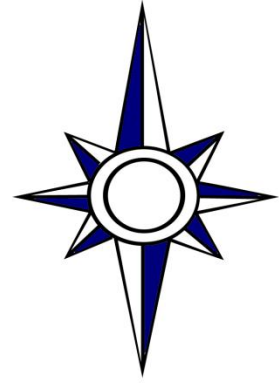


Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



South Korea-North Korea Relations: A Turning Point?

Aidan Foster-Carter
University of Leeds

Just for once, *Comparative Connections*' deadline chimed neatly with events on the Korean Peninsula. Late on the evening of Aug. 30, South Korean President Lee Myung-bak, as part of a mini-reshuffle affecting four Cabinet positions, finally replaced his long-term hard-line unification minister, former academic Hyun In-taek. With Lee's characteristic cronyism, the man nominated to replace Hyun was another of his close advisers – geography professor Yu Woo-ik, once Lee's chief of staff in the Blue House and latterly ROK ambassador to China.

Despite the usual *pro forma* insistence that this does not mean any change of policy – Hyun was retained, notionally, as a special adviser on unification – the Seoul press was unanimous that this appointment signals a shift in strategy or tactics toward the North for the final third of Lee's term of office. Elected Dec. 19, 2007 and in post since Feb. 25, 2008, Lee is restricted to a single five-year term. That stipulation in the Constitution of the Sixth Republic, promulgated with the restoration of democracy in 1987, was meant to prevent any would-be dictators from prolonging their stay in office *ad infinitum*, as military strongman Park Chung-hee (1961-79) did with his Yushin Constitution in 1972 (the Fourth Republic). But perhaps the democrats went too far. In some ways South Korea's presidency remains too strong. Thus it is the president who appoints the Cabinet, and except for the prime minister, the National Assembly's approval is not required. Yet these imperial powers last a mere five years – or in practice less, since the electoral cycle creates its own structural pressures.

In modern media-driven democracies, political campaigning has become quasi-permanent. Thus ROK presidents must struggle to avoid becoming a lame duck as their five years draw toward a close, and attention increasingly shifts to the race to succeed them. Many in Seoul favor a shift to a US-style system: presidential elections every four years instead of five, but permitting a second term so as to avoid the lame duck effect. An added advantage is that this would align presidential elections with parliamentary ones, which are on a separate four-year cycle. Such a change in theory has wide bipartisan support, and now would have been the ideal time to make the shift since next year the two elections almost coincide with parliamentary in April, followed by presidential in December. But bad blood between the two main parties – Lee's conservative ruling Grand National Party (GNP), and the liberal opposition Democrats (DP) – means that it is almost certainly too late now for this time around.

Electoral rebuff

This excursus is not a digression. For better or worse, electoral calculation was probably a major factor in Hyun's ouster and will drive whatever policy shifts may follow. The straws had been in

the wind for some time. In by-elections on April 27, the ruling party won only one of the four seats up for grabs. It was especially shocked when Sohn Hak-kyu, the moderate (indeed ex-GNP) and electable-looking newish head of the DP, snatched a seat in wealthy Bundang, just south of Seoul, which had never voted other than conservative before.

As is the way in South Korea (but emphatically not in the North), the GNP leadership fell on their swords to take responsibility for the defeat. Moreover, in electing their successors the party faithful delivered a further blow of their own to the embattled president. Repudiating his faction – or rather factions, for even Lee’s supporters were divided – on July 4, they voted for a maverick and outspoken backbencher, Hong Joon-pyo, as the party’s new chairman. Hong lost no time in distancing himself from some cherished policies (such as tax cuts) of a president whom he characterized as “good at everything ... but bad at politics.” Specifically, he called for a fresh approach to North Korea. By Aug. 29, amid rumors of an impending mini-reshuffle, Hong let it be known via a well-placed press leak that at a breakfast meeting with President Lee he had pushed “strongly” for a change of unification minister, since Hyun In-taek was so firmly identified as a hard-liner. Hyun was sacked the next day; read on.

