

Research article

# A re-examination of tourism and peace: The case of the Mt. Gungang tourism development on the Korean Peninsula

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## Abstract

Tourism can transcend governmental boundaries by bringing people closer together through the understanding of different cultures, heritages, and beliefs. Therefore, it is potentially one of the most important vehicles for promoting peace among the peoples of the world. Although previous South Korean governments have historically proposed a variety of actions to contribute to peace on the Korean Peninsula, there has been little success. However, the Mt. Gungang tourism development, the hallmark of the Sunshine Policy of former president of South Korea, Dae Jung Kim, is different from previous tourism initiatives as it has had more tangible and practical outcomes that have contributed to the promotion of peace on the divided Peninsula. To this end, the South Korean government has applied the insights of neofunctionalism to the Mt. Gungang tourism development. This is an approach to integration theory from the perspective of liberalism that has been heralded in international politics. According to this approach, it is expected that the Mt. Gungang tourism development can be used as a tool to maintain peaceful circumstances, which results in spill-over effects, enlargement of activity scopes, and a heightened level of commitment on the Korean Peninsula. The purpose of this study is to empirically test the hypothesis that the Mt. Gungang tourism development contributes to the peace of the Korean Peninsula by employing the theory of neofunctionalism. To test this hypothesis, this study proposes a Peace Index and investigates the spill-over effects by utilizing the Mt. Gungang tourism development as a test case. The results of this study indicate that the view that tourism contributes to peace is valid but tenuous since the impact of the Mt. Gungang tourism development in the promotion of peace was less significant than expected. Consequently, the results of this study also indicate that neofunctionalism, which has been developed for western political systems, needs to be re-examined when applied to the unique, dynamic, and complex political circumstances on the Korean Peninsula.

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## 1. Introduction

Imagine that you could not travel and meet your grandparents, parents, or cousins at your own will, even though you lived on the same peninsula. It is hard to imagine, but this is true in Korea. It is estimated that there are 10 million separated families due to the divisions caused by the Korean War in 1950. Koreans, who have had over 5000 years of a unique national history and a common heritage, have lived under different political systems (South Korean Democracy vs. North Korean Communism) since 1945. However, since it is the supreme goal of the South

Korean people, South Korean presidents have historically considered peaceful reunification a central national goal.

There have been different theoretical perspectives on the future possibility of reunification. Two distinct views in international politics, realism and liberalism, have influenced conceptual approaches to integration theory that can be defined as the creation of interdependence. Since the 1970s, functionalism, one of the approaches of integration theory proposed by Mitrany (1943) and redefined by Haas (1964), has been an influential theory in South Korea strategy toward North Korea to attain peace (Hong, 2005a). This theory has created the expectation of spill-over effects such as enlargement of activity scopes and heightened levels of commitment. Lindberg defined the effects as follows: “in its most general formulation,

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‘spill-over’ refers to a situation in which a given action, related to a specific goal, creates a situation in which the original goal can be assured only by taking further actions, which in turn create a further condition and a need for more action, and so forth” (Lindberg, 1963, p. 10).

To pursue peaceful circumstances by forging closer ties to the North, the “Sunshine Policy” based on functionalism and followed by neofunctionalism was promoted by former South Korean President Dae Jung Kim (Hong, 1999). Indeed, one of the major accomplishments of the Sunshine Policy has been considered to be the Mt. Gungang tourism development (Choi, 1999; Hong, 2005a; Sims, 2000), which has been compared to the *ostpolitik* of West Germany (Kindermann, 2000). The idea for the policy comes from an old fable in which the wind (power) and sun (cooperation) compete to make a man take off his jacket. The cold blowing wind only makes the man bundle up tighter while the warm sunshine compels him to take off his jacket of his own volition (Toffler, 1998). Since South Korea’s new President, Moo Hyun Roh, is continuing to pursue the Sunshine Policy, it is thought that the Mt. Gungang tourism development will continue to play an important role in promoting peaceful circumstances on the Korean Peninsula.

Although numerous claims have been made that tourism may contribute to peace (Anson, 1999; Butler & Mao, 1996; Caneday, 1991; D’Amore, 1988; Holland, 1991; Khamouna & Zeiger, 1995; Knopf, 1991; Zhuang, 1993), there are certain limitations in supporting this idea. First, there has been a lack of theoretical underpinning from other fields such as political science to support the role of tourism in the contribution to peace (Richter, 1983). Second, the role of tourism in the contribution to peace needs to be empirically analyzed more rigorously (Litvin, 1998). Therefore, the purpose of this study is to empirically test the hypothesis that the Mt. Gungang tourism development contributes to the peace of the Korean Peninsula by employing the theory of neofunctionalism. Despite the importance of the issue of tourism and peace, no previous studies have attempted to empirically test the hypothesis while also being grounded in appropriate theory. To accomplish this goal, the Mountain Gungang Peace Index was created and the spill-over effects investigated. It is also hoped that this study will contribute to the literature of tourism by re-examining whether neofunctionalism, which has been developed to describe western integration, is theoretically appropriate to describe the conditions on the Korean Peninsula.

## 2. Literature review

### 2.1. *Tourism and peace*

The two main perspectives in international politics are realism and liberalism. Realism is more pessimistic and stresses insecurity, force, and survival as the natural relations between states while liberalism is more optimistic

and stresses economic interdependence through the development of ties and contracts (Nye, 1993). Therefore, the potential for peace among states is a liberal ideal. The tourism industry has been seen as playing an integral role in the world’s quest for peace. Accordingly, tourism scholars have made efforts to maximize the role of tourism in world peace. The “International Tourism Passport to Peace” and “Peace through Tourism” were organized, in 1987 and 1990, respectively. The first global conference, “Tourism: A Vital Force for Peace” was organized in 1988 (Khamouna & Zeiger, 1995). Furthermore, tourism has repeatedly been recognized as a social force that can promote international understanding, cooperation, and global fraternity in promoting world peace (Caneday, 1991; Holland, 1991; Knopf, 1991).

Based on the common perception of the link between tourism and peace, a number of scholars have argued for a role for tourism in the promotion of peace for specific countries. The relationship of the USA and the People’s Republic of China is a good example of the contribution of tourism to world peace. D’Amore (1988) suggested that the key to a changed political relationship between the USA and the People’s Republic of China was opening travel in various forms such as conferences, sports, twinning of cities, and trade. Zhuang (1993) indicated that travel to visit families on the mainland marked the beginning of people-to-people contact between the two sides (China and Taiwan) after 38 years of separation and hostility. Furthermore, Butler and Mao (1996), who outlined the six evolutionary processes of travel patterns, suggested that as the frequency of travel increases between countries in dispute such as Korea, conditions are likely to be more conducive to peace. Finally, Anson (1999) explored the role of tourism using the example of the contested heritage of Northern Ireland and its potential contribution to community peace building as the province emerges from 30 years of conflict.

However, there is also a group of previous studies that has questioned the validity of the claim that tourism was a mediator of peace in the case of Greece vs. Turkey (Anastasopoulous, 1992), the USA vs. the former Soviet Union (Pizam, Milman, & Jafari, 1991), and Israel vs. Egypt (Milman, Reichel, & Pizam, 1990). However, these previous studies empirically analyzed the views, perceptions, or recognition of respondents rather than employing appropriate theories to claim that tourism was a mediator of peace. In addition, Litvin (1998) questions “the often-stated claim of tourism as the world’s peace industry and asks whether there exists a causal relationship between tourism and peace or simply a co-relationship with tourism as a beneficiary, and not a cause of peace” (p. 63).

