

# Terrorism Eclipses the Sunshine Policy: Inter-Korean Relations and the United States

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Kongdan Oh

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### **Beginning in June 2000**

A half-century of zero-sum confrontation between South and North Korea ended symbolically when the two leaders of divided Korea finally met on June 13, 2000. The 74-year-old Kim Dae-jung, president of South Korea (the Republic of Korea, or ROK), flew to Pyongyang, the capital of North Korea (the Democratic People's Republic of Korea, or DPRK), to meet his counterpart, 58-year-old Kim Jong-il, chairman of the National Defense Committee. At Sunan Airport, the two leaders embraced while thousands of mobilized North Koreans sent up rousing cheers. Tens of thousands more lined the motorcade route into the city, and millions around the world watched the television coverage, fighting to keep back tears of joy.

The summit meeting was big news in 2000, but news quickly grows stale as it is overtaken by more recent events. The main topic of this Update is not the promise of the summit, which at the time seemed to open a new page in North Korea's relations with South Korea and the United States, but rather the negative impact on U.S.-ROK-DPRK relations of a series of events half a world away from the Korean peninsula: the September 2001 terrorist attacks on the United States, which renewed fears of weapons of mass destruction (WMD) in the hands of rogue regimes.

U.S. policy changes toward North Korea inevitably have a strong impact on South Korea's policy toward its northern neighbor, as well as on South Korean domestic politics. As background, consider the following milestones in U.S.-ROK-DPRK relations:

June 13-15, 2000:  
Leaders of South and North Korea meet in Pyongyang

October 8-10, 2000:  
North Korea's Marshall Jo Myong-rok visits Washington

October 23-25, 2000:  
Secretary of State Madeleine Albright visits Pyongyang

October 25-26, 2000:  
Secretary Albright visits Seoul

January 20, 2001:  
President George W. Bush takes office

March 6-9, 2001:  
President Kim Dae-jung visits Washington

June 12, 2001:  
A revised U.S. policy toward North Korea is announced

September 11, 2001:  
Terrorists attack New York and Washington

January 29, 2002:  
President Bush enrolls North Korea in the "axis of evil"

February 19-21, 2002:  
President Bush makes his first state visit to South Korea

April 3-5, 2002:  
ROK's Lim Dong-won visits Pyongyang and reopens relations

## **The June 2000 Summit**

### ***Culmination of the Sunshine Policy***

The "Sunshine Policy" Kim Dae-jung brought with him to the Blue House as the official government policy toward North Korea was the brainchild of President Kim and his advisers, most especially Lim Dong-won. President Kim and adviser Lim, who has held a succession of top-level posts in the Kim administration, were convinced that engagement rather than confrontation was the only way the two Koreas could avoid war. The two men were committed to creating conditions for a positive-sum game on the Korean peninsula. South Korea would help isolated and bankrupt North Korea to overcome its chronic fear and mistrust of South Korea and the United States by unconditionally providing aid and reassurance.

The June 2000 Summit proved to be the crowning achievement of the Sunshine Policy. Critics and supporters alike agreed that the meeting was a success, but they disagreed on whether the success was substantive or merely symbolic. Although this was the first inter-Korean summit meeting, in 1972 and 1991 the two Koreas had signed ambitious cooperation agreements that were never implemented. Yet despite its limited success, the June 2000 Summit is the best cornerstone the two Koreas have for reconciliation and reunification.

### ***Symbolism and Substance of the Summit***

At the conclusion of the summit the two leaders signed a five-point Joint Declaration in which they pledged to achieve reunification "independently," to "promptly resolve humanitarian issues," and to promote "balanced development of the national economy through economic cooperation and exchange." To date none of these items has been implemented in

more than cursory fashion. A final item came back to haunt President Kim: Chairman Kim promised to visit Seoul "at an appropriate time." Upon his return to Seoul, President Kim boasted of the significance of his meeting with Chairman Kim and expressed his high anticipation of Chairman Kim's visit, which would provide momentum for reconciliation and cooperation.

By historical standards, the follow-up contacts between South and North Koreans were impressive: meetings between ROK and DPRK officials at the cabinet level; a meeting of the two defense ministers; three family reunions that each time included 100 (mainly elderly and ailing) family members from each side; and a host of working-level meetings on a variety of issues. But no visit from Kim Jong-il.

