

The Lee Government's Policy toward the Denuclearization of North Korea and its Implications for South-North Korean Relations

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Abstract

Inter-Korean relations have been virtually frozen since the inauguration of the Lee Myung-Bak government in February 2008, largely due to Pyongyang's attempts to develop its nuclear weapons program in violation of numerous international agreements, including the denuclearization agreements signed by all parties to the six-party talks, including North Korea from 2005 to 2007. In addition to carrying out the second nuclear test in 2009 in violation of numerous international agreements, Pyongyang also secretly built a sophisticated ultra-modern uranium enrichment (HEU) facility in Yongbyon. Pyongyang's defiant attitudes and policy on the nuclear issue are totally unacceptable to the Lee government which regards the denuclearization of North Korea as a prerequisite to the normalization of inter-Korean relations. It has decided not to provide any economic assistance to North Korea unless and until North Korea gives up its nuclear ambitions. In an attempt to bully South Korea to give in to the North, Pyongyang launched a series of provocative actions, including the sinking of a South Korean warship in March 2010 and the shelling of a South Korean island (Yeonpyeong) in November in clear violation of the armistice agreement of 1953. As a result, tensions have mounted on the Korean Peninsula and inter-Korean relations are severely strained. Although the Lee government tried to improve inter-Korean relations by exploring the possibility of an inter-Korean summit with Kim Jong-Il, the attempts have failed due to Pyongyang's refusal to offer an apology on the two deadly provocations on the South. As a result, inter-Korean relations are likely to remain frozen for the foreseeable future with little prospect of a breakthrough.

Keywords: Vision 3000 through Denuclearization and Openness, Lee Myung-Bak, Kim Jong-Il, Kim Jong-Un, the Cheonan incident, the Yeonpyeong incident, the June 15 Joint Declaration (2000), the October 4, 2007 Declaration, the six-party talks

Introduction

Since the inauguration of the Lee Myung-Bak government in February 2008, North-South Korean relations have been severely strained as a result of North Korea's attempts to develop a nuclear weapons program in violation of numerous international agreements. North Korea's defiant attitudes and policies have antagonized the Lee government, which regards the denuclearization of North Korea as a prerequisite to the improvement of inter-Korean relations. In addition, unlike its two immediate predecessors who provided generous economic assistance unconditionally to the North under the "sunshine policy," the Lee government made it clear that it would not provide economic assistance to North Korea unless and until North Korea had made a firm commitment to abandon its nuclear weapons program.

Pyongyang was deeply disturbed by the Lee government's refusal to continue its predecessors' conciliatory policy toward the North. In an attempt to pressure Seoul to soften its policy toward the North, Pyongyang adopted numerous measures against the South. It banned the South Korean officials' crossing of the military demarcation line by land. North Korea also declared unilaterally the nullification of all inter-Korean agreements, suspending official contacts and communications with the South. Furthermore, in violation of international agreements, North Korea carried out nuclear and missile tests in the spring of 2009. Moreover, in an attempt to bully the South to give in to the North's demands, Pyongyang launched a series of provocative actions, including the destruction of a South Korean naval vessel in March 2010 and an artillery attack on a South Korean island (Yeonpyong) in November 2010, killing innocent people and damaging their properties. As a result, tensions have mounted on the Korean Peninsula, and inter-Korean relations have virtually become frozen.

The purpose of this article is to examine inter-Korean relations since the inauguration of the Lee Myung-Bak government in February 2008 to the present, analyzing the factors which have shaped inter-Korean relations.

The Lee Government's North Korea Policy

The emergence of the Lee Myung-Bak government in February 2008 clearly disappointed North Korea, for Pyongyang was counting on the victory of the left-leaning Democratic Party candidate, Chung Dong-Young, who pledged to continue the sunshine policy. Lee's foreign

policy was troublesome to North Korea from the beginning as he pledged to strengthen South Korea's alliance with the U.S., while advocating a tougher policy toward North Korea by linking economic assistance to the dismantlement of North Korea's nuclear weapons program. In fact, Lee made it clear that the top priority of his government's policy toward the North would be the denuclearization of North Korea.

Starting in spring of 2008, North Korea began to step up its campaign of criticizing the Lee government. First, Pyongyang denounced Lee's strong pro-American foreign policy, seeking to revitalize and upgrade the ROK-US alliance in order to counter Pyongyang's attempts to develop a weapons of mass destruction (WMD) program. On March 31, 2008, the *Rodong Sinmun*, the official organ of the North Korean regime, criticized Lee's "collusion" with the U.S. and Japan in a "triangular military alliance." It denounced the Lee government's pro-U.S. and "anti-North Korean confrontation" policy, contending that Lee Myung-Bak was "trying to overturn everything that has been achieved between the North and the South" since the signing of the June 15 Joint Declaration in 2000.¹

Second, Pyongyang also denounced the Lee government's "Vision 3000 through Denuclearization and Openness" plan, which specified Seoul's new approach to economic cooperation with North Korea. According to the plan, upon the successful implementation of denuclearization measures stipulated in the September 19 Joint Statement (2005) and the February 13 Action Plan (2007), South Korea would promptly activate Vision 3000 to help raise the North's per capita GNI from the current level estimated to be less than \$1,000 to \$3,000 within ten years through a fairly comprehensive assistance plan in five key areas, economy, education, finance, infrastructure, and welfare.²

Pyongyang rejected outright the Vision 3000 plan as well as Seoul's demand for the complete abandonment of nuclear program, denouncing Seoul's new policy initiative as "insulting" as well as hostile because it regarded the plan as designed to bring about the regime change in the North. It went on to say that pursuing such a policy of "confrontation and war" would lead "North-South relations to ruin."³

Third, North Korea also sharply criticized the Lee government's ambivalent position on the June 15 Joint Declaration (2000) and the October 4 Declaration (2007). Since the implementation of these agreements could help not only to alleviate North Korea's economic difficulties but also to facilitate the reunification of Korea along the

Pyongyang's blue print, North Korea demanded that the Lee government acknowledge and adhere to these inter-Korean agreements,⁴ warning that there could be no progress in inter-Korean relations unless Seoul did so. However, Lee remained non-committal, saying that North and South Korea should honor all the major inter-Korean agreements reached since 1972, including the South-North Korean Basic Agreement on Reconciliation, Cooperation and Non-Aggression (1991) and the North-South Korean Joint Declaration on the Denuclearization of the Korean Peninsula (1991). Moreover, regarding the implementation of the cross-border joint projects agreed upon at the second summit on October 4, 2007, Lee indicated that each project would be reviewed on the basis of feasibility studies, evaluating cost-effects aspects, analyzing South Korea's financial capability to shoulder the costs involved, and considering public opinion. Such an approach clearly antagonized Pyongyang, for it was counting on the faithful implementation of these cross-border economic projects by South Korea.

