

Toward Peace and Prosperity: The New Government's North Korea Policy

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THE BIRTH OF A NEW GOVERNMENT

On February 25, 2003, the administration of sixteenth President Roh Moo-hyun was inaugurated with much fanfare, designating its commitment to a "Participatory Government." Having served in outgoing President Kim Dae-jung's cabinet, and known for his progressive leanings, the new head of state is expected to continue his predecessor's North Korea policy. Throughout the presidential campaign, Roh has consistently adhered to the view that "for the existence and prosperity of the nation, the Sunshine Policy is absolutely necessary, and thus must be carried on." Regarding unification measures, President Roh, in a January 2002 interview, said that his views "do not differ greatly in the general consensus to move gradually from building mutual trust to establishing national coalition."

In his inaugural address, Roh outlined his new Peace and Prosperity Policy which will maintain the general framework of the Sunshine Policy while aiming at a more widespread national consensus and bipartisan cooperation, two areas that the previous

administration neglected. Considering the latest controversy over Hyundai Merchant Marine's money transfer to Pyongyang just before the June 2000 Inter-Korean Summit and public criticism towards the previous government's secretive dealings with the North, the new policy appears to be committed to establishing greater transparency in inter-Korean relations.

The Policy for Peace and Prosperity is a three-stage institutional measure to resolve the North Korean nuclear crisis. As the main item among the Presidential Transition Committee's twelve major policy guidelines, the government will first promote regular talks between the leaders and defense chiefs of the two nations so as to defuse the North Korean nuclear threat. The second step is aimed at expanding inter-Korean cooperation and exchange programs including military confidence between the two Koreas, with the ultimate goal of this three-tier strategy being to replace the present armistice agreement with a declaration of peace. While the Sunshine Policy focused on the methodology of North Korea policy, the Peace and Prosperity Policy goes beyond the Korean peninsula and places emphasis on achieving peace and prosperity in Northeast Asia. Unfortunately for the new Roh Moo-hyun administration, the outlook is dim on both the domestic and international fronts.

First, countries in the region cannot agree on the North Korean issue. It is well understood that North Korea has struggled to maintain its political system since the end of the 20th century through "military-first" politics seeking economic reforms under the name of "our own style of socialist economic system." For this purpose, North Korea has maintained a cooperative stance, at least in the area of economic cooperation. It has also made unprecedented attempts to improve relations with the EU and Japan. Regarding the U.S., however, after U.S. President George W. Bush took office, North Korea-U.S. relations chilled. Then, in October 2002, North Korea's uranium enrichment program was revealed, resulting in North Korea's declaration to withdraw from the Nuclear Non-proliferation Treaty (NPT) on January 10, 2003. In response, the United States

issued a series of warnings, and since then, representatives of South Korea and the U.S. have met several times. Tensions are still high, however, and there are new concerns that the diplomatic issue could shift to a military one.

Domestic obstacles are also intricate. The Sunshine Policy triggered an internal rift in the South by pushing forward economic cooperation with the North without first building reciprocal military confidence. The discontent from the conservative camp will likely become much more audible during the Roh administration. As the presidential election clearly indicated, a wide gulf separates the younger and older generations, the progressives and the conservatives, and the hawks and the doves. Their differences over the present state of affairs highlight the confrontation between the two opposing sides.

In this context, the Roh administration's most urgent tasks are in the areas of unification, diplomacy, and national security. How Roh deals with North Korea early in his term will determine popular confidence in the new government, especially in light of the President's lack of experience in foreign affairs. Likewise, his North Korea policy will act as a compass to guide the nation through difficult times. It is the purpose of this paper to take a closer look at the new Peace-Prosperity Policy toward North Korea, by examining the "fifteen commitments to unification and security," first promised during the campaign and reiterated in his inaugural address.

THE PEACE-PROSPERITY POLICY AND THE NORTH KOREAN NUCLEAR CRISIS

The new Peace and Prosperity Policy is based on the following four tenets: dialogue as the means to resolve all pending issues; building mutual trust and maintaining reciprocity; promoting international cooperation on the principles of mutual and direct participation; and enhancing transparency, expanding citizen

participation, and securing bipartisan support.

The President's inaugural address highlighted the serious threat of North Korea's nuclear program, not only to the Korean peninsula, but also to the peace of Northeast Asia and the world. He added that North Korea must choose between its nuclear weapons and future economic aid and the security of its current political system. It is interesting that President Roh added the term "never" to the script, which had originally stated, "North Korea's nuclear development 'cannot' be condoned." Nevertheless, he continued to stress that a peaceful resolution through dialogue was the only solution, and that heightened military tension must be avoided at all costs. The new President also pointed out the historical importance of the Korea-U.S. alliance, stating, "It has made a significant contribution in guaranteeing our security and economic development. The Korean people are deeply grateful for this."