The *Cheonan*’s legacy lingers

Also in play is the lingering legacy of last year’s twin Northern attacks on the South – sinking the corvette *Cheonan* in March and shelling Yeonpyeong Island in November. These events left Lee wounded on several fronts. Both assaults exposed failures in the ROK’s defenses. Lee’s failure to retaliate forcefully, while prudent, laid him open to charges of weakness. (Heaven help us if Pyongyang should try it a third time; it would be political suicide were Lee again to hold his fire, but a risk of national suicide if he blasts back with all barrels.)

Some also drew wider policy lessons. Many in the DP and those further left – who are not a negligible force in the ROK – blamed Lee for provoking Pyongyang by his hard line. Upon coming to office, and despite promising a pragmatic approach, Lee at once repudiated the economic cooperation agreed by his predecessor Roh Moo-hyun at the second Pyongyang summit in October 2007. In this writer’s view, as readers of past issues will know, this was regrettable since the new plans were no longer one-sided aid, but potentially win-win.

All this is of course a matter of judgment, and no excuse for the DPRK’s vile aggression. But we knew the nature of the beast of old. The question is, what works? After three and a half years, Lee Myung-bak’s strict conditionality – no serious aid unless Kim Jong Il gives up his nuclear weapons, something which almost no analyst believes he will ever really do however logical and fair in theory – has neither advanced inter-Korean relations nor rendered the peninsula a safer place. So it is hardly surprising that Lee is now rethinking his approach even if his motives – and that of his party – for doing so are more self-serving than strategic.

Below the surface

But we risk running ahead. A whole tetrameter elapsed before Lee’s U-turn, if such it be, so there are other events to record first. As always, this narrative account barely scratches the surface. I do hope that readers, even if pressed for time, will also delve into the granularity – to

use a management buzzword – afforded by the chronology. Even now, despite the poor state of inter-Korean relations in the main, below the surface all manner of varied pond life continues to dart about. For instance, it was established that North Koreans are entitled to sue in South Korean courts for their share of the inheritance of a parent who had fled to the South and remarried. That matters, both now and especially in the future.

Chronologically, in the month of May – as we now know, but didn't at the time – there was more going on than met the eye. President Lee spent a week (May 8-14) visiting Germany, Denmark, and France. In Berlin, a major theme was about sharing ideas and experience on reunification. This predictably infuriated North Korea, whose *Korean Central News Agency (KCNA)* on May 16 lambasted “traitor Lee Myung-bak” for his “daydream of ‘emerging a victor’ in the confrontation of systems.” Lee publicly invited, or perhaps challenged, Kim Jong Il to come to the second global Nuclear Security Summit (NSS), which Seoul is due to host next March. There was just one small condition: North Korea must commit itself to denuclearization and apologize for the *Cheonan* and Yeonpyeong incidents.

Begging for it?

It was hard to see this offer as serious. But in fact there was more going on below the surface. On June 1, Pyongyang chose to reveal, in detail, what had long been suspected. Despite harsh words in public, behind the scenes the two Koreas had held secret talks. Indeed, the North claimed it was the South that since April had “begged” for talks, which were eventually held in Beijing from May 9. They named the ROK officials involved as Kim Chun-sig of the Ministry of Unification's (MOU) Policy Office; Hong Chang-hwa, a director of the National Intelligence Service (NIS); and President Lee's deputy national security advisor, Kim Tae-hyo. In implicit corroboration, all three switched off their mobile phones and went to ground as soon as the story broke in Seoul, too much embarrassment all round.

The North's version, attributed to a spokesman for its National Defense Commission (NDC) – the DPRK's top executive body – was typically irate in tone. *Inter alia* it accused “the Lee Myung-bak group of traitors” of being “master hands at fabrications as they cook up lies and deny what they have done and hooligans who renege on the promises made to the nation like a pair of old shoes.” Besides the insults, it went into detail on both the niceties of discussion and what the South was allegedly seeking. By this account, Seoul wanted a form of words that it could present as an apology for the *Cheonan* and Yeonpyeong, even if Pyongyang would deny making any such apology. This would have cleared the way for a three-stage series of meetings: first at the border village of Panmunjom in late June, then in Pyongyang two months later (i.e., late August), and finally after quite a gap in Seoul in March next year when the ROK will host the second global Nuclear Security Summit (NSS).

