

## **The Inter-Korean Summit: Evaluation and Tasks Ahead**

*Chon Hyun-joon*

### **INTRODUCTION**

**T**he inter-Korean summit in June 2000 signaled the move toward peaceful coexistence between the Koreas. After the June 15 Joint Declaration, follow-up efforts continued, including ministerial talks, the Red Cross talks, and the establishment of the Economic Cooperation Promotion Committee. With the inauguration of the Bush administration in 2001, however, inter-Korean relations reached an impasse. Then in January 2002, President George W. Bush publicly declared North Korea as part of an “axis of evil.” Other factors also slowed the progress: The very symbol of the engagement policy—the Mt. Kumgang Tourism Project—was losing money; North Korea showed a lukewarm attitude to the whole progress; and South Koreans were not that interested in extending more aid to the North.

While inter-Korean relations did lose some of the initial vigor, the two Koreas did manage to open communication channels with the resumption of ministerial talks in September and November 2001. Still, there has been no visible progress as far as reconnecting

the Kyongui (Seoul-Shinuiju) Railway, initiating the Imjin River flood-prevention project, talks on fishing rights on the North Korean side of the East Sea, or other various plans agreed on by both Koreas.

To break the stalemate in inter-Korean relations and to resolve tensions that arose on the Korean peninsula after Bush's "axis of evil" remark, special presidential envoy Lim Dong-won paid a three-day visit to North Korea in April. Lim's visit was more fruitful than expected, setting in motion several plans: reconnecting the Kyongui Railway and East Coast Railway, establishing the Inter-Korean Economic Promotion Committee and its working-level conference, resumption of family reunions, dispatch of a North Korean economic mission to South, and resumption of talks with the United States. Special envoy Lim's visit reinforced the fact that the two Koreas are the key players in resolving the Korean peninsula question.

However, many more tasks still lie ahead. Most important is building trust between the two Koreas by honoring commitments and through continued dialogue. Given these circumstances, this paper will assess present inter-Korean relations, two years after the June-15 Joint Declaration, and also discuss future tasks.

#### **THE NORTH KOREAN POLICY OF THE KIM DAE-JUNG ADMINISTRATION**

The unification policy generally comprises three areas: North Korea, the international environment, and South Korea's domestic sector. The Kim Dae-jung administration, so-called "Government of the People," adopted the Sunshine Policy as its North Korea policy. Adopting a neo-functionalist view, the South Korean government encouraged private business ventures in North Korea and expanded the fertilizer and food aid to the North at the humanitarian level, with the aim of actualizing the North Korean project at the government level. In short, by resolving the chronic economic hardship in North Korea, the government sought to eliminate the

very element that impeded the peace process on the Korean peninsula.

Rather than pressuring North Korea, the South Korean government encouraged it to become a member of the international community. The South also urged neighboring countries to adopt the same engagement policy toward the North, and, in fact, worked to improve relations between them. Furthermore, the Kim Dae-jung administration persuaded the United States to cooperate. Although relations between North Korea and the U.S. are presently deadlocked, the current administration of South Korea has done its best to improve relations between the two countries.

Domestically, the South Korean government has refrained from criticizing the North and it has also amended the national security law. In addition, the government has promoted popular acceptance of North Korea as a partner in unification efforts. It has funds for family reunions, and implemented policies to help bring separated families together. And by providing low-interest, long-term loans to mid-size companies to participate in inter-Korean exchanges, the government has encouraged them to assume a role to vitalize inter-Korean economic cooperation. Finally, in order to form a national consensus, the government has tried to create a working relationship between conservative and minority political powers.

In summary, the Kim Dae-jung government's unification policy aims to establish peace on the Korean peninsula by eliciting changes in North Korea. He plans to accomplish this by expanding aid to the North. To that end, he is trying to win his constituents' support as well as that of neighboring countries.

