

# Assessing Inter-Korean Relations and the U.S.-North Korean Relationship

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## I. Introduction

Since the end of Korean War, the Korean peninsula has long been shadowed by conflicts and tensions between the two Koreas. However, owing to the sunshine policy of President Kim Dae Jung and the engagement policy of President Clinton, North Korea has moved toward detente with South Korea. The historical summit between the North and the South in June 2000 was achieved by those movements. Though only one summit meeting cannot reduce the antagonism the two countries have endured for more than 50 years, the continued meetings such as ministerial talks, defence minister meetings, and family reunions steadily seem to build the confidence between the North and the South. Confidence building is the most important factor in the development of an ideal economic and political relationship between the two Koreas. The trustworthy and cooperative relationship in which the two countries supplement each other could lead to an eventual integration of the two into a single community.

In this respect, this paper examines the overall assessment of inter-Korean relations after the Korean summit and explores prospects for the future relationships of

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North-South Korea in relation to the Bush administration's North Korean policy.

## II. The Outcome of inter-Korean Relations after the Korean Summit and Its Responses

In February 1998, the Government of the People led by President Kim Dae-jung was inaugurated. In his inauguration address, President Kim made it clear that he would develop inter-Korean relations by promoting reconciliation and cooperation between the two Koreas and establishing peace between them. The President's speech reflected the basic direction of his administration's North Korea policy: At this point, rather than hastening to achieve national unification immediately, the government would first concentrate its energy into transforming the political structure on the Korean Peninsula from the Cold War confrontation into reconciliation and cooperation.

The goal of President Kim Dae-jung's sunshine policy is to build mutual confidence and reconciliation on the Korean Peninsula through expanding economic cooperation and cultural exchange with North Korea. Furthermore, it leads North Korea to open his society and to build the basic structure of national unification in the future. Theoretically, the sunshine policy largely depends on the "functionalism" that the increase of economic and cultural exchange can bring about a political cooperation.<sup>1)</sup>

The sunshine policy is well described in the "Berlin Declaration" on March 9, 2000 which suggested four points: (1) support for North Korea's economic recovery; (2) ending the Cold War on the Korean Peninsula and realizing peaceful coexistence between the two Koreas; (3) a call for the resolution of the issue of separated families; (4) a proposal to hold talks between the two Korean authorities. Eventually, the Berlin Declaration resulted in the historical Korean summit.

Why did North Korea accept President Kim's proposal of holding a summit? It seems two reasons have a great impact on it.<sup>2)</sup> One was the extremely severe economic crisis in

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1) See David Mitrany, *A working Peace System* (Chicago: Quadrangle Books, 1966), pp. 149-166.

2) For a detailed analysis of this, see Hakjoon Kim, "Recent Transformation in Inter-Korean Relations: The North-South Summit Conference, the North-South Joint Declaration, Subsequent Events, and Their Meeting," in Chung-in Moon, Odd Arne Westad, and Gyoo-hyoung Kahng(eds.), *Ending the Cold War in Korea: Theoretical and Historical Perspectives* (Seoul:

North Korea. North Korea recorded negative economic growth every year from 1990 through 1998. It was known that over two million North Korean people have died since 1995, because of economic and agricultural crisis. Furthermore, former allies, Russia and China as well as the U.S. and Japan didn't want to give unconditional aid to North Korea. Thus, North Korea had only South Korea to rely upon. The other was that if the Korean summit succeeded, it would yield additional diplomatic and political benefits such as normalization with the U.S. and Japan.

In this context, President Kim Dae-jung's sunshine policy resulted in the historic Korean summit. The Korean summit, which was held in Pyongyang during June 13-15 2000, has brought about a decisive momentum to build a stable peace on the Korean peninsula. The June Korean summit and subsequent developments signify revolutionary changes in inter-Korean relations.

In addition, by including in the declaration chairman Kim Jong-il's return visit to Seoul in due course, it has enhanced the possibility of routinizing inter-Korean summits. And President Kim Dae-jung stated that he discussed U.S. troops with chairman Kim Jong-il at the summit and that the North Korean leader agreed that U.S. troops should remain in South Korea. Reportedly, however, the two Korean leaders also discussed changing the role of U.S. troops from a military combat force to that of peacekeepers.<sup>3)</sup>

Following the inter-Korean summit, the two Koreas exchanged two rounds of visits by separated families. During the first exchange, which took place from August 15 to 18, 2000, 100 people from each side visited Seoul and Pyongyang, respectively, and a total of 1,170 members of separated families were able to meet their relatives. During the second round of exchange from November 30-December 2, 2000, a total of 1,020 people from both Koreas were able to meet with their relatives.

