

North Korea-South Korea Relations:
Will All Things Go Well?
Ups and Downs in the New Inter-Korean Normality

by Aidan Foster-Carter,
Leeds University

“All things will go well.” Thus Song Ho-kyong, vice-chair of North Korea’s Asia-Pacific Peace Committee (APPC), stated on March 24. Song was in Seoul leading a four-member group of condolence, with a personal message from DPRK leader Kim Jong-il and a wreath two meters high, for the late Chung Ju-yung. The Hyundai group’s redoubtable Northern-born founder did more than anyone to bring about the new inter-Korean peace process, which Song’s presence in Seoul--once unprecedented, yet now almost unremarkable--symbolized. It was hard not to ponder how all things might have got better sooner, back in July 1994, had then president Kim Young-sam--now a loose cannon on the right fringe of South Korean politics trying to block Kim Jong-il’s not yet fixed visit to Seoul, but then on the brink of meeting Kim Il-sung--been bold and imaginative enough to seize the time and invite himself to the Great Leader’s funeral.

Moments of mourning, with their aura of solemn sympathy, offer political opportunity. Song Ho-kyong spent just six hours in Seoul, flying in and out within the day. Yet this helped ease the sour taste left March 13, when North Korea pulled out of the fifth round of inter-ministerial talks the very day they were due to start. Even if, as widely surmised, this was aimed more at the new Bush administration in the U.S.--a source of concern in Seoul and Pyongyang alike--such rudeness was a slap for ROK President Kim Dae-jung and a blow to sunshine. But North Korea will not soon give up unpredictability as a ploy. To appear irrational can be very rational, albeit risky.

Song’s visit and optimism were more than welcome, as a now cash-strapped Hyundai seeks to halve the \$12 million monthly fee for its politically pioneering but economically loss-making tours to Mount Kumgang. But Pyongyang was reluctant even to discuss any cut in this key flow of hard currency. On April 1, with Hyundai having paid only \$2 million in February and nothing in March, Seoul looked poised to step in and subsidize the tours as it had hitherto refused to do. The timing is significant. As the quarter closed, with Red Cross talks set for April 3-5 likely to be postponed and harsh Northern criticism of comments by the newly appointed ROK defense minister, there were fears of a new chill in North-South relations. Seoul made light of it, noting that Pyongyang was busy with its parliament meeting on April 5 and Kim Jong-il was expected in Moscow on April 17-18. Still, it seemed likely that for the coming weeks, maybe months, North Korea would take out its anger at the Bush administration on South Korea.

Yet where in the past Pyongyang might have broken off all contact, that is now most unlikely. It is more a case of ups and downs. In that sense, last year's summit ushered in a new phase. North-South ties are no longer exceptional but normal, hardly a day now goes by now without some contact. They are also many-sided, with the old state monopoly healthily privatized and expanded. Southern businesses, civic groups, and individuals are largely free to pursue their own agendas (unless political) regardless of government. This ensures the new peace process is organic and irreversible, no longer a trickle from a single tap that either state can turn on or off at will. Tracking the process now entails tracing and evaluating many and varied layers of public and private interaction--not all visible and not progressing at equal speeds. This is new.

Starting Keen, in Theory

The overall mood as of early April was more sombre than at the start of the quarter. North Korea began the year in January with strongly worded declarations of fidelity to the North-South joint declaration, calls for its rapid implementation, and a flurry of specific proposals in fields ranging from fisheries to taekwondo. Coinciding with Kim Jong-il's business-oriented visit to Shanghai, and aphorisms from the Dear Leader calling for new thinking, all this raised hopes in Seoul of moving swiftly to a new phase of more substantive agreements.

Not for the first time that vista proved elusive. Cabinet-level talks, since the summit the main steering mechanism of dialogue, shifted from a near monthly to a quarterly schedule as it was expected that various substantive sub-dialogues would take off. North Korea's cancellation in March meant the quarter had no meetings at this level; while working-level talks failed to produce results. Several of the latter had an economic focus. An agreement reached in late December on economic cooperation needed fine-tuning. Documents were at last exchanged in February. The next test is that of practice, on matters like investment protection and dispute resolution.

