



# ASIA MAIOR

Vol. XXX / 2019

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## **Asia in 2019: Escalating international tensions and authoritarian involution**

**Edited by  
Michelguglielmo Torri  
Nicola Mocci  
Filippo Boni**

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A large, faint, light-colored mandala graphic is positioned on the right side of the cover, partially overlapping the text area. It features intricate geometric and floral patterns.



CENTRO STUDI PER I POPOLI EXTRA-EUROPEI “CESARE BONACOSSA” - UNIVERSITÀ DI PAVIA

# ASIA MAIOR

The Journal of the Italian think tank on Asia founded by Giorgio Borsa in 1989

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*When this Asia Maior issue was finalized and the Covid-19 pandemic raged throughout the world, Kian Zaccara, Greta Maiorano and Giulio Santi, all children of Asia Maior authors (Luciano Zaccara, Diego Maiorano and Silvia Menegazzi), were born. We (the Asia Maior editors) have seen that as a manifestation of Life, reasserting itself in front of Thanatos. It is for this reason that we dedicate this issue to Kian, Greta and Giulio, with the fond hope that they will live in a better world than the one devastated by the Covid-19 pandemic.*

## KOREAN PENINSULA 2019: THE YEAR OF MISSED OPPORTUNITIES

Marco Milani

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*Despite very high expectations for the Korean peninsula, the disappointing outcome of the summit between Kim Jong Un and Trump in Hanoi led to a progressive deterioration of the relations on the peninsula and also in the region.*

*In South Korea, President Moon Jae-in had to struggle with a falling approval rating, mostly related to the disappointing economic results, especially in terms of economic growth and unemployment rate. This situation increased the opposition to the president from the conservative part which resulted in a re-emergence of a strong political and social polarization in the country.*

*In North Korea, Kim Jong Un consolidated his position through a reshuffle of several key roles in the leadership. At the same time, the disappearance of any short-term possibility of sanctions relief led to a new emphasis on self-reliant economic development.*

*For what concerns relations on the peninsula, the North Korean leadership made clear that it was not interested in continuing dialogue with the South unless Seoul was ready to pursue economic cooperation despite the existing sanctions. As for relations between Washington and Pyongyang, dialogue stalled but Trump and Kim refrained from direct personal attacks and maintained a positive personal relation. These developments pushed North Korea towards its traditional partners, China and Russia. As for South Korea, practical disagreements over defence costs with the US and historical controversies with Japan further complicated the situation also with its main ally and partner.*

### *I. Introduction*

After the unexpected and positive developments that took place on the Korean peninsula, in particular from the perspective of inter-Korean relations and foreign policy, during 2018, the expectations for the following year were very high. The historical summit between Kim Jong Un and Trump in Singapore (12 June 2018) seemed to have set in motion a process of negotiation that could lead to a major diplomatic breakthrough between the two countries. Similarly, the positive and productive relationship between Kim and South Korean President Moon Jae-in, sealed by three inter-Korean summits in only one year, appeared to be the beginning of a new era of inter-Korean cooperation. These developments had also positive repercussions on North Korea's image in the international community, and

on the domestic politics of both Koreas: with Moon benefiting in terms of popular consensus in his country and Kim focusing on the economic development of North Korea.

Despite these positive signals, the developments of 2019 proved to be more disappointing than satisfactory, leading to a year of missed opportunities. The seeds of the political, diplomatic and economic failures and stalemates on the Korean peninsula can be traced back to the last months of 2018.

In South Korea, the popularity rate of President Moon, which had skyrocketed during the Pyeongchang Olympic Games and the following months, was strongly affected by the problematic economic results in the second half of 2018. The same negative trend continued during 2019. The disappointing economic results led to a downward trend in Moon's approval rating and an increasingly weakened position vis-à-vis the political opposition and part of the public opinion. This confrontational trend reached its apex in the second half of the year. The controversies on the management of the country's economy and foreign policy – from the government emphasis on the «income-led» strategy, to the conciliatory approach toward North Korea and the confrontational one against Japan – played an important role in determining the rise in tension. But an even more important cause of strain was the controversial appointment of Cho Kuk as justice minister. The scandals of nepotism and ethical misconduct that involved Cho led to a new wave of street protests both in favour and against the newly appointed minister and Moon's progressive government in general. The demonstrations signalled the activism of South Korean civil society, but also the deep polarization existing between progressives and conservatives and the inability of the political system to channel this activism into political institutions.

For what concerns North Korea, 2019 was also a year of missed opportunities. After the partial failure of the Hanoi summit with the United States, the possibility to obtain the removal of some of the sanctions in order to support economic development disappeared, as well as the chances for improved economic cooperation with South Korea. This development led the leadership to re-focus toward economic self-reliance and the revival of trade with traditional partners such as Russia and China. From the political perspective, the new Supreme People's Assembly (SPA) that took office in April gave Kim Jong Un a new chance to reshuffle some key political position and tighten his grip on the regime even more.

From the perspective of missed opportunities, inter-Korean relations and US-North Korean relations were certainly the ones affected the most by the developments of 2019. The high expectations after the series of summits during the previous year were quickly frustrated by the stalemate after the Hanoi summit (27-28 February 2019). The distance between Washington and Pyongyang on how to proceed with denuclearization led to a substantial

failure of the talks. This had strong repercussions on inter-Korean relations, which started to deteriorate immediately afterwards. During the summer, with North Korea resuming short-range missile launches, the situation worsened even more with a clear marginalization of inter-Korean dialogue by the North Korean leadership. A similar path was followed in the relations between US and North Korea, although in this case Kim Jong Un tried to salvage his personal relation with Trump while attacking other members of the administration. In this complicated situation, North Korea tried to reinvigorate relations with traditional partners such as China and Russia. Kim's fourth visit to China and first to Russia, which took place in the first part of the year, and Xi Jinping first trip to Pyongyang, attested this renewed trend.

For what concerns South Korea's foreign policy, 2019 turned out to be a difficult year. While relations with China continued to improve, the differences with the American administration on how to share defence-related costs remained a controversial point in the alliance. However, the major concern for Seoul was represented by the rapid deterioration of relations with Tokyo. In this case, historical controversies that have plagued the relationship for many years escalated and started to affect not only economic and trade exchanges, but also security cooperation, with potential adverse repercussions on the regional stability and systems of alliance.

## 2. *Domestic politics*

### 2.1. *Moon Jae-in's popularity decline and economic problems*

The problems that had affected Moon Jae-in's presidency in the last half of 2018 remained as a major concern for the President and his government also in the following here. The decline in economic growth and the scarce practical results of the governmental policies aimed at improving social justice strongly reduced the president's popularity in the eyes of the public opinion. The considerable achievements of 2018 in terms of inter-Korean and foreign policy, such as the three summits with Kim Jong Un or the first historical meeting between the North Korean leader and President Trump, partly shielded Moon Jae-in from the mounting criticisms of the domestic opposition. In 2019, the continuing obstacles in promoting inter-Korean dialogue and cooperation and the stalemate in nuclear diplomacy that followed the Hanoi summit in February drastically undermined Moon's domestic position.

In January, the Bank of Korea (BOK) reported a GDP growth rate for 2018 of 2.7%, the lowest rate since 2012.<sup>1</sup> The same results were

1. Oh Yong Yeon & Kim Sung Ja, 'Real Gross Domestic Product: Q4 and Annual 2018 (Advance Estimate)', *The Bank of Korea News Release*, 22 January 2019.

confirmed by the BOK in its March report. The data released by the BOK also certified for the first time that the per capita gross national income had surpassed US\$ 30,000, reaching US\$ 31,349, the 11<sup>th</sup> in the world. Despite the sluggish economic growth, this rise of national income supported the government goal of creating a more balanced economic system that relied more on national consumption and less on exports. Along the same line, private spending also rose 2.8%, the highest rate in seven years.<sup>2</sup> During the same week, the Organization for Economic Co-operation and Development (OECD) lowered South Korea's growth projection for 2019 from 2.8% to 2.6% and for 2020 from 2.9% to 2.6%, mostly for international factors such as uncertainty about the Brexit process and the US-China trade dispute.<sup>3</sup> Within these mixed results, the slowdown in economic growth was perceived as the most important adverse factor, contributing to Moon's decline in popularity. The negative data on the unemployment rate, with a 9-year-high at 4.4%, further put into question the government's «income-led» strategy and in particular the decision of substantially raising the minimum wage.<sup>4</sup> In late April, the Bank of Korea released new data attesting that the country's economy had shrunk by 0.3% in the first trimester of the year, for the first time since the 2008 financial crisis.<sup>5</sup> A Gallup Korea survey published in early May summarized the difficulties of the government in the first months of the year: Moon's overall approval rating was at 45%, but in terms of economic policy he went down to a meagre 23%.<sup>6</sup>

In order to address the growing concerns about the government's economic strategy and to revitalize his image, Moon decided for a reshuffle of the executive and nominated seven new ministers in March, among them for key positions such as Interior and Security, Transportation, Small and Medium Enterprises (SMEs) and Unification. The move was aimed at re-launching the government action before the beginning of the second half of the presidency and also allowing some of the ministers to run for a seat in the National Assembly for the 2020 election. The appointment of the head of the Korean Institute for National Unification, Kim Yeon-chul, as unification minister in particular was considered as aimed at giving new impetus to inter-Korean dialogue and cooperation.<sup>7</sup>

2. 'S. Korean economy grows 2.7 pct in 2018: BOK', *Yonhap News Agency*, 5 March 2019.

3. 'Global Growth weakening as some risks materialise', *OECD Interim Economic Outlook*, 6 March 2019.

4. Cynthia Kim, 'South Korea jobless rate jumps to 9-year peak as minimum wage hike roils labour market', *Reuters*, 13 February 2019.

5. Joori Roh & Cynthia Kim, 'South Korea economy unexpectedly contracts in first quarter, worst since global financial crisis', *Reuters*, 25 April 2019.

