sanctions, aid, and a peace treaty to officially end the Korean War remained. Simultaneously, China continued to play a leading and constructive role in the Six-Party Talks. Economically, cooperation between the ROK and China expanded, while social and cultural exchanges fostered better people-to-people relationships, which definitely play a role in shaping long-term policy direction and political relations.

The story is not a simple one, however. The period of "China fever"—the South Koreans' somewhat naively optimistic views of China and its intentions—ended, or at least subsided, after the Koguryo flap. Incidents like the *Golden Rose* and below-the-surface diplomatic tensions between the two countries signal an increasing wariness of China's motives and long-term objectives in the Korean peninsula. More and more, China's booming economy is considered to be less of an opportunity and more of a threat to South Korean industry, as evidenced by the ROK's deteriorating trade surplus and trade disputes over steel, chemicals, and other products.

The short-term outlook for the relationship is positive, even though relatively minor incidents have the potential to become major flashpoints. In the longer term, however, the strategic situation suggests that the two countries' goals, particularly their views on reunification, are not necessarily in harmony. The events of 2007 provide some support for this view. Oddly enough, in a certain sense this state of affairs is the mirror image of the ROK's relationship with the U.S. While Washington and Seoul have disagreed strongly on tactics, both countries would benefit from a united Korea and seem to share this goal. A single Korea would have the potential to be a friend of the U.S., would remove the threat of proliferation, and would alleviate the perceived need for an American troop presence in the region. When and how the differences between the short- and long-term priorities of the U.S., the ROK, and China will be sorted out is anyone's guess; however, such a reckoning is unavoidable.

THE POLITICS OF INTER-KOREAN RELATIONS AND SOUTH KOREA'S 2007 PRESIDENTIAL ELECTIONS

Thomas S. Kang

I. INTRODUCTION

Since the establishment of the two Koreas in 1948, the domestic politics of each country have been heavily influenced by the existence and actions of the other. Both governments have continuously claimed to be the legitimate government of the entire peninsular territory. Such claims have made reunification issues and inter-Korean relations important in each nation's domestic politics. Even after democratization in South Korea (Republic of Korea, or ROK), North Korean (Democratic People's Republic of Korea, or DPRK) policy and inter-Korean relations have been at the focal point of ROK foreign policy and its domestic politics.

Over the past two decades, developments in inter-Korean relations have been especially volatile. From multiple nuclear crises in the early 1990s to the inaugural summit meeting between the ROK's Kim Dae-jung and DPRK chief of state Kim Jong Il, inter-Korean relations have been turbulent. The ROK has had three presidents in those two decades. Under Kim Young-sam, Kim Dae-jung and then Roh Moo-hyun, the South's policies regarding its northern counterpart have undergone sometimes considerable and sometimes subtle transformations. As the presidential torch in South Korea is passed again in 2008, policies toward North Korea are bound to undergo change, although to what extent remains to be seen.

In 2006, the DPRK joined the exclusive ranks of the nuclear powers, further estranging itself from the ROK and the rest of the world. The year 2007 saw tremendous progress through the Six-Party Talks and dramatic inter-Korean events that peaked with the October summit meeting. It was also an election

year in South Korea, and one would have expected North Korean policy to be a prominent issue in the presidential campaigns because of the implications of the elections for the future of inter-Korean relations and North Korean affairs in general. But although North Korean affairs and policy attracted the spotlight for a while, it was actually the economy and the voters' weariness with Roh Moo-hyun that dominated the election issues.

Leading up to the October summit between Kim Jong Il and Roh Moo-hyun, North Korean issues were highly politicized. The Grand National Party (GNP), South Korea's traditionally conservative party, complained loudly that the Roh administration was using inter-Korean relations for political ends, trying to boost the progressive candidate in the elections. At one point, stances on North Korea seemed to be the principal distinguishing characteristic among the candidates.

Then, in the last stretch of electioneering, North Korean issues all but disappeared from the news. A general consensus favoring a positive engagement policy toward North Korea emerged and interest in the presidential candidates' perspectives on North Korea seemed to wane. The GNP is poised to assume power in February 2008 with Lee Myung-bak as president. South Korea will see a change not only in the government's approach to the economy but also in its policy toward the North.

