

The Sunshine Policy and the Korean Summit: Assessments and Prospects*

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INTRODUCTION

The Korean peninsula has long been considered the last relic of the Cold War era where protracted military tension has outweighed prospects for peace and stability. Defying the global trend of progress toward post-Cold War order, both Koreas have engaged in a vicious circle of suspicion, distrust, and mutual negation, often flaring up in military clashes. As recently as June 1999, a perilous naval clash heightened the potential for a major escalation. Indeed, peace has been distant, while conflict has remained close by. Perpetual insecurity and fear of war have haunted the Korean people.

A major breakthrough came in June 2000 in the wake of the Korean summit, which was held in Pyongyang. Technically speaking, North and South Korea are in a state of war, so it would be virtually unthinkable for the South Korean leader to pay a visit to the heart of enemy territory. In fact, the South Korea military was placed

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under the highest state of alert during President Kim Dae-jung's visit to Pyongyang. At the first historic North-South Korean summit, President Kim and Chairman Kim Jong-il produced the June 15 Joint Declaration which will serve as the basic document guiding peaceful co-existence and national unification on the Korean peninsula.

No doubt, the summit meeting and the June 15 Joint Declaration are a product partly of the Kim Dae-jung government's sunshine policy. Were it not for the patient and consistent pursuit of the sunshine policy, such new developments would be quite inconceivable. The sunshine policy has aimed at paving the way to peaceful co-existence and national unification through the dismantling of the Cold War structure that has dictated the geopolitical fate of the Korean peninsula since the end of the second world war. Although actual implementation is yet to be seen, the summit meeting represents a decisive moment in the extrication of the Korean peninsula from the trap of the Cold War and the start of the process toward a new peace system.

Against this backdrop, the article is designed to not only understand the evolutionary dynamics of the sunshine policy, but also look into the summit meeting and its impacts. The first section re-examines the evolving nature of the sunshine policy and its ramifications, while the second looks into ideals and practices of the sunshine policy since its inception. Third, the article presents a comprehensive analysis of the summit meeting and the June 15 Declaration. Finally, the prospects for inter-Korean relations in the post-summit period are being explored.

THE KIM DAE-JUNG GOVERNMENT AND THE SUNSHINE POLICY: A RE-EXAMINATION¹⁾

The Korean summit was truly unexpected. Despite its pledge to

resume official talks with North Korea following its inauguration, the Kim Dae-jung government had failed to deliver. Up until six months ago, even vice ministerial-level talks did not go well. Judged on this, the summit talk was an extraordinary development. While several factors contributed to the making of this historic event, it can be seemed as a product of sunshine policy.²⁾ The sunshine policy is not an instant policy initiative, but dates back to as early as 1997. On September 30, 1994, Kim Dae-jung, who was then a defeated presidential candidate, delivered an interesting speech at the Heritage Foundation in Washington, D.C. While highly praising Jimmy Carter's visit to Pyongyang and the subsequent defusing of the North's nuclear crisis through negotiations with Kim Il-sung, Kim noted that "America must patiently adhere to the "sunshine policy" which had proved to be the only effective way to deal with isolated countries such as North Korea."³⁾ Citing a well-known Aesop's fable about "wind and sunshine," Kim argued that sunshine

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- 1) This section draws partly from Moon Chung-in, "Understanding DJ Doctrine: The Sunshine Policy and the Korean Peninsula," in Moon Chung-in and David Steinberg (ed.), *Kim Dae-jung Government and Sunshine Policy* (Seoul: Yonsei University Press, 1999), pp. 36-40.
 - 2) The term "engagement (*poyong*)" fails to reflect the comprehensive picture of Kim's North Korean policy, since *poyong* literally refers to accommodation or embracement, not engagement. The term sunshine comprises broader semantic implications such as engagement, embracement, and even harsh punishment. It was also relabeled the DJ doctrine elsewhere. See my chapter in Moon and Steinberg (eds.), *op. cit.*, Nevertheless, in this article, terms "sunshine policy" and terms "engagement policy" are used interchangeably. For an overview of the sunshine policy, see Moon Chung-in and David Steinberg (eds.), *The Kim Dae-jung Government and Sunshine Policy: Promises and Challenges* (Seoul and Washington, D.C.: Yonsei University Press and Georgetown University, 1999); *The Society for Northeast Asian Peace Studies* (ed.), *The Sunshine Policy* (Seoul: Millennium Books, 1999).
 - 3) Kim Dae-jung "Don't Take the Sunshine Away" in *Korea and Asia: A Collection of Essays, Speeches, and Discussions* (Seoul: The Kim Dae-jung Peace Foundation, 1994), p. 33.

would be more effective than strong wind in inducing North Korea to come out of isolation and abandon its confrontational stance.

Kim Dae-jung initially used the analogy of sunshine in order to persuade the American government to pursue a soft-landing policy in dealing with North Korea. But when he was elected President, the sunshine policy became the official North Korean policy of the South Korean government. In a speech delivered at the School of Oriental and African Studies, London University, on April 4, 1998, Kim described the sunshine policy as follows: "Backed by firm public support, the Republic is now able to confidently promote a North Korean policy. I have been steadfast in advocating what I call a 'sunshine policy' which seeks to lead North Korea down a path toward peace, reform and openness through reconciliation, interaction and cooperation with the South. As President, I will carry out such ideas step by step."⁴⁾

The sunshine policy can be seen as a proactive policy to induce incremental and voluntary changes in North Korea for peace, opening, and reform through the patient pursuit of reconciliation, exchanges, and cooperation. In the forthcoming discussion, however, the sunshine policy goes beyond simple engagement. It comprises several components such as military deterrence, international collaboration, and domestic consensus. Nevertheless, its objective is crystal clear: to lay the foundation for peaceful Korean unification by breaking the vicious cycle of negative, hostile actions and reactions through peaceful coexistence and peaceful exchanges and cooperation.⁵⁾

The sunshine policy is based on three fundamental principles as outlined in President Kim's inaugural speech. The first principle is non-tolerance of military threat or armed provocation by North Korea. The second is the official abandonment of the idea of

4) Office of the President, The Republic of Korea, *Government of the People-Collected Speeches of President Kim Dae-jung* (Seoul: ROK Government, 1999), pp. 63-64.

unification by absorption and the negation of any other measures to undermine or threaten North Korea, and the third is the promotion of exchanges and cooperation through resumption of the 1991 Agreement on Reconciliation, Non-aggression and Exchanges and Cooperation.⁶⁾

A close examination of the sunshine policy reveals at least five major operating principles. The most distinct component is strategic offensive. The sunshine policy has often been accused of being a fragile appeasement policy or a policy for the weak. In actuality, however, it is an extremely offensive and proactive policy. In the past, Seoul's policy on North Korea was mostly reactive, often resulting in inconsistencies, even incoherence. In fact, it could even be said that policy was dictated by the North. The Kim Dae-jung government wants to overhaul this passive and reactive policy by taking its own initiative. It is dedicated to the pursuit of engagement through exchanges and cooperation despite North Korea's initial negative responses. Such a policy might sound like appeasement, but as the analogy of sunshine implies, it is penetrating and comprehensive. No clouds can perpetually block the penetration of sunshine since the latter is constant, while the former is temporal. With a little more patience and endurance, the Kim government believes, active engagement will eventually thaw the frozen mind of the North Korean leadership, yielding to peaceful coexistence as well as economic opening and reforms.

