



KOREAN SECURITY AND FOREIGN POLICY INITIATIVE

President Moon Jae-in and the Politics of Inter-Korean Détente

Chung Min Lee and Kathryn Botto

ABSTRACT

From the beginning of his presidency, South Korean President Moon Jae-in has consistently earned high approval ratings for engaging North Korea. Moon has allocated the bulk of his political capital to this cause, and it has paid dividends with inter-Korean summits, agreements, family reunions, and military confidence-building measures. However, potent political, economic, and geopolitical forces are likely to determine his agenda's long-term success. Moon's approach to South Korea's alliance with the United States, China's role in the region, and the outcome of the 2020 South Korean National Assembly election are bound to impact South-North détente. It is unlikely Moon can sustain his approach

toward North Korea unless he delivers on economic growth and job creation, forges a truly bipartisan North Korea policy, and ensures close cooperation with the United States on denuclearizing North Korea. If Moon overcomes these obstacles and creates irreversible change in inter-Korean relations, his policy will have a lasting impact on Seoul's increasingly complex and difficult position in the region. In this context, Carnegie's first installment in an annual series provides a unique bird's-eye view of political developments in the two Koreas, inter-Korean ties, and South Korea's relations with the United States, Japan, and China.

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EXECUTIVE SUMMARY

South Korean President Moon Jae-in has confronted a difficult political and security environment over his first year and a half in office. After being thrust into the Blue House without the traditional two-month transition period that typically allows a president-elect ample time to form a new government, Moon had to handle North Korea's first intercontinental ballistic missile and hydrogen bomb tests in July and September 2018 while simultaneously managing relations with the United States and China through the contentious deployment of the Terminal High Altitude Area Defense (THAAD) system. On top of that, he had to quickly deliver on his promise of stimulating economic growth, creating jobs, and restoring confidence in South Korea's democratic institutions—all while attempting to engineer a breakthrough in inter-Korean relations.

Amid this ambitious agenda, ushering in a new era of inter-Korean relations is undoubtedly Moon's priority. As detailed in this review, he has expended immense political capital to ensure engagement with Pyongyang continues. To be sure, he has enjoyed success in this area. Before the Pyeongchang Winter Olympics, tensions between North Korea and the United States had reached a point at which many legitimately feared war was imminent. Few would have expected that just a few months later, Moon and North Korean leader Kim Jong Un would be traversing the military demarcation line arm-in-arm. Far fewer would have expected to see Kim and U.S. President Donald Trump soon thereafter smiling and shaking hands in front of U.S. and North Korean flags side by side in Singapore. That said, Moon has had much less success in crafting a bipartisan approach toward South-North détente that could stymie substantive progress in inter-Korean ties.

Compared to his laser-like focus on improving South-North ties, Moon's other initiatives have been less fruitful. His domestic measures have yet to lower the unemployment rate, which for workers under twenty-nine has consistently been over 9 percent and reached 11.6 percent once during his

presidency.¹ His effort to decrease work hours, while benefiting white-collar workers' work-life balance in some cases, has also diminished low-income workers' earnings as they can no longer work enough hours to make ends meet. While his temporary settlement of the THAAD issue placated China and the United States in the short term, it did not resolve the broader tensions over South Korea's balancing between China and the United States, nor did it guarantee that China would not interfere in further efforts to improve South Korea's deterrence against a wide range of North Korean threats.

Moon's ongoing efforts in these areas will affect the trajectory of his inter-Korean agenda. Korean presidents typically maximize their use of extensive executive power to implement major policies in the first half of the presidency, but their authority becomes significantly constrained and diluted in the second half as public approval diminishes and potential successors' campaigns begin in earnest. Moon's approval ratings have remained very high, especially with boosts from each inter-Korean summit. However, if he fails to deliver on economic growth and begins to accommodate both China and North Korea at the expense of South Korea's own national security, public opinion and relations with Washington might cease to support his goals, thereby restricting his ability to see them through.

The first volume of the annual Korea Strategic Review details the Moon administration's approach to South Korean domestic politics, North Korean domestic politics, inter-Korean relations, and South Korean foreign policy. These four sections reveal key factors that will impact the success of Moon's main agenda items:

- Although Moon's approval rating remained over 70 percent during his first year in office and the Democratic Party performed strongly in the June 2018 local elections, unless he delivers on economic growth, unemployment, and the income gap in the first half of his presidency, Moon will

inevitably face backlash that could undermine his ability to pursue his key policy goals.

- Like all South Korean presidents, Moon has focused efforts on an anticorruption drive and defense reform. While his anticorruption drive has landed former president Lee Myung-bak in jail and responded to scandal in the Defense Security Command, he has used his political capital on the inter-Korean agenda rather than constitutional reform, shirking the opportunity to alleviate structural aspects of Korean democracy that contribute to an extremely powerful presidency. Moon himself has also taken advantage of strong executive power in order to promote his economic agenda and extensive engagement with North Korea. While Moon's defense reform policies are largely a continuation from previous administrations, he has only three and a half years left to institute major reforms, and the political will to do so may be lacking if they inhibit or interfere with inter-Korean rapprochement.
- North Korea consumes the bulk of South Korea's diplomatic bandwidth, and the secondary effects of inter-Korean ties on key relations with the United States, China, and Japan leave few resources available for other important relationships. At the same time, relations with the United States and China, as well as the future direction of U.S.-China relations, are critically important to inter-Korean ties, and will influence Moon's longer-term engagement with Pyongyang.
- For the first time, the goals of Beijing, Pyongyang, and Seoul are in alignment in that all three believe announcing the end to the Korean War and signing a peace treaty will alter the strategic status quo on the peninsula by creating a "new peace regime." For Seoul and Beijing, there is a vested interest in asserting that Kim has made an important U-turn and that if Washington is able to provide the right incentives, then he will commit to denuclearization, unlike his father, Kim Jong Il.
- Although relations between China and South Korea (referred to officially as the Republic of Korea or ROK) recovered somewhat in 2018 after the THAAD controversy, Chinese President Xi Jinping's quick willingness to meet with Kim amid deepening inter-Korean détente and China's response to THAAD deployment are both reminders that despite South Korea and China's shared interest in North Korean denuclearization, the two nations have different priorities. The THAAD decision represented a tactical win for South Korea in that it was eventually able to both deploy the system and ease economic retaliation from China. However, it also revealed China's willingness to interfere with alliance decisions and South Korean security.
- Although the U.S.-ROK alliance remains resilient, incongruent perceptions of security and foreign policy approaches could make the alliance less effective in achieving its shared goals at a burgeoning but uncertain moment of rapprochement with North Korea and growing vulnerabilities to Chinese influence. With a renegotiated free trade agreement and ongoing talks to reach an agreement on military cost-burden sharing, contrasting security perceptions on sanctions and other key issues could have an impact on U.S.-ROK relations as South Korea proceeds at full-speed on inter-Korean détente.
- Moon has attempted to assuage Beijing and improve ties with Tokyo in order to facilitate his inter-Korean strategy. However, he has to simultaneously deal with domestic opinion that is wary of any wide-ranging accommodation toward Beijing or strengthening of trilateral security cooperation with the United States and Japan. Indeed, Moon runs the risk of complicating relations with the United States, China, and Japan while concurrently asking them for additional diplomatic support to accelerate South-North rapprochement.

INTRODUCTION

The Korea Strategic Review (KSR) provides a comprehensive annual analysis of critical political, security, and foreign policy developments in the two Koreas. As the first study to be published under a new Korean Security and Foreign Policy Initiative in Carnegie's Asia Program, the KSR seeks to fill a void given the lack of a comprehensive annual assessment in Washington, DC, of key strategic developments in the two Koreas. The inaugural KSR's primary theme is the overriding impact of President Moon Jae-in in South Korean politics, security, and foreign policy, and especially in his efforts to lock-in South-North détente. No South Korean president has chosen to focus his presidency almost exclusively on building an irreversible peace regime on the Korean Peninsula, an effort that entails replacing the 1953 Armistice Agreement with a formal peace treaty in addition to providing North Korea with a firm security guarantee.

For Moon, emphasizing the primacy of inter-Korean détente as the cornerstone of his legacy is both highly strategic but also very risky. Three inter-Korean summits have ushered in new hopes for South-North reconciliation and the possibility of implementing a paradigm shift in South-North relations. No one could have imagined a year ago that a South Korean president would be addressing 150,000 North Koreans in Pyongyang. At the same time, however, Moon runs the risk of overplaying South-North rapprochement because his presidency will be judged not only on his diplomatic acumen, but also on his ability to foster sustained economic growth and greater job security. Domestically, if he is unable to build a bipartisan policy toward North Korea, Moon won't be able to garner the support of the now weakened, but still very influential, conservative forces in Korean society and politics. Creating a lasting peace on the Korean Peninsula is a long process that will involve many subsequent administrations. If Moon is unable to foster bipartisan support, future presidents from different parties may be inclined to change or even reverse his policy.

The Korea Strategic Review includes four sections with one overarching theme—the dominance of Moon in virtually every aspect of Korean politics and foreign policy. This is not unique in South Korea given that the president is endowed with enormous powers for a single five-year term. However, since Moon entered office with a shattered opposition, he has been able to virtually monopolize Korean politics and foreign policy as he has embarked on remaking inter-Korean ties and pushing through a series of controversial economic policies. The consequences of Moon's unprecedented state intervention in virtually all aspects of the national economy will begin to appear in earnest in 2019 and 2020.

The first section examines major political developments in the Moon administration including a very ambitious domestic agenda under the rubric of a wide-ranging corruption crackdown. Two former conservative presidents—Lee Myung-bak and Park Geun-hye—are in jail awaiting final sentencing for abuse of presidential powers and corruption. The ruling Democratic Party handily won the June 2018 local election, but while the president received a major boost by engineering inter-Korean rapprochement, the real litmus test for the party and the president will be whether they can deliver on South Korea's economic performance.

Kim Jong Un's "new look," or his tactical shift from ramping up military threats and shifting to dialogue and engagement with South Korea and the United States, is covered in detail in the second section. Kim was confident enough to hold the 7th Party Congress in May 2016, the first time one had been held since 1980, and during the plenum of the Korean Workers' Party (KWP) in April 2018, he announced the end of his "*byeongjin noseon*" (parallel line) of simultaneously pursuing economic growth and developing nuclear weapons. Kim announced that he would focus exclusively on economic development.

The third section assesses the unfolding of a flurry of summits between the two Koreas and the first-ever U.S.–North Korea summit in June 2018 in Singapore. Moon and Kim met three times in April, May, and September. During the September 18–20 meeting in Pyongyang, Kim promised that he would visit Seoul in the fall of 2018 barring any major crisis. Chinese President Xi Jinping also met with Kim three times in 2018, after not having met since Xi took power in 2012.

In the fourth section, South Korea's major foreign policy initiatives and developments are analyzed including Moon's ability to develop a surprisingly friendly relationship with U.S. President Donald Trump. The deployment of the Terminal High Altitude Area Defense (THAAD) antimissile system in South Korea in response to North Korea's nuclear test was made by the previous government, but it was Moon who had to cope with China's extremely aggressive responses and the resulting fallout. Key issues in the Korean-Japanese relationship are also examined, including security cooperation and Moon's ultimate decision not to withdraw from the contentious Korean-Japanese agreement on the comfort women in December 2015 or the conclusion of military information sharing agreement. Deep historical scars such as the comfort women issue, a euphemism for sex slaves who were forced to serve Japanese soldiers in World War II, is a constant reminder of the powerful historical narratives that shape Korean-Japanese ties.

Developments in 2017 and throughout 2018 have been without historical parallel, and the KSR highlights some of the more salient domestic and foreign policy issues. However, no annual review can possibly cover the entire spectrum of developments in and around the Korean Peninsula. In this inaugural study, the KSR's focus is on the dominance of Moon in the shaping of Korean politics, inter-Korean relations, and ties with the major powers. Whether his navigation skills are matched by tangible dividends will appear in earnest in 2019.

SOUTH KOREAN DOMESTIC POLITICS: A NEW TEAM IN SEOUL

Other than Moon, no democratically elected South Korean president has entered the Blue House without the customary two-months transition period. Owing to the special circumstances created by the prolonged political crisis from fall 2016 until spring 2017, when then president Park was impeached by the National Assembly and the Constitutional Court, Moon had to assume the presidency the day after being elected on May 9, 2017. This section highlights three major elements of the Moon presidency: (1) launching the widest anticorruption drive ever spearheaded by a Korean president; (2) engineering the most rapid pace of South-North rapprochement, with a promise to solicit Kim Jong Un's commitment to full and final denuclearization and locking in inter-Korean détente so that it can't be reversed; and (3) championing unprecedented state intervention in the market in the name of structural economic reforms.

Although Moon enjoyed some of the highest approval ratings in history a year and a half into his presidency—consistently above 70 percent—such support rarely lasts in South Korea. Indeed, in the second quarter of 2018, Moon's approval rating dropped to 60 percent, his lowest thus far according to Gallup.² Despite putting almost all of his eggs in the inter-Korean détente basket, if Moon is unable to secure verifiable denuclearization from Kim Jong Un or the process becomes drawn out, his domestic support will falter. More importantly, unless Moon triggers economic and job growth—especially in lowering the historically high youth unemployment rate that has consistently hovered between 9 and 10 percent during his presidency—his political fortunes will be hampered.³

The precipitous downfall and impeachment of Park Geun-hye left the conservative Liberty Korea Party (LKP) with little recourse to challenge the liberal Democratic Party government's agenda, giving the Moon administration carte blanche on domestic

agendas and implementing unparalleled dialogue and exchanges with Kim Jong Un. Moon won 41.08 percent of the vote in the snap election, a 17.4 percent lead over conservative candidate Hong Joon-pyo and the largest difference between a winner and a runner-up in the history of South Korea's direct presidential elections.⁴ This major win gave Moon a broad mandate to pursue across-the-board engagement with North Korea that he had long advocated for, with an emphasis on building an irreversible peace regime that includes announcing the end of the Korean War and signing of a peace treaty, implementing military confidence-building measures (CBMs), and enhancing inter-Korean cooperation. Indeed, inter-Korean relations have proved to be Moon's top priority.

Korean voters have become much more attuned to economic issues, including greater social-welfare benefits and job security, since the economy no longer generates double-digit growth as it did in the 1970s and 1980s. They appreciate Moon's rapprochement with Kim Jong Un, but most Koreans are much more concerned about their pockets and longer-term economic welfare. In Gallup polling, South Koreans consistently cite the "lack of solutions to economic and public welfare issues" as their primary reason for disapproving of Moon, especially in recent months.⁵ Like its rich neighbor Japan, South Korea has one of the lowest birth rates in the world with a rapidly aging society, a dynamic that creates further economic pressure on the social welfare system and the younger generation. These structural economic issues are difficult to remedy and will likely be a deciding factor in the popularity of Moon's party in the next National Assembly election in 2020.

Moon has been able to dominate the political arena thanks to a bureaucracy that toes the government's policy guidelines and a conservative opposition that hasn't been able to regroup from its defeat. Thus far, Moon's North Korea policy has been popular domestically, with constituents consistently citing inter-Korean relations as the primary reason for their support of his presidency, especially after each inter-Korean summit.⁶ But as he enters his third year in power in May 2019 and the bill for inter-Korean projects comes due, voters may not be so enticed by South-North

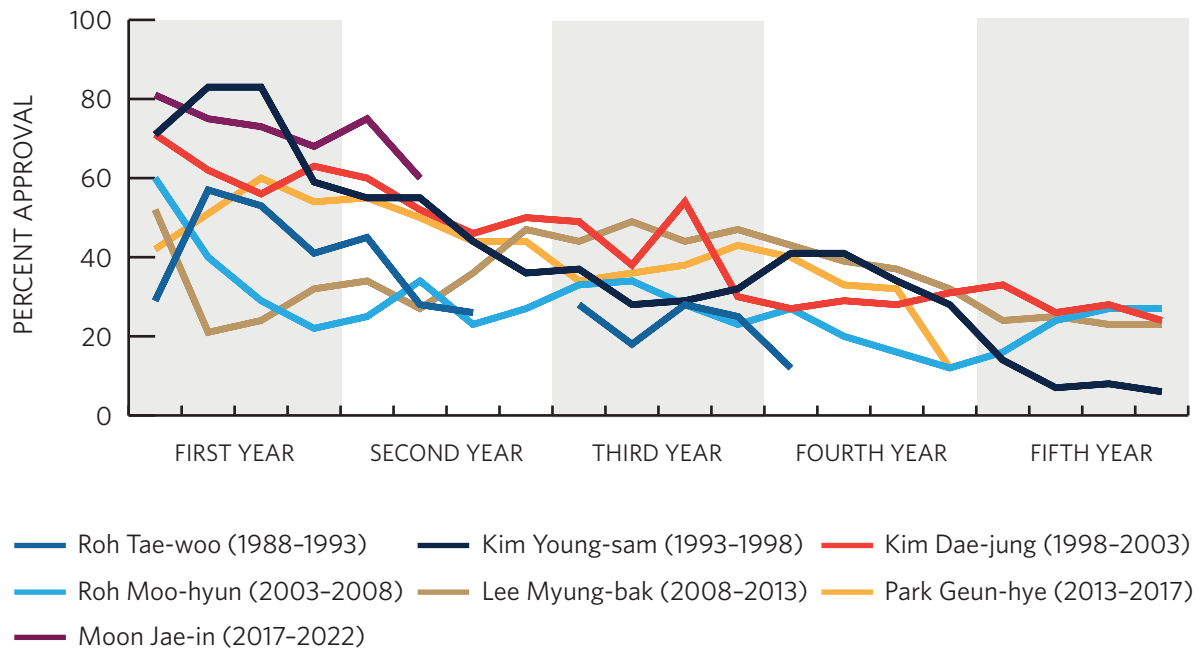
summit pageantry. For starters, they're going to demand clear-cut answers on how much it will cost to rebuild North Korean roads and railways—estimated by some at nearly \$40 billion—and what South Korea is going to get in return.⁷ If Moon tries to lock in South Korea's unilateral aid to North Korea without viable checks and balances and no real evidence that Kim Jong Un is giving up his nuclear arsenal and other military capabilities, he will be caught in an intractable political vice.

New National Agendas and the Quest for Political Dominance

Moon announced a very ambitious five-year plan with a 100-point agenda on July 19, 2017, just three months after taking office. He stressed a reformist economic policy with increased corporate and real estate taxes, rooting out corruption, reducing reliance on nuclear energy, reforming defense policy, reaching out to North Korea, and forging balanced relations with the United States and China. With a consistent approval rating hovering around 70 percent throughout his first year in office and well into his second year based on bounces from three inter-Korean summits, Moon has enjoyed higher approval ratings than any South Korean president since South Korea's first civilian president, Kim Young-sam, in the early 1990s.⁸

However, each democratically elected Korean president has begun their five-year term with high approval ratings only to experience a precipitous drop in approval in subsequent years (see figure 1). Since Korean presidents are limited to a single five-year term, all presidents are tempted to craft their legacies early on in their presidency when they exercise maximum influence. While Moon enjoys historically high approval ratings now, the public's support of his policies is likely to follow this trend and fade as he enters the second half of his term from mid-2020. Moon's ability in bucking this historical trend is not going to be dependent upon South-North rapprochement, but rather by his ability to deliver economic growth, job security, and enhancing South Korea's economic competitiveness in the face of unrelenting Chinese competition.

Figure 1. Historical Presidential Approval Ratings



Source: “[Hanguk Gelleop Yeokdae Daetongryeong Jikmoo Sooheng Pyeongga 1988-2018] Gallup Korea Previous Presidents’ Performance Evaluations 1988-2018,” Gallup Korea, August 1, 2018, <http://www.gallup.co.kr/gallupdb/reportContent.asp?seqNo=941>.

In order to accentuate his economic credentials, Moon has moved quickly to increase minimum wage, institute higher corporate tax rates, and shorten the working week, but these policies have yet to boost real income growth or fuel public consumption. After the 16.4 percent minimum wage hike in January 2018 and restrictions on working hours, wages for low-income workers fell and youth unemployment has not improved. Household income for the lowest 20 percent of earners fell by 8 percent on the year in January–March 2018, a record decrease.⁹ Youth unemployment has averaged 9.8 in 2018 thus far, the same as in 2016 and 2017, and reached as high as 11.6 percent in March 2018 shortly after the minimum wage hike.¹⁰ Consumer sentiment is also at its lowest since Moon took office.¹¹ Moreover, a rapidly maturing economy has stifled South Korea’s economic growth well below 3 percent GDP growth. Economic growth in 2018 was 2.9 percent but is expected to fall to 2.7 percent in 2019.¹²

As important as economic issues are, however, Moon’s hope is to leave a lasting legacy in South-North

relations. As such, he has allocated a great deal of political capital on building a peace regime. This is a complex undertaking, dependent on the extent to which Kim Jong Un is going to agree to verifiable denuclearization, prospects for normalizing U.S.-North Korea, and Japan–North Korea relations, the U.S. alliance with South Korea, and South Korea’s increasingly important but vexing relations with China. Beyond Moon’s ability to negotiate with these key stakeholders, his success in this regard will be critically contingent upon support from his party, government, and the public. For that reason, the key national-agenda items discussed below—the anticorruption drive, defense reform, and political realignment—will play a major part in the success of Moon’s security and foreign policy priorities.

