

Sunshine  
Policy  
for  
Peace &  
Cooperation

년대

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*Cheongji Lake, Mt. Baekdu*

# For Peace and Cooperation

The government of Republic of Korea (ROK) has, for the past four years, been promoting a "sunshine policy" toward North Korea, a policy based on peace and cooperation.

As a result, a historic inter-Korean summit meeting took place for the first time in 55 years, separated families of South and North Korea met, and a framework for inter-Korean economic cooperation that can provide practical benefits to both Koreas was found.

In addition, by assisting North Korea to expand its participation in the international community and improve relations with neighboring countries, a foundation for tension reduction and establishment of peace on the Korean peninsula took shape. Accordingly, even amid tense international circumstances brought on by the recent war against terrorism, the situation of the peninsula remained stable, and thus, smooth preparation for international events such as the World Cup tournament was made possible.

The ROK government will continue to promote the sunshine policy to further build peace and cooperation so that it may do its utmost to contribute to the promotion of peace and cooperation in Northeast Asia and the world.

We ask for active cooperation and support from the international community.



A handwritten signature in black ink that reads "Jeong Se-Hyun". The signature is written in a cursive, flowing style.

Jeong Se-Hyun  
Minister of Unification



## contents

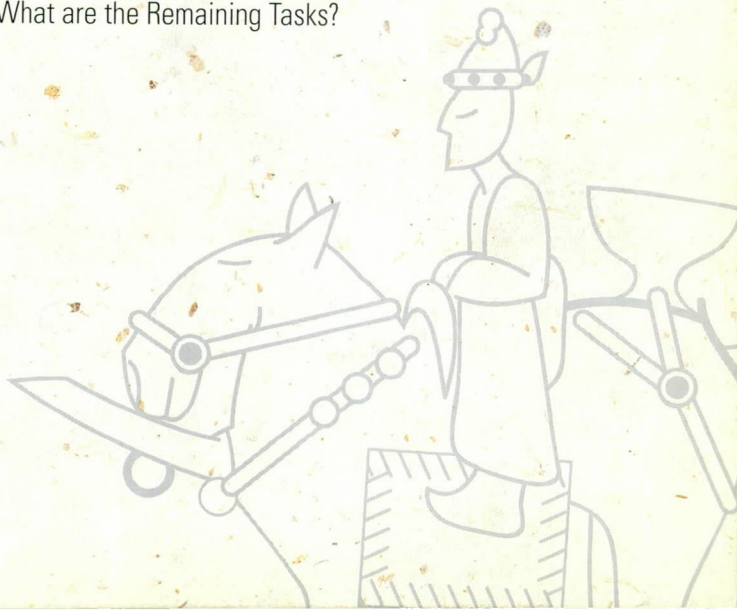
- 04 Why is Peace and Cooperation Needed on the Korean Peninsula?
- 08 Why Must the Sunshine Policy be Promoted?
- 12 What is the Sunshine Policy?
- 18 What are the Accomplishments of the Sunshine Policy?
- 28 What are the Remaining Tasks?

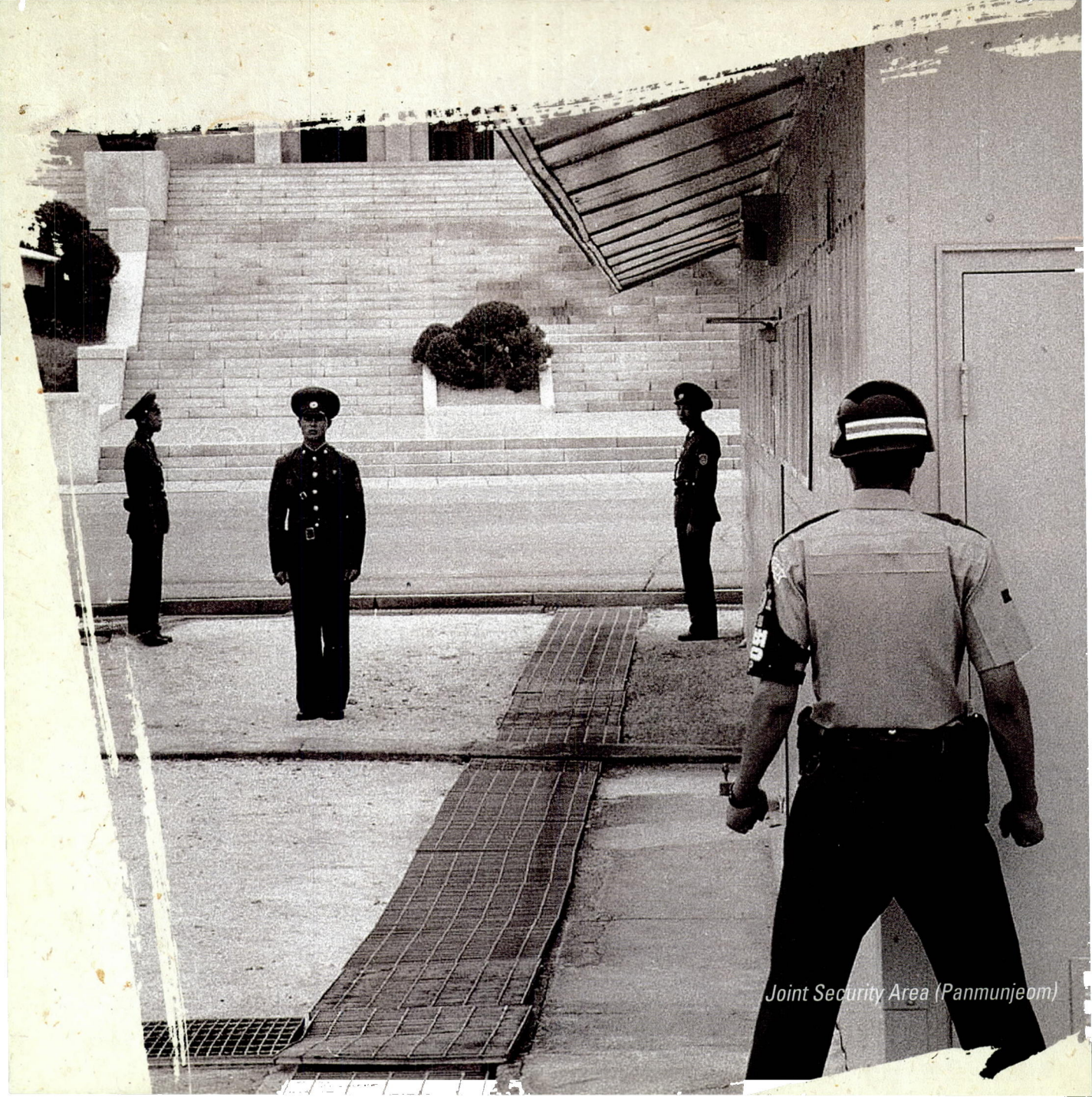


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*Joint Security Area (Panmunjeom)*

