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South Korean Strategic Thinking toward North Korea

The Evolution of the Engagement Policy and Its Impact upon U.S.-ROK Relations

ABSTRACT

Despite agreements in 2007 in the Six-Party Talks, the U.S. and South Korea have had trouble reaching consensus in dealing with subsequent nuclear crises spawned by North Korea. This study focuses on South Korean strategic thinking about and policy toward North Korea and Korean unification, and their changes since the 1990s.

KEYWORDS: United States, South Korea, North Korea, engagement policy, strategic thought

Despite the Six-Party Talks agreements of February 13 and October 3, 2007, fundamental solution of the North Korean nuclear issue had been suspended in the Bush administration. Even after new governments of both the U.S. and South Korea took it over from their predecessors, there was little progress on the issue until the winter of 2009. In addition to North Korea’s brinkmanship diplomacy, difficulties between the U.S. and South Korean administrations in reaching consensus on how to deal with North Korea and its nuclear program have left a troubled legacy for the challenges ahead. Almost every administration of both countries, such as Kim Young Sam and Bill Clinton in 1993, Kim Dae-jung and George W. Bush in 2001, and Roh Moo-hyun and Bush in 2003, faced nearly the same difficulties. For this reason there is a strong possibility that these will re-emerge. By reviewing these issues, we can draw lessons for President Lee Myung-bak in

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South Korea and U.S. President Barack Obama in finding a fundamental solution to North Korea's nuclear crisis.

International attention had focused on Bush's handling of the North Korean nuclear crisis, often under the influence of neoconservative advisors and accompanied by characterizations of Roh Moo-hyun's disagreements with Bush. These discords were likewise attributed to ideologically inclined advisors but from the progressive camp, and we saw a more sustained pattern of South Korean strategic thinking diverging from that of the U.S. It would be short-sighted to attribute these differences only to the predispositions of the two leaders or to temporary circumstances, such as South Korea's progressive regimes over the past 10 years or anti-American sentiment that spread in 2002. Understanding the fundamental factors in South Korean strategic thinking about North Korea and unification is needed. This study begins by reviewing three policy differences and then analyzes how the South's objectives have evolved along with its thinking about the process of reunification.

THREE CASES OF POLICY DISCORD BETWEEN THE U.S. AND SOUTH KOREA

For a long time, political leaders in Seoul and Washington had found little reason to disagree about how to manage relations with Pyongyang. Recalling the Korean War when their states fought together against North Korea and Cold War experiences where they were joined in armed and rhetorical standoff against an unyielding adversary, they stood firmly together. As the Cold War was ending, however, the situation grew more complicated. Would dialogue or pressure work better in changing the North's behavior? What compromises were needed to secure Moscow's or Beijing's cooperation? How did U.S. concerns with global threats, including weapons of mass destruction (WMD), contrast with South Korean worries about an assault on Seoul from nearby? Why would U.S. universal values highlighting human rights coincide with South Korean nationalist sentiments toward compatriots? The potential for disagreement was growing even before the Cold War had ended.

First, if we examine reasoning about the overall approach toward the regime in North Korea, we can trace differences back to the Roh Tae-woo presidency (1988–93), with the gap coming clearly into the open during the
first North Korean nuclear crisis in 1993. Although the U.S. has left little doubt about its preference for regime change in the North, and the South has increasingly recognized the necessity of dealing with the regime, the issue came to the fore when the U.S. prepared for military action in 1993–94 against the North’s Yongbyon nuclear reactor. The new president, Kim Young Sam, emphasized in his inaugural address in February 1993 the need to preserve the northern part of the nation more than the alliance with the U.S. Kim strongly opposed U.S. President Bill Clinton’s plan of preemptive attack on the nuclear facilities at Yongbyon.

During the second crisis, Bush considered a preemptive attack and, over a longer period, powerful sanctions that might induce regime change, treating the North as part of the “Axis of Evil” or what was earlier called “a rogue state.” But then-President Roh Moo-hyun, who had focused on developing trust in inter-Korean relations and the institutionalization of peaceful coexistence, prepared plans for economic cooperation with the North as a partner in the eventual unification of the Korean Peninsula. Although the gap between the White House and the Blue House has sometimes narrowed, the record over two decades indicates that South Koreans are more steadfast about engagement.

Second, differences arose over control of the combined forces of the two allies, exacerbating divisions over how to deal with Pyongyang. As early as the 1990s, the ROK-U.S. Combined Forces Command had prepared Concept Plan (CONPLAN) 5029. In 2003 they developed it into Operational Plan (OPLAN) 5029, a contingency arrangement in preparation for an unexpected incident in North Korea such as regime collapse or mass defections. Yet, nervous about how the U.S. might provoke or respond to a crisis of this sort, Roh’s National Security Council rejected OPLAN 5029 in January

1. Although there also were policy differences between the U.S. and South Korea in the Syngman Rhee period (e.g., signing the Armistice Agreement), this study focuses on the North Korean nuclear crises and the engagement policy toward North Korea since the 1980s.
2005, warning that it might constrain South Korean sovereignty. South Koreans did not want the U.S. army to make the sole military decisions against the North. Afterward, Roh stated his views to Bush at a summit in June 2005, making it clear that South Korea insisted on keeping the initiative in any military operation on North Korean territory. This case was perceived as one of many attempts to put relations between the U.S. and South Korea on a more equal footing.