Fourth, North Korea was clearly irritated by Lee's decision to revise the policy toward North Korea in the areas of humanitarian assistance, visits to North Korea, and a leaflet campaign. Unlike its two immediate predecessors, the Lee government has tightly controlled South Koreans' visits to North Korea, while restricting left-leaning organizations' pro-Pyongyang activities in the South. In addition, Pyongyang charged that Lee allowed the dropping of anti-Pyongyang leaflets using balloons by activists and defectors from the North. It has also proactively raised the issue of North Korean human rights in the U.N.⁵

By the summer of 2008, the Lee government had begun to indicate more flexibility in dealing with North Korea, as the Bush administration decided to remove North Korea from the list of state-sponsored terrorists as a result of Pyongyang's suspension of several nuclear facilities and submission to the U. S. of a comprehensive list of North Korea's nuclear facilities and programs. Furthermore, in an attempt to demonstrate its willingness to denuclearize, North Korea blew up the nuclear cooling tower at Yongbyon. Against this background, Seoul indicated its willingness to put more weight into fostering inter-Korean relations.⁶ For instance, regarding the Kaesong Industrial Complex (KIC), it indicated a willingness to "actively seek a stable, long-term development of the joint project."⁷ Previously, the Lee government had expressed a more cautious view that "without full denuclearization by the North, there will not be any expansion of the Kaesong complex."⁸

In his major policy speech before the National Assembly on July 11, Lee declared that "[f]ull dialogue between the two Koreas must resume." He went on to say that his government was willing "to engage in serious consultations about how to implement the inter-Korean agreements," including the two summit agreements signed in 2000 and 2007 by his predecessors and Kim Jong-Il. Such a statement signaled a significant shift in Lee's North Korea policy,⁹ for this was the first time that President Lee had expressed his willingness to discuss ways of implementing the agreements signed between South and North Korean leaders, including the June 15 Joint Declaration (2000) and the October 4 Declaration (2007).

Lee's overture was overshadowed, however, by the tragic incident involving a South Korean tourist who was shot by a North Korean soldier at the Mount Kumgang resort on July 11. Seoul denounced the killing of the woman, urging Pyongyang to cooperate in the investigation so as to prevent similar incidents from happening again. South Korea also immediately suspended the Mt. Kumgang tourism program, a major source of hard currency for the cash-strapped North. The tour, taken by more than 30,000 tourists on a monthly basis, was seen as a symbol of reconciliation and economic cooperation between the two Koreas, along with the Kaesong Industrial Complex (KIC). Close to two million South Koreans visited Mount Kumgang from 1998 to the first half of 2008, paying over \$487 million to North Korea.¹⁰

Instead of an apology, Pyongyang not only blamed South Korea for the death of the South Korean tourist but also rejected the offer made by Lee in his July 11th speech to resume inter-Korean dialogue as a "laughable cheap trick."¹¹ "It contains nothing new," stated the *Rodong Sinmun*. It further said that Lee's proposal was "not worth our consideration," for he failed to clarify his stand on the historic June 15 joint Declaration (2000) and the October 4 Declaration (2007).¹² It also denounced Lee's insistence on the denuclearization of the North, contending that the nuclear issue was strictly an issue between North Korea and the U.S.¹³

To seek a breakthrough in inter-Korean relations, on August 15, Lee reiterated his proposal for the resumption of full-fledged dialogue and economic cooperation between the South and the North. He urged Pyongyang to abandon its nuclear weapons program and embrace inter-Korean dialogue and cooperation for the creation of a Korean economic community. However, there was no favorable response from the North

to President Lee's proposal.¹⁴

Kim Jong-Il's Illness and Its Effects on Inter-Korean Relations

In the fall of 2008, relations between North and South Korea again took a turn for the worse, as North Korea became more militant in dealing with both domestic and foreign affairs in the aftermath of Kim Jong-Il's stroke in mid-August. Kim's incapacitation, temporary though it was, created a serious political uncertainty in North Korea, as it occurred without designating a clear heir apparent to Kim Jong-Il. Kim's illness provided an opportunity for the hardliners in the North's military to increase their influence in dealing with both domestic and foreign affairs.¹⁵

To cope with the uncertainty created by Kim's serious illness, Pyongyang adopted a series of tough measures to tighten its control over the North Korean populace by reintroducing a food ration system and scaling back the size and frequency of popular local markets. At the same time, North Korea cracked down on the possession and circulation of South Korean publications, videos and music CDs for fear of the "spiritual pollution" of North Koreans by the capitalist culture from the South. There were also strong indications that the Kim Jong-Il regime purged a number of senior Communist party officials who had played prominent roles in expanding North-South Korean economic and cultural exchange programs before 2007, including Choe Sung-Chol, the First Deputy Director of the United Front Department of the North Korean Workers' Party.¹⁶

In an attempt to bolster national unity in the face of the political uncertainty created by Kim's ill health, Pyongyang also launched massive propaganda campaign to drum up popular hatred and animosity toward the Lee Myung-Bak government, which was portrayed as the principal enemy of North Korea. The Lee government was blamed for the non-implementation of the inter-Korean summit agreements reached in 2000 and 2007. In addition, it was accused of attempting to bring about regime change in North Korea in collusion with the United States and Japan. In short, North Korea blamed the Lee government's "hostile" policy for its economic difficulties as well as diplomatic isolation. By heightening tensions with the South and diverting popular frustrations and anger toward the Lee government, Pyongyang was attempting to strengthen its control over the North Koreans.

It also became clear that Pyongyang was infuriated by the South Korean activist groups' who were dropping anti-Pyongyang leaflets in the North. Organized by North Korean defectors and other human rights activists, these groups were sending millions of leaflets condemning the Kim Jong-Il regime's harsh rule and demanding drastic democratic reforms and change in the North.¹⁷ In early October, at an inter-Korean military meeting, the North Korean side protested the sending of these leaflets from the South and threatened to evict South Korean civilians from the KIC and Mount Kumgang, where the two Koreas were operating joint industrial and tourism programs.¹⁸

In an apparent move to retaliate, North Korea announced that it would "strictly restrict and cut off" crossing the inter-Korean border after December 1, 2008, and shut off direct telephone links at the Panmunjom truce village¹⁹ The North also announced its decision to reduce the number of South Korean staff and employees (approximately 1,600) at the KIC by 50 percent. In addition, the North notified South Korea that it would suspend cross-border train services. The North's retaliatory measures clearly reflected the Kim Jong-Il regime's growing displeasure and animosity toward the Lee government, as Pyongyang regarded the leaflet campaigns as part of South Korea's attempts to facilitate regime change in North Korea.