6. Kim Min-na, 'Moon's approval ratings at 45% after 2 years in office', *Hankyoreh English Edition*, 5 May 2019.

7. 'President Moon names 7 new ministers in Cabinet reshuffle', *Yonhap News Agency*, 8 March 2019.

The confirmation process for the new ministers in the National Assembly, however, did not go smoothly, emphasizing the existing strong polarization in the country's political landscape, which would characterize the second half of the year. Between March and April, two of the nominated new ministers and one presidential spokesperson were forced to step down, on ethical grounds including real estate speculation.<sup>8</sup> In addition, two other appointed ministers, of Unification and SMEs, received official presidential approval on 8 April despite the fact that the National Assembly had not published the report of the confirmation hearings, because of strong objections from opposition lawmakers of the Liberty Korea Party (LKP).<sup>9</sup> While, according to the Constitution, the president has the power to nominate ministers without parliamentary consultations, except in the case of the prime minister, the decision further aggravated political conflicts between the two main parties. The reshuffle resulted in an even bigger rift between the two political camps and did not help the president in terms of popularity.

Despite the disappointing economic results, in the following months Moon's administration reiterated its commitment to maintain the existing economic and fiscal policies, focusing on boosting domestic consumption and on measures aimed at helping low wage workers.<sup>10</sup> In late April the government proposed a supplementary budget bill, to be approved by the National Assembly, of ₩ (won) 6.7 trillion (about US\$ 5.9 billion). It had the twofold goal of fighting air pollution and stimulating the economy through public investments.<sup>11</sup> This new bill, and more in general the government approach to economic policy, became a new battleground in the parliament between the two main parties. After a long deadlock in the National Assembly, the bill was finally approved on 2 August, after the main parties agreed to cut ₩ 860 billion from the original proposal.<sup>12</sup> Despite this temporary agreement, due also to the need of taking counter measures against Japan's decision to limit exports of some key products to South Korea, the Democratic Party (DP) of President Moon and the LKP remained at loggerheads for what concerned economic and fiscal policy.

In a further effort to stimulate economic growth, the BOK in July decided to cut interest rates of a quarter point to 1.5%, for the first time since 2016. According to BOK Governor Lee Ju-yeol, the measure was required

8. Kang Tae-hwa & Ser Myo-ja, 'Blue House under pressure to fire aides', *Korea JoongAng Daily*, 1 April 2019.

9. Park Han-na, 'Moon approves nomination of unification, SME ministers', *The Korea Herald*, 8 April 2019.

10. Edward White, 'South Korea defends economic restructuring despite growth fears', *Financial Times*, 6 June 2019.

11. Joori Roh & Cynthia Kim, 'South Korea proposes \$5.9 billion extra budget to fight air pollution, aid exports', *Reuters*, 24 April 2019.

12. 'National Assembly passes ₩5.8tr extra budget bill', *The Korea Herald*, 2 August 2019.

after a first quarter that marked the worst contraction since the 2008 financial crisis, with continuing trade frictions between China and the US. In this context, the trade restrictions imposed by Japan further deteriorated economic circumstances.<sup>13</sup> Together with the fiscal stimulus unleashed by the government, also the monetary policy was aligned in order to improve economic conditions and boost growth. Following the same rationale, but this time not as unexpectedly as in July, the Bank of Korea decided to further cut interest rates in October to 1.25%. The economic outlook for economic growth in 2019 continued to remain below expectations with a number of national and international institutions predicting a lower growth than the forecasted 2.0%.<sup>14</sup>

In addition to these economic problems created by a stagnant growth rate, unionized railway workers held two separate strikes in October and November – the first one for three days and the second one for five – in order to obtain a salary raise and the hiring of additional workers.<sup>15</sup> The collective action ended only on 25 November, when the union reached an agreement with Korea Railroad Corp. (KORAIL), the public operator of train services.<sup>16</sup>

Despite the disappointing results for the government economic policy, Moon Jae-in remained committed to pursue his income-led strategy without any major change. A confirmation of this direction came with the approval by the National Assembly of the 2020 national budget, set at ₩ 512.3 trillion, with a 9.1% increase from the previous year. The biggest part of the budget was aimed at boosting economic growth through job creation and public infrastructure, but also at countering the effects of the trade disputes with Japan and between China and the US.<sup>17</sup>

The vote for the budget in the National Assembly was a further example of the political division between progressives and conservatives in the country. The LKP staged protests in the Parliament during the vote and then did not take part into the final vote. The bill was passed thanks to the agreement reached by the ruling Democratic Party and other minor parties in the Assembly.<sup>18</sup> The parliamentary battle for the budget represented the latest case of a growing political and social split within South Korea between the two main political camps.

13. Kwanwoo Jun, 'Bank of Korea Cuts Base Rate First Time in 3 Years', *The Wall Street Journal*, 17 July 2019.

14. Choonsik Yoo & Joori Roh, 'Bank of Korea cuts rates, keeps door open for more as economy loses steam', *Reuters*, 16 October 2019.

15. 'Railway workers' strike reduces train operations, causes passenger inconvenience', *Yonhap News Agency*, 20 November 2019.

16. 'Railway workers end strike with deal with management', *Yonhap News Agency*, 25 November 2019.

17. 'S. Korea to frontload 2020 budget spending: finance ministry', *Yonhap News Agency*, 10 December 2019.

18. Park Ji-won, 'Parties pass 2020 budget bill without LKP', *The Korea Times*, 10 December 2019.

## 2.2. *The rise of political polarization in South Korea*

Together with the economic troubles and the declining popularity of the current president – and strictly connected to it – the rise of political and social division in the country represented the second paramount characteristic of the development of domestic politics during 2019. The effects of the strong polarization between progressives and conservatives that was caused by the impeachment of Park Geun-hye in 2016 and 2017 remerged powerfully during 2019. This trend was mostly due to two different political dynamics. First, Moon's presidency enjoyed a long honeymoon with the country's public opinion, characterized by astonishingly high rates of popularity during his first year in office. This consensus was a direct consequence of the dire situation in which Park's impeachment left the conservative party and also of Moon's achievements in terms of inter-Korean relations and foreign policy.<sup>19</sup> At the same time, the conservative party had to undergone a difficult period of internal reconstruction to regain credibility in front of the public opinion and to propose a clear political alternative to Moon and the Democratic Party. The difficulties in terms of economic growth and the diplomatic stalemate with North Korea and the United States that had characterized the second half of 2018 paved the way for a comeback of the conservatives both at the political and civil society levels.

Between January and February 2019, former Prime Minister and interim President Hwang Kyo-ahn joined the LKP and was elected as head of the party, with more than 50% of the votes.<sup>20</sup> The election of Hwang, who immediately became the most likely candidate for the 2022 presidential election, represented a new start for the conservative party in preparation for a long electoral period leading to the legislative election of April 2020 and the following presidential election. The hard-line political opposition of the LKP was translated into practice in the National Assembly, in which the conservatives held more than one third of the seats. When in mid-March the Democratic Party found an agreement with three minor parties for a partial proportional reform of the electoral system, the LKP strongly opposed it.<sup>21</sup> The same situation was repeated on the last days of April, when the conservative party tried to block the decision to put on the fast-track<sup>22</sup> important bills, including the electoral reform and the creation of

19. Marco Milani, 'Korean Peninsula 2018: The calm after the storm', *Asia Maior 2018*, pp. 72-76.

20. Ser Myo-ja, 'Hwang Kyo-ahn wins chairmanship of LKP', *Korea JoongAng Daily*, 28 February 2019.

21. Seo Young-ji & Jung Yu-gyung, 'All major parties except LKP tentatively agree to reform electoral system', *Hankyoreh English Edition*, 19 March 2019.

22. A bill that is put on the fast-track has to be voted by the Assembly within 330 days, even without bipartisan support. The related standing committees have 180 days to review the bill. If this is not done, the legislative and judiciary committee is given 90 more days. In the last step, the bill is put to a vote in the Assembly within 60 days.

a new anti-corruption special investigation unit. After days of stalemate, characterized also by sit-ins and physical violence inside the National Assembly,<sup>23</sup> the bills were finally put on the fast-track on 30 April.<sup>24</sup>

The parliamentary opposition of the LKP continued over the following months. When in late June a special session of the Assembly was convened, which was mainly aimed at approving the supplementary budget bill for supporting the country's economic growth. The main opposition party, however, did not honour a previous commitment to participate into it. The failure to resume regular parliamentary work led to a new stalemate in the legislative proceedings.<sup>25</sup> The situation partially improved in July, when President Moon organized a meeting with the leaders of all the main opposition parties in order to address the fallout of Japan's decision to limit exports of key products to South Korea.<sup>26</sup> In the aftermath of the meeting, the Assembly convened a plenary session to pass the supplementary budget bill, with a spirit of national unity mostly due to the threat represented by the new trade dispute with Tokyo. This renewed spirit, however, proved to be short-lived. In early September, the appointment by Moon Jae-in of his Senior Secretary for Civil Affairs Cho Kuk, as the new justice minister, sparked widespread opposition within the National Assembly and the public opinion.

The decision to nominate Cho Kuk, one of his closest advisors since the beginning of his presidency, probably represents the most controversial political decision taken by Moon Jae-in. The move was motivated by the resolve of the current administration to reform the country's judicial system and in particular the role and power of state prosecutors over the law enforcement system. Immediately after his nomination to the position on 9 August, amid a new reshuffle of nine government positions, allegations about Cho's unethical and even criminal conducts emerged, complicating the process of confirmation in the National Assembly. The main scandals consisted in the preferential treatment that Cho's daughter had allegedly benefited from in entering a very prestigious university, and in a suspicious investment in a private equity fund, which included fabrication of official documents and attempts to destroy evidence.<sup>27</sup> The first allegation resonated in particular with the South Korean public opinion and specifically the

23. Kim Bo-gyung, 'What is behind political impasse, violence at National Assembly?', *The Korea Herald*, 29 April 2019.

24. Park Ji-won, 'Four parties put reform bills on fast track', *The Korea Times*, 30 April 2019.

25. Jeong Hwan-bo, 'Liberty Korea Party Agreed to Resume Parliamentary Affairs, Then Threw the Opportunity Out the Window', *The Kyunghyang Shinmun*, 25 June 2019.

