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***Seoul's Engagement with Pyongyang:
A Mid-Course Assessment***

by

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Kyongsoo Lho: Thank you, John, for that extensive introduction, I don't know if I'm going to live up to it tonight. Anyway, I think this is a very hard-working town. If you were to organize a seminar like this at 6 p.m. in Seoul, I think the defection rate would be extremely high. After a very long day I'm grateful that many good friends, colleagues, and mentors are here this evening.

I want to begin by thanking John Ikenberry and the Sasakawa Foundation for organizing this seminar. I had no idea, when I arrived in the U.S. several days ago, I'd encounter an unimaginable event like the one that happened on the eleventh, last week. Before I begin my short presentation on the Sunshine Policy, I think it behooves us to take a moment for me to extend Korean condolences to those who have lost their lives, relatives, and friends in these tragic events. I'm very used to talking about Korean security and the tensions on the peninsula. But, I daresay, that tensions in Washington at this moment are probably higher than at any time that I've experienced in the U.S., beginning with the late sixties when the Vietnam War was at its height.

Anyway, without further ado, let me try to take us on an abbreviated survey of what I think has been happening in our part of the globe, on the Korean peninsula, beginning with the early months of 1998 until the present time. Until this recent crisis, of course, the North Korea issue was high on the security agenda for the U.S. I think for the moment it will be on the back burner, but it will not go away.

Question of Peace for Korea

On top of everything else the U.S. has to face, the question of peace on the Korean peninsula will continue to remain high on the foreign policy agenda for the U.S. and, of course, for

us Koreans. Despite what is happening in Afghanistan and thereabouts, the tensions on the Korean peninsula still continue to pre-occupy us, and I think this would be a very opportune moment for my colleagues here to review what is happening on the Korean peninsula at this juncture.

I think most of you probably have by now this little handout I prepared. It's not comprehensive; it's just a little one-page thing. It's divided into five parts and the first part talks about the beginnings of the Sunshine Policy. Part two briefly looks at the Sunshine Policy's outcomes, and its accomplishments. The third part looks at what I believe to be the fundamentals of any North Korean policy by any South Korean government or the U.S.-South Korea alliance. Then, in part four, I briefly review the prospects for Sunshine Policy in the months and years ahead. I finally conclude with what I think ought to be the next steps, if we're going to pursue a successful North Korea policy in the period ahead.

Inevitably, because of the nature of this seminar, everything I say will be in very, very large brushstrokes, so you'll have to forgive me if I skip over details that you might consider important. Hopefully those would be addressed during the question and answer session.

Beginning of Sunshine Policy

Well, Sunshine Policy, South Korea's engagement towards Pyongyang and North Korea, began against the background of great turmoil. As you will remember, in the closing months of 1997, Korea was struck very, very hard by the financial crisis that had been growing in Southeast Asia in June and July of that year. That was an election year for us, and much of our domestic attention was focused on our

presidential elections. The outgoing president, Mr. Kim Young Sam, was trying to influence the outcome of the election in his own manner, and really wasn't on the ball, as it were. In my view, even back then, but definitely in retrospect, I think much of the financial and economic devastation we suffered in 1997 was avoidable. However, nobody was at the helm from the summer of 1997 until elections were concluded in December. It's an unfortunate situation, but that sets the stage for Mr. Kim Dae Jung's rise to power.

Having come to power in the December 1997 elections with a very, very small majority, 40.3 percent of the popular vote—and that because of the ineptitude of his political opposition—Mr. Kim Dae Jung on a personal level fulfilled his lifelong ambition to become president. He wanted to forge what, in his view, was a new future, not just for South Korea, but for the Korean peninsula as a whole.

He came to power with a very definite vision of what he wanted South Korea to be and a very firm view of his political agenda. The first and foremost priority, of course, in the initial months of his government, was restoring economic stability. But in spite of the pressing economic conditions, President Kim Dae Jung made it clear very early on in his administration that a particular focus of his policies would be North Korea.

In February 1998, he declared his "Sunshine Policy." Now, I'll have to take you a little bit back in time to set the context for what I'm going to say next. You'll remember that after the October 1994 framework agreements between the U.S. and North Korea, the military tensions on the peninsula had subsided quite substantially. Moreover, between 1995, '96 and '97, North Korea had gone through a series of floods and droughts where, in our estimation, North Korea was much more weak than we had thought North Korea to be in 1994. Also, a flood of information was coming out of North Korea indicating that the regime was under a tremendous amount of pressure.

Now in Seoul, with this information, the political right was very much in favor of a policy by the incoming government that would be aimed at squeezing North Korea further, so that an even more weakened North Korea would agree to the kinds of demands Seoul would make, particularly in the security domain. The president, on the other hand, had a very different idea. Mr. Kim Dae Jung's idea was that you do not bring about a behavioral change in Pyongyang by applying further pressure on North Korea, particularly when it was feeling as insecure as it was thought to be in 1998. So he outlined a policy of engagement, what he called *hae beet* in Korean, or "sunshine," loosely translated into English. This was a policy of embracing the Kim Jung Il regime that included substantive economic rewards for North Korea's cooperation.

President Kim Dae Jung had a minority government, but was supported by a coalition party. I won't get into the individuals and the names here, but those of you who are experts in this audience will know that it's Mr. Kim Jong-pil's party. So, with a coalition hobbled together, Mr. Kim Dae Jung forged ahead with his engagement policy.

Public Focused on Economy in Late 1990s

Domestic realities, however, in 1998 and 1999, the following years, were such that not a great deal of attention by the public was paid to the development and implementation of this new engagement policy. Much of our attention was focused on resurrecting the economy. 1998 was a really tough year. South Korea, since it began its economic development policies in 1962, had never seen unemployment above five percent. In 1998 it was reaching 10 percent, something on a par with unemployment levels in Europe during its darkest days in the late seventies and eighties. It was unnerving to have hundreds of thousands of people unemployed all of a sudden. We had never seen homeless people in Seoul, prior to 1997, except for the immediate post-war years, and the homeless

were legion, not just in municipal centers like Seoul, but in all provincial towns. The banking sector was also heavily impacted. With our exports declining, we were in serious danger of going into an economic tailspin. People were very, very worried about their economic condition.

So by 1999, with the Sunshine Policy not being seen as producing any positive rewards for Seoul, but simply extending unilateral assistance to North Korea, the popular sentiment was turning against Sunshine. As far as the public was concerned in South Korea, much of the money and assistance that was going to North Korea would have been better spent in the South. It was not with a great deal of understanding, nevermind sophisticated understanding, of the construct of Sunshine Policy, but simple, gut-level resistance to assistance towards the North when things were so bad in South Korea economically.

Opposition Party Critical of Sunshine Policy

The opposition political parties, sensing that there was an opening to attack the Kim Dae Jung government, began to be very, very critical of the Sunshine Policy beginning in early 2000. By spring of 2000 it was unclear whether the Sunshine Policy had a life left. By the end of that year, with the kind of popular disapproval, displeasure, and unhappiness at Sunshine, combined with a strengthened political attack against the Kim Dae Jung government's Sunshine Policy, it was unclear whether the policy would survive that calendar year.

