

## **Changes in Inter-Korean Relations: The Vicissitudes of Politics**

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### **THE DEVELOPMENT OF THE ENGAGEMENT POLICY**

Several conditions surrounding inter-Korea relations have undergone repeated shifts. Not only did the times and circumstances change, values did as well. Of all these transitions, the most notable is that of the international politics that led to the division of the Korean peninsula. Regime changes in the communist sphere that began in the late 1980s transformed, in a single stroke, the Cold War ideology that divided the East and the West. The unification of Germany that took place amidst the creation of a new world order was ushered in the post-Cold War era. Of course, the dismantlement of Cold War does not necessarily mean that it will bring world peace and stability automatically. The very reality of the conflict on the Korean peninsula is a case in point. Despite the uncertainty, both Koreas must do their utmost to improve the unhappy reality of inter-Korea relations, yet at the same time, they must maintain their sense of reality. The two governments, taking advantage of the global thaw, should work to establish peace on the Korean peninsula and improve inter-Korea relations, and enact

phased measures for unification. Seizing the opportune moment, while paying close attention to the changes in the conditions for unification, is an important task for unification diplomacy and national security.

The next significant change can be found first in the internal conditions of both North and South Korea and second, in inter-Korea relations. Both nations will play vital roles in the unification issue. Therefore, any changes in either government, whether in the power structure, in policy, or in efforts to revamp the system, act as an important variable in the unification issue.

After it was elected in February 1998, the current administration, dubbed the "People's government," established and implemented a policy of tolerance, coexistence and co-prosperity towards North Korea. The engagement policy was established based on the evaluation of both internal and external conditions for unification, to improve inter-Korea through "peace, reconciliation, and cooperation." The three main principles of the policy—(a) no use of armed provocation that threatens peace, (b) abandonment of unification through absorption, and (c) promotion of reconciliation and cooperation in order to aid the opening and transformation of North Korea—provide in detail the conditions, as well as the direction, for North Korea policy. The core objectives are (a) fortifying security while promoting interchange and cooperation, (b) peaceful existence and prior realization of peaceful exchange, (c) creating conditions for transformation through the posture of tolerance, (d) serving mutual interests, (e) securing international support while maintaining bilateral resolution of issues, and (f) coherent pursuit of the goals based on national consensus. In addition, the principal policy goal is directed in the following areas: (a) execution and practice of the basic agreements between South and North Korea, (b) promotion of inter-Korean economic cooperation based on the principle of separation of politics and business, (c) placing priority on inter-Korean family reunions, (d) flexibility in providing humanitarian aid to North Korea, (e) smooth

processing of the light-water reactor project, and (f) creation of a peaceful environment on the Korean peninsula.

North Korea, on the other hand, held the Supreme People's Assembly Presidium election in July 1998, the first one in eight years. Moreover, it revised its constitution (September 5, 1998), and reorganized the nation's top political organs. Standing at a political crossroads after the death of Kim Il-sung, North Korea reorganized its system and officially commenced a new political era under Kim Jung-il's authority. It is generally agreed that since internal restructuring, North Korea has shown some degree of flexibility in its foreign policy. In category-by-category negotiations with the United States, for example, North Korea took a relatively practical posture. Another example of increasing flexibility in North Korea's foreign policy is its earnest effort to establish diplomatic relations with European countries. However, with the changing direction of American foreign policy and its policy towards North Korea to one of "force to national interests," North Korea has adopted extensive countermeasures. Within a year, North Korea held three summit meetings with China, and signed the "Moscow Declaration" with Russia on August 4, 2001. Although not the same firm, triangular relations seen in the Cold War era, these new developments between North Korea and China as well as Russia illustrate the North's effort to cope with the current international political climate. And although it has not changed its principal position on South Korea policy, The North has shown occasional attempts to make a strategic shift in policy when external and internal conditions allow. Insisting on resolving economic issues while maintaining its domestic policy of censorship and military buildup, North Korea is forging ahead with yet another experiment: *Kangsong Daekuk*, (building a militarily and economically prosperous nation), "self-reliant economy," and implementing "new thinking."

