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# ASIA MAIOR

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

Vol. XXVIII / 2017

## Asia in the Waning Shadow of American Hegemony

Edited by

Michelguglielmo Torri, Elisabetta Basile, Nicola Mocci

viella



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*After the major crises of 2016, the year 2017 on the Korean peninsula was characterised by an attempt to restore stability, both at the domestic and the international level. The social and political crisis that involved President Park Geun-hye in South Korea, which left the country without a clear political leadership for five months, came to an end with confirmation of the impeachment by the Constitutional Court and the following election of Moon Jae-in to the presidency. The new president committed his administration to reverse the policies of the previous administration, focusing on democracy, transparency, social justice, zero tolerance against corruption, and a more conciliatory approach towards Pyongyang.*

*In North Korea, Kim Jong Un, after the final consolidation of his position and political line, continued to enhance the nuclear and missile programmes. Over the course of 2017, the regime achieved impressive results in both fields and, by the end of the year, proclaimed the final completion of the state nuclear and missile programme. The repeated missile launches had extensive consequences on inter-Korean and international relations. Moon Jae-in's initiatives, aimed at improving inter-Korean cooperation and dialogue, were frustrated by the repeated provocations from North Korea. As a consequence, Moon reshaped his approach as a dual-track policy of seeking denuclearisation through sanctions while calling for dialogue.*

*The other election that highly influenced the developments on the peninsula was that of Donald Trump in the United States. After his first months in office, during which Trump apparently relied on China to curb North Korea's nuclear ambitions, the new American president adopted a very confrontational approach based on maximum pressure as well as dangerous rhetoric, which included the possibility of a military conflict with North Korea. This approach exacerbated tension in the region and alienated South Korea's support to his strategy. Trump's protectionist positions on the KORUS free trade agreement and his unclear support of the US commitment in the East Asian region started also to create frictions in the alliance with South Korea.*

### *1. Introduction*

In 2016 the Korean peninsula was affected by major security, political and social crises, triggered by the impeachment of President Park Geun-hye in the South and the nuclear and missile tests in the North. Moreover, the election of Donald Trump in the United States represented a further source of concern, due to his statements during the campaign

regarding North Korea, the Free Trade agreement with South Korea and American commitment to the East Asian region. During 2017 the two Koreas adapted to these changes, both domestic and international, and succeeded in consolidating stability. In South Korea, the confirmation of Park's impeachment by the Constitutional Court paved the way for a new presidential election. Moon Jae-in, the candidate of the progressive Democratic Party, obtained an easy victory, benefitting from his role during the protests of the previous year. The election represented the end of a social and political crisis that had lasted for six months and left the country without a strong political guide in a period characterised by great uncertainty. Moon pledged to reverse the course of his predecessor's presidency in several aspects: democracy and transparency should become the guiding principle of his style of government; fighting corruption and collusion between political and economic elites became a priority, together with restoring social justice and trust in the state institution. In order to achieve these goals, Moon planned a more active and direct role for the government in the economic cycle. The arrest of former President Park and *de facto* leader of Samsung Lee Jae-young sent a clear signal about Moon's determination to tackle the issues that led to the social and political crisis of the previous year. Regarding North Korea's domestic policy, 2017 was a year of stability. Kim Jong Un's consolidation of power had culminated the year before with the seventh Congress of the Workers' party of Korea. During 2017 the advancements in the nuclear and missile programmes dominated also North Korea's domestic policies. The regime achieved impressive results in both fields and, by the end of the year, proclaimed the final completion of the state nuclear and missile programmes. These successes cemented Kim's grip on power, supporting his legitimacy in the eyes of the population. In 2017, Kim Jong Un's consolidation involved also his family members, even if with opposite results. In February, Kim's half-brother, Kim Jong Nam, was assassinated at Kuala Lumpur airport, most likely following a direct order of the North Korean leader. In October, Kim's sister Kim Yo Jong was appointed as alternate member of the party's Politburo,<sup>1</sup> representing the official recognition of her role within the regime and also of her brother's trust. Inter-Korean relations have been largely affected by both the election of Moon and the North Korean nuclear and missiles provocations. Moon Jae-in's initiatives, which were aimed at improving inter-Korean cooperation and dialogue, were frustrated by repeated provocations from North Korea. His approach was reshaped as a dual-track policy seeking denuclearisation through sanctions and pressure while also calling for dialogue. This dual approach, however, did not bring about any result for several months. The repeated missile launches, in