In this context, the exchange of separated families has been largely increased since the launch of Kim Dae-jung's government. From the launch of Kim's government to December 2001, the numbers of separated family exchanges were as follows: address checks: 3,025, exchange letters: 3,246, reunions in third countries: 608, and exchange visit reunions: 621.<sup>4)</sup>

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Yonsei University Press, 2001), pp. 245-250.

3) Larry A. Niksch, "Korea: U.S.-South Korean Relations-Issues for Congress," *CRS Issue Brief for Congress* (Washington, D.C.: Congressional Research Service, December 6, 2001), p. 11.

4) Ministry of Unification, *Tongil Baekseo*(Unification White Paper), 2002, p. 200.

Substantial progress was also made in exchange and cooperation between South and North Korea. The two Koreas finally agreed on an institutional mechanism to facilitate economic cooperation. They signed economic agreements in four areas: investment protection, prevention of double taxation, clearing of accounts and commercial dispute settlement. From such an institutional foundation, they are expected to promote more actively such major joint economic projects as Mt. Geumgang tourism and development, the Imjin River valley flood prevention and Gaesong industrial complex. Among them, connecting the Seoul-Shinuiju railway and Munsan-Gaesong highway are of great importance. These are long-cherished national projects that will generate huge economic benefits including a reduction in transportation costs in inter-Korean trade and provide a physical foundation for inter-Korean economic cooperation. Furthermore, these land routes will open the door to a peaceful use of the Demilitarized Zone (DMZ) and transform the Korean Peninsula into the main bridge between the Asian continent and the Pacific Ocean.

Economic exchange between the two Koreas also expanded considerably. Inter-Korea trade reached a record high \$333 million 1999, \$425 million 2000, and \$403 million 2001.<sup>5)</sup> In addition, the Hyundai Corporation has made payments to North Korea, which may bring total secret payments closer to \$800 million for the right to operate a tourist project at Mount Geumgang. The Kim Dae-jung administration has touted the Mount Geumgang project as a highlight of its sunshine policy. It has decided to finance the project, which has been a big money loser for the financially troubled Hyundai Corporation.<sup>6)</sup> The South Korean government also made a decision to provide subsidies of W250,000(about \$200) for primary school students, W340,000 for middle, and high school students, and W300,000 for college students, teachers, separated family members over the age of 65, unification instructors, people of national merit and the handicapped.<sup>7)</sup>

At the same time, exchange of people expanded as well. Excluding the Mount Geumgang tourists, almost 8,000 South Koreans traveled across the inter-Korean border during the year 2000 and 8,551 South Koreans visited North Korea in 2001. A total of 24,747 South Korean people visited North Korea from 1998 to December 2001, and they are ten times the number of 2,405 people who visited North Korea during 1989-1997. These figures have

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5) Ministry of Unification, *Tongil Baekseo*, 2002, p. 121.

6) Larry A. Nicksch, *op. cit.*, p. 9.

7) *Chosun Ilbo*, March 21, 2002.

showed the remarkable increase of South Korean people visiting North Korea since the launch of President Kim Dae-jung's government. Furthermore, a total of 429,516 people visited Mount Geumgang during 1998-2001, including 57,879 people in 2001.<sup>8)</sup>

South Korea's humanitarian aid to North Korea has increased. The total amount of South Korea's aid to North Korea in 2000 was \$113,760,000, which amounted to 38.5% of the total assistance to North Korea including the assistance of the international community to the North. The total amount in 2001 was \$131,390,000.<sup>9)</sup>

The historic summit could build a firm relationship between the two Koreas based on mutual understanding following 55 years of hostility. As showed in opinion polls, most South Koreans welcomed the Joint Declaration and expected that the new spirit of reconciliation and cooperation could spread all over the Korean peninsula. As to the results of the South-North summit, 76% said it achieved more than they expected, 13% replied as expected. About 90% supported the results of the summit.<sup>10)</sup>

