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INTER-KOREAN RELATIONS IN 2009: SOURCES OF A SLOW RAPPROACHEMENT

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I. INTRODUCTION

Inter-Korean relations in 2009 were marked by a surprising turnabout in midsummer, as North Korea released two American and one South Korean prisoners, and began to vigorously revive inter-Korean economic projects while softening its criticism of South Korean President Lee Myung-bak. These moves contrasted sharply with the bellicose rhetoric that accompanied the North's nuclear test mere months before. Meanwhile, Lee appeared reluctant to alter his approach to Pyongyang, highlighting the threat that the North posed and reacting harshly to perceived provocations. Yet nongovernmental inter-Korean efforts forged ahead, and by the end of October, Seoul committed to restarting direct aid to North Korea, albeit with a more modest package than those of previous governments.

Two key questions arise from these events: what caused the sharp turn in North Korea's policy towards the South, and why then was Lee so reluctant to respond? While commentators have suggested that international sanctions or regime politics governed the North's seemingly erratic policy, the following paper will suggest that North Korea recognized a need for food aid in the coming winter, and quickly adjusted its policy to allow for the solicitation of that aid from the South. On the other hand, Lee's government was simply unprepared for North Korea's change in policy, and suspicious of its motives. Political commitments made during the spring provocations constrained Lee's ability to take advantage of the North's opening, although he did attempt to display some support for improved inter-Korean ties.

II. A FROSTY SPRING

The trajectory of inter-Korean relations in 2009 is linked to policies put in place by President Lee when he took office in February 2008. Opposed to unconditional aid and open engagement policies of his predecessors, Lee's new policy linked aid to the North with the Six-Party process of denuclearization. Though this set a high bar for engagement, Lee promised an ambitious program to engage the North under the "Vision 3000" proposal that would assist the North in opening its economy and lift its GDP to $3,000 per capita within ten years after denuclearization.

Pyongyang viewed the Lee government's new policy as an abrogation of previous agreements between the North and South, refusing to accept the new conditions. North Korea's 2009 Joint New Year's Editorial stated, "The June 15 Declaration and the October 4 Declaration, the action programme of the former, are the milestone of national reunification. We will never tolerate any slight deviation from the historic inter-Korean declarations." Dialogue ground to a halt, and relations rapidly deteriorated through 2008. North Korean rhetoric became increasingly shrill, and incidents such as the shooting of a South Korean tourist that wandered away from the Mount Geumgang resort area in the summer of 2008 intensified South Korean attitudes towards the North.

This downward spiral continued through the first half of 2009. The failure of the Six-Party Talks in December 2008 suddenly made the Vision 3000 proposal a much more distant prospect. A January cabinet reshuffle in Seoul brought in Hyun In-taek, who had drafted Lee's North Korea policy, as unification minister. Hyun saw no room for flexibility in linking denuclearization with inter-Korean relations. Pyongyang reacted strongly to his appointment, with the *Minju Joson* claiming that Hyun's appointment would "push inter-Korean relations into a deeper abyss of confrontation and ruin." Indeed, Pyongyang's rhetoric towards President Lee and his government grew even more vitriolic in early 2009, with the Ministry of Unification (MOU) noting an increase in negative references to Lee in North Korean publications to 9.9 per day from the previous year's average of 7.6. The DPRK seemed intent on undermining Lee's inter-Korean policy.

North Korea also demanded suspension of the Key Resolve/Foal Eagle military exercise, from March 9-20. As these demands were rejected, North Korean media predicted imminent war on the Peninsula. On March 9, the North cut its military hotline to the South and closed the border to all traffic for a day.

Days after the exercise ended, Yoo Seong-jin, a Hyundai worker at the Kaesong Industrial Complex (KIC), was detained for criticizing the North Korean system and for encouraging a female worker to defect. Coming several days after the arrest of two American journalists at the China-North Korea border, and flagrantly violating the operating protocols of the Kaesong project, the decision to detain Yoo, rather than to simply deport him, marked an escalation of tensions that threw the continuation of the long-unprofitable Kaesong project into serious question.

On April 5, North Korea launched a long-range Eunha-2 rocket in the face of protests by the international community. Although this new capability did not increase the threat to South Korea, it began a shift towards a more military-focused inter-Korean policy. Following the launch, talk began in Seoul and Washington about opening discussions on lifting limits on South Korea's missile arsenal, which might create a larger threat to North Korea's rear areas in the event of conflict.

