

3. SUNSHINE POLICY: CONCEPTS AND CHARACTERISTICS

Kim Dae Jung's personal commitment to engagement was unmistakable. Right after his election he suggested metaphorically that, as in the famous Aesop fable, he would use "sunshine" as a vehicle for persuading North Korea to give up its hostility and end its international isolation. In his inaugural address he emphasized that he would make reconciliation and cooperation with North Korea a top priority of his administration, despite Pyongyang's continuing bellicosity and the severe financial crisis that had just hit South Korea. And thereafter he ordered that the word "unification" be dropped from all descriptions of his government's policies to the North, substituting instead terms like "policies toward the North" and "constructive engagement policies" to avoid stimulating North Korea's neuralgia about being "absorbed" by its stronger southern brother. Castigating past South Korean governments for their alleged inconsistency and insincerity, Administration officials stressed that they would be different in consistently adhering to reconciliation and cooperation whatever temporary difficulties might arise.¹⁶ In the process, President Kim communicated two mega messages: that his administration's goals would be peaceful co-existence, not unification; and that its policies would seek to reassure the North Korean regime of, not undermine confidence in, South Korea's good intentions.¹⁷

¹⁶ The then-President of the Korea Institute for National Unification (KINU), a governmental organization under the Ministry of National Unification, made this latter point explicit. "Unlike past governments that pursued the dual goals of reconciliation and cooperation on the surface and a sort of unification by absorption in fact," he argued, "the current government has expressly ruled out attempts to absorb North Korea in favor of a more positive engagement policy designed to promote peaceful coexistence, reconciliation and cooperation between North and South Korea." Yang Young-shik, "Kim Dae-jung Administration's North Korea Policy," *Korea Focus*, November-December 1998, p. 48.

¹⁷ Formally, President Kim has never jettisoned the *long-term* goal of unification. Nor has he presented any new unification formula to take the place of the "national community" approach adopted by Roh Tae Woo. This leaves both of these standing as Korea's official unification

The Administration formally predicated its policy on three basic principles: no toleration of North Korean armed provocations; no South Korean efforts to undermine or absorb the North; and active ROK attempts to promote reconciliation and cooperation between the two Koreas.¹⁸ These principles were designed to communicate that, while South Korea would maintain a strong deterrent posture and respond to potential North Korean provocations, it would not seek to provoke the regime's collapse. Rather it would try to foster a range of cooperative bilateral activities and facilitate North Korean interactions with the United States, Japan, and broader international community.

Although not rising quite to the level of "basic principles," the Administration identified two other core policy components. One is the separation of politics and economics. Formally, this meant allowing South Korea's private sector greater leeway in making its own decisions concerning trade and investment with the North and easing restrictions that hindered inter-Korean business, while limiting the government's role primarily to matters of humanitarian and other official assistance. In practice, it meant not holding South Korean economic interactions with the North hostage to good North Korean behavior in other areas.

In emphasizing the separation of politics and economics, the Administration clearly understood the importance of expanded economic exchanges for creating a more peaceful atmosphere on the Korean Peninsula. It also understood North Korea's dire economic situation and greater potential receptivity to economic, rather than political, inducements. Interestingly, however, Administration officials explained and rationalized the importance of separating economics and politics more in terms of its effect in fostering change inside North Korea

policy. And even President Kim's "personal" three-stage unification formula posits peaceful co-existence as only the first stage of a much longer-term process, with the second stage being a confederation and the third being full unification. For all *practical* purposes, however, the goal of his administration's policy has been simply on achieving peaceful co-existence. As his Foreign Minister put it at the time, "Seoul's constructive engagement policies aim for peaceful coexistence. The longer-term goal of unification can wait." Hong Soon-young, "Thawing Korea's Cold War," *Foreign Affairs*, May/June 1999, p. 10.