North Korea's Missile and Nuclear Tests

By the beginning of 2009, North Korea had all but given up the hope of securing economic assistance from the Lee government. At the same time, it encouraged its sympathizers in the South to launch an all-out protest campaign to topple the conservative government. In addition to blaming the Lee government for the deterioration of South-North Korean relations, on January 16, North Korea's Committee for the Peaceful Reunification of Korea (CPRK) declared that "all agreements adopted between the North and South in the past have already become [a] dead letter." Specifically, it declared that Pyongyang was nullifying all agreements related to resolving political and military confrontation between the North and the South. In addition, it also announced its decision to abrogate "the [1991] Agreement on Reconciliation, Non-Aggression, Cooperation, and Exchange between the North and South and the provisions on the West Sea Military Demarcation Line [i.e., the Northern Limitation Line] which are stipulated in its appendix."²⁰

The North's moves were clearly designed to bully Seoul into giving up its tougher stance toward the Kim Jong-Il regime and complying with Pyongyang's demand for unconditional economic aid as the South did during the era of the "sunshine policy" of engagement. However, such a tactic did not work with the Lee government, which was determined not to repeat the same mistakes committed by his predecessors. On January 19, Lee appointed Hyun In-Taek, a vocal critic of the "sunshine policy" and the architect of the Vision 3000 plan as the Minister of Unification. Hyun's appointment clearly demonstrated Lee's determination to uphold the existing policy, rather than giving into Pyongyang's brinkmanship tactics.

Against the backdrop of rapidly deteriorating inter-Korean relations, on April 5, North Korea launched a long-range ballistic missile in clear violation of international agreements. Although Pyongyang insisted that it had launched a communications satellite, both Seoul and Washington refused to accept Pyongyang's explanation and denounced North Korea's launching of the long-range Taepodong-2 ballistic missile. In response to Pyongyang's missile test, the U.N. Security Council unanimously adopted a presidential statement condemning North Korea's long-range rocket launch for violating the security council's resolution 1718 (2006).²¹ In addition, it called on North Korea to end any future missile launches. On April 24, the Security Council decided to impose financial and trade sanctions on three North Korean firms which had been helping North Korea's ballistic missile program.²²

North Korea's reactions were quick and hostile. Pyongyang declared its decision to expel IAEA inspectors from the North and reactivate its nuclear facilities at Yongbyon. Furthermore, it announced that it had begun reprocessing spent-fuel rods to produce weapons grade plutonium in defiance of the existing six-party agreements on denuclearization.²³ In addition, North Korea declared that it would "never" attend the six-party talks and would not be bound by "any agreement" made at the six party talks.²⁴ Also, North Korea made it clear that it would no longer implement the denuclearization agreements (i.e., the September 19 Joint Statement of 2005 and the February 13 Agreement in 2007). Instead, it would conduct further nuclear and missile tests, in addition to fully reactivating its nuclear program to bolster its nuclear arsenal.²⁵

Against the backdrop of mounting tensions on the Korean Peninsula, on May 25, Pyongyang shocked the world by conducting a large-scale underground nuclear test. It was a more powerful test than an earlier one

which had taken place in October 2006. South Korea condemned the test as an “intolerable provocation” that violated numerous international agreements.²⁶ Meeting in an emergency session, the U.N. Security Council also unanimously condemned North Korea’s nuclear test for violating the Security Council’s ban imposed in October 2006. In addition, it also adopted a new resolution, 1874, imposing additional sanctions on North Korea. In spite of world-wide condemnation of the North’s nuclear and missile tests, Pyongyang test-fired several additional short-range missiles immediately after the nuclear test.²⁷

North Korea then pushed its brinkmanship tactic further by declaring that it was unilaterally nullifying the armistice agreement that had ended the Korean War in July 1953.²⁸ It also warned that it would not guarantee the safety of South Korean and U.S. military ships and nonmilitary vessels moving along the western sea border in the Yellow Sea. North Korea also denounced South Korea’s decision to join the U.S.-led Proliferation Security Initiative (PSI) as a “declaration of war,” warning an immediate attack would occur if South Korea attempted to interdict any of its ships.²⁹

In the aftermath of North Korea’s second nuclear test, it was clear that Pyongyang decided to pursue the nuclear option by reactivating its nuclear facilities and programs rather than embracing denuclearization. It was not too difficult to understand why, for Kim and his followers believed that Pyongyang’s production of nuclear weapons was the most effective way to deal with a number of critically important tasks confronting North Korea, including regime survival, the hereditary transfer of power to one of Kim’s sons,³⁰ and the strengthening of Pyongyang’s leverage in dealing with the U.S. and its allies in East Asia. It was also related to Kim’s much-publicized promise to the North Koreans to build a “Powerful and Prosperous Nation” by 2012, in commemoration of the centennial of his late father’s (Kim Il-Sung) birthday. As Kim revealed to his followers, the “Powerful and Prosperous Nation” essentially means the establishment of a nuclear-armed North Korea which is internationally recognized as a full-fledged nuclear power.³¹ Apparently, the building of a prosperous nation is not an immediate goal.

Pyongyang’s Overtures for Talks with the U.S. and Its Allies

In the summer of 2009, Seoul and Washington indicated their willingness to offer a package deal to Pyongyang if North Korea would

return to the six-party talks for further denuclearization. Such an offer was obviously attractive to the North which was sorely in need of international economic assistance. North Korea undertook a number of conciliatory gestures toward the U.S. and South Korea. For example, it invited former President Bill Clinton to visit North Korea to arrange the release of the two American journalists who had been sentenced to twelve years of hard labor for illegal entry into the North. After a lengthy talk with Kim Jong-Il, Clinton returned to the U.S. with the two who were pardoned by Kim. Clinton's highly visible visit was arranged by Pyongyang to soften its image in the hope of improving relations with the U.S. North Korea also displayed a similar posture toward South Korea in early August by inviting Hyun Jung-Un, head of the Hyundai group, to Pyongyang to discuss thorny issues, including the resumption of Mt. Kumgang tourism project. After meeting with Kim Jong-Il, she was able to return with a released Hyundai employee who had been detained by the North in March.