But President Kim Dae Jung had invested his personal prestige, heavily invested his personal prestige in this policy, and the ruling party saw it as a challenge to the president to be critical of this policy. Therefore, it was getting to be very, very tense in Seoul, around April and May of the year 2000.

In March, of course, President Kim Dae Jung travels to Berlin to declare his desire for a

summit meeting with the North. But by April and May, again, with no response from Pyongyang, he was being attacked for irresponsibly exposing South Korea to North Korea.

Then of course came the stunning announcement in June of last year that the summit was on, and of course President Kim Dae Jung travels to Pyongyang as the first South Korean leader to visit Pyongyang. Over live television, 24 hours a day, we're beamed scenes of jovial cocktail parties, sumptuous banquets, bear hugs, and smiles across tables. It seemed, for three days in the middle of June, that somehow 50 years of animosity, suspicion, and military standoff between the North and South was finally coming to an end.

In South Korea, the shift in the mood was tangible. This was seen as a tremendous success for President Kim Dae Jung and the public, in general, felt somewhat guilty that they hadn't been patient enough to support their president. This was the mood in June. Of course, this was followed by a series of family meetings, meetings of divided families, which provided further momentum to the president of the then-ruling party to go to the National Assembly for further budgetary support to help North Korea.

Clinton Administration's Activism with North Korea

Now, as this process was gathering steam, the U.S. was going through an election year. It was the last months of the Clinton administration. The Clinton administration—I don't want to generalize about American political patterns, but in keeping with other previous administrations—was trying to seal a legacy in foreign policy. The Clinton administration, in their last six months in power, suddenly became very activist on North Korea.

Of course, in part, this is spurred by events in June of last year, and in part, perhaps, by some attachment of credence to Kim Dae Jung's policy about which, arguably, the Clinton

administration had had its doubts. So we see a flurry of activity between Washington and Pyongyang and those of us watching this process in Seoul think, perhaps, that there is life to this policy after all. Structural changes may be happening in North Korea, the kinds of changes that Sunshine Policy had promised, but hadn't been in evidence up until then.

But, as we all know, the Clinton administration's term in office came to an end. The momentary spark that had been ignited between Washington and Pyongyang in terms of a substantive dialog, closed with the ending days of the Clinton administration. I'm not going to get into a review of what happened in particular, but maybe we can address it in the question and answer session. However, with the incoming administration, the North Koreans, in my view, were a little lost. Their understanding, I think, of the Republican Party is that it's just very hard-line and candidate Bush, during the campaign, seemed to confirm this view in Pyongyang, I think. They were hesitant to take any steps.

But in Seoul, President Kim was under great pressure to keep the momentum alive, and between January and March of this year, without very good coordination between Seoul and Washington, several mis-steps were made on both sides with regard to security policy in Northeast Asia in general. In particular, the issues concerning regional, theater-wide missile defense architecture as well as South Korea's official view on the Bush administration's desire to revise or eliminate or withdraw from the '72 ABM Treaty were of concern. There was not very good coordination between Washington and Seoul, and the third partner in the alliance trying to reshape North Korea—namely, Japan—was even further lost.

Japanese Textbook Issue Interferes with Consultations

Although we had in place an institutional mechanism called the Tri-Lateral Cooperation

Oversight Group, what we called the TCOG, the Japanese were consulted even less. There is another reason why the Japanese were out of the loop for so long. That was because of the rising tensions over the textbook, the Japanese textbook issue that we're all familiar with now and has been spoken of ad nauseum. I'm not going to bother you with the details. However, that textbook issue and the emotions that it stirred up in the Korean populace made it very, very difficult for the South Korean government to engage Tokyo more closely than it did during those months. A whole host of things happened in between late December and March of 2001 to cloud our joint vision of what steps should be taken by the U.S., Korea, and Japan, and in what sequence, what order. So the coordination mechanism didn't work.

Then in March, of course, North Korea disengages and breaks off from talks, allegedly claiming that the hard-line policies of the Bush administration made it very difficult for North Korea to engage either Washington or Seoul. But from my view, and I wrote this in a Korean media source in April of 2001, one of the outcomes of the June summit meeting is that inter-Korean security issues will be decided, first and foremost, by the two Koreas. This was a crucial agreement that was signed in Pyongyang in June of last year. North Korea, of course, could have been angry at the U.S. in March, but the disengagement from talks—having agreed to try to resolve inter-Korean issues between the two Koreas—was inexcusable. They may have kept the U.S. in the margins, but they should have forged ahead in that case with continued dialog with the South. Instead, they broke off dialogs with the South.

Now, of course, this exposed the Kim Dae Jung government to tremendous attacks from the opposition for being fooled by Kim Jung Il and North Korea. He was accused of being far too lenient in his interpretations of North Korea's motivations, and the political right sensed, then, an opportunity to damage President Kim Dae Jung's other domestic policies, including

his policies to restructure the economy and restructure the financial sector.

Ruling Coalition Breaking Apart

Now as of last month, after the barrage of attacks from our political right, Kim Dae Jung has suffered a devastating blow in losing his coalition partner. The reason for the ruling coalition in Korea breaking apart are multifaceted and there probably won't be time to get into this. However, the coalition from the very beginning has been a partnership of two very different-minded individuals and two very different-minded groupings of politicians. It was probably bound to come apart some time, and in many respects I'm surprised that it has lasted this long. But without being too cynical about politics in general, I think it was two very cynical elderly gentlemen, very much more preoccupied by their hold on power rather than long-term national interests, perhaps, that kept the coalition together. As of last month, however, the coalition is no longer; it's kaput.

So we now have a very much-weakened presidency, a very much-weakened ruling party, and a very small minority party under tremendous political siege by the opposition. It's not one opposition, but several parties, several groupings, attacking the current presidency, and President Kim Dae Jung arguably now is under even greater pressure to show results towards North Korean policy.

Dim Future of Sunshine Policy

But in my view, implementing the remainder of his Sunshine Policy will not be very easy in the period ahead. First and foremost, particularly after the events of last week, if we factor that in, North Korea is going to have to wait for at least the next several months before this situation subsides and Washington can pay greater attention to peninsular issues, as opposed to the issues surrounding Mr. Osama Bin Laden and his cohorts. So again, this time cycle is out of whack. No matter how much

Seoul would like to move ahead, we're going to have to wait, simply because the North Koreans will not engage South Korea substantively until they know that Washington is also in the loop.

If we assume that the current impasse on the Korean peninsula lasts into fall or late winter of this year, let's say the next four months, by January or February of next year, South Korea will be in election mode again. President Kim Dae Jung goes out of office at the end of 2002. Domestic attention will be turned to elections again, and I think David will probably speak more on this later, but this election will probably be the defining election since the end of authoritarian rule. I think this will be a very, very crucial, bitterly fought presidential election and National Assembly elections. By January or February of next year, Seoul will not be in a mode to be able to push through major accomplishments vis-à-vis Pyongyang, when possibly Washington may wish to do so.

