

The Ball is in Pyongyang's Court: Inter-Korean Relations After the Summit

Jeong Se-hyun

BACKGROUND OF THE INTER-KOREAN SUMMIT

Credit for the recent historic inter-Korean summit talks goes to the Kim Dae-jung government and its consistent North Korea policy. Another element leading to the Pyongyang summit was the improved internal and external climate created by the end of the Cold War era and the favorable response from North Korea. The purpose and motivations behind the North's response to the summit talks are diverse. Above all, the most likely reason was its dire internal situation that prompted a positive response to the inter-Korean summit talks. For the Stalinist nation, which had endured considerable suffering over a long period in the name of the "arduous march," the improvement of inter-Korean relations seemed the inevitable option.

Initially, North Korea was dubious of the real intent of the sunshine policy. It suspected that the policy was an initial step towards marking a "peaceful transition to the South's system," or at the least, a shrewd tactic aimed at severing the North's ideological defenses, which would ultimately lead to the collapse of the regime. The Kim Dae-jung government, which adapted the term "sunshine

policy” from one of Aesop’s Fables, intended to clarify public understanding of its new North Korea policy. Because South Koreans were still wary of the North based on more than over five decades of Cold War, President Kim decided to borrow a simple parable from Aesop to help his constituents to easily understand his North Korea policy. However, North Korea misinterpreted the goals of the policy, at first, believing it was designed to absorb the North, perhaps questioning the true meaning behind the analogy of taking off a heavy coat because of the warmth of the sunshine.

At the time, the South Korean government assessed that it would take some time for North Korea to understand the genuine objectives of the sunshine policy. Based on this assessment, the South took an indirect approach towards the North by encouraging private-level contacts, rather than pushing ahead with government-level meetings, while waiting for a positive signal from Pyongyang. In line with this policy assessment, on April 30, 1998, the South Korean government greatly simplified approval procedures required for visits to the North by South Korean civilians, while significantly easing its regulations related to inter-Korean economic cooperation.

Since then, inter-Korean exchanges and cooperation have rapidly increased. The most striking example is the active exchange of people. During 1998, a total of 3,317 South Koreans visited North Korea. In 1999, the figure steadily climbed to 5,599 and still further, to 7,280, in 2000. The first visit by South Koreans to the North was made on January 1, 1989 when a group of South Korean civilians was officially allowed entry in accordance with the July 7 Declaration of 1988. Nevertheless, for the following nine years, from 1989 to 1997, the total number of South Koreans who made trips to North Korea totaled a meager 2,408. In comparison, for the following three years from 1998 to 2000, the number totaled 16,196, indicating a phenomenal change in inter-Korean relations. Also, the number of North Koreans visiting the South has gradually risen. While in 1998, not a single North Korean visited South Korea, the figure rose to 62 in 1999, and to 706 in 2000. In the meantime, inter-Korean economic cooperation has become more

vigorous, with the bilateral trade volume exceeded \$200 million in 1998, despite an economic crisis in the South. The year 1999, marking the launch of Hyundai's Mt. Kumgang tourism project, saw bilateral trade volume leap to \$334 million.

What is noteworthy is that the increase in inter-Korean exchanges was primarily the result of the South's strenuous efforts to engage the North, but that it could not have happened without the North's positive response. In other words, North Korea realized the genuine objective of the sunshine policy, to promote South-North reconciliation and cooperation, and it therefore responded favorably to the idea. In this conducive climate, a dramatic breakthrough in inter-Korean relations came with the "Berlin Declaration," announced by President Kim Dae-jung on March 9, 2000, proposing Seoul's plan to "help the North in reforming agricultural systems and expanding social infrastructure."

In sum, the Kim Dae-jung government's consistent engagement policy towards North Korea was the direct cause of normalization of inter-Korean relations. Yet, if North Korea had not trusted the South, and had rebuffed the proposal, all inter-Korean exchanges that have been achieved so far would never have been possible, and certainly, an inter-Korean summit would have been out of the question.