In the first part of this paper, I review the salient inter-Korean events that occurred in 2007. I begin by examining how the major developments in 2006 (the July missile tests and, more important, the October nuclear test resulted in a new dynamic in inter-Korean relations. I describe how inter-Korean relations improved with the successful Six-Party Talks that resumed after the Banco Delta Asia (BDA) affair was resolved and how they culminated in the surprisingly successful October 2007 summit meeting between the leaders of the North and South.

In the second part of the paper, I discuss how these issues were manipulated in South Korea's party politics in the 2007 presidential campaign. I review the major candidates' official platforms, as well as the reactionary policies of hard-line conservatives, and discuss what seemed to be a general trend toward a centrist engagement policy. In closing, I discuss the implications of Lee Myung-bak's policies on the future of inter-Korean relations and North Korean affairs in general.

II. ROUGH BEGINNINGS IN 2007

It was a dramatic year for inter-Korean relations in 2007. From the cold front that followed North Korea's nuclear weapons test in 2006 and a deadlock in the Six-Party Talks, the atmosphere warmed considerably. Direct talks between the U.S. and North Korea, the resolution of the BDA affair, and significant progress

in Six-Party Talks were central to the improvement in peninsular relations. The frost in North-South relations continued to thaw with a summit meeting in October. High-level talks between the two Koreas continued after the summit meeting, further fostering the spirit of good will.

The year 2007 began with scant hope for warm relations between the DPRK and the ROK. Against the tumultuous backdrop of events in 2006, expectations were understandably low. The Six-Party Talks had been at an impasse since 2005 because of the DPRK's anger at the U.S. for imposing financial restrictions. Then North Korea exacerbated its already strained foreign relations, including those with the South, with two provocative acts: test-firing short- and long-range missiles in July, and—of graver consequence—conducting a nuclear test in October.

On July 5, 2006, North Korea test-fired five short-range rockets and one long-range missile. Although the missile test failed within a minute after launch, the event antagonized already tense relations. South Korean President Roh Moo-hyun issued a statement saying that "North Korea must take responsibility for events resulting from its firing of the missiles."

Three months later, on October 9, North Korea conducted a successful underground nuclear test. Coming only three days after the United Nations (UN) Security Council issued a formal statement urging the DPRK to abandon any plans for a nuclear test and return to Six-Party Talks, the test strained North Korea's relations with even its closest ally, China. Foreign Minister Li Zhaoxing said China was "resolutely opposed" to the nuclear test and publicly condemned the DPRK for having "ignored universal opposition of the international community."

South Korea also gave signs of reevaluating its support for North Korea. The ROK immediately suspended an emergency aid package meant to help the DPRK deal with recent floods, and President Roh went so far as to question the effectiveness of his predecessor's Sunshine Policy. In a nationally televised speech, he said, "The South Korean government at this point cannot continue to say that this engagement policy is effective… Ultimately, it is not something we should give up on, but objectively speaking, the situation has changed. Being patient and accepting whatever North Korea does is no longer acceptable." President Roh's very uncharacteristic statement reflects the severe tensions in the relationship. Oddly, the very next week the administration's Unification Minister asserted the administration's intention to continue the engagement policy.

Shortly after the nuclear test, the UN Security Council unanimously voted to impose a wide range of sanctions on the DPRK. North Korea rejected the resolution and walked out of the Security Council chambers. Joining the ranks of

the world's nuclear powers came at a considerable cost to the DPRK; it managed to isolate itself from even its very few friends. In the past, President George W. Bush's administration had found it difficult to get China and South Korea to effectively pressure the North. Now the dynamic had changed.

In light of these circumstances, prospects for improved inter-Korean relations in 2007 were bleak. Nam Sung-wook, a professor of North Korean Studies at Korea University, said, "The relationship between the two Koreas [will] be more turbulent than it has been in recent years … because factors which exert direct influence on the Korean peninsula and the South-North relationship have become more complex than ever." Although inter-Korean relations were at an extreme low, South Korea nevertheless maintained its Sunshine Policy, and hopes for improving relations were not completely abandoned.