To promote exchange between the Koreas, South Korea continued to send aid to the North: 100,000 tons of fertilizer offered in July 2000, 600,000 tons of food offered in October 2000, and another 100,000 tons of food offered in January 2001. But Pyongyang's interest in inter-Korean cooperation quickly cooled; meetings were postponed or canceled. The North Koreans repeatedly demanded that the Joint Declaration be upheld "to the letter," by which they meant that the first point of the declaration, calling for "independent" reunification, required that South Korea stop coordinating its North Korea policy with the United States and Japan and expel American troops from its territory.

In South Korea, the most popular accomplishment of the summit was the three family reunions, but the small size of the family delegations and the short time they could visit together hardly made a dent in the pent-up desire of millions of South Koreans to be reunited with their loved ones in the North.

Moreover, North Korea did not permit any subsequent contact between the relatives. A government official in Seoul once told me that the family reunions had psychologically or even physically killed many old people, who gave up in despair when they could not get their names on the reunion list. Some of the lucky ones who met their North Korean relatives were shocked and saddened by how ill they looked, and left the reunion with a mixture of grief and joy, doubting they would ever meet again.

The lesson of the summit seems to be that North Korea wants aid from South Korea but relations with the United States. By shrinking from South Korea's embrace, Chairman Kim is indicating that North Korea is not interested in reconciliation with the South. It is as if the North Koreans, having secured their South Korean diplomatic front, want to face the real enemy, the United States.

In any case, by the fall of 2000 North Korea had turned its attention to the United States, as Kim Jong-il sent his deputy, Marshall Jo Myong-rok, to visit Washington in early October. President Kim tried to put the best face on the matter by heartily endorsing the improvement in U.S.-DPRK relations as directly benefiting South Korea and the cause of reunification. Riding a wave of popularity, President Kim was awarded the Nobel Peace Prize in December 2000, using the occasion of his acceptance speech to once again invite Chairman Kim to Seoul. But by year's end hope and enthusiasm for reconciliation were fading in South Korea, and domestic politics was taking center stage as President Kim took on the appearance of a lame duck president who had been fooled by the North Koreans.

## **Secretary Albright Goes to Pyongyang**

### *The Climax of U.S. Engagement Policy*

The Clinton administration wanted to move beyond the Agreed Framework, a tenuous nuclear freeze agreement it had negotiated with North Korea in 1994, to a more stable relationship that would resolve all outstanding WMD issues and contribute to Korean reunification. When he arrived in Washington, Marshall Jo, deputy chairman of the ruling National Defense Committee, became the highest-ranking North Korean ever to visit the United States. The National Defense Committee, chaired by Kim Jong-il, is the top decision-making organization in the DPRK, and Jo came as Kim Jong-il's personal messenger (Kim makes all the important decisions in North Korea). He met with Secretary Albright, then, after changing from a business suit into his military uniform, proceeded to the White House for a short formal meeting with President Clinton. He said little at either meeting, barely touching on major policy issues. All in all, he was a pleasant senior gentleman who delivered a letter from his leader and returned home.

Secretary Albright accepted Jo's invitation to pay a visit to Pyongyang. During her three-day stay in late October, she met with Kim Jong-il and senior government officials. As it turned out, her visit was the climax of the U.S. engagement policy toward North Korea. The Clinton administration's goal, following the recommendation of a report authored by former secretary of defense William J. Perry, was to reach a comprehensive agreement with North Korea that would eliminate both its nuclear and its long-range missile threats. It was presumably toward this end that the secretary's visit was planned. In talks with Kim

Jong-il, Albright paved the way for future negotiations between the two countries on several contentious issues, although it is unclear how close the two sides came to reaching an agreement that might justify a ratifying visit by President Clinton to Pyongyang. What is clear is that by paying her respects to the tomb of late dictator Kim Il-sung and attending a mass gymnastics performance celebrating the 55th anniversary of North Korea's Communist Party, the secretary of state lent legitimacy to the Kim regime and raised hopes in Pyongyang that the United States would accept that regime on its own terms.

### ***Too Little, Too Late***

Secretary Albright was assured by her North Korean hosts that a visit by President Clinton to Pyongyang would clinch a comprehensive agreement between the two countries. Albright went to Seoul immediately after her Pyongyang visit and briefed President Kim Dae-jung about her meeting with Kim Jong-il, then returned to Washington where she and her advisers considered the pros and cons of a presidential trip to Pyongyang. Meanwhile, the American political scene was getting ugly. The close and contested presidential election meant that whoever became president would enter office under a cloud. President Clinton's last days in office were dogged by controversy over presidential pardons granted and gifts taken. Major newspapers such as the *New York Times*, the *Washington Post*, and the *Wall Street Journal* editorially advised against a presidential visit to Pyongyang on the grounds that no satisfactory agreement was ready for the president to sign.