Sunshine Policy Should not be Oversold

So I've sort of raced ahead of myself, but here you have, in very, very large brushstrokes a probably biased, but a view of what has happened with Sunshine Policy since '98 to the present time. My problems with the beginnings of President Kim Dae Jung's Sunshine Policy, and I've said this on numerous occasions consistently, I think, is that you don't want to oversell a policy like this. We've had a war with North Korea, fifty years of division, military confrontation on the peninsula for half a century, great animosity between the two halves of Korea, and profound suspicion between one another. Two very different systems have sprung up, and to sell a policy as though it was panacea to what has ailed us for half a century, I think was very, very poor policy management on the part of President Kim Dae Jung and his policy architects.

At a minimum, you would have wanted to, if you were in a position of responsibility,

underpromise and try to overdeliver. I mean, this is something that we learn as schoolboys. If the teacher asks you whether you are going to do well on the exam, you aver, you say, “Well, I’m going to do my best.” Then, you go home and study as hard as you can and try to do as well as you can. You don’t just say, “Yeah, I’m good for an A.” But essentially, this is what happened. It was sort of placed out there that this was a magical thing that was going to solve all our problems. Because all previous South Korean governments had been hard-line, it was believed that if South Korea finally showed a kind face to the regime in Pyongyang, if we embrace them, if we show them trust, if we give them the opportunity to prove themselves, they will.

This was very idealistic imagery about North Korea. I have no doubt, personally, that the vast majority of North Korean people are wonderful. They are Koreans, they have to be wonderful! Joking aside, any of you who visited the former East European countries or the Soviet Union immediately after the collapse of Moscow, even as late as ’91, ’92, would have been struck by how innocent the average Russian was. In these strict totalitarian systems, the people really are quite innocent. They don’t grow up in societies like ours.

Innocence of North Korean Populace

Of course the North Koreans are going to be even more innocent, as it were, than the former East Europeans and Soviets. I have no doubt about that. They live in far more constrained space than any East European satellite or Russian did, even during the height of the Stalinist years. I don’t think they were as based as what goes on in North Korea even today. But you still don’t want to mistake the average North Korean with the regime that holds power in Pyongyang.

And I’m sure Mr. Harrison and I are going to have some differences on the character of the regime and what is possible with a regime like this, but my own view, and it may be a hard-

line view, is that you deal with the regime like the one in Pyongyang always with the thought that all of the investments you make into a more cooperative future could backfire on you and that you prepare against this eventuality.

We didn’t do that; we oversold the policy. We didn’t bring enough ammunition, I guess, to the task. The construct of Sunshine Policy was that we would reward the North Koreans economically and financially for them behaving in the security domain. After the financial crisis of ’97 and ’98, we did not have the economic wherewithal to make fundamental changes in North Korea. We could play around the margins, giving them some aid, but we were aid recipients ourselves. We were under IMF assistance during this period, though Korea just graduated from IMF supervision, having paid back, early, its debts. It’s a shock to us Koreans, by the way, because until November 1997, we were net creditors. Part of the reason why we suffered so much was that so much of our foreign assistance was to Southeast Asia which was impacted and we couldn’t get the revenue that we needed to keep our economy afloat.

Decrease in Aid to North Korea after Financial Crisis

But anyway, in shorthand, we just didn’t have the economic wherewithal to make a fundamental difference in what was going on in North Korea. To try to re-ignite a moribund North Korean economy, we would have had to have excess funds in the government surplus, scores of billions of dollars, not the few hundred million that we had. That was not going to do anything substantial. But to portray this policy as being capable of undertaking these economic tasks, vis-à-vis North Korea, I think, was a great mistake. Of course North Koreans believed a lot of this and I think they have a right to be, at some level, frustrated and angry that we didn’t come through with our economic promises, but we couldn’t deliver anything.

Implementing policy. I mentioned personalization of policy earlier, but it was far too focused on the president. I don't think it's the role of the president, not just in South Korea but anywhere, to be the chief promoter of one particular policy or two particular policies. The president wants to be able to say that I have all these priorities that I'm concerned about, and here are my chief lieutenants and they are driving policies. Since so much of the policy was being driven by the president himself or his core staff at the Blue House, the other organs of government were sort of spinning their gears. They were all looking to the Blue House for commands, when they should have been the principle initiators and managers of policy.

President's Staff Wanted to Control Policy from Center

We had a government, but a government that was, in effect, substantially reduced by the president's staff who wanted to control policy from the center. I don't think this is good advice for any government, period, not just ours, but this is what happened, a very high personalization of policy. The president's political stakes were just totally invested in North Korea policy, with something going wrong immediately damaging the presidency, of course.

A sensible policy implementation architecture would have thought this through and tried to buffer the president from the political setbacks should things not go well in North Korea. But at the same time, it should give the existing government machinery, the foreign ministry, the unification ministry, and other related ministries, more substantive power to deal with North Korea at an institutional level. In other words, many of these discussions with the North were not really institutionalized within the government structure.

The policy review process was ineffectual or, according to some critics, strong critics, non-existent, because the president imbued this

policy with so much of his personal prestige. Who was going to review this policy? John mentioned that I was on the review committee, the policy review committee, but I don't recall in the past three years being of very much use to these committees other than lending my name to them. So the policy review process has not been effective.

Accomplishments of Sunshine Policy

And then what has Sunshine accomplished? I think at a fundamental level, it has probably led to some tension reduction or perceptions that tensions have declined when, in actuality, the situation might be somewhat different. On the South Korean side, beginning in 1998, we've had a sea of change in terms of what the government does vis-à-vis North Korea. All previous governments had restricted information on North Korea, and been critical in general of North Korean programs. Daily, now, we have North Korean T.V. on our T.V. sets and we have specialists on North Korea. North Korea broadcasts are not very heavily censored. South Koreans have a good idea of what the North Koreans get on their boob tubes, but not necessarily what the reality is in North Korea. However, they do get North Korean T.V.

New Image of North Korea

Our textbooks have undergone a cultural revolution, as it were. They no longer portray North Korea as our adversary, but they depict them as poor lost souls. They are shown as our cousins who need to be shown the light; how the North Korean Sunshine Policy is going to be the instrument of showing them the light and how we have to persevere in this path. From portraying North Korea as an enemy, we're now at a point where the younger generation in South Korea sees somehow North Korea as being victims of geopolitics and victims of superpower manipulations, post-Korean War. North Korea is shown as not really being responsible for all of the past half-century's history. This is the

general, pervasive view, amongst the youngsters, I think. It's not very well defined and it's amorphous, but it's there. It is something that didn't used to exist before.

I don't think we've gone anywhere in terms of actual measures towards tension reduction. I think there are some people in this room who have a very good idea about what the situation is like on the DMZ still. I served on the border, on the wire, as they say, exactly twenty years ago and I've been back recently. I don't think, really, the tensions have declined and I don't think, really, that the potential for accidental conflict has declined substantially. I think the tensions are very much alive. North Korean troop placements have not changed one bit. They have, in some respects, been strengthened over the past two years as a result of some of the aid that we put into North Korea, as a result of Sunshine Policy.

Contribution to Internal Stability in North Korea

I think we've made contributions toward internal stability in North Korea. By this I mean that the humanitarian assistance, the contributions made by international NGOs and South Korean NGOs and our official aid to North Korea has reduced potential pressures on the Kim Dae Jung regime. I don't think we would want to see a rapid, explosive collapse of the North Korean regime under any circumstances. I think the thrust of the Sunshine Policy contributing towards internal stability in North Korea has been good, and that it has served the interest of stability on the Korean Peninsula.