III. THE TURNING TIDE

In September 2005, the U.S. Treasury Department took measures against Banco Delta Asia (BDA), an obscure, family-owned bank in Macau, which it accused of laundering money for North Korea and engaging in the distribution of the DPRK's counterfeit "supernotes." The U.S. action effectively imposed an informal financial embargo and caused a run on the bank's deposits, which forced the government of Macau to take control of BDA. The threat to BDA greatly affected a wide range of North Korea's business dealings, both legitimate and illegitimate. According to Marcus Noland of the Peterson Institute of International Economics, an expert on North Korea's economy, "Not only did North Korea lose access to this particular financial institution, other financial institutions began severing their ties with North Korea, not wanting to risk entanglement in North Korean illicit activities and possible expulsion from U.S. financial markets." As a consequence, he added, "North Korea has encountered increasing difficulty executing international financial transactions."

The importance of the BDA embargo to North Korea was clear when the DPRK walked away from the Six-Party Talks shortly after the U.S. action. North Korea refused to discuss denuclearization until the financial issue was resolved.

Unable to make progress in its bilateral relations with the North, South Korea strongly desired a resolution of the BDA affair so that the Six-Party Talks could be resumed and the ROK could regain its positive rapport with the DPRK. Thus, the ROK government quietly engaged in an active role to untangle the BDA issue. According to an article in *Chosun Ilbo*, "South Korea asked the U.S. to consider selectively unfreezing at least five of North Korea's 50 accounts with the Macau-based Banco Delta Asia, saying part of the U.S.$24 million North Korean accounts were acquired legitimately." Rather than going through the

customary diplomatic channels, an unnamed senior ROK official "explained the five accounts in detail to John Negroponte, the Director of National Intelligence and Deputy Secretary of State-designate." The U.S. official who confirmed this meeting said that because Washington did not believe that the five accounts in question were related to illicit activities, it was considering unfreezing them. Between February and June 2007, officials in Roh's administration did everything they could to resolve the BDA affair and move on to the more important issue of planning a summit meeting.

In January 2007, Christopher Hill, Assistant Secretary for East Asian and Pacific Affairs of the U.S. State Department, met in Berlin with Kim Gye-gwan, Vice Minister of Foreign Affairs of the DPRK, for one-on-one discussions. During these talks, progress was reportedly made on the U.S. financial sanctions issue. Both envoys agreed that the financial issue should not be evaded. Ultimately, "the Berlin meeting in January was critical in resuscitating the [six-party] talks and in shaping the agreement reached in Beijing," according to a senior U.S. official familiar with the American negotiating team.

Following the bilateral talks and agreements to resolve the BDA affair, all sides optimistically resumed the Six-Party Talks February 8–13 in Beijing. The joint statement issued at the sessions' close resounded with optimism: North Korea agreed to take steps toward nuclear disarmament and the U.S. agreed to "begin the process of removing the designation of the DPRK as a state sponsor of terrorism and advance the process of terminating the application of the Trading with the Enemy Act with respect to the DPRK." In June, the money that had been frozen in the BDA was returned to North Korea, which responded accordingly. "'Now that the issue of defreezing the funds has been settled, the DPRK, too, will start implementing the February 13 agreement,' a North Korean foreign ministry spokesman said in a statement published by the official Korean Central News Agency…" Inter-Korean relations resumed, eventually culminating in the October summit between Roh Moo-hyun and Kim Jong Il.

IV. THE OCTOBER 2007 SUMMIT

President Roh and Kim Jong Il met October 2–4; it was only the second summit meeting between the leaders of the two Koreas since the end of the Korean War. The meeting produced concrete results that far exceeded expectations—many people thought the lame duck Roh would give away too much without gaining anything. But the joint declaration issued at the summit's close showed that Roh had achieved more than his predecessor. A *New York Times* article asserted that it contained "specific projects that could build closer economic and security ties between the Koreas" and reflected "some modest, though important, concessions" made by the DPRK to the South.

The declaration outlined projects designed to promote economic cooperation between the two Koreas, including a new special economic zone to be built by South Korea in Haeju, a small port town in the southwestern corner of North Korea; a joint fishing area in the Yellow Sea where, previously, military clashes had frequently occurred; the rebuilding by the South of a railway connecting Kaesong with Sinuiju, a town on North Korea's border with China; and the construction by South Korea of a shipbuilding complex in North Korea's Nampo region. Politically, the declaration called for the two sides to work toward establishing a formal peace regime. It explicitly stated their desire "to terminate the existing armistice regime and to build a permanent peace regime, and cooperate to pursue issues related to declaring the end of the Korean War by holding on the Korean peninsula a three- or four-party summit of directly related sides." The mention of "a three- or four-party summit of directly related sides" implies China's inclusion, or possible exclusion, and firmly establishes South Korea as an essential party in establishing the permanent peace regime—something not included in the 1953 armistice agreement.