On May 25, North Korea conducted its second nuclear test. While North Korea's nuclear strategy is outside the scope of this piece, the test had a profound effect on South Korean opinion towards the North. Not only did the test occur before the Obama administration had articulated a policy towards North Korea, it followed closely on the death of former President Roh Moo-hyun. In light of Roh's efforts to improve inter-Korean relations, some interpreted this timing as an effort to disgrace his memory. In a Hyundai Economic Research Institute poll after the nuclear test, only 22.2 percent of South Koreans surveyed felt that the North was trustworthy, the lowest level in a decade.

Building on discussions that followed the April rocket launch, Seoul announced its entrance into the Proliferation Security Initiative (PSI), a group that works to establish intelligence-sharing and maritime inspection procedures to obstruct trade in WMD-related materials. Though an invitation to join PSI had long been open, previous governments feared that joining might spark a conflict with the North. Lee's interest in joining in April signaled that the South would take concrete steps to contain North Korea as it presented a greater threat. North Korea's response was extreme: voiding the 1953 Armistice and calling Seoul's PSI decision a "declaration of war." Lee moved again to bolster the South's security by obtaining assurances in his June 16 summit with President Obama that the South would still be protected under the U.S. nuclear umbrella.

Even before the UN Security Council could pass a resolution condemning the

nuclear test, the North further soured inter-Korean relations, demanding on June 11 that North Korean workers at the KIC have their wages quadrupled and for companies involved in the project to pay exorbitant rents to Pyongyang. Though MOU denied that the North was trying to shut down the centerpiece of inter-Korean cooperation, the firms involved protested that they could not bear such an increase in costs. Hyundai Asan, which manages the KIC and the Mount Geumgang resort, seemed unlikely to survive a long period of inter-Korean tensions.

III. AN UNEXPECTED TURNAROUND

Yet frosty as inter-Korean relations were by July, it proved surprisingly easy to turn them back around. The North Korean media began to ease its criticism of President Lee, along with restrictions on travel to the KIC. Meanwhile, South Korea announced in late July that it would allow NGOs to resume aid work in the North. Both countries moved to a more conciliatory posture.

North Korea's key moves to warm relations with the South began in the crises generated by detaining two American journalists and a Hyundai worker. By taking captives, North Korea positioned itself to control any future rapprochement process. It hardly seems coincidental that the new North Korean constitution adopted in April granted Kim Jong-il the authority to pardon prisoners for the first time. Requiring that high-ranking officials visit Pyongyang to retrieve the captives, the North Koreans ensured that dialogue could be reopened no matter the depth of their isolation.

While former President Clinton's visit to Pyongyang to secure the release of the Americans mainly impacted the prospects for nuclear negotiations, the meetings that returned Yoo Seong-jin home reversed the course of inter-Korean cooperation in mere hours. Hyundai chairwoman Hyun Jeong-eun met with Kim Jong-il in Pyongyang for four hours on August 16 and agreed to measures that could revive Hyundai's inter-Korean projects. Aside from pardoning Yoo Seong-jin, Kim agreed to lift restrictions on cross-border traffic to Kaesong, resume tourism at Mount Geumgang, and to hold reunions for families separated by the North-South border during the autumn festival of Chuseok.

On August 18, former South Korean president Kim Dae-jung passed away. Kim Jong-il forwarded condolences to the South Korean people and dispatched a delegation headed by Korean Workers' Party Secretary Kim Ki-nam to Seoul

to lay a wreath at the funeral. Given that Kim Dae-jung was the architect of North-South cooperation, the North's move was unsurprising, but it contrasted with Roh Moo-hyun's passing in May, which was quickly followed by the nuclear test and then manipulated by North Korea to accuse President Lee of murder. Kim's death was far less controversial than Roh's, and his legacy as South Korea's first opposition president and the architect of the Sunshine policy emerged as cause for reverence and respect in both Koreas. Further, the dispatch of a North Korean delegation to Seoul reopened communication, allowing for talks with Unification Minister Hyun and a visit to the Blue House, where President Lee received a verbal message from Kim Jong-il.

In late August, inter-Korean Red Cross committees agreed to resume inter-Korean family reunions in early October. Though only 100 families were allowed to take part, the emotional and symbolic significance of these reunions to North and South Koreans is immense, and a decision to hold reunions was indicative of a commitment to return inter-Korean ties to a normal footing.