Clearly it would be a huge coup if Kim Jong Il could be persuaded not only to come South at all, as he has never done, but to do so for the NSS where, presumably, he would renounce nuclear weapons and promise to be a good boy in the future, in exchange for a very fat check. The whole idea is so ludicrous that one can only marvel at the Lee administration's endless capacity for fantasy and self-deception in its Nordpolitik. Nothing whatever in DPRK policy suggests there was the remotest chance of Kim Jong Il doing anything of the kind. Why on earth would he

choose to boost a lame duck Southern president, when a year and a half from now the next incumbent of the Blue House will undoubtedly prove more accommodating?

A lesson from Libya

Also the timing could not have been worse. The only recent precedent for such a voluntary abjuration and surrender of WMD, which indeed used to be urged upon Kim Jong Il as an exemplar to follow, is Libya; enough said. Given the turn of events in that country weeks before the ROK's secret initiative, North Korea had not only drawn but uttered precisely the lesson one would expect them to, in this DPRK Foreign Ministry diatribe on March 22:

It was fully exposed before the world that "Libya's nuclear dismantlement" much touted by the U.S. in the past turned out to be a mode of aggression whereby the latter coaxed the former with such sweet words as "guarantee of security" and "improvement of relations" to disarm itself and then swallowed it up by force. It proved once again the truth of history that peace can be preserved only when one builds up one's own strength as long as high-handed and arbitrary practices go on in the world. The DPRK was quite just when it took the path of Songun and the military capacity for self-defence built up in this course serves as a very valuable deterrent for averting a war and defending peace and stability on the Korean Peninsula.

One does rather wonder what prompted Pyongyang to play ball at all, unless they intended all along to do the dirty and spill the beans. The latter ran to a second installment on June 9 in response to Seoul's reaction, which was not to deny the talks but to claim, *au contraire*, that it was the North which had begged for them. By now in a towering faux rage, the NDC threatened to publish transcripts to prove its version was correct. Seoul professed not to know that the talks had been recorded, yet it is hardly surprising if they were.

The North also amplified a reference in its earlier statement to the South offering "enveloped money", i.e., a bribe. (The South vaguely admitted offering to cover board and lodging costs for preliminary talks.) Such a charge is of course rank hypocrisy. Earlier North-South talks, in particular those that led to the first summit in 2000, saw Pyongyang blatantly demanding to be paid under the table. Regrettably Seoul complied, setting a bad precedent.

All this washing of dirty linen held a certain morbid fascination, but was deeply depressing. For obvious reasons, the long, if spasmodic and fraught, history of inter-Korean dialogue has always relied on preliminary secret talks to pave the way for public ones. Spilling the beans was thus a low blow indeed by the North, which duly discomfited the South just as intended. All else aside, it was dismayingly short-sighted. Landing another blow on Lee Myung-bak may have its satisfaction. However, 18 months hence a new leader will occupy the Blue House, who may well want to re-engage Pyongyang, but will now think twice, even more than one would anyway, about what basis there can be for trust. Rather than CBMs, not for the first time North Korea seems perversely to prefer CDMs: confidence-destroying measures.

A one-off nuclear discussion

If June was sordid and bad-tempered, July brought one of those brief glimpses of bluer skies, which intermittently raise spirits and hopes on the peninsula. This is a metaphor; the actual

weather was mostly unrelenting rain, culminating on July 27 in Seoul's fiercest daily downpour in history. Unusually the South's 60-odd fatalities, mostly from mudslides, may have been higher than those in the North, though the full extent of the damage there is not certain.

Five days earlier all was sunshine, at least on the sidelines of the ASEAN Regional Forum (ARF) in Bali where on July 22 the two Koreas' chief nuclear negotiators unexpectedly held a two-hour bilateral meeting. They agreed to make joint efforts to resume the Six-Party Talks (6PT) as soon as possible. Both the South's Wi Sung-lac and the North's newly appointed Ri Yong Ho – not to be confused with the vice-marshal of the same name, the most powerful man in the KPA – called their discussion serious and constructive. This was the more unexpected, in that Pyongyang normally refuses to discuss the nuclear issue with Seoul, usually insisting that its only qualified interlocutor is Washington, or at a pinch the 6PT.

Next day, North and South Korea's foreign ministers, Pak Ui Chun and Kim Sung-hwan, met too, albeit much more briefly. Momentum appeared to be building only for the Blue House to scotch it. On July 24, an ROK presidential spokesman reverted to an old tune by insisting that the North must first of all clarify its position on last year's twin attacks on the ROK, and adding, "Just because a swallow has come does not mean spring is around the corner."