However, there were also voices of concern that the declaration would go too far. The opposition Grand National Party(GNP) declared that "the second item of the Joint Declaration"<sup>11)</sup> or "the suggestion of the South Korean side's confederation" was not a policy of the South Korean government, but only a personal one that President Kim Dae-jung made during his days as an opposition leader.<sup>12)</sup> They also insisted that the "confederation" suggested by President Kim was a concept that has never been consented to by the South Korean people, or accepted as a country policy.<sup>13)</sup> The conservative South Korean people were also suspicious of the intention of the North's formula for a low stage of federation because they didn't have any idea about it.

The hasty consent of the unification formula without the institutionalization of a peace

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8) Ministry of Unification. *Tongil Baekseo*, 2002, p. 103.

9) *Ibid.*, p. 208, 215.

10) This results is made in a telephone survey of 1,049 adults nationwide conducted by Korean Gallup on behalf of the *Chosun Ilbo*. See *Chosun Ilbo*, June 16, 2000.

11) The second item is acknowledging that there are common elements in the South's proposal for a confederation and the North's proposal for a federation of a lower stage as the formulae for achieving reunification, the South and the North agreed to promote reunification in that direction.

12) The South Korea's unification formula named as the Korean National Community Unification has three stages: reconciliation and cooperation stage --> national confederation stage --> national unification stage.

13) *Chosun Ilbo*, June 16, 2000.

system on the Korean peninsula could make Korean people feel uncertainty, because the Joint Declaration didn't mention anything about the national ideology of the unified Korea, and the unification process.

Furthermore, the first item emphasizing the principle of self-initiative(or independence) in resolving the question of Korean unification was to declare "Koreanization of the Korean question". Such a point was already agreed between the two Koreas as one of the three basic principles stated in the July 7 South-North Joint Communique and reaffirmed in the Basic Agreement of 1992.

Though it was thought for Korean people to be natural, it caused a great concern among people, because North Korea had insisted on the rejection of foreign forces and withdrawal of American troops. Furthermore, if the close relationship of the two Koreas were to be built, it could not only undermine the monopoly status of the United States, but also bring a revolutionary change to the U.S.-Korea security system regarding North Korea as the main enemy. And also the insistence of the withdrawal of American troops in South Korea would increase as the threat from North Korea decreases.

This situation could also strengthen the Chinese position, the party concerned in the Korean question, which regards the American army as a thorn in the eye. Without a strong effort, China could get the opportunity to loose the American initiative on the Korean peninsula. The United States has worried about this point. This could be one reason the U.S. approached so hurriedly to North Korea during the last era of the Clinton Administration while they welcomed the Korean summit.

As a result of this, the effect of symbolic manipulation did not last long. The surveys done in September 2000 show a somewhat worsened image of North Korea (than in June). According to a Joongang Ilbo survey done on September 20, 72.4% said that economic assistance to the North should be done within the limit of Korea's economic capability. Considering that a majority of the people said Korea needed to assist the North as much as possible previously, this result was quite a change. In addition, a majority of the people still thought that North Korea was hostile, and threatening. To make things even worse for the leaders of the two Koreas, the perception of North Korea deteriorated further one year after the summit. A Chosun Ilbo survey on June 11 2001 shows that 50.1% view North Korea as not changed much, and 43.9% evaluated that the Kim Dae-jung government is not doing well in dealing with North Korea while 33.9% think that the Korean government is doing well.<sup>14)</sup>

Along with this, the conservative media's critical portrayal of the Kim Dae-jung engagement policy has seriously undercut political dividends from the summit. Although a triumphant mood following the summit pacified domestic opposition for the time, newly emerging domestic fragmentation began to cloud prospects of inter-Korean relations. Kim's own success has not only precipitated domestic polarization, but has also been an instrument for intensifying domestic opposition, ultimately fracturing the foundation of national consensus and critically undermining his policy capacity.<sup>15)</sup>