# Why is Peace and Cooperation Needed on the Korean Peninsula?

## Dismantling the Cold War structure on the Korean peninsula

As the World War II ended the Korean peninsula found itself liberated from the Japanese colonial rule but in the process of war settlement Korea was divided into South and North, and through the Korean War (1950 to 1953) the division became more permanent. Amid the Cold War in the international arena, hostility and distrust between the two Koreas deepened.

As we entered the 1990s the Cold War came to a close and East and West Germany were reunified, however, remnants of the Cold War still exist on the Korean peninsula. The Cold War structure that exists on the Korean peninsula serves as an obstacle to progress in both Koreas, and it is negatively affecting the peace and stability of the world. Thus, dismantling such a structure on the peninsula is essential.

## Remedying the pain of people separated in the South and North

The division of the peninsula meant that the two Koreas were cutoff from each other and divided in terms of territory, politics, economy, culture, language, etc. But the most painful part of the division lies in families who were separated in the South and North, for they must go on with their lives not knowing the fate of their loved ones.

05





Today, in the South and North, there are ten million such people whose families are separated, and even at this moment many elderly people who left their hometowns amid war are passing away not knowing the fate of their family members. The situation, from a humanitarian point of view, must be resolved immediately.

In addition, many people in North Korea are suffering from economic difficulties and a shortage of food, and some have defected to third countries, causing a rise in international concern.

### **Peace and cooperation on the Korean peninsula is a call of history**

For the past century the Korean peninsula has been one of the focal points of regional disputes where powerful nations' security concerns overlapped, and the Korean people, both South and North, have lived in fear of war for a long time.



*Remains of an abandoned train near the DMZ*



Even today, on either sides of the demilitarized zone (DMZ), there are two million soldiers confronting each other. In fact, the Korean peninsula is the most densely populated military region where there are more military forces and weapons per square kilometer than anywhere else in the world, and the two Koreas are expending a huge proportion of their resources on this exhaustive confrontation.

Even after the Cold War, North Korea has not been able to normalized its relations with Japan and the U.S. During 1990s, suspicions over development and exports of weapons of mass destruction (WMD) by North Korea have given rise to serious concerns over the security of Northeast Asia on the part of the neighboring nations. Such concern led to the inclusion of North Korea as a part of the 'axis of evil' by the U.S. which had experienced September 11 terrorist attacks.

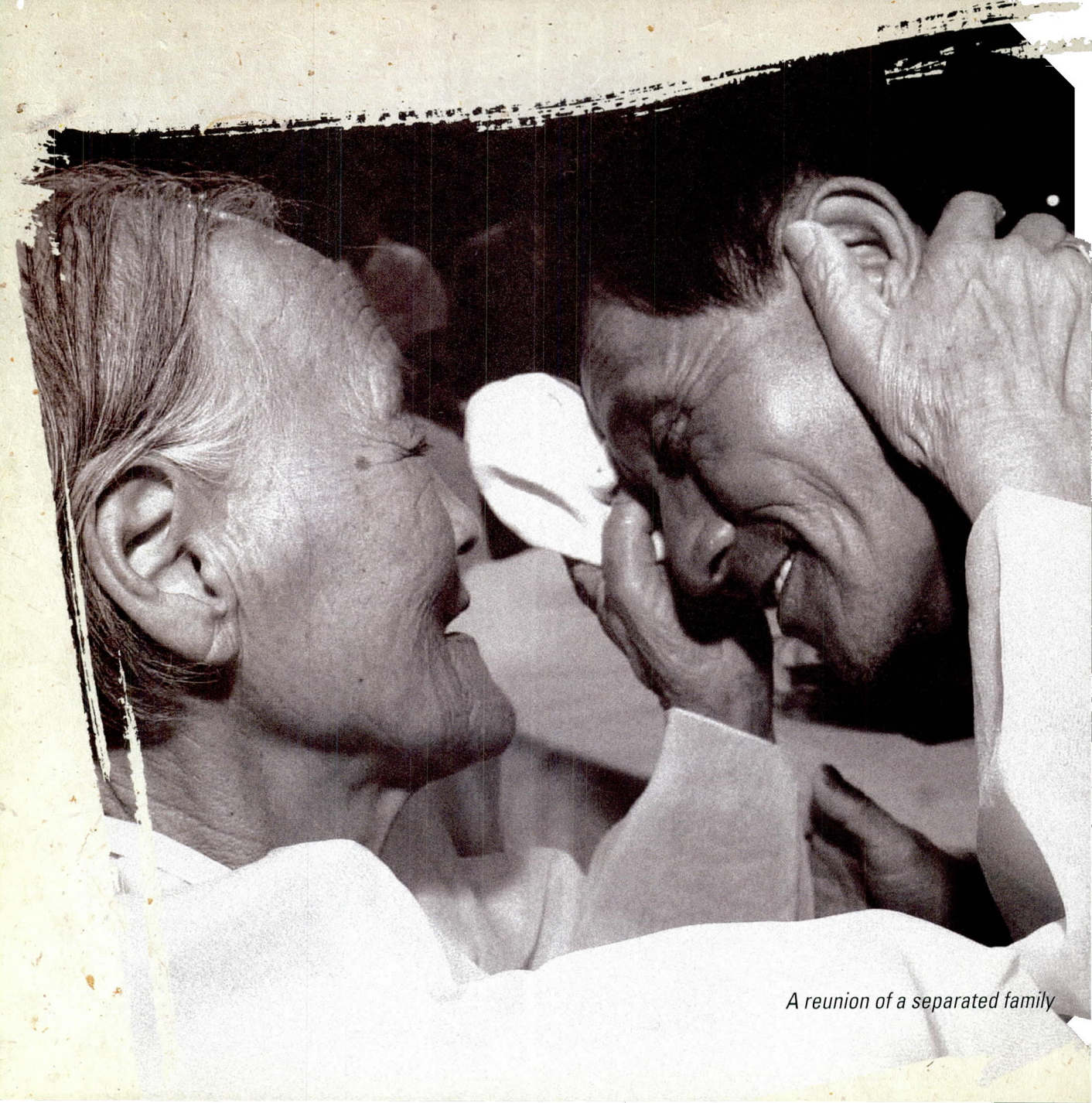
Tension on the Korean peninsula is not only a problem for the two Koreas, but a serious issue that affects stability of Northeast Asia and the world at large. Mindful of this fact, the South Korean government has given top priority to the peaceful settlement of the issue in its policy toward North Korea.