The wings of a hawk clipped

And yet it was (speaking metaphorically again). August brought change, and not only at the month's end. In a little-noticed move, on Aug. 5 Suh Jae Jean failed to win a second three-year term as president of the Korea Institute for National Unification, a leading think-tank on matters Northern under MOU. A soft-spoken but firm sociologist, Suh published a book in 2009 called *The Lee Myung-bak Government's North Korea Policy: a Study on its Historical and Theoretical Foundation*. He argued that North Korea was bound to come back in from the cold because communist countries always do in the end. This argument paralleled what in Washington tends to be called "strategic patience"; the moral is stand firm, and wait.

Suh's successor at KINU, Kim Tae-woo, moved across from the Korea Institute for Defense Analyses (KIDA) where he had been vice president. It was not long before he struck a rather different note. On Aug. 30, he told the ROK news agency *Yonhap*, "It is important for the government to show more flexibility without undermining its principles." One suggestion was dialogue for its own sake, as a prelude to full-fledged talks.

Similarly, South Korea's most popular politician, and maybe its next president, weighed in a few days earlier with a carefully timed and judged article in the US journal *Foreign Affairs*. Under the title "A New Kind of Korea," Park Geun-hye, daughter of the late Park Chung-hee, essayed a delicate balancing act. While demanding that any Northern provocations be met with a firm response, her main call – complete with a new slogan, crafted for memorability – was to build 'trustpolitik' between North and South as an essential basis for progress.

Though a fellow conservative and former head of the GNP, Park has visited the North once, in 2002, when she was Kim Jong Il's dinner guest. Their fathers must have rolled in their graves. Here as elsewhere she is keen to strike a different note from and annoy Lee Myung-bak – they

remain at odds, ever since he snatched the GNP's presidential nomination from her in 2007. How far either of them will take this enmity remains to be seen; it is not certain that Lee will endorse her as his successor, so deep does factional animosity run. As noted above, electoral calculation is not the best basis on which to craft a North Korea policy. But Park, or those who advise her, must have decided it would play well now to sound a softer note. (And *a fortiori*, if the DP wins the presidency and forms the next government they will revert to some version of the old "sunshine" policy, suitably rebranded and hopefully less one-sided.)

But it now looks as if a change of course in Seoul will not have to wait for 18 months and a new president. Dumping Hyun In-taek sends its own signal, despite his nominal retention as an adviser on unification issues. Hyun had been unification minister since January 2009, a long incumbency by ROK standards. Most ministers serve less than two years, which hardly seems good for continuity. In Hyun's case, given the state of North-South relations, many had expected him to go in an earlier reshuffle in May. In a revealing vignette, credit for his survival then was claimed by Kim Jin, an editorial writer at the *JoongAng Ilbo*, a leading center-right daily. By this account, he and a group of fellow conservatives, dining with Blue House advisers on the eve of the reshuffle, persuaded them that Hyun should be retained for fear Pyongyang would read any change as a sign that Lee Myung-bak was going soft. In that case presumably the converse also applies.

A pipeline in the pipeline?

Electoral calculation apart, the main reason for a policy change of course at this juncture can be found in Kim Jong Il's latest train journey, to Russia in late August. This journal focuses on bilateral relations, but sometimes a three-way dance is the point. This is not the place for a full account of the dear leader's latest peregrinations, already well covered elsewhere – including for once by *KCNA*, which unusually reported the trip day by day rather than its customary ludicrous pretense that this wasn't happening till after it was over, as in his three recent visits to China. Perhaps Russia refused to put up with that nonsense.

The DPRK news agency chooses every word with care. One phrase it hardly ever uses is "the Republic of Korea." Searching on nk-news.net – not to be confused with nknews.org – reveals just 13 cases in 15 years. Two of these were in August, quoting Russia's President Dmitry Medvedev, who met Kim Jong Il in Ulan Ude on Aug. 24. The first came earlier, on Aug. 15, when Medvedev's congratulatory message to "Esteemed Your Excellency Kim Jong Il" for Korea's Liberation Day included the phrase, "We have willingness to boost cooperation with the DPRK in all directions of mutual concern including a three-party plan encompassing Russia, the DPRK and the Republic of Korea in the fields of gasification, energy and railway construction."

