

(Paper prepared for the conference on "Inter-Korean Relations: Past, Present and Future," organized by the CSIS and the Council of Foreign Relations, Washington, D.C., June 12-13, 2002. Comments are welcomed. E-mail: ykyoon@plaza.snu.ac.kr, Home page: <http://www.yoon21.net>)

The Sunshine Policy: A South Korean Perspective

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I. Functionalist Approach vs. Military Strategic Approach

Today, the sunshine policy has many fewer defenders in the United States than it once had. It is seen as too idealistic, over-subtle and slow in delivery. In its place many in the United States advocate a starker, much more confrontational approach to North Korea. I disagree. I argue that a 'functionalist' approach to the problems of the Korean peninsula offers the most promising way forward. I further argue that this approach, rather than one focused primarily on military power politics, truly advances both South Korean and U.S. national interests. This is not seeing the world through rose-colored spectacles. As I will demonstrate, it is rooted in realist analysis. My conclusion is that the time is ripe for an American diplomatic initiative on this issue.

What do I mean by a functionalist approach? One of the most influential thinkers in the field of international relations, David Mitrany argued in the 1940s that social and economic mal-adjustments were the basic causes of war and conflict. Functionalist (and neo-functionalists) theories stemming from his works have since had a significant impact on the way of thinking about, and the practice of, international relations. For instance, they have laid the theoretical foundation for the progress of European integration in the second half of the 20th century.

The South Korean government, had few opportunities to apply the functionalist approach to inter-Korean relationship in the peak of cold war confrontation. Naturally, the government and its ally, the United States, have approached North Korean issues mainly from the military strategic perspective.

The June 15 summit and the pursuit of the Sunshine Policy since then marked the beginning of a new, fully-fledged functionalist approach to the North Korea problem. From a functionalist point of view, the traditional military-strategic approach had mainly tried to deal with the symptoms, such as the North Korean nuclear and missile issues, on an ad hoc basis. With the Sunshine Policy based on the theoretical ground of functionalism, we may be able to begin tackling the fundamental root causes of the problem - that is, the North Korea's socio-economic difficulties. Without curing the fundamental causes, the symptoms may appear repeatedly in the future.

II. The Changing Nature of the North Korea Problem and the U.S. Policy

The North Korea problem until the 1980s remained, for the most part, a security problem, which was prevalent throughout the world during the Cold War era. Accordingly, the security issue in the Korean Peninsula did not attract special attention from the Western world. North Korea's socialist economy seemed to run on its own without an omen of disruption, and its military threat was mainly confined within the Korean Peninsula.

With the end of the Cold War international order, however, the nature of the North Korean problem has changed significantly. External economic aid from the Soviet Union almost stopped in the beginning of the 1990s, which aggravated North Korea's economic situation severely. It is widely known that North Korea's economic output has decreased by about 50% of GDP between 1994 and 1999. The national budget approved by the Supreme People's Assembly in April 1999 was about half the size of the 1994 budget. As North Korea's economic difficulties weakened the effectiveness of their conventional weapons system and made them feel much more insecure than before, they tended to stick to the development of the weapons of mass destruction (WMD) more tenaciously.

Thus, the North Korea problem has become multi-dimensional and much more complicated than before. Economic, political, security, and even humanitarian issues intermingled with one another and have become inseparable from one another. The fact that North Korea agreed to freeze its nuclear development plan in return for providing two-light water reactors and heavy oil indicated the importance of economic motivation for the North Korean policymakers. Also the fact that North Korea was willing to give up significant portion of its missile development project in return for economic aids in late 2000 indicated a very close connection between the economic and security dimensions of the missile issue.