In other words, the President Roh's inaugural speech establishes a Maginot Line for the new government's North Korea policy in essence, pointing out to the Bush administration the special geopolitical circumstances of the Korean peninsula. His words were in response to Bush's post-September 11 statement on using military means to prevent the development and proliferation of nuclear weapons and other weapons of mass destruction (WMD).

Since the inaugural speech presents only a general abstract of the new government, it is premature to conclude how those principles and policies will take form, or how effective they will be. However, considering Washington's steadfast, hard-line stance toward North Korea and the differing views between South Korea and the U.S., it will take some time before the new administration's North Korea policy can be fully implemented. The fifteen major tasks for unification proposed by Roh Moo-hyun in his campaign reinforce the basic framework and goals of the Kim Dae-jung administration. The new President expands that agenda, however, introducing plans to open an era of peace and prosperity in Northeast Asia. It is clear from the detailed outline for the proposal that it will not be easily

Fifteen Commitments to Unification and Security

- Normalization of inter-Korean summits
 - Institutionalization of inter-Korean dialogues at every level
 - Conclusion of a peace agreement
 - Resolving weapons of mass destruction issues
 - Building military confidence and disarmament
 - Making the demilitarized zone a peaceful area
 - Resolving the issue of separated families
 - Devising an inter-Korean economic community plan
 - Establishing an inter-Korean joint economic zone
 - Aid for North Korea
 - International cooperation
 - Trust-building
 - Gaining support and consensus from the people
 - Revitalizing social and cultural exchanges
 - Cooperating on environment and disaster prevention
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achieved. A brief review of those tasks will reveal more clearly the new government's North Korea policy.

Regular Meetings Between the Two Koreas

The historic inter-Korean summit, held in Pyongyang in June 2000 between the two leaders, Kim Dae-jung and Kim Jong-il, turned out to be a one-time event since the promised reciprocal visit to Seoul by Kim Jong-il did not materialize. Despite setbacks, it is clear that trust between the two sides cannot be regained if the present state of inter-Korean relations continues. To that end, President Roh not only proposed an inter-Korean summit, but regular meetings between the representatives from both Koreas at every level. In other words, channels of communication must be broadened to include regular working-level meetings between defense ministers to focus

on military issues, and between culture ministers to discuss interchange in social and cultural areas. By creating a regular body to promote inter-Korean cooperation, ongoing dialogue and interaction between the two Koreas can continue seamlessly. This is important not only to enhance relations, but to forge more confidence among the citizens.

President Roh's proposal heightens expectations, for it not only guarantees real benefits for both South and North Korea but it also expedites reunification of all Koreans into a single national community.

Military Confidence-Building and Security for Peace

Among the tasks presented by President Roh, what draws most attention is the emphasis on resolving military issues in order to secure lasting peace. Kim Dae-jung's North Korea policy affirmed South Korea's firm opposition to any form of armed provocation by the North. Still, it declared that the South would not attempt in any way to overthrow the North Korean regime, clearly expressing then-President Kim Dae-jung's commitment to bring about a positive peace. Regretfully, however, the Kim Dae-jung administration failed to advance its cause early enough. That failure was rooted in fifty years of deep-seated mistrust, and military and non-military confrontations. Among the many incidents were the military provocation in the West Sea in 1999 and 2002. Such breaches in mutual trust could not be resolved by a few pages of agreement.

Roh Moo-hyun, however, seems determined to go a step further to eliminate such difficulties. First of all, by resuming the inter-Korean summit, he has promised to establish peace on the Korean peninsula through respect for the principles of both sides, by upholding the principle of mutual non-aggression, and by bringing about a joint declaration of peace that promises to establish peaceful system on the Korean peninsula. In particular, he has emphasized the importance of a peaceful resolution of North Korea's

development of nuclear and WMDs through dialogue, and for this purpose, South Korea needs to “assume the role of mediator between North Korea and the U.S.,” using the inter-Korean dialogue channels and trust built over the last few years. He also stressed other goals: the denuclearization of the Korean peninsula and maintaining regular dialogue with North Korea, the U.S., Japan, and other international organizations. He also vowed to develop comprehensive confidence-building measures: installing a direct telephone line between Pyongyang and Seoul, exchange programs for military officials, and advance notification about military drills. Based on these measures, the Roh administration sought to open talks to reduce military expenses in stages and promised to implement measures to prevent military confrontation like the clashes off the West Coast. In addition, President Roh promised to dismantle military facilities in the demilitarized zone and convert it into a peace zone and find ways to utilize the area jointly with North Korea. He also promised to build a city to be named Peace Village, together with North Korea at the site, and to use the area for various projects to promote reconciliation and peace between the two Koreas, as well as among Northeast Asian countries.

