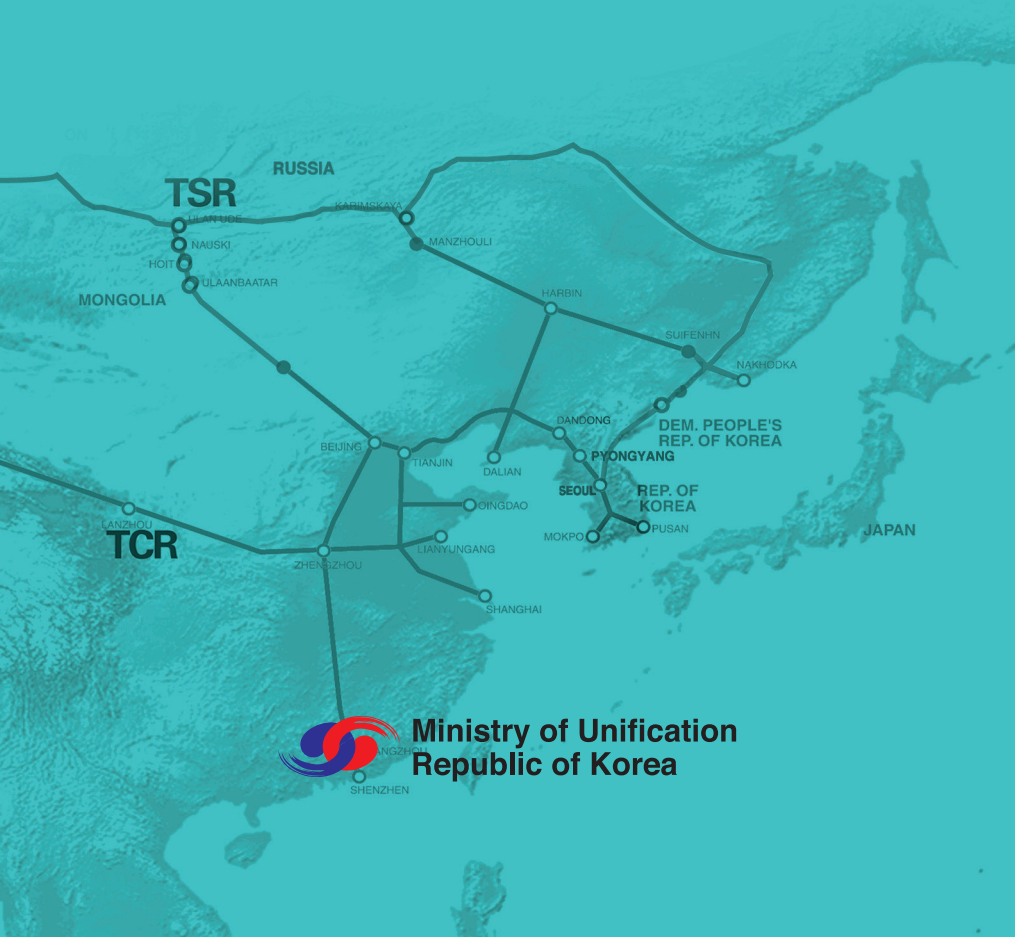


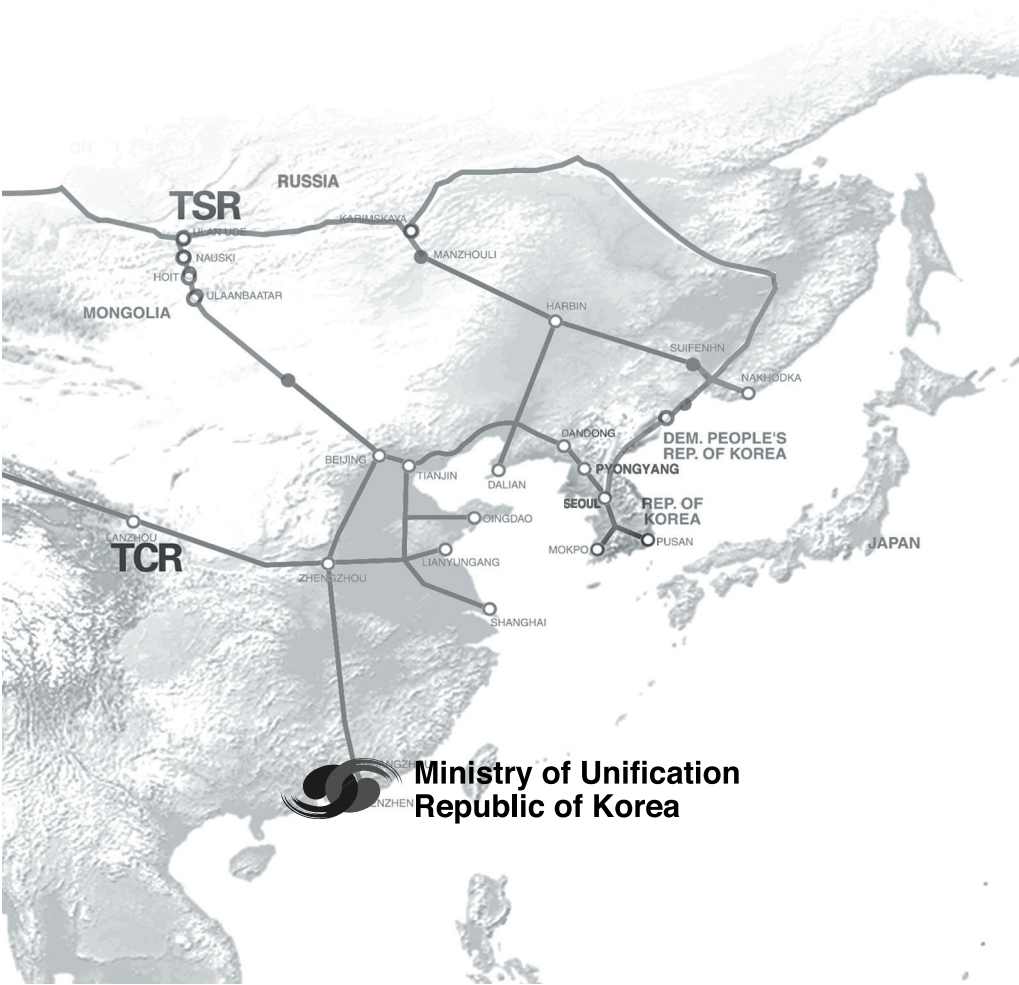


# *The Policy for Peace and Prosperity*



**Ministry of Unification  
Republic of Korea**

# The Policy for Peace and Prosperity



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**Republic of Korea**

*The Policy for Peace and Prosperity*

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Republic of Korea  
Tel. (82-2) 3703-2343~4  
E-mail : mouic@unikorea.go.kr

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# 1 *The Policy for Peace and Prosperity*

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The Policy for Peace and Prosperity is initiated from President Roh Moo-hyun's strategic vision. It aims to lay the foundation for the peaceful unification of Korea through the promotion of peace on the Korean peninsula and to achieve mutual prosperity for South and North Korea. This policy will also contribute to peace and prosperity in Northeast Asia.

In particular, it aims to resolve the pressing North Korean nuclear issue peacefully through cooperation with nations with an interest in Korea.