INTER-KOREAN RELATIONS AFTER THE SUMMIT

Until February 2001, the two sides held a series of inter-Korean dialogues to implement the agreements reached during the summit talks and to improve inter-Korean relations, including: ministerial talks (four), special envoy talks (once), defense ministers' meeting (once), working-level military talks (five), working-level economic talks (twice) and Red Cross talks (three). Six inter-Korean dialogue channels were mobilized on 16 occasions and there have been three rounds of reunions of separated family members as well as a substantial increase in inter-Korean exchanges and cooperation in

economic, social and cultural fields.

Ministerial Talks

Inter-Korean Ministerial talks have been a pivotal consultative body governing implementation of the June 15 South-North Joint Declaration and overall inter-Korean relations. Through the minister-level talks, both Koreas discussed and agreed to the following issues: resuming operations at the liaison office at Panmunjom, reconnection of the Seoul-Shinuiju Railway and construction of the Kaesong-Munsan highway, resolution of the issue of separated families, provision of humanitarian aid to the North, institutionalization of inter-Korean economic cooperation, holding of inter-Korean military talks, mutual exchange of delegations to Mt. Halla and Paekdu, alternate hosting of Seoul-Pyongyang soccer games, mutual exchanges of professors and students, among others. Of these points, a number of issues have already been implemented. Still, much is left undone. A good example is the setting up and operation of a reunion center for separated families. Along with an economic delegation, North Korea's delegation to the South's Mt. Halla has yet to visit South Korea. A visit to Seoul by Kim Yong-nam, chairman of the presidium of the Supreme People's Assembly, ahead of North Korean leader Kim Jong-il's reciprocal visit to Seoul, is also yet to be made.

To tackle the pending inter-Korean issues, the fifth round of ministerial talks, which was unilaterally delayed by North Korea, should be held at the earliest possible date. The North is currently watching closely the U.S. administration's review of North Korea policy and carefully considering ways to deal with changing situations at home and abroad. However, that does not mean that Pyongyang has changed its mind about resuming inter-Korean dialogue. The fact that North Korea recently asked for 200,000 tons of fertilizer aid is a clear demonstration of the North's positive intention. Inter-Korean relations and North Korea-U.S. relations should be dealt with separately, on issues such as separated families, abducted South

Koreans and prisoners of war (POWs). For an early resolution of these issues, inter-Korean ministerial talks should be resumed as soon as possible.

Inter-Korean Special Envoy Talks

The two powerful negotiators behind inter-Korean negotiations are South Korea's Lim Dong-won and North Korea's Kim Yong-sun. On September 11, 2000, Kim Yong-sun, Workers' Party secretary, visited Seoul, and also visited Cheju Island on September 12, for meetings with then Director General of the National Intelligence Service Lim Dong-won (currently Unification Minister). The two agreed in principle on the following issues: National Defense Commission Chairman Kim Jong-il and Chairman of the presidium of the Supreme People's Assembly Kim Yong-nam's visit to Seoul; confirmation of the status of separated family members; exchange of letters; the holding of defense ministers' talks and working-level economic talks; the North Korean economic delegation's visit to the South; building joint flood-control facilities on the Imjin River, etc. The multi-faceted agenda illustrates the extent to which the two negotiators have coordinated with each other about items for ministerial and other inter-Korean dialogues. This holds great significance in that a high-level coordination channel was in place between the two Koreas, opening the possibility for the development of stable inter-Korean ties. Although the agreement between the two envoys was facilitated to some extent by South Korea's promise of food aid to North Korea, the envoy talks set a positive precedent for inter-Korean relations by showing that a high-level dialogue channel could be utilized even when inter-Korean ties hit a glitch.