In the past 30 years, inter-Korean dialogues have produced numerous agreements including the Agreement on Inter-Korean Reconciliation, Non-aggression, Exchanges and Cooperation (the 1992 Basic Agreement). Had the numerous agreements between South and North Korea actually been implemented, the situation on the Korean peninsula today would be quite different. Unfortunately, however, due to North Korea’s refusal to abide by them, those agreements were no more than scraps of paper within a year of their signing. In particular, military-related documents were doomed to fail, since North Korea has always been adamant about negotiating only with the United States on military issues.

Of course, the reason that North Korea has little regard for agreements with South Korea is clear. The North believes that the greatest threat comes not from South Korea, but from the U.S.

military stationed here. President Roh, therefore, must reach a resolution through dialogue, taking into consideration North Korea's perception of Washington. On military issues, moreover, Roh must be fully aware of Kim Jong-il's views before implementing any countermeasures. North Korean leader Kim Jong-il believes that his power is based on military might. Therefore, any military talks are essentially predicated on the survival of Kim Jong-il and his regime. Consequently, no matter how small the issue, if it is related to the military, North Korea reacts sensitively and with extreme caution. To cite a familiar example, in the process of negotiating the construction of a railroad within the Military Demarcation Line (MDL) in mid-December of last year, both sides agreed not to carry machine guns; however, North Korea repeatedly violated the agreement, bringing those weapons into the area.

Because the North believes that only mighty Washington can guarantee North Korea's survival, they insist on placing the highest priority on negotiating with the U.S. While the Inter-Korean Summit is considered to be the greatest achievement of the Kim Dae-jung administration, it should not be overlooked that the June 15 Joint Declaration contains no provisions for peace, indeed the most important issue, because North Korea refused to commit itself in the matter.

Taking these facts into consideration, Seoul must try to persuade North Korea on military issues while cooperating with the U.S. to find common solutions. Moreover, South Korea should maintain close consultation with all countries that have a direct interest in the security of the Korean peninsula, including Japan, China, Russia, and the EU. Following that course of action will not only help to build confidence in North Korea but is also more likely to bring results.

Inter-Korean Economic Cooperation and Aid to North Korea

President Roh aimed far beyond simply establishing inter-

Table 1. North Korean Humanitarian Aid by South Korea and International Community

(Unit: 10,000 US\$)

	1996	1997	1998	1999	2000	2001	2002
Government	305	2,667	1,100	2,825	7,863	7,045	8,375
Private	155	2,056	2,085	1,863	3,513	6,494	5,117
Total	460	4,723	3,185	4,688	11,376	13,539	13,492
International Community	9,765	26,350	30,199	35,988	18,177	35,725	25,727

Source: Ministry of Unification

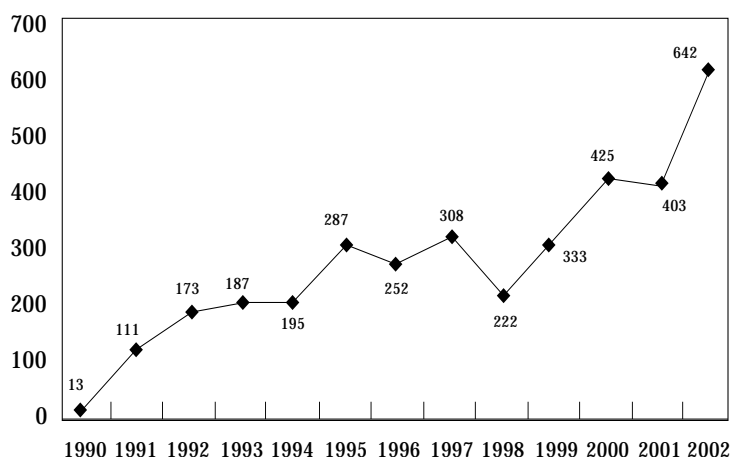
Korean economic exchange and cooperation. He intends to build a national economic community or a joint inter-Korean economic zone. To that end, he is pressing for the organization of an inter-Korean research institution to exchange economic resources and conduct joint research for the formation of an inter-Korean economic community. He proposed that the two sides exchange information and ideas to come up with a blueprint such as community. His plans include a "South-North Korean Joint Economic Zone" in the areas on Mt. Kumgang, Kaesong industrial complex areas and Seoul-Shinuiju and East Coast Railway lines, that would attract over 1,000 South Korean businesses.