KCNA could have chosen to paraphrase this or use reported speech. The fact that instead it used South Korea's official name sends a signal. So do the three areas specified for potential three-way cooperation. In reverse order, a freight route from South Korea to Siberia and on to Europe has long been a dream for some, including the late Kim Dae-jung who dubbed this an "iron silk road." Indeed, on DJ's watch the actual lines were reconnected across the DMZ north of Seoul. But the North has let few trains run, and then only a mile or two as far as the joint venture at the Kaesong Industrial Complex (KIC). Moreover, any serious freight route would also have to spend billions upgrading North Korea's decrepit and obsolescent tracks.

As for energy, its importance for South Korea is clear from Lee Myung-bak's simultaneous travels; also to inner Asia, not far away. Kim's leisurely ground-bound trek crossed a single country – or two, if you count his transit via China on the way back. Meanwhile Lee, flying like normal leaders do, touched base with three key energy suppliers: Mongolia, Uzbekistan, and Kazakhstan, signing deals worth some \$11 billion. But the ROK's thirst is insatiable, so there was excitement in Seoul that Kim Jong Il's first stop was the vast Bureya power plant in Amur region. This plant generates more electricity than can be used locally and Moscow would like to sell some of it to either or both Korean states. Nothing specific was said about that on this occasion, but for Kim Jong Il to make that side-trip may also be a signal.

Gas, or hot air?

Above all, there is gas – or is it just hot air? The idea of a pan-peninsular gas pipeline goes back over 20 years. Hyundai's legendary founder, the northern-born Chung Ju-yung, never one to think small or short-term, suggested it in 1989 on his first visit to Pyongyang. Neither Korean state was yet ready for this, but almost two decades later in 2008 Russia's Gazprom and the ROK's KoGas signed a \$90 billion MOU for the latter to buy 30 years' worth of gas from the former. This more or less presumes a pipeline, yet puzzlingly at the time Presidents Lee and Medvedev trumpeted it as if it could somehow be a purely bilateral deal.

My fellow author in these pages, Mike Green, was recently quoted calling such a pipeline “an old Russian dream.” In 2002, Medvedev's predecessor Vladimir Putin suggested this as a solution to concerns about uranium enrichment by the DPRK. Green's view is that “Seoul would be crazy to consider it, since the North could easily use the pipeline as leverage.”

Crazy or not, some in Seoul are getting mighty excited. Perhaps predictably, they include GNP chairman Hong Joong-pyo, who has said that pipeline talks will start in November. All that Russia and North Korea have formally committed to is joint working groups; nor was it specified anywhere that these are to include South Korea. Amid feverish speculation, it may be prudent to wait until our next issue at the year's end to see whether all this is for real.

For now, the overall signals from Pyongyang are, as often, distinctly mixed. Currently all the assets that Chung Ju-yung and Hyundai poured almost a billion dollars into building at the Mt. Kungang tourist resort on the east coast are up for sale or rent, having been brazenly seized by the DPRK state as the ROK's freeze on tourism since the shooting of a tourist in July 2008 entered its fourth year. This theft will be one of the first challenges for Yu Woo-ik in his new job. The old-style Lee MB would have gone on hanging tough, and damn the consequences, which include near-bankruptcy for the hapless Hyundai Asan. But now, with Yu joining the new chorus in Seoul singing the F word – flexibility – who knows?

Chronology of North Korea-South Korea Relations May – August 2011

May 1, 2011: A “source tells *Yonhap*, South Korea’s semi-official news agency, that Kim Jong Un – third son and putative successor to North Korean leader Kim Jong Il – is behind recent attempts by Pyongyang to crack down on defections and strengthen social discipline.

May 3, 2011: South Korean prosecutors blame North Korea for a cyber-attack on April 12 which paralyzed Nonghyup, a major bank with irretrievable loss of some transaction data.

May 4, 2011: A 10-person delegation of the Jogye Order, South Korea’s largest Buddhist sect, goes to the otherwise mothballed Mt. Kungang east coast tourist resort to deliver 100,000 vermifuge tablets (a medicine for intestinal worms). The ROK government, while permitting this visit, forbids the monks to hold a joint service with Northern Buddhists.