In sum, the role of tourism in the promotion of peace compatible with liberalism has been supported by a number of examples such as relations between the USA and the People’s Republic of China and the People’s Republic of China and Taiwan. Although previous studies

have attempted to emphasize the role of tourism in the promotion of peace in the context of liberalism, they have been descriptive or mainly conjectural rather than empirical or analytical. In addition, there has been a group of empirical studies that questioned the validity of the role of tourism in the promotion of peace by analyzing views, perceptions, or recognition of respondents, but still not employing appropriate theory.

## 2.2. Reunification efforts and tourism initiatives

Along with the Middle East, the Korean Peninsula is in a politically precarious region that is widely considered one of the most dangerous threats to world peace. Since the Korean Peninsula was divided, South Korea has gradually attempted to reunify the Korean Peninsula by implementing various policies, as shown in Table 1. From the era of President Syng Man Rhee (1948–60) to Prime Minister Myon Chang (1960–61) South Korea was hostile toward North Korea. However, with the prevailing mood of *détente* between East and West, South Korea started a conciliatory policy toward North Korea from the administration of President Cheong Hee Park (1962–81). This atmosphere continued to the period of President Doo Hwan Chun (1982–87). President Tae Woo Rho (1988–92) then pursued one nation reunification and established momentum for Korea reunification. Representatives of both Koreas addressed the United Nations General Assembly for the first time on October 18 and 20, 1988, respectively, publicly articulating their conciliatory policies

toward each other. President Young Sam Kim (1993–97) continued a similar policy. However, the history of political negotiations seeking the peaceful reunification of the two Koreas has demonstrated that the political efforts of previous governments have not lead to substantive progress toward reunification.

Kim and Crompton (1989) suggested that South Korean governments should have understood that tourism can offer a less confrontational way of initiating closer relationships and facilitating formal political negotiations. There have been tourism initiatives as a supplement to the traditional political mechanisms for facilitating peace and reunification, however, as shown in Table 2. For example, a comprehensive set of tourism-oriented proposals was made in 1982. Joint management of homeland visits by overseas Koreans permitting them free travel to Korea and an exchange of goodwill visits are examples that were included in the proposals. However, the proposals were rejected by North Korea except for permission for a select number of people to travel to the other side, which was provided by the two Koreas in 1985. However, most of the tourism initiatives of the early 1990s were proposals or plans that were never implemented. In sum, the earlier contacts between the two regimes were arrangements of political expediency and there were no serious commitments to move toward permanent reconciliation. Consequently, the tourism initiatives did not result in great contributions to peace and were far from the desired role of providing leverage for reunification on the Korean Peninsula.

Table 1  
Past government policies and major areas of cooperation

| Government   | Policy toward North Korea   | Cooperation   |
|--|---|---|
| President Rhee, Syng Man (1948–60)<br>Prime Minister Chang, Myon (1960–61) | Three impossibilities: no recognition no interchange no negotiation | NA <sup>a</sup>   |
| President Park, Cheong Hee (1962–81)                                       | Reunification through peace   | The Red Cross Talks in 1971<br>The Communiqué of July 4, 1972   |
| President Chun, Doo Hwan (1982–87)   | Nation harmony and democratic reunification                         | NA <sup>a</sup>   |
| President Rho, Tae Woo (1988–92)   | One nation reunification  | The promise of July 7, 1988<br>Basic guideline of conciliation between North and South Korea in 1989<br>Legal establishment of conciliation between North and South Korea in 1989<br>Fundamental law establishing conciliation between North and South Korea in 1989<br>Fundamental agreement between North and South Korea in 1991 |
| President Kim, Young Sam (1993–97)   | One nation reunification  | Guidelines for economic cooperation between North and South Korea in 1998   |
| President Kim, Dae Jung (1998–2002)  | Sunshine Policy   | Promotion of economic cooperation between North and South Korea in 1998   |

Source: Adapted from Ministry of Reunification (1999).

<sup>a</sup>NA: not available.

Table 2  
Tourism initiatives between North and South Korea

| Date       | Content  |
|------------|--|
| Feb. 1982  | A comprehensive set of tourism-oriented proposals by South Korea   |
| Sept. 1985 | Travel allowance to the other side for a selected number of people   |
| Jan. 1989  | The proposal of joint development of Mt. Gungang by Chairman J.Y. Jung, Hyundai Group in South Korea                               |
| Oct. 1990  | Tentative agreement of tourism development planning for Mt. Gungang and the Demilitarized Zone (DMZ) between North and South Korea |
| Mar. 1991  | Joint participation of North and South representatives at an international tourism exhibition in Berlin, Germany                   |
| July. 1991 | The planning of joint tourism product development for foreigners and brothers abroad by North and South Korea                      |
| Mar. 1992  | The planning of tourism allowance at Mt. Baekdoo and Gungang by North Korea  |
| Apr. 1992  | The planning of group tour allowance toward North Korea by South Korea   |

Source: Adapted from Kim (1997).

### 2.3. Integration theory and the Sunshine Policy

The development of integration theory has been heralded as one of the most significant advances in contemporary political science. Lieber (1972) suggests that there are two different levels at which integration can be considered. One is national and concerns the conditions or process of integration within a single country. The other, with which we are mainly concerned here, is regional and applies to the development of integration between two or more separate countries. Functionalism is one of the approaches of integration theory developed from the political perspective of liberalism (Hong, 2005a). Functionalists insist that the economic interdependence that liberalism stresses can play an important role in maintaining peaceful circumstances in global society. Furthermore, they insist that economic interdependence should be separated from political relations. Therefore, functionalist theory has viewed depoliticization and a technical treatment of issues as the most promising route to ultimate political integration. The chief exponent of functionalism, Mitrany (1943), suggests that peaceful change comes not through a shift of national boundaries (politics) but by means of technical cooperation organized around basic functional needs such as transportation, health, cultural activities, and trade taken across them.

However, Haas (1964), who attempted to refine functionalist theory concerning integration as neofunctionalism, insists that crucial to integration is the gradual politicization of the actor's purpose, which is initially considered technical or non-controversial. Consequently, Haas insists that in contrast to Mitrany, technical

cooperation cannot bypass politics. Also central to the work of Haas is the concept of spill-over, or what Mitrany called the "doctrine of ramification". Haas suggests that decisions made in organizations at the international level may be integrative, "Earlier decisions spill-over into a new functional context, involve more and more people, call for more and more interbureaucratic contact and consultations, meeting the new problems which grow out of earlier compromises" (Haas, 1961, p. 372). Thus, there is an expansive logic and process whereby the nations upgrade their common interests such as in the political sphere.

In the case of South Korea, functionalism has been employed since the first official dialogue between North and South Korea began in 1972 (Hong, 2005a). From the 1990s, functionalism has been more focused on as the appropriate approach for the Korean Peninsula. The momentum was the integration of East and West Germany in 1990 (Kim, 1996). The Sunshine Policy, which is theoretically based on functionalism, has been applied in the Korean Peninsula since President Dae Jung Kim was inaugurated in 1998 (Hong, 2005a).