Establishment of peace on the Korean peninsula and expansion of cooperation between the two Koreas are a call of history that cannot be delayed any longer, not only for remedying the pain of a people who are divided but for the mutual prosperity of the two nations and for the stability and betterment of the entire world.



*Barbed wire fence along the border*





*A reunion of a separated family*

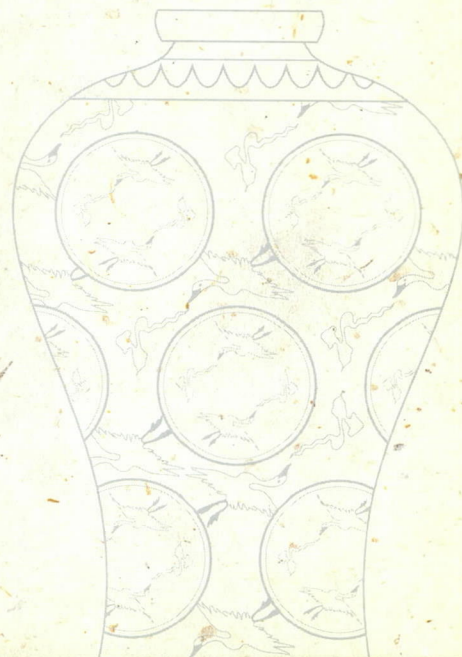
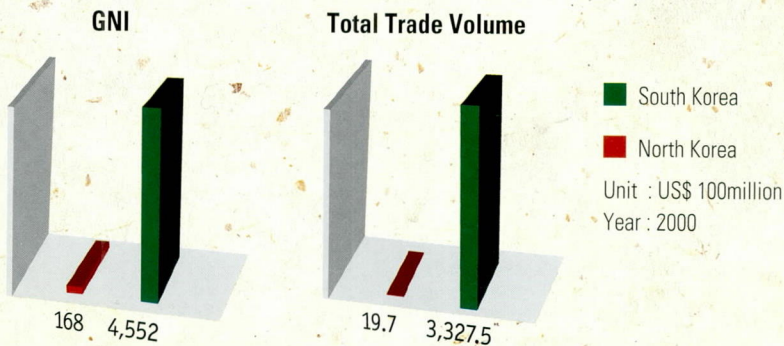
# Why Must the Sunshine Policy be Promoted?

## Changes in internal and external environments

The international community is currently seeking a new order amid openness and globalization. Such change in international thinking is calling on the Korean peninsula to leave the 'island of cold war', maintain peace, improve inter-Korean relations and build a foundation for unification.

North Korea, by maintaining its brand of socialism amid changing international order, is faced with serious economic difficulties and isolation from the international community. The difference in economic strength between the two Koreas which has widened since the latter part of the 1970s is now incomparable.

Such changes in both internal and external circumstances have provided South Korea possibilities and opportunities to improve inter-Korean relations based on confidence.



## Tension reduction and establishment of peace on the Korean peninsula

On its road to peaceful unification the most immediate issue facing the Korean peninsula is avoiding another war on the peninsula and reducing military tension so as to foster and manage an environment for lasting peace.

The sunshine policy by South Korea, the policy that seeks reconciliation and cooperation, is the best policy for maintaining peace and improving relations between the two Koreas, and it is the only realistic policy under current circumstances. In fact, since the policy was promoted, although there was a naval skirmish between the two Koreas off western coast in 1999, the tension did not escalate and cruise tours to Mt. Geumgang continued on a regular schedule as did other inter-Korean exchanges.

Following the inter-Korean summit meeting in 2000 in particular, slanders and criticisms along the DMZ by North Korea stopped and armed infiltration by North Korean spies disappeared. Moreover, to begin tours of Mt. Geumgang, North Korea opened Jangjeon Port, which used to be its frontline naval port. Also, as the Seoul-Sineuiju railway and highway reconnection was promoted, peaceful use of the DMZ and mutual confidence building measures took shape to significantly decrease the military tension that existed in the past.

As a result, the Korean peninsula and Northeast Asia were able to maintain peace and stability amid the tense international situation caused by the September 11 terrorist attacks in the U.S. and the war against terrorism waged by the U.S. Such a peaceful atmosphere made it possible for the South to prepare for international events such the World Cup and the Asian Games in Busan.