26. 'Moon to hold meeting with political party leaders on Thursday', *Yonhap News Agency*, 16 July 2019.

27. Kang Tae-jun, 'South Korea Divided Over Nomination of Controversial Justice Minister', *The Diplomat*, 14 September 2019.

younger generation, given the importance of university admission for upward social mobility in the country. A similar scandal had triggered the first street protests against Park Geun-hye in 2016.<sup>28</sup> To make things more damaging for Moon Jae-in's government was that it had championed the importance of creating a fairer and more just society since the beginning of his presidency.<sup>29</sup>

Cho Kuk denied all the allegations during his parliamentary confirmation hearing on 6 September, also apologizing for the public disappointment caused by the suspicions about his conduct.<sup>30</sup> Despite failing to obtain the confirmation from the National Assembly and a growing negative opinion in the public, Moon decided to confirm the appointment, citing the lack of evidence of illegal conduct and the need to reform the country's prosecution system.<sup>31</sup> The controversial decision immediately polarized the public opinion and led to a renewal of demonstrations both by the political and social opposition.

For what concerns street protest, radical conservatives had been holding rallies and demonstrations for weeks before Cho's appointment, focusing mostly on the request of releasing Park Geun-hye and against Moon's conciliatory North Korea policy.<sup>32</sup> With the escalation of the polarization between the conservative opposition and the government, these demonstrations started to attract larger numbers of protesters asking for the removal and arrest of Cho Kuk and also for the resignation of President Moon. In September several demonstrations attracted an increasingly large number of protesters from a less radical political background. In this context, the LKP tried to present itself as the main representative of this popular movement, with very symbolic gestures, such as when Hwang Kyo-ahn and other party leaders decided to shave their heads in public as a form of protest.<sup>33</sup> A key role started to be played also by Evangelical Christian movements and in particular their leaders, such as the right wing pastor Jun Kwang-hoon, who used his inflammatory rhetoric against Moon Jae-in and his policies.<sup>34</sup>

28. Marco Milani, 'Korean Peninsula 2016: The never-ending crisis', *Asia Maior* 2016, pp. 98-101.

29. Kang Tae-jun, 'Public Anger Grows in South Korea Over Justice Minister Nominee', *The Diplomat*, 29 August 2019.

30. 'Justice minister nominee denies role in corruption allegations involving his family', *Yonhap News Agency*, 6 September 2019.

31. Jihye Lee, 'Moon Names Ally Under Probe as South Korea's Justice Minister', *Bloomberg*, 9 September 2019.

32. Ock Hyun-ju, 'Radical conservatives call for Park's release, condemn Moon', *The Korea Herald*, 10 March 2019.

33. Kim Tong-hyung, 'S. Korean opposition leader shaves head to protest minister', *AP News*, 16 September 2019.

34. 'Protestant evangelicals in South Korea wield outsize political power', *The Economist*, 28 November 2019.

By the end of September, the progressive side of the civil society started to gather in public demonstrations in favour of Cho Kuk's appointment, and more in general to support Moon's government and counter the conservative growing initiatives. From their perspective, Cho was the right person for an overall reform of state prosecution, considered as too powerful. More importantly, the progressive elements of civil society wanted to defend the progressive revolution started by the 2016 demonstrations, Park Geun-hye's impeachment and, finally, the election of Moon Jae-in in May 2017. The political polarization was thus quickly translated into social polarization, with both camps attesting the activism of South Korea's civil society. At the same time, this dynamic confirmed once more the very weak situation of political parties in the country and their inability to channel the people's concerns and needs. These large demonstrations represented a clear proof of the citizens' distrust in the political system. On 3 October, the anti-Cho demonstration brought together several hundred thousands citizens in the larger demonstrations since the Park Geun-hye scandal. Two days after a similar crowd got together in a pro-Cho demonstration. Exactly the same dynamic was repeated the following week, on 10 and 12 October.<sup>35</sup>

After months of controversies and weeks of demonstrations, on 14 October Cho resigned from the position of Justice minister, saying that he had done what he could to reform state prosecution, but also apologizing for the damage created by his appointment and the scandals surrounding his family.<sup>36</sup> Moon Jae-in, who staunchly defended Cho for weeks, publicly apologized for creating social conflicts with his appointment. At the same time, he also emphasized once again the need for a reform of the prosecution, considered as too powerful.<sup>37</sup> The investigation on Cho Kuk, which had started in late August, led to the arrest of Cho's wife on 24 October.<sup>38</sup> On 30 December, Cho was indicted for a series of charges, including bribery and documents forgery, related to the two scandals, but was not arrested.<sup>39</sup>

Cho Kuk's scandal certainly had a cost for Moon Jae-in in terms of popularity, with numbers dropping toward 40%.<sup>40</sup> But even more it showed the escalation of political polarization in the country between conservatives and progressives. This increased polarization was demonstrated once

35. Choe Sang-hun, 'In Seoul, Crowds Denounce a Divisive Politician. Days Later, Others Defend Him', *The New York Times*, 12 October 2019.

36. Choe Sang-hun, 'South Korean Politician Resigns After Weeks of Protests', *The New York Times*, 14 October 2019.

37. 'Moon offers public apology over justice minister issue', *Yonhap News Agency*, 14 October 2019.

38. Lim Jae-woo & Jang Ye-ji, 'Court issues arrest warrant for Cho Kuk's wife Chung Kyung-shim', *Hankyoreh English Edition*, 24 October 2019.

39. 'Former Justice Minister Cho Kuk indicted on family-related charges', *Yonhap News Agency*, 31 December 2019.

40. Jihye Lee, 'South Korea's Moon Sees Approval Rating Hit New Low Amid Scandal', *Bloomberg*, 18 October 2019.

more by the LKP's continuous opposition and filibustering in the National Assembly toward the end of the year. The LKP tried to prevent the approval of the annual budget and the reforms that had been put on the fast-track in spring; they, however, were finally approved on 27 and 30 December. This polarization had the results of lowering public trust toward the political parties and the National Assembly more in general, considered as a weak and ineffective institution.

### *2.3. Political reshuffle and consolidation in North Korea*

The trend of reconfiguration of the regime's institutional architecture and the focus on economic development remained the two most relevant characteristics of North Korean domestic politics throughout 2019. The process of rapprochement with the United States – and other regional actors – that took place during 2018 paved the way for a new emphasis on the second pillar of Kim Jong Un's policy line: the economic development of the country. Nonetheless, the UN economic sanctions related to the nuclear and missile programmes remained in place, creating major obstacles for the achievement of this crucial goal. At the same time, Kim continued in his process of restructuring the country's political system. He pursued the double objective of reinforcing his position at the centre of the system, while, at the same time, also «normalizing» the institutional architecture, especially in the field of foreign relations.

The New Year's speech that the North Korean leader traditionally gives on 1 January summarized and explained this new approach, already put in motion during 2019. Sitting in an armchair in his office, conveying a more informal image of a hard-working leader, Kim focused most of his speech on domestic issues and in particular economic directives and observations, with specific mentions to major construction projects such as the Wonsan tourism zone and Samjiyon County.<sup>41</sup>

The first indication that could be drawn from the address was then that the new strategic line totally focussed on economic construction, launched at the third plenary meeting of the seventh Central Committee of the party in April 2018, was still the main guideline for the new year. In addition, Kim reiterated the regime's commitment not to make, test or use nuclear weapons, emphasizing the fact that North Korea had taken practical measures to respect the Singapore agreement and pointed out that, as a consequence, it was the United States that had to take a step toward North Korea. Following the tradition of North Korea's rhetoric, the conciliatory part was followed by a veiled threat about finding a «new way for defending the sovereignty of the country» in case the US would not

41. Rudiger Frank, 'Kim Jong Un's 2019 New Year's Address: Dropping a Strategic Bombshell', *38 North*, 2 January 2019.

respect their promises or take unilateral measures.<sup>42</sup> Lastly, Kim pointed out the importance of the agreements reached by the two Koreas in the previous year and also of moving forward toward more cooperation, including in economic aspects.<sup>43</sup>

After the flurry of diplomatic activities in the first months of the year, culminated with the Hanoi summit between Kim and Trump, important domestic political events dominated the leadership agenda. In March the country held nationwide elections for the 687 members of the 14<sup>th</sup> Supreme People's Assembly (SPA) – the main legislative body of the country albeit with very limited influence on state affairs – with a reported turnout of 99.99%.<sup>44</sup> With only one name in each ballot, the vote did not represent a real consultation of the citizens. However, elections have been used as a tool of control by the local party officials to monitor the population, providing important information about the changes in the country's leadership. In this case, the absence of Kim Jong Un's name from the ballot – he held a seat in the Paektusan constituency – certainly represented the most relevant news. The decision was probably related to his effort to project himself as a leader of a «normal» state in which the executive and legislative branches are separate, in line with the changes undertaken by Kim himself in the previous years.<sup>45</sup>

One month after the SPA election, on 10 April, a meeting of the Central Committee of the party was held ahead of the first session of the newly elected Assembly. This event represented a crucial turning point in the process of power consolidation and institutional transformation led by Kim Jong Un. During his speech at the Central Committee, Kim pointed out the tense and difficult situation for the country, but he also emphasized several times the importance of self-reliance in supporting the national economy, despite the sanctions regime in place. He also seemed to be open to a third summit with Trump, but also set the end of the year as a clear deadline for the United States to come up with a new approach to negotiations. The speech confirmed the main priorities set by Kim with the New Year's speech, adapted to the new situation after the disappointing outcome of the Hanoi summit.