The events of early September further signaled North Korea's readiness to resume relations with the South. On September 6, an unexpected water buildup behind a North Korean dam on the Imjin River apparently forced a large, unannounced release of water. Flowing downstream across the border, the surge caused flooding that drowned six South Koreans camped by the river. The South's public was incensed, and President Lee and Unification Minister Hyun called the release a premeditated demonstration of the North's ability to attack the South, demanding an explanation and apology. Rather than taking a defensive tone, Pyongyang provided a written explanation that the release was an emergency measure and that the South would be notified in case of future releases. Satellite imagery later confirmed the North's statement, and the Lee government moderated its tone, later holding talks about dam control. North Korea's flexibility, at the expense of saving face, averted what could have become another inter-Korean crisis, revealing Pyongyang's investment in maintaining inter-Korean relations.

Meanwhile, economic cooperation began to run more smoothly. Cross-border trade showed a year-on-year rise of 2.6 percent in September, the first increase in 2009. This accompanied renewed contracts at the KIC with only modest wage increases for North Korean workers and discussions between North Koreans and KIC firms focused on understanding the obstacles to doing business there. In late October, after North Korea requested aid during negotiations over further family reunions, Seoul made a modest offer of 10,000 tons of corn targeted to North

Korea's North Hamgyong Province. Though the North was unsatisfied with the size or restrictions of this package, it appeared that inter-Korean relations had truly begun to return to consistent cooperation, and rumors of a new inter-Korean summit seemed realistic.

Still, two major questions spring from the course of inter-Korean relations in 2009: Why did North Korea upend its approach to inter-Korean relations, and then pursue them so aggressively? And why, in the face of this, was the Lee government so hesitant to embrace North Korea's new course?

IV. NORTH KOREA: SMILE DIPLOMACY WITH HAT IN HAND

Korea watchers have already pegged several motivations for the August turnaround in the North's relations with the South. One explanation involves a combination of Kim Jong-il's 2008 health problems and the need to install a successor during the 12th Supreme People's Assembly in April. This suggests that the rocket launch and nuclear test showed the Kim family's strength and solidified plans for Kim's son, Kim Jong-un, to take over after his father. Ostensibly, with this process complete and the leader's health improving, Pyongyang would be ready to get back to negotiations. At the same time, others argue that the North's "charm offensive" was a direct effect of sanctions instituted under UN Security Council Resolution 1874. This assumes that the sanctions were so effective in curtailing the North's weapons exports and isolating it financially that it had no real choice but to reopen inter-Korean sources of funding and move back into nuclear negotiations.

Both of these approaches are helpful in understanding the events of 2009, but neither sufficiently explains the details of the turnaround. Those who emphasize regime politics suggest that Kim needed to appease certain factions among the North Korean elite on whom his power depends, yet if this support is so critical to Kim's position, how could he safely and quickly reverse course and cancel the policies demanded by these constituencies? This model suggests that Kim would be locked into a certain policy as a new set of leaders moved into place, leaving him unable to make the sudden changes of the second half of 2009.

Likewise, the idea that sanctions forced North Korea to move to a more moderate stance in order to limit their implementation is not borne out by the evidence. North Korea reversed course after Resolution 1874 was passed, but it was already clear that high-level meetings would be necessary to obtain the

release of American and South Korean prisoners. The passage of Resolution 1874 and the visit by former President Clinton were separated by only about six weeks, hardly enough time for any of the players to understand how extensively sanctions would be enforced, much less assess their impact. Nor were estimates of the sanctions' impact so high as to suppose that they would cripple the North. The Hyundai Economic Research Group reported on June 17 that the sanctions, if enforced, would produce estimated losses of $1.5 to $3.7 billion to North Korea, or about 3 to 9 percent of GDP. By contrast, North Korea showed 3.7 percent GDP growth under sanctions in 2008. Enforcement of these sanctions during the summer was also minimal, targeting a small group of proliferation-related firms and North Korean arms shipments intercepted at foreign ports.

Meanwhile, increasing trade along North Korea's border with China was cemented with a raft of agreements signed during Chinese Premier Wen Jiabao's visit to Pyongyang in early October. While the exact details of these agreements remain unknown, at the very least, the Chinese offered $200 million in direct aid to Pyongyang, mitigating the impact of UN sanctions. Reports of increased construction in Pyongyang, a prevalence of consumer goods, and other signs of economic normalcy indicated that the North was far from facing dire straits under sanctions. Perhaps most importantly, the North Korean leadership was committed to appearing impervious to sanctions. The "150-Day Battle" to increase production began prior to the May nuclear test, to prepare the nation to resist sanctions and to allow the leadership to hail success in the face of sanctions. Reflecting this attitude, North Korea remained reluctant to return to the Six-Party Talks months after Resolution 1874 was passed, in contrast to its quick response to Resolution 1718 following its first nuclear test in 2006.