*The World Cup Stadium  
in Sangam-dong*

## Changes in North Korea and its participation in the international community

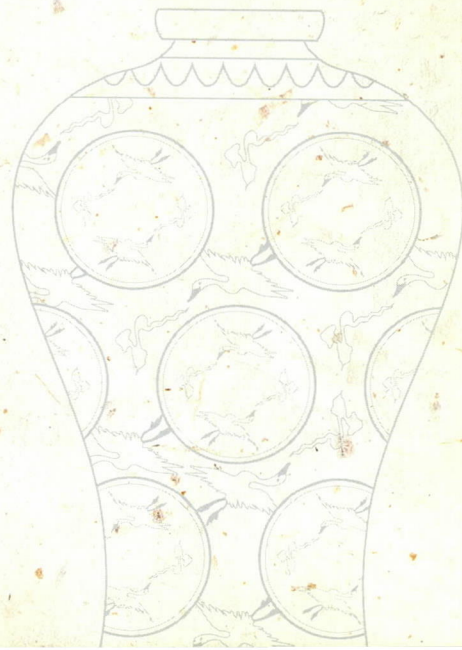
Since 1990, North Korea has faced much difficulties in its economy, including continued negative growth as well as shortages in energy, food and foreign currency. However, North Korea has a system of military mobilization (a system peculiar to the country), has been suspected of developing and exporting weapons of mass destruction, and has maintained forward deployment of its military.

We need to help the North recover from its economic troubles and food crisis through assistance as well as exchanges and cooperation while fundamentally preventing any possibility of armed provocation. Also, we need to have the North more engaged and expand relations with the international community so that ultimately it will be persuaded to change.

11

Recently, North Korea has expanded its participation in the international arena and has been showing careful changes in various areas. In inter-Korean relations, it has actively responded to the South's call for dialogue, including the summit meeting, as well as exchanges and cooperation. Internally, North Korea has set economic construction as its priority and has been adopting practical elements to seek benefits. Externally, it has been improving relations with the international community and seeking ways to open itself to the outside by expanding diplomatic ties with the Western nations (since the beginning of the sunshine policy the North has established diplomatic relations with 19 nations as well as the EU), participating in various international organizations such as joining the ASEAN Regional Forum, and sending its specialists abroad to learn about capitalism and the principles of market economy.

When considering the rigidity and peculiarity of the North Korean system, these developments are not small but meaningful, and this is the reason behind promoting the sunshine policy toward North Korea.





KOREA

*South and North Korea march together at the Olympic Games in Sydney*

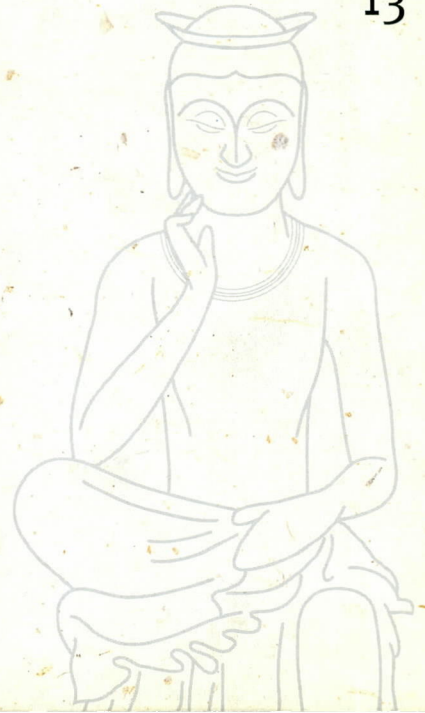
# What is the Sunshine Policy?

## Objective and principles of the sunshine policy

The objective of the sunshine policy is peace and improvement of inter-Korean relations through reconciliation and cooperation. This means that instead of striving to achieve unification right at this moment, the policy seeks to first establish peace and realize coexistence and co-prosperity between the two Koreas.

To meet these policy objectives the South Korean government has established three principles to its North Korea policy which are as follows: 1) it will not tolerate any armed provocation that will destroy peace, 2) it will not attempt to seek unification by absorbing North Korea nor harm North Korea and 3) it will actively promote reconciliation and cooperation between the two Koreas.

First principle is that we will not tolerate any armed provocation from North Korea. Through a strong security posture we will try to deter armed provocation before it happens, and we will respond firmly to any armed provocation so as to break the North's will to provoke South Korea.





Second principle clearly states that we do not seek to harm North Korea nor attempt to absorb it. Rather than promote the collapse of North Korea, South Korea seeks to establish peace through peaceful coexistence and gradually develop it to establish a foundation for peaceful unification. At the same time we mean to rid North Korea of its concern for absorption by the South and persuade the North toward dialogue and cooperation.

Third principle states that the South will actively promote reconciliation and cooperation with the North based on peace. The South will seek to expand dialogue, contacts, exchanges and cooperation so as to dissolve the distrust and animosity that have persisted for half a century and improve inter-Korean relations by recovering national homogeneity.



*Children of South and North Korea meet together*



< *The Objective, Principles and Keynotes of Sunshine Policy* >

### Objective

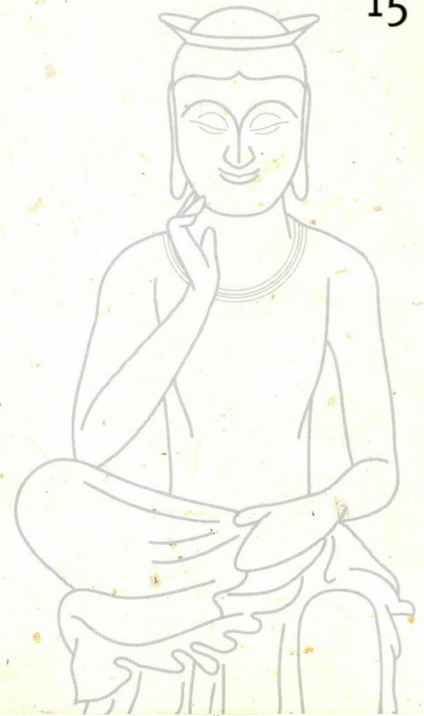
Improvement of Inter-Korean relations through peace, reconciliation and cooperation.

### 3 Principles

- No tolerance of military provocations by North Korea that can destroy peace on the Korean peninsula.
- The South will not attempt to absorb the North.
- The South will actively promote reconciliation and cooperation.

### Keynotes

- Concurrently promote security with reconciliation and cooperation.
- Realize first peaceful coexistence and peaceful exchanges between the two Koreas.
- Foster an environment ripe for changes in North Korea through reconciliation and cooperation.
- Strive for a mutually benefitting relationship.
- Secure international cooperation while maintaining the principle of resolving the Korean situation by the two parties concerned, South and North Korea.
- Promote the North Korea policy with the support and consensus of the people.





