KIM DAE JUNG AND THE SUNSHINE POLICY: AN APPEALING POLICY OPTION FOR INTER-KOREAN RELATIONS

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Abstract

Kim Dae Jung, an opposition leader who later became the president of South Korea in 1998 is celebrated for his progressive outlook that facilitated engagement with North Korea. Kim’s harsh political experience as a persecuted pro-democracy crusader at the hands of authoritarian South Korean regimes contributed to his more progressive political orientation towards North Korea compared to his predecessors. Changes in the global environment that included the end of Cold War and the Asian financial crisis are also important in understanding Kim’s approach towards North Korea. Had North Korea collapsed in the 1990s, the South with its weakened economy would have had to deal with increased instability and a likely massive influx of the North’s population. As such, engagement was seen as a preferred option by Kim because the cost of reverting to containment would have been politically and economically too high for South Korea. The article argues that Kim’s Sunshine Policy increased opportunities for economic and social linkages between the two Koreas and improved the situation in North Korea itself. In comparison, the conservative government of Lee Myung Bak’s rigid North Korea policy has not only damaged inter-Korean cooperation but has also increased tensions on the Korean peninsula.

Keywords: Kim Dae Jung, Sunshine policy, inter-Korea relations, North Korea, South Korea

South Korean President Kim Dae Jung became notable when he introduced the Sunshine Policy in 1998 to engage North Korea. Prior to 1998, during conservative governments, North Korea’s provocative acts towards South Korea engulfed the Korean peninsula in hostility and unrelenting tension. By contrast, once the progressive political elite (beginning with Kim Dae Jung) were in power, they attempted to transform the situation from conflict to reconciliation through engagement with North Korea. It was largely the work of Kim Dae Jung that led to improved inter-Korean relations between 1998 and 2008. However, the engagement policy faced numerous obstacles. The main aim of this article is to examine the Sunshine Policy and the challenges faced by Kim Dae Jung in developing the policy between 1998 and 2003. This article is divided into several sections. It begins with the reasons as to why Kim Dae Jung adopted an engagement policy towards North Korea. This is followed by a discussion on the domestic and international support that Kim received in order to execute his desired policy. Next, the implementation, successes and challenges to the Sunshine Policy are analysed. The ideological differences between conservatives and progressives are then examined at length.
The Need to Engage North Korea

It can be argued that decision-makers initiate policies based on their perception of personal, domestic and international factors. Kim Dae Jung’s harsh political experience as an opposition leader and persecuted pro-democracy crusader at the hands of authoritarian Korean regimes were contributing factors to his more progressive political orientation compared to his predecessors. For three decades before assuming the presidency, Kim Dae Jung formulated and refined his ideas on how to improve relations with the North. As an opposition candidate in 1970, 1987 and 1992, Kim advocated a more conciliatory stance towards Pyongyang. For example in 1970, Kim Dae Jung stood for elections against Park Chung Hee who was anti-communist and anti-North Korea. As a democracy fighter, in all his elections, Kim campaigned on a policy of peaceful coexistence with North Korea. He believed peaceful existence could only be realized if there were more exchanges between the two Koreas. Further, Kim was in favour of a more open policy that broadened commercial, social, cultural, sporting, and political exchanges. Because conservative governments monopolized all information about North Korea, Kim advocated that South Koreans should have direct access to North Korean media. However, Kim’s ideas were rejected by all the conservative governments who ruled South Korea before his own election as president. More importantly, because of his opposing views, Park Chung Hee and subsequent conservative administrations intermittently imprisoned, exiled and tortured Kim. As such, very few expected Kim Dae Jung, an outspoken dissident, to win the presidency in 1997. Yet people power led to the election of Kim in 1998.

Changes in the global environment that included the end of Cold War and the Asian financial crisis area so important in understanding Kim’s approach towards North Korea. Many observers indicated that North Korea was on the verge of collapse around the time of the end of the Cold War. Had North Korea collapsed in the 1990s, the South with its weakened economy would have had to deal with increased instability and a likely massive influx of the North’s population. As such, engagement was seen as a preferred option by Kim because the cost of reverting to containment would have been politically and economically too high for South Korea.

Reunification of the two Koreas was Kim Dae Jung’s ultimate goal. However, he understood that reunification would be impossible without ending the Cold War-style containment policies adopted by previous administrations. Kim believed that hostile policies and blockades only worsened the situation and intensified the possibility of military confrontation between the two Koreas. In addition, he recognised that past unification policies were based on unrealistic expectations of immediate reunification with North Korea through regime collapse or absorption. As an alternative, Kim Dae Jung devised a three-stage unification formula that included peaceful co-existence, peaceful inter-Korean exchanges and peaceful unification.