Spurred on by internal factors, the two Koreas have attempted reform and talks geared towards the unification issue. Moreover, they have been inclined to constitutional revisions and changes in

regime or core policies, something that has happened too often to be called a coincidence. The fact that mutual responses to changes in domestic and foreign politics have been the basic feature of inter-Korean relations demonstrates that changes are a regularly recurring phenomenon.

In the same vein, it is no surprise that the continuation of the engagement policy towards North Korea and the inter-Korean summit are seen as the beginning of a new chapter in inter-Korean relations. As a result of the summit, the two leaders signed the June 15 Joint Declaration in which the following agreements were made: (a) resolution of the question of reunification on the initiative and joint efforts of South and North Korea; (b) Acknowledgement that there are common elements in both South and North Korean proposals for reunification and promoting reunification in that direction; (c) prompt resolution of humanitarian issues such as that of separated family members and relatives; (d) promoting balanced development of the national economy through economic cooperation and exchanges; and (e) expeditious implementation of the above agreements and more dialogues between relevant authorities.

With the inter-Korean summit as a new departure in inter-Korean relations, South and North Korea now bear responsibility for bringing about positive changes and undertaking structural reforms. Accordingly, South and North Korea's effort to carry out the agreements of the summit is a positive sign. Cessation of slander and vilification of one another, exchange visits of separated family members, reconnection of the Kyungui (Seoul-Shinuiju) Line, and introduction of four agreements on South-North economic cooperation are all concrete measures for peace and cooperation that have been expanded and put into practice. Following the June 15 South-North Joint Declaration, the inter-Korean ministerial talks were held to negotiate the details of plans to carry out the terms of the June 15 Joint Declaration. It is encouraging to see South and North Korea's commitment to improving inter-Korean relations by their commitment to implement not only the basic agreements, but

also previously agreed matters.

However, the situation is not all rosy. North Korea's unilateral suspension of the ministerial talks scheduled for March 2001, and no tangible results at the Sixth Ministerial Talks put the objectives of the inter-Korean relations behind schedule. Furthermore, a number of questions remain, which demonstrate that the security environment of the Korean peninsula requires a state of constant preparedness. These include the following: The question of how long North Korea will maintain its revolutionary strategy toward the South, the development and stockpiling of ballistic missiles, the prospects of implementing the Agreed Framework, and North Korea's basic position on the Four-Party talks. The possibility should not be overlooked that the main objectives of the U.S. foreign policy and the new strategy for national defense under the Bush administration and the developments in the U.S. foreign policy on North Korea may bring about yet another phase of instability on the Korean peninsula. The objectives of the policy on North Korea to pursue both exchange and cooperation as well as to strengthen national security can be understood as a decision reached by taking into account the overall state of unification diplomacy and national security. As for the future direction of the policy on North Korea, it should adopt a carrot-and-stick approach until there is a complete dissolution of the Cold War structure on the Korean peninsula, and at the same time it must pursue a balanced approach.<sup>1)</sup>

#### **WAR AGAINST TERROR AND THE PARADIGM OF PEACEFUL COEXISTENCE**

“We consider terrorist acts in all forms and manifestations as a profound threat to the peace, prosperity and security of all people, of

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1) Kim Kyung-woong, “Inter-Korean Relations and North Korea Policy,” A paper presented at a conference at Free University of Berlin, Germany, in July 2000, pp. 5-7.

all faiths, of all nations. We deem it imperative to strengthen international cooperation at all levels in combating terrorism in a comprehensive manner and affirm that UN should play a major role in this regard.”<sup>2)</sup>

This is an excerpt from the Declaration on Anti-Terrorism issued at the Ninth Asia-Pacific Economic Cooperation (APEC) leaders’ forum. The APEC Leaders’ Statement on Counter-Terrorism includes seven concrete measures for implementation, including Those to prevent the flow of funds to terrorists. Leaders also pledged to cooperate to ensure that international terrorism does not disrupt economies and markets.