1. According to the Leninist praxis, alternate members of the Party Central Committee are entitled to attend plenary sessions and voice their views, but do not have the right to vote.



particular the successful tests of an Intercontinental Ballistic Missile in July and November, and the sixth and most powerful nuclear test in September undermined the possibility of success of Moon's initiatives. Nevertheless, towards the end of the year the inter-Korean relationship came to be characterised by a stronger emphasis on cooperation and dialogue, which seemed to point toward a more conciliatory attitude. The other election that has influenced developments on the peninsula was that of Donald Trump in the United States. With regard North Korea, after his first months in office during which Trump apparently tried to rely mainly on China to curb North Korea's nuclear ambitions, things changed. The new American president adopted a very confrontational approach vis-à-vis North Korea, based on sanctions as well as dangerous rhetoric which included the possibility of a military conflict. Trump's strategy of maximum pressure was not very different from his predecessor's strategic patience in terms of practical measures, but it certainly differed in terms of political style and rhetoric. The continuous references to the possibility of a military attack against North Korea exacerbated tension in the region and partly alienated South Korea's support. In addition to his dangerous North Korea policy, Trump's protectionist and isolationist positions created frictions also in the alliance with South Korea. In particular, Trump's decision to renegotiate the KORUS free trade agreement<sup>2</sup> and his unclear support of the American security commitment to the East Asian region created concerns in South Korea. In this situation, China maintained its traditional policy towards the North Korean nuclear programme: condemning the provocations of its neighbour but also calling for a negotiated solution. China's priority of avoiding an armed conflict on the peninsula was endangered during the escalation of military threats during the summer. The fear of a new war on the peninsula was shared also by South Korea which, after the election of Moon, found itself closer to Beijing in many aspects. The rapprochement between the two countries came in the last part of the year, when the two governments decided to normalise their economic and cultural relations and to find negotiated solutions for the THAAD issues and China's security concerns. Regarding the economy, despite tension and uncertainties, South Korea saw a higher GDP growth with an estimated rate of 3% in 2017. Domestic consumption and Moon Jae-in's plan to create more jobs, also in the public sector, helped in supporting economic growth. In North Korea, the three new rounds of international sanctions, the harshest ever approved, adversely affected both the possibilities of earning hard currency through trade and the domestic price of imported goods, such as oil and refined products. In 2016 the country grew at a rate of almost 4%, in spite of the existing sanctions, showing that their impact is significant but not such as to lead to

2. The Free Trade Agreement between South Korea and the US, or KORUS FTA, entered into force on 15 March 2012.

the collapse of the economy. As far as the data for 2017 are concerned, they were unavailable at the closing of the present article. However it is an easy prediction to say that the tightening of sanctions during 2017 is bound to have a major adverse impact on the North Korean economy.

## 2. *Domestic politics*

### 2.1. *South Korean domestic policies*

In 2017 South Korean domestic policies were largely influenced by the political crisis that abruptly erupted in the last months of 2016. On 9 December 2016, in fact, the National Assembly voted for the impeachment of President Park Geun-hye, who was immediately suspended from her duties and replaced by Prime Minister Hwang Kyo-ahn as acting president.<sup>3</sup>

In January 2017, the situation in South Korea was thus dominated by political turmoil and uncertainty. Acting president Hwang lacked the democratic legitimation to undertake any significant political reform, while the main political parties were already focusing on the possibility of early presidential elections. What appeared to be clear was that the progressive camp was gaining the upper hand. The leader of the Democratic Party, Moon Jae-in, had been one of the most prominent figures during the massive demonstration in November 2016 and his popularity had grown consequently.