Furthermore, owing to the participation in the ceremonies to be held at the Monument of Three Charters for National Unification in the Grand Festival for National Unification in Pyongyang for 2001, the coalition government collapsed due to the passing of the vote of no confidence for Unification Minister Lim Dong-Won. The New Millennium Democratic Party(NMDP) became a minority in the National Assembly and would face serious opposition from the two opposition parties, the Grand National Party(GNP) and the United Liberal Democrats(ULD). The conservatives such as GNP and *Chosun Ilbo* have continuously criticized the Kim Dae-jung Government's sunshine policy as a reason for being deceived by North Korea. They argued that the North Korean regime would not want to change its traditional policy of communizing South Korea and also asserted that Pyongyang would only show a friendly gesture to get aid from the South in terms of a tactical maneuver. Without transparency, unconditional assistances to North Korea would not help ordinary North Korean people, but make the Kim Jong-il regime stronger.<sup>16)</sup> In contrast with this view, the progressives such as NMDP, the civic activist groups like "Korean Council for Reconciliation and Cooperation", and *Hankyoeh Shinmun* strongly supported President Kim Dae-jung's sunshine policy. They also argued that the North would want to change substantially in order to get out of economic crisis and only the

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14) Geun Lee, "Political and Economic Consequences of the Inter-Korean Summit," in Jong-Chun Back and Young Jae Kim(eds.), *Peace and Stability on the Korean Peninsula* (Seoul: The Korean Association of International Studies, 2001), p. 16.

15) Chung-in Moon, "The Korean summit and Implications for Peace in Northeast Asia: Assessments and Policy Options," Woo Keun-Min(ed.), *Building Common Peace and Prosperity in Northeast Asia* (Seoul: Yonsei University Press, 2002), p. 100.

16) According to an editorial, *Chosun Ilbo* March 26 2002, it was argued that owing to the suspicion of North Korea's military spending of the money from the Mount Geumgang project, the Mount Geumgang project was not a "peace venture" but an exercise in creating tension on the peninsula, and the South Korean government's various programs for supporting the whole tourism project had helped the North build up its military using Southern tax money.

sunshine policy could make Pyongyang open and reform his political system. The progressives blamed the conservatives as being trapped in the Cold War-era concept. They also argued that one of major causes of the North's economic crisis was provided by the United States's economic sanctions and military aggressiveness against the North.<sup>17)</sup> Eventually, it seems this different view mainly relies on whether they trust the North Korean posture or not. And also it was basically due to the lack of North Korea's sincerity.

For instance, North Korea agreed to the fourth family reunion at the fifth ministerial meeting on September 2001 in Seoul. But Pyongyang postponed the family reunions scheduled October 16-18, 2001 unilaterally, claiming that conditions would not be right for such family meetings until South Korea takes its forces off of their September 11 alert --- the fact that the alert was already in place when North Korean delegates visited Seoul on September 15 and agreed to resumption of dialogue and family exchanges makes this argument highly disingenuous. Tens of thousands of elderly South Korean residents have been lining up for a chance to visit long lost kin and for many, time is rapidly running out --- of the 200 chosen by lottery for the long delayed fourth exchange visit, more than a dozen have already died as the North continues to renege on its promise.<sup>18)</sup> Thus, North Korea deserves to be blamed because Pyongyang makes use of the family reunion issue for the sake of their political interests.

Anyway, this lack of national consensus resulting from "the South-South conflicts" and the lack of sincerity of North Korea has made President Kim Dae-jung so weak politically that he now has virtually no flexibility in dealing with the North. There seems to be little opportunity today for further South Korean concessions. Furthermore, as the political season of presidential election is getting near, it might be very difficult for President Kim's sunshine policy to move ahead fast. Therefore, the South Korean government should make an effort to get a national consensus by way of trying to cooperate with minority parties and should slow down a little in pursuing North Korean policy.

At the same time, the inter-Korean relations have deteriorated since the launch of the Bush administration. This deterioration will be analyzed in the next chapter.

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17) Hakjoon Kim. *op. cit.*, p. 271.