During the first session of the Supreme People's Assembly on 11 April the institutional transformations were officially sanctioned. Kim Jong Un was re-elected as the chairman of the State Affairs Commission (SAC), the highest decision-making body in the country. He was also elevated to

42. Ankit Panda, 'Four Takeaways from Kim Jong Un's New Year's Address', *The Diplomat*, 3 January 2019.

43. *Ibid.*

44. 'Report on Results of Election of Deputies to SPA Issued', *KCNA News*, 12 March 2019.

45. 'N.K. leader not mentioned among deputies newly elected to parliament', *Yonhap News Agency*, 12 March 2019.

the status of supreme representative of all Korean people, a possible move toward becoming also the formal head of state of the country. The session was also an important occasion for a major reshuffle of prominent political posts in the regime: Choe Ryong Hae, number two of the regime, replaced Kim Yong Nam as president of the Presidium of the SPA; Kim Jae Ryong replaced Pak Pong Ju as premier, a key position for the supervision of the country's economic development; Choe Son Hui, a vice foreign minister who held key roles in the country's diplomacy, became a new member of the State Affairs Commission.<sup>46</sup> The disappointing results of the Hanoi summit led to an important reshuffle of the negotiating team: Kim Yong Chol, who had been a key emissary to the United States and had taken part in both summits, retained important roles but apparently was no longer in a key diplomatic position; Kim Hyok Chol, a career diplomat who was surprisingly appointed as one of the chief negotiator in February, disappeared from official state media reports.<sup>47</sup>

The Supreme People's Assembly also changed the country's constitution. The details of the revision were revealed only a few months after it took place and basically incorporated the features that had already emerged in April, stating that the chairman of the State Affairs Commission represented the country and also signalling a shift in focus from the military to economic development.<sup>48</sup> The constitution was later revised again during the second session of the SPA in late August. The powers of the leader were further expanded with the inclusion of the authority to promulgate ordinances, decrees and decisions, and to appoint or recall diplomatic envoys to foreign countries. In addition, the chairman of the SAC, which was not elected as a deputy of the Supreme Assembly, was recognized as the supreme leader of the party, state and armed forces.<sup>49</sup>

The political reshuffle and the constitutional revisions served as a form of rejuvenation of some of the main political positions and also as a further consolidation of Kim's role. Furthermore, the specific new formal roles awarded to the leader, as the chairmanship of the SAC, signalled not only Kim's will to be directly involved in several domestic and diplomatic activities, but also the desire of «normalization» of the image of the country's institutional architecture. Despite the fact that the real decision-making power was always in the hands of the leader, the new revisions introduced some form of pseudo-separation between executive and legislative functions,

46. Choe Sang-hun, 'Kim Jong-un Says He's Open to Another Trump Meeting, With Condition', *The New York Times*, 12 April 2019.

47. Youkyung Lee, 'Kim Jong Un's cryptic personnel changes puzzle North Korea watchers', *Bloomberg*, 2 May 2019.

48. 'N. Korea changes constitution to make Kim Jong-un official head of state' *Yonhap News Agency*, 11 July 2019.

49. Koh Byung-joon, 'N.K. constitutional revisions signal Kim's more active involvement in diplomacy, domestic affairs', *Yonhap News Agency*, 30 August 2019.

and clearly designated the State Affairs Commission as the main executive body, with its chairman as head of government.

Besides political consolidation, economic development dominated the agenda of North Korea's domestic politics in 2019. Despite the disappointing results of the Hanoi summit in terms of lifting the sanctions and the sharp downturn in inter-Korean dialogue, the North Korean regime remained fully committed to achieve substantial economic results. After the disastrous data about the country's economy in 2018 released by the Bank of Korea, with an estimated contraction of the economy around 4% and a downfall of exports and trade exchanges, around 86% and 48% respectively,<sup>50</sup> the trend for 2019 appeared to be more stable, with also some increase in the trade volume with China.<sup>51</sup> Even more important was the fact that, according to some analysts such as former South Korean Unification Minister Lee Jong-seok, the North Korean leadership has started a structural economic and social transformation aimed at focusing on productive capacity and technology, with a substantial prioritization of economic development over military strengthening in terms of distribution of state resources.<sup>52</sup> The construction boom of recent years and the strategic focus on tourism activities, which are exempted from sanctions, point towards this direction.<sup>53</sup> Obviously, the international sanction regime still represents a major obstacle on the path to the achievement of rapid and stable economic growth, and thus remains the key issue on the table during any future negotiations at the international level and even more so in relation to the development of inter-Korean cooperation.

### 3. *Inter-Korean relations*

The positive developments that had characterized the last months of 2018 in terms of inter-Korean dialogue created high expectations about the possibilities of opening new avenues for cooperation on the peninsula during 2019. After the Pyongyang declaration, the two Koreas had successfully cooperated in the De-militarized zone (DMZ) for the removal of military guard posts and joint demining operations. In addition, the inspections of the North Korean railway and road systems conducted by South Korean technical teams toward the end of the year seemed to open

50. Lee Kwan Kyo, 'Gross Domestic Product Estimates for North Korea in 2018', *Bank of Korea*, 26 July 2019.

51. Benjamin Katzeff Silberstein, 'The North Korean Economy in 2019: Treading but Not Underwater in the New Year', *38 North*, 16 January 2020.

52. Lee Je-hun & Noh Ji-won, 'Former unification minister speaks on N. Korea's current transformative changes', *Hankyoreh English Edition*, 1 December 2019.

53. Thomas Maresca, 'Report: North Korea economy developing dramatically despite sanctions', *UPI*, 4 December 2019.

the possibility for a future re-connection of transportation links and possibly even of the Kaesong industrial park and Kungangsan tourist project.<sup>54</sup> The commitment of the North Korean leadership toward continuing and even enhancing inter-Korean cooperation was reaffirmed in a personal letter that Kim Jong Un sent to Moon Jae-in on 30 December 2018 and also in the televised New Year's address by the North Korean leader.

After only two months, however, it appeared clear how the high expectations created by the latest positive events were not going to be translated into actual advancements of the relations between the two Koreas. In fact, the situation turned more confrontational throughout the entire year. As demonstrated by the timing of North Korea hostile repositioning toward the South, the main reason for this negative turn lied in the disappointing outcome of the Kim-Trump summit in Hanoi, in late February, and the following worsening of North Korea-US relations. The coincidence of these two trends signalled that Moon's dual-track strategy was having the consequence of linking inter-Korean dialogue and cooperation to the improvements of denuclearization talks between Pyongyang and Washington. If, on one hand, this strategy worked well in 2018 in order to kick-start both processes, on the other hand it reduced the operating space for South Korea's government in pursuing more autonomous inter-Korean dialogue, undermining Moon's ambition to put Seoul back in the «driver's seat» of inter-Korean relations.

### 3.1. *Disappointment after high expectations*

During the first months of 2019, inter-Korean relations seemed to proceed along the positive path set out by the summits and the joint declarations of 2018. In the private letter Kim sent to Moon on 30 December 2018, the North Korean leader expressed his regret for not having visited South Korea during the year – after the invitation of the South Korean president during his visit to Pyongyang – and stated that he would like to meet frequently with Moon during 2019.<sup>55</sup> The New Year's address also contained several remarks regarding future developments in inter-Korean relations, but also the need to move forward in cooperation without the influence of external forces. This was a direct reference to the tension created by the joint US-South Korea military exercise of November 2018.<sup>56</sup> Despite the cordial tone of both statements, the idea that Kim Jong Un was pursuing a strategy of decoupling the nuclear talks with the US from inter-Korean relations started to emerge more clearly.

54. Marco Milani, 'Korean peninsula 2018: The calm after the storm', *Asia Maior* 2018, pp. 84-88.

55. Chad O'Carroll, 'In letter, Kim Jong Un says he wants to meet Moon Jae-in «frequently» in 2019', *NK News*, 30 December 2018.

56. Ankit Panda, 'Four Takeaways from Kim Jong Un's New Year's Address'.

On 17-18 January 2019, Kim Yong Chol, former head of the North Korea intelligence service and top negotiator in the talks with the US, travelled to Washington where he met with Secretary of State Mike Pompeo and also with President Trump. On the second day of the visit, the White House announced that a second summit between Trump and Kim was going to take place in late February.<sup>57</sup> During his State of the Union speech, on 5 February, Trump then announced that the summit would take place in Vietnam on 27 and 28 February.<sup>58</sup> Given the central role played by South Korea in mediating between the US and North Korean leaders during 2018 and the aforementioned importance of improving US-North Korea relations in order to achieve substantial improvements in inter-Korean cooperation, the Moon administration looked at the Hanoi summit with high expectations. On 19 February, in a phone call between Moon and Trump about the upcoming summit, the South Korean President proposed the resumption of inter-Korean cooperation as a possible incentive for North Korea toward denuclearization.<sup>59</sup> Moon's strategy seemed to be designed to kill two birds with one stone: on the one hand, it was a way to propose economic incentives without the direct involvement of the US administration; on the other, it would pave the way for practical improvements in inter-Korean cooperation.

However, unfortunately for Moon Jae-in, the disappointing outcome of the summit left the South Korean administration with no birds killed and no stone left to throw. In the weeks after Hanoi, the North Korean regime and official media started to reverse the tone about the dialogue both with the US and with South Korea. Inter-Korean meetings at the lower level, especially through the liaison office established in Kaesong, started to decrease before stopping completely. According to a report of the Ministry of Unification, the two sides had met 285 times in the first 100 days of operation of the office.<sup>60</sup> After the Hanoi summit, the regular meetings between the two directors of the office stopped – the last one took place on 22 February – and on 22 March the entire North Korean staff left altogether, only to return on 25 March without giving explanations to the South Koreans other than that they had received instructions from higher authorities.<sup>61</sup> Despite the fact that the office remained open, it became mostly ineffective, losing its supposed role of constant and «institutionalized» coordination

57. Mark Landler & David E. Sanger, 'Trump and Kim Jong-un to Hold Second Summit Meeting Next Month', *The New York Times*, 18 January 2019.

