

The Future of the Sunshine Policy: Strategies for Survival

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THE SUNSHINE POLICY: THE BACKGROUND

The Sunshine Policy, formulated under Kim Dae-jung's administration was influenced by a number of variables. First, it reflected the impact of global change on the Korean peninsula. After the collapse of Eastern Europe (1989) and the Soviet Communist Party (1990), a new post-Cold War era unfolded in the international community. Despite the opening and reform of the entire communist bloc, the Cold War remained intact on the Korean peninsula. Seoul realized that maintaining a hostile stance would be disadvantageous for both Koreas. In response, Kim Dae-jung pursued two goals: to establish a peaceful coexistence and to ease tensions between the two states.

The second condition has to do with North Korea's internal situation. Despite the continued downward spiral of the North Korean economy and the food shortage, there is no sign of imminent collapse of the North Korean regime. With enormous military power, North Korea poses a tangible threat to South Korean security. And it is believed that the North would go to any length to sustain its

system, even the launch of suicide attacks. Accordingly, South Korea adopted the Sunshine Policy to maintain peace.

The third condition is South Korea's continued buildup of national strength. With political democracy taking root, South Korea has not only secured the legitimacy of its political system, but it also has the upper hand economically, with the South Korean trade volume totaling 169 times that of North Korea, the nominal gross national income (GNI) 16 times greater than its Northern counterpart, and 13 times higher in GNI per capita. In terms of military power, South Korea maintains a sufficient deterrent with the South Korea-U.S. alliance structure.

Fourth, the North Korean economy must be revived in order to save the North Korean people from starvation and to ease the economic burden that will ensue during the unification process. In other words, the recovery of North Korean economy is not only a humanitarian matter, it is necessary for unification.

Finally, the Sunshine Policy is basically a continuation of the unification policy of previous administrations. As the following chronology shows, the South Korean government has pursued various policies for reconciliation and cooperation over the years: the July 4 South and North Joint Communiqué (1972), the Diplomatic Policy Proclamation for Peaceful Unification (June 23, 1973), a proposal to implement 20 pilot projects between South and North Korea (1982), the July 7 Special Presidential Declaration on National Self-Esteem, Unification, and Prosperity (1988), the announcement of Korean National Community Unification Formula (1989) the conclusion of inter-Korean agreement and the Joint Declaration of the Denuclearization of the Korean Peninsula (1992), the agreement to hold an inter-Korean summit (1994), and the Unification Formula for the Creation of a Korean National Community (1994).

The Principles of the Sunshine Policy

With the easing of tensions on the Korean peninsula as its

primary goal, the current administration's Sunshine Policy adopted the following principles: no absorption of North Korea in the process of unification, intolerance of any armed provocation destructive to peace, the principle of reciprocity, and separation of the economy from politics.

The principle of *no absorption of North Korea in the process of unification* clearly states that South Korea has no intention to absorb North Korea and that it will not seek to provoke the North Korean regime's collapse. Instead, South Korea will pursue a policy to bring about an inter-Korean alliance that will gradually develop into peaceful unification.

Second, the principle of *intolerance of any armed provocation destructive to peace* demonstrates South Korea's firm commitment to preserve national security through prevention of war, and clearly states that North Korea should initiate any armed provocation, South Korea would take necessary measures against it. In this way, the South is pressing North Korea to abandon its South Korea strategy, which is based on armed provocation.

Third, the principle of *reciprocity* is a declaration that instead of pursuing unilateral interest, the two Koreas should understand and respect each other's positions and promote mutual benefits. The concept of reciprocity does not refer to equivalence in commercial transactions. Rather, it states that North Korea should show a certain level of corresponding efforts to South Korea's aid to the North, and other efforts to improve inter-Korean relations.

Lastly, the principle of *separation of the economy from politics* places emphasis that economic exchanges and cooperation should be pursued autonomously by businesses according to the principles of the market economy and should not be affected by political circumstances. Adhering to that principle, the South Korean government relaxed regulations and simplified procedures for economic transactions with North Korea by private enterprises, while at the same time, creating conditions to promote economic exchange and cooperation.

REPONSES FROM SOUTH AND NORTH KOREA

The Sunshine Policy and Aid to North Korea

Among the principles of the Sunshine Policy, the principle of separation of economy from politics and the principle of reciprocity clearly indicate South Korea's amicable position towards North Korea. And in adhering to these principles, the South Korean government has demonstrated a functionalist position that political issues can be resolved through economical cooperation.