Rather than being forced upon the North Koreans by sanctions, the new engagement policy appears to have arisen out of basic needs. Cold and drought severely reduced North Korea's rice and corn crops, and summer harvests were weak in 2009. The Good Friends organization reported in late October that the North Korean agricultural ministry had instructed state trading companies to import as much grain as possible to combat expected shortages, while the UN Food and Agriculture Organization estimated a shortage of 1.8 million tons of food in 2009. These reports, and the rare direct request to the South for food aid, highlight the difficulties that the government faced, and the change in tone towards South Korea correlates quite well with a bout of unusual weather in mid-July that damaged crops in the DPRK's northern agricultural regions.

Temperature records for Chongjin and Hamhung, in North and South Hamgyong

provinces respectively, show several drastic swings in temperatures during early and mid July. Hamhung, where the average high in July is about 25 degrees Celsius, saw temperatures jump to 32 degrees Celsius before quickly falling to a 20-degree high during three brief periods that month. Further north, Chongjin had a month consistently colder than its 18-degree average lows, with only one night where the temperature remained above that level. Meanwhile, reports from the *DailyNK* carried testimony from North Hamgyong Province that crops suffered cold-weather damage in July. Although difficult to verify, these claims seem reasonable given the low temperatures recorded. Rapid temperature swings and unseasonably cold weather take a toll on crop yields, and North Korea generally lacks the expertise and funds to properly protect its crops from inclement weather.

Though trade with China has cushioned recent economic shocks, North Korea's foreign currency reserves remain limited. As North Korea cannot borrow to finance its trade deficit with China, analysts argue that much of this Sino-DPRK commerce is essentially disguised aid. Although China is North Korea's chief food supplier and would likely bail out the regime if conditions became truly abysmal, its generosity may be limited, and Pyongyang would not accept the vulnerability of overdependence on China. Importantly, the Chinese aid package announced in October had little apparent effect on inter-Korean relations. Marketization in North Korea is also thought to shield many of its citizens from food shortages. Yet Pyongyang is still unwilling to rely on markets and clamped down on market activity in late 2009 with a currency revaluation and other measures.

Meanwhile, the international support that previously helped sustain North Korea has broken down. Food and fertilizer aid from Seoul ended in 2008, and shortfalls since then have eaten through North Korea's reserve stocks. The World Food Programme mission to North Korea has been under-resourced since negotiations broke down over allowing Korean-speaking staff and aid targeting, with the agency now claiming that it can feed only two-thirds of the hungry population. South Korean aid groups were also restricted from operating in the North for most of 2009, leaving them unprepared to assist with a crisis. While aid agencies often overplay the seriousness of food conditions in North Korea, the spring of 2010 is likely to be far leaner than in recent years.

Pyongyang has weathered food shortages and even famine before, surprising many who have anticipated the regime's collapse. Based on these experiences, political stability appears to be disconnected from the food problem, and the

leadership has allowed its people to suffer through deprivation. Over the years though, the information afforded by interaction across the Chinese border and illicit market activity has led North Koreans to better understand their own poverty. Protests of market closures and the currency revaluation show that real, though very limited, dissent has occurred, and might be inflamed by a food crisis. Perhaps more importantly, the regime is now accountable to the various state trading companies and associated state and Workers' Party agencies in unprecedented ways. As described by John Park in an August 2009 Nautilus Institute paper "Understanding New Ways to Enhance Human Security in the DPRK," state trading companies attached to government offices generate foreign currency to fund the senior leadership while padding the budgets of their own bureaucracies. A food shortage would reroute a portion of that foreign currency to grain imports, reducing the funds available for the regime to maintain the loyalty of its elites and for government agencies to pay mid-level officials and operate normally. The risk of dissatisfaction within the governing structure presents a much more acute risk to the regime and its plans for the future than does hunger and poverty among the general North Korean public.