May 6, 2011: ROK President Lee Myung-bak partially reshuffles his Cabinet. Against many expectations Hyun In-taek, unification minister since January 2009, retains his post.

May 9, 2011: North Korea tells the South it has nothing to say about the latter’s proposal for further dialogue on seismic cooperation. Seoul had proposed that they meet on May 11-13. This contact, initiated by Pyongyang in March after Japan’s earthquake, thus goes no further.

May 9, 2011: *Yonhap* reports that the Unification Ministry (MOU) has approved more non-governmental humanitarian aid to Pyongyang. Five ROK civic groups have been allowed to deliver 830 million won (\$769,000) worth of bread, soy milk, basic medical supplies and anti-malaria aid. This brings the total amount of private Southern aid to the North this year to 2.28 billion won (\$2.11 million); very meager compared to what used to be sent officially.

May 9, 2011: In Berlin, ROK President Lee invites Kim Jong Il to next March’s second Nuclear Security Summit (NSS) in Seoul, if the DPRK first commits to denuclearization. Lee and Chancellor Angela Merkel endorse a plan for Germany to share a large database on exchanges between the former two Germanys, negotiations for reunification, reconstruction of East Germany, social integration, mutual growth after reunification and estimation of unification costs. South Korea and Germany will hold an annual conference on reunification.

May 9, 2011: According to subsequent revelations by Pyongyang (see June 1), the two Koreas hold secret talks in Beijing towards a potential summit meeting.

May 10, 2011: Still in Berlin, Lee Myung-bak meets retired and current officials who were involved in Germany’s reunification, to seek advice on how to prepare for this in Korea. He tells a German newspaper: “Such a movement as the Jasmine Revolution cannot be defied... However, as North Korean society is so closed and lacks information, the Middle Eastern revolution will not have any direct impact, at least for the time being.”

May 10, 2011: An editorial writer at the *JoongAng Ilbo* (Seoul’s leading center-right daily), Kim Jin, claims that on May 3 he and some fellow-conservatives, dining with Blue House advisers,

persuaded them that Hyun In-taek should be retained as unification minister for fear that Pyongyang would read any change as a sign that Lee Myung-bak is going soft.

May 14, 2011: MOU announces that the cumulative total of North Korean defectors to the South topped 21,000 in April, and now stands at 21,165. It passed 20,000 last November.

May 16, 2011: Apropos the ROK president's recent visit to Berlin – see above, May 9 – the (North) *Korean Central News Agency (KCNA)* lambastes “traitor Lee Myung-bak” for his “daydream of ‘emerging a victor’ in the confrontation of systems.”

May 23, 2011: MOU says that South Koreans wishing to send money to their families in the North must get official approval in advance. The move draws criticism from defectors and others. It is unclear when this will take effect. Also, Southern firms doing business with the North must register; MOU says it has confirmed 580 so far, but believes there are 700-800.

May 27, 2011: A six-person team from the Council for Cooperation with North Korea, a Southern NGO, visits Kaesong for talks on aid. This is the fourth such humanitarian trip approved by MOU since it banned most Southern travel to the North in May last year.

June 1, 2011: North Korea's National Defense Commission (NDC) says that on May 9 the two Koreas held secret talks in Beijing. South Korea does not repudiate the story, but claims it was the North that took the initiative.

June 9, 2011: North Korea amplifies its account of May's secret talks, including allegations that the South tried to use a bribe. It threatens to publish transcripts of the proceedings.

June 15, 2011: *Yonhap* reports that a group of nine North Koreans defected by boat in the West (Yellow) Sea a week earlier. Next day, Unification Minister Hyun In-taek says he was not told of this and first heard of it in the media, raising doubts about coordination in Seoul.

June 22, 2011: MOU reports that as of March the Kaesong Industrial Complex (KIC) has produced a cumulative total of goods worth \$1.22 billion since it first opened in December 2004. Over 90 percent of these were sold in South Korea, with just 9 percent (worth \$110 million) exported to overseas markets such as the EU, Russia, and Australia.