On November 1, 2000, Secretary Albright invited about a dozen Korea specialists to attend a working dinner with her at the State

Department. The dinner, arranged on very short notice, was devoted to a discussion of whether the secretary should recommend that President Clinton stop in Pyongyang on his return from a planned visit to Vietnam in late November. The dinner guests expressed a consensus opposing the trip on the grounds that Chairman Kim would not hold to any agreement that gave away his bargaining chip of missiles without major concessions from the United States, including economic, political, diplomatic, and security guarantees. Such guarantees would not be acceptable to the majority of Americans. Equally important, the president would be bolstering the position of one of the world's cruelest dictators. Kim Jong-il could use the visit to legitimize his rule not only over his own people, but over all the people of the Korean peninsula, in line with North Korea's long-standing revolutionary political doctrine. Moreover, the group felt that it was not politically proper for a president in his very last days of office to adopt a policy that his successor might not find acceptable.

It must be left to history to decide whether Clinton should have gone to Pyongyang. The stark reality of the U.S.-DPRK relationship is that outstanding issues between two such different countries cannot be resolved by signing an agreement; even an agreement signed in Pyongyang by an American president would not suffice.

## **New President, New Policy**

### ***North Korea Policy Review***

The Bush administration's North Korea policy review got started in about March 2001 and was concluded by June of that year. During the review the team kept their opinions largely to themselves, much to the frustration of the South Koreans, upon whom many of the consequences of a new policy would fall. In Seoul, supporters of the Sunshine Policy openly advocated that President Bush continue the Clinton engagement policy. Members of Kim Dae-jung's political opposition, along with many conservatives, were discouraged by the results of the Sunshine Policy and welcomed any fresh thinking that might come out of Washington.

The review process was lengthy, as the new team scrambled to come up with fresh solutions to nearly intractable problems. Meanwhile, the Kim Dae-jung government was becoming increasingly anxious. In the midst of this debate, and with concern about where the Bush team was heading, President Kim made the bold decision to visit Washington and lobby for engagement before it was too late.

### ***President Kim Comes to Washington***

President Kim Dae-jung visited Washington for working meetings with President Bush and top foreign-policy leaders from March 6 to 9, eager to convince the president that a continuation of the Clinton engagement policy would best serve the interests of both the United States and South Korea. President Kim's visit turned out to be unfortunate. The Bush administration had been in office less than three months and was still trying to organize itself. The new Korea policy team was dissatisfied with the Clinton policy but had yet to come up with a coherent policy of its

own. The visit was not only awkwardly timed, it was sloppily managed by the South Koreans, who failed to present their case to influential members of the Washington policy and research communities. If it accomplished one thing, the visit sent a strong signal that President Kim was dedicated to making his engagement policy work. Even though he may have made some tactical mistakes in his pursuit of reconciliation with North Korea, he kept his eye on the ultimate importance of avoiding another Korean war. As a nationalist and keen observer of Korean history, President Kim is convinced that achieving one Korean community is ultimately the best guarantee of Korea's national security. Perhaps because he was so convinced of the rightness of his engagement policy, President Kim overestimated his ability to convince President Bush to adopt such a policy as well. The new Washington policy team, some of them veterans of the Reagan and first Bush administrations, put more trust in military power than in negotiation. President Kim returned home disappointed and, in the opinion of many Koreans, disgraced.

### ***Washington Makes an Offer Pyongyang Can Refuse***

Assistant Secretary James A. Kelly, testifying before the House Committee on International Relations on June 12, 2001, announced that the administration had completed a thorough review of U.S. North Korea policy and reached the following conclusions:

*First, as President Bush has made clear, we strongly support President Kim's reconciliation efforts with North Korea. Tension on the Korean Peninsula is ultimately an issue for the Koreans themselves to resolve, and any U.S.-DPRK contacts should be supportive of and*

*consonant with North-South rapprochement. Second, we will continue to implement our commitment under the Agreed Framework while looking for ways to better achieve our nonproliferation objectives. We want to explore ways of improving implementation of the Agreed Framework, first with our allies and then with North Korea. Third, our national security interests remain consistent: we want to see an end to the North's missile program and its proliferation activity. We also want to explore ways of reducing tensions on the Korean Peninsula caused by conventional deployments. We are now prepared to enter serious discussions with the North Koreans to achieve these ends. Fourth, effective verification will be a prerequisite for any agreements with North Korea. Finally, continued close consultations among the United States, the ROK, and Japan are essential to maintaining a coordinated approach to North Korea.\**

The Bush plan is an obvious departure from the Clinton policy on North Korea in two respects: the inclusion of conventional weapons reduction on the agenda for negotiations, along with the call for a pullback of North Korea's conventional weapons; and the demand for tough verification of any agreements—just the kind of verification that was set aside when the Clinton administration negotiated a nuclear agreement with North Korea in 1994.