58. 'State of the Union: Trump announces second North Korea summit', *BBC News*, 6 February 2019.

59. Hyonhee Shin & Josh Smith, 'South Korea's Moon offers to resume cooperation with North Korea to help denuclearization', *Reuters*, 19 February 2019.

60. Colin Zwirko, '285 meetings held at inter-Korean liaison office since September: MOU', *NK News*, 20 December 2018.

61. Aidan Foster-Carter, 'Grinding to a halt – Then Kim pulls the plug', *Comparative Connections*, Vol. 21, No. 1, May 2019, p. 77.

between the two Koreas. The same non-cooperative pattern characterized also military relations along the DMZ. Although the agreements of the Pyongyang declaration remained in place, North Korea did not participate in the excavation of remains of dead soldiers from the Korean War carried out by the South Korean army.<sup>62</sup>

In an effort to revive US-North Korea talks and even more to regain the role of mediator between the two parties, Moon Jae-in met with Trump in Washington on 11 April. After the encounter, the US President appeared to be open to a more incremental approach, rather than one big comprehensive agreement, with «various smaller deals» and working «step-by-step» as one of the possibilities.<sup>63</sup> This diplomatic effort was not particularly welcome by Kim Jong Un, who, in his speech before the newly elected Supreme People's Assembly on 12 April, dismissed the role of Moon as officious mediator, calling for a more independent position by Seoul in order to fulfil the Panmunjom and Pyongyang declarations.<sup>64</sup> Kim's remarks about inter-Korean relations confirmed the idea that the North Korean regime was aiming at separating cooperation with the South from nuclear talks with the US, using to its advantage the clear willingness of Moon's administration to move forward with practical results. Upon returning to South Korea, on 15 April, Moon proposed the idea of a fourth summit with Kim Jong Un in order to break the diplomatic stalemate after Hanoi and revive the momentum for inter-Korean dialogue.<sup>65</sup> Moon's call apparently fell on deaf ears in Pyongyang.

After these further disappointing developments, South Korea tried to maintain dialogue focusing on humanitarian aid. In early May, the World Food Program (WFP) reported that, because of the worst harvest in ten years, 40% of the North Korean population was at risk of severe food shortages and in need of food assistance.<sup>66</sup> After a phone call between Moon and Trump, in which the American president declared his support for sending food aid to North Korea,<sup>67</sup> the South Korean government announced its decision to send US\$ 8 million to the WFP and the United Nations Children's Fund for cooperation projects, and, later, its plan to send 50.000 tons of rice to

62. Jo He-rim, 'North Korea drags its feet on joint work to return Korean War dead', *The Korea Herald*, 1 April 2019.

63. 'Remarks by President Trump and President Moon Jae-in of the Republic of Korea Before Bilateral Meeting', *The White House*, 11 April 2019.

64. Shim Kyu-seok, 'Kim scorns Moon as «mediator»', *Korea JoongAng Daily*, 15 April 2019.

65. Dagyum Ji, 'South Korean President says he's ready to meet Kim Jong Un «regardless of venue»', *NK News*, 15 April 2019.

66. 'After worst harvest in ten years, 10 million people in DPRK face imminent food shortages', *World Food Program News Release*, 3 May 2019.

67. Choe Sang-hun, 'Trump Supports Food Aid for North Korea, South Says', *The New York Times*, 7 May 2019.

the North.<sup>68</sup> Despite these efforts, Pyongyang did not show any interest in receiving this aid, rejecting Seoul's offer.<sup>69</sup>

### 3.2. *A new crisis looming on the horizon?*

If the first months of 2019 marked the passage from high expectations to a big disappointment in inter-Korean relations, the second part of the year continued in the same downward trajectory, with even more negative signals from the North Korean regime that could represent an ominous preamble to a new crisis. The situation started to take an even further adverse turn in May, when North Korea restarted missile testing. After the test of a long-range ballistic missile in November 2017, North Korea had refrained from missile testing. This improvement substantially contributed to the positive atmosphere that led to the rapprochement on the peninsula and between Pyongyang and Washington. After this months-long hiatus, the missile testing restarted in May 2019. The first launches of short-range projectiles took place on 4 and 9 May. South Korea's government tried to downplay these actions stating that it was not able to confirm if the testing involved ballistic missiles or not.<sup>70</sup>

A window of opportunity for reopening dialogue seemed to briefly open in June. On 12 June, Kim Jong Un's sister, Kim Yo Jong, met in Panmunjom with South Korean officials – Chung Eui-yong, Suh Ho e Park Jie-won – to deliver a condolences letter from the North Korean leader for the death of Lee Hee-ho, women's rights activist<sup>71</sup> and widow of Kim Dae-jung, South Korean president during the Sunshine Policy years.<sup>72</sup> The meeting lasted around 15 minutes and did not include any message from Kim to Moon, only the delivery of the letter and flowers. A few weeks later, somehow surprisingly, the fourth summit between the two Korean leaders took place, again in Panmunjom, after Kim accepted the Twitter invitation of President Trump to meet at the border on the 38<sup>th</sup> parallel.<sup>73</sup> Despite the fact that Moon was in theory the host – the summit took place on the southern side – and certainly had been the main facilitator of the US-North Korea dialogue, he only had a handshake and a few words with Kim Jong

68. Kim Tong-hyung, 'South Korea to send 50,000 tons of rice to North Korea', *AP News*, 19 June 2019.

69. 'N. Korea refusing to accept Seoul's food aid over allies' joint military drill', *Yonhap News Agency*, 24 July 2019.

70. 'S. Korea not yet able to determine details of N.K. missiles', *Yonhap News Agency*, 12 May 2019.

71. Dagyum Ji, 'North Korea delivers letter, flowers to South following former first lady's death', *NK News*, 12 June 2019.

72. See also: Moon Chung-in, *The Sunshine Policy: in defense of engagement as a path to peace in Korea*, Seoul: Yonsei University Press, 2012.

73. Eli Stokoled, 'Trump invites Kim Jong Un to meet him at Korean DMZ on Sunday', *Los Angeles Times*, 28 June 2019.

Un, before being side-lined by the two real protagonists and excluded from their private meeting.<sup>74</sup>

The positive momentum created in June proved to be short-lived. On 25 July, North Korea restarted missile launches and went on at a very rapid pace until September, focusing on short-range ballistic missiles and multiple launch rocket systems, in eight different occasions in only 6 weeks. Besides the important technical aspects of these tests, the decision to restart the launches was probably part of a strategy by the North Korean leadership aimed at several goals: first, to put pressure on both South Korea and the US, without crossing the dangerous threshold of restarting long-range missile launches; second, trying to decouple the positions of the two allies with moves that represented a threat for Seoul but not for Washington; lastly, to respond to the joint military exercises and other decisions of the South Korean government considered as hostile, such as the acquisition of F-35 fighter jets.<sup>75</sup> President Trump did not seem to be particularly worried about the launches, which he defined as «very standard».<sup>76</sup> President Moon also tried to maintain a low profile about the tests, limiting himself to calling them «a series of worrying actions» in his Liberation Day speech on 15 August.<sup>77</sup>

Despite South Korea's efforts to keep talks alive and the optimistic description given by President Moon, the «momentum for dialogue» did not remain unshaken.<sup>78</sup> In fact, it seemed to be vanishing rapidly. On 2 October, North Korea tested another missile, this time saying it had successfully launched it from underwater, most likely a Pukguksong-3 solid-fuel missile.<sup>79</sup> In a continued effort to put pressure both on Seoul and Washington, short-range missiles continued to be launched on 30 October and 28 November, while on 8 and 12 December the regime claimed to have conducted very important new tests at Tongchang-ri, a satellite-launching site partially dismantled in 2018 after the Singapore summit.<sup>80</sup> But what probably was the most relevant military provocation conducted against South Korea took place on 25 November, when Kim Jong Un personally

74. Aidan Foster-Carter, 'Pyongyang shuns and snarls; Seoul seems in denial', *Comparative Connections*, Vol. 21, No. 2, September 2019, p. 75.

75. Vann H. Van Diepen & Daniel R. Depetris, 'Putting North Korea's New Short-Range Missiles Into Perspective', *38 North*, 5 September 2019.

76. David E. Sanger & William J. Broad, 'North Korea Missile Tests, «Very Standard» to Trump, Show Signs of Advancing Arsenal', *The New York Times*, 2 September 2019.

77. 'Address by President Moon Jae-in on Korea's 74th Liberation Day', *Cheong Wa Dae*, 15 August 2019.

78. *Ibid.*

79. Hyung-jin Kim, 'North Korea says underwater-launched missile test succeeded', *AP News*, 4 October 2019.

80. David E. Sanger & Choe Sang-hun, 'North Korea Links 2nd «Crucial» Test to Nuclear Weapons Program', *The New York Times*, 14 December 2019.

assisted and directed a military drill with live fire artillery on Changrin, a small island very close to the Northern Limit Line that form the maritime border between the two Koreas. This time the South Korean authorities strongly complained against this clear violation of the military agreement reached at the Pyongyang summit the year before.<sup>81</sup>

Tensions and disagreements between the two Koreas were not limited to military and security issues. A clear example can be found also for what concern cooperation in sport, an area in which inter-Korean relations flourished in 2018 after the Olympic diplomacy in Pyeongchang. In October the football teams of the two Koreas competed in Pyongyang for the qualifying round for the 2022 FIFA World Cup. All the requests and enquiries advanced by the South Korean federation were not answered and the permission to enter was given to the team only at the last minute, with no media or supporters allowed.<sup>82</sup> The match took place on 15 October in the surreal atmosphere of an empty stadium without spectators. The event clearly exemplified the rapid deterioration in just a few months of inter-Korean relations.