One important tenet of the Sunshine Policy is the separation of economics and politics (Hong, 1999). South Korea's Sunshine Policy of engagement with the economically embattled and reclusive North Korean state, while in many ways continuing the efforts at engagement attempted by President Dae Jung Kim's predecessors, differs from previous policies in one all-important aspect. Economic aid is not to be made conditional on political progress between the two Koreas (Foley, 2003). Although there have been serious incidents such as submarine infiltration, suspicion of nuclear development, experimental launching of missiles, and invasion of territorial waters by North Korea, the Sunshine Policy was maintained. One outcome of this consistent Sunshine Policy was the historical summit in Pyongyang in 2000 (Hong, 2005a).

In fact, President Dae Jung Kim was honored with a Nobel Peace Prize for his Sunshine Policy toward North Korea that led to a summit in Pyongyang, the Capital of North Korea with North Korea's eccentric leader, Jong Il Kim (Wehrfritz & Hirsh, 2000). However, functionalism has not been applied appropriately on the Korean Peninsula. Although economic interdependence was promoted, political and military cooperation has not been accomplished. To solve this limitation, neofunctionalism has been applied to the Sunshine Policy by emphasizing a comprehensive approach by the South Korean government. Neofunctionalism can be distinguished from functionalism by its emphasis on an all-encompassing approach where politics, diplomacy, security, and trade are comprehensively negotiated. As a result, President Dae Jung Kim insisted that a comprehensive approach is necessary to maintain permanent peaceful circumstances in the Korean Peninsula (Hong, 2002).

In sum, South Korea has devoted great efforts to keep peace on the Korean Peninsula by developing and examining alternatives and has shifted its approach toward

North Korea from functionalism (depoliticization) to neofunctionalism (a comprehensive approach). The Sunshine Policy, based on neofunctionalism, has been expected to play an important role in the promotion of peaceful relations in the Korean Peninsula. Consequently, tourism as technical cooperation is expected to be greatly accelerated in the context of this approach. According to the theory, it can be suggested that tourism as technical cooperation could result in cooperation in other areas such as politics and the military.

#### 2.4. Mt. Gungang tourism development

Mt. Gungang is located on the East coast of North Korea close to the Demilitarized Zone (DMZ). The Mt. Gungang region has a special appeal from a tourism perspective. Mt. Gungang's spectacular scenery includes numerous peaks and craggy rocks, waterfalls, and native forests. In addition, there are historic resources such as Buddhist temples and Pagodas. Mt. Gungang is a natural treasure. For example, as many as 1145 different kinds of plants and more than 1000 species of birds, animals, and insects inhabit the area (Korea Times Daily, 1998). These features appear to make the area an ideal place for tourism development.

The Mt. Gungang tourism development has been the hallmark of South Korean President Dae Jung Kim's Sunshine Policy (Choi, 1999; Hong, 2005a; Sims, 2000) and is different from previous tourism initiatives since the Mt. Gungang tourism development has had tangible results. North Korea signed a contract with South Korea's Hyundai Group, giving the latter a long-term license to develop a tourism complex at Mt. Gungang in North Korea. Hyundai Asan Corporation, a subsidiary of the Hyundai Group, has been in charge of the Mt. Gungang tourism development. Table 3 shows the history of the development.

The first tour left by cruise ship in November 1998 and was considered a significant step toward easing North–South tensions and was generally applauded. Ultimately, the Mt. Gungang region was designated as a special tourism district in 2002. Furthermore, it has been possible for tourists to travel to Mt. Gungang by land route since 2003. There are two distinct characteristics concerning the Mt. Gungang tourism development in terms of market considerations, however. First, the Mt. Gungang tourism development has required financial assistance from the public sector since the profitability is low from the viewpoint of the private sector due to the nature of business. It is interesting to note that Hyundai Asan Corporation was in poor financial condition in 2002. In exchange for opening parts of the mountain regions to tours from 1998, it had to pay 12 million dollars US per month regardless of the number of tourists. In fact, the deal was not economically feasible and was favorable to North Korea. Although Hyundai Asan Corporation negotiated to reduce the fee down to 100 US dollars per visitor in 2001, it

Table 3  
Process of Mt. Gungang tourism development from 1998 to 2003

| Year | Month | Content   |
|------|-------|---|
| 1998 | 6     | Agreement of Mt. Gungang tourism development by the inter-Korean joint venture  |
|      | 9     | Agreement to pay royalties, US\$ 12 million per month   |
|      | 11    | Start of the Mt. Gungang tour by the cruise boats Gungang and Bonglae   |
| 1999 | 1     | Opening of rest complex at Mt. Gungang  |
|      | 2     | Establishment of the Hyundai Asan Corporation and the opening of the Mt. Gungang culture center   |
|      | 5     | Starting of the cruise tour to Pungak   |
|      | 6     | Interruption of Mt. Gungang tour due to the detention of a South Korean tourist   |
|      | 8     | Reopening of Mt. Gungang tour   |
|      | 11    | Opening of Mt. Gungang spa  |
| 2000 | 5     | Completion of the pier in Gosung and restaurant at Mt. Gungang  |
|      | 10    | Opening of the floating hotel, Haeaumgang, and start of the speed cruise boat, Selbong  |
| 2001 | 3     | Death of J.Y. Jung, the founder of the Hyundai Group  |
|      | 6     | Agreement of Mt. Gungang tour by land route and the payment in proportion to the number of tourists<br>Participation in the Korea National Tourism Organization as a joint partner supporting US \$69.2 million |
| 2002 | 1     | Fund crisis at the Mt. Gungang tourism development—monthly deficits of between US \$1.54 and US \$2.31 million  |
|      | 3     | Announcement of the supporting plan for Mt. Gungang tourism development—support of subsidies ranging from US\$190 to US\$200 per person for 10.3 million citizens   |
|      | 5     | Opening of accommodations, Gungang village, spa village, and forest dome  |
|      | 11    | Announcement of the special law and appointment of Mt. Gungang as a special place   |
|      | 12    | Completion of temporary road for Mt. Gungang tour by land route   |
| 2003 | 2     | Start of Mt. Gungang tour by land route   |
|      | 4     | Interruption of Mt. Gungang tour due to SARS <sup>a</sup>   |
|      | 6     | Reopening of Mt. Gungang tour by sea route  |
|      | 8     | Death of M.J. Jung, the president of Hyundai Asan   |
|      | 12    | Opening of the Mt. Gungang pension town   |

Source: Adapted from Hyundai Asan Corporation (2003/4) and Yonhap News (1998–2003).

<sup>a</sup>SARS: Severe acute respiratory syndrome.

was still not economically feasible. Therefore, the South Korean government decided to subsidize the visitor fee for Hyundai Asan Corporation in 2002.

Secondly, the Mt. Gungang tourism development has relatively little product value. Kim and Prideaux (2006) indicated that the number of South Koreans visiting

Mt. Gungang decreased from 212,020 in 2000 to 77,683 in 2003 due to the lack of attractiveness of the price and activities. Therefore, the South Korean government aided Mt. Gungang travel costs financially to increase the numbers of visitors. The number of tourists who visited North Korea due to the Mt. Gungang tourism development has increased from 77,683 in 2003 to 272,820 in 2004 mostly due to sponsorship by the South Korean government (Hyundai Asan Corporation, 2003/4).