Third, the two states differ on the strategy for dealing with North Korea in the context of crisis negotiations. South Korea has stuck firmly to its decision not to pursue unification by absorption; instead, it has emphasized unification by consensus, even when it has been urged to withhold economic benefits to put pressure on the North. In spite of the Bush administration’s requests at various junctures during the five years of the second nuclear crisis, the Roh administration had continued the basic theme of engagement—reconciliation, coexistence, and cooperation with the North—known as the “Sunshine Policy” of Kim Dae-jung and then reaffirmed by the “Peace and Prosperity Policy” of Roh. Indeed, as early as the mid-1990s, when North Korea was caught in a severe economic crisis, Kim Young Sam had tried to assist it by sending rice. The goal was to prevent the worst case scenario, regime collapse that could choke the life from the North Korean regime and lead to unification of the peninsula.

Then Kim Dae-jung officially announced in his inaugural address in February 1998 that the South would give up the policy of unification via absorbing the North. Roh had acted in the same spirit by offering various economic benefits to the North if it would renounce its nuclear program; his goals were also to bring Pyongyang to the negotiating table and keep the Six-Party Talks moving forward with economic incentives. These had led to repeated clashes with Bush over how to proceed. In the first five months of 2005 and again from October 2006, these differences were especially pronounced, as Bush failed to convince Roh to apply the pressure he sought.

5. DongA Ilbo [DongA Daily], April 16, 2005.
The split on how to proceed came to a head after the North Korean nuclear test in October 2006. Just afterward, the U.N. Security Council adopted Resolution 1718, which condemned the test and adopted sanctions against the North. Based on this resolution, as a tactical means for pressing the North, the U.S. government called on Roh to stop sending money, which could easily be used to defray the expenses of North Korea’s armed forces or even the costs of the nuclear weapons program. At a press conference with the South Korean media on October 17, Christopher Hill, head of the U.S. delegation to the Six-Party Talks, criticized public tours to the North’s Mt. Kumgang as a diversion of money to the North to be used at its discretion.\(^8\) Alexander Vershbow, the U.S. ambassador to South Korea, likewise pointed out on October 18 that the Gaeseung Industrial Complex as well as the Mt. Kumgang tours should be reconsidered in light of the new international sanctions against North Korea.\(^9\) U.S. Secretary of State Condoleezza Rice added to the chorus of U.S. voices on October 16 and 19, reminding the South of the importance of its participation in the Proliferation Security Initiative (PSI).\(^10\) The South Korean government’s responses, however, were defiant. Officials insisted on keeping these two projects moving forward without interruption and in the case of the Gaeseung project, even attempting to enlarge it, while again refusing to join the PSI fully. Thus, even North Korea’s nuclear test did not cause Roh to yield to Bush’s appeals for joint tactical pressure.

After November 2006, the Bush administration shifted direction in favor of direct talks with North Korea, making easier coordination with South Korea as well as China. Some critics charged that the Roh administration was hasty in resuming fertilizer assistance to the North in March 2007, long before the transfer of funds frozen in Macao was complete and the North had fulfilled its promise of shutting down the Yongbyon reactor. But the fact that South Korea withheld humanitarian assistance in the form of rice in

\(^8\) Kyunghyang Shinmun [Kyunghyang News], October 18, 2006.

\(^9\) Alexander Vershbow pointed out the critical problems of South Korea’s cash payment to the North such as the North Korean laborers’ salary in Gaeseung and South Korean tourists’ entrance fee at Mt. Kumgang. Hankyoreh Shinmun [Hankyoreh News], October 19, 2006.

\(^10\) After meeting with South Korean Foreign Minister Ban Ki-moon, Rice urged Seoul’s full participation in PSI for the successful economic sanctions against the North in order to prevent its exporting of WMD or conventional weapons and related skills. See Condoleezza Rice’s news briefing on October 16, 2006, <http://www.state.gov/secretary/rm/2006/74047.htm>, accessed April 19, 2007; Seoul Shinmun [Seoul Newspaper], October 20, 2006.
May 2007 was recognized as a sign of some restraint. Yet, Roh impatiently sought to leave a legacy of engagement. Bush, for his part, insisted on conditionalities in order to leave no doubt in Kim Jong-il’s mind that he must proceed with disabling and disclosing his nuclear programs and full, verifiable denuclearization. The contrasting strategies leave a legacy that Lee Myung-bak may try to overcome. It reflects strategic thinking that has become embedded in South Korean policy-debating circles even if it sometimes becomes distorted—by progressives who get carried away with rationalizations for the North Korean regime and by conservatives who blame the past two presidents for dilemmas that could have been avoided.