#### 2.1.1. *The confirmation of Park Geun-hye's impeachment*

In January 2017, the Constitutional Court began public hearings in order to decide if the National Assembly had followed due process and the impeachment was justified. The trial was officially opened on 3 January, after three preliminary hearings in December. Park Geun-hye, however, decided not to attend the trial unless there were exceptionally special reasons to do so.<sup>4</sup> Seo Seok-gu, one of Park's attorneys, vehemently denied the charges, stating that she was the victim of mob justice, influenced by political motivations. Conversely, Kweon Seong-dong, who was leading the legal team arguing for impeachment, accused Park of several serious violations of the law and the constitution. According to Kweon, Park had conspired with her long-time friend and confidant, Choi Soon-sil, was guilty of corruption, had undermined the freedom of the press, and had failed to protect the country's citizens in relation to the *Seoul* ferry disaster of 2014.<sup>5</sup>

3. Marco Milani, 'Korean Peninsula 2016: The neverending crisis', *Asia Maior 2016*, pp. 99-100.

4. Choe Sang-hun, 'Park Geun-hye, South Korean President, Is a No-Show at Impeachment Trial', *The New York Times*, 3 January 2017.

5. Choe Sang-hun, 'Impeachment Trial of South Korea President Called Mob Justice', *The New York Times*, 5 January 2017.

The situation was further complicated by the fact that the term of two of the nine judges of the court was due to expire in early 2017. The South Korean constitution requires at least six votes in order to confirm the impeachment and vacancies are considered as votes against it. Constitutional judges are appointed by the president, but Park Geun-hye, having been suspended from her office since December 2016, could not exercise this power. Shortly before his retirement Chief Judge Park Han-chul urged the court to make its final decision before 13 March, pointing out that the absence of two judges might distort the impartiality of the court's ruling.<sup>6</sup>

During the process, protesters took to the streets in central Seoul demanding the court to uphold the impeachment. At the same time, pro-Park demonstrators showed their support for the president. The biggest demonstration took place on 25 February, the fourth anniversary of Park's inauguration, when hundreds of thousands of people gathered in Seoul in a candlelit rally against the president.

On 27 February, the Court heard the final arguments from both sides and began its closed-door session to deliberate all the evidence, statements and testimonies. The verdict was expected about two weeks from the closing arguments, with the general expectation being 9 or 10 March.<sup>7</sup>

On 10 March, the Constitutional Court removed Park Geun-hye from the office of president. This was the first time in South Korean history that a president had been removed by the Constitutional Court. The eight judges unanimously voted to uphold the impeachment for committing «acts that violated the constitution and laws» and that «betrayed the trust of the people and were of the kind that cannot be tolerated for the sake of protecting the constitution.»<sup>8</sup> On the day of the verdict thousands of Park's supporters and anti-Park demonstrators gathered near the courthouse. During clashes with the police, who were trying to block the march of the pro-Park protesters towards the Court, two elderly demonstrators were killed, and a third one died following a heart attack the next day.

These events clearly showed how South Korean public opinion was still strongly polarised with regards the country's authoritarian past. Under Park Geun-hye father's regime, Park Chung-hee, the country had begun its stunning economic development, but, at the same time, he had resorted to authoritarian methods to control social life and silence all political opposition. After her electoral campaign in 2012, Park Geun-hye had been considered by conservatives as the heir to her father's legacy. During Park's years in office her style of politics reminded many of her father's

6. 'South Korea Constitutional Court chief urges ruling on Park impeachment by March 13', *Reuters*, 24 January 2017.