Even the issue of reducing conventional arms threat is much more complicated and multi-dimensional than one would think. Any measure resulting in the weakening of the influence of the military sector in North Korea may face strong opposition from the North Korean military sector. In order to persuade his subordinates in the military, for instance, Kim Jong-il may need to obtain an international assurance on North Korea's security through, for example, conclusion of a peace agreement with the United States. North Korean authorities may also ask the United States to take some reciprocal measures in return for their cooperation regarding the issue of conventional military threat reduction. To keep raising the issue of withdrawal of the U.S. military force from South Korea may be one option for North Koreans. Thus, the issue of conventional military threat of North Korea will eventually be linked to the issue of relocating the U.S. Forces in Korea. This will have important implications for the whole U.S. security policy in East Asia in the future. We simply cannot avoid taking North Korea's concern about their national security as legitimate.

When we consider this kind of complicated and multi-dimensional nature of the North Korea problem, it goes without saying that only a comprehensive approach based on the functionalist assumption of interaction of security, politics and economics can solve the problem. All the important issues will have to be put on the table. And all the parties concerned will have to discuss the issues and prepare a roadmap through which they can define the duties of each party and check one another's performance.

The 1994 Geneva Agreed Framework and the 1999 Perry Process, I think, have partially incorporated the functionalist approach. The former, for example, provided economic aid in the form of the KEDO project of building two light-water reactors, and the latter promised to lift sanctions on North Korea. However, U.S. policy-makers did not adopt a comprehensive approach in these two cases.

In my view, the policy recommendations made by Richard Armitage and other North Korea specialists in March 1999 were the closest to reflecting an approach that was functionalist as well as comprehensive in nature. The report criticized the underlying assumptions of the Clinton Administration's policy toward North Korea. For example, it argued that the core assumption of imminent collapse of North Korea was seriously flawed and that North Korea did not contemplate any radical market-oriented reforms.

The report was prepared over one year ahead of the South-North Korean summit of June 2000. Considering the change in the attitude of North Korea recently as the secluded nation turned to an open door policy toward the Western world and the recent emphasis of the North Korean leader

on economic rebuilding, the Armitage report has become even more relevant nowadays. For example, he said,

“Current policy is fragmented. Each component of policy - implementing the Agreed Framework, four-party peace talks, missile talks, food aid, POW-MIA talks – operates largely on its own track without any larger strategy or focus on how the separate pieces fit together. In the absence of a comprehensive policy, North Korea has held the initiative, with Washington responding as Pyongyang acts as demandeur. A successful approach to North Korea must be comprehensive and integrated, and must address the totality of the security threat. The stakes involved should make Korea a matter of the highest priority for the President... Washington should take an offer that meets Pyongyang’s legitimate economic, security, and political concerns. This would allow the United States to seize the diplomatic initiative as well as the moral and political high ground... As a step-by-step roadmap to a more cooperative relationship, economic benefits beyond humanitarian aid should be phased in as North Korea implements threat reduction measures...”[1]

III. T he Advantage of the Functionalist Sunshine Policy

Even after the tragic September 11th terrorist attack on the World Trade Center, I think a comprehensive functionalist approach is still very relevant and probably more rational than a coercive military strategic approach or the hawk engagement policy explained by Victor Cha for the following reasons.

1. Hidden Risks of the Coercive Approach

A misunderstanding or misconception on the Sunshine Policy is that it has been neglecting the security of South Korea and the United States. That statement is simply wrong. The Sunshine Policy has been pursued on the basis of the strong defensive posture of the South Korean and the U.S. forces in Korea. In other words, the Sunshine Policy is based on zero toleration of North Korea’s military provocation. The strong military measure taken by South Korean government at the time of North Korean navy’s incursion in West Sea in 1999 was the case in point.

I think the Sunshine Policy in combination with a militarily strong defensive posture is more rational choice than the coercive or hawk engagement policy. It is mainly due to the risk hidden behind the coercive military strategy toward the North Korea. It is my impression that many people in the U.S. policy circle tend to feel too confident in their capability to control the complicated situation of

international confrontation. However, international relations have always been ridden with uncertainties, misunderstandings, miscalculations, and unexpected variables.