The meeting between the two Koreas was surprisingly successful both politically and economically; the fact that it even occurred is attributed by many to the improvement in U.S.-DPRK relations. Inter-Korean relations have at times been viewed by the international community as almost of secondary importance to relations between North Korea and the U.S. In any case, the interdependence between the two relationships cannot be ignored. Leon V. Sigal, Director of the Northeast Asia Cooperative Security Project, says that "North Korea's leaders have never agreed to a summit meeting with the South unless the U.S. was improving relations with North Korea." U.S.-DPRK relations also figure prominently in South Korea's domestic politics.

The underlying political motivations behind holding a summit meeting two months before South Korea's presidential elections invite discussion. It is no secret that President Roh, who was widely unpopular as he approached the end of his term, was hoping to secure his legacy by holding the talks. Another motivation for having a strong finish was "to alter South Korea's political landscape, which currently favors the conservative opposition's presidential candidate." Completing his term on a positive note could have given Roh's party a significant boost at the polls. Given South Korea's sensitivity to polling and dramatic last-minute upsets (as seen in the 2002 elections), anything Roh could do to boost his party's popularity—especially with regard to North Korean policy, which the public seemed keenly attuned to—had the potential to provide some political pull.

In late August, Bruce Klingner described the political climate this way: "A summit is unlikely to affect the outcome of the election but could shift the vote

by several percentage points—a significant move if the election proves close. According to some polls, up to 25 percent of the electorate is undecided in its support for a political party and presidential candidate." Klingner's assessment reflects the post-summit political atmosphere. Pundits, the media and politicians themselves were all furiously speculating about how the summit meeting and other developments with North Korea would resonate politically among the presidential candidates, their parties and ultimately the elections. But even with such concrete results from the summit, public interest in North Korean affairs cooled considerably. In spite of the hype that so many hoped or worried could sway the election, barely two months later the summit had virtually disappeared from the news.

Although the economy and Roh Moo-hyun fatigue dominated the election, the significance of North Korean policies should not be underestimated. The candidates, in spite of pandering to the public consensus on engagement, had distinct views on foreign policy issues with respect to the North.

V. PARTY PLATFORMS ON NORTH KOREA AND INTER-KOREAN RELATIONS

Whereas the U.S.-ROK relationship and anti-American sentiments fired up the 2002 presidential elections, the 2007 elections reflected a jaded sense of disenchantment. Voters seemed resigned to Lee Myung-bak's victory; in fact, they seemed to prefer a president who could take charge of the economy, in spite of questions about unethical behavior. In the last few weeks before the election, the politicized fervor of North Korean policy that stirred up the media from August through October became yesterday's news. One notable exception was National Assemblywoman Suh Hae-suk's description of North Korean policy as "the most significant difference between the UNDP [United New Democratic Party] and the GNP." In some instances, candidates intertwined aid and North Korean relations with South Korea's economic interests, but in the last few weeks, the excitement fizzled and North Korean issues were hardly mentioned.

Earlier in the campaign, however, this was not the case. Each candidate seemed to want to distinguish himself in terms of his approach to North Korea. The more liberal center-left UNDP's candidate, Chung Dong-young, advocated pro-engagement policies toward North Korea, calling for a continuation of the Sunshine Policy. He believes in firm inter-Korean economic cooperation as the key to unification, but he also sees almost any aid to North Korea as an investment that can benefit South Korea's own economy. In fact, his most significant proposal to boost the South Korean economy was economic aid to the DPRK. If elected, he planned to expand the development of industrial complex projects in North Korea by building 10 or more complexes. "[Chung]

believed that South Korean companies will benefit from the resulting investment opportunities and the profits from those investments will trickle down to South Korean workers. He also believed that he [could] cut the defense budget to pay for his social welfare plans as tensions with Pyongyang ease." Chung was adamant about implementing promises made on September 19, 2005, to supply North Korea with 2 million kW of electric power.