### ***The Waiting Game***

The North Korean response to the Bush administration's policy review and offers to resume serious negotiations was silence. The North Korean press took the line that it was impossible to deal with the United States so long as it continued to express hostility toward North Korea; therefore, the ball was in Washington's court. For its part, Washington thought the ball was in North Korea's court. Miscalculations were probably made on both sides. North Korea is notorious for failing to grasp opportunities. To take one example, when former secretary of defense Perry visited North Korea as the coordinator of U.S.-North Korea policy in June 1999, he invited a high-ranking North Korean official, presumably Kang Suk-ju, the first vice foreign minister of DPRK, to visit Washington. Kang never made the trip. One year later Kim Jong-il sent Marshall Jo, but by then the Clinton administration was in its final days and not in a position to pursue long-term negotiations. Another good example of missed timing is Kim Jong-il's failure to accept President Kim's invitation to visit Seoul. Two years after the June 2000 Summit, the South Korean people have turned against Chairman Kim (after the summit he was an unlikely hero), and in December 2002 South Korea will elect a new president, who may not be as strong a champion of the Sunshine Policy as is Kim Dae-jung.

The Bush administration's motives in adding new demands in its negotiations with North Korea are equally worth exploring. The intrusive inspections that would be required for tough verification are unlikely to be accepted by Pyongyang. Nor is the North Korean army likely to make a significant pull-back as long as U.S. troops remain in South Korea. Has the United States underestimated

\* James A. Kelly, assistant secretary for East Asian and Pacific Affairs, "U.S. Policy in East Asia and the Pacific: Challenges and Priorities," Testimony before the Subcommittee on East Asia and the Pacific, House Committee on International Relations, Washington, D.C., June 12, 2001, at <http://www.state.gov/p/eap/rls/rm/2001/3677.htm>.

North Korea's resolve, or is the Bush team looking for an excuse to continue politics by other means?

Underlying the strategies of both Pyongyang and Washington is the important question of whose side time is on. Kim Jong-il has always considered time to be on his side. He has lifetime tenure and total authority. The world is eager to come to North Korea. From Washington's viewpoint, there was a period after the death of Kim Il-sung when it appeared that North Korea was ready to collapse, giving the United States time to postpone its push for verification of North Korean installations until the South Koreans took over the North's nuclear reactors. While both sides were waiting, danger approached the United States from another direction. After the terrorist attacks of September 2001, the Bush administration decided that time was not on its side. It will be interesting to see what impact this conclusion has on U.S. policy toward a patient North Korea.

Terrorism became the new threat, and Washington's North Korea policy was subsumed under its anti-terrorism policy. While Kim Jong-il was waiting out the old game, a new game had begun and he had not even suited up. The abrupt shift of the security paradigm exposed the inability of North Korea to make rapid adjustments to its foreign policy. Before they knew what was happening, the North Koreans found themselves labeled as members of the new "axis of evil."

### **Terrorism Eclipses Sunshine**

#### ***A Shift in U.S. National Security Policy***

National security policy has traditionally focused on threats between hostile nation-states. September 11 shifted the threat para-

digm for Americans. When the World Trade Center and the Pentagon were hit by terrorist-operated commercial airplanes, the myth that the continental United States was safe from its enemies was shattered. The vulnerability of U.S. domestic air space, protected as it was by missiles and high-performance fighter jets, prompted an immediate interest in what had previously sounded like a mundane topic: homeland security.

Although terrorism took center stage, it did not completely replace traditional threats, either the big nuclear and missile threats left over from the Cold War or those smaller and more diverse asymmetric threats of the post-Cold War decade. These became incorporated into the "new terrorism" as a rogue state/terrorism/proliferation-of-weapons-of-mass-destruction threat. September 11 changed the way American policymakers looked at security. It also changed the way they looked at their traditional alliances. In response to an attack on the homeland, Americans, in typical highly focused can-do fashion, put aside most other considerations, including those involving the unique political interests of foreign countries. Everyone was enlisted to fight terrorism and expected to fit their individual interests into the new security paradigm. One stark example of this single-minded view is the fate of South Korea's engagement policy toward North Korea.