Given the condition of North Korea in the late 1990s, an immediate unification policy would have stirred up tremendous challenges for both Koreas. South Korea needed to be able to protect its security against the possibility of a more aggressive and hostile North Korea. The collapse of the Soviet Union increased North Korea’s economic difficulties and political isolation. Pyongyang responded to this by using its nuclear and ballistic missile arsenals as bargaining chips to guarantee its own survival. The death of North Korean leader Kim Il Sung in 1994 and subsequent incidents of starvation and natural disasters further exacerbated fears in South Korea of the internal collapse of the North. Also, the famine that swept through North Korea at the beginning of 1995 resulted in the death of several million people. The Kim government was also aware of the potential cost of unification, which would mainly be shouldered by the South Koreans due to the weak North Korean economy.

According to Levin and Han (2002:12-13), South Koreans increasingly drew from Germany’s experience about the high cost of reunification. By the 1990s, the economic gap between the two Koreas had grown exponentially. In the late 1990s, Paul Bracken (1998:419) estimated that Korean unification would cost US$800 billion over a period of ten years. Given the high cost of even peaceful reunification, an engagement strategy was more acceptable so that the South could devise a program that would encourage positive reforms in North Korea. Consequently, Kim promoted the goal of peaceful co-existence rather than any sort of regime change or drastic absorption of the North.

The Road to Engagement

A close examination of the engagement of North Korea by Seoul, reveals that although the policy was initiated by the President and his office, its implementation and survival depended on the President’s advisors and bureaucracy. Kim’s support derived from like-minded individuals who included Lim Dong Won, Park Jae Kyu and Park Jie Won. These members of the progressive elite, together with Kim, believed that external economic support would aid in bringing about the transformation of the North, and in the long term, stimulate political stability on the Korean
Kim Dae Jung appointed these progressively minded individuals to crucial positions in the government. For example, though Lim Dong Won was a former negotiator for inter-Korean Vice Ministerial meetings during the conservative Roh Tae Woo government, Kim trusted Lim who believed that relations with North Korea could be improved. Not surprisingly, Lim Dong Won was made the Director of Intelligence Service from 1999 to 2001. Likewise, Park Jae Kyu who founded the Institute of Far East Studies (IFES) at Kyungnam University in 1972 to encourage better relations between the two Koreas served as the chairman of the organising committee for the first inter-Korean summit in 2000.

Both Park Jae Kyu (1999 to 2001) and Lim Dong Won (1998-99 and 2004) also served as Unification Ministers while Park Jie Won (1999-2000), a close friend served as the Minister for Culture and Tourism during the Kim government. Since Kim administered a minority government, in order to develop some bipartisan support, Kim also offered posts to key members of the conservative elite, such as Kang In Duk (2001-02), who served as Minister of Unification, and Lee Jong Chan (1998-2002), who served as Director of the National Intelligence Service (Levin and Han, 2002:91). The conservative Minister of Unification played a key role in selling the message that the engagement policy was indeed based on reciprocity (Levin and Han, 2002:91). In sum, Kim was not only supported by the progressives but occasionally conservatives whom he successfully co-opted in advancing the engagement policy.

Kim acknowledged that his North Korea policy would fail without international support. Since South Korea’s security was closely linked to its alliance with the US, Kim actively sought American support for his engagement of North Korea. In a joint press conference with President Clinton on 21 November 1998, Kim Dae Jung reaffirmed that South Korea-US security alliance was crucial for the South’s defense. More significantly, Kim acknowledged the need to comply with commitments stated in the Agreed Framework signed in October 1994. The Agreed Framework’s main objective was to gradually normalise relations between the US and North Korea as well as replace North Korea’s home-grown nuclear power plant program with light water reactor plants. Kim believed that cooperation between the US and North Korea was essential in curbing North Korea’s nuclear proliferation aspirations. Not surprisingly, Kim supported the four party talks involving the US, North Korea, South Korea and China in dealing with North Korea’s nuclear development in exchange for major aid and diplomatic benefits. Eventually, the Clinton administration’s support, and recommendations by the Perry report in 1999, which incorporated Seoul’s engagement policy, provided the much needed reinforcement for Kim to continue with the Sunshine Policy. Besides, the US, Kim also gained support from Japanese Prime Minister Keizo Obuchi and Chinese President Jiang Zemin.

The Implementation of the Sunshine Policy

Shortly after he took office in 1998, citing one of Aesop’s fables about “wind and sunshine,” Kim Dae Jung actively propagated the idea that sunshine would be more effective than wind in inducing North Korea to reform and adopt a more open-door policy towards the South. Kim began the Sunshine Policy with the following objectives:

1. reconciliation based on the 1992 inter-Korean Basic agreement; 
2. normalisation of relations with the US and Japan; 
3. integrating North Korea into the world community; 
4. arms control and the dismantling of the North’s weapons of mass destruction; and 
5. there placement of the 1953 armistice with a peace regime on the Korean peninsula.