In addition, humanitarian aid will expand from food and fertilizers to include medical supplies. The new government will pursue more institutionalized economic cooperation based on enactment of four accords on economic cooperation (investment guarantees, clearance of accounts, avoidance of double taxation, and settlement of commercial disputes), and implementation of institutional apparatus such as transit, communications, customs clearance, certificate of the place of origin, and industrial standard agreements. In addition, he will redouble efforts toward cooperation from international financial institutions.

Some of these tasks for inter-Korean economic exchange and cooperation were either previously proposed by the Kim Dae-jung

Table 2. Inter-Korean Trade Volume by Year

(Unit: million US\$)



administration or those already in progress. Nevertheless, the fact that Roh is carrying forward those tasks can be seen as the new government's commitment to inter-Korean economic exchange and cooperation.

The re-connection of the railroad links, the inter-Korean project on which Kim Dae-jung administration placed much emphasis, is in the final stage of completion. Other goals such as the Mt. Kungang tourism project and Kaesong industrial complex are ready for launching, after the North proclaims Mt. Kungang as a tourist area, and enacts new legislation on the Kaesong industrial complex in December 2002.

If inter-Korean economic cooperative efforts go forward at the present pace, there will soon be visible economic activity back and forth across the demilitarized zone (DMZ), a significant and welcome development indicating that at least one article of the 1992 Basic Agreement has finally materialized, albeit ten years later.

Since the opening of the inter-Korean economic cooperation,

Table 3. Progress in the Reunion of Separated Families

Reunion	Period	Number of People
First meeting	August 15 -18, 2000	1,170
Second meeting	November 30 -December 2, 2000	1,220
Third meeting	February 16 -18, 2001	1,240
Fourth meeting	April 28 -May 3, 2002	849
Fifth meeting	September 13 -18, 2002	875

Source: Ministry of Unification

especially during the Kim Dae-jung administration, total trade expanded rapidly. The inter-Korean trade volume was at 222 million dollars in 1998, but four years later in 2002, it had tripled to 642 million dollars. With economic development, trade is expected to grow even more rapidly.

The amount of governmental and private economic aid to North Korea will also increase, considering that economic aid during the Kim Dae-jung administration's five-year term amounted to some 1.3 billion dollars. Unless tensions again escalate, inter-Korean economic cooperation and South Korea's aid to the North will likely rise consistently during the next five-year term of the new administration.

Reunion of Separated Families

One visible and concrete achievement of the previous administration's efforts to improve inter-Korean relations is the successful reunions of separated families. For some two years after the June 15 Inter-Korean Joint Declaration, searches were conducted for members of separated families, addresses of family members were confirmed, letters were exchanged, and reunions of families took place. And now those reunions are systematized.

With the completion of the fifth reunion, some 5,400 families have been reunited for the first time in half a century. Moreover

Table 4. Increasing Contacts Between Separated Families
(March 1998-September 2002)

	Number of Families (Annual Average)	Rate of Increase
Confirmation of Addresses	718	6.0 times
Correspondence by Letter	864	1.7 times
Family Reunions	389	15.6 times

Source: Ministry of Unification

some 11,000 families have received information on addresses, as well as on whether their relatives are still alive.

In inter-Korean Red Cross talks held in December 2002, South and North Korea discussed detailed plans for building a reunion center for separated families, reached agreement on practical matters. To encourage reunion efforts, the previous administration not only extended the approval period for contacting North Koreans from two years to five years, but also simplified the application process to visit North Korea. The former government also created a subsidy (800,000 won when family members were ascertained to be alive, 1.8 million won for the reunions, and 400,000 won for continued contact) to assist in the travel expenses to North Korea. From 1998 to September 2002, there have been altogether 1,120 cases of reunited families, and the government has subsidized 1.555 billion won. Among those cases, 3,293 were to ascertain the status of family members, 3,985 were letters of correspondence, and 1,783 cases were reunions.

Based on such progress, President Roh proposed to expand the number of participants at family reunions, normalize letter exchanges, and install an additional reunion center in the Seoul-Shinuiju Railway zone (within the DMZ). Furthermore, he hopes that during his term of office, citizens can meet more regularly, change their residence to South Korea, and South Koreans can choose to be buried in North Korea.

Regarding the issues of South Korean prisoners of war and South

Table 5. Individual Exchanges Between South and North Korea
(March 1998–August 2002)

Visits to the North*	Year	1998 (after March)	1999	2000	2001	2002 (Until August)
	(Total 31,613)	Number of Travelers	3,317	5,599	7,280	8,551

Visits to the South**	Year	1998 (after March)	1999	2000	2001	2002 (Until August)
	(Total 1,195)	Number of Travelers	-	62	706	191

* Mt. Kumgang 476,583 tourists (as of August 2002) are not included.