#### ***ROK Engagement Policy Gets Lost in the Shuffle***

For South Koreans, reconciliation and cooperation with North Korea is not just one of many options; it appears to be the only path toward peaceful reunification. Engagement with North Korea is recognized in all sectors of South Korean society as the preferred option. Even the harshest critics of President

Kim's Sunshine Policy dare not denounce its spirit, even though they may disagree with its implementation. It is true that popular support for the policy has gradually waned since the June 2000 Summit, and that the ROK Ministry of Defense continues to designate North Korea as the "main enemy." In the "afterglow of the North-South summit," 66 percent of South Koreans endorsed Kim's policy.<sup>1</sup> By 2002, support had slipped to only 33 percent. Yet almost all Koreans will choose reconciliation over confrontation. After all, North Koreans are members of South Koreans' families.

The North Korean government has constantly frustrated and embarrassed its South Korean counterpart by rejecting constructive proposals for engagement and by imposing high levies on joint projects. The Mt. Kumgang project, in which a company in South Korea's Hyundai group struck a deal with the North to permit South Korean tourists to visit an isolated corner of North Korea, could have been a winning project for both Koreas and a stepping-stone toward reunification. But the North Koreans drove such a hard bargain in terms of fixed costs that the Hyundai company went bankrupt. In his single-minded pursuit of engagement, President Kim was forced to offer an unpopular bailout to the company, providing more ammunition for those who criticized his policy as "appeasement" or "bribery."

The Sunshine Policy's troubles were greatly magnified by the September 2001 terrorist attacks. As the Bush administration spread its dragnet for culprits who aided and abetted terrorists, North Korea turned up as one of the usual suspects by virtue of its production and sale of missiles to Middle East states and its suspected ties to international criminals and terrorists. North Korea did little to ward off

this suspicion. In the aftermath of the terrorist attacks, its official news agency offered a pro forma condemnation of the attacks, but its domestic news agency seemed almost sympathetic toward them, proposing that the United States had brought on the attacks itself. As Bush's war on terrorism gathered force by addressing the potential for terrorism with weapons of mass destruction, South Korea's President Kim could no longer ignore Washington's strong interest in weapons non-proliferation, even if those weapons were unlikely to be used against South Korea. Imagine the reaction in the Blue House when, in his State of the Union speech, President Bush designated South Korea's potential reconciliation partner as a member of the exclusive "axis of evil" club. It was like dropping a verbal bomb on both Koreas. To South Korea, it signaled the need to rethink its North Korea policy; to North Korea, it signaled tough times ahead.

### **President Bush and the "Axis of Evil"**

#### ***North Korea Is One of Them***

The "axis" label invited comparison with President Reagan's designation of the Soviet Union as the "Evil Empire." Whatever its merits or demerits as a characterization of these three regimes and a rallying point for President Bush's war on terrorism, being designated as evil predictably wounded the pride of the North Koreans and turned them against talks with the Bush team.

The axis of evil concept refers not only to terrorism with conventional and unconventional weapons; it is also about getting weapons of mass destruction out of the hands of potential terrorists and governments that are actively hostile toward the United States.

The Nuclear Nonproliferation Treaty (NPT) has provided a formal mechanism for pursuing nonproliferation, but some nations refused to join or failed to live up to their NPT obligations. North Korea, a reluctant signer of the NPT, has long been a headache for the treaty's managing organization, the International Atomic Energy Agency (IAEA). After the Agreed Framework was signed between the United States and the DPRK in October 1994, North Korea's nuclear capability became an issue to be handled by Washington and by the Korean Peninsula Energy Development Organization (KEDO), which is in charge of dismantling the North's old reactors and building two new "proliferation-resistant" ones. The Agreed Framework and the KEDO project have encountered rough sailing: North Korea has yet to open all its nuclear facilities to IAEA inspection, and because of contract disputes the KEDO project is years behind schedule. Both the Agreed Framework and KEDO are unpopular with the Bush administration.