Defense Ministers' Talks and Working-level Military Talks

Based on the success of the second round of ministerial talks (August 29-31, 2000, Pyongyang) and Lim-Kim talks (September 12,

Cheju Island), the defense ministers' talks were held on Cheju Island on September 25, 2000. During the unprecedented defense ministers' meeting, the two sides agreed in principle on military tension reduction, removal of the threat of war and the establishment of peace on the Korean peninsula. They also agreed to set up a working-level military committee for the reconnection of the Seoul-Shinuiju Railway and the construction of the Kaesong-Munsan highway.

Working-level military talks were first held on November 28, 2000 at the truce village of Panmunjom and subsequently, on four other occasions up until February 8, 2001. During the meetings, which were hosted alternately by each side, they made substantial progress by drawing up a plan on the "management of an administrative section running across the Seoul-Shinuiju Railway and inter-Korean highway in the demilitarized zone (DMZ)." The South and North also agreed to sign and enact the plan when the second round of defense ministers' meetings is held. Unlike the working-level talks, the inter-Korean defense ministers' talks were not that successful. More specifically, the Northern side did not show a positive response to the South's proposal for detailed discussions on tension reduction and a peace settlement on the peninsula. Therefore, it is predicted that South-North defense ministers' meetings are unlikely to make much progress in the near future, but will produce tangible results only after a strong trust is established between the two sides.

Working-level Meetings for Economic Cooperation

At the second ministerial meeting, the two Koreas agreed to prepare an institutional framework for inter-Korean economic cooperation, which was reaffirmed at the Lim-Kim meeting. Consequently, two rounds of working-level economic talks were held in Seoul and Pyongyang on September 25-26 and on November 8-11, 2000 respectively. At the talks, both sides not only reached an agreement on the language of four sets of agreements, which would serve as an institutional framework for inter-Korean economic

cooperation, but also initialed the agreements. These agreements include investment protection, preventing double taxation, designating local banks to allow direct financial transactions, and establishing a bilateral body to settle potential trade disputes. Meanwhile, delegates from the two Koreas signed a “food loan provision” agreement at the working-level economic meeting held in Seoul on September 26, 2000.

The agreements enabled South Korea to receive most-favored nation status from the North and to fend off a possible decline in profit as a result of double taxation. In exchange, thanks to the agreement, South Korean businesses will benefit from direct financial transactions that previously were possible only through third countries, and will avoid possible future complications if disputes arise in the course of inter-Korean economic cooperation. At the fourth round of ministerial meetings held in Pyongyang on December 12-16, 2000, the heads of delegates from both sides signed the four-point agreement and consented to their enactment through implementation of internal procedures and the subsequent notification of that fact to the other side.

Separated Families, South Korean POWs and Abducted South Koreans

Since the inter-Korean summit, the most tangible results have been achieved in the separated family issue. The three rounds of reunions made it possible for 3,110 separated families from both sides to meet long-lost family members. Another 6,000 people have been able to confirm the whereabouts of family members. In addition, the two Koreas have allowed the exchange of a total of 600 letters—300 each from each side.

In 1985, there was one separated-family reunion, but that lasted for only one or two hours. However, current reunions have allowed the separated families to meet family members and relatives three to five times, with each meeting lasting more than two hours. They also ate meals together at least twice. While the best option would have

been for families to visit their hometowns or the homes of their family members, the reunions held after the inter-Korean summit marked a significant step forward, compared to the one held in 1985.

The North Korean separated families who visited the South recently had voluntarily left South Korea for North Korea right before, or after the Korean War. Moreover, Pyongyang permitted some South Korean POWs and kidnapped fishermen to meet their South Korean families in North Korean territory. In the 1970's Pyongyang defined "separated family" as only those who went to South Korea, while their families remained in North Korea. It is too early to judge whether such a compromise stemmed from a tactical calculation or whether it can be interpreted as a signal of North Korea's willingness to resolve the separated family issue. What is clear, however, is that South Korea should encourage North Korea to continue to change.

One of the pressing issues is the establishment of a permanent meeting place for separated families as agreed upon at the first inter-Korean Red Cross Talks held in Mt. Kumgang on June 27-30 last year. Since exchange visits of separated families have imposed a financial burden on the North and the conversations between divided families were limited to superficial topics, the current form of the meetings should be changed.