Initially, the official agenda scheduled for the APEC leaders forum was to explore ways to discuss the current state of world and regional economies, the importance of human capacity-building, and the future developmental direction for the APEC member countries in fostering co-prosperity in the twenty-first century. The forum issued a 31-article leaders’ declaration to strengthen international cooperation for rapid recovery of the world economy, but anti-terrorism became the central issue. This demonstrates how the September 11 terrorist attack on the U.S. has become the new axis in the shifting world order. The incident will also affect the political climate around the Korean peninsula as well as inter-Korean relations.

Amidst the tensions around the world caused by the war against terror, the fifth inter-Korean ministerial talks were held on September 15. While there was no inter-Korean joint declaration of anti-terrorism, North Korea expressed its basic stance against all acts of terrorism as well as the support of terrorism.<sup>3)</sup> Thus, the South

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2) The 2001 APEC summit meeting was held from October 19 to 21 in Shanghai, China. At the meeting, the leaders of twenty member-nations held a forum on “Meeting New Challenges in the New Century: Co-prosperity through Participation and Cooperation” and issued the Leaders’ Declaration and “Unequivocal” Condemnation of Terrorism.

Korean government is giving full support to the war on terror, and the North has also clearly expressed its position on terrorism. The fate of U.S.-North Korean relations, inter-Korean relations, and the regional situation depends heavily on the action of the North Korean government in the aftermath of the recent terrorist attacks against the United States. In short, the ball is now in the North Korean court. If it were to oppose the war on terror, it would incur not only wrath, but stern sanctions from the U.S. On the other hand, if North Korea were to participate in the alliance against terrorism in any manner, it would not only improve U.S.-North Korean relations but also help to make substantial progress in the inter-Korean relations.

So far, however, North Korea is simply expressing a surface position on terrorism. Following the statement opposing terrorism issued by a foreign ministry spokesman, North Korea expressed condolences to the families of the victims of the terrorist attacks through the Swedish Embassy in North Korea, which also acts as the representative of American interests in North Korea.

Moreover, the statement issued by the North Korean ambassador to the UN at a plenary session of the UN General Assembly on October 5, reconfirmed North Korea's basic position against terrorism and announced that, while it accepts the expansion of the role of the UN in the measures against terrorism, it opposes both infringement on sovereignty and it rejects any military involvement. In addition, North Korea issued the statement expressing its decision to recognize international anti-terrorism conventions.<sup>4)</sup> For example, North Korea decided to accept the "international convention for the suppression of the financing of terrorism" as well as the "international convention against taking of hostages."

North Korea's basic position related to anti-terrorism can be

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3) Korean Central News Agency (KCNA), September 12, 2001.

4) KCNA, November 3, 2001.

summarized as follows: North Korea opposes terrorism in principle and recognizes international conventions on anti-terrorism, but the method of combating terrorism should be in full accord with the United Nations Charter and international laws. The North Korea's position seems to reflect its existing position that the UN should play a central role in combating terrorism and that "the use of armed forces or a war which would kill innocent people, aggravate regional situation and disturb regional stability contrary to the purpose cannot be justified under any circumstances."<sup>5)</sup>

Inter-Korean relations now face yet another challenge with the instability of the world order in the aftermath of the large-scale terrorist attacks on the U.S. The inter-Korean summit of last year was the central force that changed the inter-Korean relations both qualitatively and quantitatively. The first meeting between the two leaders of the two Koreas since the division of the Korean peninsula was an epoch-making event that received worldwide attention. The June 15 Joint Declaration that came about as a result of the summit and the efforts of the two governments to carry out the terms of the Joint Declaration came to symbolize the beginning of a new era of peace and cooperation.