Whereas North Korea's nuclear program has been contained, if not completely frozen, for the time being, the North Korean missile industry is in full operation. The shorter-range missiles are targeted at South Korea and Japan and sold to Middle Eastern governments. The longer-range missiles are still under development. Outside observers sharply upgraded the North's missile potential on August 31, 1998, when a three-stage ICBM rocket flew over Japan and fell into the western Pacific. North Korea's missile program is not under any international restraints or inspection regimes, although Chairman Kim promised a visiting delegation from the European Union that he would observe a moratorium on the launch of long-range missiles through the year 2003. He also told visiting Secretary Albright, while

she was at the May Day Stadium watching a depiction of the 1998 launch of North Korea's long-range Taepodong rocket, that this would be the first and last launch of the rocket she would see.<sup>2</sup> The position of the Bush administration is that North Korea has no business selling missiles. But because this is in fact one of North Korea's best businesses, the United States will have to lean heavily on the North or come up with a very attractive deal to achieve its nonproliferation goals.

The June 2001 review of North Korea policy called for conventional weapons reduction and strict verification. In March 2002 the policy was updated to include human rights. In his State of the Union speech President Bush noted the miserable life of North Koreans: "North Korea is a regime arming with missiles and weapons of mass destruction, while starving its citizens." The administration's growing list of demands for North Korea leaves Pyongyang less space for maneuver. The code words guiding implementation of the Bush policy are verification and reciprocity, although for public consumption policymakers often speak of engagement, especially when it seems necessary to soothe the feelings of the ROK government. Also, the administration insists that contact with North Korea must produce concrete results. Meetings that lead nowhere are to be avoided. North Korea's past behavior toward the United States and South Korea has created this bitter sentiment in Washington. Few in the administration are eager to attend meetings with the North Koreans.

### ***South Korea between a Rock and a Hard Place***

Until the mid-1990s, the ROK became nervous whenever American officials made con-

tact with North Koreans, fearing that the two might reach an agreement without South Korean knowledge and consent. The death of North Korean leader Kim Il-sung, whose seniority and tenure far exceeded that of any South Korean president, changed this mentality in the South. South Koreans gained confidence in their superiority to North Koreans both politically and, as the North Korean economy plunged deeper into the abyss, economically. The news of North Korean starvation and natural disasters moved South Koreans to reach out to their less fortunate brothers and sisters. President Kim Dae-jung's Sunshine Policy was the ultimate outcome of this helping mentality. The events of September 11 and the harder line that the Bush administration has taken toward WMD have now shined a harsh light on North Korea's dark corners. In the coming years it seems likely that the United States will be less inclined to treat North Korea as a charity case than as a threat. This view may conflict with the view held by the ROK government.

On March 20, 2002, the *New York Times* reported that President Bush would refuse to certify that North Korea was complying with its commitments under the Agreed Framework, although the president would temporarily waive the need for certification in order to continue to provide annual oil shipments to North Korea as part of the nuclear agreement.<sup>3</sup> This failure to certify appears to be a means of applying pressure on North Korea to accept the nuclear verification that must accompany progress on the KEDO reactor construction.

More pressure on North Korea is more pressure on South Korea. The ROK government is not free to pursue a North Korea policy independent of Washington's so long as

the United States remains the ultimate guarantor of South Korea's security. Moreover, as the South Korean election approaches, North Korea policy issues are becoming bitterly debated political issues. President Kim cannot afford to defend his Sunshine Policy blindly if that defense will damage the election prospects of his party's presidential candidate. Time may be running out for the Sunshine Policy.

Over the next three years President Bush will be preoccupied with fighting terrorism and reducing WMD threats to the United States. Allies and friends will be asked to cooperate in these endeavors. The United States may take unilateral action against perceived threats. The Korean peninsula, where one of the designated targets of the war against terrorism resides, is likely to become a tenser place.

## **The "Crisis of 2003"**

### ***President Kim's Last Chance***

With fewer than eight months remaining before his tenure ends in December 2002, President Kim Dae-jung dispatched his adviser Lim Dong-won to Pyongyang to restart the reconciliation process that had been frozen for more than a year. Lim spent three days in early April talking to the North Korean leaders. His meeting counterpart was Kim Yong-sun, the official in charge of South Korean affairs, but Lim also had a meeting with Kim Jong-il. At the conclusion of the meetings a joint press statement summarized the agreements to restart the inter-Korean dialogue and promote the cooperation and exchanges that had been agreed to in the June 2000 Joint Declaration. Specifically, the two Koreas agreed to reduce tension, achieve reunification independently

without interference by foreign powers, reconnect rail lines and highways, resume economic cooperation, hold the fourth set of family reunions that North Korea had postponed (they were finally held at the end of April 2002), and reopen talks between military authorities. The statement made clear that the meetings had been granted at the request of the South. Lim took with him a letter to Chairman Kim from President Kim reminding the chairman of the dangers of conflict on the Korean peninsula if North Korea did not reach an agreement with the United States over its WMD. Lim said that Chairman Kim agreed to resume dialogue with the United States at an unspecified time. A resumption of talks would go against the announcement by the DPRK Foreign Ministry on February 22, 2002, that the North Korean government has "no intention to deal with the Bush clique that is daydreaming to change by force the system our people have chosen."<sup>4</sup> The unofficial "payment" that South Korea was required to make in order to land the meetings would take the form of an unspecified amount of economic aid to North Korea, rumored to be in the neighborhood of 200,000 tons of fertilizer and 300,000 tons of food.