David Mitrany's functionalist approach to integration, a method for resolving and maintaining peace between countries, claims that cooperation in non-political areas will increase the possibility of political integration between two different systems.¹⁾ Mitrany claims that when functional cooperation is established between political systems based on their mutual needs, that cooperation expands to other areas of cooperation. According to the logic of the functionalist approach to integration, cooperation at a unit level between two systems will gradually spill over, and ultimately lead to integration of the systems.

Furthermore, when the two autonomous systems come to recognize their areas of strength and weakness through cooperation, the inferior system integrates with the superior system. In other words, in functionalist logic, scientific and technological advantages and ideological superiority can be factors that promote homogenization of two systems. The logic of proponents of

1) David Mitrany, "The Functional Approach to World Organization," *International Affairs*, Vol. 29 (July 1948), p. 359; Lee Hyuk-Sup, *Theory of Korean International Politics* (in Korean), (Seoul: Illshin-sa, 1991), p. 215; Kim Do-Tae, "The Evaluation of the Sunshine Policy and the Inter-Korean Relations from the Functionalist Perspective," Presented at the 15th Policy Forum for the Advisory Council on Democratic and Peaceful Unification, May 2002.

modernization, whose theoretical base is in Western evolution theory, asserts that the economical, social, and cultural superiority and inferiority of systems are determined by the standards of modernization perspective.

The functionalist approach explains the rational conditions and the process of how two systems come into conflict, how they can maintain peace and become integrated, and how changes in the society subjected to integration are inevitable consequences of the domino effect in nonpolitical areas. Looking at it this way, the functionalist approach is seen as the positive logic of integration. When this functionalist integration logic is applied to inter-Korean relations, it is the basis of a realistic approach to North Korean policy, given that unification is an inevitable conclusion.

The principle of reciprocity also shows that South Korea assumes the amicability of North Korean policy. Instead of adopting a rigid principle of reciprocity, South Korea has adopted a flexible model. In other words, the principle of reciprocity is a public declaration of South Korea's commitment to continue amicable relations with North Korea even if exchanges are not equal, as long as the latter gives something in return. South Korea has also given humanitarian aid to North Korea, through the government as well as the private sector, and it continues to send aid to North Korea to ease the food shortage. In fact, despite its own economic struggles during the IMF crisis, South Korea agreed to the UN request for aid to North Korea. In 1998, South Korea gave a total of 11 million dollars worth of corn (30,000 tons) and flour (10,000 tons) in aid to North Korea via the World Food Programme (WFP).

Along with providing humanitarian emergency food relief, South Korea has supplied fertilizer to North Korea since 1999 in order to resolve the root cause of the food shortage. In 1999, South Korea spent some 46.2 million won (33.9 million won from the inter-Korea Cooperation Fund and 12.3 million won from funds raised by the Korean National Red Cross) to send 155 thousand tons of fertilizer to North Korea.²⁾

In 2000, South Korea sent 28 shipments, totaling 200 thousand tons of fertilizer, between May 18 and June 20, to Nampo, Haeju, Wonsan, Hungnam, and Chongjin. According to one report, 100,000 tons of fertilizer can increase North Korea's grain yield by 218,000 tons (88,000 tons in rice and 130,000 tons in corn).³⁾ The cost to South Korea for purchase and shipment was 63.57 million won. The South exerted other efforts to increase North Korea's food output, sending in 14 shipments, 100 thousand tons of additional fertilizer from August 1 to 20. The total cost for the additional 100 thousand tons of fertilizer was 30.79 million won. In 2001, South Korea again supplied North Korea with 200,000 tons of fertilizer.

South Korea also gave some 500 thousand dollars worth of medical supplies through the World Health Organization (WHO) for epidemic eradication programs, and in May 2001, delivered medical equipment, pest control equipment, immunization vaccines and other medical care products to North Korea. It also contributed 460 thousand dollars to prevent the spread of malaria in North Korea, benefiting North Korean malaria patients as well as about 100 thousand people in high-risk areas.⁴⁾

Food aid also continued. After North Korea requested a long-term food loan, on September 8, 2000, South Korea provided 500,000 tons of food grain in the form of a long-term loan and also donated 100,000 tons of corn in humanitarian aid through the WFP. South Korea also purchased Chinese corn, delivering six shipments to North Korea between March 28 and May 19, 2001. The cost of purchase, delivery, and administration fees for the WFP and other expenses for sending corn to North Korea totaled 17.25 million dollars, or 22.3 million won.⁵⁾

In addition, South Korea is shouldering 70 percent (about 3.22

2) Ministry of Unification, *Unification White Paper 2002* (Seoul: Ministry of Unification, 2002), p. 206.