The above objectives were marked contrast to the conservative leaders of the past. For example, during the Korean War (1950-53), Syngman Rhee wanted to reunify the Korean peninsula by invading the North. Alternatively, Park Chung Hee believed a military takeover of the North will be possible when South Korean economy and military power surpassed that of the North. What’s more, South Koreans under conservative governments were expressly prohibited from even openly discussing North Korea. In contrast, Kim Dae Jung believed that isolating North Korea was dangerous. Hence, the central premise of the Sunshine Policy was that the North would end its isolationist policy when a gradual transformation in the direction of a market economy emerges like what developed in China and Vietnam.

The Kim government began the Sunshine Policy based on three guiding principles of not tolerating armed provocations by the North, not attempting the absorption of the North (in contrast to the defacto policy of his predecessors) and expanding reconciliation and cooperation. To begin with, in order to reduce tension on the Korean
peninsula, South Korea aimed to pursue increased official and unofficial North-South contacts. In a speech at the London School of Oriental and African Studies on 4 April 1998, Kim was quick to point out that:

The Republic is now able to push a North Korean policy with self-confidence arising from firm public support. I have been steadfast in advocating what I call a ‘sunshine policy’ which seeks to lead North Korea down a path toward peace, reform and openness through reconciliation, interaction and cooperation with the South. As President I will carry out such ideas step by step.

The main feature of Kim’s engagement was developing a policy of flexible reciprocity towards North Korea. Kim realised that in order to build mutual trust between the Koreas, he would have to offer more without any expectations, at least in the short term. Reciprocity meant that North Korea was merely required to maintain and improve inter-Korean relations and not provide equal exchanges. The North Korea nuclear weapons program was acknowledged as a problem, but it was officially separated from the need to improve inter-Korean relations. The Kim government did not pursue engagement by demanding the dismantling of North Korea’s nuclear weapons program. Instead, Kim Dae Jung emphasised the North’s economic and humanitarian needs. This new approach represented a radical departure from that of the previous South Korean governments which had laid the groundwork for an engagement policy but kept it strictly limited by stressing on conditional engagement, in particular demanding that the North give up its nuclear program.

Another feature of the Sunshine policy was that inter-Korean relations were pursued in a piece meal fashion so that the South did not appear as if it was making strident demands on the North. By introducing concepts such as peaceful “reconciliation” and “reunification” instead of explicitly implying that the South was preventing the North from collapsing, the engagement policy allowed North Korea to save face. In the short term engagement followed certain guidelines, which depended on the separation of economy and politics (joengkyungbunri). Accordingly, during inter-Korean dialogue and exchanges, the North concentrated mainly on economic issues and sidestepped issues pertaining to its nuclear development. This suited North Korea.

The new approach demonstrated the extent to which Kim’s progressive government had abandoned old realist approaches to North Korea and adopted a position based on understanding the limited options that faced the North Koreans in this delicate rapprochement. While previous governments were preoccupied with politics, the Kim administration decided to concentrate on economics first. The government employed economic leverage as a means to entice the North out of its policy of isolation. In order to avoid another war or even the collapse of North Korea – which at that time was undergoing severe famine – the South Korean government believed it was necessary to persuade the North of the benefits that they would reap from economic exchange with the South. Kim expected such an engagement framework would renew a sense of national identity and promote trust, as well as ease political, social and economic disparity between the two Koreas. Around this time, the North Korean economy weakened drastically as aid from Moscow and Beijing dwindled. The politically alienated and economically weak North embraced the policy because it was desperately in need of hard currency, aid and a security guarantee. Moreover, North Korea definitely preferred economic linkages to government-level dialogue, as this did not threaten the legitimacy of the North Korean regime.

While the South Korean government concentrated mostly on sending humanitarian aid in the form of food and agricultural shipments to Pyongyang, the private sector (Hyundai Asan Corporation as well as small and medium sized South Korean businesses) began to expand inter-Korean economic relations through two projects in the North. These were the Mount Kumgang tourism project and the development of the Kaesong Industrial Complex (KIC). During Kim’s administration, Seoul began with the Mount Kumgang project and continued with the KIC project under the government of Roh Moo Hyun. The South Korean government took the lead in directing and rewarding businesses entering the North and recruited the Ministry of Unification to expedite these changes. The Kim government lifted investment caps on South Korean businesses in an effort to encourage private sector activity in North Korea. Legal regulations were also simplified. From the beginning, the Hyundai Group dominated North Korean-related business ventures, beginning with the tourist development project in Mount Kumgang in 1998. Until 1998, there were hardly any ROK investments in DPRK.