Let me quote from Don Oberdorfer's excellent book, *The Two Koreas*. In his detailed review of the 1994 North Korean crisis, he says,

"For Robert Gallucci, the spring of 1994 had an eerie and disturbing resemblance to historian Barbara Tuchman's account of "the guns of August," when, in the summer of 1914, World War I began in cross-purposes, misunderstanding, and inadvertance. As he and other policy makers moved inexorably toward a confrontation with North Korea, Gallucci was conscious that "this had an escalatory quality, that could deteriorate not only into a war but into a big war." Secretary of Defense William Perry, looking back on the events, concluded that the course he was on "had a real risk of war associated with it." Commanders in the field were even more convinced. Lieutenant General Howell Estes, the senior U.S. Air Force Officer in Korea, recalled later that although neither he nor other commanders said so out loud, not even in private conversations with one another, "inside we all thought we were going to war.""[2]

2. Positive Political Impacts of Economic Engagements

The Sunshine Policy is not a naïve policy as some people used to criticize. Instead, it strengthens the leverage toward North Korea and brings a change in their external behavior from a short-term perspective and a change in the nature of their political system from a medium and long-term perspective. For example, North Koreans detained a tourist in 1999 arguing that she violated the regulation and committed a spying act. But they released her when the South Korean government threatened to stop the Kumgang Mt. Tourism project. Also look at all the former socialist East European countries that have been experiencing system transformation. The nature of their political system has been democratized as the result of the economic change whether they wanted democracy or not. Once significant amount of capital began to flow in, there would be increased amount of information flow among people, which would make it more difficult for political leaders to control the mind of people.

This does not necessarily mean that North Koreans would have no option for achieving both goals of economic survival and political control at the same time. Actually, there is an exit, which is the Park Chung Hee model of the 1970s. Even in a country like South Korea where its people had experienced political freedom and democracy, the authoritarian political regime lasted almost 15 years including the Chun Doo Hwan regime of the early 1980s. If North Korean leaders follow this model in a country like North Korea where the people never tasted political freedom and democracy, the authoritarian regime may last for more than a generation. I think both South Korean and the U.S.

governments had better encourage Kim Jong-il to adopt this model. But at the same time both governments will have to try to provide favorable external environment for North Korea.

3. There Are Historical Examples of Successful Engagement

There are some successful cases of the functionalist engagement policy in the past and the present. The most remarkable success was the European integration that had begun from the European Coal and Steel Community. ECSC was originally built as a measure of institutionalizing a peaceful relationship between the historical rivals, France and Germany. As we all notice today, it achieved both goals of economic prosperity and peace.

Some may say that these were democratic countries and differ much from the case of North Korea. What about, then, the Hong Kong-Shenzen model of China that has been regarded as a successful model of economic integration between two different economic systems? I think there is every reason for us to try this model between, for example, Seoul and Kaesong in Korea. The prosperous cross-straits commercial integration between the PRC and Taiwan is another case in point.

There have been rapidly increasing economic interaction going on between the two Koreas below the surface after the June 15 summit. For example, *the New York Times* reported that North and South officials had agreed “for companies in the South to provide the North with mobile telephone service able to communicate with the South.”[3] It was reported that two South Korean professors decided to teach in North Korea for the first time. North Korea was also reported that it sent almost 500 students and bureaucrats abroad in 2000 so that they could learn about the market economy. According to *the Korea Times*, there was an estimate that the size of the informal market trade in the North in 1998 was about 27% of gross national income.[4] The Ministry of Unification reports an estimate that about 70-80% of consumption by urban households was being satisfied through the informal market.[5]

However, this kind of quiet but qualitative change of inter-Korean relationship or the nature of North Korean economy that has significant political implication from a medium and long-term perspective does not seem to attract much attention of the U.S. policymakers.

4. It's a Right Time for the Functionalist Engagement Policy

The functionalist approach can not work at any time and any place. However, now is the time for the functionalist approach toward North Korea. North Korea is more willing to respond positively to

this approach than at any other time in the past history simply because the size of their economy has declined by half. I cannot imagine any country where this kind of radical economic change plus massive famine would not affect its domestic and foreign policies.

IV. Policy Recommendations for a Successful Engagement Policy

As the result of the review in the previous chapters, here are some policy-recommendations for the U.S. government.