3) *Dong-a Ilbo*, May 1, 1999.

4) *Unification White Paper 2002*, p. 205.

billion dollars, or 3.542 trillion won) of the construction costs for the North Korea's light-water nuclear reactors. Another substantial source of foreign reserves for North Korea is Hyundai Asan, which gives North Korea 12 million dollars every month for the Mt. Kumgang tourism project, in operation since November 11, 1998.⁶⁾ Starting from April of this year, the government will subsidize some of the cost for Mt. Kumgang tours (250,000 to 340,000 won) to all secondary school students, teachers, college students, people aged 65 and over with families in North Korea, war veterans, independent fighters, the disabled, and unification educators, reducing the individual cost to between 110,000 and 200,000 won per person. Aimed to provide North Korea with dollars by vitalizing the tour business, it is yet another amicable gesture of the South Korean government.

North Korea's Reaction

How does North Korea feel about the Sunshine Policy and South Korean aid to North Korea? In fact, the North strongly opposes South Korea's principle of reciprocity. It stated, "It is preposterous that the puppet South Korea tries to use the principle of reciprocity that is commonly used among countries, and to call it a new framework or a basic principle in the inter-Korean relations."⁷⁾ In another article, "It is the logic of a merchant who coerces the other party to accept his terms. The very act of approaching the unification of the Korean peninsula and the issues of Korean people with such base logic not only shows their snobbery but is outrageous in itself."⁸⁾

5) Ministry of Unification, *Four Years of North Korean Policy: The Road to Peace and Cooperation* (in Korean), (Seoul: Ministry of Unification, 2002), p. 205.

6) For financial reasons, Hyundai Asan began to pay North Korea based on numbers of tourists from June 2001. *Unification White Paper 2002, op. cit.*, p.154.

7) *Rodong Shinmun*, July 2, 1998.

8) *Rodong Shinmun*, May 23, 1998.

Indeed, Pyongyang expressed outright hostility towards the administration's intention to change North Korea. Believing that Seoul is trying to outstrip and ultimately disarm the North under the pretext of the Sunshine Policy, and to transform it into a capitalist market, Pyongyang calls the policy "essentially anti-national and aggressive," and a vicious, cunning policy to destroy North Korea's integrity.⁹⁾

At the same time, however, North Korea is aware that it benefits tremendously from the Sunshine Policy. In fact, it desperately needs economic aid, and wants assurance that relations with South Korea include aid and guaranteed security.

EVALUATION OF THE SUNSHINE POLICY

The South Korean government considers the inter-Korean summit and the June 15 Joint Declaration as A) paving the way to resolution of basic security threats and the promotion of peaceful co-existence; B) building mutual confidence through economic cooperation and exchanges in all fields; and C) providing a point of contact for unification plans. After South Korean special envoy Lim Dong-Won's visit to North Korea in 2002, the South Korean government believes that exchanges between the two Koreas will be enhanced and that North Korea will change at a faster pace, creating "an actual state of unification."

Views on the engagement policy vary widely. The moderates criticize individual items of the engagement policy, and the hardliners attack the engagement policy in its entirety. As the expression "shelling out" reveals, most are critical about the fact that efforts have been one-sided. There has been no reciprocation or visible change in North Korea. Aside from government claims, an objective assessment of positive reviews in the press and views from

9) *Rodong Shinmun*, August 18, 1999; August 7, 1998.

the minority party indicate a positive view of the engagement policy.

Future tasks include preventing war and managing the divided Korean peninsula, resolving economic disparities and other economic issues that may emerge after unification. The two Koreas must also tackle humanitarian tasks such as ending famine in North Korea and reuniting separated families. Of the several ways to approach those tasks—engagement, disengagement, and containment—the best method is engagement.

Although inter-Korean relations have often faltered, much progress has taken place. The two Koreas, who once refused to recognize each other at all, are now conducting dialogues and negotiations at the summit level, prime ministerial level, ministerial level, as well as in other areas. However slow and difficult the progress in inter-Korean relations, efforts to end the Cold War structure on the Korean peninsula have proceeded steadily, and have made a certain amount of progress. It is likely that inter-Korean relations will accelerate forward, and North Korea will change at a much faster rate.