In late August, North Korea dispatched a high-level delegation to Seoul to deliver Kim Jong-Il's condolences to the family of deceased former South Korean President Kim Dae-Jung-II. Both Kim Ki-Nam, a Workers' Party secretary, and Kim Yang-Gon, the party's director in charge of inter-Korean relations affairs, also paid a visit to President Lee to deliver Kim Jong-Il's message during their stay in Seoul. In September, following inter-Korean Red Cross talks, another round of family reunions (families separated by the division of the Korean Peninsula) took place in the North's Mt. Kumgang resort. Regarding the North's request for humanitarian aid, the South offered 10,000 tons of corn and \$15 million worth of medicine to cope with the HINI influenza in the North.³² The North accepted the medical aid but rejected the South's offer of corn. Meanwhile, reflecting the improvement in South-North Korean relations, North Korea also withdrew its earlier demand for steep wage hikes for its workers at the Kaesong Industrial Complex (KIC). Initially, Pyongyang demanded that the North Korean workers' monthly wages at the KIC be raised from \$70-80 (including wages and benefits) to \$300.00. However, in September, North Korea agreed to accept a five percent wage hike for over 40,000 North Korean workers employed by South Korean firms at the KIC.³³

Against this background, North Korea began to make overtures for the resumption of bilateral talks with the U.S. as well as the six-party talks in the hope of lessening international sanctions plus gaining

economic assistance. In September, it invited Stephen Bosworth, U.S. special envoy on North Korea, to Pyongyang to discuss issues concerning the resumption of the six-party talks. In a related move, Kim also met China's special envoy, Dai Bingguo, in Pyongyang in September.³⁴ Kim reassured Dai that North Korea still adhered to the "goal of denuclearization of the Korean Peninsula" and was "willing to resolve the relevant problems through bilateral and multilateral talks."³⁵ Kim also made similar statements to Chinese Premier Wen Jiabao who visited Pyongyang in early October.³⁶ Kim's comments indicated that the North was willing to return to the six-party talks depending on the outcome of the U.S.-North Korea bilateral talks.³⁷ He also indicated his willingness to improve relations with South Korea.

Following his October meeting with Premier Wen in Beijing, President Lee welcomed North Korea's willingness to improve inter-Korean relations.³⁸ At the same time, Lee expressed his hope of having an opportunity to explain to Kim Jong-Il his "grand bargain" plan, calling for a package of economic incentives and security guarantees to Pyongyang in return for the abandonment of its nuclear weapons program. Lee also declared that he was "willing to meet Kim Jong-Il anytime if it would help solve the denuclearization process and inter-Korean relations."³⁹

By the early spring of 2010, it had become increasingly clear that North Korea's strategy was to demand the replacement of the armistice agreement with a permanent peace treaty as a necessary condition for its return to the six-party talks. For example, in a statement issued by North Korea's Foreign Ministry on January 11, 2010, Pyongyang declared that the replacement of the armistice agreement (1953) with a peace treaty was essential for the denuclearization of the Korean Peninsula.⁴⁰ It argued that the conclusion of a peace treaty would "help terminate the hostile relations between the DPRK and the US and positively promote the denuclearization of the Korean Peninsula at a rapid tempo."⁴¹ In addition, Pyongyang also demanded the removal of U.N. imposed sanctions on North Korea.⁴² However, Seoul and Washington rejected the North's demands, saying that these issues could be discussed only after the return of North Korea to the six-party talks and once the talks had made significant progress toward denuclearization.⁴³

In its New Year's message of January 1, 2010, which appeared in a joint editorial in North Korean state-owned newspapers, Pyongyang expressed the hope for improved inter-Korean relations. According to

the message carried by the North's KCNA, Pyongyang's position remained "consistent that a peace system on the Korean Peninsula should be established and the denuclearization should be achieved through dialogue and negotiations."⁴⁴ In addition, Pyongyang declared that "[u]nshakable is our stand that we will improve the relations with the South and open the way for national reunification."⁴⁵ In response, President Lee expressed his hope that the North would rejoin the six-party denuclearization talks so as to revive inter-Korean economic cooperation.⁴⁶ In addition, he proposed the establishment of inter-Korean liaison offices in each Korean capital. Lee also reiterated his willingness to meet Kim Jong-Il. "The mood is turning positive," he said, citing recent changes in the North's attitudes toward Seoul and Washington.⁴⁷ At the end of January, in his interview with the BBC, Lee reiterated his willingness to meet Kim Jong-Il in 2010 to discuss the North's nuclear weapons program.⁴⁸

However, Unification Minister Hyun In-Teak was more cautious about the prospect for an inter-Korean summit, saying that there should be "substantial progress on the nuclear front" in order to hold a summit.⁴⁹ He also expressed doubt over whether North Korea was "willing to give up its nuclear ambition," as the North put a "great stumbling block in its path to denuclearization" by demanding a peace treaty before denuclearization and vowing to return to the six-party talks when sanctions are lifted.⁵⁰ Hyun also said that Seoul's offering of any large-scale food aid would be "determined in consideration of the North Korean nuclear situation."⁵¹ Hyun maintained that "the two Koreas must first be able to discuss all the inter-Korean issues, including the nuclear problem with open hearts."⁵² Hyun's cautious statements reflected, in a sense, Seoul's growing skepticism about the possibility of holding an inter-Korean summit, as it became clear that the North was unwilling to include the nuclear issue in the agenda of the proposed summit.

Against this background, North Korea began to assume a tougher posture toward the South. For example, at inter-Korean working-level military talks held in early March, Pyongyang warned that the scheduled U.S.-South Korean "joint military drill may further hurt its ties with South Korea" and even the development of the joint industrial park (i.e., KIC) in Kaesong.⁵³ The North also criticized the South's attempt to preserve the Northern Limit Line (NLL) on the west coast.⁵⁴ In addition, it denounced the South's "psychological warfare," which it claimed was designed to undermine the North Korean regime by dropping leaflets

from balloons to slander “the ideology and system” in North Korea.⁵⁵ It demanded that the South stop such hostile campaign immediately. In addition, it also warned the South that if Seoul staged the “Key Resolve and Foal Eagle” joint military exercises with the U.S. as scheduled on March 8, “the situation on the Korean Peninsula “will be uncontrollable.”⁵⁶ In a related move, the *Rodong Sinmun* warned that the joint military exercise would “bring nothing but an armed clash and war in the end.”⁵⁷

The Cheonan Incident

It was against the rapid deterioration of North-South Korean relations in the spring of 2010 that a major incident involving the destruction of a South Korean warship, Cheonan, occurred. On March 26, 2010, while patrolling in the South Korean side of the western sea border of the Yellow Sea, the ship exploded after being hit by a powerful explosive, believed to be either a mine or torpedo. The ship sunk immediately, leaving 46 sailors dead. Although North Korea denied any involvement in the incident, it became the main suspect in the disaster as the result of Seoul’s initial investigation into the incident. Immediately, Seoul organized a multinational investigation team consisting of experts from the U.S., Sweden, Australia and Great Britain to probe the cause of the incident. South Korea declared its intention to retaliate if the investigation found North Korea guilty.

