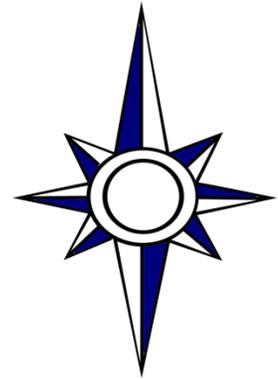


Comparative Connections

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South Korea-North Korea Relations: Will “Trustpolitik” bring a Thaw?

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Writing as a new year begins it seems apt to look forward as much as back. If the past four months saw little movement on inter-Korean relations, it is hardly surprising. South Korea’s current president (since 2008), Lee Myung-bak, is detested by the North – but he is on the way out. Formally, Lee’s term of office ends on Feb. 25, but the way the electoral cycle works in Seoul – presidents are allowed only a single five-year stint – has rendered him a lame duck for the past year, as attention shifted to the hard-fought race to succeed him. In that contest, despite deep overall ideological rivalries, the one certainty was that Seoul’s policy towards Pyongyang will change going forward. Both major candidates, as well as the independent progressive Ahn Cheol-soo, who made much of the running before eventually withdrawing, had promised to end Lee’s hard line and try to mend fences with the North. With her victory, the task of defining that changed policy falls to Park Geun-hye.

Fences to mend

That said, the detail among the candidates differed substantially. In a useful service, the [US] National Committee on North Korea (NCNK) – whose website is a valuable and perhaps insufficiently known resource generally – put together [summaries of the candidates’ positions](#) on the Northern question. The most radical was Moon Jae-in of the opposition Democratic United Party (DUP), who in effect was ready to resume and deepen the “Sunshine” policy practiced for a decade (1998-2007) by the late Kim Dae-jung and Roh Moo-hyun. Moon, who served as Roh’s chief of staff, went so far as to advocate an inter-Korean economic union – complete with its own five-year plan. This also would have included a Korean Peninsula Infrastructure Development Organization: a name surely suggestive of the now sadly defunct Korean Peninsula Energy Development Organization (KEDO), which did much to lay the foundations for more robust North-South cooperation. (KEDO’s too soon forgotten story is told by three participants – Robert Carlin, Joel Wit, and its former Executive Director, Charles Kartman – in [a book published last year](#).) The authors also did [video interviews with 38north.org](#) documenting their experience.

But this was not to be. The South Korean electorate did not go for “Sunshine” 2.0. In fact most polls suggest that North Korea hardly figured at all in the election. Either way, the main issues and preoccupations were domestic. Although Moon received 48 percent of votes cast (in a high turnout of 75.8 percent) in the presidential election held on Dec. 19 – and was the overwhelming choice of younger Koreans, according to exit polls – he was narrowly but clearly defeated by Park Geun-hye; daughter of the dictator Park Chung-hee (1961-79) and candidate of the conservative ruling Saenuri (New Frontier) Party. Park’s 51.6 percent of the total vote – the first

time any candidate has ever gained an absolute majority – past contests have usually been three-horse races – will make her, as one excited commentator put it, Korea’s first female leader since Queen Seondeok of the Silla kingdom in the 7th century CE.

That fact, radical in itself, suggests that South Korea’s next president should not be judged, as her foes tend to, solely by her personal and party pedigrees. Not that those are irrelevant, but the somewhat enigmatic Park is clearly a more moderate conservative than the man she succeeds and there is no love lost between them. Already in a 2011 [Foreign Affairs Article](#), Park called for “trustpolitik” between the two Koreas. That is a catchy slogan rather than a policy – Song Min-soon, a liberal ex-foreign minister, called it no more than “hopeful generalities” – but evidently it signals a desire to build confidence and mend fences.

Putting flesh on that idea will be more complex, however. The concrete policy dilemmas on North Korea which Park Geun-hye now faces were rather well, if pointedly, summed up in early December – when she was not yet South Korea’s leader-in-waiting – in an unusually cogent document from the very people she will soon have to deal with, north of the DMZ.