More detailed economic talks mostly foundered on what seemed a quixotic demand by North Korea for 500,000 kilowatts of electricity, right now. South Korea reasonably pointed out that this is impossible technically and suggested joint survey teams. Any such provision would also have implications for Korean Peninsula Energy Development Organization (KEDO), which in any case will face harsher scrutiny from a Republican U.S. administration and Congress. Yet Pyongyang at times threatened not to discuss any other agenda unless it was given power at once. Urgent as its needs are, this is no way to move forward. And its all too frequent habit of calling off talks at the last minute, as occurred on January 26, is no remedy.

Later talks in February ended without agreement, as did separate discussions later that month on an issue raised by Seoul, flood control on the Imjin river, which flows North-South. In late March, there were worries that a new Northern hydro-electric power plant on the river was lowering water levels in the South. Fisheries talks too have not progressed. And there is still no sign of an elite Northern economic inspection team--to

be led by Kim Jong-il's sister Kim Kyong-hui, party director for light industry--whose visit has been anticipated since last fall.

Business: Mixed Signals

As for the private sector, the North-South economic deal did not open any quick floodgates. Inter-Korean trade actually fell 31 percent year on year in the first two months of 2001, to \$37 million. A main reason was Pyongyang's perverse boycott for two months of the main shipping line on the Incheon-Nampo route, almost driving it and several small firms involved in processing-on-commission trade into bankruptcy. Except Hyundai, no big *chaebol* has yet gone North on any scale. But in one sector there is new enthusiasm. Several small Southern firms recently announced joint ventures in information technology (IT), computing, telecommunication, and the like in Pyongyang (in one case, Sinuiju). Also planned is an IT university in Pyongyang--a joint venture between the North's education ministry and Christian groups in the South. As ever, one waits to see how many of these projects actually come to fruition. In a cautionary note, the Southern telecom company Hanaro is still waiting to start production at its factory in Pyongyang due to power outages.

Larger projects are in the works. By far the most important, not only for business, is Hyundai's planned vast industrial estate near Kaesong, close to the DMZ. If this comes off, its location will make it to Seoul as Shenzhen is to Hong Kong, both a cross-border bridge and a growth pole to its own hinterland. Militarily, if the DMZ starts to become a front door it will *eo ipso* be less of a front line, even if Pyongyang remains reluctant to discuss security issues as such. But will Kaesong happen? Hyundai's dire finances mean it cannot afford to build it; but a state firm, Koland, has bought into the project and may *de facto* take charge. So it is now up to North Korea to open the border: both for construction, which has yet to begin, and for the tourism to Kaesong itself (an ancient capital) which Hyundai was also promised, and which, unlike its Kumgang-san cruises, should be a money-spinner. The Korean People's Army (KPA) must have been aghast when Kim Jong-il offered Kaesong, and resistance to actually delivering is to be expected.

Railways: Not Making Tracks?

Not coincidentally, the one track (the word is apt) of North-South interaction run by the KPA, namely the project to restore road and rail links across the DMZ, is currently stalled. After Korean winter stopped play, the ROK army resumed work in March. While mines are being cleared south of the DMZ, the KPA has done no more than pitch camp and clear some scrub. Formalities are also held up. On February 8, the two sides agreed on detailed procedures for work within the DMZ; yet as of early April the North had yet to return the papers duly signed by its defense minister. This delay makes September's target for completion now unrealistic, and must raise questions as to how far the KPA is truly committed to this endeavour.

No Security, Yet

A gaping hole in the new peace process is any direct discussion of peace *per se*. Hopes raised when DPRK and ROK defense ministers met in September remain on hold. They have not met since, while in working talks the North will only discuss railways (see above). Security issues on the Peninsula being multilateral, there is an endemic question of who should talk what with whom; the advent of the Bush administration will not hasten progress. Formally South Korea is committed to resuming Four-Party Talks (DPRK, ROK, PRC, and U.S.), but there is no sign of this happening currently.

Once again, the latest events are discouraging. One issue is the North's anger at being designated as "main enemy" in the South's defense white paper. Pyongyang's fierce criticism of remarks by Seoul's newly appointed defense minister in late March--since the summit it had reined in such once routine diatribes against Seoul--suggests that a second defense ministers' meeting will not happen soon. On the allied side, at the end of March a manifest gap in evaluation between Seoul and United States Forces Korea (USFK) on trends on the ground at the DMZ (the U.S. worries that Northern forces are being beefed up) was seized on by the opposition Grand National Party (GNP) to accuse Kim Dae-jung's government of deliberately downplaying the Northern threat. Such quarrels must be settled, or patched up, before the allies would be in any position to demand real security negotiations.