It has definitely helped to legitimate Kim Jung Il in the eyes of the South Korean voting public and, to some degree, in the eyes of the international media. As you recall, before June of 2000, he was essentially a caricature. It is never a very good idea to portray your adversaries as caricatures, but we used to do that. But after June of 2000, we've seen Kim Jung Il as a man for many, many, hours on live

television. I think people can judge for themselves how capable, how very, very smart, cunning, and clever, Mr. Kim Jung Il is.

We've had substantial expansion of visits to North Korea, still very controlled, of course, but many, many more South Koreans have visited North Korea to try to put together business deals as part of KEDO (Korean Peninsula Energy Development Organization). This is part of any number of projects that we have underway to try to get the North to be more independent and more engaged with the outside world.

John tells me there's not enough time. Obviously, I'm not a very good one to manage time, and I didn't realize thirty minutes passed so quickly. But let me just spend some time on what I think the fundamentals of a North Korea policy ought to be and where, objectively, I believe the Sunshine Policy has its shortcomings.

Fundamentals of North Korea Policy

I think the fundamentals of any North Korea policy are, first and foremost, deterrence and strategic stability on the peninsula. It would be wonderful if we could have co-existence with North Korea. There would be increasing cooperation, a virtual circle that I include in the next steps, where we truly engage North Koreans or, even better, the other way around: North Korea goes through a behavior change and decides to come out and engage the world. That would be wonderful. But the first and foremost of any North Korea policy ought to be that we deter against another attack by North Korea and that we have a mechanism in place that will guarantee strategic stability on the peninsula.

Then the other fundamental that follows after that is building cooperation with North Korea wherever we can, but based on reciprocity. It doesn't have to be tit for tat reciprocity. It doesn't have to be in-kind, but the spirit of cooperation, the desire to reciprocate, the

desire to build an increasingly complex web of cooperation and mutual dependence has to be there. So far, as far as I can see, that is not there. North Korea has to have a long-term vision about its future with South Korea rather than tactical moves to try and unsettle it.

Based on a genuine series of cooperatives steps, I think some tension reduction is going to be possible. I don't think we're there yet, after three and a half years, but that should be a fundamental aim of North Korean policy.

Reduction of Tension Will Lead to Strategic Cutbacks

Following tension reduction, I think further confidence-building measures leading to mutual strategic cutbacks should be possible, but this is far along the lines towards cooperation. We don't need sophisticated, fancy, SMART weapons possessed by the North Koreans to feel threatened. We're under the threat of conventional dumb bombs. North Korean artillery can hit the southernmost extremes of Seoul and the Seoul metropolitan district—which is, I guess, about four times the size of the D.C. metropolitan area—which is nearly half of South Korea's population. A good three-fifths of South Korea's economic value is generated there and all of this is under North Korea artillery.

So the desire on Seoul's part to engage North Korea, to commit it to a cooperative process, and to, at a certain future point, move their artillery tubes further away from the DMZ, has to be a key fundamental of North Korea policy. This was never in the cards as far as Sunshine was concerned, but that should have been a major goal of policy.

If we get there, then I think we have a virtuous circle initiated where we build real, lasting North-South cooperation and complex interdependence, again, leading to greater mutual trust. And eventually, there will be a joint definition of national priorities. Railways, all of these things that are being talked about are,

in my view, far too early, because the mutual trust simply isn't there. They should not be seen as media events.

To get to a joint definition of national priorities, I think, at a minimum, Kim Jung Il and his successors must regularize and make far more frequent summit meetings of the kind that took place in June 2000, where the two leaders of both governments talk closely, talk substantively, and regularly. These summits should not be media exercises, but serious working meetings to try to bring the two halves of Korea together. And, if this continues for an extended period, I think we'll build enough confidence where we can talk about eventual, peaceful unification.

I didn't get to the end of my outline, unfortunately, but I'll keep with John's order and stop here and hopefully we'll address the rest in the question and answer session. Thank you.

John Ikenberry: Thank you very much Kyongsoo, we will get the additional points in our question and answer, but I think what we'll do now is go to our two discussants and then mix it up a little bit after that. Sig you want to start?

Selig Harrison: Sure. Well, I certainly liked and agree with most of the analysis of the political context in South Korea that Mr. Lho gave us. I have a somewhat more upbeat view of the situation, and it has to do, primarily, with an area that he didn't talk very much about, which is economics.

I think one of the most interesting and significant comments that you made, somewhere near the end, was when you said you don't want to see a rapid, explosive collapse of North Korea. The implication is that a slow collapse is okay, but a rapid, explosive collapse would be undesirable. I think this gets to the issue that has been most important in Korea, for many years, in terms of North-South relations and still is. You know during the Kim Young Sam period, after the death of

Kim Il Sung there was a great deal of spin coming out of Seoul about how North Korea was going to collapse. I think there is a much stronger feeling, in Seoul, that now a collapse could be brought about and it would be desirable, and the absorption of the North by the South during the Kim Young Sam period was a very widespread view with respect to how reunification would occur.

German Model of Absorption Too Expensive

And it was very significant that gradually, during that period, a realism began to develop within many elements of leadership in South Korea that the German model of absorption was much too expensive. You know there's a whole raft of studies that many of you have no doubt seen, done by very good economists in South Korea, projecting under various assumptions, what the economic costs of reunification would be in a rapid, explosive absorption. So I think you had a consensus developing during the Kim Young Sam period that Kim Dae Jung came along and helped to crystallize and bring into reality that was much less expensive and less destabilizing for South Korea: to open up a process of economic engagement with North Korea that would permit the oozing of North Korea's economic problems, through processes of interchange, economically, before reunification.

I remember a conversation with former Ambassador Hong-choo Hyun who many of you know, who's a very big-time lawyer in Seoul and works for all the companies and a former head of the parliamentary, very potent in the intelligence community—explaining this at the very beginning of the Kim Dae Jung regime.

So I think the Sunshine Policy reflects a consensus among the establishment in Korea that it would be much cheaper to have economic interchange with North Korea and a process of engagement. They want to permit the economic problems of North Korea to be

eased before reunification in a gradual process, rather than an abrupt, much more costly process. That's what the Sunshine Policy is, in my view, when you strip away a lot of other things.

Of course, there have been differences, even within the Kim Dae Jung camp, as to whether the way in which this process of economic engagement could best take place over time, whether it would be in a confederation, a confederal kind of formula, or simply through more accommodation and gradual cooperation. But I think that's what Kim Dae Jung has really been trying to do. I think he recognized that a reduction in military tensions could not take place just between the North and the South. That requires the United States to be a direct party to arms control agreements, tension reduction agreements, confidence-building agreements, and the U.S. doesn't want those agreements and therefore, I think that's why the focus has been on economics.

Economic Possibilities Are Encouraging

I believe that the economic possibilities that have been opening up are much more encouraging than it might look on the surface. It's been a fitful process, of course, on and off. You could go into a lot of analysis as to why the North stopped the process right after the Bush administration came in. I think that you're quite right, that Kim Dae Jung oversold the amount of economic help that the North would get from the South and the North was very disappointed. There was a very direct, North-South aspect to the slowdown that occurred earlier this year in the North's readiness for engagement.