GOALS OF KOREAN UNIFICATION POLICY AND CHANGES IN STRATEGIC THINKING

At the heart of the differences between South Korea and the U.S. is the Korean unification policy. Even if the South Korean government is pragmatic about not trying to unify the peninsula as soon as possible, while recognizing the value of maintaining and stabilizing the division, it has never shown any sign of giving up the goal of unification. Without exception, presidents of South Korea have always said that unification is the mission they intend to accomplish, emphasizing the policy in their inaugural addresses.11 Such thinking on unification was not developed either to solve the nuclear issue with force or to produce North Korean regime change. Indeed, South Korea’s engagement policy toward the North has an almost 40-year history, starting from the Park Chung-hee period. President Park’s June 23, 1973, Declaration12 was followed by the Formula for National Reconciliation and Democratic Unification of Chun Doo-whan in 1982, the Korean National

11. Office of the President of ROK, Kim Young Sam Daetongryong Yousolmunjip [Speech collections of President Kim Young Sam], vol. 1 (Seoul: Office of the President of ROK, 1994); idem, Kim Dae-jung Daetongryong Yousolmunjip [Collected speeches of President Kim Dae-jung], vol. 1 (Seoul: Office of the President of ROK, 1999), pp. 59–66; idem, Roh Moo-hyun Daetongryong Yousolmunjip [Collected speeches of President Roh Moo-hyun], vol. 1 (Seoul: Office of the President of ROK, 2004), pp. 25–31; in case of Lee Myung-bak’s inaugural speech translated in English, refer to <http://www.president.go.kr/kr/president/speech/speech_view.php?uno=7&board_no=P04&search_key=&search_value=&search_cate_code=&order_key1=1&order_key2=1&cur_page_no=4>, accessed February 28, 2010.

12. On June 23, 1973, Park Chung-hee announced the “Special Foreign Policy Statement Regarding Peace and Unification” (the so-called June 23 Declaration), which emphasized the willingness of a good neighbor and friendship with North Korea and of no opposition to North Korea becoming a member of the U.N. It was a meaningful start to engagement policy in South Korea. Ministry of
Community Unification Formula of Roh Tae-woo in 1989, the National Community Unification Formula of Kim Young Sam in 1994, the Sunshine Policy or “Reconciliation and Cooperation Policy” of Kim Dae-jung, the “Peace and Prosperity Policy” of Roh Moo-hyun, and the “Mutual Benefits and Common Prosperity Policy” of Lee Myung-bak. All emphasized peaceful coexistence, reconciliation, and cooperation with the North.

The names of the policies have changed, but the basic theme of engagement has been kept by both conservative and progressive regimes in South Korea. Despite efforts by then President-elect Lee’s transition team to integrate the Ministry of Unification with the Ministry of Foreign Affairs in January 2008, the former, in charge of all matters related to Korean unification and inter-Korean relations, is still operating in the Lee administration. Moreover, in December 2005, new legislation was passed known as the Inter-Korean Relations Development Act, which obligates Seoul to pursue the development of inter-Korean relations and unification. A divided nation conscious of more than 1,200 years of continuous unity remains committed to the dream of reunification.

The United States traditionally has prioritized democratization over nationalist aspirations for reestablishing a single state after a period of division, particularly when Washington sees a communist regime on one side insistent on imposing its totalitarian ways. The U.S. government interfered in the Vietnam War, arguing that the nationalist appeal of reunification was secondary to the pull of freedom in South Vietnam. With North Korea, the embodiment of the worst excesses of totalitarianism in American eyes, and South Korea an ally credited with establishing a full-fledged democracy and an “economic miracle” based on a market economy, the U.S. finds little basis for reunification unless the North collapses or its regime changes fundamentally. Regarding these approaches, most of Washington, including George W. Bush, had little sympathy with the Sunshine Policy, especially for peacefully solving North Korean nuclear issues.13 Even policy makers of the U.S. Congress

have negative attitudes. The report “Congressional Attitudes on the Future of the U.S.-South Korea Relationship” states, “On a bipartisan basis, those interviewed were very skeptical of South Korean policy toward North Korea, including the Sunshine Policy and subsequent ROK efforts to engage North Korea.”

Some of the U.S. policy makers understand South Korea’s engagement policy as too generous, naïve, and dangerous.

Critical for understanding the differences with the U.S. is the realization that despite the sharp political differences between conservatives and progressives in South Korea, there is a degree of consensus on handling North Korea. To be sure, the past 10 years of progressive regimes had tilted the balance toward sustaining the North Korean regime rather than conditioning rewards on its transformation. This no doubt also created a degree of sympathy for the North and suspicion of the alliance with the U.S. that a conservative regime would have worked much harder to avoid. “Self-reliance in National Defense” or “Balancer in Northeast Asia,” which were chosen by Roh Moo-hyun as role concepts in security issues including the North Korean nuclear crisis, were also criticized by conservatives as weakening the alliance between the U.S. and South Korea.

Yet, the fact is that divisions over North Korean policy between the U.S. and South Korea also existed in the Kim Young Sam period during the first North Korean nuclear crisis. In the Kim Dae-jung period, there was meaningful policy cooperation with the Clinton administration (as when then Secretary of State Madeleine Albright visited North Korea and signed the U.S.-North Korea Joint Communiqué in October 2000). Still, early in the

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15. In South Korea, on the effectiveness and appropriateness of the Sunshine Policy, there have been sharp debates between conservatives and progressives, called Nam-Nam Galdeung (Inter-South Korean Conflict). Regarding the political characteristics of debates within South Korea, see Hyeong-joon Kim and Do-jong Kim, “NambukGwangaewa Gooknajeeongchieu GaldeungGujo” [Inter-Korean relations and conflict structure of domestic politics in South Korea], Gukje Jeongchi Nonchong [Korean Journal of International Studies] 40:4 (2000), pp. 311–30.