June 25, 2011: To mark the 61st anniversary of the outbreak of the Korean War in 1950, activists – mainly defectors – launch five balloons carrying 100,000 propaganda leaflets, 500 dollar bills, booklets, radios and DVDs northward across the Demilitarized Zone (DMZ).

July 4, 2011: South Korea's ruling conservative Grand National Party (GNP) elects Hong Joon-pyo, a maverick back-bencher, as its new chairman. Hong soon distances himself from some of President Lee's policies, hinting at a change of course on North Korea.

July 12, 2011: In a landmark decision, Seoul Central District Court rules in favor of four DPRK siblings named Yoon who filed suit in the ROK in February 2009, claiming part of the 10 billion

won estate of their late father who went South in 1950 and died in 1987. The four children of his subsequent remarriage in South Korea had opposed their claim.

July 13, 2011: The two Koreas hold talks at Mt. Kumgang on the resort's future. No progress is made as neither side budges from their earlier entrenched positions.

July 22, 2011: The North and South Korean chief Six-Party Talks negotiators unexpectedly hold a two-hour bilateral meeting on the sidelines of the ASEAN Regional Forum (ARF) in Bali. Wi Sung-lac and Ri Yong Ho agree to make joint efforts to resume the talks as soon as possible.

July 23, 2011: Also at the ARF in Bali, the two Koreas' foreign ministers, Pak Ui Chun and Kim Sung-hwan, meet briefly but cordially.

July 24, 2011: A Blue House spokesman warns against hopes of an early breakthrough on resuming the Six-Party Talks, adding, "Just because a swallow has come does not mean spring is around the corner."

July 29, 2011: Apropos Mt. Kumgang, North Korea gives notice that "the properties of the south side would be legally dealt with according to the DPRK law and in case the enterprises of the south side do not witness the adjustment within three weeks, the former would consider that the latter totally forfeited the right to properties and strictly dispose of them."

July 31, 2011: Court officials in Seoul say further lawsuits are impending by North Koreans claiming part of the assets of fathers who have died in the South. They suspect the DPRK government may be involved, since large estates are being targeted and the plaintiffs have surprisingly detailed knowledge of these, which ordinary North Koreans could hardly gain.

Aug. 7, 2011: Kim Tae-woo, ex-vice president of the Korea Institute of Defense Analyses (KIDA), is named president of the Korean Institute for National Unification (KINU).

Aug. 11, 2011: The (South) Korea Chamber of Commerce and Industry (KCCI) hosts a symposium on preparing for unification. Cost estimates range from 55 to 249 trillion won (\$50 to 230 billion) in the first year of a unified government alone.

Aug. 15, 2011: In a very rare usage of South Korea's official name, *KCNA* prints in full Dmitry Medvedev's Liberation Day message to "Esteemed Your Excellency Kim Jong Il." The Russian president advocates "a three-party plan encompassing Russia, the DPRK and the Republic of Korea (sic) in the fields of gasification, energy and railway construction."

Aug. 18, 2011: Revising an earlier plan, the ROK Justice Ministry says it will not recognize DPRK law regarding North-South inheritance cases lest this lead to "unreasonable rulings."

Aug. 19, 2011: On the day set by the North as a deadline to resolve the Mt. Kumgang row, four Hyundai Asan officials visit the resort. No progress is made.

Aug. 20, 2011: *KCNA* reports – immediately, for once – that leader Kim Jong Il’s train has crossed the northeast border at Khasan. This is Kim’s first visit to Russia since 2002.

Aug. 21, 2011: Kim Jong Il visits a large dam and power station at Bureya in Amur region. In the past Russia has mooted selling electricity generated here to both Koreas.

Aug. 21-25, 2011: Lee Myung-bak undertakes state visits to Mongolia, Uzbekistan, and Kazakhstan. He signs energy and related accords worth \$11 billion in total.

Aug. 22, 2011: Pyongyang says it will “from now on make a real legal disposal of all the properties including real estates, equipment and vehicles of the south side in the Special Zone for International Tour of Mt. Kumgang.” It gives South Koreans 72 hours to leave.

Aug. 23, 2011: All 14 ROK workers (plus two from China) leave Mt. Kumgang ahead of the North’s deadline, leaving no South Koreans at the resort for the first time in over a decade.