A further example is represented by the sudden announcement by the North Korean regime that Kim Jong Un, after a highly publicized visit to Kungangsan in late October, had ordered the removal of all the tourist facilities that had been built for the joint tourism project between the two Koreas. Kim also stressed the importance to replace them with new and modern facilities and of the self-reliant development of the tourist site, with an indirect criticism to his father Kim Jong Il, who relied on Seoul assistance for the development. In the weeks following the announcement the South Korean government responded asking for a meeting to discuss the issue, also taking this as an opportunity to revive the Kungangsan project. However, Pyongyang explicitly refused to discuss the matter face to face, insisting on proceeding only with the exchange of documents.<sup>83</sup> Despite the fact that no practical measures for the dismantling were undertaken after the announcement, this unexpected move by the North Korean leader was aimed at hitting one of the key examples and symbols of inter-Korean cooperation, which was also directly mentioned by Kim himself in his 2019 New Year's address. This decision can be interpreted as a clear signal to Moon Jae-in that the mood and momentum for inter-Korean dialogue have drastically changed, and also that if Seoul still wants to maintain a glimmer of hope in terms of inter-Korean cooperation it has to move forward with practical economic cooperation despite the sanctions and US opposition.

81. Oh Seok-min, 'S. Korea lodges strong complaint with N.K. over recent firing drills near sea border', *Yonhap News Agency*, 26 November 2019.

82. Hyonhee Shin, 'North Korea World Cup qualifier with South played to empty stands', *Reuters*, 15 October 2019.

83. Aidan Foster-Carter, 'Still nothing doing', *Comparative Connections*, Vol. 21, No. 3, January 2020, pp. 81-82.

#### 4. *International relations*

##### 4.1. *The Hanoi summit and the deterioration of US-North Korea relations*

The rapprochement between North Korea and the United States after years of open hostility, culminated with the Singapore summit, dominated the agenda of international relations on the peninsula for much of 2018. Despite this historical event, a lot of diplomatic work remained to be done in order to translate the declarations of intent of the two leaders into actual policies. Kim Jong Un reaffirmed his willingness to negotiate over the nuclear program, but at the same time he stressed the importance of the US taking practical steps in this direction – i.e. lifting sanctions – with the veiled threat of finding a «new way» to defend his country.

Preparations for the second summit between Kim and Trump, which had been already discussed during Pompeo's visit to Pyongyang in 2018, started in January, specifically when Kim Yong Chol visited the US. The main North Korean negotiator met with the Secretary of State first, and subsequently with President Trump at the White House. After the encounter the second summit was officially announced.<sup>84</sup> In the same days, a North Korean delegation led by Foreign Vice-Minister Choe Son Hui travelled to Stockholm for an international conference in which also Stephen Biegun, American special representative for North Korea, took part. The two delegations held working-level talks in Sweden, preparing the ground for the following diplomatic steps.<sup>85</sup> This time, after the ice-breaking summit in Singapore, the two parts seemed to be aware of the need to achieve some practical results, rather than just a joint declaration, out of the summit. On 31 January, Biegun gave an important speech at Stanford University laying out some key elements of the US approach to achieve a denuclearization deal with North Korea. The core idea of significant economic and other benefits in exchange for denuclearization remained, as well as the possibility to sign a peace treaty to officially end the Korean War. Also the American position seemed to be less strict for what concerned turning over an inventory list of all North Korea's nuclear assets, previously considered as one of the preliminary conditions for a deal.<sup>86</sup> Biegun, however, remained firm on the idea that sanctions would not be lifted until a complete denuclearization, a position in clear contrast with Kim's demand of practical steps from the US. The speech

84. Mark Landler & David E. Sanger, 'Trump and Kim Jong-un to Hold Second Summit Meeting Next Month', *The New York Times*, 18 January 2019.

85. Kim Ji-eun & Noh Ji-won, 'Choe and Biegun meet for first time in Sweden', *Hankyoreh English Edition*, 21 January 2019.

86. Department of State of United States, Stephen Biegun, 'Remarks on DPRK at Stanford University', 31 January 2019 (<https://www.state.gov/remarks-on-dprk-at-stanford-university>).

pointed out an existing dichotomy within the Trump's administration between hard-liners – such as National Security Advisor John Bolton – and more conciliatory officials, as Biegun himself, more willing to concede something in order to achieve a deal, perhaps even through a step-by-step approach.

In early February, Biegun travelled to Pyongyang for a three days visit where he met with Kim Hyok Chol, special representative of the SAC for US affairs and newly promoted North Korea's top negotiator. The main goal of the meeting was to set the agenda for the upcoming summit, with the difficult task to find a balance between North Korea's steps toward denuclearization and the corresponding measures of the US.<sup>87</sup>

The second summit between a US sitting president and the leader of North Korea took place in Hanoi on 27 and 28 February 2019. This time Kim Jong Un travelled from North Korea to Vietnam with a special train, in a 2-day trip, and then by car from the China-Vietnam border to Hanoi. The North Korean leader used the occasion of the summit also for a state visit to Vietnam, on 1 and 2 March, as part of his diplomatic outreach to the South-east Asian country, which had started the year before. On the first day, after the handshake and photo opportunities, the two leaders held a short private meeting followed by a dinner with the closest collaborators. The second day proved to be much more complicated. The two parts met in the morning in what was supposed to be the crucial negotiation session to find a deal. According to the schedule, the meeting had to be followed by an official lunch and then the signing of a joint declaration. However, the US delegation decided to cut the summit two hours before the scheduled end, given the impossibility to find common ground for an agreement.<sup>88</sup> Despite this unexpected outcome, both sides tried to maintain a positive outlook on the summit and also on possible future diplomatic developments. At the same time, both delegations gave their own explanation for the failure of the meeting. The US version, presented by Trump in a press conference in the afternoon of the same day, focused on the fact that North Korea apparently asked for lifting all the sanctions in exchange for dismantling one of its main nuclear facility in Yongbyon, while the American administration wanted to include in the deal all other nuclear facilities, included the covert ones.<sup>89</sup> Hours after Trump's news conference, North Korea's Foreign Minister Ri Yong Ho gave a different explanation to the press, saying that the request was to lift part of the sanctions – specifically five key sanctions imposed between

87. Yoo Kang-moon & Noh Ji-won, 'Biegun arrives in Pyongyang for working-level discussions with Kim Hyok-choi', *Hankyoreh English Edition*, 7 February 2019.

88. Edward Wong, 'Trump's Talks With Kim Jong-un Collapse, and Both Sides Point Fingers', *The New York Times*, 28 February 2019.

89. Julian Borger, 'Vietnam summit: North Korea and US offer differing reasons for failure of talks', *The Guardian*, 1 March 2019.

2016 and 2017 – in exchange for the dismantling of Yongbyon and a written commitment to stop all nuclear and long-range missile tests, as previously stated by Kim Jong Un.<sup>90</sup>

The crucial difference between the two positions was clearly expressed by the accounts given by the two governments: while Trump, probably influenced by hard-liners such as Bolton, was aiming at a comprehensive big deal, Kim's position was for a step-by-step approach. In this perspective, the offer of dismantling Yongbyon represented an important commitment for the North Korean leadership in order to signal its willingness toward some form of denuclearization. From the Trump administration's perspective, however, the nuclear facility represented only a part of the nuclear program and thus not enough to show that denuclearization had been achieved. The differences of substance given to the word denuclearization represented a crucial element in the breakdown of negotiations, together with the existing lack of trust between the parties.

Despite the absence of results at the Hanoi summit, in the following weeks North Korea refrained from strong attacks against the US administration or President Trump. At the same time, however, the regime clearly started to demonstrate its disappointment for the missed opportunity that also meant no relief from international sanctions. In mid-March Vice-minister Choe Son Hui, who was becoming the informal spokesperson of the regime for what concerned nuclear negotiations, threatened to end talks with the US and stated that Kim Jong Un was considering resuming nuclear and long-range missile testing.<sup>91</sup>

From this moment onward relations between US and North Korea slowly deteriorated, with the corresponding negative consequences for inter-Korean relations. It is interesting to notice however that, compared to previous cases in which the dialogue between the two parties broke down, this time the North Korean regime did not directly attack the US president, but kept the door open for future improvements. As pointed out by Choe during the press conference on 15 March, the US needed to change its position on the issue; however, the relation between Kim and Trump remained very good and the blame for the failure of the negotiations in Hanoi was mostly attributed to Pompeo and Bolton.<sup>92</sup> As a further example of this new ambivalent position of the North Korea regime, Kim, during his address at the newly elected Supreme People's Assembly in April, explicitly said to be open to a third summit if the US changed its position, especially on the sanctions.

90. Philip Rucker, Simon Denyer & David Nakamura, 'North Korea's foreign minister says country seeks only partial sanctions relief', *The Washington Post*, 1 March 2019.

91. Ed Adamczyk, 'North Korea threatens to end nuclear talks with U.S., resume testing', *UPI*, 15 March 2019.

92. *Ibid.*

A third meeting between the two leaders actually took place in the following weeks, albeit in a very unexpected way. On 29 June, during a short visit to South Korea after attending the G-20 summit in Osaka, Trump invited via Twitter Kim Jong Un for a meeting at the DMZ, «just to shake his hand and say hello». Choe Son Hui immediately considered it as a very interesting suggestion.<sup>93</sup> The following day, Trump announced that he was going to meet Kim after he positively responded to the invitation. Despite the historical value of a sitting US president crossing the border in Panmunjom and entering North Korean territory for the first time, the short encounter did not lead to significant practical results. The two leaders met for about fifty minutes inside the Freedom House – the main building on the South Korean side of Panmunjom – and agreed to resume working-level talks about denuclearization.<sup>94</sup> This unexpected third meeting confirmed the situation that was already in place after the Hanoi summit: at the highest level, Kim and Trump maintained a good personal relationship, as demonstrated also by the exchange of letters in June and again in August; at a lower level, negotiations between the two governments remained extremely difficult.