** Busan Asian Games 668 participants are not included.

Source: Ministry of Unification Republic of Korea, *Promoting the Policy of Reconciliation and Cooperation Toward North Korea and Recent Developments*, (October 2000)

Koreans abducted to North Korea, resolution will be difficult unless a firm trust is first built between the two Koreas, especially since North Korea either denies the allegations or refuses to negotiate on the matter.

Vitalizing Social and Cultural Exchange

The former government also brought about dramatic progress in the area of inter-Korean social and cultural exchange. As shown in Table 5, exchanges are multiplying with North Korea: by the press, the media, religious groups, civilian groups, non-governmental organizations, as well as in the areas of culture, arts, and sports.

Most notable was the participation of North Korean supporters, who accompanied North Korean athletes to the Busan Asian Games. On September 29, 2002, a total of 668 North Korean delegates arrived in Busan on the *Mankyungbong-92*, a North Korean passenger ship. Of those, 312 were athletes and 356 were supporters, reporters, and the crew. In addition to North Korean participation in the games, athletes from North and South marched together for the opening

ceremony and supporters from both sides cheered as one. The event became a symbol of reconciliation when athletes lit the Asian Games torch together. Based on such recent events, proposals by President Roh for joint research and exchange and cooperative projects in the areas of culture, art, science, religion, and sports may go forward without much difficulty.

However, other issues defy solutions: promoting media exchanges, a joint communications system, opening the media, and building a high-speed information and communications network across the entire peninsula will be difficult to achieve as long as the North believes that such capitalistic ideas could compromise security of its regime.

Other inter-Korean cooperative plans proposed by President Roh, such as implementation of a cooperative system for environmental protection and natural disaster relief, joint research on environmental pollution, and cooperative management of natural disasters will depend on progress in inter-Korean economic and social cooperation.

LESSONS TO BE LEARNED FROM THE FORMER GOVERNMENT

So far, we have reviewed briefly President Roh Moo-hyun's North Korea policy. As pointed out, President Roh has progressive ideological leanings, and accordingly, his North Korea policy can be expected not only to uphold outgoing President Kim Dae-jung's Sunshine Policy, but also to carry that policy further.

I would hope that the new administration learns much from the outgoing administration, especially that the traditional strategy, "diplomacy as an extension of domestic affairs," also applies to North Korea policy. If a government fails in domestic affairs, its North Korea policy will cannot avoid the same fate.

Despite its heroic role in leading the country out of the financial

crisis and achieving economic recovery, the Kim Dae-jung administration faced much difficulty in the latter half of the term for its failures in educational reform, separation of the roles of pharmacists and doctors, press reform, as well as alleged corruption that implicated family members and close associates of the President. In the wake of those troubles, the administration lost political power when the opposition party gained majority. Finally, the Kim Dae-jung administration took a great deal of criticism over the Sunshine Policy, because it allegedly gave too much to North Korea for little in return.

Another lesson can be learned from the engagement policy. That is, it can be applied only when North Korea's military threat to the South has been clearly reduced. Moreover, the South should not appear to recognize North Korea's absolute dictatorship. The Kim Dae-jung administration, however, gave the impression that it recognized the North Korean regime in the clause of Inter-Korean Joint Declaration that states, "there is a common element in the South's proposal for a confederation and the North's proposal for a federation of lower state as the formulas for achieving reunification (Article 2)." This drew criticism from the conservative camp, especially when the Kim Dae-jung government continued to operate the Mt. Kumgang tourism project and to send aid to North Korea ever during military confrontations in the West Sea.

The North Korea policy has been fraught with difficulties. Indeed, a quagmire of surprises and disappointments lie before the Roh administration, mainly because of U.S.-North Korea confrontation. Domestically, Roh needs to gain a national consensus to give him a strong support base for his policy. Internationally, the South Korea administration needs to work closely with other countries to bring Pyongyang into the international community. The new President is fully aware of these challenges ahead.

With the Peace and Prosperity Policy, the new government will carry on the torch of the outgoing administration's Sunshine Policy. And it will achieve more consistency in policy that can strengthen

the foundation of inter-Korean confidence. A caveat: it should avoid conflict. Rather than pushing North Korea policy unilaterally, it should concentrate on improving and strengthening relations with allied powers and on mobilizing their cooperation and support. By so doing, President Roh Moo-hyun will be able to realize his vision: a new era of peace and prosperity in Northeast Asia.