Pyongyang pinpoints Park’s dilemmas

Having to spend many a dreary hour reading North Korea’s stodgy and rancid propaganda, it makes a rare but refreshing change when every now and then Pyongyang says something halfway sensible. On Dec. 3 the official *Korean Central News Agency* (KCNA) published an [“open questionnaire”](#) by the Secretariat of the Committee for the Peaceful Reunification of Korea (CPRK), “demanding Park Geun Hye make clear before all the fellow countrymen what her basic stand on the ‘policy toward the north’ is and how she will develop the north-south relations in the future as desired by the whole nation and public at home and abroad.” CPRK had seven questions, whose general tenor was: Will the real Park Geun-hye please stand up? For example, “How is she going to keep promises made between the north and the south while shunning the joint declarations agreed by the top leaders of the two sides...?” Or again, “How will she ensure ‘mutual respect’ and achieve ‘trust’ and ‘cooperative relations’ while insisting on ‘unification based on liberal democratic order’?” For that matter, “Is [her] call for ‘scrapping nuclear program first’ different from the [Lee Myung-bak] watchwords of ‘no nukes, opening and 3 000 dollars’?” (President Lee brashly offered to raise DPRK income per head to \$3,000 if it gave up nuclear weapons and opened its economy; the North scorned this.) Or again, “Is it possible to put north-south ties on a normal track while resorting to anti-DPRK smear campaign such as ‘north Korean human rights act’?” And so on.

This is useful on several levels. First, the skilled Janus act – facing both ways, and not only on North Korea – which won Park the election, by appealing to both conservatives and the center ground, will be hard to sustain after February once she returns to her childhood home in the Blue House. Then hard choices will be necessary, regarding conditionality, priorities, means and ends, and the proper balance of stick and carrot. The CPRK’s questions cover many of the thorny issues which Park is no doubt already mulling. Let us examine a few.

First, it seems fair for the North to want Park to recommit to the two summit agreements, and it would be a good start if she feels able to do that. Whether she will is less clear, given her

hedging on the nuclear issue which CPRK correctly identifies. Despite the open-ended sound of “trustpolitik,” some of Park’s statements about the need for nuclear progress – much to be desired, of course; but the question is whether to make this a formal precondition – are hard to distinguish from Lee Myung-bak’s stance. Kim Dae-jung’s principle of separating politics from economics appears a wiser course, although vulnerable to criticisms of one-sidedness (and of course no more cash must pass under the table, as happened in his day).

Similarly, human rights criticisms of North Korea, while richly merited – they include, of course, the abduction during and after the 1950-53 Korean War of many thousands of South Koreans; so for Seoul to raise this is its right, not meddling – are hardly likely to restore even a modicum of “sunshine” if they are front-loaded. All Pyongyang’s interlocutors face the same problems of which concerns to prioritize – and also how best to coordinate with one another. Sequencing and linkages are key, and there are no easy answers or quick wins. The aim is to achieve a lasting transformation of the North, so some important issues may have to wait.

More joint ventures like the Kaesong Industrial Complex (KIC) would seem a win-win way forward. Another of CPRK’s questions was: “Does she think it possible to have north-south dialogue and cooperation with the ‘May 24 measure’ left intact?” This refers to the notional ban on inter-Korean trade (with the very large exception of the KIC) imposed by Lee Myung-bak after Seoul decided that the *Cheonan* was Pyongyang’s doing. Since the only effect of this has been for Chinese trade and investment to fill the gap left by South Korea’s withdrawal, it would be sensible for Park to separate politics from economics and lift the ban. Another easy but helpful step would be to resume tourism to the Mount Kumgang resort, suspended since a tourist was shot dead there in 2008, before the operator Hyundai Asan goes bankrupt and its (nominally confiscated) hotels and other assets at Kumgang fall too far into disrepair.

Obviously Park Geun-hye neither can nor should give the North everything it wants. But she and her advisors could do worse than study the CPRK’s questionnaire closely as a checklist of the kinds of issues Pyongyang is liable to raise, and the stance it is likely to take regarding them, once inter-Korean talks restart – as they surely will this year, if maybe not right away.