For North Korea, aid from the South is an excellent way to dampen the effects of a food shortage. Aid has traditionally come in large, unconditional deliveries of rice and fertilizer. Even when there are conditions, as in the fall 2009 aid proposal, South Korea has no structure for monitoring the food's distribution. Consistent humanitarian aid would also help North Korea hedge against Chinese influence, ensuring that the North has more than one external source of food. According to Andrei Lankov's article "Staying Alive" in the January 2008 issue of *Foreign Affairs*, the Chinese have begun to increase pressure on Pyongyang to open its economy. They are constantly pushing for reform in meetings with North Koreans, suggesting that the North Koreans should create space to maneuver with China to avoid potentially destabilizing reforms. After nearly a decade of "Sunshine"-type policies and enthusiasm for targeted and conditional aid even among the most conservative circles in Seoul, strong support among South Koreans for continued aid to the North means that an appeal for assistance is a safe request for North Koreans to make, and difficult for Seoul to refuse.

Aid-seeking behavior more effectively explains North Korea's warming to the South than succession- or nuclear-focused explanations. The North limited its overtures to the United States regarding the nuclear issue, reluctant to commit to a return to the Six-Party Talks, while it forged ahead in its relationship with the South. Momentum in North-South relations simply is not seen in the nuclear issue. The North continues to condemn linkage of inter-Korean relations and

denuclearization even as Seoul begins to find a way around that commitment, and Pyongyang will likely continue to encourage inter-Korean engagement even if nuclear negotiations remain stagnant, since inter-Korean aid will act as a buffer against continued or tightened sanctions.

Of course, aid is not the only item on the inter-Korean agenda. Revival of the Kaesong Industrial Complex, the Mount Geumgang tourist center, and family reunions were important parts of the turnaround in relations in 2009. Each of these points of cooperation can serve Pyongyang's need to import grain and bolster its foreign currency reserves. Tourists entering the North and families that wish to be reunited must pay fees directly to the North Korean government, providing a legitimate source of foreign currency without social or political disruption. As Victor Cha, Korea Chair at the Center for Strategic and International Studies, phrased it in a September 3, 2009, interview with the Council on Foreign Relations. "[I]f you think about it, tourism is the best sort of hard currency source because you pay a ticket to get in, see something and you leave. It has no broader impact on the regime but gives the leadership hard currency." Repairing these projects could allow North Korea to recover these sources of income and import more food staples.

The military measures taken by South Korea following the spring rocket launch and nuclear test may have helped induce this change in thinking. South Korean entrance into the PSI elicited an extreme rhetorical response from the North. This development was followed by a reiteration of U.S. nuclear assurances to South Korea, often cited as a serious threat by the North. Pyongyang may have perceived a link between its nuclear test and a deteriorating security situation. As North Korea displays what it terms its "nuclear deterrent," it should be unsurprising that the South would seek the ability to contain the North. Seeing that the Lee government is prepared to counter rather than accommodate the North's increasing capabilities, North Korean strategists naturally would place a heavy emphasis on improving inter-Korean relations to mitigate that threat. Indeed, North Korea's overtures to the South have gone far beyond what is necessary to allow the United States to restart dialogue. That North-South relations have advanced while direct U.S.-DPRK discussions over returning to the Six-Party Talks have stalled over technicalities and assurances further supports the notion that the North's moves are narrowly focused on the South rather than built into Pyongyang's wider nuclear strategy.

Thus, rather than a direct result of sanctions and isolation or the palace politics of Pyongyang, the North's rapprochement with the South was spurred by a need

to secure aid before food stocks run out. This explains the commitment and flexibility that North Korea showed in pursuing renewed engagement with the South, and its continuing effort to separate inter-Korean engagement from the nuclear issue. This follows a familiar pattern in inter-Korean relations, where relations improve as North Korean economic activity and agricultural output are weak, and deteriorate as North Korea regains its economic footing and improves its military capabilities.

V. SOUTH KOREA: PRINCIPLES CONSTRAINING ENGAGEMENT

The events of 2009 raise a second question in inter-Korean relations: why has the Lee government, which stands to benefit politically and economically from better North-South relations, been so hesitant to embrace North Korea's attempts to improve relations?

The Blue House has stood by a policy that it terms a "principled approach" towards North Korea, linking inter-Korean projects and aid packages to progress in denuclearization. It sees these limits as necessary in reducing the threat to South Korea, acting as a responsible member of the Six-Party Talks, and ensuring that relations with the United States remain strong. This policy was also thought to provide an additional incentive for North Korea to end its nuclear programs, as Lee's "Vision 3000" policy promised assistance for developing an export-oriented economy in the North post-denuclearization.