The April 2002 talks will prove to have been either a new beginning or else the final act of Kim Dae-jung's Sunshine Policy. The history of inter-Korean relations teaches pessimism. For example, barely a month after the talks the North Koreans took exception to a statement made in Washington by the South Korean foreign minister and refused to attend the second Inter-Korean Economic Cooperation Talks in Seoul unless the minister was fired. Dialogue and cooperation between the two Koreas depend on a host of factors beyond the control of the two leaders. Foremost among these fac-

tors are: (1) South Korean domestic politics; (2) South Korean economy; (3) South Korean public opinion toward the United States; and (4) North Korea-U.S. relations.

### ***South Korean Politics***

South Korean democracy has become a tough political battleground. Presidential elections are almost impossible to call until the final days. Political parties are unstable; new parties are constantly being formed and old parties merge and break apart as politicians pursue their political careers. For example, in the 1997 election Rhee In-je, a strong presidential contender, suddenly withdrew from his party and joined another party that seemed to offer him better prospects of election. Dirty tricks are an accepted part of the game, and the media become active players. Rumor and disinformation play a large role in the media's education of the electorate. And foreign developments can strongly influence domestic politics, as in the case of the 1997 financial crisis that swept the "reformer" Kim Dae-jung into power.

Given these factors, it is difficult to tell how the election wind will blow. Only six months before the election, politics has already entered a "second stage," as the seemingly strong opposition contender Lee Hoi-chang has encountered serious challenges from "upstart" candidates, including the daughter of former dictator-president Park Chung-hee, who along with her supporters walked away from the main opposition party to strike out on her own, and from No Mu-hyon, the little-known populist candidate selected by the ruling government party, whose scandal-plagued leader, President Kim Dae-jung, resigned from the party to improve its prospects. South Korean presidents have traditionally come into office, by fair means or foul, with the promise to

clean up politics, but by the end of their terms have fallen prey to the same forces they promised to fight. President Park was assassinated; Presidents Chun and Roh served prison time after leaving office; President Kim Young-sam's approval ratings plummeted toward the single digits; and now President Kim Dae-jung's sons are accused of corruption. Small wonder that the South Korean voter does not know which candidate or party to turn to in the upcoming election.

For the average Korean voter, the most important issues are economic conditions, social stability, and public sector corruption—not North Korea. But inter-Korean relations will depend importantly on who becomes president. For example, Grand National Party candidate Lee Hoi-chang would likely insist on much stricter reciprocity, which might initiate the same sort of freeze on relations that North Korea imposed during most of President Kim Young-sam's tenure. In fact, the North Koreans have already branded candidate Lee a traitor to the Korean people.

### ***The South Korean Economy***

Although the South Korean economy made a remarkable recovery from the 1997 financial crisis, thanks in part to the resolute leadership of President Kim, the economic restructuring costs fell on the South Korean workers, many of whom have not yet recovered. The early attention that President Kim devoted to the South Korean economy dissipated as he became increasingly involved in promoting the Sunshine Policy of Korean engagement. By the end of his fourth year, it became clear that the reform projects were not going to be completed under his tenure. Social security for Korean workers is still inadequate. As in many economies, the high-technology boom has

brought riches to some but left many Korean workers behind. The opening of the economy to foreign companies, as required by the IMF financial package that rescued the South Korean economy from its crisis in 1997, has further displaced many workers. Meanwhile, the government has violated its own pledge to make its economic policies transparent and even-handed, for example by using the Korean National Tourist Organization to rescue the failed Hyundai Mt. Kumgang project. This rescue symbolizes for many South Korean workers the Kim government's greater concern for North Korean citizens than for unemployed or underemployed South Korean citizens, and provides a warning for future presidents who might be tempted to spend large sums to rescue the North Korean economy while the South Korean economy is still struggling.