No aid? Then we shoot

Park should also ponder carefully the lessons of her predecessor’s North Korea policy. In South Korea’s rather abrupt political transitions, ex-presidents are history (and sometimes toast) the moment they step down. Indeed they become largely irrelevant as soon as their successors are elected, even though they still have another two months nominally in office.

Against that backcloth, and amid wide consensus that Lee Myung-bak’s North Korea policy was a failure – some might say, a disaster – Lee’s camp evidently felt the need to put their side of the story forward. Early in January, several Seoul dailies carried what was essentially the same report, attributed to an unnamed Blue House official. This confirmed that the administration had held several secret discussions about arranging a summit meeting. This fact was already known – indeed the North had ungallantly publicized it – but some fresh details emerged.

In his Liberation Day (August 15) speech in 2009 President Lee said the South was ready to start talks with the North “any time and at any level.” A week later, coincidentally, a rare senior Northern delegation visited Seoul to offer condolences for the recently deceased ex-President Kim Dae-jung, who had inaugurated the “Sunshine” policy and held the first inter-Korean summit in June 2000. The visitors included party secretary Kim Ki Nam and Kim Yang Gon; the latter is both in effect Pyongyang’s spy chief and in charge of inter-Korean affairs. They met Lee and privately told him the North was willing to hold a summit.

Kim Yang Gon was again the North’s point man for secret talks in Singapore in October with the South’s presidential chief of staff Yim Tae-hee. But Pyongyang demanded \$500 million worth of rice and fertilizer aid, which Seoul refused. Talks continued in the North’s border city of Kaesong on Nov. 7 and 14, with the same demand which the South again nixed. According to the source: “Won Tong-yon, a ranking member of the [North’s] Asia-Pacific Peace Committee, even presented a rough draft of a summit agreement, which contained demands for tens of thousands of tons of rice and fertilizer, and we couldn’t accept that.”

By early 2010, the North realized that Lee really was unmovable on aid, and abruptly altered its stance. Vowing a “holy retaliatory war,” in March, the Korean People’s Army (KPA) sank the frigate *Cheonan* and in November they shelled Yeonpyeong Island. Talks continued even after the *Cheonan* incident, but the North then as now denied responsibility for that attack.

Though obviously partisan, this account seems credible on the facts. Yet, questions remain as to Lee Myung-bak’s judgment and motivation. A source in Lee’s camp claims, as quoted by the [Chosun Ilbo on Jan.3](#), that had they agreed to aid, “the North would have demanded cash at every step of the process until the summit took place.” Is that fair? Pyongyang is certainly greedy and grasping. But, since during the “Sunshine” era Seoul sent 500,000 tons of rice and 300,000 tons of fertilizer in most years, an alternative reading is that the North just wanted restoration of the *status quo ante* – like its constant refrain that the South should recommit to the two Pyongyang summit accords, the latter of which (signed by his predecessor Roh Moo-hyun) Lee in effect abrogated. Of course North Korea too has failed to honor agreements, above all the wide-ranging but never implemented general and nuclear accords of 1991-92. Still, its feeling betrayed is understandable, even if its revenge in 2010 is obviously unconscionable.

Also, as with his *nordpolitik* generally, it is fair to ask what Lee seriously hoped to achieve. As we have noted before, insisting on nuclear disarmament as a precondition of substantive North-South progress was bound to get nowhere. Did Lee really not grasp that? Or if he did, does this warrant a more cynical interpretation, as critics allege – that in fact he just wanted to kill the “Sunshine” policy, and never seriously expected Pyongyang to play ball? Perhaps too kindly, I incline to the deluded rather than the cynical reading. Which interpretation is right may become clearer as time passes, if the key players give interviews or write memoirs (as for an earlier phase Lim Dong-won, “Sunshine’s” *eminence grise*, has done, in [a book now available](#) in English).

