

North Korea-South Korea Relations:
Symbolic Links, Real Gaps

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The most emblematic moment in inter-Korean ties during the past quarter occurred June 14. In a low-key ceremony timed to mark the third anniversary of the first North-South summit, the two sides reconnected their railway tracks in two corridors across the Demilitarized Zone (DMZ), near the west and east coasts of the Peninsula. If rejoicing was muted, this reflected not just the ongoing nuclear blight, but the fact that this relinking was so far only symbolic. On the Southern side, all is ready to roll, whereas north of the DMZ, large chunks of track have yet to be built. So the much-hyped “iron silk road,” across Siberia to Europe, will not be ready any time soon. South Korea still hopes to see the western Kyongui rail link completed this year. Yet that will depend not only on Pyongyang’s willingness to realize a project it has persistently delayed – although latterly it has seemed keener again – but (in all probability) also on developments over the nuclear issue, which continues to overshadow everything.

In that sense this rail “link” is symptomatic of the ambiguous state of inter-Korean relations currently. While the nuclear shadow has by no means ended all North-South contact – in fact there was more this quarter than in some pre-crisis periods, especially in 2001 – it inevitably colors and inhibits dialogue. Thus both ministerial and economic talks spent much time discussing this – or rather, with the South raising it and the North refusing to discuss it. In a related twist, in the first full quarter of the Roh Moo-hyun administration in South Korea Pyongyang took strong exception to the new president’s harder line after he met George W. Bush in Washington in mid-May. Inter-Korean meetings then witnessed a new sight: a tough-minded Seoul digging its heels in and demanding an apology before proceeding to business.

Official Talks: Off then On

The quarter began with North Korea in a huff. As usual, Pyongyang objected to routine U.S.-ROK military exercises. It was also riled by erroneous reports, swiftly corrected, that South Korea had raised its level of defense alert. These flimsy pretexts sufficed for the North to pull out of economic talks due in late March, plus a 10th round of ministerial dialogue scheduled for April 7-10 in Pyongyang. Yet in a U-turn on April 19, North Korea proposed holding the ministerial talks later that month; the South accepted. Cynics noted the agricultural cycle. As usual at this season, the North needed, and duly

requested, fertilizer and rice aid: 200,000 tons of the former were quickly agreed to and shipped; 400,000 tons of the latter proved more contentious, but were agreed in May, nominally on loan terms, with a 10-year grace period.

As usual, Seoul's largesse by no means guaranteed plain sailing. The ministerial (also known as Cabinet-level) talks, coming as they did just after the three-way U.S.-DPRK-PRC nuclear talks in Beijing, were extended by a day after lengthy efforts by South Korea to include that topic on the inter-Korean agenda. North Korea as ever resisted, and the eventual six-point joint statement agreed only that "the South and the North will discuss fully the other party's position regarding the nuclear issue on the Korean Peninsula and will continue to cooperate in resolving the issue peacefully through dialogue." Even that sounded hollow May 12, when North Korea declared null the 1992 North-South denuclearization agreement. Although never implemented, this treaty constituted Seoul's main legal claim to a say in this area. As usual, North Korea blamed the U.S. for reducing this "to a dead letter." Yet unilateral repudiation of an agreement freely signed will hardly encourage Washington, or anyone else, to put much faith in the nonaggression pact that Pyongyang is currently demanding with the U.S.

Economic Links: Making Tracks

Nuclear wrangling aside, the two sides agreed *inter alia* to have a further round of separated family reunions in June; to hold the next Cabinet-level talks in Seoul in July; and to "actively promote cooperative projects." To that end, a fifth meeting of the Inter-Korean Economic Cooperation Promotion Committee (ECPC), again in Pyongyang, was held in mid-May. Here too noises-off intervened, as this followed soon after Roh Moo-hyun's first visit to Washington, which saw the ROK president adopt a harder line after meeting George W. Bush. Their joint statement threatened "further steps" unless the DPRK ended its nuclear defiance.