Once the inter-Korean railroad and auxiliary roads are completed, there will be increased interaction between the two Koreas, especially in areas such as economics, science and technology, culture, and mass communications. Moreover, with the formation of an inter-Korean economic cooperative body and increased military confidence, “actual unification” may soon be realized. North Korea knows that for its survival there is no alternative but dialogue and cooperation with the South, and has expressed the wish for cooperation with South Korea and the international community. The prospect for the future of the Korean peninsula is therefore, bright. If we can assure North Korea of the benefits of cooperation, and create conditions for change and opening up, North Korea will choose to join the international community.

FUTURE TASKS OF THE SUNSHINE POLICY

South Korea has no other alternative but the Sunshine Policy.¹⁰⁾ Policies of containment, disengagement, and annihilation are not only unrealistic, but are doomed to failure, as history has shown. South Korea must create necessary institutional mechanisms to strengthen the engagement policy, build a basis for national consensus, and create strategies for the tasks ahead.

Strengthening the Basis of National Consensus

The argument for reconciliation and cooperation with North Korea is convincing based on the goal of developing the economy and achieving democratization. Stabilizing policy of reconciliation and cooperation requires the support of the people, who are the driving force behind improvements in the inter-Korean relations. In 2000, over 70 percent of South Koreans supported the inter-Korean summit and the North Korean policy of reconciliation and

10) Regarding North Korean policy, South Korea has three options as summarized below: The first alternative is a containment policy. However, as seen in the case of Cuba and Iraq, the effectiveness of containment is highly questionable. Should South Korea adopt the containment policy towards North Korea, it would worsen the relationship between the two Koreas, instigate an arms race, and amplify the existing mutual distrust and hostility. The second option is to adopt a disengagement policy. Considering the serious military confrontation between the two Koreas, choosing a policy of non-involvement may put national security in danger. Moreover, it would be inhumane for South Korea to do nothing when North Korean people are starving. The third option is an engagement policy. That policy has a basis in assuring national security and paving the way for peace and coexistence by creating the environment and conditions necessary, through dialogue and cooperation, for North Korea to open itself to the international community and make changes. Among the three alternatives, the engagement policy that promotes reconciliation and cooperation seems to be the only viable option considering the current state of inter-Korean relations.

cooperation (based on the mean of the results from four surveys conducted in 2000). Now, two years after the summit, inter-Korean relations have reached a new level of commitment, but much work lies ahead to solve 55 years of antipathy. The government must continue to promote its North Korean policy based on national consensus and a transparent process. To this end, it must seek strong cooperation from the National Assembly and both majority and minority parties. Ant it must seek a consensus reflecting every level of society and a wide range of opinions.

The engagement policy has sparked internal conflict, and the government needs to resolve that internal strife. Moreover, it must ask North Korea not to aggravate the unrest. The South Korean government also needs to be more transparent and avoid politicizing matters such as humanitarian aid. Providing faithful accounts of South Korea's aid to North Korea and the actual conditions in North Korea will help to increase popular support of the policy. Moreover, by keeping domestic politics out of the engagement policy, the government can prevent division among the people on the unification issue.

Three-Dimensional Promotion of the North Korean Policy

Real and fruitful improvements in inter-Korean relations can only be achieved by taking a three-dimensional approach. Due consideration must be given to popular opinion to the realities of both Koreas, and to international order centered around the Korean peninsula. Therefore, while the South Korean government and the public take the lead in promoting North Korean policy, the policy should try to balance and reconcile the differing interests and positions of North Korea, neighboring countries, and the international community. Most importantly, the South Korean citizenry must be at the center of North Korean policy. Popular opinion drives improvement of inter-Korean relations, and without national consensus as its base, the South Korean government cannot

move forward. Only when the people take the lead in improving the inter-Korean relations, can North Korean policy gain the respect and recognition of North Korea and neighboring countries.

In promoting North Korean policy, the most important factor is gaining North Korea's cooperation. The South Korean government must not perceive North Korea as a passive entity, but as a partner. Both South and North must focus their energies to practical means for cooperation based on areas of mutual interest. North Korea's commitment to recovering its economy and South Korea's effort to establish peace on the Korean peninsula will be among the issues for negotiation.