Parsing Kim’s New Year speech

Although technically this takes us a day into 2013, it would be perverse and remiss not to take note of Kim Jong Un’s New Year speech – particularly since sections of what North Korea

sometimes dubs the “reptile press” have got over-excited about it. This is where a project like *Comparative Connections* comes into its own. The hard, sometimes dreary graft of minutely chronicling a bilateral relationship, in all its ups and downs, does at least furnish a more nuanced sense of what really is new – as distinct from the ceaseless ebb and flow of the DPRK’s rhetorical tides, alternately breathing fire and calling for peace. (For an earlier example, see the “peace offensive” with which Pyongyang opened 2011 – this after its twin attacks in 2010 – which [we chronicled in *Comparative Connections*](#) last January.

Hope springs eternal, but it should not triumph over experience. Perhaps over-impressed by the innovation – actually a reversion to his grandfather’s day – of Kim Jong Un personally giving a speech, instead of the joint New Year editorials which replaced this during the 17 years (1995-2012) of the Kim Jong Il era, a surprising amount of Western media comment took a few perfunctory passages in Kim’s talk at face value. “[North Korean Leader Makes Overture to South](#)” was the *New York Times* headline, to an article which claimed that the most significant feature of Kim Jong-un’s speech was its marked departure of tone regarding South Korea. “A key to ending the divide of the nation and achieving reunification is to end the situation of confrontation between the North and the South,” Mr. Kim said. “A basic precondition to improving North-South relations and advancing national reunification is to honor and implement North-South joint declarations.”

True, this is better than calling Park Geun-hye a “political prostitute,” or cartooning Lee Mung-bak as a “rat being bloodily killed.” Yet as readers of *CC* or anyone who follows Korea knows, the phrases by Kim singled out by the *NYT* are bog-standard DPRK boiler-plate. There is nothing new about this at all. A closer reading would add two further points. One is Leonard Cohen’s eternal question: “Who is it whom I address?” (From ‘Teachers’ on his first album [The Songs of Leonard Cohen](#), 1967). Typically North Korea addresses South Korea in the abstract, or the world at large. That is grandstanding, not dialogue. Moreover it elides and undercuts the ROK government, quite deliberately, thereby demeaning the latter’s legitimacy as a counterparty. Had Kim Jong Un mentioned Park Geun-hye by name, that would have been a radical change. But he did not.

Second, rather than taking a phrase or two out of context, all DPRK documents must be read and parsed as a whole. The overall tone of Kim Jong Un’s speech was typically militant. It included this robustly worded threat: “If the aggressors dare launch a preemptive attack against our sacred country, the People’s Army should mercilessly annihilate them and win victory in the war for the country’s reunification.”

From here to paternity

Well, if that is the kind of reunification Pyongyang can still envisage – in 2013 as in 1950 – then it is hard to take Kim’s call for an end to confrontation seriously. Despite a decade of “Sunshine,” eclipsed though this has been during the past five years, “trustpolitik” does indeed remain to be built, and seemingly rebuilt, from the ground up. We shall see whether new principals on either side will do better than those who came before. Though at first sight an odd couple – she is twice his age – Park and Kim were both born into political dynasties. As it happens, they each also lost their mothers in their early 20s; respectively, to an assassin’s bullet meant for Park Chung-hee and to breast cancer.

On a private visit to Pyongyang back in 2002, Park was the dinner guest of the late Kim Jong Il; they spoke for an hour with no aides present. The host reportedly told his visitor, “I hold your father in high esteem in terms of how he developed the nation.” That was and is not the DPRK’s public line, naturally. But there may be a tacit basis for understanding here between a young married man, whose sole claim to rule is who his father and grandfather were, and a middle-aged single woman – the nation and people are her family, she likes to say – whose paternity is also crucial to her success and appeal. At all events, the next five years between the two Koreas can hardly be worse than the past five years.

Chronology of North Korea-South Korea Relations September – December 2012

Sept. 5, 2012: The Presidium of the Supreme People’s Assembly (SPA), North Korea’s rubber-stamp parliament, announces that an unusual second SPA session this year will be held on on Sept. 25, prompting speculation that economic reforms will be announced.

Sept. 5, 2012: Kim Jong Un sends condolences to the family of Unification Church founder Moon Sun-myung, who died on Sept. 3. Though seen as staunchly anti-communist, and originally expelled from North Korea where he was born, later in life Moon met with Kim Il Sung, and church companies invested in a hotel and auto plant in North Korea.