That shift stung Pyongyang. In his keynote speech, its chief delegate to the economic talks warned that "the South side will sustain an unspeakable disaster if it turns to confrontation." That was too much for the Southern delegation, which boycotted the talks until it received a semi-apology. They then got down to business, producing a substantial seven-point agreement. Specifics included: fixing dates to rejoin railways and break ground at the planned Kaesong Industrial Complex, just north of the DMZ; joint flood control on the Imjin river before the summer monsoon season begins; full implementation of agreements and guarantees agreed at previous meetings; and the aforementioned rice aid. The next full meeting will be in Seoul in late August, with working-level talks meanwhile in either Kaesong or Munsan, as convenient.

Commuting Across the DMZ

That last clause in the agreement is in some ways the most significant. For the first time, this allows officials from each side in effect to commute across the border. Thus, for working-level talks on road and rail links, held in Kaesong June 7-9, the ROK team traveled daily from Seoul through the DMZ, returning each evening by the same route. It

is not so long since all Southern visitors to the North were forced to go the long way round, via Beijing. In early July, Northern delegates will make the reverse daily trip for a third round of road and rail talks.

As of end June, the Imjin flood control had yet to progress. Pyongyang reportedly wants 100 million trees for this; Seoul's entire reserve stock is only 2 million. But the Kaesong ground-breaking went ahead June 30 as scheduled. Here, as on the (very much related) road-rail links, excitement must be tempered with sobriety. In principle, as noted here before, this could be a growth pole on the lines of Shenzhen vis-à-vis Hong Kong: both promoting cross-border links and stimulating its own hinterland. But so far it is just a bare site, and there are many hurdles to cross. The joint statement commits both sides to "actively cooperate so the complex may enjoy international competitiveness," meaning Seoul hopes Pyongyang will not demand unrealistically high rents and wages, as has been feared. But beyond that, nuclear tensions must ease before ROK firms will commit to investing, and, perhaps, before the U.S. will allow Seoul to build the needed infrastructure. It is not clear if the Bush administration would countenance, for instance, electricity supplies for Kaesong, absent nuclear progress.

Beijing Talks: No Seoul

While April's three-way nuclear talks in Beijing between the U.S., North Korea, and China are beyond the formal scope of this article, the fact that South Korea's absence was and remains contentious is germane. Predictably, the opposition Grand National Party (GNP) and some Seoul media criticized the ROK's "exclusion" as a sign of weakness. Forced on the defensive, the new government spoke (as it tends to) with more than one voice. Thus Foreign Minister Yoon Young-kwan quoted the old Boston Tea Party slogan, "No Taxation Without Representation," to suggest that South Korea will not fund any deal to which it is not a party. This was a dig at the 1994 U.S.-DPRK Agreed Framework, where Seoul is due to pick up most of the tab (\$3.2 billion out of \$5 billion) for building North Korea's new light-water reactors (LWRs). While the fate of the LWRs and indeed of the whole KEDO (Korean Peninsula Energy Development Organization) consortium is now unclear given the nuclear crisis – Washington wants to close it all down, but both Seoul and Tokyo are against this – South Korea has already disbursed \$874 million, and is still spending \$1 million a day.

Yet President Roh, more judiciously and quite bravely, opined that holding the talks as such was more important than the exact format. Since then the U.S., which demands a multilateral forum, has insisted that South Korea and Japan be included in any subsequent round. North Korea has hinted it may accept this, if bilateral talks come first. Yet while Tokyo is keen for a seat at the table, it is not clear how actively Seoul seeks this. On June 27, *Kyodo*, citing ROK officials, reported that the allies will soon offer Pyongyang an economic and security package – if it accepts five-party talks, leading to "verifiable and irreversible" nuclear disarmament.

Fishing in Troubled Waters

On another front, the blue crab season brought the by now customary incursions by DPRK fishing boats in late May and early June across the Northern Limit Line (NLL). North Korea never formally accepted this marine border in the West (Yellow) Sea, and in recent years has intermittently challenged it. In 1999 and 2002, brief but fierce skirmishes raised tensions and led to fatalities in the Northern and Southern navies, respectively. This year both sides were more circumspect: ROK patrol boats fired warning shots, but the situation did not escalate.