On this basis it advocates the establishment of a durable peace regime on the Korean peninsula by promoting substantial cooperation and military confidence-building between the two Koreas as well as by supporting the normalization of relations between North Korea and the international community, particularly the U.S. and Japan.



*In order to bring about a genuine Age of Northeast Asia, a peace regime must first be institutionalized on the Korean peninsula. It certainly is most unfortunate that the peninsula still remains the last legacy of the Cold War of the 20th century. In the 21st century, we have to change the peninsula into a land that sends out messages of peace to the world. It has to be reborn as Northeast Asia's gateway to peace that connects the Eurasian continent with the Pacific Ocean. We have to soon bring the day when passengers will be able to buy a train ticket in Busan and travel all the way to Paris in the heart of Europe via Pyongyang, Shinuiju and many other cities in China, Mongolia and Russia.*

*(From President Roh Moo-hyun's Inaugural Address, February 25, 2003, Seoul)*



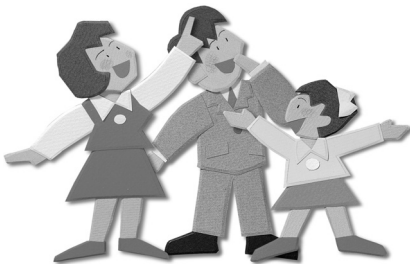
# 2 Background

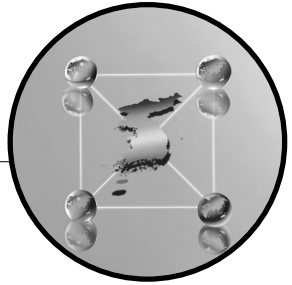
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Despite the end of the Cold War, the Korean peninsula has yet to overcome the legacy of the Cold War which has gripped it for the last five decades.