The more conservative center-right GNP has traditionally emphasized security first and supported a containment policy, favoring a more quid pro quo relationship with North Korea. In the 2007 presidential election, however, GNP party leaders announced a change in their North Korean policy, to what Rep. Park Jin described as a "flexible approach, but engagement with principles." The new policy, endorsed by Lee Myung-bak, "includes a plan to aid North Korea's economy with support missions and large-scale training programs once Pyongyang gives up its nuclear arms program." This shift is perhaps the most salient example of South Korea's general consensus in viewing North Korean policies.

Lee Myung-bak's "Korea 3000 Plan" goes further: it sets a goal of raising North Korea's per capita income from $500 to $3,000 in a decade by providing development aid and economic assistance if—and only if—the North dismantles its nuclear weapons program and opens up its economy. Lee has proposed establishing a North-South economic community to implement his plan by signing a Korean Economic Community Cooperation Agreement. His approach would have the practical effect of slowing nonhumanitarian aid to North Korea, given the North's reluctance to openly reform its economy. However, "he has pledged to keep humanitarian aid flowing north regardless of the state of relations between Seoul and Pyongyang." This pledge seems to reflect a less hard-line approach.

The impetus for change in North Korean policy seems to have been overwhelming public sentiment in favor of improved relations with North Korea and the conservative party's need to revise its hard-line image among voters. According to Park Doo-sik at *Chosun Ilbo*'s political desk, the policy shift towards a more flexible approach was merely election posturing, because "the GNP thinks it is unpopular with young and middle-of-the-road voters because of its reactionary image, [with] its hard-line North Korea policy being the biggest obstacle." Critics claim that the GNP's direction change is nominal and that concrete action, if it occurs at all, will be slowly and inconsequentially implemented.

Then there were those on the far right who advocated even stricter policies. While the GNP and Lee Myung-bak attempted to curry favor among the younger, more progressive voters with a flexible, conciliatory North Korean policy, independent candidate Lee Hoi-chang did just the opposite. Breaking

from the GNP because he viewed it as being too soft on North Korea, Lee Hoi-chang entered the presidential race with an "ultra conservative line, putting more emphasis on security than on engagement with North Korea." A former Supreme Court justice, Lee criticized both Lee Myung-bak and Chung Dong-young for pursuing policies that he claimed "eventually help the North develop nuclear weapons power rather than resolve the nuclear problem." He found fault with the GNP candidate for what he considered to be an "ambiguous" North Korea policy. Lee Hoi-chang's entry in the race added a new dimension by mobilizing right-wing forces and putting pressure on Lee Myung-bak to take a more conservative line. This pressure will probably continue in the future, as Lee Hoi-chang has pledged to remain in politics. Moreover, he garnered more conservative support when some GNP lawmakers defected to support his bid for the presidency. Though it is doubtful that he will amass enough support to outweigh the GNP, his movement to the right could potentially create a significant amount of friction in the National Assembly, especially with upcoming elections in April 2008.

Pressure mounted from the left as well, as the Democratic Labor Party (DLP) and civil society groups demanded even more engagement. DLP candidate Kwon Young-ghil called for "disbanding the Korea-U.S. alliance" and establishing a permanent peace regime on the Korean peninsula by 2008. The environment-friendly Creative Korea Party's candidate, Moon Kook-hyun, proposed "plans to build a regional economic bloc linking the two Koreas to Russia as an inducement to North Korea." Though the far left groups do not have enough political sway to challenge the GNP or Lee Myung-bak by themselves, they pose significant potential for opposition if coalitions are formed in the upcoming National Assembly elections.

VI. POLITICKING OVER THE NORTH

Over the course of 2007, almost every event or development in North-South relations was highlighted in the news. Often linked to such news coverage were critiques or public claims of support by political parties, candidates or the president. From funding and humanitarian aid to the scheduling of the summit meeting, everything seemed to merit political commentary or draw controversy in the tense political landscape of the presidential elections. Political debates and schisms over North Korean treatment developed across and even within parties.

The reversal of the U.S. containment policy toward North Korea led to dramatic improvements in North Korean relations not only with the United States but also with South Korea. After the policy reversal, bilateral talks between the U.S. and North Korea were held in Berlin, the Six-Party Talks resumed, and the February 13 North Korea Denuclearization Action Plan was established.