Following nearly two months of investigations, on May 20, South Korea released the findings of the investigation. It concluded that the sinking of the South Korean warship, Cheonan, on March 26 had been caused by a North Korean torpedo. The investigators cited as evidence parts of a North Korean torpedo collected from the scene of the incident. Lee promised to adopt “resolute counter-measures.” At the same time, the U.S., Great Britain, Japan, Australia and others strongly condemned the North Korean attack. However, Pyongyang called the results of the international investigation “a fabrication,” warning that any retaliation would prompt it to “respond with various forceful actions, including all-out war.”⁵⁸

The Cheonan incident, one of the most serious provocations by North Korea since 1953, not only poisoned inter-Korean relations but also heightened tensions on the Korean Peninsula. On May 24, President Lee urged North Korean authorities to offer an apology for the incident and punish those responsible. Lee also declared the suspension of all

trade and exchange programs with the North, except for the Kaesong project, while maintaining minimum levels of humanitarian aid for the impoverished North. Although Lee ruled out any military action against the North, he made it clear that Seoul would seek the U.N. Security Council's sanctions to punish North Korea for the attack. The U.S. immediately announced its support of South Korea's plan.⁵⁹

North Korea reacted angrily to President Lee's statement by again denying its involvement in the Cheonan incident. North Korea accused the South of waging a "smear campaign." North Korea also declared that its relations with South Korea would be "severed" and "all communication links between the north and south will be cut off."⁶⁰ Shortly after South Korea's announcement, the North Korean military issued seven specific measures of reprisal against the South, including the threat to "respond mercilessly" to anti-Pyongyang psychological warfare by the South Korean military along the ceasefire line. The North Korean military also announced its decision to scrap all "military assurance agreements" with South Korea with a warning that it would "attack" immediately should Seoul intrude on the disputed west coast maritime border.⁶¹ In an attempt to defuse the tension, China urged both sides to "exercise restraint and remain cool-headed."⁶² However, it did not endorse the findings of the multinational team's investigation on the Cheonan incident.

Following a lengthy debate, on July 9, the U.N. Security Council adopted a presidential statement, instead of a resolution, condemning the sinking of the Cheonan, without naming North Korea as the perpetrator. It deplored the attack, while expressing "deep sympathy and condolences" to the victims. In addition, expressing serious concern over the findings of multinational investigators' report, it called for "appropriate and peaceful measures to be taken against those responsible"⁶³ South Korea welcomed the U.N. action, saying that it meant the Security Council concurred with Seoul's findings that Pyongyang was responsible for the attack. The U.S. and its allies shared a similar view by saying that the presidential statement "condemns the attack by North Korea on the Cheonan."⁶⁴ However, North Korean ambassador to the U.N. Sin Son-ho regarded it as a "great diplomatic victory," for the presidential statement issued by the U.N. Security Council did not name North Korea as the perpetrator.⁶⁵

In a statement issued by its spokesman, the North Korean Foreign Ministry expressed satisfaction that the U.N. Security Council had

adopted the presidential statement, instead of a resolution, without rendering a “clear judgment” or conclusion. Noting that the “overall situation on the Korean Peninsula” has reached “the point of explosion in flash,” it pointed out the “danger of the present armistice regime and the urgency to establish a peace regime.”⁶⁶ It went on to say that it would seek a peace treaty and ultimately denuclearization through the six-party talks. The statement was apparently issued in an attempt to strengthen its insistence that a peace treaty replace the existing armistice agreement of 1953.

In an attempt to demonstrate their determination to deter Pyongyang’s further provocations, a joint U.S.-South Korean joint naval exercise was held off the Korean Peninsula. Code-named “Operation Invincible Spirit,” the exercise was one of the largest, involving 20 ships and submarines as well as 200 aircraft and 8,000 members of the combined forces. The four-day exercise took place, despite protests from China and North Korea.⁶⁷

Meanwhile, it became increasingly clear in the summer of 2010 that as part of the new sanctions, the U.S. was planning to impose a fresh crackdown on North Korea’s offshore banking activities. Washington was taking steps to freeze Pyongyang’s secret overseas bank accounts used for money-laundering.⁶⁸ Unlike existing sanctions, the new sanctions were focused primarily on restraining illicit financial activities such as the clandestine trade in conventional weapons, luxury goods, tobacco, counterfeit bills and drugs.⁶⁹ Through the imposition of these measures, the U.S. would endeavor to “strangle” the revenues that helped Kim Jong-Il finance his nuclear weapons program and bribe his cronies with luxury foreign goods.⁷⁰ On August 30, President Obama signed an executive order containing these new sanction measures against North Korea.

North Korea’s conciliatory gestures

Against the backdrop of these new U.S. sanctions on North Korea, Pyongyang began to make a series of conciliatory gestures. For example, it indicated its willingness to return to the six-party talks, provided that the U.S. would agree to lift the sanctions and conduct bilateral talks with North Korea about a peace treaty. As North Korea’s foreign minister unwittingly admitted, the sanctions imposed by the U.S. and its allies were clearly hurting the North Korean economy.⁷¹ For example, Pyongyang was now experiencing difficulties in selling arms to

Iran, Burma, and others, from whom it had made over \$200 million annually in the past. North Korea was also having difficulties in collecting payments for the sale of its minerals and other products from foreign customers. Furthermore, Seoul's suspension of inter-Korean trade relations after May 24, 2010, was also hurting the North's economy.⁷² North Korea's economy was in shambles in the aftermath of the failure of its disastrous currency reform of November 2009, as the ill-conceived plan brought about hyper-inflation and widespread popular discontent. North Korea's economic difficulties were exacerbated further by uncooperative weather which adversely affected its grain harvests. As a result, North Korea was desperately in need of large-scale international food aid (e.g., over one million tons of grains) to feed its malnourished people. Over five million people were reported to be suffering from severe food shortage.⁷³ To cope with the severe food shortage, in October 2010, Pyongyang requested 500,000 tons of rice and 300,000 tons of fertilizer from the South in return for its agreement to hold regularly family reunions among members of separated families by the division of the Korean Peninsula. However, as a result of the Cheonan incident, it was impossible for Pyongyang to obtain such a large-scale economic assistance from South Korea.⁷⁴ To cope with the economic crisis, Pyongyang sought greater food aid from China. The deepening economic crisis in North Korea posed a real challenge to Kim Jong-Il, who was planning to bring about the transfer of hereditary power to his third son, Jong-Un.

In order to install his son as his successor, Kim Jong-Il decided to convene a rare conference of North Korean Workers' Party delegates for the first time in 44 years. Meeting on September 28, the party conference elected a new Politburo, Central Committee and Military Affairs Commission (MAC). Kim Jong-Il was reelected as the General Secretary of the party as well as the chairman of the MAC, while the junior Kim was appointed vice-chairman. By appointing Jong-Un to the number two position in the MAC, Kim Jong-Il had officially initiated the process of a dynastic political succession to his son, Jong-Un. However, in view of the rising tensions on the Korean Peninsula, a deepening domestic economic crisis, and Kim Jong-Il's deteriorating health, it was uncertain whether the junior Kim would be able to consolidate his power before his father's death.