Sept. 7, 2012: Seoul High Court upholds a 4-year jail term for a defector named only as Ahn, who came to the South 17 years ago, for plotting to kill Park Sang-hak, a fellow defector and prominent anti-DPRK activist, with a poisoned needle.

Sept. 7, 2012: Seoul Central District Prosecutors’ Office files for an arrest warrant for a 50 year old North Korean spy named only as Kim. Arriving in June as a refugee, he confessed to being an agent of the DPRK Ministry of State Security so that he could “form a normal family” with a woman who came from China with him and who is also being investigated.

Sept. 7, 2012: ROK Minister of Strategy and Finance (MOSF) Bahk Jae-wan tells a special committee on long-term fiscal policy that “the unification of South and North Korea is a future that is not very far off, which makes the assumption that the countries will not be unified within the next 30 to 40 years seem absurd.” No reasons for his views are reported.

Sept. 10, 2012: Two ROK firms, steelmaker Posco and Hyundai Group, break ground for a 1.5 sq km \$177 million distribution center in Hunchun city in Yanbian Korean Autonomous Prefecture, China.

Sept. 13, 2012: Left-leaning Seoul daily *Hankyoreh* reports that some ROK firms in northeast China are closing down because Seoul forbids them to hire DPRK workers, who are increasingly available in the area and much cheaper than their Chinese counterparts.

Sept. 17, 2012: ROK businesses in the Kaesong Industrial Complex (KIC) tell the *Korea Times* that Choco Pies, a popular South Korean snack, are being used in the KIC as an incentive to boost productivity. Workers reportedly resell them at a premium in Northern markets.

Sept. 18, 2012: Unification Ministry (MOU) says ROK government will pay out 7.5 billion won (\$6.7 million) to compensate Southern firms hit by Seoul's ban since May 2010 on trade with the North (the KIC is exempt). Hitherto only loans had been offered, on a more generous scale; 253 companies have been lent a total of 56.9 billion won.

Sept. 19, 2012: Sources in Seoul tell *Yonhap News Agency* that the ROK government is considering taking over the assets of small investors in the shuttered Mount Kumgang resort, worth a total of 133 billion won (\$118 million).

Sept. 20, 2012: An official (presumably ROK) at the KIC says that the previous day a letter signed by most of the 123 Southern firms invested there was submitted to the DPRK authorities, protesting tax changes unilaterally imposed in August. These include a fine for accounting fraud of up to 200 times the sum involved.

Sept. 25, 2012: The North's SPA holds an unusual second session. The main business is to announce an extension of compulsory schooling from 11 years to 12.

Sept. 26, 2012: 65.7 percent of South Koreans, 6 percent more than a year ago, are unhappy with Lee Myung-bak's hardline policies on North Korea, according to a poll by the Institute for Peace and Unification at Seoul National University. 57 percent support reunification, while 54 percent favor increased cooperation and exchanges. 69 percent fear that the North could attack again.

Oct. 5, 2012: Korean Council for Women Drafted for Military Sexual Slavery, an ROK civic group supporting former "comfort women," says it will formally protest a 500,000 won (\$447) fine levied on it last month by MOU for issuing an unauthorized joint statement with a similar group in the DPRK, denouncing Japan. The ROK group says it had notified MOU of its plans, but the ministry refused to accept the notice.

Oct. 5, 2012: *Choson Sinbo*, daily paper of pro-North Koreans in Japan, says that South Korea's upcoming presidential election in December "can become an opportunity to end the catastrophic North-South relations."

Oct. 6, 2012: An 18 year old Korean People's Army (KPA) soldier from a border unit runs across the Demilitarized Zone (DMZ) to defect, after reportedly shooting dead two of his officers. He is later said to be 160 cm tall but to weigh only 50 kg (110 pounds).

Oct. 11, 2012: News emerges in Seoul of a cross-DMZ military defection on Oct. 2. This KPA soldier scaled three flood-lit barbed-wire fences unnoticed, and had to knock twice on ROK barracks doors to announce his presence and turn himself in before anyone realized he was there.