The North Korean nuclear issue attests to the fact that it is necessary to develop a well-defined strategic vision to transform the Korean peninsula from a land of conflicts and disputes into a land of peace and prosperity.

In light of the continued instability on the Korean peninsula, it is essential to develop a strategy to achieve peace and prosperity on the Korean peninsula and in Northeast Asia. It is more than evident that peace constitutes a *sine qua non* for prosperity. Prosperity allows for the reinforcement of peace.





As the cases of the North Korean nuclear issue and economic crisis show, North Korean problems have become a source of concern not only for South Korea but indeed for the entire international community.

The policy of reconciliation and cooperation promoted by the previous government has paved the way for the dismantling of the Cold War structure on the Korean peninsula and produced substantial improvements in inter-Korean relations.

The new government's Policy for Peace and Prosperity is intended to build on the progress achieved through the policy of reconciliation and cooperation.

This policy aims at balanced emphasis on between security and the economy, or between peace and prosperity.

The realization of peace and prosperity on the Korean peninsula will resolve a major security concern in Northeast Asia and eventually contribute to the promotion of peace and common prosperity in Northeast Asia as a whole.



# 3 *Goals and Guiding Principles*

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## Goals

- Promotion of peace on the Korean peninsula
- Pursuit of mutual prosperity for South and North Korea and contribution to prosperity in Northeast Asia

### *Promotion of Peace on the Korean Peninsula*

In the past era of the Cold War and mutual confrontation, South and North Korea maintained hostile relations with each other, and this remained an obstacle to reconciliation.

Nonetheless, South Korea strived earnestly to overcome the legacy of the Cold War, pursuing the policy of reconciliation and cooperation with North Korea. With the success of the historic summit meeting between South and North Korea in June 2000, a new chapter for reconciliation and peace opened in inter-Korean relations.

The Korean government will promote peace through the peaceful resolution of the current North Korean nuclear issue and the furthering of substantial cooperation and military confidence building measures between the two Koreas.



### *Pursuit of Shared-prosperity*

The vision laid out by this policy is not limited to the Korean peninsula. It is important to pursue common prosperity for the entire Northeast Asian region and indeed the world

Prosperity reinforces peace. Prosperity should be pursued on the Korean peninsula in a mutually beneficial manner. Economic development in North Korea will create conditions conducive to the deepening and widening of economic cooperation and interaction between South and North Korea.

Economic prosperity on the Korean peninsula will add greatly to economic cooperation and development in Northeast Asia as a whole. Korea's geopolitical location coupled with its well-developed and efficient infrastructure will contribute to economic development in Northeast Asia.

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## Guiding Principles

- Resolution of issues through dialogue
- Mutual trust and mutuality
- Promotion of international cooperation based on the principle of the “parties directly concerned”
- Expansion of public participation

### *Resolution of Issues through Dialogue*

Tensions have yet to be removed on the Korean peninsula because of the instability of the armistice regime and military standoff between South and North Korea.

Under these circumstances, the Korean government is of a firm belief that all issues and conflicts should be resolved peacefully through dialogue.

### *Mutual Trust and Mutuality*

The countries in the Northeast Asian region, including the two Koreas, Japan, China, Russia and the United States, differ from one another in political, economic and cultural terms and have distinct values.



In light of such differences, the Korean government seeks to promote regional peace and cooperation primarily by furthering mutual trust, recognition and understanding among the nations in the region.

It will also promote cooperation between North Korea and these countries for the sake of their mutual benefit.

***Promotion of International Cooperation Based on the Principle of the “Parties Directly Concerned”***

The Korean government will continue to adhere to the principle that Korean issues must be resolved by the parties directly concerned. South Korea will consult with North Korea on the establishment of a peace regime and creation of a South-North Korea economic community.

South Korea will also pursue cooperation with its neighboring countries and other members of the international community to realize peace and mutual prosperity on the Korean peninsula and beyond. Expanded international cooperation is a crucial factor in providing humanitarian aid and economic cooperation to North Korea.

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## *Expansion of Public Participation*

Public participation and support is one of the key elements to ensure the success of the Policy for Peace and Prosperity.

The Korean government will carry out its policies in accordance with the existing laws and regulations. It will also try its utmost to ensure transparency in the process of policy-making, policy implementation and making contact with North Korea.

At the same time it will work closely with the National Assembly and political parties to foster bipartisan cooperation.

It will enhance public participation in the policy-making and implementation process by expanding dialogue and cooperation with non-governmental organizations. Increasing education and public information campaigns will be an important component of the policy.