The Korean peninsula is preparing itself for peace and stability, and the two Koreas have taken the first step towards a cooperative relationship. With the inter-Korean summit as a springboard, the suspended dialogue between the two Koreas opened up again. Following the inter-Korean ministerial talks, there have been working-level economic contact between the two Koreas as well as the reactivation of the inter-Korean liaison offices in the truce village of Panmunjom. The inter-Korean defense ministers' talks and the inter-Korean military officials talks could possibly function as an opportunity to discuss not only the restoration work on the Kyungui Line, but also the alleviation of tension and the establishment of

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5) KCNA, October 9, 2001.

peace. There have been continued exchange visits of separated families, albeit limited, as well as more opportunities for direct meeting between citizens of the two Koreas working in various fields. South and North Korea are building the foundation for co-prosperity by pursuing inter-Korean economic cooperative body in the area of economic cooperation. In this way, the two Koreas are working together to resolve, one by one, the issues that were previously hampered by ideological and institutional differences.

South and North Korea have endured uncertain times in order to arrive at the threshold of the era of peace and cooperation. And if the road to peace was long and difficult, it is correct to assume that the road to reunification will be even more long and difficult. It is impossible for all the problems to be resolved at once, and it is important for the two Koreas to be patient. The two governments should start with objectives that can reap mutual benefits and are easy to carry out. The door to peace and reunification that has been unlocked by the recent developments in inter-Korean relations needs to be pushed wide open.

If inter-Korean relations are to be normalized and if peace is to become an everyday reality on the Korean peninsula, optimism is necessary; but, more importantly, the two Koreas must approach the objectives rationally.

The changes in inter-Korean relations and the move towards peaceful reunification are a major current that cannot be reversed or disrupted. Views on the issue of reunification should also change to reflect the changed reality. More importantly, unless peace is established through reconciliation between the South and the North, it will be virtually impossible even to approach the issue of reunification. The two Koreas, therefore, should concentrate all efforts on dismantling the Cold War structure on the Korean peninsula by making reconciliation, cooperation, and the establishment of peace their first priorities. Therefore, it is appropriate for the engagement policy to shift to the paradigm of peaceful coexistence that pursues de facto reunification before taking the legal steps to de

jure reunification.<sup>6)</sup>

### THE RESUMPTION OF INTER-KOREAN MINISTERIAL TALKS

The inter-Korean talks are vital to improving the relationship between the two countries. Nonetheless, the inter-Korean dialogue has been characterized by intermittent of progresses and setbacks. After the historic inter-Korean Summit, the inter-Korean relations experienced a period of euphoria evidenced by an array of reconciliatory and exchange programs and projects that initiated unprecedented enthusiasm and interest in these new developments. Cyber space was no exception. The number of Internet sites and links for reunification and North Korea increased drastically, from some 90 sites prior to the summit to some 227 sites as of late August 2001, and the number is still on the increase.

Before the Fifth Inter-Korean Ministerial Talks of September 15, 2001, there were a total of sixteen talks through six channels: four ministerial-level talks, one defense ministerial meeting, five military working-level talks, two economic working-level talks, and three Red Cross talks. In in the area of separated family members, 3,100 family members were reunited, 6,000 addresses and the status of relatives, as living or dead, was confirmed, and 600 letters were exchanged through three exchange visits, all demonstrating the efforts to solve the issue of separated family members.

Exchange and cooperation programs focusing on economic, social and cultural areas also flourished. The number of people who visited North Korea in 2000 totaled 7,280, a 30 percent increase compared to the previous year and the number of people who

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6) Kim Kyung-woong, *Understanding Reunification Issues* (Seoul: Institute of Education for Unification, Ministry of Unification, 2001), pp. 4-6.

visited South Korea was 706, over a 100-plus percent increase compared to the previous year. The monetary transactions in commerce in the year 2000 reached 425.14 million dollars, a 27.5 percent increase from the previous year. Future economic cooperation between the South and North Korea will be more active when the four selected institutional framework areas for inter-Korean economic cooperation (investment protection, payment clearance, avoidance of double taxation, and commercial dispute arbitration) take off and are fully implemented. In addition, the conclusion of an agreement to build the Kaesong industrial complex in August 2001, a pilot project for inter-Korean economic cooperation, as well as the re-linking of the Kyongui Line and inter-Korean roads mark significant achievements in the history of inter-Korean exchanges and cooperation.