As part of its efforts to maintain and propagate its system, North Korea has extended "hero" status to the 63 unconverted communists who had served long prison terms in South Korea and were repatriated to the North on humanitarian grounds. By the same token, it is important that the North also acknowledge the status of those South Korean POWs and abductees. The establishment of a single meeting place will also help ease the pain of them.

Economic, Social and Cultural Exchanges

Before the inter-Korean summit, the Pyongyang Acrobatic Troupe performed in Seoul from June 3 to 10, 2000. The thirteen performances

were aimed at creating an atmosphere conducive to the planned inter-Korean summit and the event actually succeeded in contributing to a reconciliatory mood on the Korean peninsula. The cost to South Korea was considerable: a total of \$52.34 million including \$3 million in cash for the shows, 2 million TV sets (worth \$200,000), and airfares, transportation and accommodation expenses. After the summit, South Korea spent \$215,380 for the Pyongyang Youth Students Art Troupe show on June 26-28 and \$584,600 for the Chosun Symphony Orchestra concert on August 18-23, both of which were held in Seoul.

After the provision of \$53.14 million worth of South Korean assistance to the North in social and cultural areas, North Korea officially asked for food assistance at the second ministerial talks held from August 29 to September 1. Later, the North Korean Workers' Party secretary Kim Yong-sun also urgently requested one million tons of food assistance when he visited South Korea between September 11-14. In response, the South Korean government signed the "food loan provision" proposal at the working-level economic talks on September 26. Under the agreement beginning on October 5, South Korea transported 300,000 tons of Thai rice and 200,000 tons of Chinese corn to the North. The South also sent 100,000 tons of corn to the North as part of the World Food Programme's food aid program.

In line with the policy of continued assistance to the North, inter-Korean relations in economic, social and cultural sectors were also improving. Immediately after the inter-Korean summit, Chairman Kim Jong-il gave the go-ahead to Jung Mong-hun, Hyundai Asan chairman, to develop an industrial park in Kaesong, North Korea, apparently to elevate the level of inter-Korean economic cooperation. Other inter-Korean projects also went smoothly: the ground-breaking ceremony for the inter-Korean railway (Seoul-Shinuiju) was held on September 18 and Chairman Kim Jong-il promised Hyundai Asan's Chairman Jung Mong-hun that he would enact an investment guarantee act when they visited Mt. Kumgang tourism resort on September 30, which expedited the pace of inter-Korean economic talks. North Korea went so far as to show South Korea's delegation the

distribution site in order to demonstrate transparency in food distribution.

As for inter-Korean trade volume, it recorded \$425.14 million in 2000, up 27.5 percent from \$333.4 million recorded in the previous year. The number of South Korean visits to the North increased by over 30 percent from 5,599 in 1999 to 7,280 in 2000. Although the increase was outpaced by that of South Korean visitors, the number of North Koreans visiting South Korea also rose from a mere 62 people in 1999 to 706 in 2000 and 1,488 in April 2001.

Not only economic exchanges but also exchanges in social and cultural areas showed remarkable progress. A series of exchanges took place: performances by the Pyongyang Acrobatic Troupe; the Pyongyang Youth Students Art Troupe and the Chosun Symphony Orchestra in Seoul and the visit of South Korean media executives to North Korea; agreement on inter-Korean media exchanges; South Koreans' visit to Mt. Kumgang; joint production and broadcasting by KBS-TV and North Korea's Central TV; discussions between workers of both Koreas; South Korean Kangwon Province governor Kim Jin-sun's visit to the North; KTB Network president's visit to the North; the joint production of cartoons; performance of Korea's traditional opera Chunhyangjon in Pyongyang, and visits to North Korea by North Cholla Province governor, Yu Jong-kun, and Cultural Minister Kim Han-gil.