*I have several principles that I plan to adhere to in promoting the “Policy for Peace and Prosperity” on the Korean peninsula. First, I will try to resolve all pending issues through dialogue. Second, I will give priority to building mutual trust and upholding mutuality. Third, I will seek active international cooperation on the premise that South and North Korea are the two main actors in inter-Korean relations. And fourth, I will enhance transparency, expand citizen participation, and secure bipartisan support. I will implement my policy for peace and prosperity with the support of the general public.*

*(From President Roh Moo-hyun’s Inaugural Address,  
February 25, 2003, Seoul)*

# 4 Action Plan

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## ***Peaceful Resolution of the North Korean Nuclear Issue***

The Korean government is firmly opposed to any nuclear weapons development program by North Korea since it threatens peace and security on the Korean peninsula and in Northeast Asia and beyond, as well as the lives and safety of the 70 million Korean people.

The development of weapons of mass destruction does not serve to enhance the security and safety of North Korea.

The government is fully committed to the peaceful resolution of the issue through dialogue on the basis of national consensus and in close coordination and cooperation with the U.S., Japan and the rest of the international community.

It pledges to play an active role in pursuing the peaceful resolution of the nuclear issue since this is a matter which directly affects its national security.

It will also step up bilateral economic cooperation if North Korea resolves its nuclear and missile issues peacefully. It remains opposed to any activity which may escalate military tensions on the Korean peninsula.



## Policy on Weapons of Mass Destruction

- If North Korea resolves its nuclear and missile issues peacefully, South Korea will extend large-scale economic cooperation to Pyongyang in a timely manner.
- South Korea remains opposed to any activity that may escalate military tensions on the Korean peninsula.
- South Korea will pursue a comprehensive security policy that takes into account the positive impact inter-Korean economic cooperation will have on the promotion of peace.



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## ***Establishment of a Durable Peace Regime on the Korean Peninsula***

The establishment of a durable peace regime on the Korean peninsula entails the eventual replacement of the current armistice agreement with a peace agreement between South and North Korea. The development of inter-Korean relations, the development of North Korea's relations with the U.S. and Japan, and institutional arrangements safeguarding the security of the Korean Peninsula should also be pursued.

Once established, the peace regime will ensure peace and mutual prosperity on the Korean peninsula. It will also lay the groundwork for the development of Korea as an economic hub in Northeast Asia.

At the same time, South Korea will maintain firm defense posture to ensure peace.



## Keynotes in Policy Implementation

South Korea will

- promote international cooperation based on the principle of the “parties directly concerned”;
- pursue pragmatic diplomacy concurrently with comprehensive cooperation between South and North Korea;
- foster an environment, which will facilitate the normalization of relations between North Korea and the United States, and between North Korea and Japan;
- pursue an institutional as well as a practical guarantee for a peace regime on the Korean peninsula;
- establish a firm national defense posture to ensure a guarantee for peace;
- develop a future-oriented Korea-U.S. relationship.

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## *Implementation Strategy by Stages*

### **Stage I :** Resolution of the North Korean nuclear issues and promotion of peace

South Korea will

- endeavor to create a breakthrough for a peaceful resolution of the North Korean nuclear issue;
- continue to promote reconciliation and cooperation between South and North Korea and regularize inter-Korean military talks;
- provide a foundation for the firm establishment of peace through inter-Korean summits and other forums;
- create an environment for peace and cooperation in Northeast Asia on the basis of strengthened diplomatic capabilities;
- reach an agreement on the peaceful resolution of the North Korean nuclear issue and missile issues.

### **Stage II :** Expansion of inter-Korean cooperation and laying of the foundation for a durable peace regime

South Korea will

- undertake concrete measures for the implementation of matters agreed upon for the resolution of the North Korean nuclear and missile issues;



- deepen substantive cooperation and promote military confidence-building measures between the South and the North;
- propose and promote an initiative for a forum for peace and cooperation in Northeast Asia.

### **Stage III : Conclusion of an inter-Korean peace agreement and creation of a durable peace regime**

South Korea will

- conclude a South-North Korea peace agreement and secure guarantees for it;
- take the various necessary steps following the transition to a peace regime;
- promote the formation of an inter-Korean economic community and the reinforcement of operational arms control;
- establish a forum for peace and cooperation in Northeast Asia.