Moon’s Anticorruption Drive

Given the environment in which Moon was elected into office, it didn’t come as a surprise that he would emphasize a massive anticorruption drive, or *jeokpae cheongsan*, as a cornerstone of his domestic

agenda. Moon declared that “the new government will maintain the spirit of the candlelight revolution” and “will remake a more just Republic of Korea where all special benefits and unfair practices are going to be eradicated and where prejudices and gaps are going to be alleviated.”¹³ For Moon, the fundamental prerequisite for making a more transparent and politically responsible South Korea lies in rooting out corruption in the bureaucracy, reforming major conglomerates such as correcting blatant abuse of a CEO’s authority, and stamping out the remaining vestiges of authoritarian politics.

South Koreans have historically had low trust in their government, with only around 25 percent of South Koreans expressing confidence in the national government every year since 2007.¹⁴ For that reason, Moon was certainly not the first president to begin his term in office with the battle cry of rooting out corruption. Every president since democratization in 1987 has highlighted their own anticorruption drive, and even Park Geun-hye spearheaded her own movement after the tragic sinking of the *Sewol* ferry in 2014. Ironically, Park triggered the largest corruption scandal in Korean history, ending with her unprecedented impeachment.

Systemic corruption remains a pervasive problem in South Korea. According to Transparency International’s Corruption Perceptions Index 2017, South Korea ranked fifty-first out of 183 countries, one of the lowest rankings among OECD members.¹⁵ This is largely a function of the enormous power invested in the Korean presidency. The president has very wide discretionary powers with only limited checks and balances so that the bureaucracy, at least at the onset of a new presidency, places primary emphasis on implementing new policies often with limited attention to longer-term consequences. The so-called imperial presidency is nothing new in South Korean politics dating back to its authoritarian past. However, it is also the reason why presidents have often wielded enormous power in the name of rooting out corruption at the beginning of their presidency, enabling them to undertake political retributions without a viable check-and-balance system. As a political commentator noted:

It is critical to bear in mind that the tasks of key organizations such as the National Intelligence Service, National Tax Agency, Public Prosecutors’ Office, and others exercise tremendous influence owing to surveillance and inspection authority. These institutions are at the forefront of collecting all sorts of information relating to corruption, tax evasion, and criminal activities and those who are the most influential with the highest status are also the mostly likely targets. However, how one uses such information against a specific individual is near totally dependent upon the discretion of the heads of these agencies. And if one bears in mind that the president appoints all of them, one can easily deduce that how key information is used [to target key individuals] not only depends on the heads of these agencies, but how they perceive the president’s own thinking on these issues.¹⁶

Moon isn’t an exception, and the first display of this considerable power he exercised under the anticorruption campaign was the investigation and indictment of former president Lee Myung-bak (in office 2008 to 2013). While Park’s indictment and subsequent incarceration was widely expected, the prosecution’s re-opening of a corruption case against Lee was not. Lee was jailed on May 22, 2018, over a host of corruption allegations, including “taking a total of 11 billion won (\$10 million) in bribes from his own intelligence agency, business groups and others,” as well as using “a private company as a channel to establish illicit slush funds totaling 35 billion won (\$33 million),” and embezzling its official funds and evading taxes.¹⁷ Lee was previously investigated for charges relating to the slush fund in 2007 but the Moon government insisted on indicting him because it maintained that key evidence was suppressed. Lee’s incarceration meant that for the second time in South Korean history, two former presidents were in jail at the same time.

The charges against Lee contributed further to the growing partisan split between the left and the right. Regardless of the final sentencing and outcome of the case against Lee, conservatives allege that the case was decided with political considerations.¹⁸ Core supporters of former president Roh Moo-hyun, Moon Jae-in’s political mentor, believe that his tragic suicide

was the result of an investigation begun during the Lee administration, under which Roh was charged with receiving bribes from a businessman and illegally transferring money to the United States. This led conservatives to believe that, regardless of Lee's guilt or innocence, the investigation was retribution for Roh's suicide. In addition to these charges against Lee, however, the National Intelligence Service (NIS) has also admitted to its involvement in a campaign to influence public opinion to help Park in the 2012 presidential election that further tainted Lee.¹⁹

As is often the case in South Korean politics, the Moon government has not escaped its own corruption scandals despite its emphasis on a sweeping anticorruption drive. On May 21, 2018, the National Assembly passed a bill to appoint a special prosecutor over the so-called Druking Scandal.²⁰ While the magnitude of this scandal is smaller than the NIS's involvement in highlighting online support for Park in 2012, the fact that Moon was forced to appoint a special counsel attested to the case's severity and how the left also manipulated public opinion. Since the restoration of democracy in 1987, eleven special prosecutors have been appointed to investigate various infractions including the transfer of \$500 million to North Korea prior to the first South-North summit in July 2000, Samsung's slush fund in 2007, Lee Myung-bak's illegal assets in 2007, and others.

The special counsel indicted Kim Dong-won, whose online alias was Druking, for his involvement in a substantial effort to rig comments posted on social media such as the most popular portal, Naver, to influence opinions about the Moon administration.²¹ Currently, the governor of Kyungnam Province, Kim Kyung-soo, is under arrest for his alleged collusion with Kim Dong-won. The final outcome of the special counsel will illustrate how deeply Kim Dong-won was involved in colluding with core pro-Moon nongovernmental organizations during the snap presidential election in May 2017. But there is little doubt that Moon's full-throttle anticorruption drive has been hurt by this scandal.

Korean presidents and lawmakers have long advocated for constitutional revisions to alleviate the corruption and turmoil caused by strong presidential

power and quick political turnover in the presidency that has adversely affected the implementation of coherent and consistent policies; one particular approach would allow for two-term presidencies with restrictions on presidential powers. In early February 2018, Moon asked his senior secretaries to prepare a constitutional revision plan that reflected the "will of the people" on these topics. At the same time, the National Assembly was working on its own constitutional revision plan. Under the current constitution, any constitutional revision needs to be passed by two-thirds majority in the parliament. Since the opposition LKP holds 116 seats (out of 300), if the LKP votes against either the president's or the Democratic Party's versions of the revision, it won't move forward to a national plebiscite.²² As of November 2018, constitutional revision remains on the backburner because the president doesn't want to use political capital on a highly charged issue.

Regardless of the crimes that were or may have been committed by previous Korean presidents, the most vexing problems in Korean politics are twofold: (1) an extreme concentration of power in the president for a single five-year term; and (2) the cycle of political payback and retribution that repeats itself when a different party gains the presidency. As soon as a new president enters office, he or she embarks on a campaign to differentiate themselves nearly completely from the previous president—even if they're from the same political party—including wholesale changes in leadership, settling of political debts, and targeting political adversaries in the name of political reforms. It would be wrong to state that all former presidents and the current president have been motivated primarily by political vendettas.

Yet if this vicious cycle continues unabated by constitutional revisions and a responsible National Assembly, there is little doubt that Moon will also be targeted by a future conservative government. In addition to cycles of domestic turmoil, the current system promises to make continuity in foreign and inter-Korean policy tenuous since each incoming government wants to undo key foreign policy initiatives by the former administration. Koreans and elected officials realize that the current single five-year presidency has to change in order to significantly weaken the

impulse for incumbents to overplay their hands and to reduce the number of elections by holding the presidential election in conjunction with parliamentary elections. To date, however, Moon has opted to sideline constitutional revision and focus almost entirely on building a semipermanent peace regime.

Defense Reform 2.0 and the Defense Security Command Crisis

On July 27, 2018, Moon convened a meeting with his top military officers where Defense Minister Song Young-moo unveiled Defense Reform 2.0. The initiative was named to reflect the fact that Moon's reform efforts were a continuation of former president Roh's Defense Reform 2020. In addition to an emphasis on the transfer of operational control (covered later in the foreign policy section) and an 8.6 percent increase in defense spending, Moon's plan consisted of a four-part strategy to "completely transform the military paradigm" including (1) force structure, (2) military operations, (3) defense procurement, and (4) organizational culture. Military operations and organizational culture are the two key areas targeted by Moon's defense reform strategy since it aims to implement military CBMs with the North and to ensure greater civilian control over the military. While the armed forces and the Ministry of National Defense (MND) have been overwhelmingly dominated by the army and graduates of the Korean Military Academy, the Moon government's former and current defense ministers are from the navy and air force respectively to downplay the army's monopolization of key defense posts. Additionally, the Moon government has stressed an unprovocative force posture, especially after the third Moon-Kim meeting in Pyongyang, although North Korea's asymmetrical capabilities, force structures, and military doctrine remain unchanged.

The most significant reform measures include the creation of a new Ground Operation Command or merging the First and Third Army Commands (FROKA and TROKA, respectively), reducing the number of general officers from 436 to 360 by the end of Moon's five-year term (66 for the army and five each for the navy and air force), dropping

the number of active-duty troops from 618,000 to 500,000 by 2022, and cutting down the period of mandatory military service from twenty-one months to eighteen months.²³

In line with Moon's decision to expedite the reversion of wartime operational control (OPCON) from U.S. Forces Korea (USFK) to the ROK military, a draft plan for a future allied command structure was discussed during the annual Security Consultative Meeting (SCM) in October 2018.²⁴ The MND report also stressed the importance of countering the North Korean nuclear and WMD threats by expediting the implementation of Park-era strategies of Kill Chain preemptive strike system, the Korean Air and Missile Defense (KAMD), and the Korea Massive Punishment and Retaliation (KMPR) system by allocating 14.5 percent more to these programs than in 2017.²⁵ The Park government called for the procurement of additional Patriot PAC-3 batteries as part of the KAMD system and to rapidly upgrade the M-SAMs for deployment.²⁶

Reforming the armed forces is necessary to absorb the impact of South Korea's declining and aging population on national security, one of the most pressing problems facing the ROK military. The rapidly falling birthrate have led to an accelerated drop in military manpower and the number of conscripts. Not only will the number of conscripts be affected, but career military officers who serve as the backbone of the armed forces will likely drop as well. To combat this trend, the Defense Reform 2.0 wants to increase the proportion of civilian defense officials from 5 percent to 10 percent. By comparison, the percentage of civilians serving as defense officials in the U.S. military is 52 percent, Great Britain 38 percent, and France 30 percent.²⁷ Emphasizing the procurement of high-tech platforms that require less manpower, another key tenant of Moon's reform strategy, will also allow manpower to be reduced without impacting readiness or capacity.

Other reforms in Moon's strategy are focused on making the ROK Armed Forces more lethal in the face of a North Korean threat, but these measures could be delayed or downgraded in order to lock-in inter-Korean détente. The ROK Armed Forces' core

strategy—Kill Chain preemptive strike, KAMD, and KMPR—is aimed squarely at North Korea. Implementing this three-pronged plan still requires the ROK to improve its capabilities and command and control, but critics have argued that the Moon administration is dragging its feet on defense reform to gain favor with the North.²⁸ As inter-Korean peace efforts continue, there may be little political will in the Moon administration to implement reforms that make the ROK army more lethal.

Despite the unique challenges facing the Moon administration, Moon's proposed reforms are largely a continuation of efforts by previous presidents, specifically Roh Moo-hyun. The merging of FROKA and TROKA in particular has been proposed since 2007 and OPCON has consistently been an issue since 1987, but neither have fully come to fruition. Every Korean president since the restoration of democracy in 1987 announced their own military reform strategies, but none of them were fully completed or successfully implemented. Some notable reforms that have been institutionalized include full civilian control over the armed forces since 1988 and the purging of the powerful but unofficial *Hanahoe*, or the One Group, faction composed of select graduates of the Korean Military Academy within the army.²⁹

Yet fundamental military reforms, such as allocating greater resources to air and naval forces—withstanding the importance of maintaining sizable ground forces given the proximity of forces across the demilitarized zone (DMZ)—have been stymied by a combination of factors. The MND has delayed implementing major reforms owing to built-in bureaucratic interests and inertia; the army's dominance over the budget, manpower, and other resources; high dependence of the armed forces and the MND on USFK; and an ossified military leadership. To be sure, one of the main reasons behind the failure of previous defense reforms lies in the fact that a new government is inaugurated every five years and by the time the incumbent government's defense reform agenda and implementation plans are put into place, the president is already perceived as a lame duck. Moon has just three and a half years left in his presidency, but if he cannot make progress on reform by 2020, key outcomes will be delayed because he likely

will not have the political muscle to push through defense reforms in the second half of his term.

Before Moon could make any progress on defense reform, he was confronted with a major scandal involving the MND. In March 2018, General Lee Seok-koo of the Defense Security Command (DSC) reported the existence of a document prepared by his predecessor in February 2017 on potentially declaring a state of emergency or proclaiming martial law. He notified Defense Minister Song Young-moo of the report, and its existence was revealed by a national assemblyman of the Democratic Party in early July 2018. This document assessed the possibility of declaring a state of emergency or martial law. According to copies of the document that were subsequently revealed by the press, its authors drafted contingency plans including the declaration of martial law in the event of mounting anti-Park demonstrations if the Constitutional Court decided against impeachment.³⁰ Then director of the DSC Major General Cho Hyun-chun subsequently testified that he was told to write the report by then defense minister Han Min-koo on February 24, and on March 3, Han ordered a stop to all discussions on the subject.

On July 20, 2018, the Blue House released the document that included a road map for declaring a state of emergency or martial law including dispatching military censors to the Korea Broadcasting System and the YTN wire service and overcoming opposition in the National Assembly.³¹ Prior to the release of this report, Moon ordered an immediate independent investigation on the origins, basis, and content of the document on July 14, 2018.³² Those who were involved in writing and submitting the report maintained that it was only a contingency plan and in no way was meant to be a blueprint for enacting martial law. But in the event that a state of emergency or martial law was actually necessary, it falls under the purview of the chairman of the Joint Chiefs of Staff (JCS) rather than the DSC. When the DSC report was written, the JCS was bypassed, which rang alarm bells that the DSC was trying to circumvent the chain of command.

In a country that was ruled by generals for thirty years, Koreans are understandably very sensitive to

potential military intervention—directly or otherwise—in politics and usurping civilian control. While Park Chung-hee’s presidency from 1963 to 1972 was based on relatively free elections, he declared martial law in 1972 and ruled with an iron fist until his assassination by the director of the Korean Central Intelligence Agency in October 1979. That same year, Major General Chun Doo-hwan of the DSC staged a coup on December 12, which left interim president Choi Kyu-ha as a figure head.³³ Chun subsequently created a military junta, pushed through a new constitution, and ruled for a single seven-year term. The last general who became president was Roh Tae-woo, who was elected after the restoration of democracy in 1987.

In response to the DSC revelations, Moon ordered the creation of a commission to totally reform the DSC. It initially looked into three possibilities: (1) to maintain the DSC in its current form but reducing the staff by 30 percent and stop all surveillance operations of the armed forces as well as involvement in political issues; (2) to disband the DSC and incorporate it into the Ministry of National Defense under the direct command of the minister; and (3) to create a separate agency that would require approval by the National Assembly. Ultimately, the president decided to replace the DSC by creating a new organization called the Military Security Assistance Command, and work is proceeding on the structure, budget, roles and missions, and oversight of the new command.³⁴ The possibility of a military coup in a democratic South Korea is virtually unthinkable and the military has accepted civilian control, although the DSC scandal highlighted the need for greater civilian oversight over the armed forces.

Domestic Politics and the June 2018 Local Election

Moon’s engagement with North Korea—including three summits with Kim Jong Un—raised his favorability ratings, which hovered in the low seventies to high sixties from January to June 2018. Yet in a July 2018 Realmeter poll, his approval rating dropped to 61.4 percent in the aftermath of the DSC scandal, a

war of words between the DSC commander and the minister of defense in parliamentary hearings, lack of change in the unemployment rate, and the highest youth unemployment in history.³⁵ In a subsequent survey conducted also by Realmeter, Moon’s approval rating fell to 55.5 percent while his disapproval rating rose to 38.7 percent.³⁶ Moon received a bump after his third meeting with Kim in September, with his approval ratings jumping back to 65.3 percent.³⁷

Despite fluctuations in Moon’s approval ratings, the ruling Democratic Party won key gubernatorial, mayoral, and county elections in a landslide on June 13. According to the *Economist*, “The party won all but three of the country’s 17 races for mayor or governor—an unprecedented landslide. It also snagged 11 out of 12 seats in the National Assembly that had been up for grabs in by-elections, strengthening Mr. Moon’s minority government, although it is still well short of a majority.”³⁸ Outside of their core base in Daegu and Gyeongbuk Province, the opposition LKP was virtually decimated (although they fared better in the local council elections). The Democratic Party earned 51.42 percent, the LKP 27.76 percent, the Justice Party of Korea 8.97 percent, the Baeruen Mirae Party 7.81 percent, and other minor parties together polled 3.19 percent.³⁹ The ruling party’s victory was attributable to a number of factors such as the inability of the conservative parties to field candidates appealing to younger voters, the perceived reduction of threats from North Korea, and the LKP’s weaknesses from its inability to overcome the after-shocks stemming from Park Geun-hye’s impeachment coupled with intense intra-party rivalry for the next leadership contest.

Yet as popular as Moon was going into the June 2018 election and despite the conservative collapse, his legacy and the longevity of the Democratic Party’s hold on power depend critically on growing the Korean economy, creating more jobs, and enhancing the competitiveness of Korean firms. For a country that is highly dependent on trade, the ongoing trade war between the United States and China, the imposition of U.S. tariffs on goods manufactured by key allies such as Japan, and the repercussions flowing from a renegotiated Korea-U.S. (KORUS) free trade agreement are variables beyond Moon’s direct control.

Moreover, coupled with the omni-directional anti-corruption drive that remains at the top of the Moon government's domestic policy priority, major Korean conglomerates are on edge over the administration's macroeconomic policies. By the end of 2018, when Moon crosses the year and a half mark of his administration, these economic factors may inform the South Korean public's opinion of the Democratic Party more than engagement with North Korea.

Another issue that is going to hamper Moon's political agenda and grip on power—like all of his predecessors—is that the contest for the post-Moon era has already begun. On August 26, 2018, the ruling Democratic Party chose seventh-term member of the National Assembly and former prime minister Lee Hae-chan as the next party president who will oversee the April 2020 National Assembly elections. While Lee and Moon have been uneasy political partners since they both served under Roh Moo-hyun, Lee is what the South Korean press dubs a *mirae gwolryeok*, or “future political power,” that is, a leader who will exercise power as the next kingmaker or the next president.⁴⁰ Although Moon wields enormous power today, Lee will exercise significant influence in helping to choose the party nominees for the April 2020 general election. Hence, the power struggle between the Blue House and the Democratic Party will intensify in 2019.

From Moon's perspective, he wants to maximize his hold on power through the April 2020 parliamentary election, but his popularity and grip on power are likely to slide as he enters his third year in power in 2020. As a result, combined with the growing possibility that the economy might not improve over the next two to three years, Moon's hold on power over the ruling party may become increasingly diluted as Lee's ability to bolster his intra-party influence grows, in tandem with prospective presidential nominees.

As a presidential candidate, Moon promised to turn a new leaf in Korean politics by not pursuing political retribution, engaging in a much more transparent policymaking process, forging a new partnership with the opposition parties, and significantly reducing guidance from the Blue House to the cabinet. To date, most of these pledges have not been met

since once a president enters the Blue House, he or she investigates the wrongdoings of the former government while pushing key policy initiatives without consulting opposition parties or, often times, even the ruling party. Moon is a graceful politician but he has been adamant in pushing his agenda. Unfortunately, the zero-sum nature of Korean politics hasn't changed under the Moon government, and the situation is unlikely to improve since all parties are already focusing on the 2020 parliamentary election and the post-Moon succession.

CONSOLIDATION OF POWER BY KIM JONG UN AND A MORE ASSERTIVE LEADERSHIP

In 2018, Kim Jong Un decided to take center stage not by testing more nuclear weapons (since North Korea no longer needs to), but by joining forces with Moon to compel Trump to meet him halfway. Kim demonstrated his political acumen through his three summit meetings with Moon in April, May, and September 2018. By meeting with Moon and Trump—not to mention three summits with Xi Jinping prior to and after the flurry of diplomacy in the spring and summer of 2018—Kim rebranded himself as an outgoing, worldly, and a decisive leader.

Yet it would be naïve to believe that such an image is an accurate reflection of Kim Jong Un. Notwithstanding his political skills and exploitation of the opportunities rendered by the inauguration of a progressive government in Seoul, Kim is the scion of the world's only nominally communist dynasty. In December 2013, just two years after he became supreme leader, Kim killed his uncle and the second-most powerful figure in the Kim dynasty during his father's reign, Jang Seong Thaek, by antiaircraft fire.⁴¹ Then chairman of the General Staff of the Korean People's Army Ri Young Ho was killed in February 2012 and labeled as a counterrevolutionary. In April 2015, then minister of the People's Army Hyun Young Cheol (who had been handpicked by Kim himself) was killed by antiaircraft fire when he was charged with sleeping and talking back in a meeting.⁴²

Far riskier, but likely necessary in Kim's mind, was the assassination of his older half-brother Kim Jong Nam in February 2017 at the international airport in Kuala Lumpur, Malaysia. North Korean spies trained a Vietnamese and an Indonesian woman to carry out the attack by smearing the deadly nerve agent VX on Kim Jong Nam's face.⁴³ Overall, from the time he gained power through the end of 2017, approximately 340 officials have been executed or purged under Kim's watch.⁴⁴ Of the seven senior officials in the party and the army who led the hearse during Kim Jong Il's funeral in December 2011, none of them serve Kim Jong Un now.