Family Reunions: Too Little, Too Late?

The humanitarian front saw some progress. Limited family reunions, arranged by the two sides' Red Cross Organizations, are now semi-institutionalized. After two rounds in 2000, a third was held in February. The formula was as before. A select 100 from each side--the South's elderly and chosen by lot, the North's elite figures and somewhat younger--flew to the other's capital (not home towns), where in designated public places (not homes) they met for a few days with long-lost relatives; parting with no certainty of any future contact, even by letter. Separately, on March 15 a first batch of 300 letters in each direction between separated families was exchanged at Panmunjom--the first private mail ever to cross the DMZ. Those writing to the North were told they would not receive replies.

It is unclear how this process will develop. While any such contact initially seemed progress, as it is routinized, the limitations become more jarring. At this rate, most of those old enough to have relatives they once knew on the other side will be dead before their turn comes round. Seoul is pressing for freer and wider meetings, and a permanent reunion site at Panmunjom. Pyongyang counter-proposed Kumgang-san, but may prefer to continue with one-off meetings. Again, while letters as such are a breakthrough, letters with no reply are a cruel half-measure. There is potential for future conflict, with Southern opinion demanding more while Northern authorities fear the impact of opening the floodgates on their hitherto largely closed society. Defectors say the impact in the North has indeed been subversive, with resentment over the selection process and the enforced "donation" to the state of private gifts from Southern kin who are visibly

prospering. No further exchanges are yet scheduled; indeed as of April 2, the two Red Crosses' own next meeting, due on April 3-5, was expected to be postponed.

Human Rights: A Growing Concern

Another looming problem area is North Korean human rights. This is not on Kim Dae-jung's agenda, but some South Koreans feel it should be. It will be politically difficult to ignore a new activist group of families of Southerners abducted or held in the North (claimed to number 85,000, mainly from the 1950-53 Korean War), who want their kin back or at least to know their fate. This is a new trend after decades of silence, galvanized by South Korea's return last year of 62 old Northern spies and agents without seeking a *quid pro quo*. There is also the example of Japan, relatives and right-wing politicians have succeeded in making just a dozen murky abduction cases an insuperable obstacle to better Pyongyang-Tokyo ties, at least so far.

The new South Korean group has collected 10 million signatures, and promises to press its case both at home and abroad (e.g. in the U.S. and at the UN). Refugees and defectors also arouse concern, as over reports in March that a defector who had gone back to North Korea for his wife was publicly executed. Though still tiny, the number of defectors is rising fast, reaching 91 so far this year as of March 23. Significantly, civic activists on the left as well as the traditional anti-communist right are now organizing on human rights and refugee issues. Problems also loom over an invitation from Senator Jesse Helms to Hwang Jang-yop to visit the U.S. The North's most senior defector, once lionized in Seoul, is now an embarrassment for his fierce denunciations of Kim Jong-il. Yet to refuse him a passport would not look good.

Unparliamentary

If one may also record non-events, then no moves were made by either side to take forward political dialogue on such topics as the agreed similarity between their respective unification formulae. Put another way, one missing tranche of dialogue so far is between members of parliament, as first mooted as long ago as 1985. That may change when parliamentarians from North and South meet at an Inter-Parliamentary Union conference in Havana from April 1. Neither the North's Supreme People's Assembly, which itself convenes on April 5, nor the South's National Assembly has much real power, but this could still be a useful forum for informal dialogue.

Unsporting

Concern at the North's cancellation of ministerial talks in March was mollified by the almost simultaneous visit to Pyongyang by the South's culture minister. Kim Han-gill returned with an agreement to send a 50-strong joint team to the world table tennis championships in Osaka in April. This would have been the first joint team in a decade--at the Sydney Olympics, the two Koreas marched together but competed separately--had not Pyongyang promptly pulled out, citing inadequate preparation. But ping-pong diplomacy may have been a smokescreen. The word in Seoul is that Kim Han-gill, a

confidant of the president, also had a secret mission, such as to discuss Kim Jong-il's visit to Seoul. We may assume in general that the secret contacts that set up last year's summit have not ceased--publicity is not always desirable.