18) Ralph A. Cossa, "Korean Peninsula: Missed Opportunities," *PacNet Newsletter* (November 27, 2001). <http://www.csis.org/pacfor/pac0147A.htm>



### III. The Bush administration policy toward North Korea and "Axis of Evil"

The launch of the Bush administration and his hawkish posture on North Korea have brought about a negative impact on the continuous improvement of the North-South relations.<sup>19)</sup> In October 1999, Secretary of State Madeleine Albright visited Pyongyang to meet with Chairman Kim Jong-il. In the course of their talks, Kim agreed to end exports of all missile technology, and to freeze testing, production, and deployment of all missiles with a range of 500 kilometers. In return, the United States agreed to arrange for the launch of two or three satellites and agreed to accept compensation in kind, not cash.<sup>20)</sup> This agreement mainly resulted from "the Perry Process" that envisioned a conditional and gradual improvement of the U.S.-North Korean relations based on the Principle of mutual threat reduction.<sup>21)</sup>

The Bush administration has not approached North Korea where the Clinton administration stopped. The Bush administration undertook a lengthy review of the North Korean policy. Before the review was completed, it became clear that the new administration was generally skeptical about North Korea, and it was apparent that it would prefer relying on coercive and punitive means to using diplomacy to try to head off missile threats. The Bush security team's North Korean policy mood was outlined by the so called "Armitage report"<sup>22)</sup>.

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19) For a detailed analysis of this, see Kun-Hyung Kang, "The United States Policy toward North Korea and the Peace on the Korean Peninsula." *Shin Asea(New Asia)*, Vol. 8, No. 4 (Winter 2001), pp. 210-238.(in Korean)

20) "Albright: Full Range of Missile Concerns Discussed," *Washington File* (October 24, 2000) ; "Remarks by Secretary of State Madeleine K. Albright and Question and Answer Session at National Press Club," *Washington File* (November 2, 2000).

According to Leon Sigal, Washington was also prepared to arrange for \$200-300 million a year in investment and aid. See Leon Sigal, "Bush Administration's Policy Toward North Korea." Paper for presentation at the International Conference on "The Bush Administration's Policy Toward North Korea: Prospects for Inter-Korean Relations," co-organized by The Institute for the Far Eastern Studies, Kyungnam University and The Asian Studies Program of Foreign Service, Georgetown University, Marriott's Georgetown University Conference Center, Washington, D.C., U.S., October 24, 2001), p. 24.

21) "Review of United States Policy Toward North Korea: Findings and Recommendations." Unclassified Report by Dr. William J. Perry, U.S. North Korea Policy Coordinator and Special Advisor to the President and Secretary of State, Washington, D.C., October 12, 1999.

22) Richard L. Armitage, "A Comprehensive Approach to North Korea," *Strategic Forum*, No. 159

Richard Armitage asserted that North Korea had been buying time to consolidate the regime, continue its nuclear weapons program, and build and sell two new generations of missiles, while disregarding the well being of its 22 million people since the Agreed Framework in October 1994. He also proposed a new comprehensive approach combining the elements of deterrence and diplomacy. He suggested that the strengthening of deterrence and even preemption should be considered for this package to be effective if diplomacy would fail. Of course, if Pyongyang meets the U.S. concerns, the U.S. and its allies are prepared to accept North Korea as a legitimate actor including full normalization of relations. The objective of his comprehensive package should be to offer Pyongyang clear choices in regard to its future: on the one hand, economic benefits, security assurance, political legitimization, on the other, the certainty of enhanced military deterrence

After completing its policy review, President Bush's policy statement on North Korea was declared on June 6, 2001. According to the statement of President Bush, reciprocity and strict verification are being suggested as the principles guiding U.S. negotiations with North Korea. The Bush administration declared an objective of "improved implementation of the Agreed Framework relating to North Korea's nuclear activities."<sup>23)</sup> The U.S. emphasized that before delivery of key nuclear components of LWR(Light Water Reactor), North Korea should come into full compliance with its safeguards agreement with the IAEA including taking all steps that may be deemed necessary by the IAEA.

President Bush's June 6 statement set a goal of "verifiable constraints on North Korea's missile program and a ban on its missile exports." He has emphasized the necessity of a strong verification mechanism in any missile accord.

President Bush also included a less threatening conventional military posture as well as the issue of proliferation of WMD(Weapons of Mass Destruction) as the agenda to be discussed on the negotiating table. The U.S. would not be considered to normalize with North Korea if Pyongyang reduced its conventional weapons deployed in the DMZ(demilitarized zone).

But conventional weapons are not as important for the U.S. as the issue of proliferation of WMD. Of course, the North Korean conventional threat needs to be

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(March 1999), pp. 1-6.