According to Park Young-ja at the Korean Institute for National Unification, these executions and rule by terror comprise the first of four pillars of the power structure that Kim Jong Un used to prop up his regime: (1) legitimization, (2) repression, (3) incentivizing loyalty, and (4) government slush funds to pay key supporters, implementing pet projects, and sustaining the Kim family's lavish lifestyles.⁴⁵ Through these legitimization efforts, Kim was confident enough to hold the 7th Congress of the KWP from May 6–10, 2016—the first since 1980. As Park emphasizes:

In sum, one can conclude that the Kim Jong Un regime's ability to maintain stability has been fostered by the positive functioning of the aforementioned four-legged strategy legitimization, repression, co-optation, and the use of slush funds over the past five years including an assessment of the regime's governing strategy and policy realities by examining the KWP's organization and functions. At the same time, however, one can surmise that depending on a positive or a negative interaction between these four strategies, the net result of stability or instability of the Kim Jong Un regime cannot but be affected. Such an approach can provide insights into the resilience of the Kim Jong Un regime and the possibility of change in the North Korean system.⁴⁶

Since his father died in December 2011, Kim Jong Un has honed his leadership skills, purged officials appointed by his father, and strengthened the party's grip over the powerful military. These steps have enabled him to undertake very bold steps in fostering

inter-Korean détente and reaching out to the United States as never before. But Kim is also a byproduct of the North Korean political system created by the Kim family: a mafia-like regime that controls a brutal police state through an Orwellian personality cult without parallel in modern history. While he projects himself as a new leader unconstrained by traditional behavior, neither is he a true reformist like former Chinese leader Deng Xiaoping or former Soviet leader Mikhail Gorbachev.

Kim Jong Un's Strategic Calculus

Under Kim Jong Un's rule, more missile tests have been conducted than at any other period in North Korean history: thirteen under Kim Il Sung, sixteen under Kim Jong Il, and sixty-eight under Kim Jong Un through 2017.⁴⁷ Unlike his father, who died before he was able to fulfill North Korea's nuclear and intercontinental ballistic missile (ICBM) ambitions, Kim Jong Un accelerated both programs that significantly enhanced his leverage toward South Korea and the United States. But despite such saber rattling from North Korea, the progressives in South Korea believe that Kim's overtures since January 2018 should be seen as part of his grand strategy of raising tensions with the United States and South Korea in order to reach a modus vivendi with Washington and Seoul.

Politically, Kim's aggressive stances in 2017 enabled him to take tactical steps such as agreeing to send high-level envoys to the February 2018 Winter Olympic Games in South Korea led by his powerful sister Kim Yo Jong, extending a hand to Moon Jae-in, and securing a groundbreaking summit with Donald Trump. That said, there was palpable tension from June to December 2017 when North Korea was not only testing a range of ballistic missiles but also threatening to use nuclear weapons against the United States if it was forced to. But Kim unfolded a different strategy in his New Year's address on January 1, 2018, emphasizing his desire for a new relationship with South Korea while still castigating the United States and criticizing South Korea for supporting America's hostile policy toward the North. Kim also

understood how much the Moon government wanted to engage in a dialogue with the North and outlined an opening for the Moon administration.

In the New Year's speech, Kim stressed his twin achievements—becoming a full nuclear power and securing economic progress. He stated that “our country's nuclear forces are capable of thwarting and countering any nuclear threats from the United States” Kim noted, and furthermore, that “they constitute a powerful deterrent that prevents it from starting an adventurous war. In no way would the United States dare to ignite a war against me and our country.”⁴⁸ He then went on to stress the cardinal importance of joining forces between the South and the North to overcome the “abnormal situation” and that “the prevailing situation demands that now the north and the south improve the relations between themselves and take decisive measures for achieving a breakthrough for the independent reunification without being obsessed by bygone days.”⁴⁹

After warning the South not to join hands with hostile outside forces, Kim stressed that 2018 was an auspicious year not only because it was the seventieth anniversary of the founding of North Korea but also because of the Winter Olympic Games in South Korea. “From this point of view we are willing to dispatch our delegation and adopt other necessary measures; with regard to this matter, the authorities of the north and south may meet together soon.”⁵⁰ Moon floated the idea of North Korea's participation in the Winter Olympics soon after he entered office in May 2017, and Kim responded with his New Year's address. In a cascading turn of events that was impossible to imagine just a few weeks before, the opportunity that had been so sought after by Moon was about to come to fruition.

Kim fully exploited the Moon government's mindset, which placed a premium on building a peace regime, emphasizing the overarching importance of *uri minjok* (meaning “our brethren”) in all aspects of inter-Korean relations including foreign affairs, and indirect support for loosening sanctions on North Korea despite Seoul's official position that all United Nations (UN) sanctions must be maintained. The real challenge for Kim is whether he is really set to

dismantle his nuclear program given its centrality to regime survival. So far, his strategy has produced key dividends by strengthening Chinese support for North Korea and increasing Beijing's and Moscow's interest in loosening North Korean sanctions. At a minimum, Kim has created greater political space for his regime while taking time to reach a nuclear settlement with the United States.

Moon's Assumptions and the Promise of a New North Korea

The debate on whether Kim has made a paradigm shift in his willingness to give up nuclear weapons and focus on economic growth is one of the most hotly contested ones in Seoul, Washington, Tokyo, and Beijing. The evolution of this discourse over the ensuing twelve to twenty-four months is going to determine whether Moon's inter-Korean détente can outlive his term in office, which remains as his central goal. The Moon government has positioned itself firmly on one side of the debate: the official line is that Kim is in the midst of shifting his strategic priorities. Ultimately, Moon's ability to sustain a virtually irreversible South-North cooperation hinges on his ability to convince the Trump administration to make concessions to North Korea in order to jump-start denuclearization negotiations. Moon remains adamant that Kim is sincere in his wishes to dismantle his nuclear weapons program, but Kim must pass through a number of critical doors before the United States is convinced of his denuclearization promises.

The underlying assumption driving Moon's North Korea strategy is his belief that so long as Trump meets Kim halfway by providing a security guarantee, declaring the ending of the Korean War, and signing a permanent peace treaty, Kim will denuclearize. As Moon put it after his second summit with Kim, “through the Panmunjom Declaration and once again, Chairman Kim reaffirmed his commitment to complete denuclearization and that through a successful North Korea-U.S. summit, he wanted to settle a history of conflict and to support efforts toward peace and prosperity.”⁵¹

The controversy over North Korea's intentions picked up steam after Kim appeared to reverse a critical stance in a speech at a KWP plenum meeting on April 20, 2018. The *byeongjin noseon* was a policy promulgated in 2013 whereby the North Korean government committed to jointly pursue economic growth with accelerated developments in the nuclear program. The April announcement indicated to many that Kim intended to shift his attention to economic growth and, over time, commit himself to denuclearization. For example, Eric Gomez concluded that

the end of the *byeongjin* line marks the start of a new period for North Korea. Kim's nuclear weapons are still important to him, but the speech indicates shifting domestic political incentives that will play an important role in negotiations with the United States. As the Trump administration crafts their negotiating strategy for the Trump-Kim summit they should keep Kim's domestic incentives in mind and do their best to use these incentives to their advantage.⁵²

Kim also announced in the speech that North Korea no longer needed to test nuclear or long-range ballistic missiles and that a nuclear test site in Punggye-ri would be closed.⁵³ As Choe Sang-hun put it, to many progressives in South Korea the decision represented "'trust-building steps' that they have hoped Mr. Kim would take to help improve the mood for dialogue in Washington."⁵⁴ The prevailing view from Washington, however, is decidedly different. There is little doubt that Kim Jong Un has taken a different approach to foreign policy compared to his father, but most policymakers in Washington and conservatives in Seoul believe that the principal reason North Korea no longer feels the need to test nuclear weapons or long-range missiles is that Kim has fulfilled North Korea's goal of becoming an established nuclear power.

While the United States and the international community cannot recognize North Korea as an official nuclear weapons state, Pyongyang is well on its way to increasing its nuclear warhead production. This is the principal reason why Kim has embarked on a new strategy, that is, forging ahead to build a peace

regime on the Korean Peninsula together with South Korea and promising denuclearization. Kim has built a credible nuclear deterrent, and as momentum picks up through inter-Korean détente and strong backing from China, he can afford to prolong denuclearization negotiations with the United States. Kim is probably banking on the assumption that as much as the United States wants him to give up his nuclear weapons, the United States won't risk a major war to achieve that goal.

Seoul and Beijing have a vested interest in asserting that Kim has made an important U-turn and that if Washington is able to provide the right incentives, then unlike Kim Jong Il, he will commit to denuclearization. This is because for the first time, the strategic interests of Beijing, Pyongyang, and Seoul are in alignment to the extent that announcing the end to the Korean War and the signing of a peace treaty would alter the strategic status quo on the peninsula by creating a new peace regime. Such a development would weaken the rationale for maintaining a robust U.S.-ROK alliance and, over time, could lead to a reduction in the U.S. military footprint in South Korea—the only country in mainland Asia where the United States has semi-permanent forces. Separately, a peace regime would enable China to increase its leverage over the two Koreas while greatly reducing South Korea's security dependence on the United States, an advantageous position for a rising great power determined to weaken the U.S. military presence in Northeast Asia.

For the progressive forces in South Korea who are in power today, the building of a peace regime is a fundamental element of their peace and prosperity policy, and with it, the gradual reduction of Seoul's defense dependence on Washington and the establishment of multiple layers of inter-Korean cooperation. While they acknowledge the importance of denuclearization, they emphasize the critical importance of parallel steps by Pyongyang and Washington, given that CBMs and strengthening mutual trust is more important for lasting peace than focusing almost exclusively on complete, verifiable, and irreversible denuclearization (CVID). As a result, Moon's strategy has to placate multiple stakeholders: satisfying his core political base by emphasizing

inter-Korean nationalism, encouraging North Korea to denuclearize, pressuring the United States to provide key incentives to the North, and balancing relations with the United States and China. He remains convinced that his inter-Korean détente policy enables him to achieve all of these goals, but only time will tell if he can continue to juggle so many contrasting foreign policy objectives without consequences.

SOUTH-NORTH DÉTENTE AND FUTURE PATHWAYS

For Moon, establishing and sustaining inter-Korean rapprochement lies at the heart of constructing a new paradigm in South-North relations. He believes that such a step will enable the two Koreas to take the lead on inter-Korean ties, eventually culminating in political accommodation and the creation of a unified Korea. Although the North Korean nuclear weapons program has been a major roadblock for Seoul, the April 2018 Panmunjom Declaration and the follow-on September 2018 Pyongyang Declaration were sufficient, in Moon's view, in highlighting the importance of denuclearization. In turn, the declarations provided Moon with more political space to establish a comprehensive road map for accelerated bilateral exchanges and cooperation.

On July 6, 2017, during his first trip to Germany, Moon looked back at the steps taken by former progressive presidents Kim Dae-jung and Roh Moo-hyun, such as the holding of two inter-Korean summits. He stated that "I am inheriting these two former government's efforts and, at the same time, with a more leading role by the Korean government, will embark on a dauntless journey towards establishing a peace regime on the Korean Peninsula."⁵⁵ He emphasized that the new government didn't desire any form of regime collapse in North Korea nor unification by absorption.⁵⁶ Despite North Korea's continuing provocations, for example by testing another ICBM on July 28, Moon argued that he would do everything possible to secure Korean security while continuing dialogue with the North. On December

19, 2017, he proposed that joint military exercises between ROK and U.S. forces be postponed during the Pyeongchang 2018 Winter Olympic Games in order to foster a more favorable atmosphere.⁵⁷

Moon's chief legacy is likely to hinge on the future of inter-Korean relations, the extent to which Kim Jong Un will agree to verifiable denuclearization, and the prospects for normalizing U.S.–North Korea and Japan–North Korea relations. One of Moon's key campaign promises was implementing a sea change in South-North relations, maintaining a robust U.S.–Korea alliance, and fine-tuning South Korea's increasingly important but also vexing relations with China. In a Liberation Day speech commemorating the seventy-third anniversary of the end of Japanese colonial rule and the seventieth anniversary of the ROK's founding on August 15, 2018, Moon emphasized that inter-Korean détente would mark the real liberation of Korea.

I will be visiting [Pyongyang] next month bearing the wish of the people. *We two leaders will confirm the implementation of the [Panmunjom] Declaration and take an audacious step to proceed toward the declaration of an end to the Korean War and the signing of a peace treaty as well as the complete denuclearization of the Korean Peninsula.* When the deep-rooted distrust between the two Koreas and between the North and the United States is lifted, the mutual agreement can be implemented with sincerity. I will help build a relationship based on deeper trust between the two Koreas and simultaneously lead efforts to promote dialogue on denuclearization between North Korea and the United States.⁵⁸ (Emphasis added.)

Escalation, De-escalation, and the Road to the Winter Olympics

Soon after Moon took office, tensions on the peninsula began to intensify. Moon responded with active military responses but he also remained steadfast in his belief that unprecedented engagement with North Korea was not only feasible, it was imperative to engineer it. Four days after he was inaugurated, on May 14, 2017, North Korea launched an intermediate range ballistic missile (IRBM) called

the Hwasong-12. A week later, it followed this launch with the medium-range ballistic missile Pukkuksong-2. On July 4, America's Independence Day, North Korea launched the Hwasong-14 ICBM that reached 2,800 kilometers into space. This was North Korea's first ICBM test, and state media announced that it could hit any target in the United States.⁵⁹ This marked the first time that North Korea's missiles posed a credible threat to the continental United States.

On August 9, at the height of tensions between the United States and North Korea, Trump issued one of the bluntest warnings to a foreign leader: "North Korea best not make any more threats to the United States," Trump stated, or "they will be met with fire, fury and frankly power the likes of which this world has never seen before."⁶⁰ In a further surprise, North Korea announced on September 3 that it had conducted a hydrogen bomb test. This was North Korea's sixth and most powerful nuclear test with an estimated yield of some 120 kilotons, or about eight times the size of the atom bomb that was dropped on Hiroshima.⁶¹

In a series of tweets after the test, Trump said that "North Korea is a rogue nation which has become a great threat and embarrassment to China, which is trying to help but with little success," and subsequently, "South Korea is finding, as I have told them, that their talk of appeasement with North Korea will not work, they only understand one thing!"⁶²

In a further escalation of tensions between the United States and North Korea, Pyongyang's Foreign Minister Ri Yong Ho said that Kim Jong Un could consider another test and "it could be the most powerful detonation of an H-bomb in the Pacific. We have no idea about what actions could be taken as it will be ordered by leader Kim Jong Un."⁶³ Although such statements were in line with North Korea's propaganda, it prompted visceral reactions from Trump. During his maiden speech to the UN General Assembly on September 19, Trump famously said that "no nation on Earth has an interest in seeing this band of criminals arm itself with nuclear weapons and missiles. The United States has great strength and patience, but if it is forced to defend itself or its

allies, we will have no choice but to totally destroy North Korea. Rocket Man [Kim Jong Un] is on a suicide mission for himself and for his regime."⁶⁴

Kim Jong Un also had choice words for Trump when he described Trump as a frightened dog who barks louder, and remarked that he is "unfit to hold the prerogative of supreme command of a country, and he is surely a rogue and a gangster fond of playing with fire, rather than a politician [and] whatever Trump might have expected, he will face results beyond his expectation. I will surely and definitely tame the mentally deranged U.S. dotard with fire."⁶⁵ Such statements weren't just perceived as political hyperbole by U.S. and South Korean officials as well as their respective militaries.

For the Moon government, North Korea's barrage of missile tests and the sixth nuclear test in September 2017 provided a strategic dilemma. On the one hand, Seoul had to respond decisively, and so the day after the test, South Korea's defense ministry fired a series of its Hyunmoo II surface-to-surface missile and conducted drills with its F-15 combat aircraft as a "strong warning" to North Korea. But Moon was concerned that North Korea's hydrogen bomb test would derail his efforts in seeking a modus vivendi with the North because he couldn't ignore the test given its political and security ramifications.

His national security adviser, Chung Eui-yong, remarked that "President Moon ordered the consideration of the harshest possible countermeasures together with the international community."⁶⁶ Moreover, the United States and South Korea decided to remove the constraints on South Korean ballistic and cruise missiles, which were previously limited to a restrictive range of 800 kilometers and 500 kilograms payload (non-nuclear).⁶⁷ Through these actions, Moon reaffirmed his commitment to defending the ROK's security together with the United States but also noted that if North Korea stopped its nuclear and ballistic missile programs, he was willing to meet with Kim Jong Un.

The beginning of the thaw in South-North relations began in earnest in February 2017 when Kim Yo Jong came to the Winter Olympic Games' opening ceremony in Pyeongchang and met with Moon four

times during her three-day stay in Seoul. During a subsequent luncheon at the Blue House, Kim Yo Jong presented an official letter from Kim Jong Un. She also relayed a message that Kim Jong Un was looking forward to meeting him in Pyongyang. Moon remarked that under the appropriate circumstances he looked forward to meeting with Kim Jong Un.⁶⁸ The South Korean Ministry of Unification announced that it had approved \$2.6 million to host the 418 North Korean delegates (comprised mostly of cheerleaders) and an art troupe while also spending \$223,237 on Kim Yo Jong and her entourage during their three-day stay in Pyeongchang and Seoul.⁶⁹

After the exchange of high-level delegations between the two Koreas, Moon sent Chung Eui-yong and Director of the National Intelligence Service Suh Hoon to Washington in May 2018 to brief Trump and his senior adviser on their visit to Pyongyang. It was in this meeting that Trump agreed immediately to holding a summit with Kim Jong Un, much to the surprise of U.S. officials.⁷⁰ After his meeting with Trump and senior U.S. officials, Chung stated that “I told President Trump that, in our meeting, North Korean leader Kim Jong Un said he is committed to denuclearization. Kim pledged that North Korea will refrain from any further nuclear or missile tests. He understands that the routine joint military exercises between the Republic of Korea and the United States must continue. And he expressed his eagerness to meet President Trump as soon as possible. President Trump appreciated the briefing and said he would meet Kim Jong Un by May to achieve permanent denuclearization.”⁷¹ Subsequently, Moon traveled to Washington to meet with Trump in order to ensure that the historic June 2018 U.S.–North Korea summit would proceed as planned.

Contrasting Views on Denuclearization

After the Olympics, the world’s attention turned to North Korea’s nuclear program. Despite major efforts to de-escalate tensions through inter-Korean détente and shuttle diplomacy, contrasting concepts of denuclearization between South Korea, North Korea, the United States, China, and Japan have made

the prospect of agreeing on a framework for dismantling North Korea’s nuclear program quite remote. Indeed, as assessed in greater detail below, every summit thus far has failed to pin down a viable road map for North Korea’s denuclearization. Moreover, North Korea, China, South Korea, and the United States have different perceptions of the term “denuclearization.” This issue is critical because while all of the parties have signed on to the term “denuclearization of the Korean Peninsula,” how it is viewed and interpreted differs widely from capital to capital. As the United States requests specific actions by North Korea, Pyongyang is highly unlikely to accept American preconditions on denuclearization and will continue to insist on jointly announcing an end to hostilities and moving onto signing a permanent peace treaty. Only then will North Korea take action-for-action on denuclearization, although even then, Pyongyang will drag on negotiations with the United States.

For North Korea, denuclearization is a catchall phrase that means that the United States must remove its nuclear umbrella over South Korea and also undertake nuclear disarmament measures of its own. Pyongyang’s denuclearization also implicitly includes the end of the U.S.–ROK alliance and the removal of U.S. forces from South Korea.⁷² When the two Koreas signed the landmark South–North Joint Denuclearization Declaration on January 20, 1992, it expressly forbid either country to test, manufacture, produce, receive, possess, store, deploy, or use nuclear weapons; mandated that nuclear energy be used solely for peaceful purposes; and banned facilities for nuclear reprocessing and uranium enrichment.⁷³ Since North Korea has conducted six nuclear tests since 2006 including a hydrogen bomb test in 2017, the South–North Joint Declaration is null and void, and North Korea has announced that it no longer abides by that declaration.

Conversely, denuclearization for the United States has meant CVID, although the Trump administration has preferred the term “final, fully verified denuclearization,” or FFVD.⁷⁴ During the June 12, 2018, Singapore summit, the joint U.S.–North Korea declaration only affirmed a commitment to “to work toward complete denuclearization of the Korean Peninsula.”⁷⁵ “Complete denuclearization” does

not necessarily include verifiable and irreversible measures. Later, North Korea reaffirmed its long-standing position on denuclearization and added that unless the United States agreed to an announcement of the Korean War's cessation and was committed to signing a peace treaty, it would be impossible to accept the U.S. position of North Korea's denuclearization followed by a security guarantee and the signing of a peace treaty. This disagreement on sequencing has since become an impasse in U.S.–North Korean relations.

On April 27, after the first summit meeting between Moon and Kim, the two leaders announced the Panmunjom Declaration, which noted, in part, that

South and North Korea confirmed the common goal of realizing, through complete denuclearization, *a nuclear-free Korean Peninsula*. South and North Korea shared the view that the measures initiated by North Korea are very meaningful and crucial for the denuclearization of the *Korean Peninsula* and agreed to carry out their respective roles and responsibilities in this regard. South and North Korea agreed to actively seek support and cooperation of the international community for the denuclearization of the Korean Peninsula.⁷⁶ (Emphasis added.)