## **The Sunshine policy is a policy of peace**

On the one hand, the sunshine policy seeks to maintain peace through a strong military posture, and on the other hand, it seeks reconciliation and cooperation so as to foster an environment favorable for North Korea to change on its own and reform. In short, the sunshine policy is "a peacekeeping policy" and concurrently "a peacemaking policy".

The sunshine policy calls for mutual recognition and respect from both Koreas to achieve national reconciliation. And through exchanges and cooperation it seeks to build an inter-Korean economic community as in the case of European nations that have built the European Economic Community (EEC) and are seeking political integration through the European Union (EU). Together with this, the policy aims to realize arms control to fundamentally solve security concerns.

South Korean government's efforts to closely cooperate with the U.S., Japan, EU and other allies and encouraging them to improve their respective relations with North Korea is an important part of the peacemaking aspect of the policy. Through such a process, we hope to involve North Korea in the international community as a responsible member, and by achieving mutual threat reduction and building mutually beneficial relationships among the countries that surround the Korean peninsula, end the cold war on the peninsula and establish peace.

In essence, through the sunshine policy, we are actively pursuing not war but peace, not confrontation but reconciliation, and not antagonism but cooperation.

The international community, including the surrounding nations such as the U.S., Japan, China and Russia, is actively supporting the sunshine policy. President Kim Dae-jung being awarded the Nobel Peace Prize is the most concrete symbol of the support for the accomplishments of the sunshine policy. During the Third ASEM Meeting, the Seoul Declaration for Peace on the Korean Peninsula was adopted and during the 55th session of the UN General Assembly, Peace, Security and Reunification on the Korean Peninsula, a resolution in support of inter-Korean dialogue and peaceful unification was adopted unanimously.

Support and sympathy for the sunshine policy has become a strong foundation for improvement in inter-Korean relations and establishment of peace on the Korean peninsula.



*President Kim Dae-jung is awarded the Nobel Peace Prize*





*The leaders of South and North Korea  
embrace each other*

# What are the Accomplishments of the Sunshine Policy?

## **The Inter-Korean summit and the continuance of inter-Korean dialogue**

### *The first meeting between the leader of the South and North*

The inter-Korea summit meeting, held in June 2000, was a historical event in that the leaders of the two Koreas met for the first time in 55 years since the division of the Korean peninsula. The summit meeting was significant in that it provided a shift in paradigm in inter-Korean relations from that of confrontational relationship of the past to peaceful coexistence.

It was through this summit meeting that the two Koreas paved a path toward resolving the unification issue through dialogue and cooperation. It also provided an impetus for the two Koreas to resolve confrontation which was one of the causes of instability in Northeast Asia in the post-Cold War international order.

### *The June 15 South-North Joint Declaration*

The leaders of the South and the North, recognizing that dialogue and cooperation between the two Koreas is the only way to lessen the effects of division, achieve mutual prosperity and bring peaceful unification closer, announced the June 15 South-North Joint Declaration.





*The two leaders exchange the Joint Declaration*

### **Summary of the June 15 South-North Joint Declaration**

- Resolve the question of unification on our own initiative and through the joint efforts of the Korean people, who are the masters of the country.
- Acknowledging that there are common elements in the South's proposal for a confederation and the North's proposal for a federation of lower stage as the formulae for achieving unification, promote unification in that direction.
- Promptly resolve humanitarian issues such as exchange visits by separated family members and relatives on the occasion of the August 15 National Liberation Day and the question of former long-term prisoners who had refused to renounce Communism.
- Promote balanced development of the national economy through economic cooperation and by stimulating cooperation and exchanges in civic, cultural, sports, public health, environmental and all other fields.
- Hold a dialogue between relevant authorities in the near future to implement the above agreement expeditiously.
- National Defense Commission Chairman Kim Jong-il will visit Seoul at an appropriate time.

The significance of the June 15 South-North Joint Declaration is as follows. First, the declaration, which was agreed to and signed by the two leaders for the first time in 55 years of division, provided a framework that set the standards for future relations. Second, it confirmed the principle that the Korean peninsula issue would be resolved by the two parties concerned. Third, the two Koreas, while leaving the unification issue as a task to be dealt with in the future, were able to avoid unnecessary disputes as they agreed on the need for peaceful coexistence. Fourth, the declaration expresses the willingness

to implement the major tasks included in the policy toward North Korea that the South Korean government has been promoting such as resolving the issue of separated families and expanding inter-Korean exchanges and cooperation.

North Korea has consistently expressed its willingness to implement the joint declaration, so the declaration will continue to be a driving force for the development in relations.

### *Holding of various inter-Korean talks and a visit to North Korea by a special envoy*

Following the inter-Korean summit, there have been various talks between the two Koreas. Ministerial talks were held six times and 21 occasions of dialogue in various areas, including the defense ministers' talks, the meeting of Inter-Korean Economic Cooperation Promotion Committee, Red Cross talks, and Mt. Geumgang tourism talks were held to discuss cooperation between the two Koreas.

However, the inter-Korean relations have been at a standstill since the beginning of last year as North Korea failed to adapt to the changes in international circumstances such as the inauguration of a new administration in the U.S., and as a result, there were delays in talks that were scheduled to take place and cooperation projects also faced temporary delays.

To end the standstill in relations, President Kim Dae-jung sent a special envoy to North Korea in early April of this year to discuss a wide range of issues related to the Korean peninsula and inter-Korean relations. As a result, South and North Korea reconfirmed the spirit of the June 15 Joint Declaration, decided to restore inter-Korean relations to its original state, and made a breakthrough in resolving issues of concern such as reunions by separated family members.



## Progress toward building an inter-Korean economic community

### *Building a foundation for inter-Korean economic cooperation*

Inter-Korean economic cooperation not only provide practical benefits to both South and North Korea but it can also have a positive effect on the economic development of neighboring nations. For these reasons, South Korean government has been striving to expand economic cooperation with the North.