¹⁸ "North Korea Policy of the Kim Dae Jung Administration," available online at <http://www.unikorea.go.kr/eg/load/C31/C315.htm>.

itself. As Kang In-duk, President Kim's first Minister of National Unification put it, if South Koreans are to improve inter-Korean relations and, "eventually, create a national community in which such universal values as democracy and the principles of market economy are respected, the North must change. For this reason, we will continue to promote economic cooperation with the North under the principle of separating politics from economic cooperation."¹⁹ Over time this emphasis tended to fade somewhat as the depth of North Korean rigidity became more apparent - and perhaps as conservative holdovers like Minister Kang were replaced by others less concerned with "changing" North Korea. But it fed a continuing Administration search for signs of "change" in North Korea that would help justify its largess to domestic and foreign critics.

The other core policy component concerns the requirement for reciprocity. In the beginning, the Administration took "reciprocity" literally to mean a mutual process of "give-and-take." Both Koreas would "promote mutual benefits" in inter-Korean relations by respecting each other's opinion and allowing each to gain something from the interactions.²⁰ Unfortunately, this was another area where theory and practice did not meet. When the Administration tried to apply the principle two months after its inauguration by requesting the establishment of a reunion center for families separated since the Korean War in exchange for South Korean fertilizer assistance, the North

¹⁹ "Words from the Minister," *Korean Unification Bulletin*, Volume 1, No. 1, July 1998 (<http://www.unikorea.go.kr/eg/lead/A12/A1229.htm>), p. 1. The section "Policy Q & A" that follows these remarks elaborates: "At the present state, the most realistic policy alternative that can lead to North Korea's gradual transformation is to expand intra-Korean [sic] economic cooperation which North Korea needs most. The promotion of North Korea policy based on this principle will help us to expand economic cooperation between the North and the South and, therefore, contribute in creating an environment that makes North Korea ready to reform itself." *Ibid*, p. 6.

²⁰ "In the intra-Korean relations [sic], too often engulfed by mutual mistrust, the most efficient way to prevent unnecessary rivalry and to promote mutual benefits for both Koreas would be a more pragmatic, give-and-take approach. This is why we need to stress the principle of reciprocity... In principle, the principle of reciprocity applies to every aspect of North Korea policy of our government." "Policy Q & A," *ibid*, p. 5.

Koreans denounced their southern counterparts as "horse traders" and cut off all interactions. So much for reciprocity.

Although the Administration stuck to its strict *quid pro quo* position for another year, eventually it dropped this demand and introduced a new notion of "flexible reciprocity." By this it meant not a strict *quid-pro-quo* or even a simultaneous process of "give-and-take." Rather, it meant a "flexible, relative, and time-differential" approach in which the ROK, as the stronger "elder brother," would be patient and allow North Korea to reciprocate South Korean measures at an undetermined time, and in some undetermined way, in the future.²¹ "Give first, get something later" is not an inaccurate characterization. Administration leaders further differentiated between humanitarian assistance, which the government would provide without any reciprocal requests at all, and government-to-government economic cooperation in areas like building social infrastructure, for which "flexible reciprocity" would apply. Private sector trade and strictly commercial assistance, in principle, would be free from any government meddling.

With these basic principles and core policy components set, the Administration structured its engagement policy around five sets of activities. The first involves efforts to restart long-suspended talks and expand political dialogue between officials of the two Koreas. This represented the Administration's top goal from its inception.

Initially, Administration leaders focused on trying to reactivate the Basic Agreement of 1991. Toward this end, they sought an exchange of special envoys to re-affirm both sides' commitment to the landmark agreement and re-confirm their intention to implement its provisions. But the Administration made clear that a summit meeting between the top leaders of the two Koreas was its ultimate objective. When North Korea made equally clear that it was opposed to including reactivation of the Basic Agreement as part of any summit's agenda, the Administration dropped this goal completely. In turn, North Korea dropped its opposition to a summit, which led to President Kim's historic visit to

²¹ Yang Young-shik, *op. cit.*, pp. 54-55.