As South Korea’s new President, Moo Hyun Roh has shown his intention to continue the Sunshine Policy of his predecessor, now renamed the policy for Peace and Prosperity (Inter-Korean relations, 2003); it is expected that the Mt. Gungang tourism development will continue. In fact, according to the South Korean government and Hyundai Asan Corporation, the Mt. Gungang region will be developed as a leisure and entertainment place as a conduit for improved political relations between North and South Korea. Table 4 indicates the infrastructure of the Mt. Gungang tourism development by time period.

Although the Mt. Gungang tourism development has been considered important by recent and past governments, there has not been enough research on its significance. Initial research (Kim & Prideaux, 2003) focused on the role of the Mt. Gungang tourism development as a vehicle for promoting peace. They maintained that the Mt. Gungang tourism development has had two different sides: a method of reducing political tension or inadvertently becoming a vehicle for inhibiting peace if funds paid to North Korea through the Mt. Gungang tourism development are used to purchase arms to threaten South Korea. Recently, Kim and Prideaux (2006) investigated South Korean’s perceptions of the Mt. Gungang tourism development and indicated that the respondents perceived that “there is a role for tourism in developing peaceful relations between hostile nations” (Kim & Prideaux, 2006, p. 135). However, this perception has not been grounded in appropriate theory.

In summary, the Mt. Gungang tourism development, the hallmark of the Sunshine Policy, was started in 1998. It is certain that the Mt. Gungang tourism development has distinct characteristics in terms of market considerations

and will be continued in the future. Therefore, it is the time for the significance of the Mt. Gungang tourism development to be empirically analyzed employing appropriate organizing theory to investigate whether the development can promote peaceful relations.

### 3. Methodology

#### 3.1. Research design

This study was conducted using a three-step research methodology. First, based on the literature review, integration theory in political science was employed as the appropriate theoretical approach for this study. More specifically, neofunctionalism, one of the approaches of integration theory, was utilized since neofunctionalism was seen to be conceptually appropriate to investigate whether tourism can play an important role in the promotion of peace in the Korean Peninsula. Secondly, data were collected based on the event approach and investigated for reliability. Finally, the data were analyzed to empirically testify the hypothesis of the contribution of the Mt. Gungang tourism development to the peace of the Korean Peninsula. Based on the research design, a research framework was developed as shown in Fig. 1.

The theoretical underpinning is based on the work of Haas (1964) who focused much of his investigation upon Western Europe. However, Haas (1964) cautions that we should hesitate to apply the functionalist or neofunctionalist model to areas such as Latin America, the Middle East, and Southeast Asia. Therefore, the neofunctionalist model may not be entirely appropriate on the Korean Peninsula since it was designed to describe more democratic, pluralistic, and industrial settings. In addition, Haas (1964) did not specifically mention the Korean Peninsula for the question of the applicability of neofunctionalism. However, it is important to state that the South Korean government has explicitly applied a neofunctionalist perspective and this will continue to be applied on the Korean Peninsula in pursuing the Mt. Gungang tourism

Table 4  
Plan of Mt. Gungang tourism development

| Phase                       | Key details  |
|-----------------------------|--|
| The first phase (1998–2004) | Rest place, performance hall, pier facilities, spa, housing complex, floating hotel, golf course, rest complex at pier Go-Seng, sightseeing road, etc. |
| The second phase (2000–05)  | Hotel, family hotel, golf course, skiing ground, airport, light industrial complex, etc.   |
| The third phase (2006–30)   | Expansion of hotels, marine archeological museum, theme park, golf course, sports facilities, etc.   |

Source: Adapted from Hyundai Asan Corporation (2003/4).

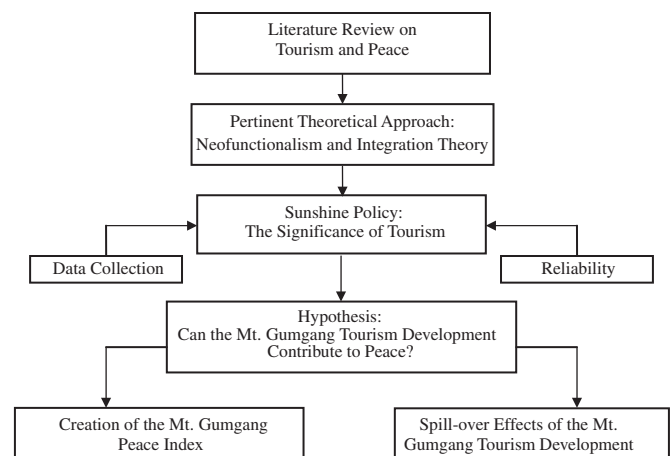


Fig. 1. Research framework.

development (Choi, 1999; Hong, 2005a; Inter-Korean relations, 2003; Sims, 2000). Furthermore, there is a lack of an alternative theory available to describe the possible outcome of the Mt. Gungang tourism development. Therefore, neofunctionalism was selected as the appropriate theory for this study.

### 3.2. Data collection

The primary datum for this study is the “event”. An event is defined as a fact that is related to the Mt. Gungang tourism development. Examples of events are the actual launch of the land route to and opening of the North and South national events at Mt. Gungang. The advantage of using event data is that by isolating specific instances of events, one can examine phenomenon more closely (Fatehi & Gupta, 1992). Consequently, information on certain patterns of evolution can be gathered through these event data. To achieve this analysis, event data in the context of the Mt. Gungang tourism development were gathered from Yonhap News, a daily newspaper in South Korea. Yonhap News is the primary source of interaction between North and South Korea since Chosun Central Communications in North Korea agreed to release information on North Korea to Yonhap News Service. For a three-month period under study Lee (2003) found that most daily domestic and major international newspapers referred to information from Yonhap News regarding interaction between North and South Korea. He concluded that Yonhap News was the major information source for interaction between North and South Korea. Table 5 shows the number of events in relation to the Mt. Gungang tourism development. The number of events has gradually increased from 1998 to 2003 (the data collection period) as indicated in Table 5.

### 3.3. Data analysis of Mt. Gungang Peace Index

The Mt. Gungang Peace Index (MGPI) was employed to investigate the hypothesis of the contribution of the Mt. Gungang tourism development to peace on the Korean Peninsula. For example, the higher the index is, the more cooperative relations between North and South Korea are,

resulting in the promotion of peace and vice versa. To create the MGPI, event data from the Mt. Gungang tourism development were analyzed in terms of the range from conflictive to cooperative dimensions of political interaction based on Azar’s (1982) Conflict and Peace Data Bank (COPDAB).

The COPDAB accumulates data to generate the indicators of conflictive and cooperative dimensions in terms of political events for about 135 countries for the period 1948–78 and can be used in the context of integration theory and neofunctionalism. Since the COPDAB data covers essentially the entire range of political relationships and they are collected systematically, and political phenomena are assessed in a consistent manner, it has been widely used for international relations research (Reuveny & Kang, 1996). For example, the weighted values of dimensions in the COPDAB data have been used in the context of the effect of political events on foreign direct investments (Schollhammer & Nigh, 1984) as well as political instability and capital flight (Fatehi & Gupta, 1992).

In this study, the weighted values of these dimensions of the COPDAB were also applied to the event data from the Mt. Gungang tourism development. For example, if an event of the Mt. Gungang tourism development was classified as a dimension of scientific agreement and cultural support, the score of the event was 14 (number of events times their weighted values) since the weighed values of the dimension of scientific agreement and cultural support is 14 from the COPDAB.