Between 1998 and 2002, more than 500,000 South Koreans visited Mount Kumgang by ship (see Table 1). With the opening of the land route in 2003, the number of visitors increased to more than 1.7 million tourists by 2008 (see Table 1). Although contact between South Korean tourists and North Koreans outside the official route were limited after five decades without any person to person contact whatsoever, the Mount Kumgang tours represented a significant beginning.
The 15 June 2000 Summit

At this juncture, Kim sought an inter-Korean summit as a way to institutionalise and legitimate the engagement of North Korea. In this way, the progressive government under Kim went well beyond its initial focus on economic relations. Preparation for a summit involved multiple contacts and interactions between the two Koreas which were invaluable in building trust. Lim Dong Won, Park Jie Won and Park Jae Kyu were put in charge of preparing the first-ever inter-Korean dialogue. After numerous closed-door meetings between officials from the two Koreas, an inter-Korean summit scheduled in June 2000 was finalized. This was the result of Park Jie Won’s secret negotiations in Shanghai and Beijing with Song Ho Gyong, Vice Chairman of the Asia-Pacific Peace Committee, the North Korean body that deals with the South.

The 15 June 2000 summit between South Korean President Kim Dae Jung and North Korean leader Kim Jong II has widely been regarded as the biggest achievement of the Sunshine Policy. It was the first time that the leaders of the two Koreas had met since the country’s division in 1948. Many issues were discussed confidentially. For instance, it was reported that Kim Jong II would make a reciprocal visit to Seoul but the date was not revealed and the leaders agreed to follow a specific arms reduction program to reduce the threat of war on the peninsula. The specific reference to arms reduction exceeded the economic priorities that Kim Dae Jung had initially focused on and suggests that his abandonment of a strict realist position on North Korean relations was delivering some success. Kim Dae Jung’s conciliatory and non-confrontational line on North Korea appeared to be easing tensions on the Korean peninsula. Surpassing all expectations, the meeting in Pyongyang produced a formal joint declaration with agreement on the following points:

1. The South and the North agreed to resolve the question of reunification independently without external interferences.
2. The two Koreas recognised common elements in the South’s concept of a confederation and the North’s formula for a loose form of federation.
3. The two Koreas agreed to resolve humanitarian issues by holding family reunions of separated families and seek a humanitarian resolution to the matter of long held unconverted political prisoners.
4. The two Koreas agreed to consolidate mutual trusts and promoting balanced development of both economies through the expansion of bilateral economic cooperation.

Table 1: Number of South Korean Tourists Visiting Mount Kumgang

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Tourists</th>
<th>By ship</th>
<th>By bus/private car</th>
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<tbody>
<tr>
<td>1998</td>
<td>10,554</td>
<td>10,554</td>
<td>-</td>
</tr>
<tr>
<td>1999</td>
<td>148,074</td>
<td>148,074</td>
<td>-</td>
</tr>
<tr>
<td>2000</td>
<td>213,009</td>
<td>213,009</td>
<td>-</td>
</tr>
<tr>
<td>2001</td>
<td>57,879</td>
<td>57,879</td>
<td>-</td>
</tr>
<tr>
<td>2002</td>
<td>84,727</td>
<td>84,727</td>
<td>-</td>
</tr>
<tr>
<td>2003</td>
<td>74,334</td>
<td>39,902</td>
<td>34,432</td>
</tr>
<tr>
<td>2004</td>
<td>268,420</td>
<td>449</td>
<td>267,971</td>
</tr>
<tr>
<td>2005</td>
<td>298,247</td>
<td>-</td>
<td>298,247</td>
</tr>
<tr>
<td>2006</td>
<td>243,446</td>
<td>-</td>
<td>243,446</td>
</tr>
<tr>
<td>2007</td>
<td>345,006</td>
<td>-</td>
<td>345,006</td>
</tr>
<tr>
<td>2008</td>
<td>62,405</td>
<td>-</td>
<td>62,405</td>
</tr>
<tr>
<td>Total</td>
<td>1,797,101</td>
<td>554,594</td>
<td>1,242,507</td>
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Source: Ministry of Unification, 2011

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5. The two Koreas agreed to hold government level dialogue for the immediate implementation of the hitherto agreed points.

The Joint Declaration of 15 June specified the nature of a new framework for a positive, ongoing dialogue with North Korea. As such, it marked a major turning point in dismantling the Cold War confrontational character of inter-Korean relations that had existed since 1948. In the progressive government’s perspective, the summit transformed inter-Korean relations from “confrontation and hostility” to “reconciliation and cooperation”. More importantly, the summit broke Kim Jong Il’s extreme isolation and publically embrace South Korea’s overtures. One of the most contentious issues in inter-Korean relations had been the North’s negative reaction to the presence of US troops on South Korean soil. Yet, Kim Dae Jung reported that Kim Jong Il verbally approved of the continued presence of the US troops on South Korean soil. Consequently, the implication was that a new era had begun in inter-Korean relations and that there was no chance of another war between the two Koreas.