17. See Youngho Kim, “Dongbuka Gyunhyeongjaroneul Bipan Handa” [Criticism of the Northeast Asian balancer], NEXT, June 2005, pp. 11–18.
period Kim’s Sunshine Policy raised doubts in the U.S. that were only overcome with the final report of the Perry Process in 1999 that put Clinton behind testing whether engagement would work. And the Roh Moo-hyun government joined the agreement in the Six-Party Talks on February 13, 2007, after cooperating with the U.S. to make it possible, although many South Korean conservatives were skeptical that the North would meet its promises and wondered if Bush might be backing down because of his troubles elsewhere. The two camps in South Korea do not agree on policies toward North Korea or the U.S., but they are not far apart on the need to stick to the path of engagement.

At the core of this overall consensus is strategic thinking that opens the door to North Korea while visualizing reunification as a gradual process in a regional context. One key element of this strategic consensus is maintaining the alliance with the U.S. Even Roh Moo-hyun, who was elected amid anti-American sentiment in 2002, recognized this reality when he dispatched the Korean army to Iraq at Bush’s request.18 Roh also agreed to the U.S.-Korea Free Trade Agreement (FTA) in April 2007 and acceded after the U.S. Congress insisted on changes at the end of June. Whatever the differences on how to deal with Pyongyang, Seoul remains committed to an alliance relationship with Washington.

The alliance is virtually unassailable because the foremost objective in strategic thinking is stability. This is seen as essential for the South Korean economy, sandwiched between technologically more-advanced producers in Japan and the U.S. and the rising, low-cost producers of China. The alliance with the U.S. may be primarily a means to keep North Korea from invading or otherwise destabilizing the South, but it also is a bulwark of dependability for the South and the region. Thus, its significance is much broader than many have suggested. Although both Kim Dae-jung and Roh Moo-hyun propelled several quietly progressive policies toward North Korea, they never denied the importance of the American alliance, even at times of policy discord on the North Korean nuclear issue. Nonetheless, the value of the alliance could be called into question if the U.S. gets trigger-happy toward the North—or if force realignment aimed at a possible war over Taiwan were to lead many in Korea to perceive the American troops as a source of instability.

18. Roh Moo-hyun already decided on dispatching the Korean army to Iraq on March 12, 2003, and pushed the bill to do so through the Korean Assembly, in spite of strong progressive opposition. See Chosun Ilbo [Chosun Daily], March 26, 2003.
Reunification is also a virtually unassailable symbol, but it too is placed within an overall context prioritizing stability. There is a preventive element of keeping the North from disruptive actions that could threaten stability, or from desperate conditions that could spur internal strife or even unpredictable provocations. There is also an interim outlook, starting the North on a path of economic integration and recovery that would show it the way toward greater trust and give it a stake in stability. Clearly, South Korea’s success in economic development and stable political democratization demonstrates its absolute superiority over the North, completely reversing the situation that many perceived as recently as the 1970s. Moreover, the end of the Cold War system in Northeast Asia has put Seoul at the center of diplomatic relations and region-building efforts that contrast sharply with Pyongyang’s isolation. These changes have reverberated in strategic thinking that changes the preferences for how unification should unfold; they recognize North Korea’s vulnerability and volatility, perceiving all of Northeast Asia as a stage on which many concerned parties insist upon playing their own roles.

**CHANGES IN UNIFICATION PREFERENCES**

In general, the scenarios of unification for the Korean Peninsula can be divided into four types: (1) unification by absorption, similar to the German case; (2) unification by force, as occurred in the Vietnamese case; (3) unification by consensus, which Yemen tried unsuccessfully in 1990; and (4) unification by trusteeship, which the South as well as the North would likely reject in light of bad memories of the trusteeships administered by the U.S. and Soviet Union from 1945. After all, these trusteeships eventually produced a divided peninsula for the Korean people. So, even though it might be proposed as one possible scenario, unification by trusteeship has little prospect of approval on the Korean Peninsula.

Among the other scenarios, the first two had some possibilities for the South in the 1990s. In June 1994, when the first North Korean nuclear crisis was

19. Roh Tae-woo on July 7, 1988, declared that competition with the North was pointless. And Kim Young Sam, on August 15, 1994, declared that the South had totally won in the system competition with the North.

growing worse, there was consideration in the South for acting in concert with Clinton’s plan for a preemptive attack on the North. This could conceivably have led to unification of the Korean Peninsula by military force. Shortly thereafter, following the 1994 Agreed Framework, as the North’s economy fell into deep crisis and widespread famine, it appeared that the South had a good chance to absorb the North. Yet, strategic thinking in the Kim Young Sam regime rejected both options, reaffirming the commitment to Korean unification by consensus. Since the late 1980s, when the official unification formula of the South Korean government was introduced as a response to the initiatives that marked the end of the Cold War, the South has preferred to help the North to sustain its regime rather than push it into regime collapse. And the South has preferred coexistence, collaboration, and cooperation with North Korea rather than to compete with it. These preferences mean that the South has chosen a difficult and complicated path to unification instead of what some see as a relatively simple way. There are several reasons for this.