During the inter-Korean summit meeting, President Kim Dae-jung, proposed cooperation in building infrastructure such as connecting railways and highways as specific measures to create an inter-Korean economic community and to seek balanced development of the national economy. In return, North Korea's Chairman of the Defense Commission, Kim Jong-il recognized the need for inter-Korean exchanges and cooperation such as connecting the railway between Seoul and Sineuiju.

Moreover, during the special envoy's visit to North Korea in April, the two Koreas agreed on connecting a railway and a highway along the eastern coast of the peninsula in addition to connecting Seoul-Sineuiju railway and highway.

Construction of railways and highways will lead to military confidence building and tension reduction and will serve the role of "bridge of peace". Once constructed they can be connected with Trans Chinese Railways (TCR) and Trans Siberian Railways (TSR) and become a starting-point of the "silk road railway" of Eurasia and contribute a great deal to resource development and economic vitalization of the nations of the region.



*A meeting of the Inter-Korean Exchange and Cooperation Promotion Committee*



South and North Korea are also promoting a project to prevent flooding along the Imjin River that runs across the DMZ and the two Koreas are promoting a project to construct an industrial complex in the city of Gaeseong located in the North.

The joint flood prevention project along Imjin River is a flood control project to prevent damages from natural disasters and to peacefully utilize the river that two Koreas share.

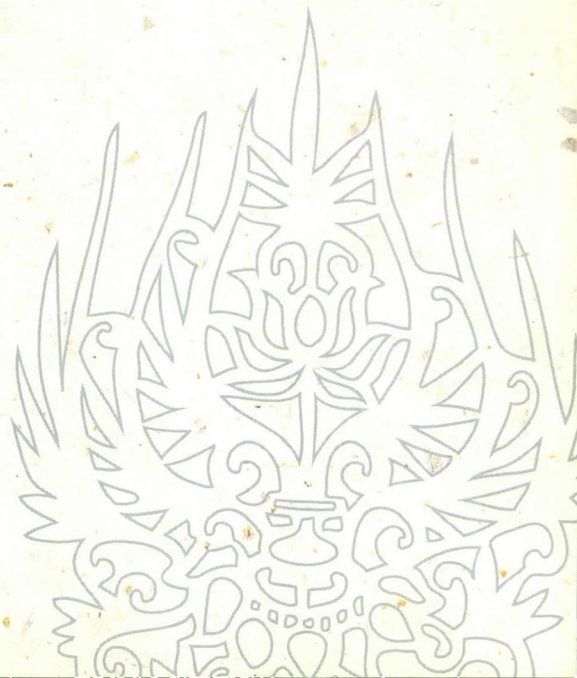
The project to construct an industrial complex in Gaeseong is expected to merge South Korea's technology and capital with North Korea's labor to produce goods that can eventually contribute to the revival of the North Korean economy and contribute to the national economic development at large. If the project is successfully promoted, it will be a significant contribution to peace and cooperation on the peninsula and to the formation of inter-Korean economic community.

23

### ***Building an institutional framework for economic cooperation***

In order to increase economic exchanges and cooperation between the South and North, it is important that there be an institutional framework in place that can support economic cooperation so that people of the South can invest in North Korea without undue risk.

Accordingly, the two Koreas have agreed and signed four agreements including investment protection, prevention of double taxation, resolution of commercial disputes and clearing settlement; the agreements are currently going through the process of effectuation.



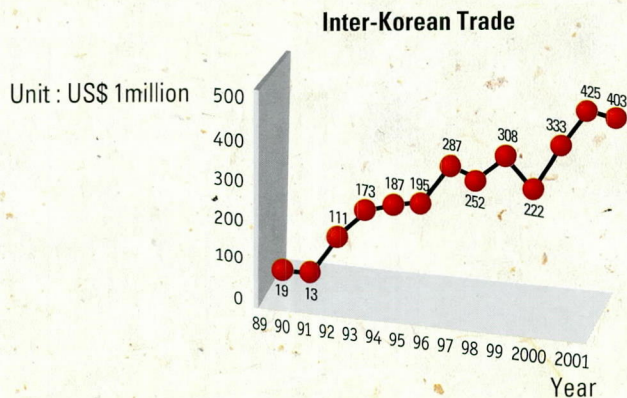
## Expansion in inter-Korean trade and exchanges of people

### *Continued expansion in inter-Korean trade*

Inter-Korean trade, which began in 1989, recorded \$18.72 million USD in total volume that year and it continued to increase year by year. Although it was also affected by the foreign currency crisis that the South faced, nonetheless, following the promotion of the sunshine policy, trade volume rose to a new height of \$400 million USD in years 2000 and 2001.

When the railway and highway projects are completed, they are expected to lower transport costs and this will in turn vitalize direct trading between the two Koreas. Moreover when the goods produced have price competitiveness, that is expected to expand the size of the trade volume.

As of end of March 2002, 166 firms are participating in inter-Korean trade, and a total of 448 items are being traded between South and North Korea.



### *Significant increase in exchanges of people*

From the outset of Kim Dae-jung administration, the government actively promoted "more contacts, dialogue, exchanges and cooperation", and as a result exchanges of people between South and North increased significantly. Particularly following the inter-Korean summit meeting, inter-Korean exchanges have been expanded in diverse areas, including athletics, academics, cultural, tourism, media, education, etc., and large scale joint events have taken place in South and North Korea.

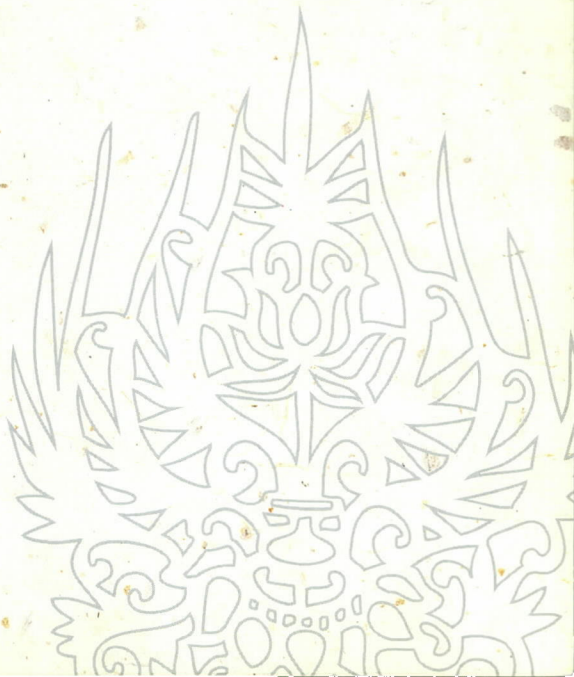
Since the beginning of the Kim administration in 1998, the number of South Koreans who have visited the North stands at 6,807 per year. The figure is 25 times the annual average between 1989 when the exchanges first began to 1997, a period of nine years prior to the current administration.