The second operating principle is *flexible dualism*, which is predicated on major changes in the sequential order of inter-Korean

5) See Hong Soon-young, "The Wing Korea's Cold War: The Path to Peace on the Korean Peninsula," *Foreign Affairs*, May June (1999), pp.8-12, which reappeared in this volume: Lim Dong-won, "The Government of People's North Korean Policy," a speech delivered for senior officials of the Ministry of Unification, February 9, 1999 (in Korean, *mimeo*); Ministry of Unification, *Policy Towards North Korea for Peace, Reconciliation and Cooperation* (Seoul: The Ministry of Unification, 1999).

6) *Government of the People*, *op. cit.*, p. 12 and pp. 64-65.

interactions. New terms of engagement with the North under the Kim government can be summarized as the following (1) "Easy tasks first, and difficult tasks later"; (2) "Economy first, politics later"; (3) "Non-governmental organizations first, government later"; (4) "Give first, and take later."⁷⁾ It represents a profound paradigm shift in managing inter-Korean relations. Past governments failed to overcome the inter-Korean stalemate precisely because of their rigid adherence to the principles of "government first, civil society later," "political-economic linkage," and "the primacy of mechanical reciprocity." Thus, the sunshine policy can be characterized as being incremental, pragmatic, and functionalist in dealing with the North.

The core of flexible dualism can be found in the separation of politics and economy. Previous governments were preoccupied with the primacy of politics and its linkage to the economy. However, that attitude entailed structural barriers to the promotion of inter-Korean exchanges and cooperation, not only because of the compartmentalized decision-making structure in the North that separates politics from the economy, but also because of the negative backlash associated with it. Temporary improvements in inter-Korean relations through socio-economic exchanges were instantly wiped out by new political bottlenecks or by sporadic military provocations by the North, producing an amplified feedback loop of distrust and hostility. But the Kim government is attempting to sever the chain of negative reinforcement between the two, pledging itself to the promotion of economic exchanges and cooperation even if the North engages in military and political provocation. As a matter of fact, infiltration of North Korean submarines in the South, resumption of a negative propaganda campaign by the North, and the naval clash in the West Sea have not blocked the continued pursuit of economic exchanges and

7) See Lim Dong-won, "North Korean Policy under the Kim Dae-jung Government," speech delivered at a breakfast meeting with the National Reconciliation Council, March 11, 1999, p. 3.

cooperation. It is this functional flexibility that differentiates the sunshine policy from the North Korean policy of previous governments.

The third operating principle is the simultaneous pursuit of engagement and security in which credible *military deterrence* is emphasized. This is the most delicate aspect of the sunshine policy. The Kim Dae-jung government is keenly aware of the acute military threat from the North and is more than willing to deter it through strengthened security posture. It believes that an effective engagement policy is plausible only when South Korea remains strong and is well prepared for military deterrence. The credible deterrence is based on two concepts. One is the principle of specific reciprocity. Although North Korea's armed provocation will not be automatically linked to the suspension of economic and social exchanges and cooperation, it will not be tolerated either. Such behavior will be immediately balanced out or reciprocated through punitive measures in kind. South Korea's forceful retaliation on North Korea's recent intrusion into the West Sea exemplifies the implementation of the principle of specific reciprocity. The other is to secure a position of strength through the continuation of the ROK-U.S. alliance. The Kim government perceives that ROK-U.S. combined forces will be sufficient to deter any military aggression from the North.⁸⁾ In light of this, the sunshine policy does not presuppose any departure from the old policy of military deterrence and alliance management. Instead, there are elements of continuity.

A renewed emphasis on *international collaboration* constitutes another important dimension. Although the Korean conflict and unification should be resolved by and for Koreans themselves, the Kim government recognizes the importance of international collaboration with major actors in the region. Maximization of international collaboration is critical, not only because it can facilitate conflict management on the Korean peninsula, but also because it can help North Korea manage to land softly. For the management of

8) See the breakfast speech by Lim Dong-won.

the Korean conflict, the Kim government has stressed the continuation of the Four Party Talks. It has also proposed the “two plus four” formula and the establishment of a Northeast Asian security cooperation regime in order to shape a new security environment conducive to tension reduction as well as peace and security building on Korean peninsula. For the soft-landing of North Korea, the Kim government has been calling for two practical steps to be taken: North Korea’s diplomatic normalization with the United States and Japan on the one hand, and the creation of an international *milieu* favorable to North Korea’s economic opening and reform on the other. The second measure could be achieved through lifting existing sanctions on the North and facilitating North Korean access to international capital through membership in multilateral lending institutions (i.e., the IMF, the World Bank, and the Asia Development Bank) as well as fostering the inflow of private foreign investments into the North.⁹⁾

The final component is the centrality of *domestic consensus*. Seoul’s traditional North Korean policy has been guided by two implicit operating rationales. One is the clandestine management of inter-Korean relations and the other is its domestic political utilization. A breakthrough in inter-Korean relations through Park Chung-hee’s July 4, 1972 the South-North Joint Communiqué, Chun Doo-hwan’s near success in achieving a summit meeting with Kim Il-sung, and Roh Tai-woo’s *Nordpolitik* and inter-Korean rapprochement were all engineered through clandestine operations. Such high-level maneuvers, characterized by a lack of transparency, eventually undermined the legitimacy of the previous government’s policy initiatives. Moreover, the inseparable linkage between domestic politics and inter-Korean relations exacerbates this effect. As the “Northwind” scandal aptly illustrates, ruling regimes in the

9) President Kim Dae-jung reaffirmed this position through his interview with CNN. See *Dong-A Ilbo*, May 7, 1999.

past contrived military tensions with the North during presidential or general elections, and took advantage of the ensuing insecurity to win conservative votes.¹⁰ Political abuse and misuse of inter-Korean relations considerably weakened the foundation of domestic consensus and marginalized its North Korean policy. Himself a victim of such political maneuvering, President Kim officially declared his government's intentions not to politicize inter-Korean relations, but to base North Korean policy solely on transparency and domestic consensus.