After the meeting in Panmunjom, North Korea kept testing short-range missile throughout the entire summer. In early September Choe Son Hui affirmed that the regime was finally ready to go back to negotiating with the US, as promised by Kim Jong Un. However, this new round of working-level talks, that took place in early October in Stockholm and was led by Biegun and the new North Korean chief negotiator, Kim Myong Gil, ended after a few hours, when the North Korean delegation denounced the hostile attitude and the lack of new proposals by the American delegation.<sup>95</sup> The last weeks of the year were characterized by the same trend. The North Korean regime continued to focus on propagandizing self-reliance in economic development to counter international sanctions, while conducting missile tests. When Biegun visited South Korea on 16 December, the US envoy expressed his willingness to meet with his North Korean counterpart but did not receive any answer.<sup>96</sup> When the self-proclaimed deadline of the end of the year arrived, North Korea did not perform any major military provocation against the US or its allies in the region, as many had feared. Nonetheless, in his speech during the plenum of the Central Committee of the Party in late December, Kim announced

93. Choe Sang-hun, 'North Korea Threatens to Scuttle Talks With the U.S. and Resume Tests', *The New York Times*, 15 March 2019.

94. 'Trump meets North Korea's Kim at DMZ in landmark visit', *Al Jazeera*, 30 June 2019.

95. Johan Ahlander & Philip O'Connor, 'North Korea breaks off nuclear talks with U.S. in Sweden', *Reuters*, 5 October 2019.

96. Song Sang-ho, 'Biegun wraps up trip to S. Korea with his call for N.K. dialogue unanswered', *Yonhap News Agency*, 17 December 2019.

a strategic shift in order to guarantee the security of the country, pointing out that the regime was no longer bounded by the 2018 moratorium on nuclear and long-range missile tests.<sup>97</sup> Undoubtedly, the latest events represent a deterioration of the North Korea-US relation, compared to the post-Singapore situation; however, this does not mean that Pyongyang has entirely given up the possibility to pursue a diplomatic solution with the US. The presidential election in November 2020 will certainly represent a crucial moment for American diplomacy, a moment to which the North Korean leadership is paying a lot of attention before deciding its next strategic move.

#### 4.2. North Korea's diplomacy toward China and Russia

If on the one hand diplomacy with the United States stalled and deteriorated during 2019, on the other North Korea continued its diplomatic outreach to other countries. In particular, Pyongyang turned towards its traditional allies and partners in the region: China and Russia.

Kim Jong Un inaugurated the new year with a 3-day visit to Beijing, from 7 to 9 January, the fourth time in less than one year that the North Korean leader travelled to China. Beside the traditional expressions of friendship and cooperation between the two allies, Xi Jinping reiterated China's support for stability on the peninsula and also for denuclearization, including negotiations and summits with the United States.<sup>98</sup> According to the North Korea's official news agency, Kim confirmed his support for the goal of denuclearization of the peninsula.<sup>99</sup> The visit had the important political-diplomatic aim of coordinating the position of the two countries ahead of the second meeting between Kim and Trump, similarly to what had happened when the North Korean leader visited Dalian a few weeks before the Singapore summit.

From the perspective of economic exchanges, a priority for Kim's domestic policy, there were not significant improvements, most notably because of the sanction regime in place. However, China was maintaining a trend of relaxation of the economic pressure on North Korea that had already started in the previous months, in order to support the regime and maintain stability.<sup>100</sup> In addition to not actively enforcing some of the sanctions and tolerating evasions, such as in the case of ship-to-ship transfers of oil, China began to publicly advocate for a relaxation of

97. Min Joo Kim & Simon Denyer, 'North Korea's Kim threatens to resume nuclear, long-range missile tests', *The Washington Post*, 31 December 2019.

98. Christopher Bodeen, 'Kim Jong Un travels to China ahead of possible 2nd US summit', *AP News*, 8 January 2019.

99. Colin Zwirko, 'Kim, Xi committed to «joint handling» of nuclear diplomacy at fourth summit: KCNA', *NK News*, 9 January 2019.

100. Scott Snyder & See-won Byun, 'Post-Hanoi hopes trapped in a Sino-Korean smog', *Comparative Connections*, Vol. 21, No. 1, May 2019, pp. 88-89.

international sanctions to accompany the process of negotiations toward denuclearization, following a step by step approach. This position was also supported by Russia.

Despite the rumour about a possible stop-over by Kim Jong Un in Beijing, on his way back from Hanoi, the North Korea leader went straight to Pyongyang. Nonetheless Kim and Xi met again in a few months, when the Chinese President visited North Korea on 20 and 21 June, the first visit of China's leader since 2005 and the fifth since the establishment of diplomatic relations in 1949.<sup>101</sup> Xi himself, in an op-ed article on the official newspaper of the party, *Rodong Sinmun*, had called for a new chapter in China-North Korea relations.<sup>102</sup> Nonetheless the visit seemed to come less as the opening of a new chapter than as a confirmation that the alliance between the two states was «back to normal». The Chinese delegation, which included other important members of the leadership, received an impressive welcome at the airport and then a salutation at the Kumsusan Palace. The two leaders and their wives assisted to a performance of the Mass Games, with the friendship between the two countries as the main theme.<sup>103</sup> The visit was certainly very important for its symbolic value, especially considering the cold relation between the two countries in the first years of Kim Jong Un's leadership. However, it did not produce particular practical results. Xi reaffirmed China's commitment in supporting North Korea's security and peace on the peninsula. The timing of the visit was also interesting, as it took place one week before the G-20 summit in Osaka – and the Xi-Trump bilateral meeting there – and before the surprise encounter between Kim and Trump in Panmunjom.

Xi's visit to North Korea reinforced the positive relationship between the two countries and the two leaders, after years of difficult relations. It also signalled the importance of China's role on the peninsula and in regional diplomacy more in general. With South Korea increasingly side-lined after the Hanoi summit and the negative turn in inter-Korean relations, Beijing could again play a central role for what concerned nuclear negotiations and also economic cooperation and exchanges.

In addition to China, Kim Jong Un also cultivated positive relations with Russia. In 2019, the North Korean leader held his first bilateral summit with Russian President Putin and his first official visit to Russia. The meeting did not produce significant practical results, other than Putin's support for a multilateral diplomatic solution for the nuclear issue and even the possibility for Russia to play a bigger role in breaking the stalemate in negotiations between US and North Korea. The two leaders also reportedly

101. Scott Snyder & See-won Byun, 'A New Chapter?', *Comparative Connections*, Vol. 21, No. 2, May 2019, pp. 88.

102. *Ibid.*

103. Shannon Tiezzi, 'Xi's North Korea Visit: All Style, No Substance?', *The Diplomat*, 22 June 2019.

discussed possibilities for improving economic cooperation, in particular the problematic issue of the North Korean workers in Russia that should be repatriated before the end of the year.<sup>104</sup>

Kim Jong Un's diplomatic outreach towards Moscow and Beijing can be interpreted in the broader perspective of North Korea's attempt to diversify its diplomatic and economic options. The stalemate of nuclear negotiations with the United States, together with South Korea's reluctance to improve inter-Korean cooperation with sanctions in place, forced Pyongyang to try to open different paths for economic development. In this perspective, China and Russia seemed to be the best options, both for improving economic exchanges in the short-term, but also as important supporters at the United Nations for easing the international sanction regime. In December 2019, the two countries made a proposal at the Security Council to reduce economic sanctions. The United States did not endorse the proposal; however, this move clearly showed that the united front for «maximum pressure» was losing support, with some important countries promoting a more conciliatory approach.<sup>105</sup>

#### *4.3. South Korea's diplomatic troubles during 2019*

The year of missed opportunities for South Korea impacted also its foreign relations. In this case, the negative trends that had emerged in the last months of 2018 started to become major issues for the country's diplomacy. While relations with China continued on a positive track, the main sources of concerns for South Korea came from its main partners and allies in the region: the United States and Japan.

The worsening of relations between Seoul and Washington certainly represents one missed opportunity for South Korea's foreign policy during 2019. While the alliance between the two countries was never put into question, several unresolved issues became points of controversy. Among these, one of the most relevant was the cost sharing agreement for the US military expenses on the peninsula. During his campaign and first two years in office, Trump prioritized, in his foreign policy, the revision of what he considered as «unequal» free trade deals and the request of higher contributions to military expenses by the US allies. South Korea qualified in both these aspects. While the trade issue was resolved through a revision of the KORUS FTA in 2018, the new cost sharing arrangement for defence remained on the table.<sup>106</sup> After several rounds of negotiations, a provisional agreement for 2019 was found in early February. Seoul increased its share

104. Iuliia Stashevska & Eric Talmadge, 'Kim Jong Un leaves Russia after summit with Putin', *AP News*, 26 April 2019.

105. Josh Smith, 'U.S.-led pressure fractures as China, Russia push for North Korea sanctions relief', *Reuters*, 17 December 2019.

106. Marco Milani, 'Korean Peninsula 2018: The calm after the storm', p. 97.

of costs of 8.25%, to a total of US\$ 925 million, despite Washington initial request of a 50% increase to US\$ 1.3 billion.<sup>107</sup> The deal cleared the air, but only temporarily, as it was valid only for one year. The problems ahead for the negotiation of a new cost sharing agreement for 2020 remained.

Over the course of 2019, Donald Trump and Moon Jae-in met several times. The most important high-level meetings were Moon's visit to the US in April and Trump's visit to South Korea in June. As discussed in the previous sections, both encounters were dominated by the North Korea's nuclear program and relative negotiations. In April, Moon tried to play the role of mediator between the two parties after the stalemate in Hanoi and also to secure US support for inter-Korean humanitarian exchanges and, possibly, economic cooperation. As noted above, when the American president visited South Korea in June all the attention turned to the meeting between Trump and Kim Jong Un at the DMZ. South Korea's administration, on its part, played a major role in shifting the focus of the negotiation on the North Korea's nuclear issue and a possible diplomatic resolution. For Moon it represented a historical opportunity to advance inter-Korean relations and also to obtain vast popularity at home. One of the downside of this strategy was that other relevant issues in the US-South Korean relations were neglected and did not play a significant role in high-level summit between Trump and Moon. This trend risked to undermine the solidity of the alliance and to decrease mutual trust.