23) See Larry A. Niksch, *op. cit.*, p. 4.

emphasized to facilitate the weapons sales(especially F-15s) to South Korea which plans to purchase high-tech conventional weapons that could amount to 3 billion U.S. dollars. Bush needs to keep nurturing his domestic political allies such as Boeing, Lockheed-Martin, and General Dynamics. Meanwhile, the North Korea-U.S. negotiation on the conventional threat will also be in conflict with the South Korean position of North-South conventional arms reduction. South Korea wants to resolve the issue by implementing the 1992 North-South Basic Agreement, which is considered the holy charter for national peace and unification, in which "the two sides shall discuss problems in the North-South Joint Military Commission and carry out steps for the phased reductions in armaments including the elimination of weapons of mass destruction and attack capabilities, and verifications thereof."<sup>24)</sup>

North Korea also criticized very harshly the Bush administration's hawkish posture. In response to President Bush's statement of June 6, 2001, Pyongyang's Foreign Ministry issued a statement of its own on June 18, calling on Washington to implement "the provision of the North Korea-U.S. Agreed Framework and the North Korea-U.S. joint communique on October 12, 2000 as agreed upon." The statement on June 28, 2001 linked the U.S. demand for inspections with its own demand for electricity as compensation for the delay in completing the first replacement reactor promised under the Agreed Framework. It also issued a warning: "If no measure is taken for the compensation for the loss of electricity, North Korea can no longer keep its nuclear activities in a state of freeze and implement the Agreed Framework."<sup>25)</sup> North Korea also stated the clear position that "the American imperialists are attackers and peace destroyers" and they strongly responded to America's hawkish posture through Pyongyang Broadcasting System and Rodong Shinmun(Labor Newspaper).<sup>26)</sup>

North Korea hastily approached China and Russia as the U.S. threatened Pyongyang. Chairman Kim Jong-il visited Moscow and Chinese President Jiang Zemin visited Pyongyang, furthermore North Korea made a decision to import Russian weapons

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24) The clause No. 12 in the Chapter 2: Agreement of Non-Aggression between South and North Korea. Quoted in Kun Young Park, "Bush and North Korea: A Pair Destined to a Compromise." paper prepared for presentation at the International conference on "The Bush Administration's Policy Toward North Korea: Prospects for Inter-Korean Relations." *op. cit.*, pp. 39-40.

25) Leon Sigal, *op. cit.*, p. 26.

26) *Yonhap News*, March 21, 2001.

amounting to millions of U.S. dollars<sup>27)</sup>.

Even though the North Korea-U.S. relationship is getting worse, it seems that Pyongyang would want to maintain friendly relations with Seoul. The North resumed high-level dialogue with the South. It seems to recognize the way to Washington lies through Seoul. If it is true, that marks an important shift for Pyongyang, which for the past decade has engaged seriously with Seoul only when it was sure that Washington was cooperating as well. Of course, the North Korean policy maintaining a good relationship with the South can be interpreted as Pyongyang trying to make a rift between Washington and Seoul.

Since the Bush administration took a hawkish posture on North Korea, the relationship between the Kim Dae-jung and the Bush government has deteriorated a lot. The Bush administration wants to go about the issue with reciprocity based on strength, while President Kim places more emphasis on appeasement through the giving of assistance. Those in the current government say that talking in terms of strength is going to hurt stability and create an atmosphere of war. Bush and his people are saying that the sunshine policy isn't working, and the pouring of benevolence on North Korea has only taught it bad habits.

In this situation, President Bush's remarks about an "axis of evil" comprising Iraq, Iran, and North Korea surprised South Koreans, also greatly undermined the relationship between the U.S. and the North Korea. There is great concern in South Korea that his statement marks the end of any effort to improve U.S.-North Korean relations. Bush's warning that the United States could take preemptive action to protect itself has heightened South Korean anxieties about combat on the Korean Peninsula, a frightening prospect because of North Korean missiles.<sup>28)</sup> And it also has caused a strong anti American sentiment, especially in the young generation.