In the summer of 2010, North Korea again initiated a series of conciliatory gestures toward the U.S. and South Korea in the hope of

alleviating tensions on the Korean Peninsula and averting a further economic crisis. In late August, during his meeting in Chiangchun with China's President Hu Jintao, Kim Jong-Il reiterated his denuclearization pledge and called for the early resumption of the six-party talks. North Korea also announced the release of a South Korean fishing boat and its seven crew members, seized in August.⁷⁵ In a related move, in early September, North Korea also proposed a military dialogue with South Korea to defuse tensions, while advocating the resumption of inter-Korean Red Cross talks for a new round of reuniting families separated by the division of the Korean Peninsula. Pyongyang also conveyed its strong desire to improve relations with Washington and its readiness to return to the six-party talks. This was done through former U.S. president Jimmy Carter who had met with Kim Yong-Nam, the nominal figurehead of North Korea, in Pyongyang.⁷⁶

In the aftermath of the Cheonan incident, Seoul was reluctant to engage in any serious talks with North Korea unless Pyongyang apologized for that incident. Seoul also wanted to see a clear change in Pyongyang's provocative behavior and policy toward the South.⁷⁷ In addition, Seoul regards it as necessary precondition Pyongyang's demonstration that it intended to implement its denuclearization commitment. As a first step, Seoul urged Pyongyang to restart the disabling of its nuclear facilities and invite back inspectors of the IAEA to monitor and inspect denuclearization activities in North Korea. Both the U. S. and Japan concurred with South Korea on these issues.⁷⁸

Instead, North Korea shocked the world by disclosing the existence of a highly sophisticated uranium enrichment (HEU) facility in North Korea. Siegfried Hecker, an American nuclear scientist, was shown the previously undisclosed uranium enrichment facility in Yongbyon, a facility that was "stunning" for its sophistication and modernity.⁷⁹ Although North Korean officials insisted that the facility had been built to produce low-enriched uranium fuel for a light-water nuclear reactor (supposedly under construction) for electric power and not for weapons, there seemed little doubt that the facility was designed to augment North Korea's nuclear weapons program, as it could be readily converted to produce highly enriched uranium (HEU) bomb fuel.⁸⁰

In view of Pyongyang's repeated past denials of the existence of any uranium enrichment program, the disclosure shocked South Korea and its allies who had long harbored suspicions on Pyongyang's uranium enrichment program. It undermined further the credibility and

trustworthiness of North Korea as it seemed to indicate that Pyongyang had embarked on a new path to build a more powerful class of nuclear weapons than those based on plutonium. This revelation by Pyongyang clearly seemed designed to impress the U.S. and its allies that North Korea had become a full-fledged nuclear state along with Pakistan, India and Israel.

North Korea's Artillery Attack on Yeonpeong Island

Any hope for an early resumption on the inter-Korean dialogue or the six-party talks was dashed in late November by North Korea's heavy artillery attack on a South Korean-held island (Yeonpyeong) near the western sea border. The attack killed four and injuring over a dozen soldiers and civilians on November 23. Although Pyongyang justified its action as a reaction to the South Korean naval drills in disputed waters, it was clearly one of the most serious provocations perpetrated by the North since the end of the Korean War. President Lee not only denounced Pyongyang's attack on the border island, but also promised to make sure that North Korea paid "a dear price" should it attack South Korea again.⁸¹ The U.S. also strongly condemned North Korea for the "outrageous" attack, calling on it to "halt its belligerent action" and "to fully abide by the terms of the Armistice Agreement" of 1953.⁸² At the same time, Washington decided on sending a naval strike group to the Yellow Sea for a four-day joint naval exercise with South Korea beginning November 28.⁸³

In view of North Korea's conciliatory gestures in the summer of 2010, Pyongyang's saber-rattling behavior against the South not only shocked but puzzled many observers. It was widely suspected that like the sinking of the Cheonan in March, North Korea's artillery attack on the South Korean island was closely related to political succession in North Korea. The provocations seemed designed to bolster the position of the leader-in-waiting, Kim Jong-Un, who lacked credentials either in the military or foreign affairs. In order to enhance his reputation and power within the military establishment, the junior Kim may have taken the calculated risk of confrontations with South Korea.⁸⁴ Another likely explanation for Pyongyang's provocative action was to divert growing popular discontent in the North (stemming from economic difficulties) to the external crisis by blaming South Korea as the chief culprit. A third possible reason was to ventilate its displeasure and frustration toward Seoul for the lack of the South's favorable response to Pyongyang's

conciliatory gestures for the resumption of talks and economic assistance. In addition, it is quite likely that the attack was designed to amplify Pyongyang's contention that the replacement of the armistice agreement of 1953 with a new peace treaty remained essential for the preservation of peace on the Korean Peninsula.

Although it is difficult to ascertain the exact reason, or reasons, for the North's artillery shelling on Yeonpyeong island, if Pyongyang's motivation was to extract concessions from South Korea and its allies, it failed to achieve the desired results. Pyongyang's brinkmanship tactic simply backfired, as it strengthened South Korea's resolve to resist North Korea's provocations. The North's artillery attack on Yeonpyeong Island drove South Koreans to revamp its military preparedness policy toward the North.⁸⁵ Furthermore, South Korea's Defense Ministry announced that it would formally designate North Korea as an "enemy" of the state in its policy white paper for the coming year. Such a designation had been dropped in 2004 as part of the "sunshine policy."⁸⁶ In addition, North Korea's shelling of the border island undoubtedly pushed public opinion in South Korea from conciliation toward calls for suspending aid, the beefing up of military capabilities and a stronger military response to future provocations. According to a poll conducted by the *Chosun Ilbo*, nearly 70% of the South Koreans supported a more effective military response to North Korea's provocations.⁸⁷ To mollify the popular anger, South Korea's new defense minister vowed to launch fighter jets if Pyongyang attacked again.⁸⁸

Meanwhile, in an attempt to defuse the crisis, China proposed an emergency meeting in Beijing in December of the envoys to the six-power talks.⁸⁹ However, South Korea and its allies were not receptive to such an overture, for they regarded that action as a perceived reward to North Korea for its provocative actions.

Pyongyang's Overtures for Inter-Korean Dialogue

In an attempt to improve relations with South Korea, North Korea proposed a series of bilateral talks with South Korea in the spring of 2011. In a joint newspaper editorial of the North's state-owned newspapers on January 1, North Korea stated that a confrontation between the two sides should be defused as early as possible. Moreover, it reduced markedly direct criticism of the Lee government. The North also backed off from threats of military retaliation against the South's scheduled live-fire naval drills in the disputed waters on the west coast.⁹⁰

Following the issuance of a New Year's message calling for better inter-Korean relations, North Korea issued numerous proposals through various organizations for an inter-Korean dialogue.⁹¹ For example, on January 8, North Korea's Committee for the Peaceful Reunification of the Fatherland (CPRF) proposed to the South for "unconditional," early inter-Korean dialogue.⁹² A fortnight later, North Korea's Supreme People's Assembly proposed inter-Korean parliamentary talks with its South Korean counterpart to discuss ways to ease tensions on the Korean Peninsula. In addition, Pyongyang proposed inter-Korean Red Cross talks as well as various bilateral meetings between civic groups and parties of the two Koreas. However, South Korea dismissed these proposals as "insincere,"⁹³ for North Korea had not apologized for its provocations, nor taken any concrete steps toward denuclearization.