I think what's happened now is that the North has recognized that it isn't going to get much economic help from the United States and the World Bank during the Bush administration, and it better get what it can from South Korea. So, it's going back to the table with South Korea in the hope that that would gradually

create a better environment for improving relations with the Bush administration.

Now we were asked, us discussants, to talk about five to seven minutes, so I'm going to confine myself to spelling out what I think are the specific, encouraging economic possibilities opening up between North and South now.

I certainly think most important, there was just a meeting on September 4th and 5th in Pyongyang between some people from KOGAS, the Korean Government Gas Company in South Korea and several agencies in North Korea, to discuss the question of gas pipelines from Siberia into North Korea, through China, then into South Korea. There are many complex economic issues related to whether these gas pipelines will ever materialize, because there are different routes that have been discussed. One is from Irkutsk in Siberia into China over to Dandong, Sinuiju from North Korea into South Korea. There is another route from Sakhalin, and feasibility studies have been going on for many years. This process has accelerated in the last couple of years and has now become much more real than it was in earlier years and I think the implications of a successful process of negotiations. This involves what the companies are willing to do, who is going to pay for these pipelines, and the price the Russians will charge for the natural gas that will go into these pipelines, which affects whether China really wants to do it. There are all of these technical problems that have to be overcome.

North Korea Part of Future Gas Line

In recent months, the possibility of gas pipelines from some part of Siberia, through China, into North Korea and through to South Korea have become very real. It takes some time, but the fact is that North Korea is now included in the feasibility study that is being conducted; there are three, parallel feasibility studies involving Korea, the two Koreas now, China, and Russia on the feasibility of a

pipeline from Irkutsk. So if you had a gas pipeline coming into Korea with cooperation between North and South Korea in the process, think of the economic implications for North-South cooperation, such as power stations all along the route of that pipeline in North Korea.

The second most important area that is opening up, and that of course, is the fact that a South Korean delegation went to Pyongyang and has invited the North to join in this feasibility study which has been set up for six months or so. This is something that Kim Dae Jung pushed, because he has a vision of North-South economic cooperation including gas pipelines. The Kaesong industrial park has been on hold during the North's unwillingness to negotiate in the last months. It should be pointed out that, even though Kim Dae Jung is a lame duck, he has power over the government corporations in the South that have to do things to prepare for the South's role in the Kaesong industrial park, which could involve 800 South Korean companies if it goes forward.

I think he has been pushing the Korean Land Development Corporation to work on infrastructure, KOGAS to look into gas pipelines, KEPCO (Korean Electric Power Corporation) on various aspects of electricity, and this is different from the overall question of North-South cooperation on electricity. This is just electricity for the Kaesong industrial park. This issue is very much alive now, after the discussions this week. Subcontracting between South Korean companies going to do jobs for North Korean factories without direct investment is very active. North Korea recently codified and put a legal framework into that subcontracting arrangement through the Supreme People's Assembly Session earlier this year, which was important in making this something that could be regularized.

So the railroad of course, if the North does resume its work on the railroad, is obviously

an important economic link. I think that we would be quite wrong, and it would be quite incorrect to under-rate the potential during the remainder of Kim Dae Jung's term, by forgetting some of these economic processes underway. If they do get underway, it would be hard for a successor regime to turn them off. In fact, I asked Han Sung-Joo when he was here recently, "Suppose Lee Hoi-Chang becomes the next president of South Korea. Do you think he would reverse the Kaesong industrial park decision?" And he said, "No."

So, I think, focus on economics, and recognize that military tensions are just not going to be dealt with until the United States is ready to join in the process. The economic dynamic itself could become very important, and the South should try to keep a basic atmosphere of tension reduction in place.

I fully recognize all of the many political problems in South Korea, political obstacles in Washington, and political obstacles in Pyongyang. In all three places there are hawks and there are doves, and they've reached their hands across the seas to each other to achieve their objectives. And at the moment the hawks are reaching very successfully between Seoul and Washington. I still feel that the long-term dynamic is now set.

Of course, I agree with your basic point that we shouldn't approach engagement without recognizing that it could come to an end. As you say, the danger of accidental war is very great, and that is why I would like to see the United States join in tension reduction. So South Korea has to keep its powder dry, and has to keep its military posture effective. And the United States can't engage in any tension reduction that isn't based on reciprocity. Reciprocity would have to be real, and North Korea would have to agree to concessions that would make it possible for the United States and South Korea to agree to tension reduction. So I think we certainly should be aware of the dangers, but I don't think we should be quite as pessimistic as you are.

David Steinberg: Thank you. I'd like to deal with a couple of different topics. I first should say that I have been a general supporter of the Sunshine Policy of engagement with North Korea from the beginning and I think that any new government coming into Seoul will support some sort of engagement at some speed, at some cost. The question will be, "How much?" I agree with Professor Lho that the accomplishments or the potential have been oversold and that's been part of the problem.

Legacy of Kim Dae Jung

If you had asked me before the summit meeting what would be the legacy of Kim Dae Jung, I would have said that his legacy will have been simply getting elected, which has been very, very important. I mean it is a real milestone in the democratic process that a dissident, with two attempted assassinations and under sentence of death, should become president of the country—even if it was minority president. It was a remarkable accomplishment and a tribute to Korea, and the maturation of the political process. And that the military did nothing—and this is very, very strange in world history if we look around—in the course of that, is remarkable.

At the same time what has happened now is that the situation has changed and the hallmark of the Kim Dae Jung Administration has become the Sunshine Policy, engagement with the North, whatever we want to call it. It has become the essential ingredient by which I think, and of course I'm assuming, that Kim Dae Jung will be known and wants to be known. He wants to be known as having brought peace to the peninsula, or a peace treaty if he could get away with it, which is quite clearly not going to happen, but some sort of agreement. The summit, of course, was part of that.

Kim Jung Il Maintains Political Advantage over Kim Dae Jung

The problem, of course, is that when you do this, you have put such emphasis on the

relationship with North Korea that the ball has now gone into Kim Jung Il's court. That having gone to Pyongyang, which I think was a good thing, and Kim Jung Il promising to come to Seoul and then not yet delivering on that, means that Kim Dae Jung is, unfortunately and unintentionally quite clearly, at the mercy of Kim Jung Il in political terms, not in military terms.

So the argument has been that Kim Dae Jung needs that visit to Seoul to legitimate that process that he has started with that visit to Pyongyang. The reciprocity of visits becomes important. Because it is the hallmark of his administration, it is the most sensitive issue facing the South Korean government. And that means that criticism of this becomes very, very difficult. If you look at the events that have happened, I think this demonstrates the sensitivity of the issue.

You remember that in August of 2000, publishers from South Korea went to Pyongyang and they said, we're not going to say nasty things about North Korea. And then the rhetoric in South Korea of course changed, and the vocabulary changed. Then the Korean National Intelligence Service decided that Hwang Jang Yop, the most senior defector ever from North Korea, was saying too much publicly and he should not say these things, because it was upsetting North Korea. And I think that it can be argued that the opposition press in South Korea, which had been very critical, has been subjected to, perhaps deserved, certainly interpreted as politically motivated, tax audits. These audits have undercut, in a way, the credibility of some of the things that the Kim Dae Jung administration is trying to do.