North Korea policy can gain meaningful outcomes when it is accompanied by active support and cooperation of neighboring countries. Cooperation and assistance from the U.S., Japan, China, Russia, and other neighboring superpowers are key to improving inter-Korean relations. Accordingly, it is important to balance the individual interests of the neighboring countries, and through regular dialogue, to expand the areas in which the interests of South and North Korea and those of neighboring countries converge. More importantly, South Korea needs to adopt a three-dimensional and comprehensive approach to seeking multi-faceted, realistic plans to achieve comprehensive mutual interests. In particular, both parties must avoid past mistakes. Accordingly, the South Korean government's approach to North Korea policy since the naval clash in the Yellow Sea in 1999 has been on a positive track.

By taking a comprehensive approach to North Korea, South Korea must wisely utilize, maintain, and expand the grounds for improvement in inter-Korean relations that were paved at the inter-Korean summit.

Promoting the People's Understanding of North Korean Policy

Despite the notable achievements of the North Korean policy, South Korean public's opinion on inter-Korean relations after the

June 15 Joint Declaration is split. Reasons include differing views of North Korea, South Korea's stagnant economy and lack of government transparency. First of all, some critics of the Sunshine Policy believe that South Korean government is "being dragged by the nose by North Korea," and that South Korea is giving all without getting any benefits. The question is whether the claims are indeed true: Does the South Korean government's North Korea policy pour resources into North Korea without getting anything in return? Is the South Korean government being manipulated by North Korea? The government asserts that South Korea, not North Korea, has taken the lead in holding the inter-Korean summit and various pending issues between the two countries. Of the 31 projects and programs agreed by the two Koreas after the summit, 25 of them such as the re-connection of the Seoul-Shinuiju railroad, reunions of separated families, and agreements on issues related to economic cooperation, have been initiated by South Korea. What is important is that the South Korean government has put more effort into fostering public awareness, and as a result, it is the leader in inter-Korean relations.

A Successful Second Inter-Korean Summit

The second inter-Korean summit that would accompany Kim Jong-Il's visit to Seoul holds much significance. If the first summit between the two Koreas last year was a historical meeting, the second summit, which would be held in Seoul, would signify progress in resolving pending issues between the two countries, as well as the hope for regular high-level meetings. The Korean public and the international community wonder whether Kim Jong-Il will come to Seoul to resolve matters of economic cooperation and improvement of infrastructure, electricity supplies and the food shortage. Since North Korea believes that the second summit will help relieve its economic crisis and food shortage, there is no reason to think it would be cancelled. Should there be a second summit, the two Koreas must agree on the following matters: A) a declaration of

peace in the Korean peninsula and easing of tensions, B) opening a liaison office in Seoul and Pyongyang, C) measures to address the issue of separated families and humanitarian issues, D) building an inter-Korean economic community, and E) matters related to North Korea's entry into the international community. Kim Jong-Il's visit to Seoul would demonstrate North Korea's commitment to keeping peace on the Korean peninsula.

Firm Maintenance of the Key Points and Principles of the Engagement Policy

The key points and principles of the engagement policy must be maintained. Should South Korea give up on the engagement policy and pursue confrontation, it would lose much of its latitude. Moreover, if it were to abandon the engagement policy, South-North confrontations would be as costly as during the Cold War era. Local skirmishes and terrorist attacks could also occur if the engagement policy is abandoned. Therefore, South Korea must stop wasting energy on ideological disputes. Rather, politicians from both parties, academics, and citizens must work together to make the engagement policy even more effective. We must all accept that the only way to save the Korean peninsula from the legacy of the Cold War era is to consistently pursue a future-oriented policy of engagement based on strong national security.

To promote inter-Korean relations, the South Korean government needs to pursue its Sunshine Policy with patience and consistency. To this end, inter-Korean cooperation should start at a point where both countries, already agree, beginning in areas of relatively less conflict. In particular, the government needs to deal with issues such as separated families, the building of the Seoul-Shinuiju railroad, the first phase of the Kaesong plant construction, and Mt. Kumkang tours via land. At the same time they must create confidence-building measures for peaceful utilization of the demilitarized zone.

The current Sunshine policy is not unique, although many have

viewed it as a separate entity. Indeed, it echoes many of the ideas of the past administration. Some wonder whether the next administration will adopt yet another policy to deal with North Korea. On that matter, the next government should be mindful of the historical continuity of the engagement policy and recognize its past successes in bringing reconciliation and cooperation to the Korean peninsula.