The Moon administration maintains that it is still committed to CVID, but as demonstrated by the results of the inter-Korean summits, its position is more in line with North Korea's in emphasizing the importance of seeking a nuclear-free Korean Peninsula. A nuclear-free Korean Peninsula *is not synonymous* with a nuclear-free North Korea. Indeed, North Korea's usage of this terminology coincides with their usage of denuclearization, that is, that the United States abandons its nuclear umbrella and extended deterrence vis-à-vis South Korea. As a result, despite the high expectations triggered by the three Korean Summits and the U.S.–North Korea summit, North Korea has not fully clarified its stance on CVID in any of these meetings. Kim Jong Un has bought time to weaken international sanctions, joined hands with Moon Jae-in to “foster a new chapter in inter-Korean détente,” and received the full-backing of China and Russia for his “forward-looking” postures on denuclearization and confidence-building measures between the two Koreas.

Progress, Priorities, and Pitfalls in Three Inter-Korean Summits

Given the discrepancies in how all of the key stakeholders view denuclearization, Kim Jong Un exploited the opportunity tendered by the Pyeongchang Winter Olympics to win a major propaganda war that ultimately enabled him to meet with a sitting U.S. president. As a result of Kim Yo Jong's efforts in Pyeongchang, Kim Jong Un became the first North Korean leader to step over the concrete line that cuts across the Korean Peninsula on the 38th parallel and to make an official visit to South Korea during the first inter-Korean summit in April.

The meeting itself was historic not only in the context of a South-North summit but also in rebranding Kim, the head of the world's most ruthless dictatorship, as a young leader who is willing and able to take bold steps. The Moon government stressed the critical importance of a new beginning in inter-Korean ties and emphasized six key achievements from the summit:

1. agreeing on a framework for sustainable South-North cooperation;
2. fostering the foundations for a new era of peace by taking steps toward announcing the end of hostilities and the Cold War on the Korean Peninsula;
3. the creation of a virtuous cycle of developments in South-North relations and progress in denuclearization;
4. the first-ever visit to the South Korean side of Panmunjom by the supreme leader of North Korea;
5. the holding of a summit within the first year of the Moon administration; and
6. reaffirmation of the leading role of the two Koreas in handling the Korean question.⁷⁷

What the Panmunjom Agreement promised was an ambitious inter-Korean agenda including the reopening of the Kaesong Industrial Complex, enhancing

economic cooperation, and opening a South-North liaison office. But as the *New York Times* reported, the “summit meeting between the leaders of North and South Korea was a master class in diplomatic choreography, with each scene arranged for its power as political theater and broadcast live. In a perilous standoff that has resisted solutions, it was these images that offered hope, much more than the actual results from the meeting—vague pledges to work toward nuclear disarmament and a peace treaty.”⁷⁸ Just a month after Kim crossed the 38th parallel, Moon announced that he had held a second meeting with Kim on the northern side of the DMZ on May 26. The main purpose of the second summit was to ensure that the planned June 2018 Trump-Kim meeting would take place by telling Kim that he had to reaffirm his pledge to denuclearize. Moon stressed that the second summit illustrated the trust he had built with Kim and that the leaders of the two Koreas could meet virtually anytime.

If the April 2018 summit was a pathbreaking photo opportunity, the September 18–20 summit in Pyongyang was a political choreographer’s dream come true. From the moment Moon’s Air Force One landed at Sunan Airport in Pyongyang until he raised hands with Kim on top of Mt. Paektu, every step of the third Moon-Kim summit was designed for maximum media exposure and political windfalls. Substantively, the highlight was the announcement of the Pyongyang Declaration on September 19. The two leaders agreed “to expand the cessation of military hostilities in regions of confrontation such as the DMZ to the substantial removal of the danger of war across the entire Korean Peninsula and a fundamental resolution of the hostile relations.”⁷⁹ The declaration also contained a detailed military CBM annex in order to “actively take the practical measures to transform the Korean Peninsula into a zone of permanent peace.”⁸⁰

Moon was able to cement his credentials as a peacemaker through the three summits with a fourth meeting scheduled to be held in Seoul by the end of 2018. These meetings have reduced tensions and boosted his popularity at home. But without a fundamental

breakthrough in U.S.–North Korea negotiations over denuclearization—although Trump hinted in late September 2018 that discreet but highly important talks were under way with North Korea—Moon’s peace regime cannot be complete. On September 30, at a political rally in West Virginia, Trump made his most over-the-top statement on Kim when he remarked that “I was really being tough, and so was he. And we were going back and forth, and then we fell in love, OK? No, really. He wrote me beautiful letters. And they’re great letters. We fell in love.”⁸¹ Despite such hyperbole, North Korea has so far refused to acquiesce to a mutually agreeable denuclearization road map, and the second U.S.–North Korea summit has been postponed to early 2019.

Since April 2018, three inter-Korean summits have boosted Moon’s domestic popularity and Kim Jong Un has quickly been able to rebrand himself as a reformer. But Moon has not been able to secure bipartisan support for his agenda. Initially, the Moon administration considered asking the National Assembly to ratify the provisions of the Panmunjom and Pyongyang Declarations but ultimately decided not to. Instead, Moon’s cabinet ratified the declarations on October 23, including military CBM annexes that have been questioned by the United States. The opposition parties insisted that Moon needed parliamentary approval but, sensing that the conservative parties were unlikely to support him, Moon bypassed the National Assembly.

In the short run, Moon has accomplished many of his goals. However, if he really wants to lock in inter-Korean détente in a much more transparent and politically viable way, he has to reach out across the aisle. Although inter-Korean détente has become the hallmark of Moon’s foreign policy achievements, South Koreans are also going to get summit fatigue if tangible benefits for South Korea aren’t forthcoming. The chances of the conservatives regaining the presidency in 2022 remains low from the vantage point of 2018. If the conservatives are able to pull it off, however, it will depend crucially on implementing far-reaching reforms in the LKP, unifying the currently split conservative parties, retaining or even

gaining seats in the 2020 parliamentary election, and fielding a younger and credible presidential candidate in the 2022 presidential election. As a result, even though the possibility of a conservative victory in 2022 remains slim, nothing is inevitable in Korean politics, and it behooves Moon to build a bipartisan consensus in order to strengthen the longer term viability of his inter-Korean détente strategy.

The Trump-Kim Summit in Singapore

One of the most interesting developments under the Moon administration has been how the U.S.–North Korean dynamic—and more specifically, the dynamic between Kim and Trump—has changed dramatically from threats of conducting nuclear attacks to bear hugs in Singapore. For someone who considers himself a great negotiator, Trump highlighted the importance of personal bonding and one-to-one meetings when he entered the White House in January 2017. While he exchanged harsh words with Kim Jong Un throughout 2017, Trump did a complete flip from his “maximum pressure” strategy by meeting with him in June 2018.

On June 12, after canceling the meeting a few weeks earlier, Trump met with Kim Jong Un in Singapore for the first-ever summit between a sitting U.S. president and a North Korean leader. After the two leaders met together without their aides and an extended meeting that included the two delegations, Washington and Pyongyang announced a joint statement. In part, the statement noted that “having acknowledged that the U.S.–[North Korea] summit—the first in history—was an epochal event of great significance in overcoming decades of tensions and hostilities between the two countries and for the opening up of a new future, President Trump and Chairman Kim Jong Un commit to implement the stipulations in this joint statement fully and expeditiously.”⁸²

Typical of Trump’s style, as soon as he returned to the United States after meeting with Kim, he tweeted that “there is no longer a Nuclear Threat from North Korea. Meeting with Kim Jong Un was an interesting

and very positive experience. North Korea has great potential for the future!”⁸³ But one of the most damaging aspects of the U.S.–North Korea summit was Trump’s surprise assertion that the military exercises conducted by the United States and South Korean forces were provocative. He intimated that over time, USFK could be withdrawn from South Korea:

At some point I have to be honest. I used to say this during my campaign as you know better than most. I want to get our soldiers out. I want to bring our soldiers back home. We have 32,000 soldiers in South Korea. I would like to be able to bring them back home. That’s not part of the equation. At some point, I hope it would be. We will stop the war games which will save us a tremendous amount of money. Unless and until we see the future negotiations is not going along like it should. We will be saving a tremendous amount of money. Plus. It is very provocative.⁸⁴

When asked at a press conference why the joint statement that he signed had no specific measures on denuclearization other than repeating what the April 2018 Panmunjom Declaration stated, Trump simply remarked that it was going to be different this time around. “You have a different administration and different president and different secretary of state. You have people that are, you know, it is very important to them. And we get it done. The other group’s maybe wasn’t a priority. I don’t think they could have done it if it was a priority, frankly.”⁸⁵

During an interview with ABC News, Trump was adamant that North Korea was going to live up to its word on denuclearization and stated that “yeah, he’s de-nuking, I mean he’s de-nuking the whole place. It’s going to start very quickly. I think he’s going to start now. They’ll be announcing things over the next few days talking about other missile sites because they were, as you know, they were sending out a lot of missiles. It was a period of time where I was saying, what are they doing? Every week it seems another missile going up. I mean, they’re going to be getting rid of sites.”⁸⁶

Yet despite Trump’s affirmation that he had bonded with and trusted Kim Jong Un to do the right thing,

that is, denuclearize as soon as possible, Clint Work noted in the *Diplomat* that “the joint statement made no reference to the supposedly sacrosanct complete, verifiable, and irreversible denuclearization (CVID) of North Korea; listed no specific commitment by North Korea to relinquish its nuclear weapons, ballistic missiles, or chemical and biological stockpiles; gave no timeline for the same; and made no mention of human rights.”⁸⁷ At a July 2018 hearing in the U.S. Senate after the summit, Secretary of State Mike Pompeo stated that it was correct that North Korea was still producing fissile material for nuclear bombs. But, as reported by Reuters, he “defended what he termed progress in talks with North Korea stemming from an unprecedented June 12 summit between President Donald Trump and North Korean leader Kim Jong Un in sometimes testy exchanges with skeptical lawmakers from both parties.”⁸⁸

The Trump administration’s North Korea policy has been hindered by inconsistent messages such as the president stressing that there was no longer a North Korean nuclear threat after his meeting with Kim in Singapore, unilaterally suspending military exercises, and canceling Pompeo’s visit to Pyongyang at the end of August (although he subsequently made his fourth trip to North Korea in October).⁸⁹ According to press reports, the Trump administration presented North Korea with a formal timeline for starting the process of denuclearization but Pyongyang rejected it several times.⁹⁰ Pompeo is believed to have told the North Koreans that North Korea had to hand over 60 to 70 percent of its nuclear warheads within six to eight months either to the United States or a third country for dismantlement.⁹¹ Because Trump overpromised during his summit with Kim and underdelivered after it, the reality is that the United States is going to face a much tougher North Korea at the negotiating table. “In the weeks since the Trump-Kim summit in Singapore, the administration has struggled to show any signs of progress in its efforts to dismantle North Korea’s nuclear weapons program, which surprised intelligence analysts last year with its rapid development.”⁹²

As Dan Sneider of Stanford University has noted, “inside the national security bureaucracy, there are no illusions that the suspension of testing of missiles and warheads by the North Koreans represents a move

towards abandoning their nuclear capability. ‘The North Koreans are liars,’ a veteran of previous talks with Pyongyang told me. ‘I am not expecting happy results on denuclearization,’ a senior official who has participated in the talks said.”⁹³ Sneider also emphasized that while the U.S.-ROK relationship looks solid from the outside, “things are starting to shift, with Seoul telling administration officials that the nuclear issue is basically between the U.S. and North Korea and that they want to separate their engagement with the North from progress on that issue.”⁹⁴ Notwithstanding the positive attributes of inter-Korean détente, forging ahead with South-North dialogue, increasing economic aid, and implementing new projects without tangible quid pro quos from the North carries the risk of increasing tensions with the United States and gaps in the alliance that Seoul and Washington as well as Tokyo can’t afford during a period of unprecedented fluctuations and uncertainties on the Korean Peninsula.

FOREIGN POLICY: MOON’S BALANCING ACT

For the Moon administration, foreign policy has been a delicate craft in which it must carefully traverse contradictory and competing outlooks and priorities in the alliance, cope with deepening but also friction-prone relations with China, and navigate deeply rooted historical animosities with Japan while cooperating with it on a range of critical issues. On top of these key pillars of Seoul’s foreign policy, it has to also spearhead inter-Korean rapprochement. Moon has adroitly built up ties with Trump to acquire his support for his inter-Korean agenda while balancing concerns that the pursuit of a peace regime will not negatively impact the ROK-U.S. alliance. While South Koreans are wary of Chinese influence, especially after the THAAD controversy, and want to reduce their dependence on the Chinese market for exports, China is South Korea’s most important economic partner. Managing South Korean–Chinese ties is also critically important in South-North relations given Beijing is Pyongyang’s most important patron. Even on relations with

Japan where historical shadows are pervasive, Moon has sought to collaborate as much as possible on security and defense issues. Moon's attempt to balance competing priorities of his neighbors, allies, and constituents is likely possible in the short term, but he may be compelled to make difficult decisions as inter-Korean engagement deepens.

Moon's approach differs sharply from Park Geun-hye's foreign policy that, for better or worse, was often conditional. For example, Park refused to have a bilateral meeting with Japanese Prime Minister Shinzo Abe on any topic until the comfort women issue was resolved, and as a result, did not have her first bilateral meeting with the Japanese prime minister until nearly three years into her presidency. Despite facing negative public opinion and numerous disagreements with Japan, Moon called Abe a day after taking office on May 10, and the two leaders had their first bilateral meeting in February 2018.⁹⁵ Similarly, when tensions with North Korea heated up, Moon increased engagement and paved the way for North Korea's participation in the Winter Olympics rather than further isolating Pyongyang. When relations with a country are most strained, Moon's natural inclination is to increase rather than withhold contact—a characteristic that has led his opponents to label him as “soft.”⁹⁶ So far, this approach has successfully reduced tensions over THAAD, de-escalated the situation with North Korea, and smoothed relations with Japan and China, but if his zeal for proactive engagement doesn't produce tangible results such as North Korea's denuclearization or a peace regime, he will face rising criticism at home and abroad.

North Korea consumes the bulk of South Korea's diplomatic bandwidth, and the secondary effects of inter-Korean ties on important relations with the United States, China, and Japan leave few resources available for prioritizing relations with other countries. As North Korea's nuclear program becomes more of a global than a regional threat, it both creates opportunities for security cooperation and constrains South Korea's foreign policy decisionmaking. South Korea's most important relationships are all heavily influenced by inter-Korean relations, and the results (both real and perceived) of Moon's engagement push with North Korea will impact the tone of each

of these relationships in the near and long terms. While Moon has made a push to free-up some diplomatic capital for improving relations with Southeast Asia through his new Southern Policy, this section will primarily focus on the three relationships discussed above to illustrate how the complex regional dynamics Moon is confronting impact South Korea's foreign policy and security.

The U.S.-ROK Alliance Under Trump and Moon

No one could have imagined the resilience of the U.S.-ROK alliance when it was established in 1953. It has survived and prospered through ten South Korean presidents, twelve American presidents, three North Korean dictators, and the end of authoritarian politics and the emergence of a vibrant democracy in South Korea. As a product of the Korean War, the alliance was never intended to become a permanent fixture of U.S. security policy, but has persisted as a cornerstone of stability in Northeast Asia. However, the growing North Korean threat and the rise of China have amplified the need for the closest of coordination but also modernization and change on key alliance issues. In the current security environment as the Moon administration pushes ahead with forging a peace regime on the Korean Peninsula, the alliance is facing a turning point. How it emerges from this crossroads will have far greater magnitude than at any other time since the end of the Korean War.

The alliance faces key litmus tests on its emerging roles and missions. As ROK and U.S. leaders discuss the potential of formally ending the Korean War, there are talks among Moon's supporters about whether the alliance would be necessary under a peace regime. A peace treaty is not only seen as a trust-building measure for denuclearization by Moon and Kim, but also as a conduit for examining what role, if any, the U.S. military should play on a peaceful peninsula. A formal cessation of the Korean War doesn't have to be disruptive to the alliance, but it will require unprecedented levels of coordination and cooperation between Washington and Seoul. The U.S.-ROK alliance is first and foremost a security alliance. But

diminishing the alliance's critical role at a point of unprecedented geopolitical fluctuations runs the risk of denigrating the very architecture that has helped to maintain peace, security, and prosperity for more than six decades.

Alliance cohesion at this juncture is vital owing to the potentially far-reaching political changes between the two Koreas and their respective ties with the major powers. Historically and today, one of the biggest threats to cohesion lies in the push and pull between the United States and South Korea over key contrasting forces: restraint, autonomy, abandonment, and entanglement. The asymmetrical nature of the alliance has also produced a unique paradox in the mindset of South Koreans: discontent at the power imbalance but acceptance of its strategic necessity as a linchpin of its defense. For the United States, the asymmetry has allowed it to restrain South Korean reactions to numerous North Korean aggressions such as the March 2010 sinking of the *Cheonan*. As a formidable middle power, South Korea has sought greater autonomy as illustrated by the conditional reversion of wartime operational control over its armed forces.

Finally, the specter of entanglement in a subregional conflict is also reflected in South Korea's ambivalence toward the alliance, that is, potential clashes between the United States and China or even limited conflict between China and Japan. As illustrated in greater detail below, China's enormous pressure on South Korea over the THAAD issue amplified what South Koreans fear most other than another major war: countering increasingly aggressive Chinese pressures while maintaining its alliance with the United States.

Opinion polls reflect South Korea's multifaceted perception of the alliance. When asked by the Asan Institute for Policy Studies in 2018 which countries they deemed most important for their security, Koreans consistently answered the United States, with 65 percent favoring the United States over 6.9 percent of respondents favoring China.⁹⁷ Although the Moon administration favors greater autonomy in decision-making on defense and security matters, a significant consensus exists in South Korea today that the alliance continues to provide a vital role in enhancing South Korean security.

How the alliance is going to manage potentially far-reaching changes including accelerated rapprochement between the two Koreas remains unknown, but it is crucial for the two allies to map out key scenarios and joint responses. If negotiations with North Korea bring about enduring change such as a peace accord and a denuclearization agreement, the United States and South Korea will need to review the assumptions, priorities, and means with which they approach the alliance. As discussed below, under the Trump and Moon administrations, these inconsistencies have played out not only in denuclearization negotiations but in debates over military exercises, wartime OPCON transfer, cost burden sharing, and the efforts to end the Korean War. Given Trump's propensity to look at alliances as transactional relationships, his remarks about the "provocative" nature of joint ROK-U.S. military exercises, and his stated desire to see the eventual removal of U.S. forces from South Korea, the alliance already confronts numerous speed bumps.

The Evolving Moon-Trump Relationship

When Moon was elected president, initial analysis predicted that Trump and Moon wouldn't really see eye-to-eye given their distinct political backgrounds. The ruling Democratic Party has historically been far more critical of the U.S.-ROK alliance than conservatives. Previous liberal governments under Kim Dae-jung and especially under Roh Moo-hyun, had strained relationships with the United States on North Korean issues. From the onset, it was clear that Moon and Trump had to tread carefully on a range of sensitive matters such as negotiating a new Special Measures Agreement (SMA) for defense cost-sharing over the next five years, maintaining U.S. troop levels, deploying THAAD, and renegotiating the KORUS free trade agreement. Most importantly for Moon, he needed Trump's help in crafting a joint North Korea strategy.

However, uncharacteristic of previous U.S. presidents, Trump's audacious views actually aligned with Moon's in some unexpected ways, specifically regarding dialogue with North Korea, the possibility of signing a peace treaty, and the state of the alliance after significant progress on North Korea's

denuclearization. Although the two presidents seem to share these views for different reasons, Moon made engagement with North Korea his top policy priority and, as such, had to work very closely with Trump.

At the beginning of the Moon administration, the Korean press focused on the so-called phenomenon of “Korea passing” or the prioritization of the U.S.-Japan alliance instead of a more balanced approach to America’s two most important alliances in Asia. Over time, however, it was Moon, rather than Abe, who developed a much more adroit relationship with Trump. Moon minimized areas for disagreement ahead of his first meeting with Trump on July 29, 2017, through preemptive media interviews on controversial security matters. He presented his views, which had often been regarded as at odds with Trump’s, as actually being in line with the American president’s views. He assuaged concerns around THAAD deployment by suggesting in interviews that the environmental review was only intended to strengthen the South Korean public’s trust in the government and legitimacy of the decision.⁹⁸

On North Korean security matters, Moon commented that he agreed with Trump about the need to increase pressure on North Korea while also seeking opportunities for dialogue under the right conditions.⁹⁹ Perhaps due to Moon’s priming, these two critical flashpoints were cordially addressed during the meeting. Still, Trump found an opportunity for collision when he expressed his view of South Korea as a free-loader and unilaterally announced on Twitter that the KORUS free trade agreement would be revisited.¹⁰⁰

Since that first summit, Moon and Trump have met five times in Seoul and Washington, and Moon has continued to improve his strategies for dealing with Trump. In January 2018, after North and South Korean officials met for the first time since 2015 to discuss the North’s participation in the Winter Olympics, Moon credited Trump with the breakthrough in inter-Korean relations. He told reporters shortly afterward that “I think President Trump deserves big credit for bringing about the inter-Korean talks, and I want to show my gratitude. It could be the result of U.S.-led sanctions and pressure.”¹⁰¹ In April, Moon suggested that Trump should be awarded the Nobel

Peace Prize for his willingness to engage with Kim Jong Un, comments which Trump called “very nice” and “very generous.”¹⁰²

Overall, the two leaders have thus far developed a cordial relationship—especially compared to Trump’s relationship with many EU and NATO leaders, whom he frequently derides in press conferences and on Twitter. However, Trump and Moon still have many thorny alliance issues to untangle, all of which have a history that far predates either of their presidencies. As discussed below, the progress or lack thereof on these problems are likely to have a significant impact on the tone of the alliance and the efficacy of its institutions.