Though he won the 2007 presidential election by a significant margin, Lee has never had a firm political footing among the Korean public or even in his own party. Coming into office, the new president could boast only a 50 percent approval rating, the lowest of any Korean president at the time of his inauguration, and many Grand National Party (GNP) National Assembly members preferred Park Geun-hye, Lee's competitor for the presidential nomination. Faced with scandals and deep public dissatisfaction over his leadership style and handling of the lifting of a ban on American beef imports early in his term, Lee's political capital evaporated in 2008. Though his approaches to North Korea and many other issues were "principled" when he entered office, Lee was often forced to give into immense political pressure on various policy fronts. By the end of his first year in office, he had to pick his battles very carefully.

Yet the day that North Korea would definitively end its nuclear program seemed increasingly distant in 2009 as a failed session of the Six-Party Talks developed into a nuclear crisis and North Korea declared that the Six-Party process had ended. These steps pushed the Lee government further from engagement, and it took steps, such as joining PSI, in an attempt to contain the North Korean threat. The spring's provocations also appear to have had an impact on public opinion in the South, with a government poll showing an unusually high proportion, 51.8 percent, of South Koreans favoring an international response to the North Korean rocket launch, while only 33.6 percent supported direct inter-Korean talks. Not long after, polling by the Hyundai Economic Research Institute showed that public trust of North Korea was at its lowest level in a decade. The possibility of reengagement was faced with the obstacle of poor public perception.

At the time of the nuclear test, Lee was managing another political crisis stemming from allegations that top officials in his government had pushed a corruption investigation against former President Roh Moo-hyun, leading to Roh's May 23 suicide. The furor in South Korea over Roh's death far outweighed concern over the nuclear test, and a Korea Research poll in early June showed the Democratic Party with an approval rating of 23 percent, and Lee's GNP at 21.1 percent—the first time since Lee's election that the opposition polled higher than the governing party. The only issue on which the conservative government seemed to be trusted was the disarmament of North Korea. Yet with anti-North Korea supporters energized and the U.S.-Korea alliance increasingly emphasized in preparation for Lee's June 16 summit with American President Barack Obama, a June 13 *Hankook Ilbo* survey saw his approval jump to 30.3 percent, a number that was likely bumped higher the following week by his successful visit to Washington.

The South Korean government thus learned that heightened perceptions of a North Korean threat were beneficial to its political welfare, and although it would not be accurate to say that Lee "played up" the North Korean threat, his government was quick to condemn perceived hostility from North Korea, which it defined in increasingly broad terms. In addition to the benefits in terms of public support, a harder line towards North Korea also helped Lee cultivate support from conservative figures inside and outside the GNP. So, when denial-of-service attacks hit a range of South Korean and U.S. government websites, Seoul was quick to blame the North, although later evidence threw those claims into serious doubt. As mentioned above, the Blue House also took a very hard stance against flooding caused by an emergency release from a North Korean

dam. Both cases showed the government's eagerness to peg North Korea with hostile intent rather than waiting for a full investigation.

Still, it is virtually required that a South Korean leader present himself as working towards eventual unification of the peninsula. Not only does the notion of a united Korea speak to hopes of those on either side of the DMZ, it has real economic implications for certain constituencies in the South. A growing number of South Korean companies are tied to the KIC and have hopes of increasing inter-Korean trade, while rice farmers in the South have relied on government purchases of rice for food aid, which supports the price of their crops. So, while quick to highlight the North Korean threat, Lee also positioned himself as a supporter of inter-Korean cooperation. Yet his plans for economic engagement and aid remained linked to the North's denuclearization, differing little from standing policy. Lee's August 15 call for inter-Korean dialogue, like his September 21 "Grand Bargain" proposal, was rejected out of hand by the North. A South Korean proposal for reopening the Mount Geumgang project in late September was typical of this type of maneuver: showing initiative in resuming inter-Korean ties, but including requirements, such as an apology for the killing of a South Korean citizen at the resort in July 2008 and a guarantee of safety for South Korean tourists that the North could never accept. Lee appeared bound to his party's platform, paying only lip service to advancing engagement. In this sense, the "principles" of the Lee government obstructed any moves to reciprocate the North's attempts to improve relations, and as late as October, Lee still voiced his suspicions of the North's motivations for warming towards the South.