Thus, the sunshine policy reveals both continuity and discontinuity from previous governments. Emphasis on the resumption of the Basic Agreement underscores an adherence to old soft-line policies of the July 4, 1972 the South-North Joint Communiqué under Park Chung-hee, the *Nordpolitik* and the July 7, 1988 Declaration of Roh Tai-woo, and even engagement policy promoted during the early period of the Kim Young-sam administration. And as previously stated, the Kim Dae-jung government has made it clear that it would not compromise national security in the pursuit of engagement. The top priority is a strong security posture in the sunshine policy, along with the cardinal importance of the South Korean-U.S. alliance, both of which express elements of historical continuity. Yet, there are also pronounced discontinuities in the sunshine policy. The most salient difference comes from changes in structural parameters. While previous policies were bound by the Cold War template of confrontation and containment, the new policy is predicated the dissolution of that model in terms of ideology, institution, and the external *milieu*. There is also divergence in the operational mode. Kim Dae-jung's policy is

10) The "Northwind (*bukpung*)" scandal refers to the South Korea intelligence agency's covert operations designed to undermine Kim Dae-jung's image by fabricating reports about his ties with the North. Such operations were allegedly undertaken in cooperation with North Korean intelligence organizations.

much more proactive, offensive, and strategic, while previous policies were reactive, defensive, and tactical. Its scope is far more comprehensive than previous policies, favoring unrestrained interaction with the North. The time frame is also substantively different. While previous governments had opted for immediate gains, the Kim Dae-jung government aims at achieving medium- and long-term gains that require patience and endurance. Finally, the sunshine policy rejects the instrumental use of inter-Korean relations for domestic political purposes, in contrast to previous policies that were mired in domestic political manipulation.

IDEALS AND PRACTICE OF THE SUNSHINE POLICY: AN INTERIM ASSESSMENT¹¹⁾

All policies, public or foreign, are instruments for achieving certain national goals. Ideals of goals, thus, serve as the basic foundation on which policies are formulated and navigated. What then are the ideals of the sunshine policy? Five major ones can be considered.¹²⁾

The first ideal is the resolute rejection of war or major military conflicts on the Korean peninsula. President Kim has repeatedly argued that nothing can justify war and that it should be prevented at any cost. Likewise, he has consistently called for the removal of weapons of mass destruction, including nuclear and bio-chemical. Such a war can destroy all that has been we have achieved. And while it might bring about national unification, a link achieved

11) This section draws partly on "Between Ideals and Reality: An Interim Assessment of the Sunshine Policy," *Pyonghwa Ronchong*, Vol. 4, no.1 (2000), pp. 46-58.

12) These five ideals were compiled from a collection of President Kim's speeches. See office of the President. The Republic of Korea, *Government of the People: Selected Speeches of President Kim Dae-jung*, Vol. 1 and 2 (Seoul: ROK Government, 1999).

through violent means is likely to breed hatred as well as the seeds of another national division. The primacy of peace over war is well documented in the three principles of peace that were long championed by President Kim Dae-jung even before he was elected president. They are peaceful co-existence (peace-building through the termination of hostile relations, arms reduction, and mutual surveillance as well as through the establishment of a multilateral security cooperation regime); peaceful exchange (restoration of common national identity through political, economic, social, cultural, and humanitarian interactions and expansion of common interests through increased economic exchanges); and peaceful unification (incremental unification and the rejection of unification by absorption, military power or manipulation).¹³⁾ The sunshine policy can be seen as a reflection of these three principles of peace.

Kim is not an idealist, however. While believing in the virtue of peace, he is equally aware of the vulnerability of peacemaking and peacekeeping. Emphasis on security emanates from his prudent understanding that a weak security posture can precipitate an adversary's hostile action, jeopardizing peace *per se*. Thus, his sunshine policy is deeply anchored in the traditional wisdom that those who wish to achieve peace must prepare for war. It is with this understanding that the Kim Dae-jung government has undertaken an engagement policy based on a strong security posture. While it might sound paradoxical, this paradox is the very essence of the Korean conflict in which peace and war constantly overlap. North and South Korea are striving toward national unification, at the same time perceiving each other as a major enemy. The ambivalent nature of the Korean problem has led to the adoption of a dualistic policy of peaceful co-existence and strong security. Likewise, the first ideal of the sunshine policy can be characterized as a mixture of peace and

13) Kim Dae-jung, *The Korean Problem: Nuclear Crisis, Democracy and Reunification* (Seoul: The Kim Dae-jung Peace Foundation, 1994), pp. 223-224.

security where peacemaking through engagement and reconciliation and peacekeeping through strong security and war prevention are simultaneously pursued.

The second ideal is related to the concept of quasi- or *de facto* unification. The sunshine policy assumes that *de jure* unification through mutual consensus and national referendum could take much longer. Cognizant of the reality, the Kim Dae-jung government aims at creating a *de facto* or quasi-unification in which exchanges of personnel as well as goods and services are fully activated, and confidence-building and arms control can be materialized. The quasi-unification thesis is justified by both its feasibility and for immediate humanitarian concerns. More importantly, *de jure* unification may not be attainable without first learning how to co-exist peacefully through exchanges and cooperation between the two Koreas.¹⁴⁾

However, *de facto* or quasi-unification should not be interpreted as the perpetual state of national division and peaceful co-existence. As President Kim's three-stage approach to unification demonstrates, it represents only the first stage of unification, involving a gradual preparation for unification through the formation of a confederation of republics (or states) in which both parties retain their sovereignties. Kim hopes that during the first stage (lasting ten years), the North Korean system would undergo dramatic changes, both to an open market system and to an improved political system based on a multi-party system and free elections. He argues that the first stage of forming a confederation needs to be approved by the people through a national referendum. The second stage would involve unification in the form of a federal system that is composed of one federation and two local governments. At this stage, both republics would relinquish their sovereignties, and the newly-formed federation

14) A speech by Lim Dong-won at the Ministry of Unification, *op. cit.* p. 24.

would determine foreign and national defense policy, even intervening in important domestic affairs. The final stage would be complete unification based on one nation, one state, and one government. Kim envisages that the newly-unified Korea will be founded on the basis of a democracy and an open-market economy.¹⁵⁾ In sum, the sunshine policy assumes a very much open-ended and long-term process toward realizing national unification on the Korean peninsula, distinguishing itself from previous quick-fix approaches.