Consolidation of USFK to Camp Humphreys and the Future of Joint Exercises

As the U.S.-ROK relationship confronts complex issues, alliance institutions are also being forced to adapt. These changes are impacting not only readiness but also how the U.S. and ROK militaries interact and cooperate with one another. The most recent shock to long-held assumptions and institutionalized practices came at a press conference following the Singapore Summit on June 12, 2017, when Trump announced that the United States would be suspending war games with South Korea, much to the surprise of both Seoul and his own Department of Defense.¹⁰³ One week later, after scrambling to determine exactly what these comments meant, the Department of Defense determined that the Ulchi Freedom Guardian (UFG) exercise originally scheduled for August would be canceled. UFG is one of the two major combined exercises that U.S. and Korean forces conduct together annually, along with Key Resolve and Foal Eagle in the spring.

North Korea constantly objects to “hostile U.S.-ROK exercises,” and while canceling them for a short time might mitigate North Korea’s insecurity, canceling them on a semi-permanent basis could damage military readiness and the ability of U.S. and South Korean forces to seamlessly coordinate in the event of a major crisis or conflict. This loss of readiness and coordination ability is partially due to the fact that U.S. military personnel are

only stationed in South Korea for one year, or two if they bring along their family. UFG and KR are the only opportunities personnel have to participate in computer-simulated command-level exercises each year. Although USFK and ROK forces are intended to cooperate closely throughout the year, the reality, especially for many strategically focused parts of USFK, is that the only time they engage in joint-problem solving with their ROK counterparts is during these exercises. Hence, if exercises do not occur for a year or longer, there is a high likelihood that many American soldiers on the peninsula will have never had the experience of either simulating command-wide contingency plans or solving problems with their ROK counterparts alongside whom they may someday have to fight a war.

The lack of contact between ROK and U.S. counterparts is likely to be exacerbated by a second factor: with a few exceptions, as of summer 2018, most of the U.S. forces previously stationed at Yongsan Garrison in Seoul have been relocated to Camp Humphreys in Pyeongtaek, at least an hour and a half away from the ROK Ministry of National Defense and Joint Chiefs of Staff headquarters in Seoul. The decision to relocate was originally made by former president Roh after a tragic incident in which two fourteen-year-old school girls were accidentally run over and killed by a U.S. military vehicle in 2002. The move was then agreed to under the George W. Bush and Roh Moo-hyun administrations in 2003.

Bush and Roh announced that they “shared the view that the relocation of U.S. bases north of the Han River should be pursued, taking careful account of the political, economic and security situation on the peninsula and in Northeast Asia.”¹⁰⁴ The Yongsan Garrison occupies 27-million-square-foot of prime real estate in a heavily populated part of central Seoul that the Korean government has been eager to redevelop into a park. The U.S. government also supported the move as a means to consolidate its basing and move troops soldiers out of range of North Korean artillery. Fifteen years later, most American troops have finally, for the most part, moved out of Yongsan, making way for the government to begin plans to transform the former military base into a family park.¹⁰⁵

However, the move to Humphreys will have implications for sustained contact and communications between U.S. and ROK forces, which is invaluable in fostering mutual understanding during a conflict. The ROK-U.S. Combined Forces Command (CFC), though only activated during wartime, is intended to be a “combined” command, with an alternating ROK and U.S. leadership (see figure 2). At Yongsan, more than 22,000 military personnel and civilians shared workspace with their Korean counterparts.¹⁰⁶ After the move, a significantly diminished portion of about 200 U.S. officers will share workspace with their counterparts in the

Figure 2. Combined Vs. Parallel Command Relationships



ROK Joint Chiefs of Staff headquarters. Given that interactions between ROK and U.S. personnel often involve a translator, important discussions are difficult to conduct over the phone or by email. Inevitably, contact between the two militaries who are supposed to operate under a combined structure in wartime will be less frequent with the move to Humphreys. Since sensitive issues are bound to come up, the lack of communication is going to affect readiness. This deficit has to be addressed now.

Structurally, however, the move to Humphreys could have a positive impact on the separation of the three commands—USFK, CFC, and the UN Command (UNC)—which are all headed by the commander of USFK. Outgoing Commander of USFK General Vincent Brooks highlighted the problems of being “triple-hatted” since each of these commands have different missions and tasks, but their overlapping nature also created a situation in which personnel could not adequately distinguish issue sets. Creating CFC offices in the ROK JCS and moving USFK personnel to Humphreys will force this separation and allow for clearer delineation and prioritization of tasks for each command, enhancing efficiency, and allowing more direct attention to relevant domains. Nevertheless, while this could make tasking more efficient, the physical separation and growing lack of contact between ROK and U.S. forces cannot but impede combined problem solving. Indeed, bi-national integration is the defining characteristic of CFC’s command structure, and it will suffer if major changes aren’t put into place.

Reversion of Operational Control and the Politics of Sovereignty

Amid major transitions in alliance institutions, Moon has emphasized the reversion of wartime operational control to the ROK as a major alliance issue. OPCON refers to the authority of a commander to organize, employ, assign tasks to, and designate objectives for a command. In the ROK, wartime OPCON lies with CFC, which, as noted above, is commanded by a U.S. four-star general (see figures 3 and 4). In essence, this means that a U.S. commander *rather than* a ROK commander would command ROK forces during war, although both forces receive orders

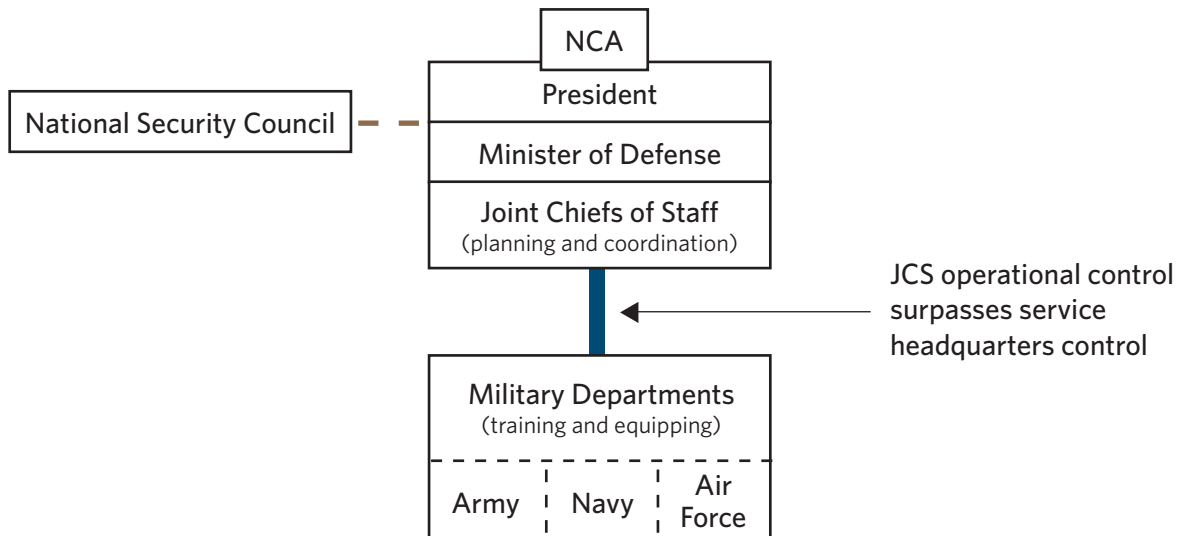
from their respective National Command Authorities through their defense ministries or departments.

This issue encapsulates the difficult dynamic South Korea must navigate in asserting its autonomy while ensuring security. On the one hand, U.S. operational control ensures the commitment of the United States to aid South Korea in the event of a conflict, providing a strong security guarantee. On the other hand, South Korea is currently the only country where the United States has OPCON of a foreign military. As Asia’s fourth-largest economy with a highly professional military, OPCON transfer is seen by many in the ROK as impinging upon South Korean autonomy and sovereignty. As a presidential candidate, Moon Jae-in promised to pursue “early takeover” of wartime OPCON of ROK forces from the United States, and vowed that the ROK would “take charge of our defense ourselves [for] all intents and purposes.”¹⁰⁷ Resolving the OPCON issue would be a major trust-building measure in the alliance, but its implications for joint capabilities and command structures have led to protracted OPCON negotiations.

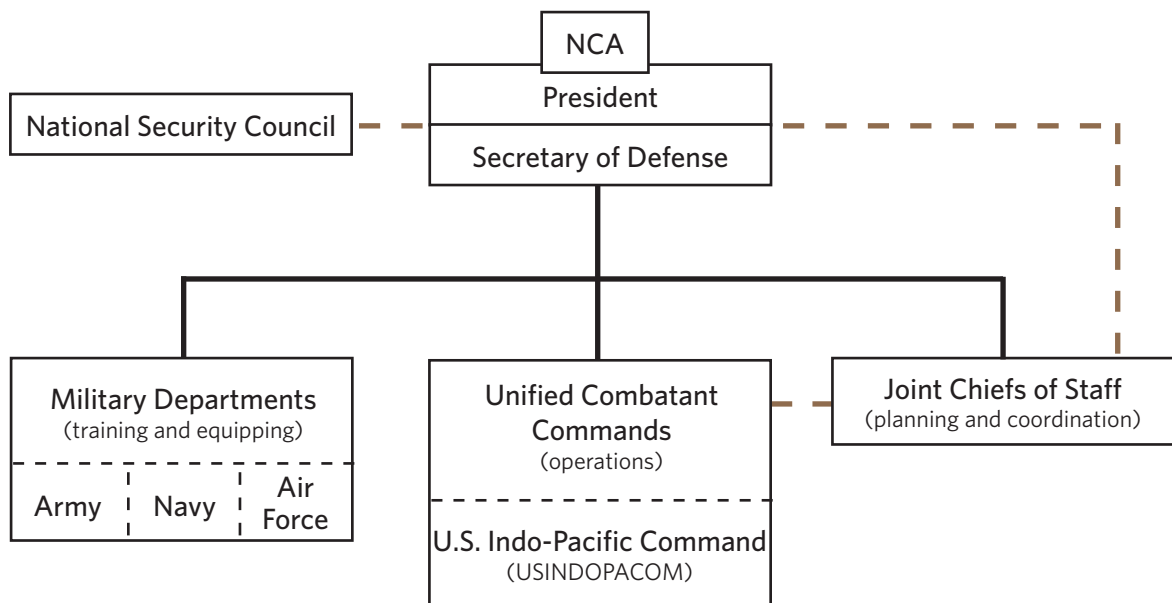
For many South Koreans, OPCON is more about autonomy than security. In normal circumstances, OPCON naturally lies with the sovereign nation, and thus, should inherently belong to South Korea. The relationship to sovereignty and autonomy also comes from the fact that OPCON became a major issue during the Gwangju massacre in the spring of 1980. The commander of the Defense Security Command, Major General Chun Doo-hwan (who subsequently became president), used special forces to put down pro-democracy protests in Gwangju. Official figures estimate that this resulted in the deaths of nearly 200 civilians, although civic groups maintain that casualties were much higher.¹⁰⁸ Although the United States denied any involvement, the U.S. military had full operational control of the ROK military at this time, and the South Korean public believed that at a minimum, the United States had tolerated the use of ROK forces. An official inquiry made by the U.S. State Department concluded that no U.S. official knew or colluded with Chun and his cohorts, but the incident became a hallmark of anti-American

Figure 3. South Korean and U.S. National Command Authorities

Flow of ROK National Command Authority (NCA)



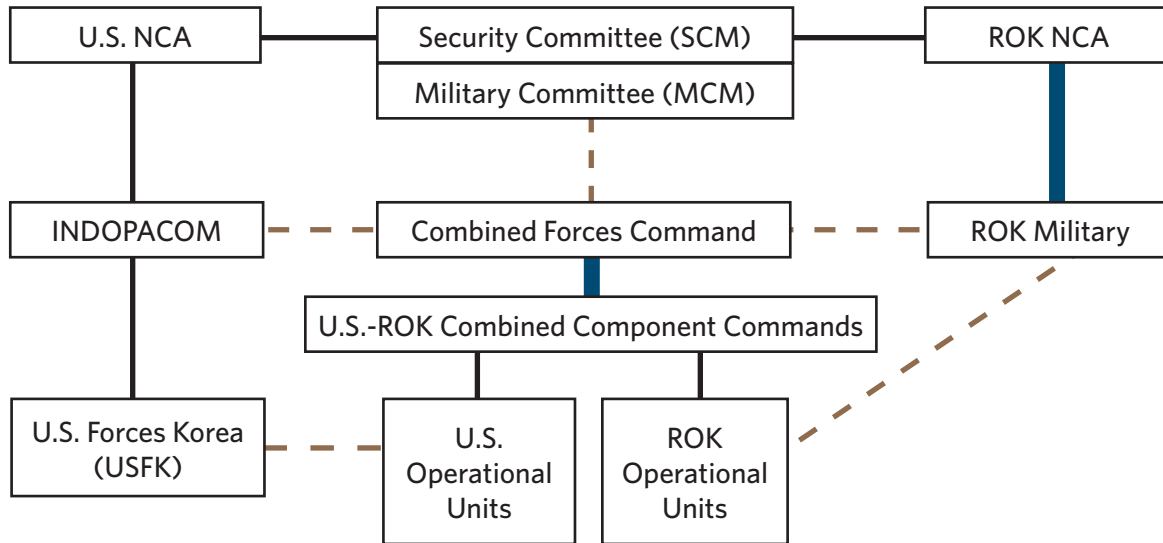
Flow of USA National Command Authority (NCA)



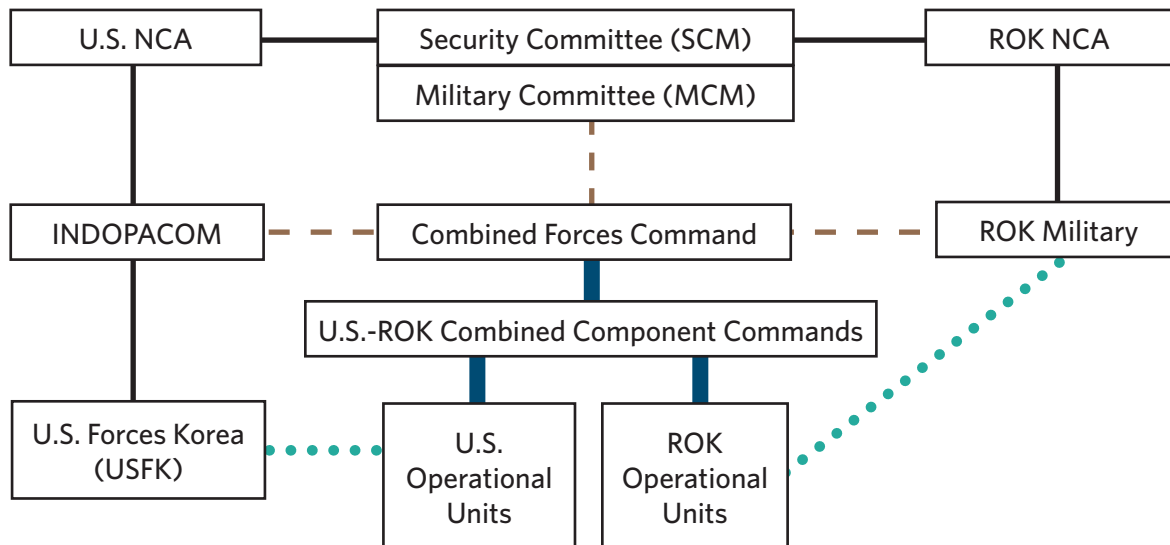
— COMMAND & CONTROL - - - STRATEGIC GUIDANCE ■ OPERATIONAL CONTROL

Figure 4. Operational Control in Armistice and Wartime Conditions

Armistice Conditions



Wartime Conditions



Note: This figure is not an exhaustive representation of USFK or CFC's command relationships.

sentiments throughout the 1980s. During the democratic transition in 1987, candidate Roh Tae-woo campaigned on a promise to transfer OPCON.¹⁰⁹

Peacetime OPCON (OPCON under armistice conditions) was transferred back to the ROK in 1994 under president Kim Young-sam, but little progress has been made since (see figure 5). In the June 30, 2017, joint statement between the United States and South Korea, Moon and Trump agreed to “expeditiously enable the conditions-based transfer of wartime operational control.”¹¹⁰ This mention of “conditions-based” transfer mirrors Park’s policy while adding the word “expeditiously.” However, this minor change doesn’t indicate any actual advancement in the timing of OPCON transition, only a mutual desire to more quickly develop the conditions and capabilities to facilitate the transfer.

In order for Moon to accomplish an expeditious conditions-based transfer, however, his administration must ensure three conditions jointly agreed upon by the United States and South Korea exist: (1) the ROK military must develop capabilities required to lead combined defense, (2) the alliance must possess comprehensive response capabilities against North Korean nuclear and missile threats, and (3) the security environment on the Korean Peninsula and in the region must be conducive to a stable transition of wartime OPCON. Although what constitutes a stable security environment is an elusive concept, the other two conditions relate materially to the ROK’s military capabilities. South Korea’s three systems for countering North Korea (Kill Chain, KAMD, and KMPR) all rely heavily on U.S. technology as well as command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR), and South Korea’s ability to procure these capabilities in the near future is uncertain.¹¹¹

Although enhancing the ROK’s military capabilities is an important element in OPCON transfer, the bigger obstacle lies in drawing up a new command structure that satisfies and optimizes both sides’ concerns. Would U.S. forces come under the command of a ROK commander? How would UNC’s relationship to the ROK JCS change if the UNC commander was no longer led by a U.S.

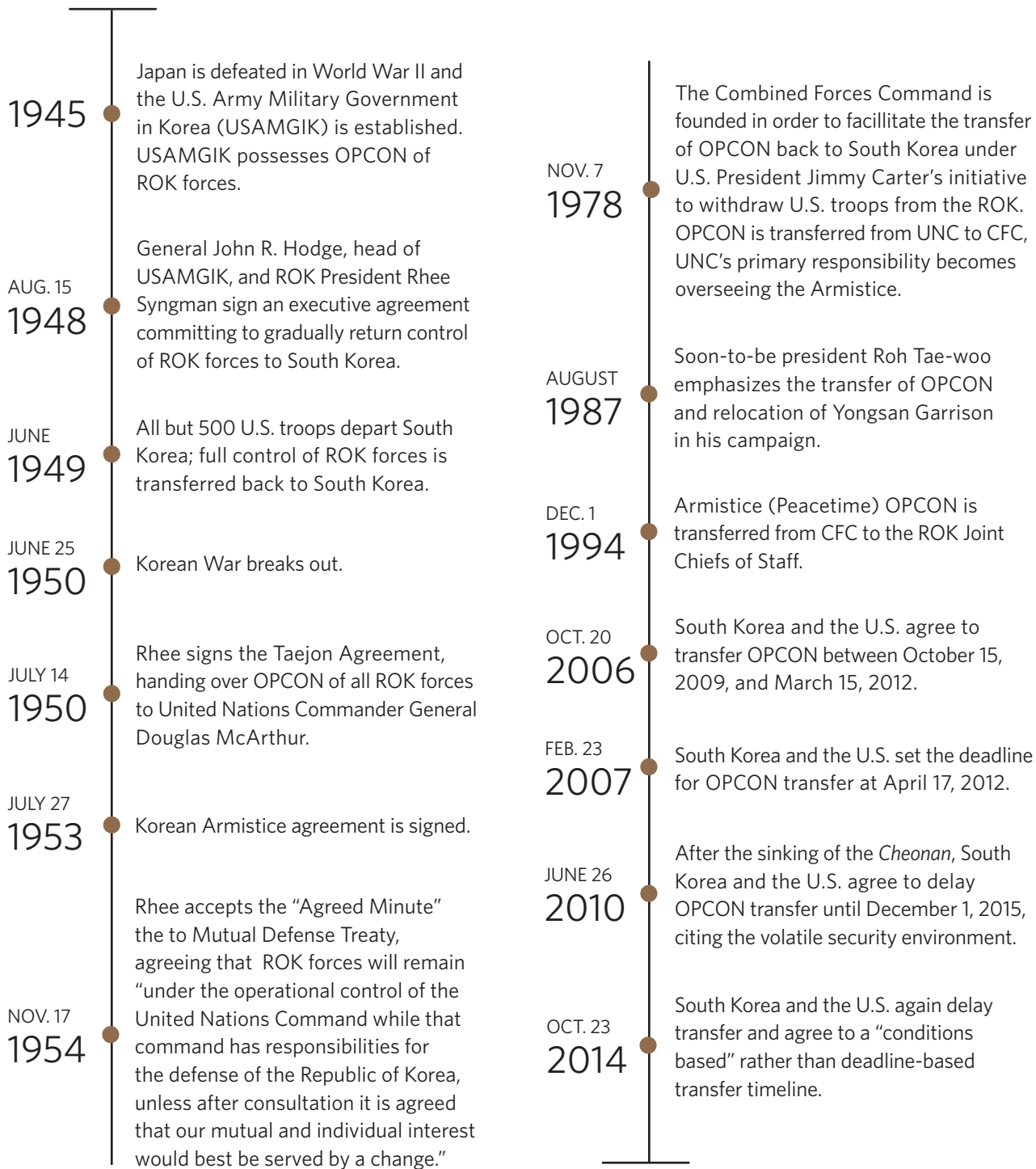
commander? To what extent Moon engineers OPCON transfer during the remainder of his term while he grapples with institutionalizing inter-Korean détente is another key factor that will shape when and how OPCON is reverted back to the ROK. Enhancing the ROK’s sovereignty, meeting emerging defense and deterrence requirements, and ensuring alliance cohesion in the midst of unprecedented geopolitical shifts are prerequisites in enabling smooth OPCON transfer. But such an effort is going to require enormous political capital as well as military investments by South Korea.