7. Ock Hyun-ju, 'What now for Park's impeachment trial?', *The Korea Herald*, 28 February 2017.

8. Choe Sang-hun, 'South Korea Removes President Park Geun-hye', *The New York Times*, 9 March 2017.

authoritarian regime. The strong confrontation with the leftist opposition, epitomised by the disbanding of the United Progressive Party,<sup>9</sup> the discovery of an extensive blacklist of cultural figures critical of the administration, the president's uncommunicative disposition and opaque power management, reinforced this perception of authoritarian regression.<sup>10</sup> Under these premises, the entire process that led to the final removal of Park Geun-hye exacerbated the polarisation within South Korea's society. The demonstrators that took to the streets, starting from November 2016 until the day of the Constitutional Court's verdict, considered their protest to be a sort of ideal continuation of the struggle for democracy, which had started under the authoritarian rule. The most evident consequence of this process was the political victory of the progressive opposition, paving the way for the election of its leader, Moon Jae-in, in May 2017.

After confirmation of the impeachment, the acting president remained in office and began the process for holding presidential elections, which were scheduled for 9 May. With that announcement the electoral campaign officially commenced, although the main political competitors had already begun preparing the ground for it well before Park's removal.

### 2.1.2. *The Presidential election*

Since the beginning of the presidential campaign, the frontrunner was the leader of the Democratic Party, Moon Jae-in. Moon was a long-time member of the centre-left political leadership and a close collaborator of former President Roh Moo-hyun. He had already competed in the presidential election in 2012, when he lost to Park Geun-hye. During the street protests he emerged as the main political leader and started to build up a widespread consensus by channelling the popular rage against Park's administration.

From the beginning of the year, the conservative front began preparing the ground for possible early elections. Given the abysmal rate of popularity of President Park, the party started to distance itself from her. The first rearrangement came with the formation of the Bareun Party, announced on 27 December 2016 after the defection of 29 anti-Park lawmakers from the Saenuri Party. In February, the main conservative party changed its name to Liberty Korea Party, to further distance itself from the previous administration. With regard to the viable candidates, in the early weeks of the year the name of former UN Secretary General Ban Ki-moon circulated as an option for the conservatives; but shortly thereafter Ban announced

9. Marco Milani & Barbara Onnis, 'La penisola coreana: tra «facce nuove» e un continuo déjà-vu', *Asia Maior* 2013, pp. 377-378.

10. Jamie Doucette, 'The Occult of Personality: Korea's Candlelight Protests and the Impeachment of Park Geun-hye', *The Journal of Asian Studies*, Vol. 76, No. 4, 2017, pp. 851-860.

his unavailability. A second potential candidate was acting President Hwang Kyo-ahn, but he dismissed this possibility stating that he wanted to focus on working for the stability of state affairs and the management of the election.

Unable to find a common candidate, the two centre-right parties presented two different candidates after holding primary elections: Governor of South Gyeongsang province Hong Joon-pyo for the Liberty Korea party;<sup>11</sup> and member of the National Assembly Yoo Seung-min (also spelled *Yoo Seung-min*) for the Bareun Party.<sup>12</sup> This split within the conservative front gave even more chance of an easy win for Moon Jae-in. Moon was officially nominated as the candidate of the Democratic Party after the primaries on 3 April.<sup>13</sup> The day after, the centrist People's party nominated its leader Ahn Cheol-soo as presidential candidate.<sup>14</sup> The last of the leading candidates was Sim Sang-jung of the leftist Justice Party, the only female candidate.

During the course of the campaign, Moon Jae-in maintained a solid lead over all his opponents, according to the major polls. The only moment in which his advantage seemed to dissipate was in mid-April, when several polls put Ahn Cheol-soo in a close race with Moon.<sup>15</sup> Ahn's electoral strategy was to present himself as the only real opposition to Moon Jae-in, with the goal of gaining those conservative voters disappointed by Park's scandal and internal divisions. At the same time, his centrist party appealed to many centre-left voters, who considered Moon's politics too leftist, especially in terms of foreign policy. This positive trend for Ahn proved to be only temporary. In fact, from mid-April, his popularity started to decrease.

In terms of key policies, Moon Jae-in was in agreement with South Korean progressive tradition. He favoured dialogue and engagement with North Korea, more equal relations with the United States and a firmer position against Japan concerning historical controversies. Regarding domestic politics, Moon pledged to restore social justice in the country, prioritising the fight against unemployment, especially youth unemployment, and controlling the power of the big industrial conglomerates.