25

Aside from these visits, the number of people who have visited Mt. Geumgang of North Korea from November 18, 1998 when the tours first began to the end of April 2002 stands at 439,794 people.



*The first sail of the  
Mt. Geumgang cruiser*





## Exchanges of separated families and humanitarian assistance to North Korea

### *Resolving the issue of separated families*

Resolving the issue of separated families is one of the most fundamental humanitarian issues facing the two Koreas, and it stands as a symbol of inter-Korean reconciliation and cooperation. Considering the urgency of the issue such as the advanced age of the first generation separated family members, the South Korean government has been endeavoring to resolve the issue while giving it the highest priority in its North Korea policy.

As a result of these efforts, since the signing of the June 15 Joint Declaration, four exchange visits involving a total of 4,500 separated family members took place, 10,902 people verified the fate and addresses of their separated families and 662 people exchanged letters with their families.

The South Korean government has also been assisting private sector in its efforts to promote exchanges of separated families. Procedure to visit North Korea for such exchanges has become simplified and financial assistance have been granted. Meanwhile, to systematically and comprehensively manage information and data related to separated families, the government has found and has been operating the Information Center for Separated Families. Helped by such efforts, exchanges promoted by private sector has significantly increased compared to the past.



*A reunion by a separated family*

### *Humanitarian Assistance to North Korea by government and the private sector*

Assistance to North Korea is not only meaningful from the humanitarian perspective of helping the people of North Korea but it has a role in improving inter-Korean reconciliation and cooperation, reducing a threat of war on the Korean peninsula, and maintaining peace and stability in Northeast Asia. In short, assistance to North Korea is an investment for peace. Accordingly, the government and people of South Korea have been providing assistance to famine-stricken North Korea out of humanitarianism and fraternity toward the North.

First, the South Korean government concentrated its efforts on emergency relief and increasing agricultural production by assisting North Korea with food and fertilizer. To increase the effects of assistance, South Korea is expanding its assistance in the area of health and medicine and is gradually developing its assistance from emergency relief to more sustainable cooperation projects. Also, South Korea is actively participating in the international efforts to assist North Korea to play a role as a responsible member of the international community.

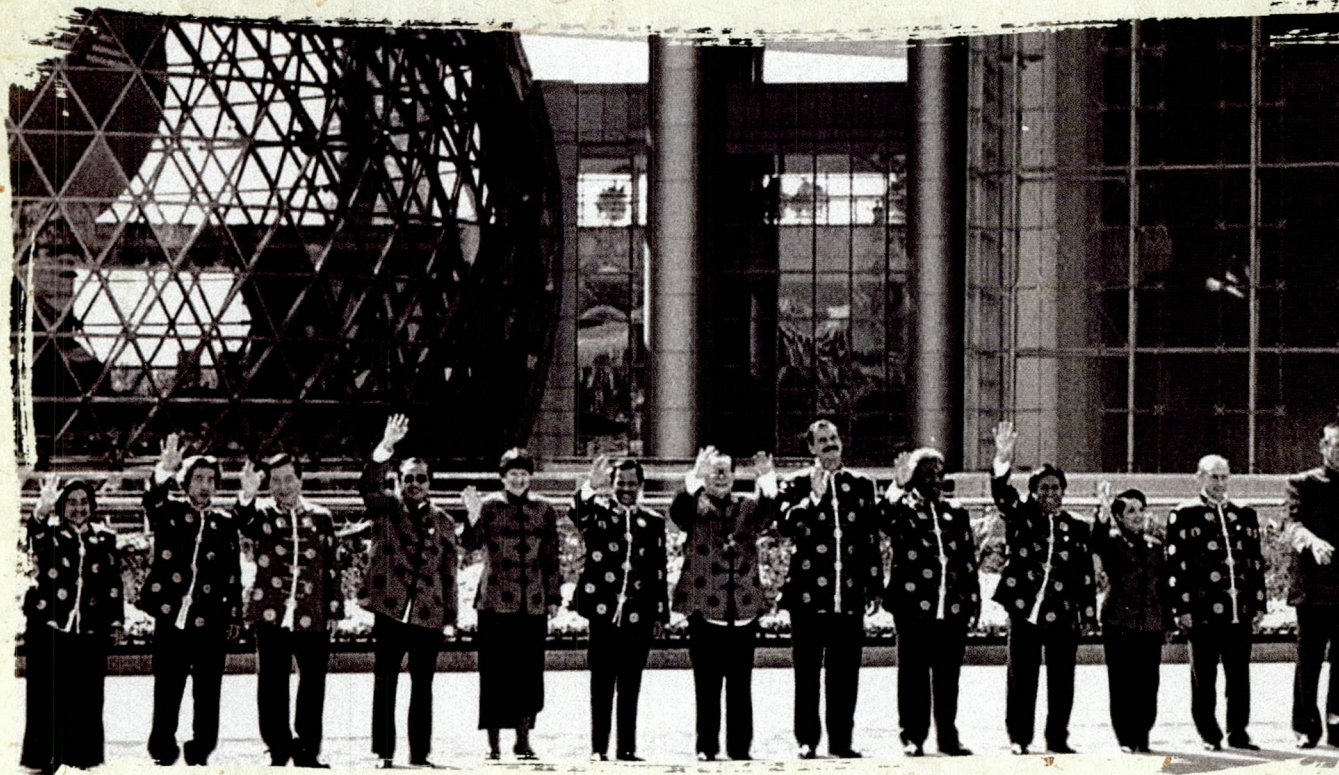
From 1998 to end of April 2002, assistance by the government and private sector combined, when calculated in dollars, was worth \$358.25 million USD. This represents 24 percent of the \$1.5 billion USD, which is the total size of assistance from the international community for that period.