So this has become a very sensitive issue in that society, and part of that issue is that Kim Dae Jung is so wedded to this. Because all presidents of Korea have been very strong—all presidents of Korea take on more responsibility and are far stronger than American presidents are in the United

States—this assumes very, very great importance. And this was reflected in the issue of the summit with President Bush.

Presidents Kim and Bush Made Grievous Errors

Now Kim Dae Jung and President Bush, I think, frankly, made grievous errors. The two errors on the part of President Kim was first coming too early. He wanted very badly to get U.S. support. There's still an imprimatur of the United States that does play a role, maybe less than before, but still some role, and he wanted to come. And there was nobody, once he had made that decision, I am told, who could tell him, "No, don't go. This is the wrong time."

The second part of that was, of course, the lack of coordination within the Korean government that allowed the Koreans to agree with President Putin—ten days before the Bush summit—on the Anti-Ballistic Missile Treaty which candidate Bush, nominee Bush, President Bush, has continuously said publicly he was going to get rid of. So while the South Korean Ministry of Foreign Affairs may have thought that this was the least they could get away with in terms of dealing with Putin, in fact it was an error.

And then of course, from the Korean point of view and I think from the American point of view, Bush's treatment of President Kim was, to put it mildly, a disaster. I think in the early period of that visit, Secretary of State Powell said the right thing. The joint statement was quite appropriate and negotiated at a lower level, but quite balanced. It was the offhand remarks of the president and the treatment of President Kim that upset many, many Koreans. And, I think, it went further than just, for a period stopping the process with North Korea, but undercutting Kim Dae Jung's own internal political agenda and economic agenda within South Korea.

So these are the issues. One hopes that the recent events of last week will not stop

President Bush from going to Seoul. I don't know, but I assume he's still going in October, and I hope he's still going in October, because there is a chance, then, to make up for some of these problems and to try and move the relationship back to a more normal one.

In a sense, what had happened was, the U.S.-North Korean relationship was the deciding factor in the earlier nineties. The South Koreans were very upset at this relationship and relations between South Korea and the United States were not good. There was a great deal of suspicion on the part of the South Koreans as to what the United States was doing with North Korea. Well then with the summit, the relationship moved to a North Korean-South Korean relationship with the leadership roles, and the United States took, in a way, a back seat. And now the question is, is it going to continue to be a North-South leadership relationship? And what role will the United States play in that process?

But I hope that we can see, in the remaining period, an alleviation of the internal Korean political problems, although I don't think it is likely. Kim Dae Jung is a lame duck. Elections for local levels will begin in the spring and of course the presidential elections in December 2002, and this will mean, in fact, that South Korea will be politicized completely. And whether Kim Jung Il would, under those circumstances, go to Seoul is a question. He will not go in October, one assumes, with President Bush going there, and after that it becomes exceedingly political.

So my outlook is a little less optimistic on the short-run than Sig's is. I don't talk about the economics of it, but I think the politics in South Korea don't look good for the next year or so.

Q & A

Ikenberry: Well, we're going to open it up now to a few questions and then we will throw it back to our main speaker who will then

respond to the discussants as he responds to the other questions from the floor. If you could, give us your name and affiliation and then a question or comment and we'll take it from there. The floor is open.

Questioner: I want to thank you very much for sharing your thoughts with us this evening, Professor Lho, but I must tell you that I disagree with quite a lot of your analysis. And so I just provide the opportunity for you to respond.

South Korea's Economic Problems

First, I want to question your suggestion that the 1997 economic crisis was avoidable. I disagree. South Korea had, for a number of years since the early 1960s, subscribed to industrial policies that in the West were characterized as Korea, Inc. which led to excessive government involvement in the economy. That had become wholly inappropriate by the end of the 1990s. So to suggest that Korea caught the Asian flu, well, I cannot agree with that.

Investors became concerned at their exposure. They became concerned that the Kim Young Sam government had not supported Sammi or Hanbo or Kia, and all those companies which were overexposed. Hanbo was in for six billion dollars of debt and Kim Young Sam did not provide funds to back them up. Kia was in deep and his position was, "You're on your own."

Now with respect to the Sunshine Policy, and also, you would have us believe that the ruling party, at that time which essentially had been the ruling party since the 1960s, had been perfect in its policy towards North Korea. That's certainly arguable. But in the post-Cold War period, the East-West dynamics that had been such a factor in Korean peninsula issues, had the potential to be set aside.

The Sunshine Policy, as I see it, was an opportunity to define a different kind of

future. Deterrence is not an issue so long as South Korea and the United States maintain a security alliance and that's not at risk, as near as I can tell. So what are your expectations for Sunshine Policy in the space of what, 16 months? In a five-year term of office, one cannot expect reunification. One can expect, perhaps some form of improved relations. The suggestion is, however, that the Sunshine Policy is flawed because there's not a single capital in Kaesong and the Korean peninsula as you've defined it. It's difficult for me to understand what you think constitutes a successful policy.

Thank you.

Ikenberry: Let's take one more. Anybody else? Great, thanks.

Questioner: I join in thanking you for sharing your thoughts. My question is one related to hearing your explanation of the most recent change in North Korean attitude towards cooperation with the South. I, for one, am not persuaded that it was the Bush administration's policies that led the North to pull back from engagement with the South earlier this year. My own sense is that by January of this year it would have been clear to North Korea that political support for Sunshine was declining and that the economic capability of the South to come through with the kind of resources that they had expected was declining. The failed summit in Washington merely gave the North a way of blaming all of this on the U.S. and, in the process, also exacerbated differences within the alliance.

I'd appreciate your comments on that. For one reason or another, the North for nine months has not been willing to cooperate with the South and now, within a very short period of time, you have almost all the elements of the agreed-upon processes back in place. And I would be interested in your explanation of why that change took place in North Korean policy. Thank you.

Lho: If I may, I'll respond in reverse order.

North Korea Regrouped from Rush toward South

I think he has something there. I don't think we have very much evidence, but my hunch is that something like that has happened. Both North and South Korea have annual reviews. South Korea essentially changes its cabinet towards the end of the year, or the beginning of the year, as a result of these reviews and North Korea has a similar process. I think that by January of this year, North Koreans wanted to regroup a little bit from what, in their system, was a helter-skelter rush towards the South after June of 2000. I don't think the North Korean system is such that it can deviate very much more than they did during those months from established practices. They simply don't have the people to manage the outside world, as it were.

Remember, this is a very closed society, very totalitarian system, a very centralized system, and I don't think the regime felt confident enough to engage South Korea, the U.S., and the other international institutions to which they were gradually being linked. You'll remember that after June most EU countries were opening up dialogue with Pyongyang again. They were really overwhelmed. And my guess is that they were retrenching a bit. And in retrenching, I think they sort of lost time. It took too long and they were watching what was happening in the South with Kim Dae Jung and whatnot—trying to come up with their own calculus of cost and benefits—and it took too long. I think, as a result of the conclusion of the recent meetings, that they need to do something at this point to be proactive. I think there's a lot to that.