Since 1995, the South Korean government and NGOs had been sending some aid to the North in the form of donations, food and fertilisers. But humanitarian cooperation intensified after the rapprochement achieved during the summit. In a display of good will, during Kim Dae Jung’s administration, a total of US$69,102 million of private and governmental aid was distributed to the North between 1998 and 2003 (see Table 2). Overall, total South Korean aid to the North between 1993 and 2008 increased 546% from US$28,408 to US$183,500. Such aid reduced the threat that North Korea might collapse because of the massive food shortages. As such, aid met one of the main purposes of the Sunshine Policy.

Table 2: South Korea’s Humanitarian Aid to North Korea (in US$ million)

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<tbody>
<tr>
<td>Government</td>
<td>26,172</td>
<td>49,977</td>
<td>140,253</td>
<td>216,402</td>
</tr>
<tr>
<td>Private</td>
<td>2,236</td>
<td>19,125</td>
<td>43,246</td>
<td>64,607</td>
</tr>
<tr>
<td>Total</td>
<td>28,408</td>
<td>69,102</td>
<td>183,500</td>
<td>281,010</td>
</tr>
</tbody>
</table>

Source: Ministry of Unification, 2011

The summit also saw progress made in the matter of reuniting families separated during the Korean War (1950-53). Prior to the June 2000 summit, the first reunion had occurred in 1985. The next one only took place as a result of the summit. Family reunions increased by two methods: face to face contacts and video conferences. Between 1985 and 2007, a total of 1,962 South and North Korean families were allowed to communicate (see Table 3). These meetings were usually held at the South Korean Red Cross headquarters, the Mount Kumgang resort or reunion centres in North Korea.

Table 3: Number of families involved in face to face family reunions and video conferences (1985, 2000-2007)

<table>
<thead>
<tr>
<th>Method of Reunion</th>
<th>Families from South Korea</th>
<th>Families from North Korea</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Face to face</td>
<td>1,683</td>
<td>1,695</td>
<td>3,378</td>
</tr>
<tr>
<td>Video conferences</td>
<td>279</td>
<td>278</td>
<td>557</td>
</tr>
<tr>
<td>Total</td>
<td>1,962</td>
<td>1,973</td>
<td>3,935</td>
</tr>
</tbody>
</table>

Source: Ministry of Unification, 2011. Please note that exact chronological data is unavailable, as the MOU has lumped together all the numbers without regard to the year or the type of administration then in power.

Though there was still no free travel between the two Koreas, North Koreans began to visit the South in an official capacity. Between 1998 and 2002, around 2,011 North Korean officials visited the ROK on government
Conservative Opposition to the Sunshine Policy

Support from the conservative elite was crucial for the implementation of the engagement policy that Kim had designed. Prior to the advent of the progressive government of Kim Dae Jung, conservative South Korean governments did play with the idea of engaging with North Korea. The South-North Joint Communique (4 July 1972), the Basic Agreement between South and North Korea (19 February 1992) and the Joint Declaration of the Denuclearization of the Korean Peninsula (19 February 1992) were historic accords that institutionalised cooperation and peace efforts. However, engagement with the North was not seen as a priority and the conservative governments maintained an unrelenting anti-Communist stance. For example, President Park Chung Hee, who openly advocated an anti-Communist outlook, was committed more to economic development to enhance ROK’s security rather than pursuing inter-Korean relations. In addition, conservative governments asserted that inter-Korean cooperation could only progress if and when North Korea gave up its nuclear weapons program. The Kim government differed from these conservative governments because engagement based on ‘flexible reciprocity’ did not demand Pyongyang to give up its nuclear program or change its system of government. More importantly, Kim promoted the feeling of kinship rather than stressing North Korea’s enemy image or communist identity.

The challenge to the Sunshine Policy was that the engagement policy was introduced and implemented within the context of a minority government. Since North Korean related-issues were highly controversial, more often than not, the progressive government of Kim clashed continuously with the conservative Grand National Party (GNP) which controlled the majority in the legislature for most of the decade from 1998 to 2002. Kim's National Congress for New Politics (NCP) only managed to garner 79 out of the 299 seats (26%) in the 1996 legislative elections. In the 2000 legislative elections, the NCP—which was later renamed the Millennium Democratic Party (MDP) – obtained 115 seats (42%) out of 273 seats compared to the GNP’s 133 (49%). In other words, the conservative political elite, represented in the form of the GNP, controlled the National Assembly for the five years Kim was in power. The party was antagonistic towards Kim’s reform policies, especially the engagement policy. Moreover, Kim’s junior coalition partner, the ULD, was not always supportive of his policies towards North Korea. For instance, the head of the ULD, Kim Jong Pil who...
was appointed as the Prime Minister, was well known for anti-North Korea stand.\textsuperscript{53} Hence, it was not surprising that the ULD opposed Kim's engagement policy. Differences of opinion between the MDP and the ULD, resulted in a breakup of the coalition in 2001. In addition, the MDP lost both the local and by-elections prior to the 2002 presidential elections. All the above further eroded Kim's ability to push through many of the reforms, especially towards North Korea.