Cost-Burden Sharing and Transactional Politics

During his campaign for president, Trump made cost-burden sharing a key alliance issue. This comes at a critical time as the current five-year SMA, which determines cost-burden sharing between South Korea and the United States for the stationing of U.S. forces in the ROK, is set to expire at the end of 2018. The first round of consultations for the new SMA, which will enter into force in 2019, took place in Honolulu from March 7 to 9, 2018.¹¹² This will be the tenth iteration of the SMA mechanism, and will cover certain aspects of the costs of basing 28,500 U.S. troops in South Korea from 2019 to 2024.

Currently, South Korea contributes an impressive amount to the stationing of U.S. forces (see figure 6). Despite these figures, however, Trump made many comments both as a candidate and as president deriding South Korea’s contributions, with fleeting mention of strategic logic and acute focus on cost savings. During his campaign, Trump referred to South Korea as a defense “free rider” who was contributing only “peanuts” to its own defense. In April 2017, he stated that “we get nothing” in return for contributing to the defense of the Korean Peninsula.¹¹³ As president, Trump commented that South Korea should pay for the THAAD system, for which the U.S. currently pays to deploy and operate while the ROK supplies land for stationing under the Status of Forces Agreement.¹¹⁴ He also celebrated his idea to halt what he referred to as “tremendously expensive” joint military exercises with South Korea at the Singapore summit. In fact, the canceled exercises were only estimated by the Pentagon to cost \$14

Figure 5. History of Operational Control (OPCON)



million, but the fact remains that Trump clearly values cost-saving in Korea.¹¹⁵

These comments fueled anxieties that this year's SMA talks would be contentious, and while details of the confidential talks are sparse, those fears appear to have been realized. *Yonhap* reported that through five rounds of negotiations thus far, the United States has consistently pushed the issue of cost-sharing for deployment of strategic assets supposedly through a new category under the SMA called "operational support."¹¹⁶ The new category, to be added to the traditional categories of labor, logistics, and construction, would include support for strategic assets such as aircraft carriers, long-range bombers, and nuclear submarines that are based off the Peninsula but deployed rotationally around Korea.¹¹⁷ South Korean negotiators have opposed this measure, arguing that the issue is not subject to negotiation.¹¹⁸

As part of his argument that the United States is not properly compensated for maintaining troops on the peninsula, Trump has frequently commented in public and private that he would like to withdraw U.S. troops from the ROK. White House Chief of Staff John Kelly allegedly had to strongly dissuade Trump from ordering the withdrawal of all U.S. troops before the Winter Olympics in February 2018.¹¹⁹ In May 2018, reports surfaced that Trump had ordered the Pentagon to prepare plans to draw down American troops in South Korea, although he was quick to clarify later that the option was not being considered for the immediate future or as part of the Singapore Summit. However, he added that "at some point in the future, I'd like to save the money."¹²⁰

In fact, it is not clear that withdrawing troops from South Korea would save the United States much money. A 2014 RAND report concluded that the differences in cost of running a base in the United States and overseas were not radically different. It noted that reductions in the Asia Pacific would only save \$450 million without disrupting alliance structures.¹²¹ According to Michael O'Hanlon of the Brookings Institution, stationing a U.S. soldier abroad costs between \$10,000 to \$40,000 more than stationing them at home.¹²² With that price tag, the 28,500 uniformed personnel in South Korea cost

between \$285 million to \$1 billion to station in Korea. Even excluding the ROK's contribution of approximately \$830 million per year, or at least 50 percent of direct costs not including the free use of land, this represents a fraction of the \$700 billion U.S. defense budget.¹²³ The ROK also assumed 92 percent of the between \$10 billion and \$13 billion cost of constructing Camp Humphreys, the largest U.S. military installation abroad.¹²⁴ Ultimately, if conflict were to occur on the peninsula, deploying troops from far-off bases would likely eclipse the savings from stationing soldiers at home.

More than the cost, however, the U.S. troop presence in South Korea represents a visible and a powerful commitment to South Korean security. With U.S. troops off the peninsula, it becomes less clear to both South Korea and its adversaries that the United States would aid the ROK in the event of a conflict. Furthermore, it puts an undue pressure on Japan, another crucial ally in the Pacific that is home to U.S. forces. Without U.S. forces in South Korea, U.S. troops in Japan would become the main line of defense against threats in Asia, putting Japan at even greater risk in a conflict. Assessing the benefits of troop deployment levels primarily on the basis of costs not only damages readiness but also endangers U.S. allies and stability in Northeast Asia.

Peace Regime and the Future of the Alliance

Although the financial justifications might be flawed, Trump's desire to withdraw U.S. troops is somewhat in line, albeit for different reasons, with some of Moon's cabinet and supporters. Progressives in Korea have long advocated for the establishment of a peace regime.¹²⁵ Because the alliance is a product of the Korean War and justified on the basis of North Korean threats, ending the Korean War and signing a peace treaty could undermine the rationale for maintaining the alliance.

Both Moon and Kim have pushed for a peace regime as a prerequisite to denuclearization. According to press reports, Trump promised Kim that he would sign a peace declaration soon after their meeting in Singapore, although that guarantee was quickly made conditions-based after the summit.¹²⁶ Other

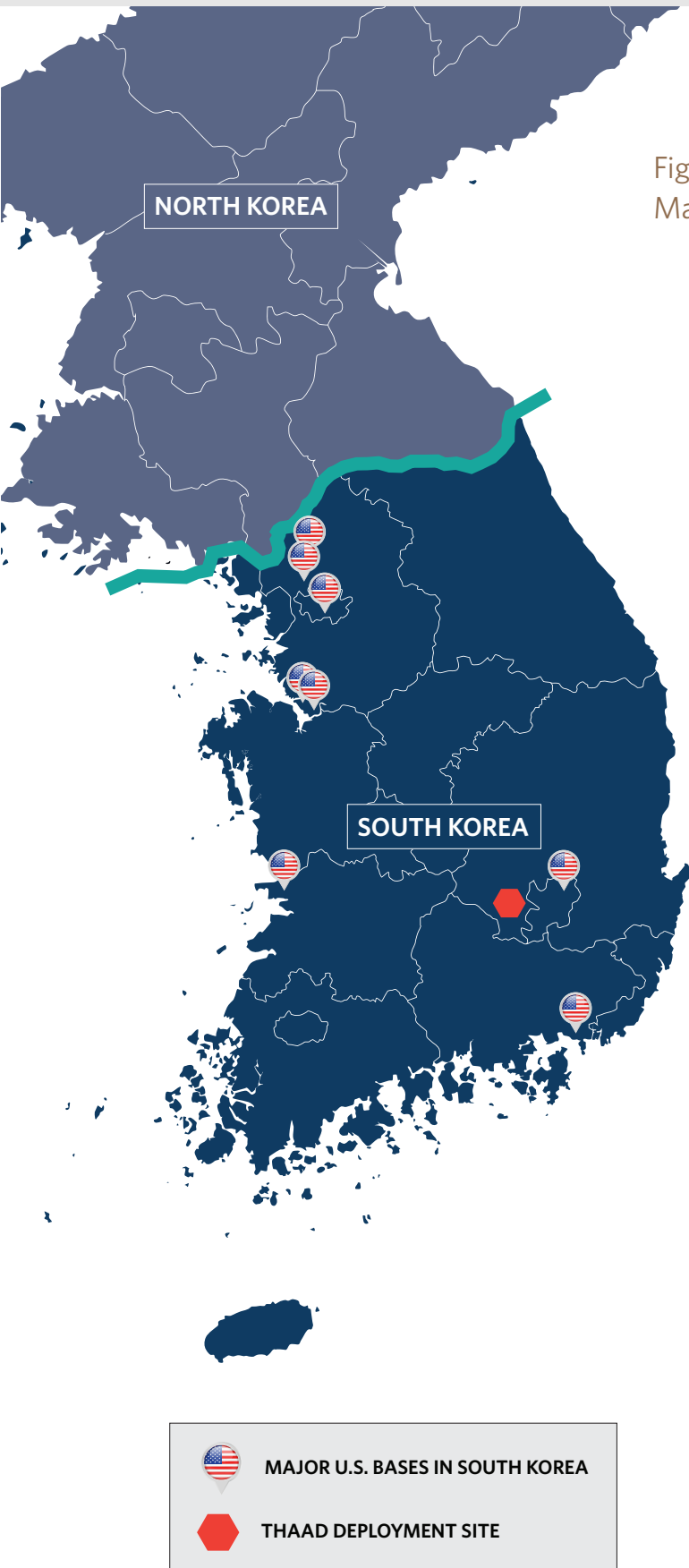


Figure 6. What South Korea Pays to Maintain U.S. Military Presence

- 
\$79 billion
 Estimated real estate value of Yongsan Garrison, which the United States has occupied for free.
- 
92 percent
 Percentage of the cost of construction of Camp Humphreys, one of the largest U.S. military installations abroad, that was covered by South Korea.
- 
\$10-13 billion
 Cost of building Camp Humphreys.
- 
\$826 million
 South Korea's yearly contribution to the stationing of U.S. forces under the current Special Measures Agreement.
- 
50-72 percent
 Low and high-end estimates of what percentage of the cost of stationing U.S. forces is covered by South Korea.
- 
\$26 billion
 Value of foreign military sales purchases from the U.S. in 2017.
- 
28,500
 Number of U.S. troops stationed in South Korea.

Sources: Compiled with information from Defense News, Yonhap News Agency, The Wall Street Journal, Stars and Stripes, and United States Forces Commander General Brooks' 2017 and 2018 congressional testimony.

U.S. officials have been more measured in their acceptance, stating that they would reconsider a peace treaty and U.S. troop deployments if real progress toward denuclearization is achieved.¹²⁷ For example, U.S. Secretary of Defense James Mattis commented that “obviously, if the diplomats can do their work, if we can reduce the threat, if we can restore confidence-building measures with something verifiable, then of course these kinds of issues can come up subsequently between two sovereign democracies.”

Officially ending the Korean War is certainly a valid goal as the war and corresponding troop deployments are a constant reminder that enduring peace has yet to be achieved, and the lack of resolution acts as an impediment to mutually beneficial inter-Korean relations. Nevertheless, any official announcement has to also take into consideration opportunity costs to the alliance and South Korean security. There is skepticism among some U.S. officials and Korean conservatives who believe that the Moon administration’s ulterior motive for establishing a peace regime is to facilitate the withdrawal of U.S. troops from South Korea and weaken the alliance. Such views were sharpened by statements made by some of Moon’s top foreign policy advisers, such as Moon Chung-in who wrote in *Foreign Affairs* in April 2018 that it would be “difficult to justify” the presence of U.S. forces in South Korea if a peace accord was adopted.¹²⁸ Shortly after, he told the *Atlantic* that while he strongly supports American forces in Korea in the short term, in the long term, justifications for their presence may disappear and the U.S.-ROK relationship might need to “make a transformation from an alliance system into some form of a multilateral security cooperation regime.”¹²⁹ Moon Chung-in was quickly chastised by the administration, which publicly urged him to “exercise restraint” and lamented that his remarks “were not helpful for South Korea-U.S. relations.”¹³⁰

The Moon administration has been careful to point out that it considers the troop presence a separate issue from a peace agreement, and that they are not supporting USFK withdrawal.¹³¹ A peace treaty also would not legally force withdrawal or the dissolution of the alliance.¹³² While the alliance is commonly talked about in terms of North Korea, the 1953

Mutual Defense Treaty does not mention North Korea at all. Instead, it provides an alternative justification for the U.S. troop presence by pledging a desire to “strengthen the fabric of peace in the Pacific area,” which supersedes the North Korean threat.¹³³ A peace treaty would also not necessarily require the withdrawal of troops or dissolution of any of the three U.S.-led commands in South Korea, as sovereign nations have the right to agree to the basing of foreign troops on their soil.¹³⁴

However, Moon Chung-in’s comments highlight the fact that announcing an end to the Korean War could result in growing pressure from North Korea, China, progressive South Koreans, and even Trump-supporters in the United States to significantly reduce or entirely withdraw USFK. While the explicit rationale for the Mutual Defense Treaty lies in supporting the “fabric of peace in the Pacific area,” there is little doubt that the alliance is geared toward meeting military threats from North Korea specifically. It is entirely possible or even quite probable, then, that questions will be asked on the necessity of maintaining U.S. troops after the official termination of the war. Historically, North Korea has focused on the withdrawal of U.S. troops from the peninsula as a prerequisite for peace, as a symbol of U.S. commitment in ending its “hostile policy” toward North Korea, and as a condition for denuclearization. There is no guarantee that North Korea will not view withdrawal in the same terms again.¹³⁵ Rather than letting North Korea or other foreign powers force a decision on this issue, the alliance will need to ensure that it crafts a proactive and coordinated response that prioritizes the security of South Korea and stability in Northeast Asia.

Aside from the possibility of withdrawal, a peace treaty could also pressure the U.S. and South Korea to change their command structures. UNC was established to carry out the mandate of UN Security Council Resolution 84 (1950) to secure peace on the peninsula during the Korean War, and after 1978, was relegated to maintaining the armistice. With the war officially over and the armistice no longer in place, a peace treaty would imply the dissolution of the United Nations Command. Additionally, some might argue that the existence of CFC, which is only

activated in wartime, would imply that the United States and South Korea intend to wage war on North Korea despite declarations of peace, thereby creating additional grounds for dissolving it. Restructuring the three commands is not an endeavor to be taken lightly: as protracted OPCON negotiations have shown, it is a critically important and difficult matter that will impact the fabric of cooperation between the U.S. and ROK militaries.

If Moon achieves OPCON transfer and secures a peace treaty and Trump continues to push unequal cost-burden sharing, some of the alliance's strongest linking mechanisms will be weakened. While none of these potential developments necessarily leads to the termination of the alliance, the dissolution of commands, or the withdrawal of U.S. troops, they do highlight the need for the United States and the ROK to determine the longer-term strategic rationale for maintaining a robust alliance. Even if a peace treaty is signed, North Korea is unlikely to give up its nuclear weapons. And while Washington and Seoul have repeatedly affirmed that the alliance is not geared toward China, the alliance is going to face a very different threat envelope going into the 2020s. How they factor in new geopolitical forces including China's rapidly evolving power projection capabilities is a major litmus test awaiting the alliance.

The THAAD Controversy

Following Moon's inauguration on May 10, 2017, he was immediately confronted with a major foreign policy and security challenge: managing the fallout from the deployment of Terminal High Altitude Area Defense ballistic missile defense system. The original decision to deploy the system was made by Park after North Korea conducted its fifth nuclear test in January 2016. This dispute played out in multiple arenas including domestic Korean politics, the future of ROK-China relations, and the efficacy of deterrence toward North Korea. On the foreign policy front, the Moon administration was compelled to balance its critical alliance with the United States while forging a new policy toward North Korea and smoothing over its increasingly important ties with China.

Beijing was furious that South Korea chose to deploy THAAD since it argued that it denigrated its own strategic retaliatory capabilities and that the system's radar could look deeply into Chinese territory. China applied intense pressure on South Korea and responded with economic retaliation. On the domestic front, the THAAD issue became an integral part of Moon's efforts to restore public faith in South Korea's democratic processes after Park's impeachment by emphasizing the greater need for public discourse on a critical security issue.

In the face of gaps in Chinese and South Korean perceptions and strain on Seoul's relations with Washington, the THAAD controversy also demonstrated the resilience of this critical alliance. The security alliance was established in 1953 under the Mutual Defense Treaty, which notes that the United States and the ROK will "maintain and develop appropriate means to deter armed attack."¹³⁶ Faced with a rapidly growing North Korean nuclear and missile threat, the United States and South Korea responded with appropriate actions. North Korea's nuclear test in January 2016 and its ICBM test in July 2016 magnified the need for greater alliance coordination and strengthening of the ROK's deterrence and missile defense capabilities.

That said, for South Korea, the balance that Moon struck with this decision represents a tactical win that could easily result in a strategic loss. While South Korea and China's relationship has grown closer both economically and politically since the establishment of diplomatic ties in 1992, the evolving North Korean threat requires a robust ROK-U.S. alliance buttressed by America's iron-clad security guarantee and critical defense capabilities. While the deployment compromise alleviated strain on the alliance and lessened the risk of economic retaliation from China, the THAAD controversy encapsulated Beijing's shifting approach toward Seoul. Although China stridently demands that all states respect the principle of sovereignty and non-interference on issues concerning China, its leadership espouses a double standard when it involves weaker powers. Beijing's unprecedented interference in South Korean domestic politics, open pressure campaign, disregard for diplomatic protocol, and indifference toward the ROK's

sovereign right to take defensive measures as necessary are likely to be repeated as the ROK modernizes its defense and deterrence assets together with the United States or on its own. In the long run, there is no guarantee that Seoul will be able to remain on the fence between the competing priorities of its two most critical relations.

Autonomy, Alliance, and Public Opinion

A legacy decision by the Park administration, the THAAD controversy was the first major foreign policy test for the Moon government. Although Moon initially ordered a review of the deployment decision, North Korea's continued missile launches and September 3, 2017, hydrogen bomb test required that Moon respond by enhancing South Korean deterrence (see figure 7). Moon's solution to this security challenge was to move forward with the system's U.S.-backed deployment while placating China's strategic anxieties on THAAD deployment.

However, before Moon made the final decision, the deployment process caused undue strain on the alliance. As Park's impeachment loomed, the future of THAAD appeared uncertain and the United States began the delivery of THAAD's major components to South Korea under the approval from acting-president Hwang Kyo-ahn.¹³⁷ On May 2, 2017, USFK announced that THAAD was operational with the ability to intercept North Korean missiles.¹³⁸ However, this announcement came just one week before South Korea's snap presidential election. Although USFK maintained that it expedited THAAD deployment in response to North Korea's continued provocations, many South Koreans believed that the process was accelerated to decrease the chances of reversing THAAD deployment in the event that a liberal government came into power. Park's corruption allegations prompted presidential candidates in the liberal opposition to call for a review of many of her administration's policies including THAAD deployment. Candidate Moon Jae-in called for a postponement of any final decision until a new president was elected.¹³⁹

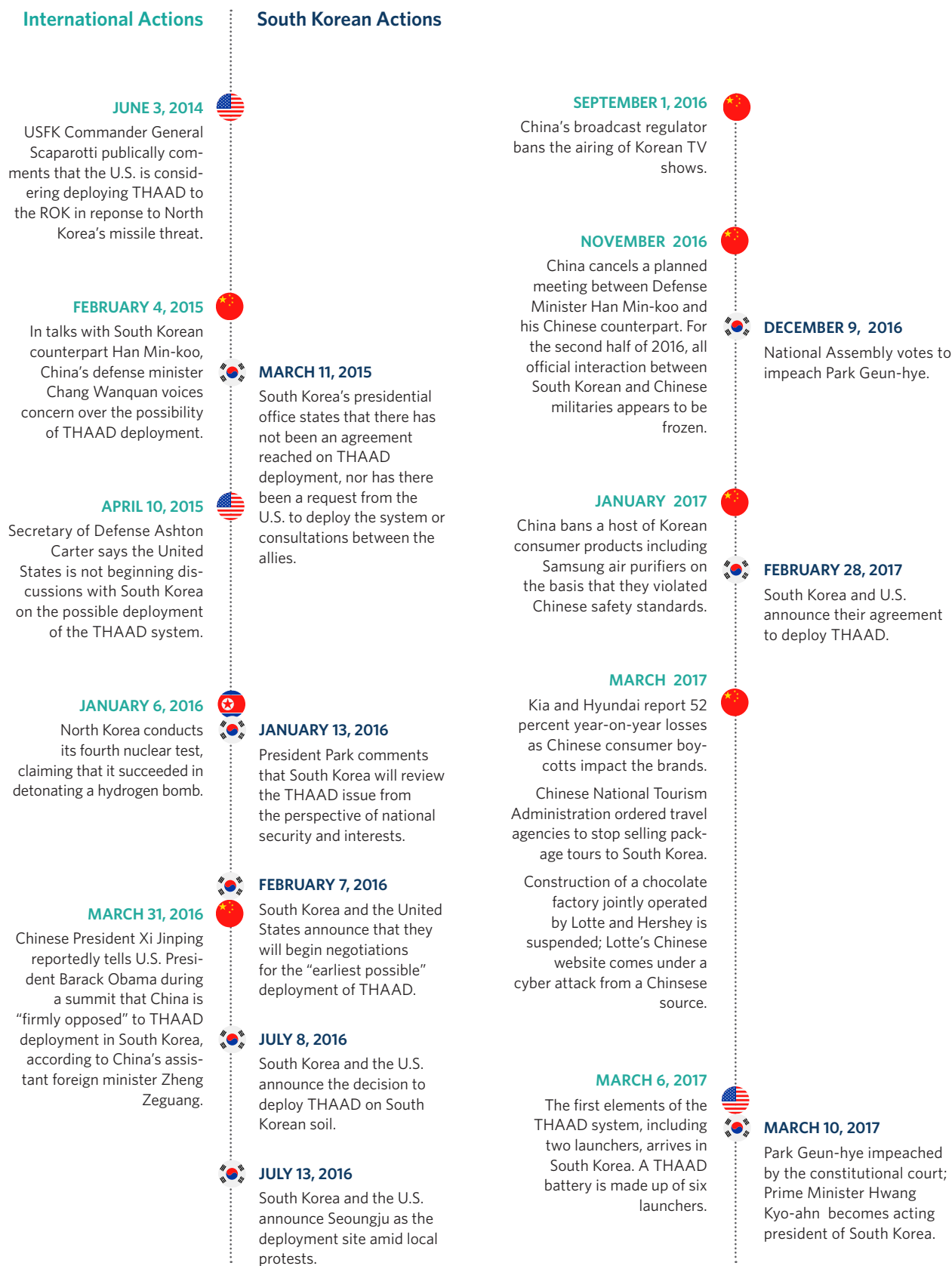
After North Korea's July 28, 2017, ICBM test less than three months after Moon became president,