First, these two scenarios are seen as imposing too high a cost. In the case of unification by force, the cost for Korean unification is considered too high to calculate. In 1994, when the U.S. shared its plan to attack the North, there was alarm that if another Korean War was triggered, casualties including South Koreans and U.S. soldiers could top one million—just in the early stages. If the cost in property destroyed was included, the total (even before the rebuilding that would be necessary for unification) could be astronomical. Even in the case of unification by absorption, the estimated costs far exceed what is affordable to the South. In 1996 Marcus Noland et al. estimated that


these costs would range from US$754 billion to $2.2 trillion.\textsuperscript{25} In 2000, \textit{Der Spiegel}, a German newsweekly, estimated them at $3 trillion;\textsuperscript{26} Goldman Sachs made an estimation ranging from $2.7 to $3.9 trillion.\textsuperscript{27} Considering that the total South Korean budget in 2009 was about $260 billion, this burden of unification is unrealistic for the South to handle. For that reason, Roh Moo-hyun emphasized repeatedly that the South should help the North now in order to reduce the eventual unification cost.

Second, since the 1980s many in South Korea have realized there are numerous tasks to be done before unification occurs. Recovering a common identity, which has essentially been lost between the two Korean peoples, and narrowing the huge gap in their values are matters that can scarcely begin until the barriers to communications across the Demilitarized Zone (DMZ) are removed. Likewise, even in the best circumstances, the sharp divergence in living conditions between Northerners who have fallen back to 19th century self-sufficiency and impoverishment, and the majority in the South who use trendy 21st century information technology, will not be reduced for a long time.

The more that people from the South meet those from the North, the more they feel strange and unfamiliar.\textsuperscript{28} With this in mind, since the Korean National Community Unification Formula was announced in 1989, the South has planned for an interim unification stage called the “Korean Commonwealth.” And South Koreans have introduced the concept of integration, as a gradual means for reducing the distance that separates people on the two sides of the peninsula.\textsuperscript{29}

Third, not only has the collapse of North Korea not occurred, it has become less realistic. Kim Jong-il, emerging from a long mourning period in 1997 with the authority to govern the state, has successfully inherited North Korea from his deceased father, Kim Il-sung. Also, the country’s ideology of \textit{juche} (self-reliance) has survived despite the economic crisis in the 1990s that spawned

\textsuperscript{26} \textit{JoongAng Ilbo} [JoongAng Daily], June 20, 2000.
\textsuperscript{27} \textit{Chosun Ilbo}, June 23, 2000.
terrible food shortages after the loss of outside subsidies and energy supplies and a series of natural disasters. Diplomatically and militarily, the North has also raised its prominence over the past 10 years. Whatever the pros and cons of the Sunshine Policy, after a decade North Korea has become a principal target of international diplomacy and a military concern that is taken seriously by many countries in their own strategic thinking. Seoul may have helped to bring about these circumstances, but it also must adjust to them and engage Pyongyang in this transformed international environment.

For these reasons, South Korea has adopted and become ever more committed to consensus unification as its official formula. Roh Tae-woo’s approach of 1989 and Kim Young Sam’s of 1994 emphasized gradual unification by consensus, and Kim Dae-jung and Roh Moo-hyun followed in their footsteps in favoring this type of unification. Even after the shift of political power to his conservative regime, Lee Myung-bak emphasizes a pragmatic attitude to unification through the cooperation and co-prosperity of two Koreas. During the presidential election of 2007, major candidates from conservative political groups such as Hannara Dang (Grand National Party) as well as those from progressive groups consented to pursue gradual unification, which is the major concept of unification by consensus, and avoid another war. Concerns about unification costs, the loss of homogeneity, and the apparent solidarity of the North Korean regime all make the South hesitate about absorbing or using force against the North. This was the reaction in 1993–94, again in 1995–97, and also in 2002–06, in response to more-hawkish American plans for the North.

PERSPECTIVES ON UNIFICATION BY CONSENSUS AND UNIFICATION BY ABSORPTION

In the discussions that have led to widespread consensus in favor of unification by consensus rather than by absorption, certain themes have swayed the views of many. First, the huge difference in the economic capabilities of the

30. The polls in June 1992 (85.6%), July 1993 (82.8%), December 1998 (75.4%), and May 2000 (74.1%) showed almost the same result that the South Korean public supports gradual unification by consensus. See DongA Ilbo, June 25, 1992; Seoul Shinmun, July 6, 1993; Hankyoreh Shinmun, December 8, 1998; and Munhwa Ilbo [Munhwa Daily], May 13, 2000.

31. Major candidates for president of Hannara Dang had an open policy discussion focusing on unification, diplomacy, and security issues on June 19, 2007. Though there were political arguments, most of the candidates emphasized the value of engagement policy. DongA Ilbo, June 20, 2007.
two Koreas cautions against a policy of absorption. In the year 2006 in the South, the nominal GNI (gross national income) was 34 times bigger, the per capita GNI was 16 times higher, and the total volume of trade was over 211 times larger than that of the North.32 These gaps keep growing wider and wider. Many South Koreans, fearing a severe drop in their standard of living should absorption occur while these disparities persist, take comfort in the notion that an interval of reform in the North and inter-Korean cooperation would cushion the blow that would come from assuming responsibility for the well-being of all Koreans.