In late January, however, South Korea did respond positively to North Korean Defense Minister Kim Young-Chun's proposal for inter-Korean military talks in order to "resolve all the pending military issues" including the Cheonan incident and the Yeonpyeong island "artillery battle."⁹⁴ To work out the agenda for the proposed high-level talks, a working-level military meeting was held in Panmunjom on February 8-9. However, the talks broke down, largely due to the inability to narrow differences on the agenda for the proposed high-level military talks. After blaming the South for the failure of these talks, the North Korean military declared that it did "not feel any need to deal with" its Southern counterpart any longer.⁹⁵ Nevertheless, in early March, through the *Rodong Sinmun*, Pyongyang urged Seoul to come to the negotiating table to discuss ways and means to diffuse cross-border tensions. It went on to say that if Seoul was "truly interested in reconciliation, it should accept dialogue without demanding pre-conditions."⁹⁶ It seems evident that North Korea was seeking to improve its tarnished image.

Meanwhile, in the spring of 2011, it became evident that North Korea was receptive to China's new three-step plan for the resumption of the six-party talks. According to China's new plan, announced following consultations between Wu Dawei, China's chief negotiator, and his North Korean counterpart, Kim Kye-Gwan, in Beijing in April, the first step would involve inter-Korean nuclear talks, which would be followed by U.S.-North Korean talks as the second step. These two steps will eventually lead to the resumption of the six-party talks. China's new plan reflected the growing consensus among the parties to the six-party talks that, without an improvement in Seoul-Pyongyang relations, it

would be difficult to resume the six-party talks. Both Seoul and Washington accepted China's new three-step proposal. As a result, many expected the two Koreas would hold talks in preparation for the resumption of the six-party talks.

However, no one was really optimistic about the proposed inter-Korean nuclear talks, because Seoul had made it clear that it wanted to see the North "take responsible attitudes" toward its deadly provocations on the South as well as the denuclearization issue. According to the South Korean Foreign Ministry spokesman, North Korea must address the apology issue in connection with the resumption of dialogue, regardless of whether that was defined as a precondition or not. He also said that Pyongyang's response would have an "effect on all forms of inter-Korean dialogue and on the six-party talks."⁹⁷

Receiving an apology from Pyongyang would undoubtedly have symbolic meaning for South Korea in deterring the North's provocations. However, it is evident that to get an apology from Pyongyang will be extremely difficult for Seoul, given the North's uncompromising position on the issue. So far, the North has flatly denied any involvement in torpedoing the Cheonan. As for the Yeonpyeong "artillery battle," Pyongyang has contended that it took a necessary measure of self defense in an incident triggered by South Korea's live-fire drills in disputed west coast waters. According to former U.S. President Jimmy Carter, during his April visit to Pyongyang, North Koreans expressed regret over the deaths resulting from the torpedoing of the South Korean naval vessel and the shelling of an island in 2010, but fell short of an apology. He added that he did not expect North Korea "ever" to apologize.⁹⁸

Against this background, there were growing indications that the Lee government was willing to explore the possibility of an inter-Korean summit meeting with the North. It is a well-known fact that in the fall of 2009, President Lee's chief-of-staff, Yim Tae-Hee (then labor minister), met with Kim Yang-Gon, the director of the United Front Department of the North's ruling party, in Singapore to discuss the possibility of a North-South summit meeting.⁹⁹ Although the talks broke down, rumors of secret inter-Korean talks persisted. For example, Japan's influential daily *Asahi Shimbun* reported that the two Koreas had held secret meetings, first in Kaesong in August 2010 and more recently in Beijing (i.e., January 2011) to discuss the possibility of a summit.¹⁰⁰ However, Seoul denied the reports.

In the spring of 2011, Lee rekindled interest in an inter-Korean summit when he reiterated his willingness to meet with Kim Jong-Il at any time, should North Korea change its attitude and sincerity “to resolve the nuclear and other pending issues.”¹⁰¹ According to Lee, a summit meeting with Kim would be possible if it could help achieve the goal of promoting peace and denuclearization. Apparently, Kim Jong-Il was also interested in an inter-Korean summit for the purpose of seeking economic assistance from the South. Following his visit to Pyongyang in April, former U.S. President Jimmy Carter revealed in a press conference in Seoul that he had received a written “personal message” from Kim during his recent visit to Pyongyang. It said Kim was willing to hold unconditional talks, including a summit, with his southern counterpart.¹⁰² The Lee government did not respond immediately, given the fact that the proposal was not sent directly to Seoul but indirectly through a third party.

In early May, during his visit to Berlin, President Lee announced his willingness to invite Kim Jong-Il to the forthcoming Nuclear Security Summit in Seoul in March 2012. Lee’s proposal, which was in a sense his response to Kim’s earlier overture, clearly indicated his interest in engaging with Kim Jong-Il.¹⁰³ According to officials in Seoul, there were certain conditions attached to the invitation, namely the North’s apology for provocations to the South and a commitment to denuclearization. Once these conditions had been met, South Korea would be willing to engage in dialogue with the North.¹⁰⁴ Pyongyang ejected Lee’s Berlin proposal.

In a related move, in an attempt to explore the possibility of a summit meeting between Lee Myung-Bak and Kim Jong-Il, secret talks were held in Beijing. According to a spokesman of North Korea’s National Defense Commission (NDC), the talks were held on May 9 at the suggestion of South Korea. In the course of negotiations, the South proposed three rounds of inter-Korean summit meetings between Lee and Kim: the first summit at Panmunjom in late June, followed by a second in Pyongyang in August, and the third in Seoul in March 2012. Pyongyang’s spokesman alleged that Southern negotiators “begged” for the North’s “concessions” on the apology issue for the Cheonan incident and the shelling on Yeonpyeong Island, saying that the

South would accept some form of the watered-down version which could be interpreted as an apology by the South. Furthermore, the NDC spokesman alleged that in an attempt to get the concessions from the North, the Southern negotiators tried to “bribe” their Northern counterparts by offering envelopes containing cash. However, he said that the North rejected Seoul’s offer. Furthermore, he stated that Pyongyang had decided not to deal with the Lee Myung-Bak government then or in the future.¹⁰⁵