### 3.4. Contextualization of spill-over effects and data analysis

In addition, spill-over effects analysis was employed to investigate the hypothesis of the contribution of the Mt. Gungang tourism development to peace on the Korean Peninsula. This paper looked for indicators to explain the spill-over effects of the Mt. Gungang tourism development: the enlargement of activity scopes and heightened levels of commitment suggested by Schmitter (1970). In this study, the activity scopes were defined as event types based on Azar’s (1982) COPDAB, and levels of commitment were defined as Wessels’s (1997) activity authority. Consequently, event data from the Mt. Gungang development

Table 5  
Frequency of events

| Year  | Jan             | Feb             | Mar             | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Total |
|-------|-----------------|-----------------|-----------------|-----|-----|-----|-----|-----|------|-----|-----|-----|-------|
| 1998  | NA <sup>a</sup> | NA <sup>a</sup> | NA <sup>a</sup> | 2   | 3   | 5   | 7   | 8   | 10   | 7   | 4   | 8   | 54    |
| 1999  | 6               | 7               | 5               | 1   | 7   | 11  | 8   | 5   | 2    | 3   | 2   | 1   | 58    |
| 2000  | 6               | 9               | 2               | 7   | 6   | 10  | 9   | 9   | 13   | 5   | 4   | 6   | 86    |
| 2001  | 4               | 5               | 18              | 13  | 10  | 16  | 7   | 3   | 8    | 10  | 10  | 5   | 109   |
| 2002  | 7               | 6               | 6               | 17  | 7   | 10  | 9   | 16  | 25   | 10  | 8   | 10  | 131   |
| 2003  | 10              | 22              | 15              | 8   | 4   | 12  | 18  | 24  | 13   | 7   | 7   | 3   | 143   |
| Total | 33              | 49              | 46              | 48  | 37  | 64  | 58  | 65  | 71   | 42  | 35  | 33  | 581   |

<sup>a</sup>NA: not available.

were analyzed by type and activity authority to understand the pattern of spill-over effects.

It can be expected that over time, the Mt. Gungang tourism development will cause spill-over from one sphere to another and the process is one whereby North and South Korea would improve their common interests. For example, integrating one sector of economic activity will inevitably lead to the integration of another sector such as the cultural or scientific domains, or ultimately political activities under the progress of the Mt. Gungang tourism development. Consequently, it also can be expected that integration will spill-over in terms of activity authority (North or South Korea alone vs. collaboration) over time as the Mt. Gungang tourism development progresses.

### 3.5. Reliability

Cohen's (1977) Kappa ( $\kappa$ )-values were calculated to investigate the reliability of the event data from the Mt. Gungang tourism development. The researcher reviewed the data twice consecutively and calculated if the data were correctly subcategorized between the first and second review. With respect to MGPI, the  $\kappa$ -value for the dimensions of the events was 0.82. In addition, with respect to spill-over effects, the  $\kappa$ -values for the type and activity authority were 0.97 and 0.93, respectively. It can be concluded that the data of the events were very reliable as Fliess (1981) suggested a  $\kappa$ -value higher than 0.75 is regarded as excellent.

## 4. Findings and discussion

### 4.1. MGPI

Functionalism proposed by Mitrany (1943) and redefined by Haas (1964) has been a central theory in integration theory. It was expected that the Mt. Gungang tourism development can be used as a tool to attain peaceful relations resulting in spill-over effects, enlargement of activity scopes and heightened levels of commitment in the Korean Peninsula, as neofunctionalists suggest. The following section analyzes whether the Mt. Gungang tourism development contributes to promoting peace in the Korean Peninsula by empirically investigating MGPI and spill-over effects. It is interesting to note that MGPI and spill-over effects are related since the events of higher weighted values used in calculating MGPI are usually events that require higher political and commitment levels.

Based on Azar's (1982) COPDAB, Table 6 shows the dimensions, event examples, and weighted values of cooperative or conflictive events on the Mt. Gungang tourism development. Although events can be classified from voluntary unification into one nation (weighted value: 92) to extensive war acts (weighted value: -102) based on the COPDAB data, only six dimensions (four cooperative and two conflictive dimensions) out of 15 dimensions were relevant to the Mt. Gungang tourism development in this

Table 6  
Cooperative or conflictive event dimensions and their weights

| Dimension   | Event example   | Weighted scale |
|---|---|----------------|
| Non-military, economic, technological, and industrial agreement | Hyundai Asan Corporation was allowed to work in Mt. Gungang                             | 27             |
| Scientific agreement and cultural support                       | The actual launch of the land route to Mt. Gungang tour through the Donghae expressway  | 14             |
| Official verbal support of goals, values, or regime             | North Korea released a South Korean tourist after 1 week of detention                   | 10             |
| Minor official exchanges, talks, and policy expressions         | Opening of the joint international rally around 100 miles between Seoul and Mt. Gungang | 6              |
| Mild verbal expressions displaying discord in interaction       | Expulsion of a South Korean tourist by North Korea                                      | -6             |
| Strong verbal expressions displaying hostility in interaction   | Detention of a South Korean tourist due to criticism of the North Korean regime.        | -16            |

study. In fact, the dimensions found in this study reflect a lower degree of intensity.

In general, MGPI has been weakly and slowly increasing from 1998 to 2003, as shown in Table 7. However, the MGPI dropped sharply in 1999. In fact, the detention in June 1999, of a South Korean tourist who was charged with spying after she made critical remarks about North Korea's Stalinist political system, led to a halt of the tours for one and half months. Consequently, conflictive events between North and South Korea followed the detention. For example, North Korea refused to discuss the security issue of tourists visiting Mt. Gungang and did not allow a South Korean baseball team to visit Pyongyang, the capital of North Korea. This is similar to the case of the People's Republic of China and Taiwan. The positive political development attributed to increased travel exchanges between the two peoples suffered a severe setback in 1994 when 24 Taiwanese tourists were murdered at Qian Dao Lake in the People's Republic of China resulting in renewed political tension between the two governments (Yu, 1997).

Although the Mt. Gungang tourism development can be considered as good initiative in terms of technical cooperation, it was found that the impact of the Mt. Gungang tourism development did not greatly contribute to a peaceful relationship between North and South Korea. As indicated in Table 7, the average of the yearly MGPI was only 1.4. Daily MGPI was calculated by the sum of the weighted values of the dimensions corresponding to events, divided by number of events. Consequently, the monthly

Table 7  
Consequences of MGPI

| Year | Jan             | Feb             | Mar             | Apr  | May  | Jun  | Jul   | Aug  | Sept | Oct  | Nov  | Dec  | Average |
|------|-----------------|-----------------|-----------------|------|------|------|-------|------|------|------|------|------|---------|
| 1998 | NA <sup>a</sup> | NA <sup>a</sup> | NA <sup>a</sup> | 0.39 | 0.64 | 1.10 | 0.60  | 1.16 | 1.20 | 1.61 | 0.93 | 1.29 | 0.99    |
| 1999 | 0.77            | 1.64            | 0.90            | 0.20 | 0.97 | 0.60 | -0.39 | 0.97 | 0.13 | 0.58 | 0.00 | 0.19 | 0.55    |
| 2000 | 0.77            | 1.96            | 0.39            | 1.40 | 1.16 | 1.87 | 1.74  | 1.87 | 2.60 | 0.77 | 0.80 | 0.77 | 1.33    |
| 2001 | 0.77            | 1.07            | 2.71            | 1.60 | 1.94 | 3.20 | 1.36  | 0.58 | 1.60 | 1.94 | 2.00 | 0.68 | 1.60    |
| 2002 | 1.36            | 1.29            | 1.13            | 2.40 | 0.39 | 1.60 | 1.36  | 2.32 | 4.20 | 1.94 | 2.30 | 1.55 | 1.90    |
| 2003 | 1.94            | 2.50            | 2.94            | 1.33 | 0.77 | 2.00 | 3.36  | 3.32 | 3.13 | 1.48 | 1.40 | 0.58 | 2.06    |

<sup>a</sup>NA : not available.