*Unloading of material aid from South Korea at a North Korean port*



# What are the Remaining Tasks?



*APEC Summit Meeting in Shanghai (2001)*

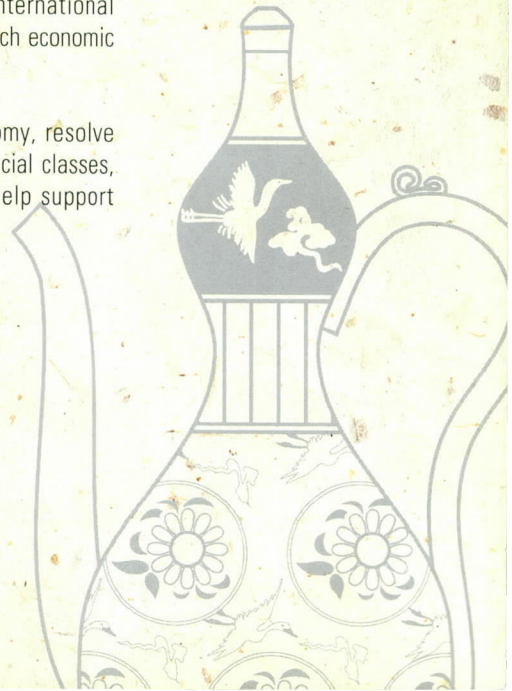
## **Establish a foundation for unification through strengthening democracy and a market economy**

Inter-Korean reconciliation and cooperation requires enormous cost and patience. The Cold War structure that surrounds the Korean peninsula has been in place for over 50 years and there has been a war as well.

Eliminating the remnants of the Cold War cannot happen overnight. It is a long term task. For this purpose the South Korean government is endeavoring to strengthen its determination to promote the vision of unification and the sunshine policy as well as build the capacity to implement them.

Currently a member of the OECD, South Korea is among the ten largest trading nations in the world; however, just a few years ago, South Korea experienced an unprecedented economic crisis amid international financial crisis. South Korea overcame the troubles but much economic restructuring still remains to be done.

South Korea will maintain its progress in market economy, resolve discords that exist among different interest groups and social classes, and continue to strengthen democracy. And this will help support successful implementation of the sunshine policy.





### **Assist North Korea to join the international community by continuing to promote the sunshine policy**

It has been only four years since the sunshine policy was promoted in earnest. As a result of the policy, inter-Korean relations progressed a great deal and North Korea is showing signs of change, but still, we have a long way to go.

As West Germany's policy toward the East produced fruits after 20 years to achieve German unification, the sunshine policy is not something that can produce results in a short period of time. Rather, it will require a great deal of effort and expense over a duration of time to gradually produce results.

Inter-Korean reconciliation and cooperation and persuading North Korea to participate in the international community must be consistently promoted. The sunshine policy will be maintained by the next administration and its implementation will continue.

### **Support and cooperation from the international community**

Establishment of peace and cooperation on the Korean peninsula cannot be realized by South and North Korea alone, but is possible through support and cooperation from the international community.

Currently, the Korean peninsula issue is directly connected to international security issues such as non-proliferation of weapons of mass destruction and the international coalition against terrorism. In addition, resolving the food crisis in North Korea is also a matter of serious interest to the international community.

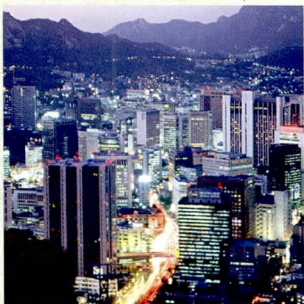


To peacefully resolve these issues, cooperation with the international community as well as fostering an environment in which North Korea can improve relations with the outside world is needed.

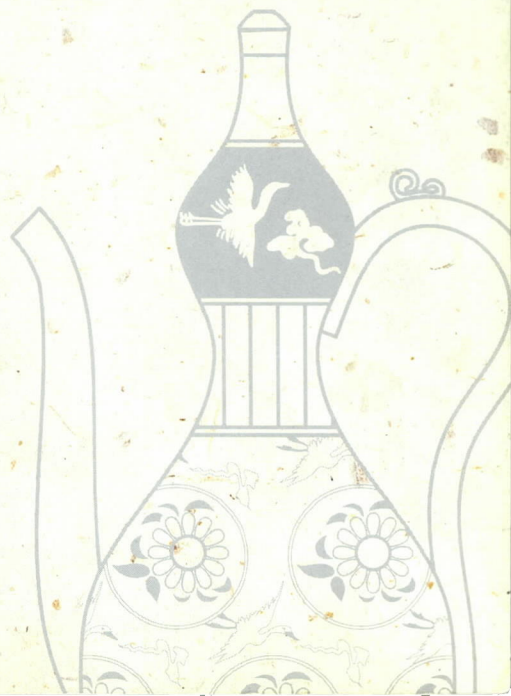
Unification of Korean peninsula will not take place overnight but will go through a difficult process of progress and setbacks. Therefore, it is important that the two Koreas take one step at a time toward being responsible members of the international community while caring for each others' benefits.

Peace does not come without a price but requires sacrifice and burdens. It will require a great effort for the Korean peninsula to take its place as Northeast Asia's "sprout of peace", and "hub of reconciliation".

We will endeavor to do our utmost to meet the historic call of achieving peace and cooperation on the Korean peninsula. We ask for active support and cooperation from the international community.



*A night view of Seoul*





*Traditional Korean folk dance*



**Sunshine Policy for Peace & Cooperation**

Published in May 2002

by Ministry of Unification, Republic of Korea

Tel. (82-2)3703-2433, Fax. (82-2)739-5047

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Planning & Design by Adone Communications



Ministry of Unification  
Republic of Korea



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