Although engagement began under the conservative governments that preceded Kim Dae Jung's presidency, their perception of what 'engagement' should involve differed fundamentally from the progressives. The conservative elite accused Kim Dae Jung of engaging North Korea without demanding any conciliatory gestures from the Kim Jong Il regime. The nature of Kim's 'flexible reciprocity' was repeatedly questioned. With no obvious transformation in Pyongyang's behavior, the conservatives perceived relations with North Korea as being that of unconditional engagement rather than one based on flexible reciprocity. They argued that the Sunshine Policy was an anti-national policy which strengthened Kim Jong Il's dictatorial regime and undermined South Korean security.\textsuperscript{54} Kim was also accused by the conservatives of ignoring human rights violations committed by the Kim Jong Il regime.

Another source of contention was the Mount Kumgang experiment, run by Hyundai Asan. Kim believed that the Mount Kumgang project would increase North Korea's dependency on South Korea by generating new sources of income for the North Korean government. According to Joong Ang Ilbo (25 September 2010), the Mount Kumgang tour generated roughly $30 million a year in profits.\textsuperscript{55} The project brought into North Korea desperately needed hard currency at a time when it suffered from a weak economy, natural disasters and food shortages. However, the experiment's shortcomings went against Kim. Inter-governmental relations improved but the North Korean public was banned from socialising with South Korean tourists.\textsuperscript{56} Even worse, the conservatives feared that the project funnelled hard currency to the North Korean regime for use in their weapons development.\textsuperscript{57}

The economic underpinnings of Hyundai's presence in North Korea were also shaky. While Kim was channelling investments into North Korea, Hyundai Asan incurred massive debts in running the project. These debts, moreover, persisted despite extensive and direct financial support by the Kim government to Hyundai. For example, by 2002 the state-run Korea National Tourism Organisation (KNTO) spent roughly US$60 million buying the Mount Kumgang Inn, a hot spring resort and a cultural center from Hyundai Asan in February 2002.\textsuperscript{58} When the KNTO stepped in to bail out Hyundai Asan's Mount Kumgang tour, the conservative opposition party GNP demanded that the Kim government stop all financial transfers to Hyundai.\textsuperscript{59}

The conservatives also criticised Kim for ignoring the security risks for South Korean tourists visiting Mount Kumgang. Tours were suspended for 45 days when a South Korean woman was detained for six days for suggesting that a North Korean guard should move to the ROK for a better life. The conservatives were also anxious about the negative impact of Kim's policies on the US, South Korea's traditional ally.\textsuperscript{60} Their concerns were not without good reason, for by the end of his administration, Kim's relations with Washington were strained. Kim's engagement policy clashed with President George Bush's hard-line stand against North Korea, especially after the 11 September 2001 terrorist attack when North Korea was identified by Bush as one of the three members of the 'axis of evil' in his State of the Union Address of 29 January 2002.\textsuperscript{61} This meant that the US was prepared to go to war with North Korea if necessary to deter Pyongyang from using weapons of mass destruction against the US. Without official US backing for the engagement policy, Kim's goal of achieving peace through reconciliation and cooperation with North Korea descended into complete disarray. He not only had to deal with a North Korea that was backed into a corner but also with Washington's hard-line policy that destabilised efforts at building trust with the North. For some time, scheduled official communications between North and South Korea were stalled due to Washington's tougher stance toward North Korea.