North Korea in June 2000.²² The summit meeting stimulated in turn a series of inter-Korean ministerial talks and other political exchanges. It also generated talk of reaching broader political inter-Korean agreements - perhaps including a formal peace declaration - in the context of a return visit by North Korean leader Kim Jong Il to Seoul.²³

The Administration has been careful to emphasize that such efforts to expand political dialogue can not come at the expense of deterrence. Rather, in line with the sunshine policy's first basic principle, it has repeatedly stressed that South Korea will *simultaneously* maintain a strong deterrent posture toward the North and pursue efforts to reduce tension through political dialogue. In practice, however, the Administration has often appeared to give priority to the latter when the two simultaneous goals have come into conflict. It has shown particular reluctance to take military risks (e.g., responding to low-level North Korean military provocations) or other steps (e.g., holding traditional celebrations to commemorate the anniversary of the Korean War) that might upset North Korea and provoke Pyongyang to suspend political dialogue.

The sunshine policy's second set of activities is geared toward expanding North-South economic intercourse. This involves a range of efforts within South Korea itself, such as encouraging South Korean businessmen to visit the North, lifting the ceiling on the magnitude of investment allowed in the North, and simplifying ROK legal procedures to facilitate expanded South Korean economic undertakings. It also

²² The agreed-upon agenda for the summit meeting, negotiated between representatives of the two governments in five preparatory meetings between April 8 and May 18, 2000, makes no mention of the Basic Agreement. Instead, it simply states that the agenda will be "to reconfirm the three basic principles for unification of the country enunciated in the historic July 4 [1972] South-North Joint Communiqué, and discuss the issues of the reconciliation and unity, exchanges and cooperation, and peace and unification of the people." The agreement may be found in the ROK government White Paper entitled *Peace and Cooperation*, April 2001 and is available online at <http://www.unikorea.go.kr>.

²³ Kim Jong Il's evident reluctance to honor his commitment to return a visit to South Korea, along with the batch of previous North-South agreements Pyongyang has yet to implement, has contributed to renewed focus more recently on simply resuscitating the Basic Agreement.

involves a search for agreements with the North on such things as preventing double taxation and guaranteeing investments that are essential for enhancing economic interactions.

Ostensibly, expanded economic cooperation is intended to benefit both Koreas. But the Administration has been explicit that it will focus first on areas most important to the North, partly because of Seoul's superior economic position and partly because of Pyongyang's paranoia about South Korean "penetration." One example is the Hyundai group's tourism and development project at Mt. Kungang in the North, which the Administration has heralded as a major success of its sunshine policy despite the project's financial non-viability. Another is the large-scale joint venture to develop an industrial complex in the Kaesong area of North Korea. A third is the recent agreement to reconnect the railway between Seoul and Shinuijoo. The Administration sees such projects as addressing Pyongyang's crushing economic needs, while facilitating further economic interactions and contributing to reduced tensions on the Peninsula. It also sees such projects as building-blocs toward the creation of a "South-North economic community," a single joint economic sphere that would help propel the development over time of a broader socio-cultural community.

The third set of activities focuses on fostering reunions and exchanges between families separated by the Korean War. This has been one of the sunshine policy's top priorities. As noted above, the Administration sought unsuccessfully early in its term to use this issue as a test case for its core policy of "reciprocity," proposing to swap fertilizer for the establishment of a reunion center for separated families. It has pressed hard since then for North Korean concessions on other humanitarian exchanges, fueling a series of inter-ministerial and Red Cross Society talks to organize family exchange visits. And it has formally defined "separated families" broadly to include not only civilians and POWs but also others abducted to the North since the Korean War who remain in North Korea. North Korea's agreement in the summit's Joint Declaration to "promptly resolve humanitarian issues such as exchange visits by separated family members and relatives," and the

three exchanges of one hundred families each, can accurately be seen as a result of South Korean pressure.

Providing food and other humanitarian assistance is the sunshine policy's fourth set of activities. Food aid represents both a potential source of South Korean leverage over North Korea, given the latter's desperate agricultural and nutritional situation, and required "buy-in" to keep Pyongyang at the table. Recognizing this dual nature, the Administration has from the beginning emphasized its willingness to be generous in providing North Korea significant amounts of emergency relief and other food assistance, through both international organizations and direct government-to-government channels. It has provided Pyongyang fertilizer, seeds, and pesticides, for example, to improve North Korean agricultural production. It has contributed pharmaceuticals to fight potential epidemics and other infectious diseases resulting from North Korea's severe nutritional and health care deficiencies. And it has actively encouraged South Korea's private sector and other civilian organizations to provide additional food, fertilizer, and humanitarian assistance. The Administration has clearly recognized the need for more fundamental, systemic changes in North Korea if its chronic food shortage is to be resolved. North Korean rigidity and resistance, however, have hindered major South Korean policy initiatives in this area.