Time was when fishing near the border carried further risks. South Korea accuses the North of kidnapping 486 of its citizens, mostly fishermen, in the past half century. Yet until now no ROK government has pressed this issue, nor the far larger numbers – up to 80,000 – abducted during the 1950-53 Korean War. Kim Dae-jung, in particular, was reluctant to raise human rights concerns for fear of jeopardizing “Sunshine.” In April, South Korea absented itself rather than vote on what, extraordinarily, was the first critical resolution on North Korea ever to go before the UN Commission on Human Rights. Sponsored by the EU and backed by the U.S., this cited “widespread and grave” violations. It passed by 28 votes to 10, with 14 abstentions.

On abductions, families and pressure groups have taken up the cause, inspired by Japan’s success in forcing Kim Jong-il into a confession and apology. In June, they gave a list to the DPRK mission to the UN, which refused to accept it. The ROK is almost as unwelcoming to its own. Kim Byong-do, a rare fisherman to escape after 30 years in North Korea, got no help from the ROK consulate in Shenyang, which told him to go – illicitly and riskily – to the embassy in Beijing; he reached Seoul in June. Old prisoners of war, illegally detained after 1953 until escaping decades later, have had similar short shrift. *Time* magazine spotlighted Kim’s case, which hardly redounds to Seoul’s credit. A firmer line is surely now warranted.

Family Reunions, for a Few

All Seoul has done officially is to seek to raise the abduction issue at inter-Korean Red Cross talks, but with no success so far. At the latest meeting, the South handed over a list of 225 journalists who disappeared during the Korean War; the North said it would try to determine their whereabouts. Meanwhile family reunions for a fortunate few continue. The seventh and latest round was under way at the time of writing at the North’s Mt. Kumgang resort, where a permanent center for reunions is to be built. Yet these poignant encounters themselves are anything but permanent. After half a century apart, elderly relatives get just three days together, much of it in the glare of the media, before the barriers descend again. Cruelly, no follow-up letters, phone calls, or emails are permitted, much less repeat visits.

Moreover, the 6,210 lucky ones to have enjoyed these brief reunions are but a tiny fraction, chosen by lot in the South (but by rank and loyalty in the North), of a much larger – 110,000 in South Korea alone – and rapidly aging eligible cohort. At this rate, the vast majority will die without ever seeing their loved ones. Besides being a disgraceful indictment of North Korea's inhumaneness (and the South's complaisance), these deeply inadequate rituals, like the railways linked yet unconnected, also seem emblematic of the wider state of inter-Korean ties. Three years after the Kim-Kim summit, form still predominates over substance, and real honest progress is sadly thin on the ground. It should have been better than this, and perhaps it will be: the ROK press reported June 29 that the North had accepted a Southern proposal to increase the numbers at the next reunion, in September, to 400-500 from each side, and to revert to meeting in Pyongyang and Seoul rather than at Mt. Kumgang. We live in hope.

The ships that June 27 took South Korean family members to Mt. Kumgang also marked a resumption of Hyundai's cruise tours to the resort, after a two-month suspension caused by North Korea's ultra-strict response to the SARS outbreak. ROK NGOs and other visitors were similarly excluded. (Neither Korean state has a single confirmed SARS case, although South Korea had 17 suspected ones.) Having sustained heavy losses on these tours even in better days due to the huge fees it paid Pyongyang, Hyundai will be glad of their reinstatement – and gladder still if and when a far cheaper overland route reopens in July. Hyundai also hopes eventually to profit from the Kaesong zone, originally one of its projects; although the group's financial straits have since brought in the parastatal Korea Land Corp (Koland) as a dominant partner.

Cash for Peace: Another Long Shadow

However idealistic the dreams of Hyundai's northern-born founder, the late Chung Ju-yung, the negative side of its role as a North-South intermediary has damaged more than just the group itself. The so-called "cash for peace" scandal, discussed in previous articles, came to a head June 25 when special counsel Song Doo-hwan concluded his investigation. (He had wanted extra time, but Roh Moo-hyun refused, to the anger of the GNP.) Song found that the Kim Dae-jung government had indeed secretly sent \$100 million to North Korea shortly before the June 2000 Pyongyang summit; so Kim Jong-il was in effect paid to hold what had been hailed as a great political breakthrough. But Song accepted that a further \$400 million also sent by the Hyundai group was a fee for business projects, as Hyundai had claimed.