Although many South Koreans were pleased by President Lee's confrontational, conditions-based reaction to North Korea's attempts at rapprochement, the majority simply had other priorities. Although South Korea avoided the worst of the global financial crisis and quickly returned its economy to growth, the economy and domestic reform programs were much greater concerns than movements by North Korea, especially by autumn. With little enthusiasm or interest in either engaging or isolating the North, a move to engage Pyongyang more openly held the risk of losing face and appearing too conciliatory, while offering few political benefits. Instead, Lee chose a serpentine course between hard-line confrontation and limited engagement. As Leon Sigal suggests in "North Korea Policy on the Rocks: What Can Be Done to Restore Constructive Engagement?" published in the June 2009 issue of *Global Asia,* this allowed Lee to appease the more realist conservatives in his government, who preferred to focus on issues other than the North, as well as the more ideological politicians

to his right, whose perspectives remained fixed on the border.

As a result of this ambivalent strategy, initial inter-Korean efforts simply bypassed the Lee government. The visit by Hyundai chairwoman Hyun Jeong-eun to Pyongyang, and the fact that the North Korean delegation that paid condolences after the death of Kim Dae-jung came in a civilian capacity, showed that government-to-government ties lagged behind the reality of thawing relations. Interestingly, rumors arose in October that the North and South were discussing the possibility of an inter-Korean summit. Though the Blue House denied that such a meeting was planned, this move would have put cooperation between the governments back on track, even if the wide gap in policy made it unlikely that lasting changes would arise from such an exchange. The notion that Lee would consider traveling to Pyongyang when so little government-to-government work had been done lends credence to the notion that his inter-Korean efforts were mostly political posturing.

Finally, in September, as the North's efforts to improve relations appeared to be a sustained policy that could not be ignored, the Lee government took genuine steps to reopen inter-Korean ties. Seoul lifted restrictions on South Korean NGOs operating in the North and once again allowed companies in the South to import sand and other raw materials, though under close monitoring to ensure that the North did not misuse its profits. On October 29, the government unveiled its first inter-Korean aid package: 10,000 tons of corn required to be sent directly to North Hamgyong Province, where conditions were reportedly the worst. Though far smaller than previous governments' aid packages, this marked a compromise between Lee's principles and the political need to engage the North. Aid was sent in the form of corn rather than rice, as corn was less likely to be siphoned off by North Korean elites or the military. Although Seoul had no way to control where the aid went in North Korea, by pronouncing it a targeted aid package, Lee was able to maintain a distinction from previous governments while still attaching no strings to the South's donations. Though the opposition decried the package as far too small, it laid the groundwork for a new type of inter-Korean engagement that would reassure both the South and the United States that the North-South relationship was more than the "appeasement" that it had been labeled in the past.

VI. CONCLUSION

The turnaround in inter-Korean relations in mid-2009 came as North Korea recognized its need for food aid to make up for harvest shortfalls, in hopes of rejuvenating its relations with the South to guard against Chinese domination of its economy. Just as in the late 1990s, an economically weak North Korea looked to the South for an opportunity to avert potential collapse, while making overtures about national reunification that maintain support for the regime in Pyongyang. North Korea will likely continue pursuing better relations with Seoul in an attempt to procure further food aid, although continuing short- and medium-range missile tests show that the North will not fully link its defense policy with efforts to gain assistance.

The Lee government, fettered by the conservative elements of the GNP and by frozen nuclear negotiations, will only hesitantly advance cooperation with the North. While Seoul may hope to take advantage of renewed nuclear talks to allow for further aid, it will have difficulty justifying these steps if nuclear negotiations again break down. President Lee may see the current period of warming relations as fragile given the questionable status of nuclear negotiations, and could seek an inter-Korean summit sooner, while the notion is still viable, rather than later when Pyongyang's tone may grow harsh. Given North Korea's demonstrated commitment to improving relations on the peninsula, it is likely that Kim Jong-il would agree to meet Lee, giving both leaders a boost in domestic political standing.

North Korea's focus on food and on acquiring foreign currency in the short term bears important implications for the longer trajectory of inter-Korean relations. Once this season's food shortage is resolved, or the traditionally worst months of famine in the North pass in spring 2010, the North Korean drive to improve inter-Korean ties will most likely peter out. If a regular relationship of aid and economic cooperation with an unambiguous commitment from Seoul does not develop by that point, the North may again escalate its provocations towards the South and its criticism of the Lee government.

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