Strategic reasons for unification policy can be summarized as the "peace first, unification later" approach. While recognizing the legitimacy of unification efforts, it is more logical to achieve unification after developing North Korea's economy through peaceful coexistence. The current dire economic conditions in North Korea, however, prevent creation of a welfare community of one Korea, the ultimate goal of unification. Consequently, peaceful

coexistence signifies more than a mere *status quo* policy. More to the point, it is a policy that breaks the existing state and creates the right environment for South Korea-led unification by expanding exchange and cooperation and by encouraging the North to liberalize.

### THE HISTORICAL SIGNIFICANCE OF THE JUNE 15 JOINT DECLARATION

The historic inter-Korean summit, which was the outcome of Kim Dae-jung's engagement policy, can be assessed on three levels: South Korean, North Korean, and international. On the South Korea's domestic level, the inter-Korean summit meeting was a validation of the engagement policy pursued by the present administration since 1998. Moreover, the first and second points of the five-point June 15 Joint Declaration raised popular interest in unification.

As for North Korea, the summit lent a positive new image to Kim Jong-il who had been cast in the West as an irrational player. His cooperative attitude helped dispel that negative image. On that occasion Kim Jong-il discontinued broadcasts of anti-South Korean propaganda at the demilitarized zone (DMZ) and the June 25th festivities, expressing his willingness to take the initiative toward unification. In the North, the new image not only boosted his legitimacy, but enhanced his image as "the Great Leader" of the Korean people by impressing upon the people of North Korea the image of Kim Jong-il working hard for the unification that they believe will end their misery.

On the international level, the summit shuffled the players: No longer a game between the U.S. and North Korea, it is clearly South and North Korea. It is also changed North Korea's international image as a rogue state and terrorism-sponsoring state to a nation capable of forming diplomatic ties. Yet, the "Koreanization of the Korean Question" heightened the U.S. anxiety that it would lose its influence on the peninsula. The U.S. also suspects North Korea's

national motto of “self-reliance.” Moreover, since the summit, the four neighboring powers have competitively expanded their influence on the Korean peninsula. With the likelihood of a deepening struggle for hegemony between China and the United States, the South Korean government should be cautious in dealings with its four neighbors.

The June 15 Joint Declaration that resulted from the inter-Korean summit bears different significance from the Joint Communiqué on July 4, 1972, signed during the period of military rule in South Korea, and the 1992 Basic Agreement. While it shows progress compared to the 1992 Basic Agreement, the Joint Declaration does not signify a complete break from it. What is most meaningful is that the summit was initiated by the two Koreas, and the Declaration was worked out jointly by the leaders of the South and the North. Although the North’s self-reliance policy may arouse suspicion and measures for unification could spark criticism, the overall content of the Joint Declaration contains many potential areas for reconciliation and cooperation.

#### **OBSTACLES IN IMPLEMENTING THE JUNE 15 JOINT DECLARATION**

At first, it appeared that the principles of the Joint Declaration had strong support from internationally as well as domestically, but in late 2001, once-enthusiastic inter-Korean relations came to a standstill. When the incumbent New Millennium Democratic Party lost its majority, the opposition Grand National Party launched an attack on the government’s North Korea policy. They not only raised questions on articles I and II of the Joint Declaration, but they also criticized the government’s reckless use of the Inter-Korean Economic Cooperation Fund. Finally, class and regional conflicts also blocked the path to national consensus.

Another problem was North Korea’s penchant for maintaining a

degree of tension in order to prop up its own system, despite agreements with South Korea. As a matter of fact, North Korea has a long history of confrontation against South Korea to achieve its aims and it does so, especially just after finalizing agreements. For example, just after the 1972 South-North Joint Communiqué and again, following the 1992 Basic Agreement, Pyongyang intentionally cooled diplomatic efforts in order to gain more advantage from South Korea or to stabilize domestic politics. Inter-Korean relations have been chilled even more with the inauguration of the Bush administration in January of 2001 and the delay in remittance of profit for Mt. Kungang Project in February. Moreover, the North has maintained its close-door policy in order to occupy more advantageous position in negotiations.