The sunshine policy's fifth set of activities involves broader efforts to encourage international cooperation to reduce tensions and maintain peace on the Peninsula. The Administration has adhered to its commitment under the U.S.-DPRK Agreed Framework to provide North Korea with light-water reactors - despite the crushing financial crisis and subsequent economic slowdown in the ROK - and to playing a central role in KEDO, the international consortium that provides energy assistance to North Korea. It has tried to use the Four Party Talks to draw North Korea into discussions about military confidence building measures and ways to transition from the current military armistice to a permanent peace agreement. And it has sought to initiate some kind of multilateral regional security forum that would include North Korea and focus on means for reducing tensions on the Korean Peninsula. Most

strikingly, the Administration has actively encouraged its friends and allies to expand ties with North Korea, while enthusiastically promoting North Korean participation in both regional and international organizations.

To be sure, these five sets of activities draw from, and/or build on, important aspects of previously existing policy. The emphases on peaceful co-existence, promoting economic cooperation and humanitarian exchange, the simultaneous need for political dialogue and continued deterrence, and the importance of a gradual, "independent" process of reconciliation are all products of a long evolutionary process. So too is the stress on summitry and sustained high-level government-to-government discussions. President Kim's formal adherence to the unification formula worked out by his predecessors represents at least tacit recognition of the basic underlying continuity in South Korean policies.

It is possible that greater public acknowledgement of these continuities might have helped generate broader public support for the new Administration's policies. This has not been the Administration's general tendency, however. On the contrary, it has worked hard to differentiate its policies from those of its predecessors, largely ignoring their shared roots and objectives. President Kim personally passed up a major opportunity to build a wider base of political support at the time he was awarded the Nobel Peace Prize. While he used his acceptance speech to thank all those who have supported him over the years - and separately expressed the wish to share his prize with the North Korean leader - he failed to even note the efforts of his South Korean predecessors to bring about peaceful coexistence. The Administration's extreme personalization of policy and marked tendency to accentuate the differences between it and previous governments has been a conspicuous feature of its public diplomacy.

Even had this tendency been less pronounced, however, it would not have altered the real and numerous differences between President Kim's approach to engagement and that of his predecessors. These include in particular: the substitution of "reconciliation" for "unification" as the sunshine policy's operative objective; the insistence on separating

economics from politics; the de facto jettisoning of reciprocity as a central policy component; and the priority given to helping North Korea. Other important differences concern the way in which policy has been implemented. These include: the consistency, eagerness, and speed with which the Administration has sought to engage North Korea; the emphasis it has given to sustaining political dialogue, even at risk to other important ROK security objectives; the trust it has been willing to place in North Korea's leaders, often without clear evidence of the basis for this trust; and the willingness it has demonstrated to act unilaterally without first securing domestic support. Together, these differences represent significant departures from traditional South Korean policy.

Underlying the Administration's novel approach are several critical assumptions. These form something of a logic chain motivating government policy. In essence, the Administration has predicated its policies on the calculation that:

- *North Korea's rhetoric and bellicosity mask what is fundamentally a survival strategy.*
- *Providing assurances of its survival - politically, economically, and militarily - will produce significant changes in North Korea.*
- *A serious, sustained process of providing North Korea such assurances and inducing such changes will increase North Korean dependence on South Korea and the outside world more broadly.*
- *Increased North Korean dependence will both temper Pyongyang's behavior and maximize South Korean control over all issues dealing with North Korea.*
- *Even in the absence of this kind of process, North Korea will not collapse.*
- *Engaging the North and convincing it of South Korea's sincere intentions is the only viable alternative to high tensions and conflict on the Peninsula.*

The debate in South Korea today is a product of sharp differences over both the new policy departures and underlying assumptions and

strategic calculations. What makes the debate so volatile, however, is the way in which it subsumes, and intensifies, longstanding, unresolved societal tensions and divisions. The next section examines both of these features.