MGPI was the averages of the daily MGPI, and yearly MGPI was the average of the monthly MGPI. There have been no significant events that can be classified as a higher degree of cooperativeness and intensity (i.e., military aid or strategic alliance) in the context of the Mt. Gungang tourism development. Therefore, at best, it can be suggested that the Mt. Gungang tourism development has, weakly and slowly, contributed to promote peace on the Korean Peninsula based on the MGPI results.

#### 4.2. Spill-over effects

In nature, the Mt. Gungang tourism development has an expansive logic which contributed to spill-over from one sector to another. Dougherty and Pfaltzgraff (1981) indicate that when examining the European integration movement in the 1960s, Haas (1964) concluded that there was some spill-over in achieving such objectives as common external tariffs, uniform rules of competition, and a freer market for foreign labor in the context of the Common Market. Furthermore, Wessels (1997) explained growing spill-over in the evolution of the European Union in terms of such patterns as scope of the enlargement of public policies, institutional growth, and procedural differentiation, as well as the involvement of intermediary groups in channels of influence.

Of relevance for understanding spill-over is enlargement of activity scopes. Based on Azar's (1982) COPDAB, Table 8 shows event type and examples. As shown in Table 9, type 2 (28%) and type 4 (44%) dominate the event types. It was expected that certain types of events would cause other types of events to happen since if certain types of events are to be retained, closer integration is required, which in turn breeds a sequence of new goals and closer integration. However, unfortunately, the events of economic relations (type 2) and cultural or scientific relations (type 4) have hardly enlarged their scopes into other types resulting in less or least frequency in certain types of events.

More specifically, Table 10 shows the examples of the enlargement of activity scopes according to each stage of the Mt. Gungang tourism development. The highlighted events motivated the following events related to the Mt. Gungang tourism development. In fact, the events showing the most initiative were economic relations (type

Table 8  
Content of event type

| Number | Event type   | Event example   |
|--------|--|---|
| 1      | Symbolic political relations                               | Discussion of Mt. Gungang tourism development at inter-Korean high level talks                                    |
| 2      | Economic relations   | Negotiation, agreement, and engagement concerning Mt. Gungang tourism development                                 |
| 3      | Military and strategic relations                           | A colonel from South Korea officially visits Mt. Gungang for the first time                                       |
| 4      | Cultural and scientific relations                          | Agreement on transportation and communications for the Mt. Gungang tourism development                            |
| 5      | Physical environment and natural resource relations        | Cooperation for protection of the natural environment such as tree-planting, and insect prevention at Mt. Gungang |
| 6      | Human environment, demographic, and ethnic affairs         | Good support in relation to Mt. Gungang tourism development   |
| 7      | Political order, political relations, and law/organization | Official permission for Mt. Gungang tourism development by government   |
| 9      | Other or residual relations                                | Opening of the North and South national events at Mt. Gungang   |

2) and cultural and scientific relations (type 4). These events were then expanded into the physical environment and natural resource relations (type 5) and human environmental, demographic, and ethnic affairs (type 6). However, these events did not expand into symbolic political relations (type 1), military and strategic relations (type 3), and political order, political relations, and law/organization (type 7). It is interesting to note that the least-frequent events (types 1, 3, and 7) are those that require high politics. These results found from Tables 9 and 10 suggest that under the progress of the Mt. Gungang tourism development, integration has not spilled-over from

Table 9  
Frequency by event type

| Event type | 1998            | 1999            | 2000            | 2001     | 2002            | 2003            | Total(%) |
|------------|-----------------|-----------------|-----------------|----------|-----------------|-----------------|----------|
| Type 1     | NA <sup>a</sup> | NA <sup>a</sup> | 1(1)            | 9(6)     | 7(4)            | 9(5)            | 26(3)    |
| Type 2     | 34(42)          | 38(44)          | 33(32)          | 35(24)   | 29(18)          | 45(25)          | 214(28)  |
| Type 3     | NA <sup>a</sup> | NA <sup>a</sup> | NA <sup>a</sup> | 1(1)     | NA <sup>a</sup> | NA <sup>a</sup> | 1(0)     |
| Type 4     | 29(36)          | 33(38)          | 58(56)          | 69(48)   | 66(41)          | 76(42)          | 331(44)  |
| Type 5     | 2(2)            | 2(2)            | 1(1)            | 3(2)     | 5(3)            | 2(1)            | 15(2)    |
| Type 6     | 8(10)           | 11(13)          | 7(7)            | 2(2)     | 21(13)          | 24(13)          | 73(10)   |
| Type 7     | 7(9)            | 2(2)            | 1(1)            | 1(1)     | 6(4)            | 3(2)            | 20(3)    |
| Type 9     | 1(1)            | 1(1)            | 2(2)            | 23(16)   | 27(17)          | 21(12)          | 75(10)   |
| Total      | 81(100)         | 87(100)         | 103(100)        | 143(100) | 161(100)        | 180(100)        | 755(100) |

$\chi^2 = 1026.426$ ,  $df = 7$ ,  $P = 0.00$ .

The numbers of event treated by two events is 27 in 1998, 29 in 1999, 17 in 2000, 34 in 2001, 30 in 2002, and 37 in 2003.

<sup>a</sup>NA: not available.

economic areas to the political sphere. North Korea may want economic benefits by technical cooperation of tourism but does not want to open its political process. Therefore, the political level has not responded to the progress of the Mt. Gungang tourism development.

In pursuing a dynamic analysis, the fundamental trends of spill-over can also be identified by level of commitment. Levels of commitment can vary depending on activity authority. Based on Wessels's (1997) activity authority classification, Table 11 shows the frequency of events by activity authority. The collaborative activities were classified into agreement, meetings, and celebrations in descending order in terms of binding force. Examples of these classifications are shown in Table 12. Celebration includes events that were temporary and friendly. Meetings include events that both North and South Korean official representatives met to discuss a particular agenda item but did not result in binding decisions. Finally, agreement includes events where binding decisions are made and tangible outcomes have resulted from the decisions.

Although it was found that the number of events by collaborative activity increased consistently and agreement (the more binding activity) outnumbered meeting and celebration (the less binding activity) as indicated in Table 11, the collaborative activity represented only 34% of total events. Furthermore, activity from South Korea (49%) was much more intensive than from North Korea (17%). These results suggest that under the progress of the Mt. Gungang tourism development, integration has not been successful in terms of the levels of commitment since a major portion of the events were not collaborative activities, and activities from North Korea were not satisfactory.