These developments elicited various responses from South Korean politicians. Roh Moo-hyun and the progressive camp applauded the developments because they bolstered the engagement policy. In fact, the U.S. policy shift seemed to embolden South Korean progressives, because the Bush administration appeared to be following the lines the Roh administration had been advocating all along. Furthermore, the improvements in U.S.-DPRK relations and progress in the Six-Party Talks created a more accommodating environment in which to hold a summit meeting. According to North Korean officials, Kim Jong Il said, "[N] ow the timing [is] right for a second summit meeting, considering the state of relations between the two Koreas and the improved regional situation."

On the other hand, South Korea's conservatives, who provide the support base for the GNP, did not so eagerly welcome the change in policy. In fact, the tactical reversal came as a shock to the conservative camp, and their reactions ranged from a sense of betrayal to cautious wariness. Tong Kim, a former senior interpreter at the U.S. State Department, interviewed a number of GNP representatives, including Chung Hyung-keun, the architect of the GNP's new policy of "reciprocal engagement." According to Kim, some conservative leaders felt betrayed by the U.S. while others "were hoping that Bush's new engagement approach had been only a tactical shift that would be reversed to the familiar policy of pressuring and isolating North Korea." After seeing the improvement in inter-Korean relations as a result of the Roh administration's involvement in resolving the BDA affair, the GNP was wary of potential effects on its chances in the presidential election. Conservatives began to make a great fuss over the use of North-South relations for political ends, and Roh Moo-hyun made efforts to separate the summit from domestic politics. But in spite of its early response, the GNP shifted its own DPRK policies, incorporating a more flexible approach.

By July, it seemed that all the political parties supported some form of engagement with the North, although the major parties still sought to distinguish themselves in their approaches to North Korea. It also seemed that even the DPRK itself was drawn into the South's political melee.

The North Korean regime was in a precarious position because of the country's economic failure, and it would have preferred a continuation of progressive government in Seoul. Rather than facing demands for reform that could potentially undermine the Kim Jong Il regime, North Korea would have a much easier time dealing with the no-strings-attached approach favored by Chung Dong-young. Thus, the DPRK at times attempted to insert itself in South Korean politics by "publicly opposing the Grand National Party." Pyongyang even went so far as to "call for South Korean voters to keep the Grand National Party out of the Cheongwadae." But when Lee Hoi-chang entered the presidential contest, the North's tone changed. Though the DPRK publicly

criticized and opposed Lee Hoi-chang, it maintained a conspicuous silence on Lee Myung-bak, even as it attempted to garner support for progressives. In September, just a few weeks before the summit meeting, the North expressed gratitude to President Roh Moo-hyun. Through a high-level official, Pyongyang thanked him for flood aid and the letter of condolence he had sent directly to Kim Jong Il. But even this public expression of thanks seemed laden with political overtones. Toward the end of the race, the North's lack of criticism of Lee Myung-bak and the GNP seemed to reflect its acknowledgment that he would win the election.

South Korean politicking over North Korea peaked in the weeks before the October summit. Many criticized the summit as merely a political maneuver by President Roh to secure a legacy and boost the progressive camp's presidential candidate. Though the progressives would not admit it, establishing a strong legacy and boosting Roh's approval ratings were probably two of the principal goals of the administration at that time. The GNP raised the issue of using North-South relations for political reasons and protested the summit's scheduling.

On August 12, the GNP demanded that the "second inter-Korean summit be delayed until after December's presidential election to minimize the summit's political impact on the Dec[ember] 19 poll." The demand came a day after the summit was postponed from its original August 28–30 time frame to October because of severe flooding in North Korea. GNP spokesperson Na Kyung-won told reporters, "We're increasingly suspicious that the postponement could be a political gambit designed to affect the ongoing presidential race in which GNP presidential hopefuls are enjoying strong public support." The Blue House rejected the demand, criticizing the GNP for being concerned only with the presidential elections, and the GNP rejected the Cheongwadae's "proposal to send a lawmaker or presidential hopeful to visit Pyongyang with President Roh Moo-hyun." In contrast, the liberal DLP asked that two of its legislative members be allowed to participate in the summit. Seemingly reverting to its traditional stance toward the North, the GNP "urged the president to seek ways of dismantling North Korean nuclear weapons completely, not to pursue reunification plans which lack public support and not to pledge further economic assistance to the North." Even after the summit, GNP Rep. Kwon Young-see denounced the Roh Moo-hyun government "for placing a tremendous burden on South Korea by promising North Korea a slew of projects during the inter-Korean summit in Pyongyang."