In October 2002, Kim Dae Jung faced more opposition from the conservatives when the Americans discovered that North Korea had a secret uranium-based weapons program. In actual fact the program did not violate the 1994 Geneva Agreed Framework which called for the freezing of plutonium-based weapons program in exchange for two nuclear reactors and other assistance. The conservatives, however, ignored these fine distinctions between uranium- and plutonium-based weapons and insisted that the engagement policy only promoted North Korea's nuclear development at the cost of the ROK's national security.\textsuperscript{62} Seizing the moment of global conservatism about all 'weapons of mass destruction' the conservatives used the North Korean nuclear issue as a major platform in their campaigns for the 2002 elections.\textsuperscript{63} Lee Hoi Chang, the presidential candidate of the GNP claimed the North already possessed nuclear weapons while the MDP accused Lee of trying to gain popularity by scaring the voters and heightening tension between the Koreas.\textsuperscript{64} The conservative media was also against the engagement policy. Clashes between the Kim government and the conservative newspapers like The Chosun Ilbo and The Dong-a Ilbo became more frequent.\textsuperscript{65}
As a minority president, Kim Dae Jung lacked support in the National Assembly. Only the MDP faithfully backed him. By the middle of Kim’s presidency, the ULD, which was once Kim’s coalition partner, had joined forces with the conservative GNP in opposing the Sunshine Policy (Korea Times, 3 July 2002). In orchestrating the anti-Kim campaign, close aides of Kim Dae Jung were targeted. For instance, in August 2001, Lim Dong Won, the Unification Minister, allowed a South Korean civilian delegation to attend the 56th anniversary of the Liberation Day in Pyongyang. The opposition forces saw the visit as contravening the National Security Law which prohibited any pro-North Korean activities. In September 2001, with the ULD supporting the GNP, the National Assembly passed a no-confidence motion against Lim Dong Won, one of the chief architects of the Sunshine Policy. Kim Dae Jung had no obligation to adhere to the no-confidence motion as the cabinet is elected by the President and not the National Assembly. However, Lim Dong Won chose to resign, a decision that constituted a serious setback for the implementation of Kim’s policies for reconciliation. Lim Dong Won had a long association with North Korean negotiations, starting from his time working for the conservative governments that preceded Kim. However, the lack of domestic cohesion made it difficult for Kim to promote reconciliation and cooperation with North Korea with any enthusiasm. These divisions also probably persuaded Kim Jong Il that the Sunshine Policy was not sustainable.

Another dramatic example of the limitations from which Kim’s Sunshine Policy suffered, was the failure to remove or reform the National Security Law (NSL) which imposed a severe penalty for anyone who praised North Korea. In an article in Foreign Policy, Kim Dae Jung remarked that the National Security Law (NSL) which claims North Korea as an anti-state organization ‘prohibits reduced tensions by legal decree’ even if inter-Korean relations improved. Consequently, in 2001, the ruling Millennium Democratic Party (MDP) under Kim Dae Jung tried to revise the NSL, focusing on the provisions which denied the very existence of North Korea. However, opposition parties opposed the legislation, calling it “premature”. To conservatives, the NSL was primarily an anti-communist device, and they asserted that repealing it would weaken national security. In otherwords, it would leave the North free to infiltrate and undermine South Korea’s democratic ideals and security. The conservative elite ensured that the NSL remained in place, despite Kim’s fight to change a law which had been used repeatedly to suppress dissidence. The next progressive administration under Roh Moo Hyun was equally unsuccessfully in overhauling the NSL. The Supreme Court and the Constitutional Court claimed that it was too soon to repeal the law. The abolition of the NSL would certainly have helped improve inter-Korean relations. Lacking a broad consensus of domestic support, and failing to repeal the NSL, the progressive political elite struggled to sustain the engagement policy.

North Korea’s actions did not help Kim either. For example, major provocations such as the missile firing over Japan in 1998 and several inter-Korean naval skirmishes between 1999 and 2002 undermined Kim’s argument that the North was not dangerous. Criticism intensified when South Korean waters were breached on 29 June 2000 and a North Korean vessel sank a South Korean patrol boat, killing five sailors. The GNP called on the government to temporarily suspend the controversial Mount Kumgang tourism project, claiming that the engagement policy endangered South Korean security. Kim’s commitment to the engagement policy did not weaken but the rift opened up between him and the Korean public which had been outraged by these naval incidents. The final blow came when revelations of secret ROK fund transfers to North Korea resulted in the term sunshine assuming negative connotations. Controversy between the conservatives and progressive erupted over accusations that Kim Dae-Jung made illegal financial payments to the DPRK in order to secure the historic summit in June 2000.

Public Opinion towards the Sunshine Policy

Despite the 2000 summit and the apparent progress in inter-Korean relations, the engagement policy became one of the most contentious political issues in South Korean politics. Kim Dae Jung began the Sunshine Policy at a time when the South Korean economy was severely stressed due to the Asian financial crisis. Viewed against this backdrop, most South Koreans wanted economic recovery to be given priority. More importantly, almost 60% of voters did not support Kim’s bid for the presidential post. Despite this, the progressives did transform the public’s perception towards North Korea. However, while more South Koreans now perceived North Koreans as their relatives in need of help, there was on going opposition to the progressive’s engagement policy. In August 2000, two months after the June summit, support for the engagement of North Korea garnered 81.8% of the people polled. However, in the same poll, 54.8% viewed the engagement policy toward North Korea as having failed to effectively transform inter-Korean relations and 58.3% indicated that the policy has done little to initiate internal reforms within North Korea. A poll by Joong Ang Ilboon the first anniversary of the 15 June summit in 2001 indicated that out of 1,008 adults polled in June 2001, 58.2% supported the Sunshine Policy.
Conclusion