Perhaps the biggest obstacle is the new administration in Washington, which, in a major reversal of Clinton policy, suspended the U.S.-North Korea dialogues. The change in relations has, in turn, impacted inter-Korean relations. Then, the September 11 terrorist attacks, the war on terrorism that followed on October 7, 2001, and Bush's State of the Union Address in January 2002 branding North Korea a member of the "axis of evil" further chilled relations between North Korea and the U.S. In order to ease Washington's hard-line attitude, President Kim Dae-jung, during the February 20 summit in Seoul, pushed the U.S. hard for a swift settlement through dialogue, and he succeeded to some degree. Nevertheless, the diplomatic atmosphere on the peninsula remains frozen.

#### **OVERALL EVALUATION OF THE KIM DAE-JUNG ADMINISTRATION'S NORTH KOREA POLICY**

The goal of the Sunshine Policy is to induce change in North Korea through exchange and cooperation. Accordingly, there must be an evaluation of the policy to determine whether there has been any change in North Korea. The indicators would include whether

the North has abandoned its revolutionary policy, whether it continues to provoke South Korea, whether it continues to slander, whether the attitude of the North Korean people has changed, and whether various inter-Korean dialogues have become institutionalized.

So far there is no clear evidence that North Korea has abandoned its revolutionary policy against South Korea. Since no revision has been made in the Preamble of the Workers' Party Constitution, which is related to socialization of South Korea, it cannot be assessed that North Korea has abandoned its hostile policy against the South. It is hardly expected, however, that the North could actually invade South Korea on the same large scale as it did in the Korean War.

Nevertheless, since the inter-Korean summit, North Korea has refrained from any acts of provocation. Routine espionage activities and intrusions across the Northern Limit Line (NLL) by North Korean fishing vessels may persist, but there have been no major acts of provocation. This indicates an improvement in inter-Korean relations led by the Sunshine Policy.

North Korean leader Kim Jong-il said during the inter-Korean summit that he had ordered the cessation of slander against South Korea, and except for a remark against the South just after South Korea-the U.S. summit meeting on February 20, that cessation order seems to be working. Now, the only propaganda broadcasts are in the demilitarized zone.

Spurred by economic hardship, the popular attitude towards a capitalist economy has been changing rapidly in the North. In order to gain cash, people are buying and selling all sorts of exchangeable goods. In fact, the attitude that money solves every problem is becoming more and more prevalent, and most North Koreans are out on a quest to get it. These changes have created a growing black market as well as an increase in corruption. One side effect: Information about South Korea circulates through the black market, and as a result, some North Koreans are learning about South Korea's aid to North Korea.

Another indicator of change is the institutionalization of inter-Korean dialogues. In line with the fifth point of the Joint Declaration clearly specifying dialogue between the two countries, there have been various levels of contacts between North and South Korea, including six ministerial-level talks, one meeting between the respective ministers of defense, and four reunions of separated families. These dialogues did not take place according to a clear institutional mechanism, and, in fact, have often been cancelled for a little or no reason depending on circumstances. Critics say the dialogues are merely one-time events staged according to the needs of the two sides. However, recent developments in inter-Korean relations, such as the ministerial talks, the opening of a direct inter-Korean airline, and the project to reconnect the Kyongui Railway, should be considered productive results from the dialogues.

#### *Support from Neighboring Countries*

Unification of the Korean peninsula is both a domestic and an international issue. Indeed, the division of the peninsula resulted from combined domestic and international factors. The 1950-1953 Korean War itself was a "civil war supported by outside forces." Given these factors, it is important to assess the attitude of the neighboring countries towards the Kim Dae-jung administration's North Korea policy to gauge the success of the Sunshine Policy.

Playing the key role on the Korean peninsula is the United States. As far back as 1905, the U.S. allowed Japanese control of Korea through the Taft-Katsura Agreement. It also germinated the seed of division by consenting to Soviet occupation of the northern half of the Korean peninsula above the 38th parallel line around the end of World War II, and led the armistice efforts at the end of the Korean War as a member of the UN forces. The U.S. has been a fervent supporter of South Korea's North Korea policy. It maintained "inter-Korean dialogue first, the U.S.-North Korea dialogue later." as its basic policy on the Korean peninsula until the emerging the North



Korean nuclear issue.