This is by no means the end of the affair. Although the ailing Kim Dae-jung himself was not questioned, two of his closest aides will now go on trial. Park Jie-won, the ex-culture minister who played a key role in setting up the summit, was detained June 18; he is charged with abuse of power in pressing state-owned Korea Development Bank (KDB) to loan Hyundai the money, and with taking a \$12 million bribe from Hyundai. Also indicted, but without being arrested, was Lim Dong-won who, successively head of the National Intelligence Service (NIS) and unification minister, was the main architect of Kim's "Sunshine" policy. Others charged are Chung Mong-hun, who heads what is left of the Hyundai group, and five others.

Despite Song Doo-hwan's plea for an end to political wrangling over this affair, it will prove divisive at three levels: within the ROK ruling party, split as it is into Kim and Roh factions; between the two main parties in Seoul; and most relevantly here, between North and South. The DPRK has all along vented its anger at the airing of these matters, and will not be pleased when they come to trial in the months ahead. Yet to anyone more concerned with substance than face, confirmation that the 2000 summit was, in effect, bought must leave a sour taste, suggesting it was more a staged photo-opportunity than a real breakthrough, and portraying Kim Jong-il as cynically on the make rather than genuinely seeking peace and reconciliation.

Which Way Roh?

Along with the nuclear issue, the "cash for peace" scandal also sets limits to Roh's future *nordpolitik*. Though elected on a platform of continued or even enhanced "Sunshine," not to mention suspicion of Washington, he now has scant incentive to look soft on Kim Jong-il. Pressure from Bush aside, next year Roh faces National Assembly elections and needs to put together a winning coalition. The GNP's choice on June 26 of a hardline conservative, Choe Byung-yul – nicknamed Choetler, after Hitler – as its new leader may leave Roh the middle ground where he can advocate a moderate but less one-sided version of "Sunshine." While that is probably overdue, it must be hoped that Roh will not zigzag between hard and soft lines, as did the ROK's penultimate president, Kim Young-sam (1993-98), who was criticized as *naengtang ontang* (blowing hot and cold) for his ever erratic policy toward Pyongyang.

Sticky Olive Branches Ahead?

North Korea's own policy, for its part, is already erratic enough. Recent Seoul press reports suggest that, despite its initial criticisms of Roh Moo-hyun, North Korea is looking to Seoul for help in wriggling out of the box that it sees the U.S. as trying to hem it into. Unification Ministry officials said in late June that Pyongyang is now pushing actively for joint projects, such as family reunions and the Kaesong Industrial Zone. The latter got its much-delayed groundbreaking ceremony June 30, followed in July by reopening of a now rebuilt cross-border road near the east coast to the Mt. Kumgang resort.

But after long experience of North Korea's *naengtang ontang*, Seoul would be wise not to hold its breath: Pyongyang can just as quickly switch off its enthusiasm again. Kim Jong-il may try to split his foes. For instance, Kaesong gives Seoul the dilemma of how far to invest in this (or cross-border trains) as a step to peace, even if the nuclear issue remains unresolved. With the Bush administration seemingly moving toward a policy of squeezing Pyongyang into compliance, this is a step in the opposite direction – if arguably a better bet than painting Kim Jong-il into a corner. At all events, as ever inter-Korean relations will not be free to develop in a vacuum. For better or worse, wider strategic issues and other great power interlocutors will call most of the shots.

Chronology of North Korea-South Korea Relations April-June 2003

April 5, 2003: Yang Hyong-sop, vice chairman of the Presidium of North Korea's Supreme People's Assembly (SPA), calls for more North-South exchanges at a meeting to celebrate the 10th anniversary of Kim Il-sung's 10-point program for great national unity. He also calls on South Korea to "separate from foreign forces" and end joint military exercises with the U.S.

April 6, 2003: Secretariat of the North's Committee for the Peaceful Unification of the Fatherland (CPRF) condemns South Korean National Assembly recommendation that Seoul should consider economic sanctions over the nuclear issue, calling it a "plain provocation."