On the other side of the political spectrum, Hong pursued traditional conservative policies especially in the field of foreign relations, opposing engagement with the North and openly supporting the deployment of

11. 'Party of ousted South Korean leader Park picks firebrand maverick for presidential poll', *The Japan Times*, 31 March 2017.

12. Hwang Dae-jin, 'Bareun Party Names Yoo Seung-min as Presidential Candidate', *Chosun Ilbo – English Edition*, 29 March 2017.

13. 'Moon Jae-in named presidential candidate of Democratic Party', *Yonhap News Agency*, 3 April 2017.

14. Park Jun-min, 'South Korean software tycoon roars back into contention for president', *Reuters*, 4 April 2017.

15. Anna Fifield, 'South Korean presidential race suddenly tightens', *The Washington Post*, 10 April 2017.

THAAD<sup>16</sup> and tactical nuclear weapons on the peninsula. In terms of domestic policy, Hong opposed direct government intervention in creating jobs but stated that the industrial conglomerates must be punished for their misdeeds, in an effort to distance himself from the image of Park’s administration.

Ahn Cheol-soo, for his part, tried to portray himself as anti-Park but also as a moderate, supporting THAAD and the alliance with the US and a more prudent dialogue with North Korea.<sup>17</sup>

The result of the election on 9 May did not bring about any significant surprise: Moon Jae-in easily won the presidency with 41.1% of the vote, followed by Hong Joon-pyo with 24%, and Ahn Cheol-soo with 21.4%.

	<b>Moon Jae-in</b>	<b>Hong Joon-pyo</b>	<b>Ahn Cheol-soo</b>	<b>Yoo Seong-min</b>	<b>Sim Sang-jung</b>
<i>Votes</i>	13,423,800	7,852,849	6,998,342	2,208,771	2,017,458
<i>Percentage</i>	41.08%	24.03%	21.41%	6.76%	6.17%
Source: National Election Commission, Republic of Korea (the data have been elaborated by the author)					

### 2.1.3. Moon Jae-in first months in office

On 10 May, the day after the election, Moon was sworn in as president of South Korea, with an inauguration speech that focused on the need to build peace on the peninsula and to unify a divided South Korea after the series of scandals that led to the removal of Park Geun-hye.<sup>18</sup> Moon’s election also brought an end to the deep and dangerous political and social crisis that had engulfed South Korea for the previous six months. In a particularly symbolic move, the new president cancelled the government’s plan to issue state-authored history textbooks just a few days after his inauguration. This gesture was part of his strategy to restore «common sense and justice» in the country.<sup>19</sup>

One of the most important goals of Moon’s administration was to remove the authoritarian image of the president, derived from almost 10 years of conservative government and in particular from Park Geun-hye’s style of politics. For this reason, he met with the leaders of all opposition

16. The Terminal High Altitude Area Defense (THAAD) is an American missile defence system that South Korea agreed to deploy in its territory during 2017 to counter North Korean missile threats.

17. Eleonora Rossi, ‘South Korea’s Presidential Election: Candidates and Key Policies’, *Institute for Security and Development Policy*, 3 May 2017.

18. ‘South Korea’s Moon Jae-in sworn in vowing to address North’, *BBC World News*, 10 May 2017.

19. Lee Seung-jun, ‘President Moon cancels plans for biased state-authored history textbooks’, *Hankyoreh English Edition*, 13 May 2017.

parties to ask for their support in running the country as well as to demonstrate the inclusive character of his administration. Moon publicly displayed a friendly and humble approach and emphasised the fact that the presidential office should be always open to the citizens and their requests.<sup>20</sup>

With regards to domestic policies, Moon Jae-in had an ambitious plan based on the traditional priorities of progressive parties. He vowed to create about one million jobs in the public sector in his five year mandate, and also to reform the health care programme in order to cut the personal medical expense of the entire population, in particular that of the lowest-income sector.<sup>21</sup>