When the issue arose over suspected North Korean nuclear facilities at Yongbyon, U.S. President Bill Clinton took a hard-line position. In fact, he planned to bomb the area, without consulting South Korea first. The United States, however, has worked closely with South Korea to conclude the Geneva Agreed Framework. Several other issues emerged, including the nuclear inspection mission to Kumchang-ri, the launching of a “three-stage” rocket, Taepodong I, and various other tense moments. The Clinton administration sought to resolve the weapons of mass destruction (WMD) issue and other questions through dialogue, reflecting Washington’s support for the Kim Dae-jung administration’s engagement policy for North Korea.

Diplomatic progress reversed course, however, with the inauguration of the Bush administration in 2001. President Bush expressed his “skepticism” about North Korean leader Kim Jong-il and pushed for principles of transparency, verification and reciprocity in North Korea policy. Moreover, he branded North Korea as part of the axis of evil, along with Iran and Iraq. At the time he expressed his readiness to use any means necessary to eradicate evil, and although he eased up after the summit meeting with President Kim Dae-jung on February 20, his basic view on North Korea remains unchanged. A recently unveiled governmental report, *The Nuclear Posture Review*, which outlined the possible use of nuclear weapons against countries that possess or are developing WMD—including North Korea, further chilled the Northeast Asian political climate.

Since it is Washington’s view that no change has taken place in North Korea, the Bush administration, while supporting South Korea’s policy of engagement, basically considers the outcome of that policy as insignificant. Not only did North Korea ignore the United States’ proposal for dialogue, but it continues to export missiles and to behave unpredictably. Therefore, U.S. cooperation, so vital to the engagement policy toward North Korea, seems

unattainable.

Generally, Japan follows the basic policy line as the United States. In other words, it supports South Korea's engagement policy but views the effectiveness of the policy as insignificant as long as North Korea persists in its roguish behavior. Moreover, Japan perceives it as a threat. The North has developed long-ranged missiles and test-flown them over Japan, and has apparently kidnapped a number of Japanese citizens. Accordingly, without clear evidence of change in North Korea, Japan also seems reluctant to recognize the effectiveness of the Sunshine Policy.

China traditionally maintains the position that North and South Korea should lead the peaceful resolution of the Korean peninsula question. Accordingly, China fully supports South Korea's engagement policy while urging North Korea to accept the policy of openness and reform. Through its "equidistance diplomacy between North and South Korea," China supports the Sunshine Policy, while at the same time, hoping that North Korea does not collapse. Basically, there seems to be no discernible difference in the position between China and South Korea on the unification question.

Because it is striving to achieve economic development, Russia also wants peace and stability on the Korean peninsula. For this reason, Russia has likewise assumed "equidistance diplomacy" to deal with North and South Korea, and supports Seoul's North Korea policy.

## FUTURE TASKS

### *Achieving National Unity*

For the Sunshine Policy to be effective, national unity is mandatory. While the Sunshine Policy has certainly been an effective policy to bring peace and stability to the Korean peninsula, the administration's failure to form a comprehensive, nation-wide

consensus has raised a number of obstacles. With only a year left, the Kim Dae-jung administration must resolve the following tasks in order to ensure that the engagement policy continues to work.

First, the administration should make an earnest request to the opposition party for support in order to eradicate possible suspicion that the engagement policy is a political maneuver, and second, it must seek bipartisan understanding and support.

In dealing with North Korea, the South Korean government has espoused a loose version of reciprocity. It repatriated long-held North Korean prisoners who had refused to renounce their allegiance to North Korea, in exchange for the North allowing a reunion of separated families. There are other such examples: The food and fertilizer aid in exchange for the cessation of slander against South Korea and North Korean agreement to various inter-Korean meetings. Nevertheless, there is a tendency to think that the principle of reciprocity is no longer valid because of lack of development in military confidence and other unresolved problems, such as the detention of South Korean prisoners of war. Therefore, the South Korean government should make more efforts to provide information to the public, while making efforts to build confidence with the North.