The third ideal is an anticipation that his policy of engagement and accommodation can bring about changes in North Korea and that its transformation into a normal state can offer decisive momentum for peaceful co-existence on the Korean peninsula. What kinds of changes does his policy anticipate? There can be changes on several levels: people, policy, government, regime, system, and state sovereignty.¹⁶⁾ What the sunshine policy attempts to achieve is rather modest: changes in policy as well as in popular attitude. As the Basic Agreement stipulates, the Kim Dae-jung government does not intend to change or undermine the North Korean government, the Kim Jong-il regime, the *Juche* system, or the Democratic People's Republic of Korea. Any attempt to do so would be tantamount to interfering in the internal matters of North Korea, an outright violation of the Basic Agreement. The sunshine policy simply presupposes that an increasing frequency in exchanges and cooperation can spontaneously foster North Korean reforms, and ultimately, peaceful co-existence.

This line of reasoning stems from an alternative way of

15) Kim Dae-jung, 1994, *op. cit.*, pp. 224-226.

16) Moon Chung-in and Rhyu Kil-jeh, "Regime Changes in North Korea and Political- Economic Conditions for Economic Cooperation with the North," in Yoo Han-soo and Lee Young-sun (eds.), *Corporate Strategies for North Korean Ventures* (Seoul: Orum, 1997), pp. 33-116.

understanding North Korea. The sunshine policy does not anticipate that the Kim Jong-il regime or North Korea will collapse soon. In fact, it believes that the thesis of imminent collapse of North Korea is premature and even misleading. Indeed, the German unification, the dismantling of the Soviet Union and the communist bloc, and the death of Kim Il-sung did not signal the imminent demise of the North Korean regime or its state sovereignty. On the contrary, despite this development, North Korean regime has shown extraordinary durability. It's intensifying campaign to build *Kangsongdaekuk* (strong and prosperous nation) underscores the fallacy of the imminent collapse thesis *par excellence*.¹⁷⁾ Being keenly aware of this reality, the Kim Dae-jung government has set up a goal to change North Korea incrementally. Fostering the collapse of the North Korean regime and system could backfire, ultimately undermining peace and stability on the Korean peninsula. Even incremental changes can jeopardize regime security in the North. But equating incremental changes with total collapse seems to be a faulty reasoning. Depending on the choice of the current leadership, incremental changes can be either liabilities or assets. Thus, the end-game is entirely up to North Korea.

The fourth ideal is the centrality of South Korea in managing the Korean problem and the external security environment. The sunshine policy recognizes the importance of the four major powers surrounding the Korean peninsula, but refutes the traditional balance of power determinism. While they might constrain South Korea's behavior, they cannot dictate its destiny. Although national division and the Korean conflict are products of Cold War bipolarity, it is the mandate of Koreans to demolish the trappings of the Cold War and to bring peace and stability on the Korean peninsula through their own

17) For the most recent work on the collapse thesis, see Nicholas Eberstadt, *The End of North Korea* (Washington, D.C.: AEI, 1999); For a survey of opposing views, see Moon and Rhyu, *op. cit.*, and *The Sunshine Policy, op. cit.*

initiative. The Kim Dae-jung government believes that it can alter the behavior of the four major powers, including the United States. Such a belief is most clearly evidenced in Kim Dae-jung's efforts to dismantle the structure of the Cold War on the basis of five elements: improvement of inter-Korean relations, normalization of North Korea-U.S. relations, normalization of North Korea-Japan relations, encouragement of North Korea's participation in the international community, prevention of proliferation of weapons of mass destruction and acceleration of arms control, and replacement of the armistice agreement with a South-North Korean peace treaty.¹⁸⁾ The efforts reveal that South Korea is more than willing to play a role as facilitator or mediator in North Korea's diplomatic normalization with Japan and the United States and in promoting the inflow of foreign capital into North Korea.

The dismantling of the Cold War structure is conducive to peace and stability on the Korean peninsula precisely because it can alter North Korea's behavior. The sunshine policy assumes that North Korean behavior can be tamed if proper external incentives are granted. North Korea slid into its role as an aggressive rogue state not simply because of the regime's structure and ideology, but also because of international isolation and containment. Improved external environment can transform North Korea into a normal state. Lifting of sanctions and international recognition (e.g., diplomatic normalization with Japan and the United States) can induce North Korea to behave as a rational actor as well as a constructive member of the international community.¹⁹⁾ Thus, The sunshine policy aims at realigning the international environment in such a way as to

18) The Ministry of Unification, "Two Years of the Government of the People: Achievements and Assessments of North Korean Policy," (*mimeo*), pp. 29-31.

19) See Leon Segal, *Disarming Strangers* (Princeton: Princeton University Press, 1996) and his chapter, "Think-tanks and the Development of Options," in Moon and Steinberg, *op. cit.*, pp. 153-171.

transform North Korea into a normal state, which is an essential prerequisite for improved inter-Korean relations and peace on the Korean peninsula.

Finally, the Kim Dae-jung government is attempting to achieve domestic consensus and bipartisan political support in the process of implementing the sunshine policy. It might seem utopian to anticipate voluntary changes in North Korea, since under a democratic polity, it is rarely possible to forge bipartisan political support for foreign or public policies. However, Kim believes that as far as policy on North Korea and national unification is concerned, forming domestic consensus and winning bipartisan support is not impossible. Policies of previous governments failed to win public support largely because of their domestic political abuse and misuse. But de-politicization, coupled with appropriate education and persuasion, may well mitigate domestic opposition, ultimately leading to national consensus and bipartisan political support. People will realize that the sunshine policy is the only feasible and desirable option for dealing with North Korea and that there are no other alternatives. And if there were any opposition, it would have to be the result of ignorance and misunderstanding of the sunshine policy, not of genuine disagreement.²⁰⁾ Thus, the utopian logic of harmony of interests strongly prevails in the reasoning of the sunshine policy.

Despite its realistic ideals, the practice of the sunshine policy has mixed results. The pacifist ideal had been tainted with several negative developments. For the past two years, there have been no major breakthroughs in tension reduction, confidence-building measures, or peace-making. On the contrary, both Koreas were on the brink of a major escalation in June 1999 in the wake of the naval clash on the West Sea. Along with this, the sunshine policy was

20) See President Kim's August 15, 1999 National Liberation Day speech.

greeted by the infiltration of North Korean spy submarines, Pyongyang's intensified denunciations of the South Korean government, and the launch of the Daepodong I long-range missile. Old patterns of military confrontation still remained, undercutting the performance of the sunshine policy.

The idea of *de facto* unification fared better. Although inter-Korean governmental contacts remained minimal, social, economic, and cultural exchanges proliferated. Since the Hyundai Group signed the concession agreement on tourist development of Mt. Kumkang with the North in November 1998, more than 200,000 South Koreans have visited Mt. Kumkang. The engagement policy has also accelerated inter-Korean personnel exchanges. In the ten years between 1989 and 1997, 2,408 South Koreans visited North Korea for economic, social, and personal reasons. But since the implementation of the sunshine policy, there has been a phenomenal growth in the number of visitors to the North. In less than two years, between February 1998 and November 1999, 8,509 South Koreans visited the North for various purposes. Frequency of reunions of separated families also rose exponentially, even though the reunions took place in China. The economic crisis in 1997 slowed economic exchanges and cooperation. However, as the South Korean economy began to recover, the volume of inter-Korean trade has risen rapidly. And as of December 1999, more than 130 South Korean firms had set up off-shore production sites in the North. Such remarkable progress in inter-Korean exchanges notwithstanding, however, *de facto* unification is far from a reality.