This substantial extension of the welfare state and of direct government intervention created frictions with the opposition parties within the National Assembly. The most controversial moment was represented by the approval of the government budget for 2018. The ambitious goals of Moon Jae-in, in fact, required a substantial increase in government spending. The proposed budget reached a record high of 430 trillion won (US\$ 395 billion), with an increase of 7% compared to the previous year.<sup>22</sup> After several weeks of filibustering by the opposition, the budget was finally approved on 6 December. The opposition boycotted the vote to express their objection to some controversial points, in particular the plan to create thousands of new government jobs.<sup>23</sup> Despite these obstacles, Moon's first months in office seemed to obtain a positive response from public opinion: by the end of the year, in fact, the approval rating of the president hovered around 70%.<sup>24</sup>

A clear signal of the new course for South Korea came from the trial of some of the most powerful political and economic figures, in particular former president Park Geun-hye and vice-president – and *de facto* leader – of Samsung, Lee Jae-yong. During the review of the impeachment by the Constitutional Court, Park was still protected by presidential immunity. However, the investigation and trials involving her close confidant Choi Soon-sil had already begun. Choi, in jail and on trial since late October 2016 for abuse of power and fraud, was charged also with bribery in January 2017 in the context of the investigation of Samsung's involvement in an alleged corruption scandal in exchange for government favour.<sup>25</sup> Lee Jae-

20. '100 days in office, President Moon sets tone for tough reforms', *The Korea Herald*, 14 August 2017.

21. *Ibid.*

22. Choi Ha-young, 'Assembly begins reviewing 2018 budget' *The Korea Times*, 7 November 2017.

23. 'National Assembly approves government budget for next year', *Yonhap News Agency*, 6 December 2017.

24. 'Moon ends 1st year of presidency with upbeat approval rating: pollster', *The Korea Herald*, 1 January, 2018.

25. Park Ju-min, 'South Korean leader's friend Choi now charged with bribery', *Reuters*, 9 January 2017.

yong was first accused on 16 January of bribery, embezzlement and perjury, but the court rejected the initial request to arrest him.<sup>26</sup> A month later, on 17 February, Lee was indicted by the special prosecutor for the corruption scandal and Seoul central court approved his arrest.

The images of the leader of the biggest conglomerate of the country, whose market capitalisation accounts for one fourth of the value of all listed companies in South Korea, represented a strong symbolic message. It signalled the determination to prosecute the most powerful figures of the country and to crack down on the white-collar crimes of big conglomerates.<sup>27</sup> During the course of the trial Lee strongly denied the accusation, stating that he had never sought government favours and that he was not aware of the money being offered by Samsung to the former president. On 25 August, Lee was found guilty of all charges and sentenced to five years in prison.<sup>28</sup>

After the decision of the Constitutional Court, Park lost her presidential immunity and shortly thereafter, on 21 March, was questioned by the prosecutor for 14 hours. For the first time, she directly answered questions related to the Choi Soon-sil scandal.<sup>29</sup> A few days after the interrogation, the prosecutors demanded her arrest and, on 31 March, the former president of the Republic of Korea was arrested and transferred to jail on charges of bribery, abuse of authority, coercion and leaking government secrets.<sup>30</sup> Park Geun-hye was later formally indicted on 18 April and her detention was extended for six more months in October, despite the protests and denunciation by her legal team.<sup>31</sup>

The powerful images of the former president and of the head of the biggest and most famous industrial conglomerate taken to prison handcuffed represented a clear signal of change in relation to the era of collusion between politics and economic interests that had dominated South Korea for decades. Repetition from above The same images were also considered as representation of the victory of the millions of demonstrators who took to the streets in November and December.

26. 'Lee Jae-yong dodges arrest on charges of bribery', *The Economist*, 21 January 2017.