One criticism of the engagement policy is that aid should not be provided to North Korea while the South Korean economy is also suffering. In fact, South Korea's aid to North Korea is a peacekeeping expense. Accordingly, the government should concentrate on establishing a gauge to measure the benefits of maintaining peace in order to defuse that argument. At the same time, it should concentrate on domestic economic growth and more equal distribution of national wealth.

#### *Encouraging Change in North Korea*

Without change in North Korea, it will be impossible for the engagement policy to maintain support. Therefore, the current administration should do its utmost during its remaining term of

office to promote change in North Korea. Realistically, this will be difficult since North Korea has survived on its ideology of “self-reliance” and can continue to do so without the aid of South Korea. Therefore, it is important to choose the parameters for change that will satisfy both North and South Koreans. That would include continued ministerial-level talks and family reunions, installation of a military hotline, and resumption of dialogues between North Korea and the United States, and among others.

#### *Winning Support from Neighboring Countries*

Since both China and Russia currently support the Sunshine Policy, there is no need for special measures except to maintain the current level of diplomatic ties. On the other hand, more effort needs to be placed on persuading the United States and Japan. Since the U.S. has a decisive role in the Korean question, it is important to expand cooperation with Washington. Yet, it is difficult at this point to change Washington’s fundamental position on North Korea. Since U.S. interest on the Korean peninsula may be inferred as keeping a check on China and North Korea, and promoting pro-U.S. sentiments in South Korea, the South Korean government can gain U.S. support by making some concessions, such as recognizing the U.S. military presence in South Korea, guaranteeing American economic interests and maintaining an alliance with the United States.

### CONCLUSION

The biggest achievement of President Kim Dae-jung’s Sunshine Policy is showing that peaceful coexistence and exchange on the Korean peninsula is the only alternative in the 21st century. That fact was validated when military tensions did not arise after September 11, except for the suspension of dialogue. But inter-Korean relations are currently stuck between a rock and a hard place: an “imperfect”

peace following the inter-Korean summit and an unstable international political atmosphere. Whether there will be peace and stability on the peninsula will depend largely on how these issues play out.

At this stage, what is most important is South Korean consensus and the patience to wait for results. Just after the inter-Korean summit, both North and South Korea hurried to accomplish everything in a single stroke; however, no rushing on the part of North and South Korea can solve the issues of division or the U.S. power structure overnight. It should be noted that German unification came about as a result of the will of both East and West Germany to unify. West Germany's commitment propelled the East and calmed the fears of the neighboring countries.

There is no reason for Korea to fail where Germany succeeded. To demonstrate commitment to unification, the two Korea must carry out the agreements of the June 15 Joint Declaration. In particular, Kim Jong-il's visit to South Korea should go forward as planned. The visit could quell neighboring countries' suspicions about the North. The South Korean government must also strive to promote balanced development of the national economy, as stated in the Joint Declaration. Confronted with South Korean opposition to providing economic aid to North Korea, an alternative would be to form a Northeast Asian economic community or to establish a Northeast Asian development bank for North and South Korea, China, Japan, Mongolia, and Taiwan. In other words, South Korea must work with counties that want peace and stability on the Korean peninsula. Providing economic aid to North Korea jointly through such systems would have two benefits: First, it would alleviate the tax burden on South Korean citizens and second, it would ease North Korea's dread of opening up.

As inter-Korean relations since 2001 have demonstrated, as long as the division continues, inter-Korean dialogues are susceptible to suspension or discontinuation. The two Koreas must lead reunification through political, economic and diplomatic means.

Most important thing of all is for the people of both Koreas to earnestly desire unification and to be committed to national unity.

Despite its size and relative weakness, South Korea worked hard to achieve independence, modernization, and democratization. Putting the goal of unification aside, South Korea raced toward globalization. But its efforts increased the gap between the two Koreas, resulting in a sense of alienation and relative deprivation on the part of the North. Therefore, South Korea should seek reunification only after there is peace on the Korean peninsula, and after inducing the North to become a true member of the international community.