The objective to transform North Korea into a normal state also saw mixed results. The Kim Dae-jung government worked hard in this regard. It was not only instrumental in softening America's hard-line policy on North Korea by persuading the United States to adopt the "Perry Process," but was also active in facilitating North Korea's diplomatic normalization with Japan and other countries.²¹⁾ At the same time, it strongly advocated North Korea's admission to the

World Bank, the Asia Development Bank, and the Asian Regional Forum. Yet despite these efforts, North Korea's unruly behavior continued. The surprising launch of the Daepodong I missile on August 31, 1998 alarmed the entire world, heightening its fear of North Korea's erratic behavior. In addition, continuing suspicion over nuclear facilities in Kumchangri and elsewhere led some conservative critics in South Korea, Japan, and the United States to brand North Korea as a rogue state, undermining South Korea's efforts.

The Kim Dae-jung government's pledge to resolve the Korean question through self-initiative also remained unfulfilled. South Korea could not resume direct channels of communication with the North, and the United States continued to play a mediating role. While the United States was operating multiple channels with the North involving nuclear and missile negotiations, the Kim government could not engage in direct talks with the North. Such salient issues as the status of the armistice treaty, confidence-building measures, and peace-building on the Korean peninsula were left to negotiations within the framework of the Four Party Talks. South Korea was able to hold vice ministerial-level talks with the North twice in 1998 and 1999 over the issue of fertilizer assistance, but both meetings failed without producing any tangible outcomes. North Korea also turned down the South Korean proposal to exchange special envoys. Likewise, the centrality of South Korea in resolving the Korean question did not work out primarily because of lack of cooperation by the North.

Also worrisome, the foundation of domestic consensus became fragile. In contrast to earlier overwhelming endorsement by a majority of South Koreans, the sunshine policy began to lose its popular support base. Several factors contributed to the declining popular support. First, a lack of reciprocity from the North critically

21) See Moon Chung-in, Masao Okonogi and Mitchell Reiss (eds.), *The Perry Report, the Missile Quagmire, and the North Korean Question* (Seoul: Yonsei University Press, 2000).

undermined the efficacy of the sunshine policy. Some critics even portrayed the sunshine policy as a one-sided love affair. Second, national fatigue became all the more visible. The Kim Dae-jung government capitalized on the sunshine policy, yet failed to yield convincing results, thereby amplifying fatigue effects on the people. Finally, deepening ideological polarization blurred the focus of the engagement policy. Conservative forces began to accuse it of being a policy of appeasement that could ultimately endanger South Korea's national security posture. Sagging performance, along with North Korea's cynical negation, severely eroded domestic support bases and jeopardized its survival.

Judged on the above, the sunshine policy did not fare well. While it proved to be useful in promoting exchanges and cooperation on the private sector level, fostering the process of limited *de facto* unification, the sunshine policy was not able to produce concrete results in other areas. Peace remained elusive, and potential for conflict escalation was high. Whereas North Korea and the United States were shaping the geopolitical destiny of the Korean peninsula, South Korea was playing a rather passive role in the Korean drama. Moreover, still obsessed with the ideology of *Juche* and building a strong and prosperous nation, North Korea did not show any signs of voluntary changes. Such developments undercut the thrust of the sunshine policy, deteriorating the foundation of domestic consensus. However, a major turning point came in April 2000. Four days before the general election on April 13, 2000, the Kim Dae-jung government made a shocking announcement that both Koreas had agreed to hold a summit meeting in Pyongyang between June 12-14. The faltering sunshine policy was vindicated. At last, President Kim Dae-jung delivered on his inaugural pledge to hold a summit meeting with Chairman Kim Jong-il during his term of office.

THE KOREAN SUMMIT AND THE JUNE 15 DECLARATION: AN ANALYSIS

Observing the North-South Korean summit was like watching a surrealist movie.²²⁾ Reception of the President Kim by the Chairman at the Sunan Airport, the ceremonial inspection of the North Korean military guard, the two leaders motorcade ride to the Paekhwawon state guest house without the usual entourage, and the overall ambiance of the summit meeting contrasted with the old image of military animosity between the two Koreas. The summit meeting was like a large family gathering. Absent were vestiges of suspicion, distrust, animosity, and hostility, that had long governed the psyches of all classes, and in both Koreas. War was forgotten, and peace seemed imminent. The climax of the summit meeting came during the farewell luncheon hosted by chairman Kim Jong-il. Before the official luncheon started, Vice Marshal Cho Myong-rok, the first vice-chairman of the National Defense Commission and the third man in North Korea's power hierarchy, and Lim Dong-won, director of the National Intelligence Service of South Korea, in charge of covert espionage warfare on the North, exchanged brief speeches pledging their support for the summit meeting and the June 15 Joint Declaration.

The most significant result of the summit meeting was the adoption of the June 15 Joint Declaration.²³⁾ It is composed of five items. The first item states that "the North and the South have agreed to resolve the question of reunification independently and through the joint efforts of the Korean people, who are the masters of the country." While the statement appears to reaffirm North Korea's traditional position which emphasizes the principle of independence

22) See Moon Chung-in, "Two Days on the Other Side," *Time*, June 26, 2000.

23) http://www.kois.go.kr/government/president/2000/s_n/focus/analysis.html.

and autonomy, a close examination reveals that there is a striking contrast with previous North Korean positions set forth in the July 4 Joint Communique. Specifically, there is no mention of exclusion of foreign influence and interference as a precondition for improved inter-Korean relations. Obviously, “exclusion of foreign interference” referred to the status of American forces in the South and the ROK-U.S. military alliance. For the North, it would be virtually inconceivable to resolve the Korean question, including reunification, without first withdrawing American forces from the South and terminating the South Korean-United States Military alliance.

The June 15 Joint Declaration, however, does not include such wording, thereby leaving room for international cooperation with the four major powers, including the United States. Thus, the statement can be re-read as follows: the question of Korean reunification should be resolved through the self-initiated joint efforts of the two Koreas, who are the principal parties to the Korean problem.²⁴⁾ The fact that both leaders recognized the importance of cooperative initiative (*hyopyokjok jajoo*) over exclusive one (*baetajok jajoo*) in resolving the Korean question represents a major paradigm shift in discourses on Korean unification. It is so precisely because they admitted the complexity of the Korean problem which is entangled with regional security environment. This issue can be further corroborated by chairman Kim Jong-il’s statements on the status of American forces in the South. Chairman Kim is known to concur with President Kim’s view of American forces in the South. President Kim justified the continuing presence of American forces on three accounts: a credible deterrent to war on the Korean peninsula, a stabilizing element in prevailing regional strategic instability, and ultimately a peacemaker or peace-insurer even after

24) The official text of the Joint Declaration translates *jajoo* as independence, but this translation is quite misleading. Self-determination or self-initiative seems more appropriate (*Doklip* is the exact translation of independence).