April 6, 2003: Three members of a Northern family defect by boat to the South, the first such case via the East Sea (Sea of Japan).

April 7, 2003: The date for the start of the 10th inter-Korean ministerial-level talks in Pyongyang passes. North Korea had not replied to the South's messages about this.

April 8, 2003: South Korean Unification Minister Jeong Se-hyun says the North has asked for 100 million trees to prevent flooding of the Imjin river, which flows from north to south.

April 16, 2003: The ROK Unification Ministry says that inter-Korean trade in the first quarter rose 45.6 percent year-on-year to \$128 million. Southern imports of \$57.43 million were mainly textiles and agro-fisheries, while exports of \$70.75 million were mostly steel and machinery.

April 16, 2003: The ROK absents itself from the UN Commission on Human Rights to avoid voting on an EU-sponsored, U.S.-backed resolution condemning North Korea for "widespread and grave" human rights abuses. The resolution passes by 28 votes to 10, with 14 abstentions.

April 17, 2003: South Korea's Red Cross says its Northern counterpart has asked for rice and fertilizer aid.

April 19, 2003: North Korea proposes that the 10th round of inter-Korean ministerial talks be held in Pyongyang April 27-29. South Korea accepts.

April 23, 2003: ROK Unification Ministry reports that inter-Korean shipping rose 23.6 percent year-on-year in the first quarter, with 430 trips: 179 northbound and 251 southbound. Total volume was a modest 94,298 tons, up 29 percent from last year.

April 24, 2003: The ROK Unification Ministry says that South Korea will soon send 100,000 tons of maize (corn) to North Korea, via the UN World Food Program.

April 26, 2003: North Korea suspends Hyundai's cruise tours to Mt. Kumgang, ostensibly as part of its quarantine measures against SARS.

April 27, 2003: The 10th inter-Korean ministerial-level talks open in Pyongyang. Initial sessions are largely taken up with wrangling over the nuclear issue.

April 30, 2003: Ministerial talks in Pyongyang end, a day later than scheduled. A six-point joint statement agrees on various joint projects. Though not formally listed, North Korea reportedly agrees to participate in the Daegu Universiade games in August.

May 1, 2003: The ROK's Buddhist Order Association and the DPRK's Buddhist Federation adopt a joint ceremonial statement to be read at all Buddhist temples across the Peninsula on Buddha's Birthday (May 8).

May 2, 2003: South Korea decides to send 200,000 tons of fertilizer aid to the North, valued at \$55 million. This is finally approved on May 16, for delivery within 40 days.

May 2, 2003: Korea Research Institute for Strategy estimates ROK military capability at about two-thirds of the DPRK's. The South leads in quality, the North in quantity.

May 9, 2003: Kotra, the ROK trade-investment promotion agency, reports that in 2002 South Korea overtook Japan to become North Korea's no. 2 trade partner, after China. Japan-DPRK trade fell 22 percent to \$366 million, while inter-Korean trade rose 59 percent to \$642 million.

May 12, 2003: North Korea announces that it regards the 1992 inter-Korean agreement on denuclearization of the Peninsula as nullified, putting the blame on hostile U.S. policies.

May 15, 2003: Jang Ung, a DPRK member of the International Olympic Committee, says the two Koreas could field a unified team at next year's summer Olympics in Athens, if the ROK bid to host the 2010 winter Olympics at Pyongchang succeeds.

May 16, 2003: Senior ROK military officer claims that North Korea is training computer hackers to reinforce its "cyber terror capabilities."

May 17, 2003: The ROK independent counsel into Hyundai's payments to North Korea reports that \$200 million was sent one day before the June 2000 inter-Korean summit.

May 19, 2003: The fifth meeting of the Inter-Korean Economic Cooperation Promotion Committee opens in Pyongyang.

May 20, 2003: North Korea says the South "will sustain an unspeakable disaster if it turns to confrontation." The ROK delegation boycotts the Pyongyang talks until it gets an apology.