1. More Subtlety and Flexibility in U.S. policy toward North Korea

It is better for the United States to avoid sounding like too much moralistic. Instead, it had better try to deal with the North Korean issue from a practical perspective in a business-like manner. It is desirable to try a comprehensive approach but we had better be flexible and realistic. For example, I think it is not realistic to push the human rights issue hard from the very beginning of the negotiation. Moralistic approach will become an obstacle quite often that would prevent the U.S. policymakers from achieving their goals. We had better remind of Michael Doyle's warning against the danger of liberal policy by the liberal political states toward non-liberal regimes. Basically he talks about the relations with powerful states of nonliberal character, but I think his comments have some implications even for the relations with not so powerful states of nonliberal character like North Korea. He says,

"In relations with powerful states of nonliberal character, liberal policy has been characterized by repeated failures of diplomacy. It has often raised conflicts of interest into crusades... it has failed to negotiate stable mutual accommodations of interest..."[6]

I think the North Korea problem is a different issue from other terrorist countries like Iraq and Iran. It may be the time when we have to begin to differentiate North Korea from those cases and think about how differently we should handle the issue. Probably the U.S. government had better begin to define the nature of the North Korea problem in a business-like manner, prepare practical agendas, and build a roadmap with her allies.

In building a roadmap, the United States may consider a KEDO style multilateral format in resolving the North Korea problem in a comprehensive manner. For instance, the United States may take a

leadership role using mainly political capital while for Japan, EU, international financial institutions focusing on the economic programs in cooperation with South Korea.

2. A Bold Diplomatic Initiative toward North Korea

Especially, I would like to recommend the U.S. government to take a bold diplomatic initiative toward North Korea as the Nixon Administration did it toward China in the 1970s. It was only after the U.S. government had taken a bold initiative and provided a favorable external environment that the Chinese political leaders began to concentrate on their economic reform domestically.

Of course North Korea in the first decade of the 21st century is not China in the 1970s. North Korea is not big enough to attract attention of the United States. There may not be as much positive incentives as China had for the United States to take a bold diplomatic initiative. This is why I think it important for North Korea to be ready to cooperate with the United States in a very proactive manner.

However, North Korean political leaders have been obnoxious about their security since the beginning of the 1990s. They are feeling that North Korea have been encircled by a powerful international coalition of South Korea, the United States, and Japan while experiencing severe economic difficulties domestically.

The benefits resulting from the diplomatic initiative for the United States will probably be greater than the costs. Furthermore, the Bush administration may need a success story of its diplomacy by the time of the next presidential election in 2004 and I think North Korea has better chance for success than any other problematic region. The cooperation of the U.S. government in dismantling the Cold War structure peacefully and in integrating both Koreas economically will stabilize East Asian international relations much. Above all, it will contribute much to maintaining a strong alliance relationship even after reunification of two Koreas.

[1] Richard L. Armitage, "A Comprehensive Approach to North Korea," March 1999.

[2] Don Oberdorfer, *The Two Koreas: A Contemporary History* (New York: Basic Books, 2001, new edition), p.306.

[3] "Koreas: Improving Communications," *The New York Times*, June 11, 2002, p.A6.

[4]. This statistics is based on the research by Bank of Korea researcher Moon Sung Min and economist Nam Sung-wook. *The Korea Times*, August 7, 2000.

[5]. Seoung-guk Hong, Ministry of Unification, "The State of Farmers' Markets in North Korea and Its Implications."

[6] Michael W. Doyle, "Kant, Liberal Legacies, and Foreign Affairs, Part 2," in *Philosophy and Public Affairs*, Vol.3, No.4 (Fall 1983), p.324. Here, I never mean to justify the North Korean behavior of exporting missile technology for example to Iran. Actually I understand and am sympathetic with U.S. concerns about the North Korean behavior. However, I don't think that a moralistic approach only will bring the desired results for the U.S. national interest. The U.S. policymakers need a subtle and realistic approach too.