The inter-Korean ministerial meeting is deemed to have revived inter-Korean relations after a six-month respite. As if to compensate for the six-month hiatus, both sides agreed to compromise on demands previously made. The contents of the core agreements are the fourth reunion of separated families, an exchange of Taekwondo demonstration teams, a nine-point accord on economic cooperation, and the agenda for the sixth inter-Korean ministerial talks. That the two Koreas agreed to hold consecutively the inter-Korean ministerial talks, the central delegate for the inter-Korean dialogue, shows their intention to make the talks a regular practice. Moreover, it is also a positive development that they have agreed to hold working-level talks for the various fields in order to carry out the terms of agreement in the area of economic cooperation.

North Korea is said to have taken unilateral measures to postpone a part of the joint agreement, but indicated that it was possible for the talks to reopen at any time if South Korea were willing to make concessions.

On October 12, North Korean spokesman for the Committee for Peaceful Unification of the Fatherland released a statement criticizing the stepped-up terror alert status in South Korea, and it

### **Terms of Agreement of The Fifth Inter-Korean Ministerial Talks**

1. In order to promote reconciliation and the unity of the nation, the two sides will develop dialogue and cooperative projects and actively support civilian contacts and exchanges of visits on the basis of mutual understanding and respect.
2. On the occasion of Chuseok this year, the two sides agreed to carry out the fourth reunion of separated families October 16-18.
3. To promote balanced development of the national economy and expand economic cooperation, the two sides agreed to take the following measures:
  - (1) Start the Kyongui Line and highway reconnection projects and open the routes at the earliest possible date;
  - (2) Hold working-level contacts at an early date to actively carry out the Kaesong Industrial Complex project;
  - (3) Actively work for the revitalization of the Mt. Kumgang tourism project and the opening of land routes for tourism, and to hold a meeting on October 4 for that purpose;
  - (4) To actively cooperate to link the railways passing through the South, North and Russia and to review the installation of natural gas pipelines;
  - (5) Hold working-level contacts between maritime authorities to discuss the possibility of allowing peaceful passage of civilian ships through the territorial waters of the other side;
  - (6) Conduct a fact-finding tour of the Imjin River in November in connection with the proposed anti-flood measures along the river;
  - (7) Put into effect at an early date the four agreements regarding inter-Korean economic cooperation;
  - (8) Establish working-level contacts to discuss joint fishing operations in the East Sea;
  - (9) Hold the second Inter-Korean Economic Cooperation Committee from October 23-26 as well as related working-level contacts.
4. Exchange Taekwondo demonstration teams, with the Northern team visiting the South in October and the Southern team going to the North in November.
5. Hold the Sixth Inter-Korean Ministerial Talks from October 28-31, 2001.

postponed the scheduled reunion of separated families and exchange of Taekwondo demonstration teams. At the same time, North Korea proposed to move the location of the meetings for discussion of revitalization of the Mt. Kumgang tours to Mt. Kumgang in North Korea.

Naturally, South Korea protested such a proposal that showed blatant disregard for protocol and offered a counter-proposal. South Korea proposed that the location for inter-Korean talks, following the protocols for talks, should alternate between Seoul and Pyongyang, assuring that the alert status was not aimed at North Korea, but was a legitimate measure to ensure the safety of South Koreans and foreign nationals in South Korea. Subsequently, South and North Korea exchanged ten phone calls arguing over the location for the talks. Taking into account the urgency of resuming the suspended reunion of separated families, the need to assure the continuation of the new phase of inter-Korean talks and the importance of clarifying the details of the current state of international political climate, South Korea, in the end, gave in to the North's demand to hold the Sixth Inter-Korean Ministerial Talks at Mt. Kumgang.

