korea Times* (Internet version) in English, May 5, May 6, 1999.

¹⁰² *Korea Update*. Washington, D.C.: Embassy of the Republic of Korea, November 1999, p.4.

¹⁰³ *JoongAng Ilbo* (Internet version) in English, October 25, 1999.

unspecified “other steps” to contain the threat.¹⁰⁴ Perry’s North Korea policy review team is also cited as “strongly” believing that the U.S. must not withdraw any of its forces from Korea so as not to jeopardize peace and stability on the Korean Peninsula. Admittedly, the report did not “immediately address a number of issues outside the scope of direct U.S.-DPRK negotiations, such as ROK family reunification, implementation of the [1992] North-South Basic Agreement...and Japanese kidnaping cases, as well as other key issues of concern.” It does note, however, that “all of these issues should be, and would be, seriously addressed as relations between the DPRK and the U.S. improve.”¹⁰⁵

Conclusions

President Kim Dae Jung’s leadership marked a significant milestone in South Korean evolution towards mature democracy. That came as an unprecedented transfer of power from the center-right establishment to a center-left minority in opposition, accompanied by an equally historic shift in the regionally defined center of power. These changes arguably reflected the advent of a new generation of power elite steeped in the politics of liberalism, not to mention the politics of fragile coalition rule between two regionally-based, ideologically disparate parties. The thrust of these developments has tended to harden the personality-dominated partisan divide along regional lines, making bipartisan accommodation even more difficult — especially as regards President Kim’s reputedly dovish “sunshine policy.” Political stability has seemed elusive, punctuated by false starts and failed expectations of bipartisanship. Moreover, the tenuousness of political stability raises the specter of continued uncertainty.

The ongoing partisan standoff provides a volatile political background influencing President Kim’s sunshine policy—and by extension, critical U.S. security interests as well. The engagement policy may well stay the course through December 2002, when a new President must be elected (by law President Kim is required to step down in February 2003). Whether the sunshine policy can be sustained beyond 2002 appears unclear, given the fragility of a bipartisan show of support for the policy and what can be interpreted as a “wait-and-see” attitude among the center-right political leaders and other concerned South Koreans. The dividing line of pros and cons, however, does not appear to be as hardened as it may seem. Criticism of the sunshine policy is not about the grand rationale and structure of the policy but about its potential negative results for some South Korean interests.¹⁰⁶

¹⁰⁴ U.S. Department of State, “*Statement of William Perry on U.S. North Korea Policy*,” International Information Programs (Washington File, October 12, 1999).

¹⁰⁵ For a full text of the report, see *U.S. Policy Toward North Korea I: Perry Review*, in Hearing Before the Committee of International Relations, House of Representatives. 106th Congress. First Session, October 13, 1999, Serial No. 106-74. Washington: GPO, 2000, pp. 70-83.

¹⁰⁶ On May 24, 1999, President Kim named Lim Dong-won, his senior aide for national security and foreign affairs, as new Minister of Unification. The President’s principal point
(continued...)

Assuming the best possible outcome for the two Koreas, the post-summit “unification euphoria” may in time take on a life of its own. On balance, that seems likely to hinge on whether North Korea is willing to try to play by the rules of the international community with regard to reciprocity, confidence building and peaceful coexistence. Equally critical, the momentum toward reconciliation could stall if the North overplays its hands or there were to be a civil unrest in the South spawned by a groundswell of what might be called “pro-North Korean” leftist activities.

To assure a domestic consensus and a best possible outcome for the engagement policy, some observers believe that the Kim administration should make its decision-making process more transparent so that the sunshine policy can be popularly embraced as a truly national, rather than “a Blue House,” policy. Many South Korean analysts seem troubled by the perception that key decisions on the policy continue to be made by a few in the privacy of the Blue House.

Another concern is over the Kim administration’s perceived “retreat” on the principle of reciprocity, now apparently stretched to a policy of “aiding-the-North-first” in hopes of Pyongyang returning the favor in the future. Critics maintain that such a “wait-and-see” and benign attitude will more likely embolden the North to try to exact more concessions from the South in a high-priority bid to maintain its “military-first” policy at the expense of other sectors of society. The Kim administration’s attitude toward reciprocity, or lack of balance between carrots and sticks, as the argument goes, will more likely affect South Korea’s domestic political calm and national security.

President Kim urges the United States and Japan to normalize their relations with North Korea, not minding the absence of parallel progress in inter-Korean relations. Critics tend to argue that this might leave South Korea with minimal leverage needed to keep inter-Korean relations on an even keel, making it difficult to steer the North toward a desired end if only because a self-centered North Korean regime will be less likely to be accommodating.

Observers note that Washington seems concerned about a perception that the Kim administration and the United States have different perspectives on dealing with Pyongyang’s nuclear and missiles issues. Absent an agreement on policy priorities, this could pose a problem in policy coordination. Moreover, analysts have argued

¹⁰⁶ (...continued)

man on the sunshine policy, Lim replaced Kang In-dok, one of the reputed hardliners on North Korea and the frequent target of North Korean criticism that Kang’s ministerial role would not bode well for the future of inter-Korean dialogue and reconciliation. *Yonhap* in English, May 24, 1999; *The Korea Herald* (Internet version) in English, May 25, 1999; *The Korea Times* (Internet version) in English, May 24, 1999. On May 26, 1999, a North Korean commentator gloated over Kang’s departure, noting that Kang had “disrupted” the North-South dialogue by “waving the so-called reciprocity card.” [North] *Korean Central Broadcasting Network* in Korean, May 26, 1999.

that there is a need for South Korea, together with the United States and Japan, to clarify when to stand up to Pyongyang to counter its “unacceptable behavior.”¹⁰⁷

Defenders of the sunshine policy seem convinced that this policy deserves to be given a chance. The new paradigm may not yield the desired outcomes in the short term, but President Kim’s engagement policy is a substantial improvement, both in conceptual and practical terms, over the North Korea policies of the previous South Korean administrations, policies they say were reactive, inconsistent, and, above all, unproductive. Reciprocity, they argue, need not be the determinant of engagement; South Korea has the strength and enough resolve to be able to pursue a policy of “aid-first-and-rewards-later.” In their view, what South Koreans need is an act of faith in the inevitability of reconciliation and cooperation between the two Koreas.

¹⁰⁷ Richard L. Armitage, “A Comprehensive Approach to North Korea,” in *Strategic Forum*, National Defense University, No. 159, March 1999.

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