Seoul immediately denied the North’s embarrassing allegations. The Unification Ministry dismissed the alleged cash offer as “absurd.”¹⁰⁶ It also denied Pyongyang’s contention that the South had “begged” the North for concessions. It expressed deep regret over the North’s shocking announcement, calling the North Korean allegations a “unilateral claim” not worthy of a response.”¹⁰⁷

In view of Pyongyang’s expressed interest in resuming an inter-Korean dialogue, including summit, and Kim Jong-Il’s assurance to Hu Jintao in Beijing in May that North Korea would improve relations with South Korea while honoring its commitment on denuclearization, Pyongyang’s one-sided version of the secret talks was not only shocking but puzzling to many. Apparently, Seoul’s demand for an apology had been completely unacceptable to Pyongyang and as a result the secret talks ended without any agreement.¹⁰⁸ According to the NDC’s commentary, “[t]he (North) side clarified its steadfast stand that such summit talks cannot take place as long as the South side insists on the hostile policy [i.e., the apology issue] towards the North.”¹⁰⁹ Under the circumstances, Pyongyang had apparently given up the idea of seeking rapprochement with the Lee government. Instead, it seemed to have decided to wait for a new government to emerge in the South after the presidential election in December 2012.

Conclusion

From the foregoing analysis, a few basic conclusions can be drawn. First, inter-Korean relations have been virtually frozen since the inauguration of the Lee Myung-Bak government in February 2008, largely due to Pyongyang’s attempts to develop and strengthen its

nuclear weapons program in violation of the denuclearization commitments stipulated in the September 19 Joint Statement (2005) and the February 13, 2007 agreement. Instead of complying with these agreements, signed by all parties to the six-power talks, North Korea not only renege on its promise to denuclearize but also attempted to destroy the six-party talks after December 2008. In the spring of 2009, North Korea carried out a second nuclear test in clear violation of international agreements, including the U.N. Security Council Resolution 1718 which had banned North Korea from engaging in such activities. Moreover, after years of denying the existence of any uranium enrichment (HEU) program, North Korea revealed a highly sophisticated ultra modern uranium enrichment facility through an American nuclear scientist in November 2010. These developments clearly indicate that North Korea has not been serious about denuclearization. Rather, it has embarked on a new path to build a more powerful class of nuclear weapons than those based on plutonium. The Kim Jong-Il regime's defiant attitudes and policies on the nuclear issue were totally unacceptable to the Lee government.

Second, from the very beginning, the Lee government made it clear that the denuclearization of North Korea is the top priority of its policy toward the North. Furthermore, it also declared its decision to link the provision of South Korea's economic assistance to the denuclearization of North Korea. Such an approach has inevitably antagonized the Kim Jong-Il regime, which was spoiled by Lee's two immediate predecessors' "sunshine policy." Unlike its two immediate predecessors, President Lee has made it clear that he will not provide large-scale economic assistance to Pyongyang unless and until North Korea abandons its nuclear program. Since the development and production of nuclear weapons by North Korea will drastically change the balance of power on the Korean Peninsula, the Lee government has ruled out to provide any large-scale economic assistance that can help develop the North's nuclear and missile programs at the expense of South Korea's national security. In an attempt to "tame" the Lee government, North Korea decided to nullify numerous agreements signed between Seoul and Pyongyang from 2000 to 2007. However, such an approach brought about further deterioration in inter-Korean relations.

Third, Pyongyang's erratic shifts in policy have, if anything, become even more pronounced since Kim Jong-Il's stroke in 2008. They have gone from moments of seeming conciliation to military attacks leading to

the edge of war, and repudiation of earlier, key agreements with South Korea. Although the inner workings of the North Korean regime are not entirely transparent, there is little doubt about that the succession question has introduced more elements of uncertainty and possibly greater swings of policy. To the Lee Myung-Bak government, this has meant greater difficulties in knowing just how policy is being determined in the North at any given time. It has also confirmed the wisdom of remaining firm in the face of Pyongyang's unpredictable policy behavior.

Fourth, inter-Korean relations have been exacerbated further by North Korea's saber-rattling behavior in the sinking of South Korean naval vessel, Cheonan, and the artillery attack on a South Korean border island, Yeonpyeong, in 2010. In spite of North Korea's insistence of innocence in the Cheonan incident, a team of respectable international investigators has concluded on the basis of a lengthy investigation that the ship was sunk by a North Korean torpedo. In the case of the North's artillery attack on Yeonpyeong, it was a clear act of war that violated the armistice agreement of 1953. North Korea's attack on the island pushed public opinion in the South from conciliation toward calls for tougher and more effective military responses to the North's provocation. In order to mollify the people's anger, the Lee government has had to beef up its military capabilities, promising a stronger military response to similar provocations in the future. At the same time, it has had to demand the North's apology on the two deadly provocations on the South. However, North Korea has refused to offer any apologies for these two incidents.

Fifth, the securing of the North's apology for the two deadly attacks on the South has become another major hurdle in improving inter-Korean relations. South Korea made it clear to the North that unless Pyongyang offered an apology or at least some form of sincere regret to the South, Seoul would not resume a dialogue with Pyongyang. However, getting an apology from Pyongyang has been an extremely difficult task in view of the North's uncompromising position. So far, the North has flatly denied any involvement in the sinking of the Cheonan. As for the Yeonpyeong "artillery battle," Pyongyang maintains that it took necessary measures of self defense in a conflict triggered by South Korea's live-fire drills in the disputed waters on the west coast. In view of the incredible "cult of personality" built around Kim Jong-Il and his "sacred" family, it is unrealistic to expect Kim to apologize to Lee, whom the North has scornfully castigated as the head of "the puppet

regime” of American imperialism. Besides, the offering of an apology by Kim Jong-Il can undermine not only his prestige and power but also those of his son, Jong-Un, who is being groomed to become his successor. In order to fashion a dialogue with Pyongyang, it may be necessary to separate the apology issue from more critical issues such as denuclearization.

Sixth, in view of the abrupt breakdown of the recent inter-Korean secret talks in Beijing, and especially in view of North Korea’s exposure of its version of the secret talks in Beijing, it is unrealistic to expect any breakthrough in inter-Korean relations in the near future. Apparently, North Korea has decided not to deal with the Lee government. Instead of seeking rapprochement with Seoul, Pyongyang has decided to wait until the establishment of a new government in the South after the December 2012 presidential election, hoping that the new South Korean government will be more flexible in dealing with the North. As a result, inter-Korean relations are likely to remain frozen for the foreseeable future with little prospect of a breakthrough under Lee. Meanwhile, in view of growing criticism of the Lee government’s handling of the secret talks in Beijing, especially among the leaders of the opposition parties in South Korea, Lee’s North Korea policy is likely to become a major campaign issue between the ruling party and its opposition in the forthcoming general election for the National Assembly next April and the South Korean presidential election in December 2012.

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