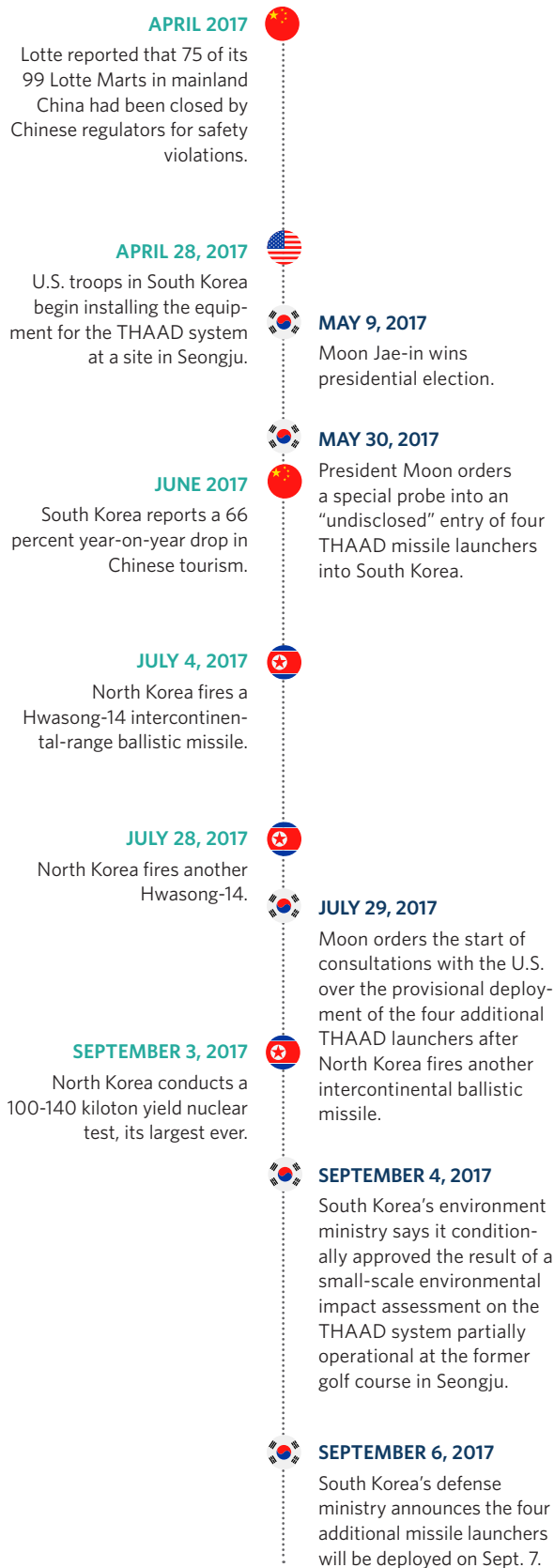
however, he was compelled to change his calculus regarding THAAD. Moon called an emergency meeting of the National Security Council and announced that he would commence talks with the United States to deploy additional THAAD launchers.¹⁴⁰ The decision was made to deploy additional launchers, and, despite local protests, they were delivered to Seongju on September 6 and 7, three days after North Korea's sixth nuclear test.¹⁴¹ As of October 2018, an environmental impact study has not been fully completed and THAAD remains operational. However, the deployment is still technically temporary, and the Moon administration will decide whether or not to permanently deploy the system after the environmental assessment is completed.¹⁴²

Despite the controversy surrounding THAAD, it is important to understand that it is a defensive system. Manufactured by Lockheed Martin, THAAD is intended to intercept short, medium, and intermediate-range ballistic missiles with a 200-kilometer range in the terminal stage of the missile's flight path, up to an altitude of 150 kilometers.¹⁴³ Because the system intercepts missiles at a high-altitude, it is well-suited to counter biological, chemical, and nuclear weapons, which it can intercept well before the warhead reaches the ground.¹⁴⁴ THAAD has a very high success rate, with 15 of 15 successful interceptions in U.S. tests, although it has not been tested in actual combat.¹⁴⁵ The system is intended to protect South Korea from incoming North Korean missiles, nuclear or otherwise, in the event of a major conflict.

THAAD is part of South Korea's layered missile defense strategy known as Korea Air and Missile Defense (KAMD). Before the introduction of THAAD, Korea's missile defense strategy relied primarily on the Patriot missile system's low altitude, low distance (low-tier) interception capabilities. However, THAAD's high-altitude, high-range defenses (high-tier) contributes to the ROK's missile defense capabilities by improving the intercept efficiency of the KAMD.¹⁴⁶ In addition to increasing the KAMD's defended footprint in terms of range and altitude,¹⁴⁷ this also allows the ROK to more effectively defend against a growing threat from medium- to long-range missiles launched at high-loft trajectories, which North Korea has begun to test more frequently.¹⁴⁸

Figure 7. Timeline of THAAD Deployment: International and South Korean Actions





Source: Compiled with information from Yonhap News Agency, The Korea Herald, The Washington Post, The Straits Times, Reuters, The Korea Times, and Financial Times

While THAAD has the capacity to materially improve the KAMD, the political ramifications of its deployment provided further proof to many South Korean progressives of overdependence on the United States and disregard for negative fallout such as China’s vociferous opposition. In particular, many residents in Seongju, and especially the village of Soseongri, which is near the abandoned golf-course-turned deployment site, expressed consistent opposition to THAAD’s deployment near their homes. Proponents of greater defense autonomy argued that the THAAD deployment decision was another reminder of the alliance’s asymmetry, which must be rectified through measures like the accelerated transfer of operational control.

Since the Park administration’s announcement of the deployment decision in 2016, residents have turned out to the deployment site to protest THAAD, often blocking and preventing military vehicles from delivering equipment and provisions to the site.¹⁴⁹ Seongju was justified by the South Korean Defense Ministry as the deployment site on the basis that “by operating the U.S. THAAD battery in Seongju, we will be able to better protect one half to two-thirds of our citizens from North Korean nuclear and missile threats.”¹⁵⁰

Initially, residents were primarily concerned with the potential environmental and health effects of THAAD and its X-band radar system.¹⁵¹ However, the International Commission on Non-Ionizing Radiation Protection noted that the nearest population center, at 1.5 kilometers away, was not in danger and that the electronic wave output from the radar was well below the 10-watt-per-square-meter limit.¹⁵² Patriot antimissile systems in South Korea, which use similar radar systems, have had no impact on nearby residents’ health or agricultural production.¹⁵³ Additionally, residents were concerned that the placement of THAAD batteries would antagonize North Korea and make Seongju a target for its missiles.¹⁵⁴

National public opinion surveys show that most Korean citizens view THAAD deployment more favorably than residents of Seongju, but those who oppose the system share opinions consistent with Seongju residents’ concerns. For example, in a June

2017 Gallup Korea poll, 53 percent of respondents said they supported THAAD deployment, while an August 2017 poll showed this number increasing to 72 percent after North Korea's ICBM test.¹⁵⁵ Further polling conducted by the Asan Institute for Policy Studies suggests that support for THAAD is highly contingent on opinions of the United States and China. Respondents that had a positive view of the United States tended to have more positive views of THAAD deployment, while those with more positive views of China tended to have more negative views of THAAD deployment.¹⁵⁶ THAAD deployment's relationship to broader geopolitical factors significantly influences the public's opinion of it.

In a February 2017, when public demand for Park's impeachment was at its peak, an Asan poll showed that 53.9 percent of respondents did not trust the government's decision to deploy THAAD.¹⁵⁷ Moon himself often framed the decision for deployment in terms of public concerns over the democratic process or the fact that the Park administration made the decision with virtually no public discussion. At a meeting in Washington on June 29, 2017, Moon commented that "demand for democracy is particularly high because of the candlelight revolution, and demand for democratic procedural legitimacy for the THAAD deployment is, therefore, high."¹⁵⁸ In a later conversation with Senator Dick Durbin, he went even further by stating that "my order for a probe on THAAD is purely a domestic measure and I want to be clear that it is not about trying to change the existing decision or sending a message to the United States."¹⁵⁹

The THAAD issue's salience in the debate over democratic processes is the product of a broader historical debate on autonomy and security vis-à-vis the United States.¹⁶⁰ In the aftermath of the Korean War and throughout the 1960s, when South Korean per capita income was just \$64 and the national GDP lagged behind the Democratic Republic of the Congo,¹⁶¹ U.S. defense guarantees and monetary assistance were critical to ensuring the security of South Korea and deterring North Korea. However, this is clearly no longer the case. Unlike the 1960s and 1970s, the ROK's accelerated economic development has propelled it to the world's eleventh-largest economy and

a highly modernized and professionalized military with burgeoning indigenous platforms.

The U.S. military's wartime operational control of the ROK military, highly visible presence in populated city centers, and the ROK's dependence on American defense capabilities has spurred calls in South Korea for the nation to move away from what many perceive as an unnecessary, costly, and restrictive reliance on the U.S. military. This is exacerbated by the fact that acting-president Hwang chose to approve the expedited deployment during a period of unprecedented political turmoil, adding to the perception that the United States pressured Seoul to proceed with THAAD deployment before the election.¹⁶² Moreover, particularly after South Korea's democratization in 1987, civil society, the media, and NGOs have played major roles in framing the public debate over a range of security issues.

Chinese Interference and Economic Security

Beijing's concerns over THAAD were premised on the assumption that an antimissile system based in South Korea could denigrate China's offensive capabilities by monitoring its military movements and assets. This is because THAAD also possesses AN/TPY-2 X-band radar capabilities with an estimated range of 2,000 kilometers that can detect, classify, and track ballistic missiles.¹⁶³ From the deployment site in Seongju, this range can not only detect missile threats throughout North Korea, but also most of the eastern half of China.¹⁶⁴ According to U.S. officials, however, the X-band radar only has this capacity in "forward-based mode," which, incidentally, disables the system's missile interception capabilities and can only be used to track a missile in ascent.¹⁶⁵ However, THAAD in South Korea will operate in "terminal mode," which allows detection, acquisition, tracking, and interception of missiles in their terminal phase.¹⁶⁶ This mode takes a full eight hours to switch to from forward-based mode, and restricts the radar's range to 600 kilometers, covering all of North Korea and a small, inconsequential amount of China bordering North Korea.¹⁶⁷

More than North Korea, China views the United States as its greatest strategic threat given its global

power projection capabilities and the strong U.S.-led alliance system in the Asia Pacific. THAAD deployment not only signaled South Korea's growing defense cooperation with the United States but also raised the possibility of an integrated ballistic missile defense (BMD) system with Japan and the United States and the potential strengthening of a de facto security trilateral alliance. While THAAD is a defensive system, Beijing viewed it as part and parcel of American efforts to contain China by augmenting South Korea's and Japan's defense capabilities and BMD assets. To assuage China's concerns, the Moon administration promised that there would be no further THAAD battery deployments, missile defense integration, or a U.S.-Japan-ROK trilateral alliance. This decision prevented further economic retaliation from China and also satisfied the United States in deploying the system.

Chinese authorities began to express opposition to the deployment as far back as February 2016, when then foreign ministry spokesperson Hong Lei commented in a press conference that he had "grave concerns" about the potential deployment as it would "directly damage China's strategic security interests."¹⁶⁸ Chinese officials and media continued to make comments throughout the deployment phase and repeatedly threatened "consequences" for South Korea if it proceeded with deployment.¹⁶⁹ The argument was also made that THAAD provides limited defense against North Korea's short-range missiles, which are most likely to be used against Seoul—thus, THAAD must be targeted against China.¹⁷⁰ Last but not least, China also asserted that THAAD would spur an arms race in East Asia and that it was a cover for containing China.¹⁷¹

However, these arguments neglect crucial technical aspects of the THAAD system. As stated above, not only can the X-band radar only peer into China when it is in a mode that neuters its missile interception capabilities (although this mode will not be used in South Korea), but the United States already has two X-band radars deployed in Japan and one in Guam. The United States and South Korea also utilize the Aegis ballistic missile defense systems in the region,

which have a radar range of 310 kilometers, and U.S. early warning satellites can detect and track Chinese missile launches.¹⁷²

In short, the United States was well equipped to detect Chinese missiles before the introduction of THAAD to Korea. Additionally, although THAAD has not been tested on short-range missiles, for which South Korea relies on the PAC-3 systems, it meets South Korea's need to defend against North Korean medium-range missiles with high-altitude trajectories.¹⁷³ Abraham Denmark, former deputy assistant secretary for East Asia at the U.S. Department of Defense from 2015 to 2017, recalled that the Chinese government refused repeated offers for briefings on THAAD's capabilities. He suggests this reveals that the Chinese were already aware of the radar's capabilities and limitations.¹⁷⁴ In fact, China also possesses X-band and P-band radar capabilities that allow it to peer into the Korean Peninsula and Japan. China has deployed two Large Phased Array Radars (LPARs, or the JL-1A radar) to detect multiple incoming threats.¹⁷⁵

China's protests against THAAD's technical capabilities masked a greater concern over the building of a U.S.-led integrated missile defense system including Japan and South Korea. At the UN General Assembly on October 10, 2016, the head of the Arms Control Department of the Chinese foreign ministry stated that "the deployment of global missile defense systems by the U.S. seriously undermines the strategic security interests of related countries" and "the deployment of the THAAD system by the U.S. in the ROK will in no way help address the security concerns of relevant parties."¹⁷⁶ Other statements by Chinese officials portrayed the THAAD deployment as indicative of the ROK's decision to support the United States in its efforts to counterbalance China. Foreign ministry spokesperson Lu Kang stated in July 2016, with reference to THAAD, that "by getting on board with the U.S., the ROK has involved itself in tipping the scale of regional strategic balance."¹⁷⁷

Beijing's reaction to THAAD revealed South Korea's economic vulnerabilities in relation to its very high

dependence on trade with China. For example, the Chinese market amounted to 25 percent of ROK exports in 2017.¹⁷⁸ In November 2016, a month after the Lotte Group, one of South Korea's largest conglomerates, agreed to provide the golf course in Seongju to the Korean government as THAAD's deployment site, the Chinese government began withholding approvals for Lotte stores in China.¹⁷⁹ This marked the beginning of an economic retaliation campaign by China that cost the South Korean economy an estimated \$7.6 billion in 2017.¹⁸⁰

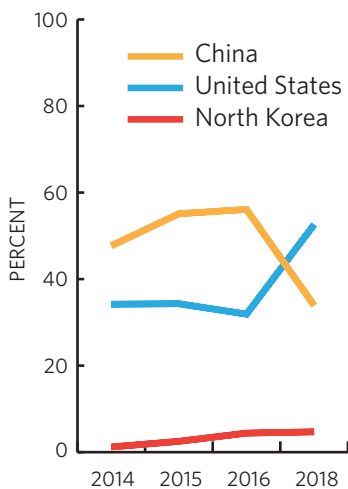
By March 2017, operations of fifty-five of the ninety-nine Lotte Mart stores in China were suspended by the Chinese government over alleged safety violations.¹⁸¹ A month later, this number rose to seventy-five, and by September, the Lotte Group announced that it would sell its Chinese stores after taking heavy losses.¹⁸² In addition to retaliation against the Lotte Group, state-owned China Central Television (CCTV) announced in September 2016 that South Korean TV shows would be banned.¹⁸³

In March 2017 the Chinese National Tourism Organization ordered travel agencies to cease selling package tours to South Korea. This was a major blow to South Korea's tourism industry as visitors from China accounted for 47 percent of all tourists and 70 percent of sales at duty free shops in 2016.¹⁸⁴ Stoked by Beijing, consumer backlash and boycotts against South Korean products expanded into automobiles when Hyundai's and Kia's sales in China dropped by 52 percent year-on-year in March 2017.¹⁸⁵ These were just a few of the measures taken against Korean companies and exports, although Chinese officials maintained the fiction that they were the result of consumer displeasure with South Korea rather than any actions taken at the behest of the Chinese government.

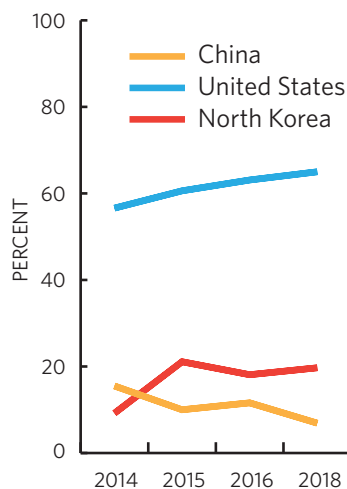
On October 30, 2017, Foreign Minister Kang Kyung-wha reported to the National Assembly on the outcome of discussions with her Chinese counterpart to overcome the THAAD issue. As noted above, Kang relayed the so-called "three no's," which included the following points: (1) the ROK

Figure 8. South Korean Public Opinion of China

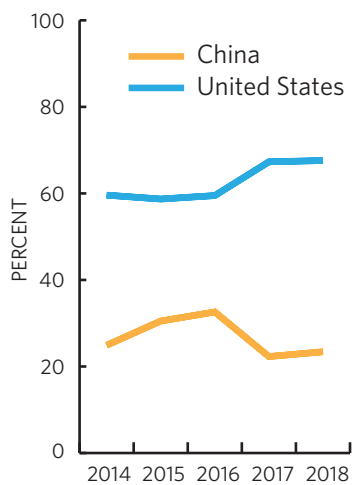
Which Country Is Most Important for South Korea's Economy?



Which Country Is Most Important for South Korea's Security?



If the U.S. and China Continue Their Rivalry, Which Country Should South Korea Strengthen Ties With?



Source: "South Koreans and Their Neighbors," Asan Institute for Policy Studies, May 2, 2018, <http://en.asaninst.org/contents/south-koreans-and-their-neighbors-2018/>.

would not consider any additional THAAD deployments, (2) the ROK would not join an integrated missile defense network led by the United States, and (3) the ROK would not enter into a trilateral alliance with the United States and Japan.¹⁸⁶ On October 31, 2017, after renewing a currency-swap agreement and holding defense ministerial talks for the first time in two years, the two sides announced their intention to resume normal relations and to continue their dialogue on THAAD-related issues.¹⁸⁷

China's actions became a wake-up call for South Koreans who believed that bilateral ties had matured significantly since normalization in 1992. Given the asymmetry between China and South Korea and the long history of China's shadow over Korea, Beijing calculated that Seoul would concede to progressively harsher pressure. What the Chinese leadership failed to grasp, however, was that even though the THAAD deployment was controversial (and remains so to this day), the South Korean public grew increasingly antagonistic toward China's heavy-handedness and political and economic retaliation against the ROK. Indeed, many South Koreans felt that despite ever-present tensions between Seoul and Washington, the ROK-U.S. alliance was needed more than ever before to counter China's increasingly aggressive and intimidating posture against South Korea.

As a case in point, according to a poll conducted by the Asan Institute for Policy Studies at the height of China's economic retaliation in March 2017, China's favorability ratings were even lower than Japan's for the first time in the history of Asan polling. China had a favorability rating of 3.21 out of 10, down from 4.31 two months earlier, while Japan's rating was 3.33 (see figure 8).¹⁸⁸ While public opinion is not the only determining factor in policy, it does decrease the political incentive for Korean leaders to ignore any further attempts by China to politically or economically pressure South Korea.

While the deployment was a win for South Korea and the United States in the short term, Moon and subsequent ROK presidents will face increasingly difficult choices in balancing South Korea's ties with Beijing and Washington. In announcing the "three no's," the Moon administration only

affirmed positions that it already maintained. However, Seoul's responses also illustrated to Beijing that South Korea was willing to curtail trilateral security cooperation with the United States and Japan and to take into consideration the China factor over key defense measures. Although China did not block THAAD deployment, it succeeded in reminding South Korea that regardless of its alliance with the United States, South Korea could no longer afford to ignore China's strategic considerations.

The rapid evolution in South-North relations, including the holding of a third summit between Moon and Kim in September 2018 in Pyongyang, is also going to play into how China reacts to future U.S.-ROK military operations. Moon must juggle critical issues simultaneously such as sustaining the alliance with the United States, not upsetting China while standing up to blatant Chinese intervention in domestic affairs, and coping with polarized public opinion. However, attempting to satisfy all sides with minimalist common denominators is likely to worsen, rather than alleviate, Seoul's increasingly tenuous strategic posture and exposure to external pressures.

Shared Interests, Contrary Priorities: A New Start for ROK-China Relations?