Korean unification. Chairman Kim recognized the instrumental value of American forces by quipping that: "American forces can prevent you from invading the North."²⁵⁾

The second item in the Joint Declaration touches on a more sensitive issue, namely, modes for Korean unification. It states that "Acknowledging that there is a common element in the South's proposal for a confederation and the North's proposal for a loose form of federation as the formulae for achieving unification, the South and the North have agreed to promote reunification in that direction." This item was most hotly debated. It is known that Chairman Kim took the initiative on the issue of national unification, urging President Kim to adopt the North Korean proposal of the *Koryo* Confederal Democratic Republic (namely federation model) as a gift to the entire Korean nation. As a matter of fact, North Korea has persistently adhered to the *Koryo* confederate model since late Kim Il-sung proposed it on October 10, 1980 on the occasion of the Sixth Plenary Session of the Korean Workers' Party.²⁶⁾ The North Korean proposal of confederation is much closer to federation than to confederation in the strict sense. It is predicated on the notion of "one nation, one unified state, two local governments, and two systems" where diplomatic sovereignty and rights over military command and control are assumed to belong to one central government, while other functions are delegated to the jurisdiction of two local governments. In his 1991 New Year's message, Kim Il-sung proposed a loose form of confederation by stating that "in order to achieve a national consensus on the *Koryo* Confederal Democratic Republic more easily, we are willing to discuss a loose form of confederation with the South which would temporarily bestow greater power and autonomy to local governments and gradually

25) *The Joongang Ilbo*, June 20, 2000.

26) Yonhap News Agency, *Bukhan 50 nyon* (Seoul: Yonhap News Agency, 1995), pp. 483-487.

enhance functions of the central government over time in the future.”²⁷⁾ For all the minor amendments to the original version, North Korean government officials have consistently held that the confederate model is the only way to national unification.²⁸⁾

President Kim countered that it is virtually impossible to make a transition from a state of national division and conflict to a complete stage of (con-)federation at once. Merging diplomatic sovereignty and integrating military command and control are not easy tasks. He cited the Yemeni example in which hasty military integration within the framework of a federation derailed the entire process of unification. According to him, the stage of federation (*yonbang*) cannot be reached without first going through the stage of confederation (union of states, or *yonhap*). His version of confederation is predicated on “one nation, two states, two governments, and two systems,” which is similar to the case of the European Union or the Commonwealth of Independent States (CIS). In fact, two schemes of the confederation model have been considered in the South. One is the union of republics (*gonghwakuk yonhap*) which President Kim suggested as the first stage of his three-stage approach to national unification, and the other is the union of South and North (*nambuk yonhap*) which former president, Roh Tae-woo, proposed as the interim stage of his commonwealth model of Korean unification.²⁹⁾ Kim’s union of republics presupposes reasonable political confidence-building, a free market system, and a pluralist political system as preconditions for confederation. Then,

27) Bukhanyonguso, *Bukhanshinnyonsa Bunsok 1945-1995* (Seoul: Bukhanyonguso, 1996), pp. 220-228.

28) Literal transition of *yonbang* is federation. But North Koreans have translated *yonbang* as confederation, creating confusion between *yonbang* and *yonhap* (confederation or union states). In a sense, the Joint Declaration clarified the semantic confusion.

29) On Kim’s proposal, see Kim Dae-jung, *Three-stages approach to Unification* (Seoul: The Kim Dae-jung Foundation), in Korean. On Roh’s proposal, see National Unification Board, *Theoretical Foundation and Policy Directions of the Commonwealth Model of Unification* (Seoul: National Unification Board, 1990).

once confederation is established, it would be easier to reach the stage of federation and ultimately a unified state. On the other hand, Roh's commonwealth model posits reconciliation, exchanges, and cooperation as the first stage through which the North-South union and ultimately one unified nation-state can evolve. While Kim's model includes federation as an interim stage, Roh's model skips the stage of federation and assumes a direct transition from the interim stage of South-North union into a unified state.

Interestingly, President Kim proposed Roh's interim stage (i.e., South-North union) as an alternative to North Korea's federation scheme. The interim stage comprises four distinct elements: (1) peaceful management of national division and military conflict through tension reduction, confidence-building measures, arms control and reduction, and inter-Korean peace treaty; (2) promotion of exchanges and cooperation to foster national unification; (3) institutional realignments to promote inter-Korean social integration through which hostile institutions are removed, friendly institutions re-enforced, and a framework for reunification is formulated; (4) institutionalization of a confederation or a union of North and South Korea through summit meetings, ministerial meetings, parliamentary meetings, and ultimately an umbrella consultative body between the two. The North Korean leader was receptive to the proposal, and indeed, both leaders have agreed on at least two points: one is that Korean reunification can be achieved through incremental and functionalist approaches, and the other is that the last stage of confederation (South Korean proposal), namely formalization of the summit, ministerial, and parliamentary meetings, converges with the loose form of federation (North Korean proposal). The convergence of the two discourses on unification formulae, which used to compete in a parallel mode, can be seen as one of the most significant achievements in the summit talk.

The third item deals with reunion of separated families by stating that "the South and the North have agreed to promptly

resolve humanitarian issues such as exchange visits by separated family members and relatives on the occasion of National Liberation Day in August, and the question of unrepentant Communists who had served long prison sentences in the South.” From his arrival in Pyongyang, President Kim persistently sought the resolution of the issue pertaining to reunion of separated families. Chairman Kim willingly accepted the South Korean proposal, at the same time making a counter-proposal: He wanted the return of those North Korean spies and sympathizers who had been released after serving long-term sentences, but had refused to be law-abiding South Korean citizens for ideological reasons. The South accepted the offer within the broad framework of humanitarianism. Such a move might have been motivated to resolve other pending issues, such as the return of South Korean fishermen and prisoners of the Korean war who are still detained in the North.