Regarding the concept of consensual unification, another question is whether full consensus between the two Koreas would be possible. There is reason to think that a half-hearted consensus would not suffice. In the case of Yemen, the two parties reached an incomplete agreement in 1990 without resolving their sharp differences. The result was a breakdown, resulting in North Yemen occupying South Yemen by force in 1994. When considering the vast differences between the two Koreas, including economic capabilities, political systems, and social structure, consensus might be more difficult than absorption of one by the other. In the last stage of consensus unification, there may not be much difference from unification by absorption, such as in the German case. But if the consensus is unrealistic and absorption seems inevitable, as many expect in the Korean case, the North would have no reason to participate in consensual unification with the South. Such uncertainties suggest the presence of many serious questions that leave people wondering whether unification through consensus on the Korean Peninsula is really possible.

Since the South proposed peaceful coexistence with the North in its unification formula, the prospect of absorbing the North has become more accentuated. After all, the South conceptualizes a unified Korea as a state with a democratic political system and a capitalist economic system.33 Whatever the process of consensus that may occur, this means the South would unify the Korean Peninsula by way of absorbing the North, which has a socialist

command economy and communist political system. With this in mind, the North has criticized the substance of the South’s engagement policy, insisting that unification by consensus is no more than a delusion for absorbing the North. Seoul’s pernicious logic, according to the North, would make capitalist values and liberal democratic values penetrate the North’s society, disrupting social solidarity and inducing regime collapse.34

Considering the contradictions between supposed consensus and assumed absorption, the debates need to expand and make clearer distinctions about what might happen at each stage of the process ahead. This may start with awareness of the current understandings that prevail in South Korea. First, absorption presumes a relatively short timetable and generally does not consider the consequences after unification, while consensus, which does look at consequences, relies on a relatively long timetable. Absorption rests on what may be reckless assurance about unification proceeding smoothly, paying little attention to what happens after sudden unification and how the costs would be met. In contrast, consensus unification prudently dwells on detailed preparations including unification costs, considering the side effects and aftereffects as well. While the absorption school is inclined to calculate the cost of unification as a lump sum at the time it suddenly occurs, the consensus school plans to pay by installments after a down payment, as it figures out how the South can handle the cost. The absorption school assumes that the North has failed and even welcomes its collapse in advance of moves toward unification. The consensus school prepares for a merger and is willing to cooperate to achieve a successful transition in the North, hoping that the costs will be lowered before unification. On the basis of these distinctions, current strategic thinking in South Korea gives much preference to unification by consensus.

**CHANGES IN PERCEPTIONS OF NORTH KOREA**

Before the 1980s, the North was a major competitor to the South. Even when Park Chung-hee called for peace on the Korean Peninsula via his June 23 Declaration in 1973, he advocated peaceful competition to determine

which system was superior. The relations between the two Koreas were focused on competition along multiple dimensions, such as advancing industrialization, gaining the edge in international relations, and claiming the mantle of Korean nationalism. Even the rival proposals for unification policies were targeted at achieving a competitive advantage. The North Korean unification formula has been based on appeals for a federation since 1960, but no South Korean official unification formula has ever used the word “federation.” Instead, the South Korean official unification formula has included the concept of confederation, called a “Korean Commonwealth,” and has set the goal at building a single state. Conversely, the North has never used the words “confederation” or “commonwealth,” sticking to the “federation” wording proposed by Kim Il-sung in 1960. Only in 1991, three years before his death, did Kim come closer to the South’s position, introducing the words “loose federation.”

From the late 1980s, South Korean strategic thought toward the North has changed. Inter-Korean competition is of no significance for the irreversibly widened gap of economic capability and international standing. Roh Tae-woo and Kim Young Sam declared the triumph of the South over the North, but noteworthy in their approach was not triumphal gloating but treating the North as a partner rather than a loser. Under the changed Southern strategic vision, the North would become an object of collaboration and coexistence. Kim Dae-jung emphasized mutualism through coexistence and cooperation with the North, which could give diverse benefits to the South as well. Roh Moo-hyun conceptualized the North as an economic partner for mutual development and an investment market, calling for “Northern Investment” to reduce unification costs. And, in his inauguration, Lee Myung-bak

35. According to the common definition, in federalism there is a constitution and under it a division of sovereignty between a central governing authority and constituent political units. In a confederation, there is a treaty that combines political units and a clear limit to a central governing authority’s sovereignty and political power. Even now, whether the final goal of Korean unification is a single state via a confederation system or a federation state is a major criterion distinguishing the South Korean and North Korean unification formulas.

36. In the second article of the June 15 South-North Joint Declaration in 2000, the agreement for an inter-Korean summit, the North used “a lower stage federation” as a cognate for South Korean confederation.

37. On the polls taken by the Bureau of Public Information, 71.5% (June 1990) and 80% (August 1990) of the South Korean public also had confidence in competition with the North. See Seoul Shinmun, June 20, 1990; and Chosun Ilbo, August 18, 1990.