BUILDING A PEACE REGIME AND THE CHALLENGES

U.S.-North Korea relations have improved in tandem with the development in inter-Korean relations. A landmark was reached when North Korean envoy Cho Myong-rok visited the United States in October 2000. During his visit he met with then Secretary of State Madeleine Albright, Defense Secretary William Cohen and President Bill Clinton. Prospects for U.S.-North Korea relations brightened when the U.S.-North Korea Joint communiqué was announced. The

subsequent visits by Secretary Albright to Pyongyang and her meeting with Chairman Kim Jong-il signified that an improvement in U.S.-North Korea relations is not a matter of “if,” but “when.”

Just as there has been rapid improvement in inter-Korean and U.S.-North Korea relations, so, North Korea-Japan relations have also shown signs of development. The two countries resumed normalization talks with Tokyo, indicating a changed attitude in such issues as Japan's official apology and compensation for past atrocities during colonial rule on the Korean peninsula. Moreover, relations between the communist country and the EU also proceeded at a speedy pace. As of April this year, 13 of the 15 EU countries had already established diplomatic ties with North Korea. The only two exceptions are France and Ireland, which have demurred on the grounds of the human rights situation in the North. Swedish Prime Minister Goran Persson met with Chairman Kim Jong-il in his capacity as Chairman of the EU. During the visit, the two sides agreed on the establishment of official ties and exchange visits by economic delegations. The two sides also consented to talk about human rights issues. Following Prime Minister Persson's visit to Pyongyang, France announced that it would forge official relations with North Korea and chances are good that Ireland will follow suit.

Meanwhile, North Korea has been accelerating the speed of change, as well as broadening its scope. Change, in Pyongyang's view on South Korea and other foreign countries, is well manifested in Chairman Kim Jong-il's “New Thinking” theory published in the January 4th edition of *Rodong Sinmun*. Kim called for a change in attitude, stating, “We need to boldly eliminate the unnecessary and let go of outdated ideas of the past.” And “We need to solve problems based on new perspectives and new points of view.” On January 15-20, 2001, Kim accompanied by senior party officials, the government and the military, visited Shanghai to witness its economic transformation. Following the trip, he strongly indicated the possibility of change, pointing out the success story of the Chinese opening and reform policy. In addition, during his trip to China, Kim said, “Since I last

visited Shanghai 18 years ago, everything has changed except the Hwangpo River. Shanghai has been transformed into a modern city through cataclysmic changes” and “I will make an effort to improve our relations with the South.” Based on these observations, it seems apparent that upgraded inter-Korean cooperation and exchanges following the inter-Korean summit and the friendly policies of neighboring countries toward North Korea are creating an environment that facilitates the North’s opening.

In contrast with the relatively favorable external situation, obstacles have begun to emerge within South Korea. Although it paid a relatively high price to encourage the North to join the reconciliation process, public support for the government’s North Korea policy had been relatively strong, partly due to the enthusiasm and excitement experienced during the process of improving inter-Korean relations, especially during the inter-Korean summit. The novelty and emotional excitement experienced by the South Korean people, however, have begun to subside with the passage of time. Especially after late 2000 and early 2001, when a gloomy economic outlook was forecast in South Korea, public enthusiasm for the improvement of inter-Korean relations began to rapidly cool. While welcoming the reunion of separated families, the institutional framework for inter-Korean economic cooperation, the reconnection of the cross-border Seoul-Shinuiju railway and the plan for Kaesong industrial park, the public has begun to feel burdened by the cost of aid, that has been delivered or will be delivered in the future.

South Korean public opinion on inter-Korean relations further deteriorated when it was forecast that the new Bush administration would take a conservative, hard-line policy toward North Korea. In particular, around the time of the U.S.-ROK summit, high-ranking officials from the Bush administration consecutively made remarks emphasizing the hard-line stance of the administration. This led to a cooler relationship between the United States and North Korea, and in turn, the North unilaterally postponed, then scrapped, scheduled talks with the South. Under the circumstances, the South Korean public

also expressed skeptical views on the government's North Korea policy, questioning whether the North's strategy basically placed higher priority on U.S.-North Korea relations than inter-Korean relations, and whether the "national cooperation between the South and the North" specified in paragraph one of the June 15 inter-Korean Joint Declaration was still effective. Worse still, some people even raised the fundamental doubts on whether the Kim Dae-jung government's unification philosophy to further inter-Korean reconciliation and cooperation could really bring peace to the Korean peninsula.