27. Choe Sang-hun, 'Samsung's Leader Is Indicted on Bribery Charges', *The New York Times*, 28 February 2017.

28. Chang Jae-soon, 'Samsung heir Lee sentenced to 5 years in prison', *Yonhap News Agency*, 25 August 2017.

29. Anna Fifield, 'South Korea's impeached president questioned for 14 hours amid corruption probe', *The Washington Post*, 21 March 2017.

30. 'Ex-President Park arrested in corruption probe', *Yonhap News Agency*, 31 March 2017.

31. Justin McCurry, 'South Korea: Park Geun-hye denounces trial as «political revenge»', *The Guardian*, 16 October 2017.



## 2.2. North Korean domestic policies

While South Korea was emerging from a deep political and social crisis with the election of Moon Jae-in, in North Korea Kim Jong Un was solidly in power after the consolidation of his position over the previous years and his final coronation at the 7<sup>th</sup> Plenary Congress of the Workers' party of Korea. The nuclear and missile programmes dominated also domestic policies. In his New Year address, Kim spoke directly about the nuclear tests and the advancements on the missile programme. But, in line with his *byungjin* doctrine of twin economic and nuclear development, Kim also emphasised the need for improvement in various sectors of the national economy, with a specific reference to science and technology. Interestingly, he also decided to portray himself as humble in front of the population, claiming that: «I have spent the whole year with regrets and a guilty conscience, to see my ability failing to reach what I have planned for the people. This year, I have made up my mind to spur on to greater efforts and to devote all of myself to the people.»<sup>32</sup> This effort can be seen as an attempt to signal to the people that their leader was fully committed to the protection and well-being of his citizens and that his destiny was closely intertwined with theirs.

Over the course of the year, Kim Jong Un further consolidated his grip on power by removing senior state and party officials and replacing them with members closer to him. In mid-January, the South Korean Ministry of Unification stated that Kim Won Hong, Minister of State Security and head of the secret police and domestic intelligence, considered to be one of the closest collaborators of the leader, had been fired over charges of corruption, abuse of power and torture. But a few months later, Kim Won Hong reappeared at the military parade held to commemorate the «Day of the sun», on 15 April. Kim Won Hong was among the generals on the reviewing stand, wearing his four-star uniform.<sup>33</sup>

According to the South Korean secret service (NIS), Kim Won Hong was put under investigation again in the autumn, together with another very powerful figure, Hwang Pyong-so. Hwang was Vice Marshal and director of the General Political Bureau of the Korean People's Army, member of the Presidium of the party's Politburo and also vice chairman of the State Affairs Commission. The latter was the highest guiding organ of the state, having replaced the National Defence Commission, following the constitutional reform of 2016. Since 2014, he was considered to be number two in the regime's hierarchy. During a closed-door parliamentary briefing, the NIS stated that Hwang's office had been audited by the leadership and that

32. Kent Boydstone, 'Kim Jong-un's 2017 New Year's Address', Peterson Institute for International Economics, 4 January 2017.

33. Choe Sang-Hun, David E. Sanger & Williams J. Broad, 'North Korean Missile Launch Fails, and a Show of Strength Fizzles', *The New York Times*, 15 April 2017.

he and his deputies, including Kim Won Hong, were being punished for «impure attitude». This reshuffle in the highest ranks of the regime gave more influence to Choe Ryong Hae, head of the Department of Organization and Guidance and the other most powerful official in the regime, who allegedly led the charge for Hwang's removal. This might indicate the intention of the regime to focus more on the country's economy with a pragmatic approach, after having succeeded in developing the nuclear programme. Choe and Pak Pong Ju, the Premier in charge of the economy, are considered to be more pragmatic administrators than Hwang. The decision might also reflect Kim Jong Un's attempt to use the party, in this case the Department of Organization and Guidance, to limit the influence of the military, a trend already visible in previous years.<sup>34</sup>