38. Roh used this concept on August 27, 2005. Afterward, he used it as long term investment related to unification cost saving and the cost for keeping peace on the Korean Peninsula. See the
proposed the concept of “a new horizon in inter-Korean cooperation” and a
goal to raise the per capita income of North Korea from $1,065\textsuperscript{39} to $3,000
within 10 years. Whether the South likes the North, or Kim Jong-il, or the
legacy of Kim Il-sung is not important. It has no choice but to recognize
their collective existence as a major partner for Korean unification.\textsuperscript{40} To unify
the peninsula, the South must meet the North, talk with it, and agree on a
process of unification through consensus.

Because of these changes, the South is trying to express its interest to help
the North rather than ignore it, and is trying to help Pyongyang sustain its
regime rather than push it to collapse. This means that the South welcomes
stability in North Korea so that the two can operate in an atmosphere of dia-
logue and accord, rather than crisis. Given this outlook, South Korea has
resisted attempts by the U.S. to pressure the North, efforts seen as aimed at
regime change, even responding cautiously and strategically in imposing
sanctions after Pyongyang’s nuclear tests in October 2006 and June 2009.

CHANGES IN EXPECTATIONS TOWARD KOREAN UNIFICATION

Unification on the Korean Peninsula entails the merger of the two peoples
who have been separated under fundamentally different systems since 1948.
Before the late 1980s, the South seemingly had an interest only in the physi-
cal unification of the two sides. It was assumed that just by eliminating the
armistice line, recovering the South’s lost territory in northern areas, and
unifying separated families, somehow the mission of Korean unification
could be fulfilled. But since the late 1980s, South Koreans have begun to
consider the chemistry of combining two elements that have become foreign
to each other. This includes the psychological and social dimensions of bring-
ing the two Korean peoples together.\textsuperscript{41} Thus, all of the unification formulas

\textsuperscript{39} The Bank of Korea shows this figure as North Korea’s per capita GNI in 2008. See <http://
www.ecos.bok.or.kr>.

\textsuperscript{40} Such as Roh Tae-woo’s declaration in July 1988; Kim Dae-jung’s speech at the Free Uni-
versity of Berlin on March 9, 2000; and Roh Moo-hyun’s inaugural on February 25, 2003. Refer to the
Ministry of Unification, \textit{Tongil Baekuo 2005} [White paper of Korean unification policy 2005] (Seoul:

\textsuperscript{41} Yu, “Nambukhan Igilsung Geokbokkeul Wihan Simrisahoejeok Jomang,” pp. 173–201; Jeon
Woo-taek, \textit{Saramui Tongileul Wihayeo} [For the human unification of Korean Peninsula] (Seoul:
since Roh Tae-woo assume an interim period. And the South Korean public hopes that a unified Korea would become one of the world’s fully developed strong states, able to compete with other regional powers in Northeast Asia. If successful unification, including peaceful political change, economic prosperity, a stable society, and harmony without discrimination, cannot be guaranteed, South Koreans will not hurry to unify the peninsula. The South will have to try to prepare a positive environment for successful unification, preferring a happy and peaceful divided Korea to a miserable and painful unified Korea.42

Ideally, the South would handle the process of Korean unification by itself. The trusteeships in 1945 and the divided Korea that ensued were decided upon by others, not by the Korean people. Still, in the process of unification, cooperation with outside powers and using their assistance is inevitable. South Koreans, however, strongly want the unification process to be determined by the people of the two Koreas. In June 2000, the inter-Korean summit raised hopes, not so much because of any concrete results but as a sign that a turning point had been reached when Koreans could at last hold their destiny in their own hands.

Given these expectations, it should not seem strange that there is disappointment over U.S. policy under the Bush administration toward North Korea. In 1993–94, Kim Young Sam desperately sought to have a say in the talks between the U.S. and North Korea, fearing isolation or unilateral decisions by the U.S. that would deny his government a role. Similarly, Roh Moo-hyun since 2003 did all he could to take a leading role to resolve the North Korean nuclear issue.43 One reason Roh chose being the balancer or mediator as the role concept of his security diplomacy in 2005 is this fear of isolation and desire to participate in the issues of the Korean Peninsula. After all, although many Americans may perceive the nuclear crisis as a matter of proliferation and a challenge to international peace, South Koreans consider

42. This tendency in South Korea has been confirmed repeatedly through the diverse polls, such as 79% in May 1997, 66% in March 1998, 70% in April 2000, and 76% in December 2000 even after the summit of June 2000. See Hankyoreh Shinmun, May 16, 1997; Hankook Ilbo [Hankook Daily], March 13, 1998; Chosun Ilbo, May 1, 2000; and Munhwa Ilbo, December 21, 2000.

43. Roh Moo-hyun established the three principles of resolving North Korean nuclear issues in 2003, and one of them was “an active leading role of South Korea.” See the National Security Council of ROK, Pyeonghwa Beonyeonggwaa Kookgaanbo, pp. 32–34.
it a part of the Korean unification struggle. Given these expectations, they looked at OPLAN 5029 in 2005 as a threat to their efforts to steer unification forward.