What is fortunate, however, is that North Korea is not employing brinkmanship tactics, although it has continued to criticize the United States. Instead, the North implicitly called for dialogue with Washington and is paving the way for restarting talks between Washington and Pyongyang by conveying, via Swedish Prime Minister Persson, its intention to suspend missile tests by 2003. What is also notable is that, unlike initial expectations, the Bush administration is likely to adopt a relatively moderate and dialogue-oriented North Korea policy. At any rate, the North Korea policy of the Bush administration will not be the same as that of the previous Clinton administration. However, there is a good possibility that talks between the two sides will resume, if the new U.S. administration's basic North Korea policy pursues engagement and resolves bilateral pending issues through dialogue. Then it will likely proceed at the same speed and intensity of the second half of 2000, in improving not only inter-Korean relations but also Japan-North Korea relations.

It is unwise to hinge inter-Korean relations on U.S.-North Korean relations. However, there is currently no alternative to the temporary stalling of inter-Korean relations, which was caused by the change in the U.S. administration. In this context, there is a strong need to harmoniously balance inter-Korean cooperation and U.S.-ROK cooperation. In addition, it must be remembered that the rapid improvement of inter-Korean relations following the inter-Korean

summit was possible thanks to South Korea's humanitarian aid to the North and continued inter-Korean economic cooperation on a private level. If the common truth, that peace has its price, is forgotten, inter-Korean relations will remain a matter of debate forever, whether as an internal issue in South Korea or as a South-North relations issue.

OUTLOOK FOR THE SECOND INTER-KOREAN SUMMIT

The Future Inter-Korean Summit and its Ramifications

The second inter-Korean summit, tentatively scheduled for the first half of 2001, is being delayed due to the new U.S. administration's policy review on North Korea. The fifth inter-Korean ministerial talks slated for March 13-15, 2001, right after the summit between the leaders of United States and South Korea, were postponed, while the fourth Red Cross talks between the two Koreas were not held either. Currently, official talks between the South and the North have been placed on hold by North Korea.

Meanwhile, since the first inter-Korean summit, North Korea has repeatedly pledged itself to, or proclaimed the implementation of the June 15 South-North Joint Declaration. Although this behavior on the part of Pyongyang is probably aimed at securing assistance from the South, it could also be an indication of its intention to live up to its promise on the basis of reciprocity. In his meeting with Swedish Prime Minister Persson, North Korean leader Kim Jong-il said, "I will keep my promise to visit Seoul for the second inter-Korean summit, but we are taking a wait-and-see approach while the United States reviews its North Korea policy." Given that the U.S. policy review is likely to be completed around June this year, the second inter-Korean summit could possibly be held in autumn 2001 at the earliest, or at the end of this year at the latest.

The bottom line, however, is not whether the summit will be held, but what results the summit will bring. At the second summit, a

mechanism should be prepared to expand and deepen the principle of “national cooperation” announced at the first summit. Since the first South-North summit, inter-Korean visits, exchanges and cooperation have increased considerably. In this sense, it can be said that inter-Korean relations have improved remarkably, but not to the extent of co-existence. In strict terms, the two Koreas are in transition from the phase of confrontation to the phase of co-existence.

In this context, at the second summit, the measures to develop inter-Korean relations in the military sector by applying to the military area the “principle of cooperation” agreed to at the first summit, should be institutionalized. If meaningful progress is made in the military sphere, it will satisfy the expectations of the South Korean people for an improvement of inter-Korean relations, leading to more positive public perceptions of government aid to the North. On the other hand, if the North tries to make progress only on the unification issue, setting aside detailed consultations and agreements on military trust-building and tension reduction measures at the second summit, there is a strong likelihood that public opinion in the South will drastically worsen.