Selling Sunshine

One arguably neglected dimension of the inter-Korean process is its political standing within South Korea. After the euphoria of the summit, as North-South contacts become normal and even banal, criticism has come from several sources. Much of the Seoul press, especially the influential *Choson Ilbo*, is hostile to Kim Dae-jung and Kim Jong-il alike. The conservative opposition GNP, with an eye to next year's presidential election, accuses the government of appeasing North Korea and demands stricter reciprocity. Human rights issues in the North are a growing concern. Some on the right, such as ex-president Kim Young-sam, are actively organizing against Kim Jong-il's visit to Seoul. All this challenges the Sunshine Policy, whose advocates are dismayed that the government has not sought effectively to counter such views. Sunshine's architect Lim Dong-won, who on March 26 was moved sideways from intelligence chief back to being unification minister, pledged the next day to make rebuilding consensus for current policy a priority.

Miscellaneous

Besides the major categories reviewed above, proliferating lesser meetings and incidents are also indicative of a new phase. A few examples give the flavor. On March 28 the ROK Navy went two miles into DPRK waters to rescue the crew of a sinking Cambodian merchant vessel, having notified the North via the MAC-but got no clear response. On March 27-29, Northern and Southern religious groups met at Kungang-san, changing the venue from Beijing at the North's request. Also visiting Pyongyang for at least the 12th time was Kim Soon-kwon ("Dr. Corn"), whose program to propagate new high-yield maize seeds in the North has been delayed by a financial row at home. Trade unions are getting on fine. They met at Kungang-san on March 10-11, and will do so again on May Day. Local provinces and cities are getting in on the act. Pohang has sent surplus pears North, and Kwangju is to build a kimchi factory in Pyongyang.

But not all is plain sailing, and the obstacles are not only from the North. While North Korea can be telephoned from South Korea via a third country, this remains illegal under the National Security Law. Still unrevised, the is nonetheless now broken daily by government and citizens alike. Moves to revise it have been put on hold until after Kim Jong-il's visit to Seoul.

Looking Ahead

This pattern of ups and downs is set to continue. Downs may predominate for the coming months, as Pyongyang continues to take out its anger at the Bush administration on Seoul. Thus I doubt that Kim Jong-il's return visit to Seoul will take place in the coming quarter, as South Korea hopes. Other touchstones will be the pace of progress on

two key projects--rejoining North-South road and rail links, and Hyundai's industrial zone at Kaesong.

The ambiguity we can expect is crystallized in two incidents on March 28. On the same day that North Korea pulled out of sending a joint team to the world table tennis championships, a North Korean striker arrived in Seoul to play professional football for Ulsan Hyundai. Ryang Gyu-sa is actually a Korean from Japan, but he is a DPRK citizen and plays for North Korea's national team. In sum, there will be time-outs, perhaps even fouls, but the game goes on.

Chronology of North Korea-South Korea Relations January-March 2001

Jan. 1, 2001: North Korean short-wave radio stops broadcasting random numbers, believed to be coded instructions to spies in South Korea.

Jan. 3, 2001: South Korea announces that 19 inter-Korean contacts are scheduled for the new year.

Jan. 4, 2001: Police in Taegu bust a gang smuggling North Korean defectors from China to South Korea.

Jan. 8, 2001: South Korea delivers draft agreement on economic cooperation at Panmunjom.

Jan. 10, 2001: Pyongyang rally for "independent reunification" calls for resuming Red Cross talks and implementing already agreed timetables for cooperation and exchanges.

Jan. 10, 2001: Seoul's unification ministry reports the value of processing on commission trade rose 32.6% last year to \$140 million.

Jan. 13, 2001: North's fisheries ministry requests "urgent" talks on a fishing agreement.

Jan. 17, 2001: Kim Dae-jung outlines three inter-Korean policy guidelines: reconciliation and cooperation, establish a peace regime, and maintain a steadfast security posture.

Jan. 17, 2001: South's unification ministry reports that 7,280 South Koreans visited North Korea last year, a 30% rise. This excludes 213,009 Hyundai tourists to Kumgang-san.