Aug. 23, 2011: Park Geun-hye, the leading contender for the GNP presidential nomination in 2012, calls for “a new kind of Korea” and a fresh approach to the North based on building “trustpolitik” in an article in the September/October issue of the US journal *Foreign Affairs*.

Aug. 24, 2011: Dmitry Medvedev and Kim Jong Il meet in Ulan Ude, Siberia. They call for early resumption of the Six-Party Talks, and agree to set up working groups to look into (in *KCNA*’s words) “various fields including the issue of energy including gas and the issue of linking railways.” Moscow’s version explicitly mentions a South Korean role.

Aug. 25, 2011: The ROK convenes an inter-ministerial task force under MOU to mull legal and diplomatic measures against the DPRK over Mt. Kumgang. Unification Minister Hyun In-taek asks: “What country, what company, what person would trust and invest in North Korea after it abandoned what little trust it received?” (words as reported).

Aug. 26, 2011: Southern prosecutors release details of an ongoing spy ring probe, to counter charges that this is politically driven. They claim the alleged ringleader Kim Duk-yong met the late Kim Il Sung personally in Pyongyang in 1993, and founded a pro-North secret group called Wangjaesan. In 2005 four of the group are said to have received DPRK medals.

Aug. 26, 2011: MOU refuses a request by a special committee on inter-Korean affairs of the ROK National Assembly, which on Aug. 17 applied to visit the Kaesong Industrial Complex (KIC) at the request of Southern companies operating there. Since May 24, 2010 Seoul has let no South Koreans visit the North, except a few for business or humanitarian aid.

Aug. 27, 2011: The ROK’s liberal opposition Democratic Party (DP) calls for Minister of Unification Hyun In-taek to be sacked, calling him an obstacle to Korean reunification.

Aug. 28, 2011: Park Chol-su, the Chinese-Korean head of Taepung International Investment Group (TIIG), explains Pyongyang’s plans to turn Mt. Kumgang into an international tourist and business zone, with golf courses and casinos. A group of foreign business persons and journalists

will visit the resort by sea from Rason next week; *Yonhap* is invited, but Seoul forbids it to go. On Aug. 30 an unnamed official says the ROK will call on all countries to boycott any new tours to Mt. Kumgang.

Aug. 29, 2011: Several Seoul papers report that at a meeting with President Lee the previous day, GNP chairman Hong Joon-pyo, pushed “strongly” for a change of unification minister.

Aug. 29, 2011: The *JoongAng Ilbo* reports that at mid-August MOU had yet to hold official discussions about unification funding with the Ministry of Strategy and Finance (MOSF). MOU said the ROK’s economic difficulties made such discussions problematic. Last year MOU said an outline unification plan would be ready by this June.

Aug. 30, 2011: New KINU president Kim Tae-woo calls on South Korea to “show more flexibility” toward the North, albeit “without undermining its principles.”

Aug. 30, 2011: Lee Myung-bak reshuffles his Cabinet. The four ministers replaced include Unification Minister Hyun In-taek. He is replaced by Yu Woo-ik, Lee’s former chief of staff and later ambassador in Beijing. Hyun is made a special advisor on unification.

Aug. 30, 2011: The ROK Cabinet approves a bill that would protect North Korean residents’ rights to inherit assets from their families living in South Korea, while also strictly limiting the transfer of such assets out of the South.

Aug. 30, 2011: GNP Chairman Hong Joon-pyo says three-way gas pipeline talks will be held in November, and will “open a new chapter for inter-Korean relations.” He adds: “The GNP has been accused of being an anti-unification, warmonger group. But time has come for the party to change direction.”

Aug. 30, 2011: *Chosun Ilbo* quotes an unnamed official of the National Intelligence Service (NIS)’s National Cyber Security Center as saying that North Korea attempts as many as 250 million indiscriminate cyber-attacks on government agencies and private corporations in South Korea every day.

Aug. 31, 2011: In a letter to MOU, some 40 of the 120-odd ROK firms operating in the KIC request that debt repayments be deferred because bad inter-Korean relations have adversely impacted their businesses.

Aug. 31, 2011: *AFP* reports that an unnamed North Korean woman recently defected to South Korea to claim an inheritance from her late grandfather, who had gone South during the Korean War. She claims they had maintained contact since meeting in a family reunion, and that her grandfather regularly sent her money before he died in 2010.