### ***Public Opinion toward the United States***

Although in all major agreements signed with South Korea since 1972, North Korea has successfully extracted the promise that the two Koreas pursue reunification without foreign interference, the reality recognized on both sides is that the United States plays a central role in Korean affairs. In fact, the major reason North Koreans cite for freezing relations with the South is the South's continued security cooperation with the United States. The North holds inter-Korean relations hostage as a way to pressure the United States to improve relations with Pyongyang. This approach is unlikely to work with the Bush administration, which seems to have its own timetable for dealing with North Korea. President Bush's inclusion of North Korea in the axis of evil angered South Koreans, because they felt that their own reputation had been tarnished. On the heels of

this State of the Union statement, a South Korean speed skater was disqualified in the Salt Lake City Winter Olympics, which poured fuel on the fire of anti-American sentiment. An estimated 200,000 e-mails were sent by South Koreans to the International Olympic Committee. Surveys taken in 2002 show anti-Americanism, always present to some degree, rising in the South, especially among the younger generations who have access to global information as a basis for judging the international behavior of the Bush administration.<sup>5</sup> This anti-Americanism, expressed in limited yet highly public form during President Bush's state visit to South Korea in February 2002, may be translated into political pressure to close many U.S. bases in South Korea and perhaps remove many of the American troops, in line with Pyongyang's long-standing policy demands. Any South Korean president or presidential candidate must be wary of appearing to work too closely with the United States, either in its international war on terrorism or in its policies toward North Korea.

### ***Washington's War on Terrorism***

Policymakers in the Bush administration are clear and forceful about what they want in terms of counterterrorism, counterproliferation, and nonproliferation, although they may not be sure how to achieve their goals. Within the axis of evil, North Korea looks to be the second target of U.S. political and military power, after Iraq has been dealt with. To make the threat more explicit, the gist of a draft presidential review leaked to the American press on March 9, 2002, suggested that the United States might use nuclear weapons in pursuit of its foreign-policy goals. For South Koreans, any kind of military action against North Korea is virtually an opening salvo in a second Korean War. That such military

action might come sooner rather than later (President Bush said that in the fight against terrorism and the proliferation of weapons of mass destruction, time was not on America's side) has given rise to talk of the "crisis of 2003." The phrase appears to have been coined by Lim Dong-won in a talk he gave to a domestic audience on March 19, 2002. The reference to 2003, eagerly picked up and elaborated on by the press, refers to the fact that in 2003 North Korea's self-imposed moratorium on testing long-range missiles is due to expire, while the two nuclear reactors being constructed by KEDO as a quid pro quo to keep the freeze on North Korea's nuclear program will not yet have been delivered. If the North should threaten either to begin testing long-range missiles or to restart its old nuclear reactors, the Bush administration might be tempted to follow harsh rhetoric with harsh action. Ironically, in the eyes of many South Koreans, the attitudes and behavior of the Bush administration closely resemble those that the United States attributes to China: hegemonic desires, closed policy-making, and disregard for the stability of East Asia. The question becomes, What can the South Korean people and their leaders do to restrain the Americans?

### **All Together Now?**

In recent years South and North Koreans have developed confidence that they can manage the destiny of Korean affairs. The prime example is the promising June 2000 Summit, arranged by Koreans without the blessing of any outside powers. This confidence is now threatened by a more activist U.S. government. Koreans are no strangers to suffering at the hands of foreigners. Can they avoid being victimized again? To keep the Korean peninsula peaceful and gain

time to work out conflicts with its northern neighbor, South Korea desperately needs the cooperation of North Korea.

Unfortunately, in the past the North Koreans have charged a stiff price for cooperation, having learned from the capitalists the rudiments of pricing but not the value of good will. If North Korea holds out for large rewards in return for reducing its threats to the United States, it may invite the very attack it seeks to avoid, and all Koreans will suffer. The South Koreans must do their best to convince the North Koreans to accommodate to prevailing international norms, even when those norms are set by North Korea's nemesis, the United States. The Americans, for their part, must realize the difficulty of the position in which South Korea now finds itself and patiently protect peace on the Korean peninsula.

1 Opinion Analysis of Department of State, M-185-01, p. 1.

2 Doug Struck and Steven Mufson, "N. Korea Mulls Curb of Missile Program," *Washington Post*, October 25, 2000, p. A1/A28.

3 *New York Times*, March 20, 2002, p. A5.

4 Translated by South Korea's Yonhap News Agency, February 22, 2002, at <http://www.yonhapnews.co.kr>.

5 William Watts, *Next Generation Leaders in the Republic of Korea: Opinion Survey*, Korean Economic Institute, April 2002, <http://www.keia.com>.

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