**CHANGES IN STRATEGIC THOUGHT ABOUT ENGAGEMENT**

Every regime in the South has emphasized peaceful coexistence with the North, proposed a summit, and suggested that separated families be re-joined, along with an economic exchange. And since the Park Chung-hee regime, every administration has proposed engagement policies. But the purpose, intention, and contents of the engagement policies before the 1990s differed from those since. At the beginning, South Korean leaders proclaimed their engagement policy with an eye toward the domestic audience. Their political rhetoric took the form of a simple declaration without any preparation or apparent practical follow-up. But the later engagement policy has taken a new tack. The Inter-Korean Cooperation Fund, which has been used to promote transactions and mutual exchanges, was established in 1991.44 Outdated laws that regulated and restricted communications with the North were abrogated. In 1998, the first year of the Kim Dae-jung government, 14 of 40 laws were removed.45 New laws followed; for example, the Inter-Korean Relations Development Act in 2005, which obligates the South Korean government to develop inter-Korean relations, was legislated with bipartisan support in the South Korean Assembly.

If the engagement policy before the 1990s was superficial and unacceptable to the North, the policy since then has been increasingly detailed and found a degree of Northern acceptance. Earlier, the South Korean government would announce its engagement plans to the North, knowing that they would be declined. But since 1995 when the North indirectly requested food assistance, the South has made proposals and worked out the details, with the expectation that they would be positively received as they met recognized North Korean needs. Humanitarian assistance to the North, especially

44. The “Inter-Korean Cooperation Fund” has been operated by the Korea Eximbank (the Export-Import Bank of Korea). By December 2007, the total amount of contributed fund is almost KRW 8,523 billion (US$8.5 million). See the homepage of the Korea Eximbank, <http://www.korealexim.go.kr/en/ikcl/ikcl01.jsp>, accessed June 2, 2008.
rice and fertilizer, has continued. Direct communications and economic cooperation have also continued without serious interruption until now, the end of 2009.

Since the 1990s the South Korean engagement policy has focused on sustaining the North rather than causing its collapse. Kim Young Sam’s speech on August 15, 1997; Kim Dae-jung’s speech at the Free University of Berlin on March 9, 2000, following his inaugural; Roh Moo-hyun’s inaugural in February 2003; and Lee Myung-bak’s inaugural in 2008 all set forth the basic objectives for economic cooperation and the conditions for supporting reconstruction of the North Korean economy, including its basic industries. Beginning in January 2006, Roh Moo-hyun had officially prepared five new economic cooperation projects focused on the primary sectors in the North that corresponded to North Korean needs, ranging from agriculture to mining, while also pursuing expansion of the Gaeseung Industrial Complex. Such preparations show the seriousness with which South Korean leaders are approaching cooperation with North Korea.

With these changes of strategic thought on the engagement policy, South Korean strategic thinking on North Korean policy and unification policy has changed quite drastically compared with before the 1990s. Policy makers, whether from the U.S. or South Korea, who fail to understand these changes will not find it easy to escape from fallacy and confusion over the policies of South Korea.

**CONCLUSION**

When despite its disputes with the U.S., North Korea returned to the negotiation table to re-start the Six-Party Talks, the ensuing February 13, 2007, agreement and October 3, 2007, agreements made a new start to ending the nuclear crisis. In order to resolve the crisis beyond any doubt and to induce the North to participate in international society, a precondition for any realistic scenario for unification, the U.S. and the South should strive for a genuine strategic dialogue that reaches much deeper than the limited dialogue possible in the climate of distrust that prevailed between George W. Bush and Roh Moo-hyun. The more critical the tradeoffs being confronted

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in the showdown over the North Korean nuclear issue, the more that earnest policy cooperation between the U.S. and the South is needed.

From 2001 to 2008, but also at times during the 1990s under conservative as well as progressive presidents, a lack of harmony in dealing with the North Korean issue damaged bilateral ties as well as realization of an effective joint approach. Contrary to expectations, when both the first and second North Korean nuclear crisis grew more serious, policy coordination between the U.S. and the South became more problematic. The U.S. faced a difficult situation because of what some of its officials saw as incomprehensible policies and irrational strategic thinking in the South. Moreover, the Americans confronted what they read as brinkmanship diplomacy in the North. Also, South Korean officials often spent no less energy endeavoring to persuade Washington to understand its sincerity on the nuclear issue than they did trying to persuade Pyongyang to give up its nuclear weapons development program. Related to the February 13 Agreement, as the U.S. proceeds with North Korea in a working group on normalization, South Korea works with it in a working group on energy and economic assistance. Seoul also employs ministerial consultations, and the two join in the China-led working group on denuclearization. Greater bilateral agreement in advance would serve their common interests.

Regarding the North Korean policies and attitudes of the South, and the policy differences between the South and the U.S., this study concludes that the key to understanding U.S.-South Korean differences in dealing with North Korea is not manifested in regime change through elections, policy shifts by new presidents, or ideological influences from generational or other change. Rather, the key becomes evident when observers understand the long-term evolution of South Korean strategic thinking with the process of unification at its center. It follows that U.S. policy makers should take as their starting point for policy coordination with the South a realistic assessment of the changes in South Korean strategic thinking. In turn, it is also urgent that South Korean leaders, overcoming domestic partisan divisions, identify the essential elements of their consensus. This should reduce the possibility of their ally’s misunderstanding their strategic thinking toward North Korea and avoid further policy collisions.