

Great Decisions 2021

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CHAPTER 6

The Two Koreas



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Challenges Facing South Korea

Issues that **threaten to derail South Korea's aspirations** for autonomy, security, and global influence:

- Domestic economic & political woes
- Intensified Sino-U.S. rivalry, challenging South Korea's ability to stay out of a great power conflict
- Continued North Korean nuclear threat

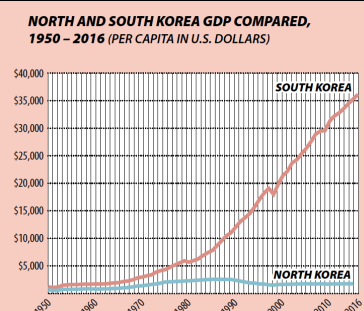
Will it be forced to choose U.S. or China?

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| | North Korea | South Korea |
|-------------------|--|-------------|
| Population | 25+ Million | 51+ Million |
| Active Troops | 1.19 Mil (4 th in world) | 630 K |
| % Active Military | 4.7% | 1.2% |

NORTH AND SOUTH KOREA GDP COMPARED, 1950 - 2016 (PER CAPITA IN U.S. DOLLARS)



SOURCE: THE MADISON PROJECT

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South Korea's Candlelight Movement

- **2016** – Largest peaceful political protests since democratization in late 80s → **impeachment of President Park** for corruption
- **2017** – **President Moon** elected by 41% plurality with mandate to **restore accountable government**, but he faced economic challenges:
 - Low growth rates & high youth unemployment
 - Overdependence on export-led growth, benefiting multinational rather than populous
 - Inadequate social safety net, especially for elders

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Moon's Initiatives & Outcomes

- ▶ **Real Estate** – Raised taxes on landholders with multiple properties, hoping to drive prices down → prices went up
- ▶ **Government Investment in Tech/Environmental Sectors** → Increased employment and efficiency in these sectors
- ▶ **Public Sector Reform** → Brought backlash, as anti-corruption efforts perceived as revenge rather than reform.
- ▶ **Clean But Cautious** → Perceived as weak and led by more partisan advisers

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Moon's Effective COVID Response (1st case same day as U.S.)

- ▶ **Public/Private Cooperation** → Rapid development of testing kits and drive-through testing
- ▶ **Cell Phone Technology + Testing** → Quick and effective contact tracing, but
 - ▶ Risked outing LGBTQ+ at gathering places
 - ▶ Risked targeting church groups opposed to Moon
- ▶ **Quarantine Provisions** → Kept positive testers, including foreign travelers and undocumented migrants, away from hospitals while still monitored
- ▶ **Mask-Wearing Compliance** → Reduced need for lockdowns
 - ❖ Status of COVID in North Korea unknown

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North-South Dialogue & Cooperation

- ▶ **Sunshine Policy of Moon's Predecessors**
 - ▶ **1998→2008** – One million South Koreans visited Mount Kumgang (Diamond) Tourism Region on east side of DMZ
 - ▶ **2004-16** – Joint industrial complex of 124 textile, chemical, metal, & electronics firms employed >50 K North Koreans
 - ▶ **2006-17** – North's nuclear & missile tests, despite UN Sanctions, soured relations & ended the Sunshine Policy initiatives.
 - ▶ **2017** – Originally from the North, newly-elected Moon sought renewed dialogue with goal of peace on denuclearized Korean Peninsula.

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North-South Dialogue & Cooperation (cont.)

- ▶ **April, 2018** – 1st N/S Summit → **Panmunjom Declaration** to formalize people-to-people exchanges, reduce military tensions by reducing guard posts & guns along DMZ, initiate joint remains recovery, and establish an inter-Korean liaison office at Kaesong.
- ▶ **May 2018** – 2nd N/S Summit → Set stage for June summit between Kim & Trump toward reducing UN sanctions for steps toward denuclearization. Trump/Kim summit marginalized Moon and accomplished little.
- ▶ **Sept 2018** – 3rd N/S Summit → **Pyongyang Declaration** to resume economic, cultural, and family exchanges and dismantle nuclear facilities at 2 sites.

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North-South Dialogue & Cooperation (cont.)

4th N/S/U.S Summit Never Materialized

- ▶ **Kim** would offer no specific steps to denuclearization without commitments on sanctions relief
- ▶ **Trump** would not commit to sanctions relief without clear steps toward complete denuclearization
- ▶ **Moon** sought peace & development initiatives as steps toward reducing nuclear threat

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U.S.-South Korea Alliance Stresses under Trump & Moon

- ▶ **Differing Goals** – Denuclearization vs. Peace & development
- ▶ **Differing Styles** – Brash & direct vs. Cautious but firm
- ▶ **Differing Relationship with China** – Adversarial vs. Collaborative
- ▶ **Moon Caught** – Can't bring about sanctions relief without U.S.
- ▶ **Trump's Demands to Reduce South Korea's "Free Ridership"**
 - ▶ **2019** – Moon agreed to increase defense cost-sharing by 8% to \$860 million
 - ▶ **2020** – Trump increased the demand 500% to \$4.6 billion; Moon agreed to 13% or \$1 billion

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Questions on Future U.S. Policy

- ▶ **China** – Assuming China is necessary for any denuclearization progress, how can we bring China to the table?
- ▶ **South Korea** – If forced to choose between China & U.S., which nation is most likely to meet South Korea's interests?
- ▶ **Complete Denuclearization** – Is this the appropriate goal of U.S. policy?
- ▶ **Nuclear Risk** – How likely is it that Kim would launch an unprovoked nuclear attack?

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