The Joint Declaration also made a major breakthrough in economic, social, and cultural exchanges. The fourth item stipulates that “The South and the North have agreed to consolidate mutual trust by promoting balanced development of the national economy through economic cooperation and by stimulating cooperation and exchanges in civic, cultural, sports, public health, environmental and all other fields.” This agreement was also very much anticipated before the summit meeting. But there are several noticeable developments. One is related to economic cooperation. In previous agreements with the North such as the July 4 Joint Communique and Basic Agreement on Reconciliation, Non-aggression and Exchange and Cooperation, economic exchanges and cooperation were regarded as goals *per se*. But the June 15 Joint Declaration treats them as a means to promote balanced development of the national economy. The use of the term, “national economy,” is also refreshing since it assumes an integration of North and South Korean economies. Balanced development also appears to have a new semantic nuance. It could imply that the South is ready to assist the North in boosting up the latter’s economy and

that the South will neither exploit the North through market mechanisms nor extend unilateral concessions to the North. Apart from traditional emphasis on social and cultural exchanges and cooperation, the Joint Declaration specifically highlights public health and environmental issues, reflecting North Korea's preference.

The fifth item states that "The South and the North have agreed to hold dialogues between relevant authorities in the near future to implement the above agreements expeditiously." In order to implement the above agreements, it follows that Koreans will activate official channels of dialogue and negotiation. In light of past experiences, however, this provision also reveals a fundamental departure. North Korea has always refused to take part in official dialogues with the South. Instead, it attempted to expand contacts with civic organizations and business firms by circumventing the South Korean government. As it was reluctant to recognize the legitimacy of the South Korean government, it instead projected itself as the sole legitimate government on the Korean peninsula. But with the summit talks, the North has changed its previous position, recognizing the South as a legitimate counterpart for dialogue and negotiation. As a result, channels of dialogues between the North and the South have shifted from non-governmental to inter-governmental.

Finally, President Kim succeeded in winning Chairman Kim's agreement on a return visit to Seoul. Chairman Kim initially opposed including his return visit to Seoul in written form, but he was persuaded to do so by President Kim. Formalization of Kim's return visit in the declaration is imperative since it signals the continuation of inter-Korean summit talks.

All in all, the summit meeting and the June 15 Joint Declaration present a historic turning point in inter-Korean relations. Both leaders were able to build mutual trust, and they agreed that neither unification by absorption (the previous South Korean intention) nor unification by force (the previous North Korean position) will be

acceptable. The newly-formed bond of trust between the two leaders proved to be crucial for tension-reduction and confidence-building between two Koreas. More importantly, they initiated the inter-Korean summit meeting without the help of third party intermediaries. This represents a radical departure from the past, since the North had refused to have any official and direct contacts with the South Korean government. At the present moment, it is not clear whether the North Korean move is tactical or strategic, but it has become all the more clear that it is willing to change, at least as far as inter-Korean relations. The North Korean attitude is so far sincere and forthcoming, with most of the agreements embodied in the Joint Declaration being implemented. A completely different political landscape is on the horizon. Indeed, unimaginable objectives are being realized at an amazing speed.

**PROSPECTS FOR KOREAN REUNIFICATION:
NEWLY-EMERGING OPPORTUNITIES AND CONSTRAINTS**

The summit and subsequent developments signify revolutionary changes in inter-Korean relations. Judging from the protracted, vicious circle of mutual distrust, negation, and military confrontation, which has governed Korea for the past fifty years, recent changes reflect a truly profound breakthrough. However, the summit talk and the adoption of the June 15 Joint Declaration is not the end of the Korean question, but merely the beginning of a long and precarious journey toward peaceful co-existence and Korean reunification. Despite remarkable progress in inter-Korean relations, an array of new and tough agenda for future inter-Korean negotiations await. Some of important agenda can be summarized in the following:

- Military issues: tension reduction, military confidence-building,

- arms control and reduction, and replacement of the armistice treaty by a new inter-Korean peace treaty;
- Weapons of mass destruction and missile issues including implementation of the Joint Declaration of de-nuclearization of the Korean peninsula;
 - Return of kidnapped South Koreans, including fishermen and prisoners of the Korean war, who are still detained in the North, as a reciprocal measure for the return of unconverted North Korean spies and pro-North Korean sympathizers;
 - Increased frequency and expanded size and scope of reunions for separated families, including location of missing families and exchanges of letters;
 - Terms of economic exchanges and cooperation including institutional changes in the direction of opening and reform.

None of these agenda are likely to be easy or smooth, not only because of their backlash effects on vital interests of the North Korean regime, but also because of inherent differences between the two Koreas in their priorities. For example, South Korea has always wanted to include tension reduction and military confidence-building measures in the agenda of inter-ministerial talks, but the North has wished to avoid these issues. Although the second ministerial talk was able to produce a joint statement urging tension reduction and activation of inter-Korean military talks, the North has been rather reluctant to discuss these issues. The situation will be even more complicated if North and South Korea begin deliberating on arms control, limitation, and reduction. It is not easy to realign and reduce the combined forces of nearly 1.8 million soldiers and their related weapons systems, since such moves can severely undercut institutional interests of the military in both North and South Korea.³⁰⁾ Moreover, even though Chairman Kim recognizes American forces in the South as a *fait accompli*, actual inter-Korean arms control negotiations are bound to affect their status.

Transforming the armistice treaty into an inter-Korean peace treaty system will pose more complex and daunting challenges. South Korea is not a legal party to the armistice treaty since it refused to sign it in 1953. Only North Korea, the United States, and China are *de jure* parties to the treaty, with the United States merely representing the United Nations Command.³¹⁾ Thus, dismantling the armistice treaty involves complex legal processes which would be difficult for North and South Korea to resolve through the principle of self-determination. As President Kim Dae-jung suggested in his recent meeting with Jiang Zemin at the United Nations, the transformation of the inter-Korean peace treaty should be resolved in a forum other than bilateral negotiations. The Four Party Talks would be a more desirable venue in this regard where inter-Korean peace treaty can be guaranteed by China and the United States. However, such efforts could hinder North Korea's intention to sign a bilateral peace treaty directly with the United States ahead of the dismantling of the armistice treaty.³²⁾ Hence, inter-Korean peace-building is a much more complicated task than commonly thought.

Inter-Korean negotiations are not likely to adopt agenda involving weapons of mass destruction and missiles. Indeed, the United States will remain the principal partner for dialogue and negotiation over these issues, while retaining the close unilateral policy coordination with Japan and South Korea. However, South Korea will be placed in a difficult position if the North again plays the nuclear and missile cards in its game of brinkmanship diplomacy. In order to avoid such a contingency, South Korea is obliged to engage in negotiations with the North over the issue of nuclear and

30) Moon Chung-in *Arms Control...*, ch. 6.

31) Je Sung-ho, "Building a Peace Regime on the Korean Peninsula," *Kukga Jonryak* (National Strategy), 2:1(1996), pp. 77-78 (in Korean).