Progressive policies toward North Korea were introduced during a period of complex change within and outside the Korean peninsula. Kim Dae Jung believed that engagement would transform North Korea’s behaviour. He made every effort to expand humanitarian and economic projects to the North in order to defuse tension on the Korean peninsula. However, the South Korean conservative elite continued to believe that the North had not changed its hostile position and criticised the Kim government for providing “one-sided concessions to Pyongyang without securing reciprocal measures”. Additionally, the minority status of the progressive government under Kim acted as a major policy limitation. For instance, the much debated NSL, a relic of the Cold War, could not be repealed. This was a major blow for the engagement policy. Despite this, the Sunshine Policy continued during the progressive administration of Roh Moo Hyun, albeit with a different name- Policy for Peace and Prosperity. The progressive political elite believed that engagement increased opportunities for economic and social linkages between the two Koreas and improved the situation in North Korea itself. They were convinced that the policy offered the most practical means for reducing tensions and promoting confidence building measures on the Korean peninsula.

The advent of Lee Myung Bak’s conservative administration in February 2008 brought South Korea back to a definition of engagement that was conditional on the North dismantling its nuclear program. This began to reverse the achievements of the progressive administrations. The number of North Koreans visiting South Korea declined which meant there was a marked deterioration in inter-Korean governmental talks. By contrast, despite the nuclear crisis and numerous provocations by the North towards the South, the progressive elite continued the inter-Korean governmental talks. Between 1998 and 2002, there were roughly 80 inter-Korean governmental talks that contributed to decreasing tensions on the Korean peninsula. In comparison, less than 30 inter-Korean governmental talks took place between 2008 and 2010 under the Lee Myung Bak government. The new conditional engagement policy introduced by the conservative government from early 2008 onwards has not only damaged inter-Korean cooperation but has also increased tensions on the Korean peninsula. Major provocations in 2010 such as the sinking of the Cheonan naval vessel on 26 March 2010 and the attack on Yeonpyeong Island on 23 November 2010 in the South suggest that the conservative policy of conditional engagement has been unsuccessful in modifying North Korea’s behavior. However, recently, Hong Joon Pyo, the chairman of the Grand National Party, and the new South Korean Minister of Unification, Yu Woo Ik, called for a review of the current policy towards the North. Just like Kim Dae Jung, Hong and Yu urged the Lee government to adopt a more flexible approach towards Pyongyang. Furthermore, Yu also stated that another inter-Korean summit would be useful in reviving stalled inter-Korean relations.

The question is whether the conservative Lee government would adopt such measures during an election year when they represent quintessential progressive policies. Moreover, despite North Korea’s failed satellite launch on 13 April 2012, it has vowed to continue launching rockets in the near future. Such an attitude certainly would not encourage the Lee government to revive negotiations with Pyongyang anytime soon.

Notes

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2In Korean, the Sunshine Policy is known as Hapgug changch’ae. The information obtained for Kim Dae Jung’s engagement policy in this article was mainly derived from the collection of Kim’s speeches published in the The Kim Dae Jung Government: The Sunshine Policy, 1999, The Society for Northeast Asian Peace Studies, Seoul.


4Kim Dae Jung, 1992, ‘The Once and Future Korea’, Foreign Policy, 86, p. 49.

5Kim Dae Jung, 1992, ‘The Once and Future Korea’, Foreign Policy, 86, p. 49.


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11Norman Levin, and Yong Sup Han, 2002, Sunshine in Korea: The South Korean Debate over Policies Toward the North, Center for Asia Pacific Policy, RAND Publications, Santa Monica, California, p. 12.


14Donald Kirk, 2009, Korea Betrayed: Kim Dae Jung and Sunshine, Palgrave Macmillan, New York, pp. 119-120.


18In November 1998 President Clinton appointed Dr. William J. Perry and Ambassador Wendy R. Sherman to conduct a review of US policy towards North Korea. Among others, the final report, published in October 1999 recommended that the US should cooperate with South Korea in engaging North Korea. For more information other recommendations see http://www.ko-amleague.org/Perry_Report/perry_report.html.


20Ibid, p. 5.

21Ibid, pp. 278-306.


26Ibid, pp. 263-64.


32Hyundai Asan Corporation, founded in 1999, is Hyundai’s main business arm for developing inter-Korean cooperative businesses.


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64 Lee’s Remarks on NK Nuclear Issue Stirs Controversy,’ 5 Dec, 2002, Korea Times.


66 Liberation Day refers to the end of Japanese colonial rule in Korea in August 1945.


70 ‘Political Dispute Escalating Over Sunshine Policy,’ 3 July 2002, Korea Times.

71 Lee Hong Yun, 2003, ‘South Korea in 2002: Multiple Political Dramas’, Asian Survey, Vol. 43, No.1, p. 73.


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