Progress in the military sector is also needed to help conservatives in the United States to gain a reasonable understanding of North Korea. If concrete measures to accelerate tension reduction on the Korean peninsula are dealt with at the second summit, the suspicions of American conservatives will be reduced. Moreover, it will resolve the impasse created by the U.S. demand for “strict reciprocity” and “thorough verification” based on the administration’s hard-line policy toward North Korea, which have served as obstacles both in U.S.-North Korea relations and in U.S.-ROK relations.

Need for Concrete Measures for Military Tension Reduction

Despite dramatic improvements in inter-Korean relations following the first inter-Korean summit, and progress in effecting the dissolution of the Cold War structure on the Korean peninsula, some

in the South doubt whether such developments will lead to tension reduction and peace. As a consequence, at the second inter-Korean summit, related issues should be discussed in depth and the results should be documented. As far as the issue of peace is concerned, details, even preliminary details, are more important than mere declarations. For instance, it would greatly appeal to the public if the timing and schedules of the implementation of measures specified in the non-aggression clause of the 1992 Inter-Korean Basic Agreement are agreed to and announced publicly. These include the opening of a hotline between the militaries of both sides, prior notice of large-scale movement of armed forces, exchanges of military leaders, and attending one another's military exercises. Only when these issues are resolved, will public support for government measures toward inter-Korean reconciliation be easily secured.

In addition, the regularization of the inter-Korean summit should be documented and a mechanism for the prompt resolution of problems should be in place if contingencies arise. For example, a hotline between the two leaders in the South and the North should be opened for direct resolution of issues.

South Koreans want security assurances from North Korea since they are still somewhat fearful of the North. Therefore, it is important to convince the South Koreans that inter-Korean exchanges and cooperation will neither lead to strengthening of the North's military capabilities, nor to provocative acts against the South, but that they are likely to reduce the threat posed by the North. In the course of interaction between the two Koreas, the South will maintain superiority over the North in terms of overall national capability, i.e., economic stability, military readiness and socio-political ethics. Thus, it is necessary for the two Koreas to meet for governmental dialogue, including ministerial talks, to establish institutional devices that will ensure that Pyongyang does not take advantage of Seoul's assistance and inter-Korean economic cooperation to advance its military.

Prior Consensus in South Korea

It does take money to promote inter-Korean reconciliation and cooperation. Obviously, Pyongyang responded positively to the South's overtures for reconciliation and cooperation in anticipation of economic assistance from Seoul. This was the message the Seoul government and private organizations have delivered to the North on many occasions. A promise remains a promise. Only when bilateral, as well as unilateral promises, between the South and the North are kept, can political and military trust be built. Based on such trust we can expect bona fide peace on the Korean peninsula with substantial progress in arms control and reduction.

The biggest issue pertaining to assistance to the North is the provision of 500MW of electricity. Pyongyang asked for it and Seoul was willing to talk about it, but Washington requested that the talks be put on hold. The predominant view is that the United States judged that its negotiating leverage would be undermined if South Korea pledged to supply the electricity, and indeed did so, at the same time the United States was deciding to modify the Agreed Framework to provide a thermal power plant instead of a light-water reactor, based on a review of its North Korea policy. As the policy review has recently concluded not to change the Agreed Framework, the United States is reportedly offering a 500MW thermal power plant in addition to two 1,000MW light-water reactors to North Korea. This issue, however, needs to be addressed by the two Koreas.

The electricity assistance could be used to extract a guarantee that Chairman Kim Jong-il will visit to Seoul as promised, or it can be made an agenda item for the second inter-Korean talks. Also, it can be a contributing factor to specific discussions on the reduction of military tension between the South and the North. If this occurs, Seoul should deal with this issue thoroughly during policy coordination with Washington, whose cooperation is essential. Given that electricity assistance can serve as an important mechanism for inter-Korean reconciliation and cooperation, this should be pushed despite the

potential hurdles.