After the THAAD controversy damaged the South Korean economy and overall ties with China, Beijing abruptly changed course on October 30, 2017, agreeing to table the dispute with Seoul. The two countries issued statements saying that they wished to put the issue behind them, saying that "both sides shared the view that the strengthening of exchange and cooperation between Korea and China serves their common interests and agreed to expeditiously bring exchange and cooperation in all areas back on a normal development track."¹⁸⁹ The timing of this change was unexpected. It is possible that because Beijing had ultimately failed to prevent the THAAD deployment, it decided to concede and secure whatever concessions it still could from South Korea, although Beijing did not fully explain its decision.¹⁹⁰

As mentioned above, Seoul made major concessions when it publicly announced the three no's.

Mending relations with Seoul might have simply been the easier fix for Beijing, because it had overreached on the THAAD issue.¹⁹¹ However, China hasn't stepped back entirely from pressuring Korea. In bilateral talks at the annual ASEAN meeting in Singapore on August 3, 2018, Chinese Foreign Minister Wang Yi urged Kang to find a "complete resolution" to the THAAD problem, indicating that China wasn't dropping the issue.¹⁹²

Moon visited Beijing to meet with Xi in December 2017, where he announced a "new start" for the South Korea–China relationship. The two leaders agreed on

"four principles to secure peace and stability on the Korean Peninsula," namely 1) "war on the Korean Peninsula can never be tolerated"; 2) "the principle of denuclearizing the Korean Peninsula will be firmly maintained"; 3) "all issues, including the denuclearization of North Korea, will be peacefully resolved through dialogue and negotiations"; and 4) "improvement in inter-Korean relations will be ultimately helpful in resolving issues involving the Korean Peninsula."¹⁹³

As that agreement illustrates, China and South Korea have declared shared interests in repairing their relationship due to their mutual concern over North Korea's nuclear program and longer-term stability on the peninsula. North Korea greeted Xi Jinping's rise to the presidency with a nuclear test, and few months later, Kim Jong Un executed his uncle and China's most valued North Korean interlocutor, Jang Song Thaek. Although Chinese leaders typically visit North Korea before South Korea, Xi Jinping chose to visit Seoul before Pyongyang in July 2014. However, despite these initially chill relations, once it appeared that the United States and South Korea were keen to make progress on denuclearization, Xi took measures to ensure his leverage over North Korea would not be weakened. Since inter-Korean relations began to thaw in early 2018, Xi and Kim have met three times in March, May, and June.¹⁹⁴

Xi's quick willingness to meet with Kim amid accelerating South–North rapprochement and China's response to the THAAD deployment are both

reminders that despite shared interests between South Korea and China, their priorities aren't in alignment. Above all, although China asserts its commitment to denuclearization, in reality, China appears to prioritize countering the U.S. presence and influence in East Asia. Chinese leaders believe that the North Korean nuclear program is purely defensive in nature and that North Korea has no incentive to use its weapons other than as a deterrent or a bargaining chip since any preemptive use would be suicidal for the Kim regime.¹⁹⁵

In contrast, the United States poses the greatest geostrategic threat to China's rise. North Korea is a thorn in China's side, but it also keeps the U.S. military further from the Chinese border and distracted. At the same time, playing up the North Korean nuclear threat, Chinese leaders argue, gives the United States greater justification for its continued military presence in Asia.¹⁹⁶ However, if concrete steps are taken on North Korea's denuclearization, China believes that the U.S. military will be forced to reduce its footprint on the peninsula commensurate with significantly different threat perceptions in the South. Beijing's calculus suggests that as the Moon government pushes for deeper rapprochement with the North, Seoul will become more attuned to China's concerns and attendant leverage.

At the same time, Seoul remains focused on North Korean denuclearization as a threat to its national security and ultimately, as a critical step toward reuniting the two Koreas. Despite the concessions the ROK has made to China on THAAD, its actions have yet to signal long-term strategic reorientation toward Beijing and away from Washington. While Seoul is taking more care than ever to delicately balance its relationship with Beijing, the ROK's defense strategy and related requirements suggest the need for greater security cooperation with the United States. Nevertheless, there is every reason to believe that China will exploit the current security environment to its advantage.

The United States and South Korea have basically agreed to Beijing and Pyongyang's "freeze for freeze" strategy or halting joint U.S.–ROK military

exercises in exchange for stopping North Korean missile and nuclear tests. If a peace treaty is signed between the parties concerned, Beijing will undoubtedly pressure the United States to withdraw or, at the very least, sharply reduce the number of U.S. troops in South Korea, arguing along with North Korea and South Korean progressives that their presence is no longer warranted in the absence of an existential threat from the North.

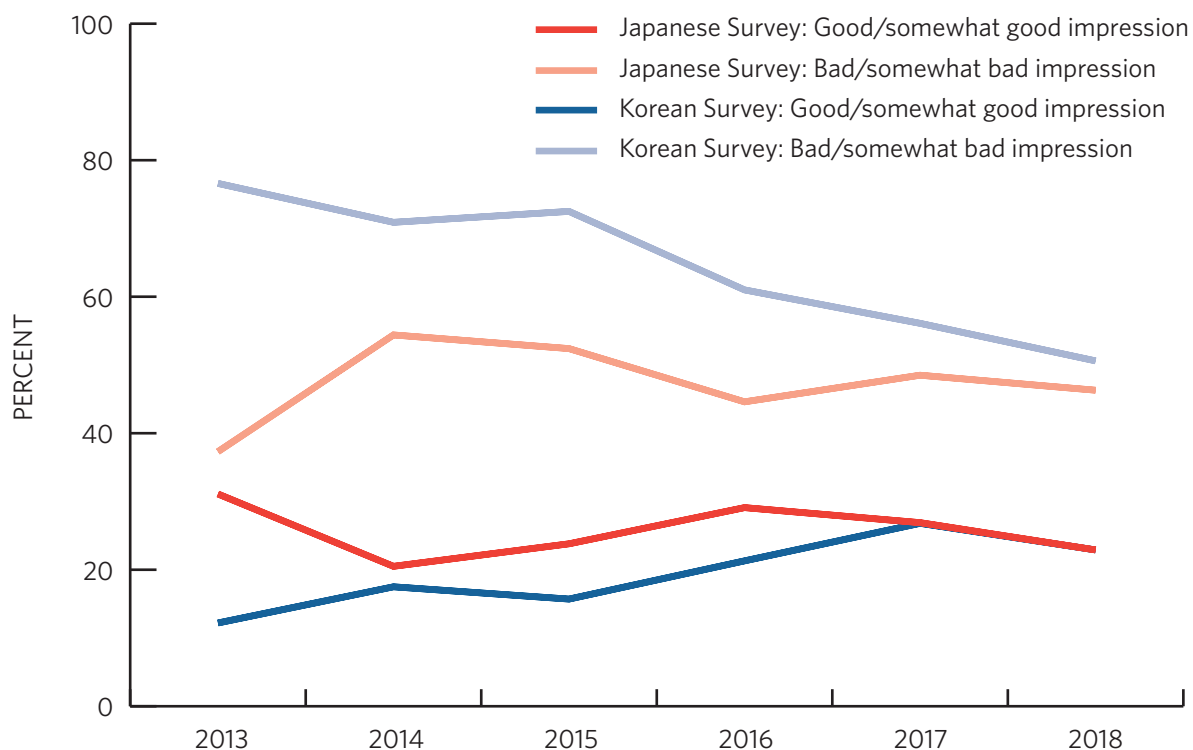
In essence, Moon's foreign policy has attempted to please as many stakeholders as possible: his domestic constituents; his closest ally, the United States; his neighbors China and Japan; and his brother-adversary, North Korea. Although this is a noble goal, it puts Moon and South Korea in a very delicate position between competing priorities and powerful political forces. While Moon seems to have found the balance for the time being, the administration must be prepared to make decisions under growing

pressure. North Korea is already criticizing South Korea for launching its largest submarine, and as South Korea continues to upgrade its offensive capabilities, both Beijing and Pyongyang will react with greater intensity. In these circumstances, dividends from building a peace regime on the peninsula could be accrued at the expense of South Korea's core security interests and its critical alliance with the United States.

Future Oriented ROK-Japan Relations: Two-Track Approach Between History and Security

In 1998, then Korean president Kim Dae-jung and Japanese prime minister Keizo Obuchi agreed to forge a "future-oriented relationship" between their two countries. The agreement stated plainly that Obuchi "regarded in a spirit of humility the fact of

Figure 9. Korean and Japanese Impressions of Each Other's Countries



Source: "The 6th Japan-South Korea Joint Public Opinion Poll," The Genron NPO and East Asia Institute, June 2018, <http://www.genron-npo.net/en/180618.pdf>.

history that Japan caused, during a certain period in the past, tremendous damage and suffering to the people of the Republic of Korea through its colonial rule, and expressed his deep remorse and heartfelt apology for this fact.¹⁹⁷ The twentieth anniversary of the Obuchi-Kim agreement was marked in 2018, and yet the most prominent issues plaguing the bilateral relationship continue to be related to the ROK's painful history of colonization by Japan. However, despite the salience of these issues in public discourse, Japan and South Korea have made, and continue to make, major strides toward economic and security cooperation.

Japan colonized Korea from 1910 to 1945, although it took over Korea's right to conduct foreign policy and maintain military forces in 1905. The period of brutal occupation has shaped Korea's painful historical memory and has continued to affect Korean perceptions of Japan. The June 2018 Japanese Genron NPO poll found that 50.6 percent of South Korean participants and 46.3 percent of Japanese participants had a "bad impression" of one another's countries (see figure 9).¹⁹⁸ This number has decreased significantly for South Koreans, 77 percent of whom expressed negative feelings toward Japan in 2013, but has increased for Japanese from 37 percent over the same period. Despite these negative feelings, 82.4 percent of South Koreans and 56.3 percent of Japanese stated that they believe bilateral relations between Japan and South Korea are important due to proximity, historical and cultural ties, common interests, trade, and security.¹⁹⁹

These and other polls illustrate the very complex and contradictory nature of Korean-Japanese ties. Both countries retain very powerful historical narratives but as democracies, advanced economies, and critical American allies, they also cooperate on major issues such as climate change, the necessity of free trade and freedom of navigation, and total dependence on imported oil and natural gas. As a result, while Moon has pressed Japan on historical matters such as the comfort-women issue, he has also upheld a controversial security cooperation measure like the General Security of Military Information Agreement (GSOMIA), and Japan and South Korea continue to maintain a high level of economic and security engagement.

On the security front, Japan and South Korea also share common concerns about North Korea's nuclear weapons capabilities. However, South Korea's official perceptions of the magnitude of the North Korean nuclear threat has shifted depending on which government is in power. In Japan, there has been remarkable consistency. Part of the reason is the longevity of the ruling Liberal Democratic Party compared to left-right shifts in political power in South Korea. Both Japan and South Korea continue to believe that stringent sanctions must be maintained on North Korea until Pyongyang takes concrete steps to denuclearization, but since Moon's rapid rapprochement with North Korea, the South Korean government has become more ambivalent on sanctions, a change that Tokyo believes is unhelpful in maintaining consistent pressure on North Korea.

While Park's Japan policy required a change in Abe's attitude toward historical disputes for progress on other issues, Moon announced in June 2017 that his administration would take a two-track approach to Japan, separating its handling of historical issues from other matters such as economic and security issues. Moon has continued to press the Japanese government rhetorically and politically on the controversial issues of comfort women, Dokdo, and history textbooks, but has not made any concrete policy changes on these matters.²⁰⁰ However, implementing such a two-track approach is likely to become increasingly difficult since Moon's core base is extremely wary of enhanced security cooperation with Japan or trilateral security among the ROK, the United States, and Japan.

Indeed, Moon is already facing significant difficulties in reconciling public opinion with the evolving ROK-Japan relationship. All major candidates in the 2017 presidential election were openly critical of Park Geun-hye's December 28, 2015, agreement with the Abe government to "finally and irreversibly" settle the comfort women issue.²⁰¹ Once he became president, Moon launched a task force to review the agreement that concluded that the negotiating process had been devoid of input from the thirty-one surviving comfort women; hence, it had not taken a legitimate, victim-centric approach.²⁰² Despite the task force's conclusion, however, the ROK Ministry

of Foreign Affairs announced on January 9, 2018, that it would not renegotiate the agreement. Instead, it urged Japan to make additional efforts to help the surviving comfort women to “regain honor and dignity and heal wounds in their hearts.”²⁰³

The Japanese foreign minister strongly rejected this notion, stating that Japan “can by no means accept South Korea’s demands for additional measures,” and any attempt to revise the deal would make bilateral relations “unmanageable.”²⁰⁴ While the Japanese government did react negatively to the decision, the Moon administration’s decision to maintain but criticize the agreement placated the public without rocking the bilateral relationship too much. However, issues with implementing the agreement have arisen now that that \$9 million has been transferred to South Korea through the Reconciliation and Healing Foundation, which was formed under the agreement to distribute money wired from Japan to pay surviving comfort women and relatives of deceased victims. The House of Sharing, a shelter for surviving comfort women, and other activists contend that the South Korean government should send the money back to Japan in protest against the original terms of the agreement.²⁰⁵ As of October, the South Korean government is still considering what to do with the funds, and there are reports that it may dissolve the foundation. This controversy is putting significant strain on ROK-Japan ties at a moment when regional coordination on North Korea is crucial, and Moon will continue to face difficulties in maintaining smooth relations with Japan as the issue gains more traction.

In August 2017, Moon chose to retain another controversial agreement reached by Korea and Japan during the Park administration—the November 2016 General Security of Military Information Agreement. Under the GSOMIA agreement, the ROK and Japan can directly share classified defense information without going through the United States. While South Korea has GSOMIAs with thirty-two countries, this is only Japan’s sixth, indicating the high value Japan places on security cooperation with Korea.²⁰⁶ Since Moon took office, North Korea has conducted one nuclear test, three ICBM tests, and launched and conducted seven

short- to medium-range missile tests. After each ICBM launch, Tokyo and Seoul shared intelligence through the GSOMIA and the foreign ministers of Korea and Japan pledged to maintain close cooperation.²⁰⁷ After North Korea’s short-range ballistic missiles landed in Japan’s exclusive economic zone on May 29, 2017, Abe and Moon talked over the phone on the need for continued cooperation.²⁰⁸

Japan’s desire to cooperate on security matters with South Korea stems from its anxieties about the situation on the Korean Peninsula, mainly North Korea’s nuclear and ballistic missile threats. More recently, the Abe government has alluded to the possibility of normalizing relations with North Korea under the right conditions. Nevertheless, Japan is acutely aware that in any major conflict on the Korean Peninsula, Japan would be involved in contingencies.

Although the United States and South Korea share the primary responsibility for responding to North Korean threats, Japan would become directly involved in a major crisis through its hosting of key U.S. military bases. Japan is home to 38,818 U.S. service members, more than any other foreign nation.²⁰⁹ Japan is also home to United Nations Command-Rear, through which UNC-related support to the ROK would flow. If additional U.S. forces were needed to augment forces in Korea, they would deploy through Japan with the permission of the Japanese government. In addition to its support of the U.S. military’s force flow, Japan’s Self-Defense Forces have agreed to support U.S. forces in “situations in areas surrounding Japan,” a euphemism often used to refer to potential Korean crises.²¹⁰

The 2014 reinterpretation of Japan’s constitution permitting collective self-defense also allows Japan not only to provide both combat and noncombat support to the U.S. military but also to shoot down North Korean missiles targeted at Guam and Hawaii. From the perspective of the United States, ensuring Japan’s continued *de facto* commitment to South Korean security remains critical. Given China’s sustained opposition, the Moon administration affirmed that no trilateral alliance will be formed between the United States, Korea, and Japan. Nevertheless, the strategic reality is that without critical support from U.S.

forces in Japan and from Japanese forces, South Korean security in a major conflict would be jeopardized.

Moon stressed pragmatism in Seoul-Tokyo relations in order to solicit Japan's support for South-North rapprochement during his first year and a half in office, but he is increasingly encountering difficulties trying to accommodate the ideals of his base while simultaneously fostering cooperation with Japan. The ROK and Japan are two of America's most important allies in the Asia Pacific. Despite the very sensitive and domestically charged nature of ongoing historical disputes and potentially far-reaching changes in inter-Korean dynamics, Korean-Japanese security cooperation is much more important than both sides want to admit. How Moon and Abe choose to circle this square is a major political challenge, particularly since China remains adamantly opposed to closer Korean-Japanese and U.S.-Korea-Japan trilateral security relations.

CONCLUSION

President Moon Jae-in embarked on a political strategy based on major inroads in the South-North relationship and acting as a key facilitator between the United States and North Korea amid intensifying tensions on the Korean Peninsula. Through three summits with Kim Jong Un, Moon has altered the fabric of inter-Korean ties more than any other South Korean leader. Indeed, Moon has put almost all of his eggs in the South-North rapprochement basket. If events proceed along the guidelines and goals contained in the April and September joint declarations and, crucially, if Kim Jong Un agrees with the United States to denuclearize, Korean geopolitics will change more rapidly than at any other time since the end of the Korean War in 1953. Domestically, Moon has championed an omnidirectional anticorruption drive and his party gained a key victory in the June 2018 local election. For now, Moon is at the apex of his popularity with a political landscape that favors the progressives.

Yet such positive developments are highly dependent upon the actions and responses foremost by Kim Jong

Un, but also Trump, Xi, and Abe. Most importantly, and despite the unprecedented optics provided by three inter-Korean summits, Korean voters will focus on how much real economic security and how many job opportunities the Moon government has developed when they head to the polls in April 2020 for the general election and in May 2022 for the presidential election. The economy is expected to grow by 2.6 percent in 2019. Moreover, the Moon government's key economic policies—such as raising corporate and real estate taxes, substantially increasing the minimum wage, restricting the workweek to fifty-two hours, and cracking down on the chaebols, or family-run conglomerates, like Samsung—have had haphazard results. In addition to the challenge of delivering tangible economic benefits, which is coming under greater political and public scrutiny owing to the Moon government's economic policies, three key speed bumps lie ahead for the Moon administration as it nears its two-year mark in May 2019.

First, Moon's comprehensive anticorruption drive has not resulted in systematic change in South Korean politics, nor has it created greater budgetary transparency or a willingness to engage in wide-ranging consultations with the major opposition parties. When he was in the opposition, Moon constantly criticized Park for her lack of empathy, her inability to converse directly with the people, her aloofness and imperious leadership style, and her unwillingness to engage with the North. Many of his criticisms were shared by Koreans across the political spectrum and were amplified when Park was subsequently impeached.

Yet while Moon is more approachable than Park, he and his ruling party have also fallen into the hubris trap by attempting to push through bills in the National Assembly and making incessant efforts to ensure the media's positive coverage of the government's key domestic and foreign policy initiatives. For a president that continues to stress the so-called "candlelight revolution" that ushered him into office—the wave of public protests that ultimately resulted in Park's impeachment—the Korean public will demand tangible policy benefits rather than blame the current government's shortcomings on former administrations.

Second, having brought the United States and North Korea to the brink of a breakthrough, Moon is

banking on Trump ultimately consummating a grand nuclear bargain with Kim. Moon and Kim have adroitly exploited Trump's wishes to be recognized as the leader who can finally bring peace to the Korean Peninsula. But if nearly thirty years of coping with the North Korean nuclear crisis can serve as a guide, one abiding lesson is that North Korea has a knack for reaching agreements with South Korea and the United States, then walking back on them owing to supposedly hostile U.S. policies. The cancelation of joint U.S.-ROK military exercises as an incentive for further progress on inter-Korean debate serves as a litmus test for North Korean sincerity, but if Pyongyang doesn't provide tangible evidence it is proceeding down the denuclearization path, the exercises will be reintroduced, which will then be condemned by North Korea as an act of aggression.

Although Moon has stressed that progress in South-North relations won't impinge upon the critical U.S.-ROK alliance, including the status of U.S. forces, Moon is going to be faced with increasing headwinds from Washington if he presses South-North military CBMs at the expense of strengthened defense and deterrence. How the Trump administration chooses to navigate the denuclearization pathway going into 2019 will also depend on the outcome of the U.S. midterm elections and congressional reactions to any wide-ranging nuclear accord engineered by the Trump administration.

Third, as important as sustaining inter-Korean détente is for the Moon government, greater foreign policy inconsistencies are likely to develop because of South Korea's weakening external economic competitiveness, growing Chinese pressure on South Korea to align itself more closely with Beijing, continuing frictions in Korean-Japanese ties, and the Moon administration's desire to limit trilateral U.S.-ROK-Japan security cooperation. Ultimately, there will likely be greater policy confusion due to South Korea's hedging policies, such as simultaneously sustaining alliance management in tandem with greater inter-Korean rapprochement, pushing for greater security autonomy while retaining critical military jointness between ROK and U.S. forces, and balancing South Korea's ties with the United States and China. South Korea can't overcome the iron grip

of geography but neither can it afford substantive discord with the United States as it hopes to institutionalize key military inter-Korean CBMs.

The Moon administration cannot traverse these issues without securing bipartisan support in the National Assembly and forging a more comprehensive national consensus. For now, however, the primacy of Seoul's anticorruption drive and discredited conservatives have allowed the Moon government considerable leverage and domestic leeway. But Moon won't be able to exercise as much power as he currently wields when he enters his third year in power in May 2019. And while the ruling Democratic Party is at the apex of its influence today, no one can guarantee the outcome of the next general election in April 2020. If Moon wants to really institutionalize inter-Korean détente, it is imperative to build a bipartisan approach toward South-North relations. The temptation to forgo such a step remains high due to the conservatives' inability to regroup or to undertake fundamental intra-party reforms. Yet that cannot be an excuse for bulldozing South-North reconciliation at the expense of the ROK's core national security interests.

NOTES

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