Plotted over time, the evolution of the Mt. Gungang tourism development is quite likely to be erratic and may not demonstrate spill-over well since the Mt. Gungang tourism development has not been an integration movement that has attained a certain level of activity authority and covers a sufficient variety of concerns. The scopes have not been enlarged to a political level. In addition, limited collaborative activity and lack of activity from North

Korea indicates an unsatisfactory level of commitment. Therefore, it is suggested that the evolution of the Mt. Gungang tourism development has not been spilled-over.

#### 4.3. Neofunctionalism in the context of the Korean Peninsula

In sum, the hypothesis arguing that the Mt. Gungang tourism development contributes to the peace of the Korean Peninsula is valid. However, the tenuous results of MGPI and spill-over effects require re-examination of whether neofunctionalism is the appropriate theory for understanding the Mt. Gungang tourism development. Certain circumstances should be considered when applying neofunctionalism to the Korean Peninsula. The first is whether the intensive adoption of a comprehensive approach is possible, and the second is the role of political relations with surrounding countries. There may be certain countries where the intensive adoption of a comprehensive approach is difficult or ineffective.

It is important to note that South Korea did not expect that the political level would immediately respond to the progress of the Mt. Gungang tourism development since the government insisted that economic aid through the Mt. Gungang tourism development, the hallmark of the Sunshine Policy, be separated from politics (functionalism). However, this approach may not be possible in reality. In fact, gradual politicization of the Mt. Gungang tourism development (neofunctionalism) was necessary to keep it practical. South Korea strategically provided North Korea with economic aid through the Mt. Gungang tourism development and the Mt. Gungang tourism development could be used effectively as a useful conduit for the reunion of dispersed families, investment guarantees and the prevention of double taxation through the economic cooperation council. In addition, a railroad and highway passing through the demilitarized zone for meetings of high-ranking military officers was constructed in 2000. Therefore, it can be argued that relatively less intensive adoption of a comprehensive approach may have

Table 10  
Examples of enlargement of event type

| Year | Date | Content  | Event type |
|------|------|--|------------|
| 1998 | 4.17 | Discussion of the Mt. Gungang tourism development between North Korea and South Korea  | 2, 4       |
|      | 6.13 | Exhibition and trade for products made by North Korean artists   | 2, 4       |
|      | 6.17 | Support of cattle and corn to North Korea by the Hyundai Group   | 6          |
|      | 8. 2 | Agreement of the sisterhood between Mt. Gungang of the North and Mt. Solak of the South                                      | 5          |
|      | 8. 4 | Contract for the Mt. Gungang tour project  | 2, 4       |
| 1999 | 6.21 | Detention of tourist who was charged with spying after remarking on North Korea's Stalinist political system                 | 6          |
|      | 6.22 | Interruption of Mt.Gungang tour project  | 4          |
|      | 6.23 | Declaration of stopping support if tourist detained for a long period  | 6, 7       |
|      | 6.25 | Release of a South Korean tourist by North Korea   | 6          |
|      | 7.10 | Cancellation of the basketball game for friendly relations   | 4          |
|      | 7.13 | Planning of approval of payment to North Korea after the start of the Mt. Gungang tour project                               | 2, 4       |
|      | 7.30 | Mutual consent for the personal protection of tourists   | 4, 6       |
|      | 8.5  | Reopening of Mt. Gungang tour project  | 2, 4       |
| 2000 | 4.26 | Opening of the conference to start the Mt. Gungang tourism development   | 2, 4       |
|      | 4.28 | Addition of Mt. Gungang tour to the conference   | 2, 4       |
|      | 5.19 | Agreement for Pungyang art group performances in Seoul   | 4          |
|      | 6.30 | Assignment of the Mt. Gungang area as a special economic district  | 2          |
| 2001 | 5.21 | Discussions to overcome the funding crisis of the Mt. Gungang tour project   | 2, 4       |
|      | 6.10 | Agreement of payment in proportion to the number of tourists   | 2, 4       |
|      | 6.20 | Korea National Tourism Organization participation as a joint partner   | 4          |
|      | 10.4 | Proposal of an independent organization to revitalize the Mt. Gungang tour project   | 7          |
| 2002 | 1.23 | Announcement of a plan to support the Mt. Gungang tour project by South Korea  | 1, 4       |
|      | 9.18 | Start of the road and railway connection between the two Koreas  | 4          |
| 2003 | 1.27 | Agreement of the Mt. Gungang tour land route and establishment of a meeting room for dispersed family members at Mt. Gungang | 6          |
|      | 2.14 | Start of the Mt. Gungang tour by land route  | 4          |
|      | 3.21 | Tree planting at Mt. Gungang by inter-Korea children   | 5          |
|      | 9.7  | Opening of inter-Korea national events at Mt. Gungang  | 9          |

resulted in a lower MGPI and a lack of spill-over effects since a comprehensive approach requires that political, diplomatic, security, and trade negotiations occur simultaneously.

It is worthwhile to note that it was not easy for the South Korean government to adopt a comprehensive approach intensively when it started the Sunshine Policy. North and South Korea signed an armistice after the Korean War but are still technically at war and are therefore in a state of great tension. To reduce tensions, the South Korean government recognized that the successful performance of the Mt. Gungang tourism development should bring North and South Korea closer together and build a common interest in peace (Hong, 2005a). In fact, the South Korean government expected that instead of engaging in controversies over political schemes, North and South Korea could take part in working arrangements involving the practical tasks of the Mt. Gungang tourism development. Consequently, the South Korean government expected that the cooperative level and intensity should increase incrementally.

Secondly, it can also be argued that a neofunctionalist approach alone may not be applicable on the Korean Peninsula due to the political influence of surrounding countries. Major political issues are concerns not only for North and South Korea, but also for other surrounding countries, especially the USA. North Korea's national goal has shifted from communization of the Korean Peninsula to the constitution maintenance of North Korea since the collapse of communism. From 2001, the Bush Administration initiated a hard line policy against North Korea representing its skeptical perspective on the legitimacy of North Korea (Hong, 2005b).

For example, the current Bush Administration attempted to reappraise the Geneva Agreement (focusing on nuclear safety for North Korea) and the Joint Declaration of North Korea and the USA (focusing on decreasing hostility and noninvolvement in the domestic affairs of each country) that were accomplished in the Clinton Administration. North Korea insisted that it could not continue to cooperate with South Korea and blamed the USA because of its hard line policy against North Korea. In addition, the criticisms of the Sunshine Policy from the US Congress since North Korea's behavior remains unpredictable (A president in a hurry, 2001; Inter-Korea Relations, 2000; Sunshine and Ice, 2002) affected conservatives in the South Korea National Assembly who called for the suspension of the Mt. Gungang tourism development.