Jan. 18, 2001: Hyundai Asan president goes North to seek to halve the company's monthly payment of \$12 million for its Kumgang-san tours.

Jan. 18, 2001: South returns a DPRK boat and two-man crew that drifted into Southern waters with a new engine, fuel, food, and long underpants.

Jan. 25, 2001: Seoul announces new aid of 100,000 tons of corn to be sent North via the World Food Program, over and above 600,000 tons it gave last year.

Jan. 26, 2001: Pyongyang unilaterally postpones talks on electricity aid due in Kaesong next day, agreed just four days earlier, and which it itself had proposed.

Jan. 26, 2001: Kim Dae-won, a student, is jailed for four years in Seoul for violating the National Security Law by illicitly visiting North Korea in 1998.

Jan. 29-31, 2001: Red Cross talks agree family reunions for Feb. 26-28 and first ever letter exchanges for Mar. 15, but fail to agree on a permanent venue for reunions.

Jan. 30, 2001: Mokpo in South Korea announces plans to cooperate with Sinuiju in the North.

Jan. 31, 2001: Fourth inter-Korean working-level military talks at Panmunjom agree on 36 out of 41 items on practicalities of joint road and railway construction within the DMZ.

Feb. 1, 2001: Two groups file lawsuits in Seoul accusing Kim Jong-il of murder, *inter alia*.

Feb. 2, 2001: South's Red Cross head says Seoul wants at least 10,000 separated families a year to exchange letters. Ulsan city announces gift of 10,000 boxes of pears to North Korea.

Feb. 5, 2001: KCBS (North Korean radio) reports the final exchange of documents for the North-South agreement on economic cooperation initialled in late December.

Feb. 7-10, 2001: Working-level talks in Pyongyang on the North's demand for the South to supply 500,000 kilowatts of electricity fail to reach an agreement; differences may have widened.

Feb. 8, 2001: Fifth working military talks conclude agreement on DMZ construction rules. As of Mar. 31, Pyongyang has yet to sign and officially ratify the document.

Feb. 14, 2001: ROK's Korea Gas Corp. (KOGAS) reveals contacts with Pyongyang about laying gas pipelines from Siberia to South Korea across North Korea.

Feb. 15, 2001: Both Korean states attend a meeting in Moscow on Russia's Global Control System proposals on missile non-proliferation.

Feb. 15, 2001: Kim Dae-jung calls for an inter-Korean military hotline, says that Kim Jong-il's visit to Seoul should not be rushed, and reveals that both before and during last year's summit he refused Kim Jong-il's request to visit Kim Il-sung's mausoleum in Pyongyang.

Feb. 20, 2001: Seoul's unification minister claims both Kim Jong-il at the summit and Jo Myong-rok in Washington voiced support for a continued role for USFK.

Feb. 21, 2001: Seoul says it will make a comparative study of governance in North and South.

Feb. 22-24, 2001: Talks in Pyongyang about flood control on the Imjin river fail to agree.

Feb. 26-28, 2001: Third round of family reunions.

Mar. 5, 2001: North Korea reportedly asks Southern steel firms to invest in the North.

Mar. 10-11, 2001: Trade unionists from North and South meet at Kumgang-san.

Mar. 10-13, 2001: South Korea's culture minister Kim Han-gill visits North Korea, widely thought in Seoul to have a secret mission beyond his avowed agenda of discussing exchanges.

Mar. 13, 2001: Pyongyang pulls out of fifth ministerial talks on the day they were due to start.

Mar. 20, 2001: 207 Uzbeks, replacing striking North Korean workers, sail to the KEDO site.

Mar. 20, 2001: South Korea's defense ministry notes that the North's non-return for over a month of agreed protocols on railway work in the DMZ is bound to delay the project.

Mar. 24, 2001: Song Ho-kyong, vice-chair of North Korea's Asia-Pacific Peace Committee, visits Seoul leading a four-member condolence group for Hyundai's founder Chung Ju-yung.

Mar. 27-29, 2001: Religious leaders from North and South meet at Kumgang-san.

Mar. 28, 2001: Pyongyang pulls out of the proposed inter-Korean table tennis team. The first North Korean signed to a South Korean professional soccer team arrives in Ulsan.

Mar. 28, 2001: ROK Navy enters Northern waters to rescue the crew of a sinking Cambodian merchant ship.