As the first person's comments, we can't prove one way or the other, but I said arguably preventable. You mentioned Hanbo, Kia, Sammi. We'll have to have a separate discussion for me to tell you why I think what I think is probably more on the mark than your

views. I was there during this period, and it's not a textbook analysis of Korea's economy or external relationships. I know the individuals involved intimately, Hanbo especially, and Kia and Sammi. I ask you if the government should have supported these ineffective corporations, and my view is no. Any banker will tell you that you do not throw good money after bad. These were money losing operations for many, many years. You do not resurrect a South Korean economy by pouring scarce resources into failed enterprises. Hanbo, Kia, and Sammi were failed enterprises. Even trying to save the good ones took a lot of energy on the part of the tax-paying public. So I cannot agree with you there.

Economic Problems Were Avoidable

Moreover, I believe it was avoidable, because we had warning signals in June and July. Everybody in the private banking sector worth their salt was sending warning messages to bureaucrats within the government: to the Bank of Korea, to the economic planners in the Blue House and elsewhere, and it fell on deaf ears. Nobody was trying to be responsible. Nobody wanted to take on the headache. We'll get into details, but I guess you and I will have to agree to disagree. You seem to know quite a bit about the Korean economy, so let's have a talk afterwards, if you're really interested.

But I don't see, as you recommend, trying to save a Kia or Hanbo or Sammi. Well, that was my understanding from your comments, and if not, then I'm sorry. Anyway, I believe it was avoidable, because our exposure to East Asia at the time was roughly about 11 billion dollars; the bulk of it was in Indonesia, Malaysia, and Thailand, the three most severely affected countries. The reason our exposure was so high in Indonesia is because we rely very heavily on energy imports, gas imports from Indonesia. We gave the Indonesian government and private sector money so that they would be able to cooperate with us on the energy that we needed. So

having roughly 11 billion dollars exposed in Southeast Asia, and—depending on interest, income, on the current account—at a minimum, our economic planners should have known that we would have trouble. I say it's avoidable, because countries, such as China for one, Taiwan, Singapore and Japan, to some extent, avoided being hit as badly as we did.

It's not a foregone conclusion that Korea should have been hit as hard. It was poor management of policy at one level, and you're right, I'm not excusing the structural problems of the Korean economy at the time. However, that should not have led to the kind of devastation that we experienced in 1997 and '98. There was mismanagement at the top tiers of economic policy making at the time.

Harrison: Just a quick comment on that Kim Young Sam period, in the fall of 1997. You may remember that there wasn't even a question of orthodoxy in terms of policy in the Kim Young Sam government, because when the *Asian Wall Street Journal* and the *International Herald Tribune* warned Korea that there was a financial crisis coming, the government officially complained to the international press that this was wrong and this was inappropriate. So the control over the media has been a constant element depending on what the priorities of that government were at that time.

Lho: Can I just spend two more minutes on an even more important point that Sig Harrison raised, and this comes back to the main focus of our talk this evening. As always, I thank you for those comments. I guess the difference between Sig Harrison and me is that I happen to be Korean and have to live in Korea if my judgements are wrong. I don't think I'm a pessimist, really, but probably a bit more cautious. In my heart I do want to be an optimist. My family is from Pyongyang, I was born in Seoul, but my family roots go back to North Korea as do over 10 million of my compatriots in the South. I have no personal reason to have animosity towards the North in

general, but I do believe certain things have to happen before real change between Seoul and Pyongyang is possible.

Change in Power Elite Necessary

And the first and foremost yardstick of that change is a change in the power elite, a change in the regime in North Korea. I do not believe a transfer of power from a Kim Il Sung to a Kim Jong Il and his son constitutes a regime change. The core elite is still there. You can think about China and the revolution in '49 and the Deng Xiaoping revolution in '79 that changed and transformed China to what it is today. Although we still have very grave doubts about what the future of the Chinese Communist Party is—what direction China will take in this century, what its ambitions will be in this century, whether it's hegemonic or something else—it's a fact that China is a vastly transformed country from what it was in 1949 and vastly transformed from '79, and even from '89, Tiananmen, to the present day.

I was giving a talk similar to this on the Beijing University campus in '89 and saw the beginnings of that tragic event. But the fact that could take place in Beijing should have been noticed ten years after the Deng reforms. China is a vastly different country as a result of the regime change, dare I say, a philosophical change in the Chinese Communist Party. Generational changes have affected China. Its interdependencies with the U.S., with Western Europe, with other Asian countries, make China a very, very different animal than it was in '79.

North Korea Presents Core Similar to Kim Il Sung Era

North Korea, on the other hand, is still very much the same animal that it was—at its core I think—that it was under Kim Il Sung. It has different slogans, “socialism our way,” “redefining *Juche*” but it's still essentially the same construct as it was prior to 1994. I don't want to be harsh, because I think, on the one

hand, as an analyst working in Korea, I have to guard against caricaturing my adversary, and I also have to be open to potential for change. It would be irresponsible otherwise. But I think we have to be very, very cautious about what constitutes real change, what constitutes marginal, tactical moves at the edges, and what constitutes perception, as opposed to verifiable reality. We cannot verify very much to borrow Ronald Reagan's phraseology, in North Korea: very, very little. So we have to be very cautious about our assessments.

Furthermore, I think that how we look at North Korea depends on what we assume about North Korea. I think the general assumption, the working assumption about all North Korea policies up till now in Seoul, has been that North Korea is devastated; that it's weakened; that it's virtually prostrate; that it needs help. I think that at a very general level this is true, but I do not think that the North Korean leaders and the North Korean government consider themselves weak. I think North Korea, to use a political science term, is a very, very strong state. It's probably one of the strongest states remaining on this planet and there is no check and balance within the governing structure.

Whereas in South Korea, although in general we're much bigger than North Korea, we have the potential to do all kinds of things that North Korea isn't capable of economically and technologically. On the hard issue of military confrontation, I believe we're very much weaker, and I'll tell you why I believe this to be true.

South Korea Contains Plural System

Politically, we're a very diverse, very plural system today. Our press, as you know, is very much like in the days of muckraking journalism in this country with virtually no restraints. This is why President Kim Dae Jung probably felt so frustrated that he had to use extraordinary measures to attack our newspapers that are critical of his policies. We

have a system, which is transparent and open, but decision-making is slow. It cannot move as quickly as they can in North Korea, particularly in terms of commanding control in the event of crisis. North Korea can react much, much faster and with much greater coherence than we can.

Socially, Korea today is a very, very different place—and John, having been there recently and others, can attest to this—than the seventies and eighties, when I was growing up. Our youngsters today are much more vocal. They couldn't care less about security issues in many ways, although we live with it constantly. We have a very different society. It's not a martial society any longer. It used to be in the sixties and seventies, but it no longer is. North Korea, on the other hand, is a very martial society.

South Korea on Defensive against North

Military power. I think that, if a protracted war took place on the Korean peninsula, we would ultimately prevail with the combined forces of the U.S. and South Korea. Modern war, in my view, will not last three years like the Korean War in the early 1950s. I think the decisive issues will be determined within two weeks, maximum. And those of you with some military experience and especially military experience in Korea, will know about our Plan 5027, or various versions thereof, where we do not look beyond two weeks. With Seoul being so close to the border, we will not be able to wage war beyond two weeks successfully, I think. And so strategically, we're held hostage to North Korea's artillery, as I told you. We're very much on the defensive and not in a position of strength.