In fact, both the fifth minister's class meeting (the major economic cooperation conduit) and the fourth Red Cross meeting (the major conduit of the reunion of dispersed families due to the divisions caused by the Korean War in 1950) were cancelled by North Korea in 2001. Consequently, the numbers of South Koreans visiting Mt. Gungang decreased from 212,020 in 2000 to 58,833 in 2001 (Hyundai Asan Corporation, 2003/4). In sum, there

Table 11  
Frequency by activity authority and binding force

| Authority   | 1998            | 1999            | 2000    | 2001     | 2002     | 2003     | Total(%) |
|-------------|-----------------|-----------------|---------|----------|----------|----------|----------|
| South Korea | 30(56)          | 31(54)          | 51(59)  | 54(49)   | 56(43)   | 63(44)   | 285(49)  |
| North Korea | 8(15)           | 11(19)          | 9(11)   | 20(18)   | 21(16)   | 27(19)   | 96(17)   |
| Agreement   | 12(22)          | 10(17)          | 22(26)  | 23(21)   | 38(29)   | 35(24)   | 140(24)  |
| Meeting     | 4(7)            | 6(10)           | 2(2)    | 6(6)     | 8(6)     | 12(9)    | 38(6)    |
| Celebration | NA <sup>a</sup> | NA <sup>a</sup> | 2(2)    | 6(6)     | 8(6)     | 6(4)     | 22(4)    |
| Sub-total   | 16(29)          | 16(27)          | 26(30)  | 35(33)   | 54(31)   | 53(37)   | 200(34)  |
| Total       | 54(100)         | 58(100)         | 86(100) | 109(100) | 131(100) | 143(100) | 581(100) |

$\chi^2 = 70.89$ ,  $df = 5$ ,  $P < 0.01$ .

<sup>a</sup>NA: not available.

Table 12  
Examples of collaborative activity

| Year |             | Content  |
|------|-------------|--|
| 1998 | Agreement   | Establishment of the joint venture corporation for Mt. Gungang tourism development   |
|      | Meeting     | The first discussion of Mt. Gungang tourism development between the founder of the Hyundai group, J.Y. Jung and the leader of North Korea, Il-sung Kim   |
| 1999 | Agreement   | Decision of the personal protection of tourists, tour guidelines, and the rights to use facilities   |
|      | Meeting     | The second discussion of Mt. Gungang tourism development between the founder of the Hyundai group, J.Y. Jung and the leader of North Korea, Il-sung Kim  |
| 2000 | Agreement   | Construction of accommodations at Mt. Gungang  |
|      | Meeting     | Opening of Mt. Gungang tour for foreigners<br>The third discussion of the Mt. Gungang tourism development between the founder of the Hyundai group, J.Y. Jung and the leader of North Korea, Il-sung Kim |
|      | Celebration | Sacred fire at Mt. Gungang   |
| 2001 | Agreement   | Assignment of Mt. Gungang to the tour special district, diversification of Mt. Gungang tourism development   |
|      | Meeting     | Discussion of Mt. Gungang tourism development  |
|      | Celebration | Performance of the South Korean entertainer at Mt. Gungang for the ceremony for the Mt. Gungang tourism development  |
| 2002 | Agreement   | Start of the Mt. Gungang tour land route   |
|      | Meeting     | Discussion of the road and railroad connection for the land route tour   |
|      | Celebration | Opening of the conference for reunification by children from abroad  |
| 2003 | Agreement   | Establishment of a casino and golf course and permission for fishing and swimming  |
|      | Meeting     | Discussion for activating interchange and opening inter Korean events at Mt. Gungang   |
|      | Celebration | Exhibition of the inter Korean art work at Mt. Gungang   |

may be certain limitations on the potential for technical cooperation through the Mt. Gungang tourism development to create spill-over effects and a higher MGPI. First, it was difficult to adopt a comprehensive approach at the early stage of the Mt. Gungang tourism development. Second, the relationship between North Korea and the United States can influence the course of major decisions on the Mt. Gungang tourism development. Therefore, it is suggested that the South Korean government attempt to employ a more intensive comprehensive approach while considering the delicate relationships between North Korea and the USA in pursuing the Mt. Gungang tourism development.

## 5. Conclusions

It has been argued that tourism is a positive force able to reduce tension and hostility by promoting peace in international relations. Although, there have been previous studies on tourism and peace from a liberal viewpoint, they have been descriptive or mainly conjectural rather than empirical or analytical. In addition, there have been previous empirical studies that have questioned the validity of the role of tourism in the promotion of peace by analyzing views, perceptions, or the recognition of respondents rather than employing an appropriate theory. Therefore, there has been no attempt to empirically test whether tourism contributes to peace by employing an appropriate theory. To establish this goal, this study calculated a peace index and analyzed the spill-over effects in the context of the Mt. Gungang tourism development on the Korean Peninsula. This study attempts to contribute to the development of concepts and theory in the context of tourism and political science indicating that a particular theory, neofunctionalism needs to be re-examined in the context of the Korean Peninsula.

This study found that the Mt. Gungang tourism development has only weakly and slowly contributed to peace as indicated by the MGPI. In addition, it was found that there has been an insufficient pattern of spill-over

effects through the Mt. Gungang tourism development. However, the process of economic integration did not lead to political developments. Furthermore, lack of collaborative activity and activity from North Korea indicates that the Mt. Gungang tourism development was not reinforced with deep commitment. Therefore, it can be concluded that the hypothesis that the Mt. Gungang tourism development contributes to the peace of the Korean Peninsula is valid although the contribution is not significant.

Hyundai Asan Corporation, a private company, is in charge of the Mt. Gungang tourism development. However, the government of South Korea has started to be officially involved in the Mt. Gungang tourism development since the government considers it part of a peace business that needs help from the official body to maintain peace in the Korean Peninsula (Cho, 2004). This fact indicates that it is possible to use tourism as a vehicle to lay the groundwork for a shift from inter-Korean confrontation for reconciliation and peaceful coexistence. However, to attain this goal, it is suggested that both North and South Korea, on the basis of mutual interests, adapt integrative lessons learned in one context to new situations through the Mt. Gungang tourism development. In this way, cooperation steadily increases and spill-over effects can be realized, resulting in the promotion of peace on the Korean Peninsula. However, the paradigm of neofunctionalism has not been fully applicable in the case of the Mt. Gungang tourism development since a less intensive comprehensive approach was adopted and major political issues between North and South Korea are likely to be affected by surrounding countries.

There are countries that have partitioned for a variety of reasons, including religious (India and Pakistan), ethnic (Greek and Turkish Cyprus) or political differences (North and South Vietnam or Taiwan and China). Based on the findings of this study, it may be argued that tourism can be considered as a potential activity for influencing political interactions ultimately resulting in a peaceful atmosphere in these countries. Therefore, it is worthwhile to investigate whether tourism has the ability to reduce tension and in turn influence political relations in these countries in the context of the neofunctionalist model.

For future research, it is recommended that the observation period should be long enough to more fully analyze the data. The relatively short history of the Mt. Gungang tourism development, started in 1998 may bias the conclusions of this study. In addition, a more sophisticated device needs to be developed to collect data. Although Yonhap News is the best data source available, a single source has certain limitations. For example, confidential reports from internal sources such as Hyundai Asan Corporation that may have useful information were not considered in this study. Furthermore, it should be noted that the relationship diagnosis of event consequences needs to be used with caution. It is difficult to clearly determine if there is a cause and effect relationship between the specific events of the Mt. Gungang tourism develop-

ment and if they influenced consequent unrelated events. For example, it is not certain that the revival of the Seoul-Pyongyang soccer game and the co-hosting of the Asian Games in 2014 were attributable to certain actions of the Mt. Gungang tourism development. The relationship uncertainty of event consequences may also bias the conclusions of this study since this study considered only objective events that were definitely caused by the specific events of the Mt. Gungang tourism development.

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