President Bush, an anti communist conservative, regards Kim Jong-il as a Stalinist dictator who starves his people and earns millions from selling weapons to countries such

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27) According to Larry A. Nicksch, the U.S. military command in Korea and the Central Intelligence Agency reportedly believed that North Korea is using for military purposes the large cash payment, over \$400 million since 1998, that the Hyundai Corporation has made to the North Korean government for the right to operate a tourist project at Mount Geumgang in North Korea. See Larry A. Nicksch, *op. cit.*, p.9.

28) Clay Chandler, "Bush's Remarks Distress South Korea," *The Washington Post*, February 10, 2000.

as Iran. He would need North Korea not only to legitimate his MD (missile defense) policy, but also to calm down the Islamic countries in pursuing a war on terrorism. It seems if the U.S. sees the North Korean regime as an evil, there would be no room for dialogue, even though Washington is willing to talk with the North "any time, any place" without preconditions. Bush's stark portrayal of North Korea as part of an "axis of evil" has cast a shadow over President Kim Dae-jung's sunshine policy and has damaged North-South ties.

President Bush said that he had no intention of invading or attacking North Korea and that his goal was peace when he visited Seoul on February 20, 2002. He also stated that he fully supported the so-called sunshine policy of negotiations with the North embraced by the South Korean president, Kim Dae-jung. But he asserted that he will not change his opinion on Kim Jong-il until he frees his people and accepts genuine proposals from countries like South Korea and the United States for dialogue, until he proves to the world that he has a good heart. President Kim and Bush agreed to work together to stop the North from developing weapons of mass destruction and to push for removal of missiles on its border that were within easy striking distance of Seoul.<sup>29)</sup>

Even though the two leaders said there was no difference of opinion between Korea and the United States, no one could deny that they had a different view on North Korea. It seems the Bush administration has emphasized "hawk engagement"<sup>30)</sup> as the leading alternative to President Kim's sunshine policy. Such a policy focusing strict reciprocity and verification would continue energy assistance, food shipment and other aid to a population that has suffered catastrophic famines, while insisting that Pyongyang abide by arms control agreements and allow inspections. Meanwhile President Kim's sunshine policy has emphasized a "comprehensive reciprocity" which aims to buy peace by giving unconditional aid to North Korea, and underscored "first aid, second verification."

These differences are largely due to the point that the United States sees the North from the perspective of world-wide strategy, while the South regards the North as a regional issue on the Korean Peninsula. Namely, President Bush has been proceeding with

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29) See Elisabeth Bumiller, "North Korea Safe From U.S. Attack, Bush Says in Seoul," *The New York Times*, February 20, 2002.

30) See Victor D. Cha, "Hawk Engagement: Bush Policy Toward North Korea," in Jong-Chun Back and Young Jae Kim (eds.), *op. cit.*, pp. 85-98.

the hawkish North Korean policy emphasizing the hard conditions for Kim Jong-il to accept, because the development of long range missiles of North Korea would give the Bush administration a good justification to build MD necessary for maintaining the world hegemonic power. While President Kim Dae-jung has pursued an appeasement policy, because he thinks he can build the basic structure of unification by way of mitigating the toughness of North Korea and continuing the North-South dialogue. Therefore it seems these different views between Washington and Seoul will not be solved in the near future.

#### IV. Conclusion

As mentioned above, inter-Korean relations have stalled mainly because of the lack of North Korea's sincerity and tension between North Korea and the United States under President Bush, who has labeled the North part of an "axis of evil." Policy coordination between the Bush and Kim Dae-jung governments might be difficult due to the different view of North Korean change. Without North Korea's considerable concession to the demands of the U.S. such as the verification of weapons of mass destruction and the reduction of conventional weapons, the resumption of talks between the U.S. and the North may not be easy for the time being.

However, it is likely that North Korea is willing to resume talks with South Korea because of its economic difficulty.<sup>31)</sup> Owing to North Korea's inclusion on the U.S.

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31) It was reported that the South and the North had agreed to resume reunion of separated families and economic talks in their joint press statement during the Pyongyang visit of South Korean presidential envoy Lim Dong-Won. Officials said that in the planned economic talks, the two Koreas would be able to reschedule a number of postponed plans, including those on the reconnection of the cross-border rail link, construction of a large industrial park in Gaeseong, and provision of food and fertilizer aid to the impoverished North. *The Korea Herald*, April 6, 2002.