VII. CONCLUSION

The October 2007 summit meeting between Roh Moo-hyun and Kim Jong Il produced more substantive results than anyone expected. The leaders agreed on a wide range of projects to develop political and economic relations between the two Koreas, beginning with the expansion of the Kaesong industrial complex. In addition, the summit seemed to partially achieve the political goals of the Roh administration: shortly after the conclusion of the summit, Roh's ratings shot up to 43.2 percent, a major increase from the 32.3 percent recorded a month earlier. But the increase in the Roh administration's popularity did not create enough momentum to boost the progressive candidates. Oddly, the same poll revealed that the number of people who said they were going to vote for GNP candidate Lee Myung-bak had risen by 1.2 percent from the previous month's 49.5 percent.

Lee Myung-bak's victory by such a large margin indicates that the summit meeting and politicking over North Korean affairs did not produce enough momentum to sway the presidential elections. The drop in interest in North Korean affairs in the last crucial legs of the presidential race raises the question of whether Roh was trying to manipulate North Korean issues and the summit meeting's popularity purely for the sake of boosting the liberals' chances in the election. If so, he missed a number of opportunities in the follow-up to the summit.

The October summit was followed by a series of high-level talks between the Koreas, including the first meeting between North and South prime ministers in 15 years. The Roh Moo-hyun administration could have capitalized on these meetings to fan the momentum of the summit meeting, but it did not. In fact, in the last stretch leading up to the elections, the fervor over North Korean policy seemed to vanish. The North-South issues that seemed critically important in October were absent from the news a month later. Rather, questions of Lee Myung-bak's unethical behavior dominated.

In spite of the questions that loomed about his character, Lee Myung-bak won the presidential election by the largest margin since Korea's democratization. Though the general public seemed to favor a positive engagement policy, rather than North Korean affairs, the state of the economy seemed a stronger issue for South Korean voters.

The return of conservative power to the Blue House raises significant questions regarding the future of North-South relations and North Korean affairs in general. A prominent issue is the role of South Korean aid. The conservatives have traditionally regarded aid from a different tactical perspective than the liberals. Though Lee Myung-bak has pledged that humanitarian aid will not be affected by political considerations, he is likely to ask for more from the North in return for development aid. In turn, this may have an effect on resolving the nuclear issue. Stephen Haggard and Marcus Noland wrote, "Properly conditioned, South Korean aid could be a powerful carrot in the nuclear negotiations, whether it ultimately encourages internal reforms or not." While Lee is likely to demand a more reciprocal exchange from North Korea up front, he still favors progress in the Six-Party Talks. Also, given his desire for a strong U.S.-ROK alliance, he is unlikely to be so demanding that he risks derailing the talks or stepping out of sync with the new pro-engagement policy of the U.S.

Behind the question of whether Lee Myung-bak will implement dramatic change in North Korean policy lies the question of whether he would even be able to do so. With the public consensus favoring a positive North Korean engagement policy, Lee and the GNP have gone to great lengths to refresh their policies toward the North and take a more flexible approach. In spite of pressure from the hard right of the Lee Hoi-chang camp, it would not make much sense to revert to the GNP's old stance. Doing so would only alienate the public. Although Lee Myung-bak was cleared of allegations implicating him in the BBK financial scandal, Lee's innocence is still considered suspect amongst opposing political parties. Moreover, the president-elect's appointing cabinet members while bipartisan negotiations were still under way drew significant criticism, resulting in a dip in his popularity ratings. Even within the GNP, Lee seems to have failed to consolidate support from Park Geun-hye, who carries significant weight in the party. Without enough time to establish his leadership as president, Lee may face considerable challenge from legislative leaders. As the April National Assembly elections approach, South Korea's political landscape is uncertain. Thus, though it seems certain that Lee Myung-bak's policy toward the North will see a shift from the past 10 years, the extent of the change and its effects remain to be seen.