Oct. 11, 2012: ROK lawmaker Jun Byung-hun of the liberal opposition Democratic United Party (DUP) claims that Seoul's suspension since mid-2008 of tours to Mount Kumgang has caused

losses totaling 2.3 trillion won (\$2.18 billion) to tour operator Hyundai Asan, other Southern firms, and local governments in the adjoining border areas.

Oct. 11, 2012: DUP rebuts as electioneering claims by ruling party lawmakers that former President Roh Moo-hyun, during his 2007 summit with Kim Jong Il, was ready to yield on the Northern Limit Line (NLL) as the de facto marine border in the West/Yellow Sea.

Oct. 15, 2012: ROK Defense Minister Kim Kwan-jin issues a public apology for the lax border security at the DMZ exposed by recent Northern military defections. Five generals and nine other officers in charge of the front will be disciplined.

Oct. 18, 2012: MOU confirms that in August North Korea unilaterally imposed new taxes at the KIC, demanding a total of \$160,000 from nine of the 123 Southern firms invested there. The new rules demand to see daily financial data, which firms regard as confidential, and reserve the right to judge proper pricing of inputs and outputs. Pyongyang suspects these are being respectively inflated and deflated so that companies can minimize their tax liabilities.

Oct. 22, 2012: ROK police block routes to Imjingak Pavilion at the DMZ, after an unusually direct and specific threat by the KPA to shell it if activists went ahead with launching helium balloon carrying propaganda into the North from there, as they often do. The activists elude the authorities and eventually manage to send their balloons from Kanghwa Island instead.

Oct. 26, 2012: Seoul daily *Hankyoreh* highlights the cases of three students hauled in for police questioning after “retweeting” the DPRK website *Urimizokkiri*, even though they were clearly making fun of it. Under the National Security Law (NSL) it remains illegal for South Koreans to access or reproduce North Korean websites and other media sources.

Oct. 29, 2012: Activists launch propaganda balloons from Imjingak, amid scuffles with local residents and shopkeepers who accuse them of raising tensions with North Korea as well as harming business by deterring tourists from visiting the DMZ.

Oct. 30, 2012: *Yonhap* reports that far from budging on its one-sided new tax demands in the KIC, North Korea is pressing the ROK government to make investors in the zone comply.

Nov. 8, 2012: Two leading presidential candidates, Park Geun-hye of the ruling conservative Saenuri (New Frontier) Party and independent liberal Ahn Cheol-soo, each pledge to engage North Korea if elected. The third, Moon Jae-in of the opposition Democratic United Party (DUP), has gone further, proposing an economic union with the North.

Nov. 27, 2012: *Yonhap* reports an anonymous ROK official as saying the DPRK has newly and unilaterally created a rule allowing it to confiscate the assets of Southern firms operating in the KIC that fail to comply with its equally unilateral new tax regulations.

Nov. 27, 2012: Seoul press reports that Pyonghwa Motors, an auto assembler in Nampo begun in 1999 as a 70:30 joint venture between the Unification Church (UC) and the DPRK government, is to close. Costing \$55 million but with tiny volumes of 2,000 units a year built from imported

kits, this was loss-making until 2009 when a \$500,000 remittance became the first profit ever sent from North to South Korea.

Dec. 1, 2012: Secretariat of the DPRK Committee for the Peaceful Reunification of Korea [CPRK] publishes a 7-point “open questionnaire” for Park Geun-hye, the ROK’s conservative candidate, calling on her to clarify her stance towards North Korea.

Dec. 1, 2012: DPRK’s Korean Committee for Space Technology announces “plans to launch another working satellite, second version of *Kwangmyongsong-3*, manufactured by its own efforts and with its own technology, true to the behests of leader Kim Jong Il.” The launch will take place from the Sohae Space Center between Dec. 10-22. South Korea and its allies immediately condemn this and urge Pyongyang to reconsider.

Dec. 4, 2012: In an editorial titled “UPP a friend or foe?” the *Joongang Ilbo*, by no means the most right-wing of Seoul’s dailies, accuses the hard-left Unified Progressive Party (UPP) of being “a second battalion” of North Korea’s ruling Workers’ Party of Korea (WPK). The party had claimed that the DPRK’s much-criticized imminent satellite launch is no different from the ROK’s space program, which has no military connections.