These incidents were early signs indicating that the Sixth Inter-Korean Ministerial Talks would be fraught with difficulties. As soon as the talks began on November 9, North Korea verbally attacked the South, citing the South's alert status and regular military exercise as well as the joint statement issued at the South Korea-U.S. summit at the last APEC meeting. Aside from the question of propriety, North Korea's reproach bordered on interference in South Korea's domestic affairs and encroachment on the South's sovereignty. Even at the meeting convened to discuss the outstanding issues, the North failed to display any degree of sincerity. And although the agreement to resume the postponed family reunions starting December 10 was reached without much ado, North Korea avoided scheduling any definite dates for the talks, and unilaterally insisted on moving the location for talks to Mt. Kumgang. Even though the Sixth Ministerial Talks were extended for two days by last-minute efforts, the talks

ended without a joint statement or the schedule for future talks.

In sum, North Korea's unwillingness to engage in a dialogue with the South was made clear at the Sixth Ministerial Talks. The following factors have attributed to the North's cool attitude: North Korea's obsession with the war on terror; the North Korean military government's unhappiness about the outstanding balance owed for Mt. Kumgang tourism; its wish to limit the sphere of exchange and cooperation to the Mt. Kumgang area, a fear of the institutional burden it would have to shoulder if inter-Korean relations were to continue to move forward; and, although it was not directly stated, the insistence on resumption of dialogue between North Korea and the U.S. and improvement in the U.S.-North Korea relations.<sup>7)</sup> Despite the enticements of aid to North Korea and reunion of separated families, inter-Korean talks will likely be on hold unless the war on terror ends and the situation improves.

#### STRATEGIC POSITION AND MEASURES

Improvements inter-Korean relations and the road to peace cannot be attained by South Korea alone. The concerted cooperation of North Korea is also required. Moreover, it is essential that the terms of agreements between the South and the North be carried out, not simply agreed upon. Considering this, level-headedness is necessary in order to discern changes in inter-Korean relations. By the same token, it is important not to be emotionally swayed by momentary progress or lapse in inter-Korean talks. After all, inter-Korean relations have always been characterized by ups and downs. The Korean peninsula was on the brink of war in June 1994 due to the North Korea's nuclear development issue; however, inter-Korean relations have progressed to the point of the historic inter-Korean summit. On the other hand, it is possible that a North Korean

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7) *Rodong Shinmun*, November 12, 2001; and KCNA, November 13, 2001.

submarine could appear in the waterway of the Mt. Kumkang cruises. It is important to face up to the stark reality of inter-Korean relations and resolve the issues one by one.

What is needed now is the faith that tolerance and endeavor will, in the end, bring about desired results. Looking at history, the reunification question, seems to rest on which system best corresponds to developments in the world and which can guarantee the quality of life of its constituent members. It is also unfortunate that we continue to struggle with the question of nationalism in the age of universalized globalism. This very point demonstrates that the road to reunification, along with changes in the North Korean system, will be long and difficult. Therefore, we should not be hasty.

Reunification is not a given. Although the German reunification seemed to have happened overnight, the correct view is to understand it as the result of steady expansion of cooperation and exchanges during the division. At the core of the policy that led to the reunification of divided Germany were efforts in diplomatic persuasion, the consistent pursuit for change through contact between East and West Germany, and the *Kleine-Schritt-Politik* (the policy of small steps), making step-by-step contacts. While there are vast differences between Germany and Korea, German reunification, does show us the basic conditions for working towards reunification. West Germany did not instigate East German revolution (system transformation). However, by utilizing the changes in the political climate, West Germany, with its robust economic powers and exemplary democracy, became a model country that East Germans could trust and emulate. Rather than merely screaming for reunification, the two Germanys took initiatives and established a model for coexistence, co-prosperity and co-transformation.

Similarly, the two Koreas should steadily work towards creating external and internal conditions based on a definite reunification philosophy and goal. That the core objectives of North Korean policy “more contact, more dialogue, and more cooperation” are positive

and laudable. It is important that peacekeeping, through building an impenetrable security system and the South Korea-U.S. allied defense system, and peacemaking, through establishing political and military trust through reconciliation, exchanges, and cooperation between the two Koreas, go hand-in-hand.