Against this backdrop, the issue of cost sharing for the US military expenses on the peninsula re-emerged in the second half of the year. Despite reassuring messages conveyed by the new secretary of Defence, Mark Esper, in his inaugural visit to South Korea in August and the resumption of joint military exercises, albeit in a very limited scale, by the two countries, the situation remained tense.<sup>108</sup> Trump and the US administration vocally asked for a sharp increase in Seoul's financial contribution to its defence. When Esper visited again South Korea in November, he clearly stated that, as a wealthy country, South Korea «should and could pay more».<sup>109</sup> An unconfirmed initial request was for a contribution of US\$ 5 billion dollars, with an astonishingly fivefold increase compared to the previous year.<sup>110</sup> Such a request was absolutely unacceptable for South Korea's negotiators, especially given the economic slowdown of the country. Regardless of the exact financial request, the distance between the two parties seemed to be

107. Choe sang-hun, 'U.S. and South Korea Sign Deal on Shared Defense Costs', *The New York Times*, 10 February 2019.

108. Stephen Noerper, 'Friction, impasse, and projectiles', *Comparative Connections*, Vol. 21, No. 2, September 2019, pp. 41-42.

109. Robert Burns, 'Esper says S Korea wealthy enough to pay more for US troops', *AP News*, 15 November 2019.

110. Kyle Ferrier, 'More Money? More Problems for the US-South Korea Burden-Sharing Talks', *The Diplomat*, 1 August 2019.

very significant, considering that the US delegation left the first negotiations in mid-November.<sup>111</sup> Despite further talks in the following weeks, the issue was not resolved, although there were reports of a reduction of the difference between the two positions.<sup>112</sup> Just like in the previous year, the resolution of the issue was postponed to 2020, signalling a distance between the two allies on the future management of this strategic relation.

The sharing of defence costs was not the only controversial issue between Seoul and Washington during 2019. In fact, Esper's frequent visits to the peninsula were motivated also by the need to reduce the escalation of tension between the two most important US allies in Asia: South Korea and Japan. Relations between Seoul and Tokyo had been negatively affected by the controversial legacy of the colonial period for decades, especially after the end of the Cold War. Issues such as «comfort women», forced labour, revisionist history textbook and official visits to the Yasukuni Shrine still represented open wounds for the Korean public opinion and strongly influenced the South Korea-Japan relationship.<sup>113</sup> One key factor that has helped to mitigate the controversy has been the role of the US and its strategic priority of maintaining positive relations between its two major regional allies.

After the election of Moon Jae-in, the Seoul-Tokyo relation, which had improved during the last part of Park Geun-hye's administration, especially after the 2015 agreement on the «comfort women» issue, was again put under pressure. During 2018 some of these historical controversies started to resurface and to create tension. In 2019 this tension exploded into a major trade dispute, seriously risking to adversely affect security relations. Following the strategy already implemented by President Trump in several contexts,<sup>114</sup> Japanese Prime Minister Abe decided to weaponize trade in the dispute with South Korea.<sup>115</sup>

In the first months of 2019, relations between Seoul and Tokyo were already under pressure because of the tensions that had emerged the previous year. The main point of contention revolved around the decision of the South Korean Supreme Court that Japanese companies that had employed forced labour during the colonial period could be held accountable and required to pay compensations to Korean plaintiffs. In addition to going against Japan's interpretation that all the disputes about the colonial period had been settled with the 1965 normalization agreement, this ruling could

111. 'U.S., South Korea defense cost talks break down over Trump's \$5 billion demand', *The Japan Times*, 19 November 2019.

112. Park Min-hee, '2019 S. Korea-US defense cost-sharing negotiations end without agreement', *Hankyoreh English Edition*, 19 December 2019.

113. See: Brad Glosserman & Scott Snyder, *The Japan-South Korea Identity Clash: East Asian Security and the United States*, New York: Columbia University Press, 2015.

114. Mayra Rodriguez Valladares, 'Trump's Weaponizing Of Tariffs Is A Rude Wake-Up Call To Global Financial Markets', *Forbes*, 1 June 2019.

115. Henri Farrell & Abraham Newman, 'Japan and South Korea are being pulled into a low level economic war', *The Washington Post*, 1 August 2019.

open the door to massive compensation requests and also to the seizing of assets owned by Japanese companies. In the first months of the year the dispute remained within the borders of diplomacy and public statements. However, the situation quickly escalated during the summer. In May, Japan proposed to establish an international arbitration panel with a third party involved; South Korea ignored the request and in June proposed the establishment of a fund with both South Korean and Japanese companies to compensate the plaintiffs, which Japan rejected.<sup>116</sup> On 1 July Tokyo decided to restrict the export to South Korea of three chemicals that are crucial for manufacturing high-tech products.<sup>117</sup> While the Japanese government kept denying any relation between this decision and the forced labour dispute – claiming national security reasons due to the risk that these chemicals would be re-exported to North Korea<sup>118</sup> – the move was widely seen as retaliation against the Supreme Court ruling. The decision to include trade and economic exchanges in the dispute set in motion an escalation in the tensions between the two countries that went on in July and August. A grassroots boycott movement against Japanese companies and products immediately developed in South Korea, and the government decided to appeal to these citizens hardening its position against Japan. The positions quickly became irreconcilable: Japan broadened the restrictions by withdrawing South Korea from the whitelist of preferred trading partners, while Seoul removed Tokyo from its own whitelist, accelerated its efforts to file a formal complaint to the WTO against Japan, and announced additional measures to mitigate the economic effects and also to reduce the dependence on Japanese exports.<sup>119</sup> The economic aspects of the dispute, however, only represented a limited part of it. Given the emotional side of the controversy over historical legacies, also the political and rhetoric aspects became crucial.

Eventually the dispute escalated to the point of affecting strategic and security aspects. On 22 August, President Moon announced that South Korea was withdrawing from the General Security of Military Information Agreement (GSOMIA) with Japan, a security agreement that was signed in 2016 and strongly supported by the United States.<sup>120</sup> The decision represented a major concern for the US-South Korea alliance and also for the trilateral security cooperation between Seoul, Washington and Tokyo.

116. 'Japan rejects S. Korea's offer for wartime labor talks', *Kyodo News*, 19 July 2019.

117. Mayumi Negishi & Eun-Young Jeong, 'Japan Curbs Exports to South Korea, Hitting Global Chip Makers', *The Wall Street Journal*, 1 July 2019.

118. Taro Kono, 'The real issue between Tokyo and Seoul is trust', *The Japan Times*, 4 September 2019.

119. Ji-Young Lee & Mintaro Oba, 'Cold Economics, Cold Politics', *Comparative Connections*, Vol. 21, No. 2, September 2019, pp. 106-107.

120. Elizabeth Shim, 'South Korea decision to terminate GSOMIA rocks Seoul, Tokyo', *UPI*, 22 August 2019.

An interesting aspect was represented by the very limited interest of the US administration in trying to mediate between the two allies, unlike what happened during the Obama administration for example, with the risk of undermining the trilateral relation and creating spaces for other regional powers to intervene.<sup>121</sup>

After several unsuccessful diplomatic attempts, in the following months the situation gradually de-escalated. In late October, South Korean Prime Minister Lee met with Abe and delivered a letter from Moon Jae-in and a few days later the two leaders briefly met on the margins of the East Asia Summit in Bangkok. Diplomacy quietly kept working in the following days with a more incisive role of the United States. During his November visit to South Korea, Esper pointed out the importance of GSOMIA, and on 21 November Pompeo called Foreign Minister Kang. The following day, only a few hours before the deadline for the official expiration of the treaty, the South Korean government announced a conditional and temporary suspension of the withdrawal to give more time for negotiations.<sup>122</sup> The decision was welcomed both in Tokyo and Washington and paved the way for a further improvement of the bilateral relation. The Foreign Ministers of South Korea and Japan met on the margins of the G-20 meeting on 23 November and agreed to organize a bilateral summit between the leaders of their countries during the China-South Korea-Japan Trilateral Summit, planned for late December in Chengdu. The two Foreign Ministers met again on 16 December on the side-lines of the ASEM summit and concurrently the two countries held the first high-level meeting on exports restrictions.<sup>123</sup> On 20 December, Japan decided to lift restrictions to one of the chemical product in a conciliatory gesture facilitating future negotiations.<sup>124</sup> These diplomatic improvements created the condition for a positive atmosphere of the bilateral summit between Moon and Abe in Chengdu on 24 December.<sup>125</sup>

While the latest events of 2019 in the relation between South Korea and Japan certainly represent a positive development, they are far from representing a real solution to the existing controversy. Seoul's decision about the GSOMIA is a clear example, with South Korea emphasizing the fact that the agreement can still be terminated at any time. The situation is thus still very precarious between the two countries, and a solution to

121. Celeste L. Arrington & Andrew Yeo, 'Japan and South Korea Can't Get Along', *Foreign Affairs*, 31 July 2019; Bonnie S. Glaser & Oriana Skylar Mastro, 'How an Alliance System Withers', *Foreign Affairs*, 9 September 2019.

122. Ji-Young Lee & Mintaro Oba, 'Thaws and Tremors', *Comparative Connections*, Vol. 21, No. 3, January 2020, pp. 123-124.

123. *Ibid.*

124. 'Japan lifts S Korea chip-material export curbs', *Asia Times*, 23 December 2019.

125. Norihiko Shirouzu & Hyonhee Shin, 'Japan's Abe asks South Korea's Moon to act on row at first meeting for 15 months', *Reuters*, 24 December 2019.

the forced labour issue does not seem to be easily at hand, let alone a broader solution for other historical controversies. In this perspective it remained to be seen what role the United States are willing to play, and also if the emergence of other regional players – especially China – can play a significant role in the dispute.