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## ***Building a Northeast Asian Economic Hub***

South Korea is more than willing to contribute to the promotion of economic cooperation in Northeast Asia. Korea's geopolitical location coupled with its well-developed infrastructure will be an important asset in enhancing cooperation among the countries in the region. Peace on the Korean peninsula and in Northeast Asia will constitute a favorable condition conducive to prosperity in Northeast Asia.





In tandem with efforts to build a peace regime, South Korea will promote the creation of an economic community on the Korean peninsula by expanding inter-Korean economic exchanges and cooperation.

Once the North Korean nuclear issue is resolved, South Korea would extend economic assistance to North Korea and pursue projects for economic cooperation, including its participation in developing special economic zones in the North. It will also encourage the international community to increase aid and cooperation to North Korea.

South Korea will take the initiative in the creation of a framework for economic cooperation in Northeast Asia. It will create a positive environment for trade, industrial, energy and financial cooperation in Northeast Asia.

South Korea's initiative to build a framework for peace and cooperation in Northeast Asia through which countries in the region can discuss issues of common interest pertinent to regional peace and prosperity will contribute to the furthering of economic cooperation among the countries in the region.

# 5 *Unique Features*

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## ***A Comprehensive Concept Encompassing Policies on Unification, National Security, and Foreign Relations***

By setting peace and prosperity as ultimate policy objectives, this policy envisages systematic coordination and harmony between all government policies on unification, national defense, and foreign policies.

The Roh Moo-hyun government is proposing North Korea policies that are more comprehensive and concrete than any of those proposed by the previous governments.

## ***Emphasis on a Balance between National Security and the Economy, or between Peace and Prosperity***

Building on the progress in inter-Korean economic cooperation, the government will also seek to promote mutual cooperation in the security area.

It will further promote economic cooperation so that the results achieved will lead to the easing of tension and building of mutual confidence in the military area.



***Promotion of Peace and Common Prosperity not only on the Korean Peninsula but in Northeast Asia as a whole.***

The government envisions the Korean peninsula in the context of Northeast Asia as a whole. With this new perspective, it will try to take a broader approach to maximize on the country's potential for development.

It will also improve inter-Korean relations and promote peace and prosperity on the Korean peninsula, thereby contributing to peace and prosperity in Northeast Asia and the international community.

***Emphasis on Creating a Domestic Foundation for Public Participation and National Consensus***

The government will implement its North Korea policies with greater transparency according to the existing laws and systems and concentrate on building national consensus by promoting public debate and active public participation.

Promoting bipartisan support, it will focus on securing broad public support for its policies toward North Korea.



# 6 *Significance and Implications*

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## ***The New Policy Asserts South Korea's Desire to End the Korean Armistice Regime and Create a Peace Regime.***

As we mark the 50th anniversary of the Korean armistice agreement, this policy expresses the resolve to replace the current armistice with an eventual peace regime in which South and North Korea take part as parties directly concerned, in effect concluding the Korean War and launching a permanent and durable peace regime on the peninsula.

This policy makes clear the plan to concentrate on resolving the North Korean nuclear issue and establish a firm peace regime, thus eliminating any security threat and possibility of war on the peninsula.



Furthermore, this policy sets the aim of promoting peace through confidence building between the militaries of the two Koreas.



## ***The New Policy Defines the Goals for Inter-Korean Cooperation***

The government will endeavor to bring about tangible results from the ongoing inter-Korean cooperative projects, including the connection of railways and roads as well as the construction of the Gaesung Industrial Complex.

In an effort to pursue common prosperity, the government will also seek to expand inter-Korean cooperation in improving North Korea's energy sector and industrial infrastructure and developing its special economic zones. The expanded cooperation will ultimately lead to the creation of an inter-Korean economic community.

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***The New Policy Makes Clear South Korea's Willingness to Contribute Toward Peace and Mutual Prosperity in Northeast Asia.***

The government envisions Korea transforming itself from a land of conflict into a hub of regional mutual prosperity in the 21st century. A peaceful Korea will serve as a bridge linking the Eurasian continent and the Pacific Ocean.

The Policy for Peace and Prosperity is an expression of its resolve to transform the Korean peninsula into a land that fosters peace in Northeast Asia. South Korea intends to play a pivotal role on the path to Northeast Asian peace and prosperity on the basis of the reinforced peace on the Korean peninsula and inter-Korean economic community.





## ***The new policy toward North Korea reinforces the sunshine policy***

The government will work to further improve the policy of reconciliation and cooperation towards the North, the engagement or sunshine policy which has successfully laid the foundation for improvements in inter-Korean relations.

It plans to improve the manner of implementation and solve various procedural problems as it continues the policy of reconciliation and cooperation.