Regarding North Korean policy, South Korea needs to focus its energies on developing principled and flexible policy practices. While no policy can fully satisfy both parties, it is possible to reach an optimal policy for both. For this purpose, I propose the following ideas for consideration.

First, there should be shifts in the goals, principles, and the basic trends of North Korea policy, from immediate reunification to peaceful coexistence, and improvement in inter-Korean relations that focus on changes in the understanding of the political climate and the perspective on North Korea that better reflect the reality. In other words, the North Korea policy should be directed toward peaceful maintenance of the currently divided state of the Korean peninsula and on raising the level of inter-Korean relations, rather than on forming a foundation for reunification. Such an approach is necessary, not only for the South Korean economic structure, but also to ensure that national security is not threatened by a recurring vicious cycle of tension and dispute over the North Korean question. For this purpose, I propose that we consider creating a Korean network of coexistence and co-prosperity or a Northeast Asia peace network led by South and North Korea with the support, participation, and protection of the international community. Establishment of a Korean cultural community that would also include the participation of overseas Koreans, a regional security forum, and a support organ for peace on the Korean peninsula could also be included in the details of the proposed plan.

Secondly, North Korean policy should be pursued under the assumption that the North Korean system will continue to exist rather than collapse, while recognizing that the North Korean system has failed, even in comparison to other socialist systems. In other

words, North Korean policy would approach the North Korean issue not based on a theory of disintegration of the North Korean system, but on the theory of stable change and the pursuit of continuity in policy development. Such a policy direction can be said to comply with the international community's goal to move towards forming utilitarian relations rather than confrontational relations rooted in ideological differences, and is also in line with the neighboring countries' pursuit to maintain the *status quo* on the Korean peninsula. On the other hand, the North Korean policy needs to make a long-term plan for fundamental and comprehensive resolutions for the inter-Korean issues, keeping in mind possible future changes in North Korea. Needless to say, North Korean policy must go hand-in-hand with long-term policy planning. The proposal of January 3, 2000 to build an inter-Korean economic cooperative body belongs under the same category of policy direction as the Berlin Declaration of March 10, 2000.

Depending on the forthcoming changes in conditions, it may be worthwhile to discuss the possibility of building a transnational network of railroads and highways that would link the Korean peninsula, Russia, and China to Europe. Other talks could address linking Siberian gas pipes, common access to natural resources, joint entrance into the Third World market, and introduction of a North Korean version of the Marshall Plan or other similar plans.

Third, there is the question of what to do when North Korea refuses to cooperate and maintains the posture of provocation, even when that policy is a "two-pronged policy" that actively pursues reconciliation, exchange and cooperation, while maintaining strong national security as a precondition. The question needs to be approached in relation to the principles of North Korean policy. In short, while countering the violation of the principle of non-aggression with the power of South Korean-U.S. allied defense force, South Korea should concentrate on preventive measures. Moreover, based on the magnitude of possible armed aggression of North Korea, South Korea should make a detailed investigation of the

intensity and background of the aggression and establish a concrete, phased system of countermeasures. As for the principle of excluding reunification by absorption, it is intended to show good will and commitment to the policy, not as a mechanism to prevent the possibility of institutional instability of North Korea due to its stubbornness to remain unchanged. The responsibility for the instability lies only with North Korea. It is important for the North Korean government to understand that while North Korean policy does not wish for a sudden collapse of the North Korean regime, nor does it seek to take any action in that direction, it is not a shield that can prevent internal instability or collapse of the regime. Again, it is important to note that a vicious cycle of dispute on the Korean peninsula would further alienate and destabilize North Korea.

At present, South Korea is left with one choice, and that is to pursue a trust-building policy to assure the North that making changes does not necessarily translate into the collapse of the regime. In taking this strategic position, South Korea should show consistency in assuring the North that regardless of the vicissitudes of inter-Korean relations, the principles of security, reconciliation, and cooperation will always be part of its North Korean policy.