The June 29 North-South naval clash when a North Korean navy ship strayed into southern waters, sparking the shootout that left five South Koreans dead, appeared to further set back the prospect of a dialogue. But the North expressed regret for the deadly naval clash with South Korea and proposed a resumption of talks. It could ease tensions on the divided peninsula.

The North and the South held ministerial talks in Seoul August 12-14 and the North was said to be promoting economic reform. South and North Korea even agreed to establish two

terrorism list, the Kim Jong-il regime has no other alternative but to rely on the South. North Korea might also want to resume dialogue with the South in order to approach the U.S. by way of the South and to influence the South Korean domestic political process in the next Presidential election. Moreover, the issues pending between Washington and Pyongyang are all sensitive ones, such as disarmament and human rights, so even though the two Koreas resume talks, it will not be easy to move ahead well as long as North Korea does not comply with U.S. demands.

President Kim Dae-jung's government should try hard to improve relations between the U.S. and the North in order for his sunshine policy to succeed. It looks like a hunter having to catch two rabbits carefully. There may be room for North Korea to resume dialogue with the United States. On the one hand, the Kim Dae-jung government should persuade the North to accept the Bush government's demands such as verification of North Korean weapons of mass destruction, which is needed to build a stable peace on the Korean Peninsula as well as in Northeast Asia. Then, it might be easier for the North to get aid from the South and the international community. North Korea should know that any future South Korean government will not be as benevolent to the North as the Kim Dae-jung government. This opportunity might be the best chance to improve relations with Seoul and Washington.

On the other hand, the South Korean government should persuade the Bush government to understand North Korean anxiety resulting from an economic crisis and uncertain security. The topmost preoccupation of Pyongyang's regime seems to be securing its survival. Even its missiles and weapons of mass destruction are mainly intended for its survival as well as for a bargaining chip with the United States. If the U.S. guarantees the security of North Korea and lifts economic sanctions long imposed on it, many of the problems existing between the two countries will be solved easily and their relations will improve.

Of course, the Kim Dae-jung government should remember that the inspection and verification of North Korea's underground nuclear waste site and a ban on its missile development are essential to building a stable peace and a fundamental structure of

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permanent reunion posts to provide reunion venues for separated families. North Korean leader Kim Jong-il also agreed to hold a historic summit with Japanese Prime Minister Junichiro Koizumi in Pyongyang September 17 to discuss normalization of bilateral ties. *The Korea Herald*, September 9, 2002.

unification on the Korean Peninsula. On this point, the "soft reciprocity" focusing on inspection and the resumption of family reunion meetings in reward for aid to North Korea ought to be considered if the Kim Dae-jung government wants to pursue its North Korean policy based on a national consensus. Because the strategy of "tit for tat" might be more effective in dealing with North Korea.

Furthermore, permanent peace could be realized by the institutionalization of a peace system on the Korean Peninsula. It seems that a peace treaty alone would not be sufficient for building a peace system on the Korean Peninsula. Arms reduction and a mutual inspection system such as notification of major troop movements and observation of each other's military exercises are indispensable for it, and forward armies should be stepped back as well. Thus, the declaration of peace and a peace treaty between the two Koreas should be made only after the establishment of mutual reduction and inspection. Namely, the inductive approach to peace building is essential to attaining a stable peace on the Korean Peninsula. It should be remembered that hasty national unification movements would rather be a serious impediment to improving relationships between the two parts.

Even before the institutionalization of a peace system on the Korean Peninsula, the building of a peace regime like a peace cooperation council would be requested for fostering a peaceful atmosphere in the international security environment around the Korean Peninsula. These days, owing to the proliferation of nuclear weapons and the importance of environmental issues, it is essential that world peace and security be solved through the cooperative efforts of all states : not by one state. Therefore, the idea of "cooperative security" which emphasizes the attainment of cooperative security by way of building mutual confidence through dialogue and cooperation of states is very important.

It is necessary to propose the ideas about the principles, norms, rules and decision making processes of regime in order to build a "Peace Cooperation Regime" in Northeast Asia. Namely, the intellectual leadership which suggests such ideas, is required to form the regime, and it could be exerted by small powers like the Korean government. As the small powers suggest flexible strategies and fresh ideas, the Korean government can play a great role in the formation of a peace regime. Therefore, the "Peace Cooperation Regime" can be attained more easily due to their ideas.



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