Dec. 5, 2012: South Korea opens a second resettlement facility for Northern defectors, called Hanawon (“house of unity”) like the original. Located at Hwacheon, 73 miles northeast of Seoul, the new facility cost \$32 million and can house 500 defectors. Besides three months of compulsory basic adjustment training, it also offers professional development courses.

Dec. 5, 2012: Seoul Central District Court sentences a North Korean spy to four years in jail. The unnamed agent confessed to being sent to spy on defectors from the North. He claimed also to have been tasked with staging a traffic accident in China to injure Kim Jong Nam, the disinherited elder brother of DPRK leader Kim Jong Un, and to have paid a taxi driver to do this in July 2010; the attempt failed because Kim Jong Nam did not enter China when expected.

Dec. 12, 2012: Sooner than expected, North Korea successfully launches its *Unha-3* rocket and for the first time puts a satellite into orbit (which it claimed to have done twice before; those were undetectable, and this one soon ceases to function). South Korea and its allies condemn this as a *de facto* missile test in violation of UNSC resolutions.

Dec. 12, 2012: Seoul Central District Court sentences a former North Korean spy to five years in jail. The woman aged 46, who arrived as a refugee via Thailand a year ago, was found to have been a DPRK agent in China in 2001-06. She claimed the case was fabricated.

Dec. 19, 2012: In South Korea’s presidential election, Park Geun-hye, daughter of the late dictator Park Chung-hee (1961-79) and candidate of the conservative ruling Saenuri Party, narrowly defeats Moon Jae-in of the liberal opposition Democratic United Party (DUP) to become modern Korea’s first woman leader. Her five-year term of office is due to begin on Feb. 25. Park and Moon polled 51.6 and 48 per cent of the votes cast, respectively.

Dec. 20, 2012: *KCNA* swiftly if tersely reports that “The Saenuri Party candidate was elected after a close race in the South’s presidential election on Dec. 19.” It does not mention Park Geun-hye by name. (Normally Pyongyang waits 2-3 days; in 2007 it did not report Lee Myung-bak’s victory at all, according to *Yonhap*.)

Jan. 1, 2013: Kim Jong Un’s first New Year speech, replacing the joint editorials of his father’s era, includes pro forma calls for an end to North-South confrontation – but also a threat to reunify Korea by force “if the aggressors dare launch a preemptive attack.”

Jan. 2, 2013: The North’s National Defense Commission (NDC) says that the next South Korean government “must choose between confrontation and peace.”

Jan. 2, 2013: *MOU* reports that Northern defector arrivals fell to 1,508 in 2012, down from 2,706 in 2011 and the first annual total under 2,000 since 2006. The decline is attributed to tighter border control after Kim Jong Il’s death; by December the flow was rising again. The cumulative total of Northern escapees residing in South Korea at end-2012 was 24,613.

Jan. 3, 2013: *MOU* sources tell *Yonhap* that South Korea’s 2013 budget, finally passed by the National Assembly in the small hours of Jan. 1, allocates 1.09 trillion won (\$1.02 billion) to the ROK’s fund for inter-Korean cooperation: 9.1 percent more than in 2012, anticipating some easing of tensions. This breaks down as 735.7 billion won for humanitarian assistance (up 13 percent, and including allocations to send 400,000 tons of rice and 300,000 tons of fertilizer); 265 billion won for economic cooperation; and 90.2 billion won for the Kaesong Industrial Complex. *MOU*’s own budget gets a 4.4 percent hike, to 222.2 billion won. Under other budget heads Seoul will also spend 134.2 billion won helping Northern defectors settle in the South Korea, and give 27 billion won to international agencies which assist the DPRK.

Jan. 4, 2013: *MOU* data show that in 2012 no North Koreans visited the South; the first zero score since 1998. Peaking at 1,313 in 2005, under Lee Myung-bak numbers fell from 332 in 2008 to 14 in 2011. Last year, 110,116 South Koreans went to the North, almost all (99.8 percent) of them to the KIC.