32) Moon Chung-in, "The Kim Dae-jung Government and Peace-building on the Korean Peninsula," *Kukga Jonryak* (National Strategy), 5:2(1999), pp. 139-170. (in Korean).

missiles. Given Chairman Kim's responses during the summit talk, however, it will be quite difficult for the South to persuade the North to comply with both the Joint Declaration on de-nuclearization of the Korean peninsula and Missile Technology Control Regime (MTCR).

Current progress alludes that social exchanges and cooperation can be expedited, leading to *de facto* unification as the Kim Dae-jung government anticipates. Even in this area, however, major obstacles can emerge. The return of kidnapped South Koreans and prisoners of war has become a major political issue in the South, and the Kim Dae-jung government is under heavy political and social pressures. But the North has been relatively insensitive to these issues since it believes that they are not a legitimate agenda for negotiations. For the North, there are no kidnapped South Koreans, rather stayed in the North of their own free will. And according to the North, the issue of prisoners of war was addressed already, through official exchanges in 1953. Increased frequency and expansion of reunion of separated families might not be easy either. Since increased personnel exchanges can pose major threats to regime security in the North, it will try to impose maximum control over the size and the modes of reunion of separated families. Thus, this issue cannot be easily resolved either.

Contrary to public expectations, reaching viable agreements on modes and nature of economic cooperation and exchanges might be as difficult as military issues. The June 15 Joint Declaration has set the lofty goal of achieving balanced development of the national economy through economic exchanges and cooperation, but this goal cannot be realized unless North Korea undergoes far-reaching reforms in its economic structure. Tactical and cosmetic changes, as seen in the example of the Rajin-Sonbong free trade zone, cannot induce private investments from the South. In the brave new world of the post-IMF crisis, private firms, including the *chaebols*, cannot commit themselves to North Korea without considering corresponding profit. Hyundai is the exception rather than the rule. South

Korean officials must thus persuade North Korean counterparts to undertake major institutions reforms. Prevention of double-taxation, investment guarantees, formalization of payment clearance, and mechanisms for dispute resolution are important, but they alone cannot attract private money from abroad including South Korea. There should be deeper and wider reforms in the direction of the market economy with a firm institutional guarantee of private property rights. Otherwise, the South Korean government cannot persuade its firms to invest in the North. Lack of opening and reforms in the North could also easily place the South Korean government in a difficult position, for public opinion will oppose the government's economic cooperation with the North under such circumstances.

Apart from institutional changes, the size and terms of economic cooperation with the North will turn out to be another major problem. Given overall signals from the North, it appears that the North anticipates major support from the South. But the existing fiscal burden, new fiscal demands associated with corporate as well as banking and financial reforms and productive welfare initiatives, plus the conservative opposition to massive economic cooperation with the North will make it difficult for the South to engage in mega projects with the North.

Likewise, a rocky road is ahead of inter-Korean relations. What then are opportunities and constraints underlying inter-Korean relations? The most important variable is the North Korean factor. Chairman Kim's continuing commitment to improving inter-Korean relations and consolidation of his political power over the party, the military, the state, and civil society are the most essential prerequisites for smooth inter-Korean relations. Failure to tame military grievances as well as to control party cadres and state bureaucrats can derail the entire enterprise of inter-Korean relations, which will eventually endanger his own regime. Although there is no doubt as to Kim Jong-il's paramount leadership, unpredictable

events embedded in the institutional structure of North Korean society can ruin the process of inter-Korean improvements.

South Korea is not without its own drawbacks. Despite the remarkable success, public reactions to the June 15 Joint Declaration have been somewhat mixed. Conservative critics have raised several issues. First, the declaration failed to address issues on tension reduction and peace building on the Korean peninsula. Second, the item on agents of Korean unification and the following item on modes of unification reflect North Korea's agenda, not the South's. According to conservatives, President Kim accommodated North Korean demands imprudently. That accommodation has created a new confusion where discourses on unification have overwhelmed those on tension reduction and peace building. Third, unconditional return of North Korean sympathizers who refused to accept South Korean authority is a too generous concession. They should be linked to the return of kidnapped South Korean fishermen and prisoners of war during the Korean War who are still retained in the North. Fourth, the other items are nothing new. Previous agreements, such as the July 4 Joint Communique and the Joint Declaration, have already addressed those issues. Finally the summit meeting and the Joint Declaration went too far and too fast by precipitating ideological chaos and jeopardizing national security in the South. Triumphant mood followed by the summit pacified domestic opposition for the time-being, forging a rather contrived national consensus. As the moment of enthusiasm recedes, however, the sound and the fury begin to rise. While the opposing Grand National Party is acutely critical of Kim Dae-jung's venture with the North, conservatives have begun to strike back with cynicism. Despite an overall high approval rate of the summit meeting, popular support has been divided along regional lines. More critically, leading mass media's criticism of Kim Dae-jung's engagement policy has begun to undercut political dividends garnered from the summit. If inter-Korean arms control talks are

realized, the military could emerge as another factor that can critically influence the process of inter-Korean negotiations. Then, the crumbling foundation of national consensus can easily dampen prospects for inter-Korean relations.

Finally, external factors can also influence the process and outcome of inter-Korean negotiations. Of four major actors in the region, China has everything to gain from inter-Korean *rapprochement*. While Russia has become a rather residual actor, Japan has been rather passive by coupling its interests within the Japan-U.S.-South Korea trilateral policy coordination. But if the United States abandons the Perry line and shifts to a hard-line position, parameters governing inter-Korean relations can be radically reshaped. Containing the North and playing with the Theater Missile Defense (TMD) card are likely to undermine inter-Korean relations significantly.

CONCLUDING REMARKS

The summit marks a stunning breakthrough in inter-Korean relations. Two Koreas have now entered a new era of reconciliation, exchanges, and cooperation. Although *de jure* unification is still far away, peaceful co-existence and *de facto* unification appear to be near. By all accounts, the summit talk was a dazzling success. It has shown that North Korea is not an eccentric rogue state to be constrained, but should a normal, calculating state that deserves political space for dialogue and negotiation.

As noted in the above, however, there are numerous obstacles to peaceful co-existence and Korean reunification. Leadership in both Koreas should not only avoid the politicization of inter-Korean issues for domestic political purposes, but should also overcome domestic division and opposition. Improved inter-Korean relations cannot be envisaged without pacifying domestic forces and forging a

viable national consensus. The international community should also give its blessing and lend unprecedented support for tension reduction and peace-building on the Korean peninsula. By abandoning the structure of balance-of-power determinism, the four major powers can also play a constructive role in facilitating peaceful co-existence and reunification. But it should be remembered that reunification cannot be achieved without first achieving peace. Once peace is realized, the door to reunification will open. Keeping this in mind, both Koreas should make every effort to turn spectres of war into rays of peace and to transform division into reunification with patience, prudence, and inter-subjective understanding.