I don't want to linger on this topic, but we really have to guard against believing that, systemically, especially over the short-term, South Korea is stronger. We have a great deal of dissent, popular dissent, against everything. It's a full-fledged democracy. We cannot make decisions easily, especially in a place like

South Korea today where political consensus is so hard to forge. If we were reacting to a crisis involving North Korea, we would be at a severe disadvantage. If you operate from these assumptions, then you can't help but be more cautious about what we do with North Korea.

Ikenberry: One more question.

Questioner: I was in Korea in mid-August for a conference on reconciliation and unification sponsored by a bunch of NGOs in Asia and Korea. And one of the things that Koreans there were saying was that they felt that Kim Dae Jung did not have popular support. You had mentioned a lack of government involvement in the North-South talks. People there were saying that there was a lack of popular support, a lack of popular appeal, and so citizens didn't really feel involved in the process.

Also, there've been a number of arrests in recent weeks because of the national security law, which is still a rather draconian law when you consider that it's so wide open that you can be arrested for basically saying anything in favor of North Korea. And I think that sort of detracts from what you said about it being a full, open democracy. I think the national security law is a serious barrier to a real democratic debate in South Korea. So I'd like a comment on that, about the lack of popular support, and also, perhaps Kim Dae Jung had some forces on the right that were making it very difficult for him as well.

The second point is, I think Dr. Harrison mentioned this, that right-wing forces, conservative forces in South Korea and the U.S. have been working together in some ways. We've certainly seen this in the invitation to the defector. We invited him and I think there's some attempt here to bring out some of these differences by conservatives here in South Korea. And I'm wondering, this meeting of minds, of conservative forces in South Korea and the U.S., where can that lead? And also, isn't it

more dangerous, if we go back to a policy of confrontation rather than what we have today?

National Security Law Not an Issue

Lho: Thank you. I didn't think I advocated a policy of confrontation. I was reviewing the Sunshine Policy. But anyway, the national security law, very quickly. Many, many countries, the U.S. as well, have something like our national security law. What made it onerous in the seventies and eighties was that it was applied, at times, indiscriminately. At times it targeted certain groups. It wasn't applied as it should have been applied, and it was far too broad in scope and power. Those have been scaled back.

If anybody in today's Korea could be held accountable for the arsenic of the national security law, it would be the president, right? It's been moot for a while. So, of course we still have to work on this. I think from a standpoint of political liberalism and democracy, it's not a very good law to have, even in its present shape, although it's been scaled back. So we'll have to work on it, but it's not an issue.

You mentioned Hwang Jang Yop; he is North Korea's Mikhail Suslov. He is the key ideologue who helped shape ideas for Kim Il Sung, Kim Jung Il's father, and was a tutor to Kim Jung Il, the present North Korean leader. Now he has very, very harsh views about North Korea and about which the present government in Seoul has been very disappointed. Seoul has been trying to keep the lid on what Hwang Jang Yop has to say by preventing him from coming to the U.S. I think as a question of individual freedoms in Korea, whatever his views, I think he should be permitted to come. That's not a political statement; it's a statement from the point of individual, personal freedoms, which should be guaranteed.

South Korean Government Tried to Engage North since 1972

Now John tells me that I have two minutes, but I have to finish this point, because I think it's important and gets back to Sunshine Policy. I think it's wrong to think of Sunshine Policy as a sudden, dramatic turn away from previous policies. As I said, it was a dramatic step forward, but we have to remember that every South Korean government since 1972, haltingly, at times foolishly, but still, consistently, from '72, tried to engage North Korea.

The South Korean government, since that summer of '72, has haltingly, but steadily tried to engage North Korea, to try to weave it into a web of cooperation. They failed. But in 1989, '90, and '91, there was a moment, not unlike the one in the year 2000, where we seemed to be making progress. And in 1991 December, the two Koreas signed a very extensive mutual agreement.

I think the beginning point of Sunshine should have been that agreement. We should have insisted that North Korea return to the table and abide by the agreements made in 1991 as a starting point, rather than, all of a sudden, somehow creating this new policy package with Mr. Kim Dae Jung's imprimatur on it. I think treaties are not worth the paper they're signed on unless you put actions to words. And if I would differ with the present government's policies, it would be that when we restart a serious engagement with North Korea, after a regime change, hopefully, that we begin with a spirit and the letter of the 1991 agreement. It has wonderful things in it. It just hasn't been implemented. Thank you.

Ikenberry: I think on that note we'll end. We want to thank you Dr. Lho, for your terrific talk tonight and our two discussants. (End)

About the Panelists

Main Speaker

Dr. Kyongsoo Lho is Professor of International Politics, Seoul National University. He has been an instructor of the Korean Military Academy, a member on the Foreign and Security Policy Staff, Presidential Secretariat, and a research fellow at the Center for International Security and Arms and Control and the Hoover Institution at Stanford University. He was also acting Assistant Professor of History at Stanford University from 1992-93. He is also a member of Advisory Councils to the National Security Council, Ministry of Foreign Affairs and Trade and Ministry of National Defense. He was educated at Harvard University and Oxford University. Dr. Lho contributes to numerous newspapers, journals and books including *One Korea? Challenges and Prospects for Reunification* (1994), *Northeast Asian Toward 2000: Interdependence and Conflict* (1999).

Discussants

Mr. Selig S. Harrison is a Senior Scholar of the Woodrow Wilson International Center for Scholars and Director of the Century Foundation's Project on the United States and the Future of Korea. He is also an Adjunct Professor of Asian Studies at George Washington University. He was a correspondent for the Washington Post from 1962-74 and Senior Associate at the Carnegie Endowment for International Peace from 1974-96. He has visited North Korea numerous times. He was educated at Harvard University. Mr. Harrison is the author of numerous books on Asia. His forthcoming book, *Korean Endgame: A Strategy for Reunification and U.S. Disengagement*, will be published early in 2002.

Mr. David I. Steinberg, Director of Asian Studies, Georgetown University, was previously Distinguished Professor of Korean Studies in its School of Foreign Service. He has been President of the Mansfield Center for Pacific Studies, a representative of The Asia Foundation in Korea, Burma, Hong Kong and Washington, and a member of the Senior Foreign Service, AID, Department of State, in which he also served in Thailand. He was educated at Dartmouth College, Lingnan University (China), Harvard University, and the School of Oriental and African Studies, University of London. Mr. Steinberg is the author of *Burma: The State of Myanmar* (2001), nine other books and monographs, and over 80 articles on Korea, Burma and other Asian topics.

Moderator

Dr. G. John Ikenberry is the Peter F. Krogh Professor of Geopolitics and Global Justice at Georgetown University. He also was a Senior Associate at the Carnegie Endowment for International Peace and a Fellow at the Woodrow Wilson Center for International Scholars. Dr. Ikenberry is the author of numerous publications, including, *State Power and World Markets: The International Political Economy* (forthcoming), *After Victory: Institutions, Strategic Restraint and the Rebuilding of Order after Major Wars* (2000), and *Reasons of State: Oil Politics and the Capacities of American Government* (1988).