In the meantime, critics say that the South Korean government are “buying” the second inter-Korean summit by paying the North with electricity and economic benefits. However, it also takes money to safeguard security through national defense capability enhancement. A security guarantee might be obtained through defensive measures, but it is not the most efficient way to ensure security because it cannot expand to create economic gains, nor can it gradually cut down on security costs. On the other hand, proactive pursuit of reconciliation and cooperation based on strong security can ultimately reduce costs. At present, the South Korean economy is in trouble, making it difficult to provide assistance to North Korea and to promote economic cooperation for maintaining the momentum of inter-Korean reconciliation and cooperation. Yet, when the South’s economy regains its vitality, those promises that have already been made must be faithfully implemented.

CONCLUSION

Inter-Korean reconciliation and cooperation is the starting point for improving inter-Korean relations and part of the process of paving the way for inter-Korean co-existence. The measures taken by the Kim Dae-jung government for inter-Korean reconciliation and cooperation are not designed to retain power or to earn credits, but are for the well-being and happiness of South and North Korea as a whole. Seoul’s policy of engaging North Korea, called the sunshine policy, has been pursued since the launch of the Kim Dae-jung government. It is wise to continue the policy even after the current government because it is in keeping with the international order of the 21st century and because it enhances opportunities for the co-prosperity of the Korean people.

Concerns were raised in South Korean society over the possible unprecedented tough policy of the United States toward North Korea.

Yet, Washington is looking at changes in North Korea from an increasingly objective perspective. Based on this observation, the view that the United States will adopt a rational policy is gaining support. The North Korea policy of the Bush administration has not taken shape yet. However, some Koreans are still concerned that a hard-line policy will be adopted by the Bush administration, in contrast to Clinton's. Adding to these concerns, the South Korean economy is losing steam and some conservative critics of the Seoul government's assistance to North Korea are about to take issue with the engagement policy itself. However, replacing the engagement policy with a confrontational or isolationist one must be averted. If inter-Korean relations revert to the past confrontational situation, the Korean peninsula will be embroiled in another Cold War, which will escalate military tension, and worsen the South Korean economy. In this light, pursuing of the engagement policy toward North Korea is justified. What should be noted is that objective understanding, namely, policy consideration of the scope and pace of the changes in North Korea, should precede the implementation of the engagement policy.

Fortunately, North Korea is expanding the scope of the changes while accelerating the pace in the wake of the Pyongyang summit. This year, Pyongyang announced the "New Thinking" theory, urging North Koreans to make a paradigm shift in their thinking. As part of the effort to open diplomatic relations with western countries, the North sent economic delegations to Western countries while inviting delegations to upgrade economic cooperation. Furthermore, Chairman Kim Jong-il agreed that Swedish Prime Minister Persson could go directly to Seoul after his Pyongyang visit. Kim also agreed to maintain a moratorium on the North's missile testing until 2003, and expressed his expectation for a second inter-Korean summit. Given this, it is fair to say that a second summit within this year is likely. If Chairman Kim Jong-il comes to Seoul for the second round of inter-Korean summits, he could declare, at home and abroad, his intention to prevent war on the Korean peninsula and to improve the North's relations with the South. In addition, it could serve as an opportunity

to solidify the peace regime in Northeast Asia and the Korean peninsula. But at the same time, the second summit must produce tangible agreements, especially on guarantees of military transparency instead of just agreeing on Korean peninsula issues “in principle.”

To sum up, the recent signs of positive change in North Korea and the possible realization of the second inter-Korean summit do not mean the completion of the engagement policy toward North Korea, for the ultimate goal of the engagement policy is to maintain a peace regime and achieve peaceful unification on the Korean peninsula, and to bring peace to Northeast Asia and the world. Moreover, the engagement policy is well suited to the demands of the era of international politics and to the South Korean economy. Therefore, it should be continued.