May 23, 2003: The fifth meeting of the Inter-Korean Economic Cooperation Promotion Committee closes in Pyongyang. A seven-point joint statement calls for projects to be expedited, and agrees that the South will send the North 400,000 tons of rice as a “loan.”

May 27, 2003: South Korea warns the North to avoid “unnecessary tensions,” after DPRK crab fishing boats cross the Northern Limit Line (NLL) for a third successive day. North Korea does not accept the NLL. Last year a firefright in this area killed six ROK navymen.

May 27, 2003: Seoul warns that rice aid will be in jeopardy if Northern threats continue.

June 1, 2003: ROK Navy fires nine warning shots at three DPRK fishing boats for violating the NLL. Four boats again cross the line the next day.

June 4, 2003: South Korea warns that it may seize Northern fishing boats if they go on crossing the NLL and ignore warning shots. Soon after, violations cease.

June 7-9, 2003: Working-level road and rail talks are held in Kaesong. For the first time, the Southern delegation commutes daily by road across the DMZ through the Kyongui corridor.

June 8, 2003: ROK NGOs try to hand over lists of kidnapped South Koreans to the DPRK mission at the UN, but are rebuffed. They claim that over 80,000 South Koreans were taken to the North during the 1950-53 Korean War, and a further 486 since 1953.

June 12, 2003: North Korea accuses South Korean Navy of repeatedly intruding into its territorial waters and warns them not to misjudge the DPRK’s self-restraint.

June 14, 2003: The ROK and DPRK Red Cross organizations agree to hold a seventh round of separated family reunions at Mt. Kumgang June 27-July 2.

June 15, 2003: A “grand festival for national reunification” in Pyongyang marks the third anniversary of the Inter-Korean Joint Declaration, warning South Korea against “cooperating with outsiders in their anti-DPRK racket.” No commemoration is held in Seoul.

June 18, 2003: Park Jie-won, former ROK culture minister and once the closest aide of ex-President Kim Dae-jung, is jailed pending trial on charges of bribery and abuse of office in connection with the “cash for summit” allegations.

June 19, 2003: South Korea hints that it may allow ex-party secretary Hwang Jang-yop, the highest level DPRK defector and an outspoken critic of Kim Jong-il, to accept an invitation to speak in the U.S. The previous ROK government had refused this.

June 21, 2003: Up to 100,000 ROK veterans and others demonstrate in Seoul against North Korea's nuclear threat. They burn a DPRK flag and a large portrait of Kim Jong-il.

June 21, 2003: The South's Inter-Korean Exchange and Cooperation Promotion Council approves spending 167.6 billion won (\$141 million) from the inter-Korean cooperation fund to finance 400,000 tons of rice for North Korea, at an agreed unit price of \$265 per ton.

June 23, 2003: ROK President Roh rejects request by independent counsel Song Doo-hwan to extend by a month his probe into the "cash for summit" allegations.

June 25, 2003: Independent counsel Song finds that the ROK government illicitly sent \$100 million to North Korea before the June 2000 summit. Eight persons will face trial for this, including the chairman of Hyundai and two key aides of ex-President Kim Dae-jung.

June 26, 2003: South Korea's main opposition Grand National Party (GNP), which controls Parliament, chooses staunch conservative Choe Byung-yul as its leader.

June 26, 2003: Pyongyang warns GNP that further investigations of Hyundai's payments to North Korea risk driving North-South relations "to a catastrophic phase."

June 27, 2003: A seventh round of family reunions begins at Mt. Kumgang, with 110 South Koreans meeting 217 of their Northern kin. Another group of some 400 South Koreans will visit Mt. Kumgang June 30-July 2, to be reunited with 100 relatives from North Korea.

June 27, 2003: Hyundai's cruise tours to Mt. Kumgang resume after a two-month suspension.

June 27, 2003: 13 North Korean defectors arrive in Seoul from Thailand, where they had been under ROK embassy protection.

June 28, 2003: South Korea announces that Northern delegates will commute daily via the DMZ for a third round of road and rail talks, to be held in Paju near the DMZ July 2-4.

June 30, 2003: Ground-breaking ceremony held for the Kaesong Industrial Zone, adjacent to the DMZ and 78 km northwest of Seoul.