The process of power consolidation of Kim Jong Un also directly affected his own family. On 13 February 2017, Kim Jong Nam, Kim Jong Un's half-brother, was murdered at Kuala Lumpur airport. From the start, suspicion fell on the North Korean regime. Pyongyang rejected the accusation and refused to acknowledge the identity of Kim Jong Nam, who was travelling under the name of Kim Chol.<sup>35</sup> The investigation also involved North Korean citizens residing in Malaysia and other North Koreans who fled the country just after the murder, creating tension between Pyongyang and Kuala Lumpur. After the autopsy, the Malaysian police confirmed that Kim was poisoned with a VX nerve agent. During the following weeks, South Korea repeatedly accused North Korea of having organised the murder and its secret service said that the eight North Korean suspects had been identified, including four officials of the Ministry of State Security and two officials of the Foreign Ministry.<sup>36</sup> According to this reconstruction the murder was motivated by Kim Jong Un's will to eliminate a possible rival as leader of the regime.

Another member of the Kim family played a leading part during 2017. Kim Yo Jong, Kim Jong Un's younger sister, was promoted to the party's Politburo as an alternate member in October. She had been first mentioned as a senior official of the party's Central Committee in 2014, and later promoted to vice director of the Propaganda and Agitation Department. In this role, she helped create the cult of personality around her brother, modelling it on their grandfather Kim Il Sung as a benevolent and accessible leader. Kim Yo Jong's appointment to the Politburo, the highest decision-making body in the party, represented the official recognition of her role

34. Choe Sang-hun, 'Kim Jong-un Disciplines North Korea's Top Military Organization', *The New York Times*, 20 November 2017.

35. Joshua Berlinger, 'Murder of North Korea's Kim Jong Nam: Timeline of intrigue', *CNN*, 2 March 2017.

36. Adam Withnall, 'Kim Jong-nam murder: South Korea accuses North of «state-led terrorism» in organising assassination', *The Independent*, 27 February 2017.

within the regime and also signalled her brother's trust.<sup>37</sup> Her promotion reinforced the idea of a generational shift aimed at a clean break with those officials who surrounded Kim Jong Il. Kim Jong Un ended this co-existence with the remnants of the previous regime by carrying out a generational replacement in key positions.

### 3. *Inter-Korean relations*

During 2017, relations between North and South Korea were strongly influenced by the advancements of North Korean nuclear and missile programmes, by the confrontation between Pyongyang and Washington and by the internal political dynamics of South Korea. On one side, the repeated ballistic missile tests and the sixth nuclear test exacerbated tension on the peninsula and between North Korea and the United States which, after the election of Donald Trump, increased pressure on the regime both through sanctions and military threat. On the other side, the South Korean newly elected president tried to pursue a policy based on the resumption of inter-Korean dialogue and cooperation.

#### 3.1. *The increase in tension in the first months of 2017*

The first four months of 2017 confirmed the dangerous state of crisis that had dominated the previous year. The source of tension in the first part of the year was mostly related to international dynamics. Acting President Hwang, in fact, lacked the political legitimation to reverse the dangerous course that he had inherited from his predecessor, with whom he shared political affiliation to the conservative party. The weakness of the government amplified the effects of external dynamics on inter-Korean relations.

During the South Korean domestic political crisis, North Korea observed the process with unconcealed satisfaction. The regime had often accused Park's government of being a puppet traitor in the hands of the US, and had repeatedly insulted the former South Korean president. The impeachment process and the final removal of Park Geun-hye were thus interpreted by North Korea as the just and inevitable verdict of history against the traitor.<sup>38</sup> This perspective was explicitly announced by the regime when it called for the death penalty for the former president and the former chief of South Korean intelligence.<sup>39</sup>

37. Justin McCurry, 'Meet Kim Yo-jong, the sister who is the brains behind Kim Jong-un's image', *The Guardian*, 9 October 2017.

38. Aidan Foster Carter, 'North Korea-South Korea relations: Can Moon Restore Sunshine?', *Comparative Connections*, Vol. 19, No. 1, 2017.

39. Hamish Macdonald, 'North Korea sentences Park Geun-hye to death, demands her extradition', *NK News*, 28 June 2017.

Kim Jong Un's announcement that the regime was in the final stages of completion of an intercontinental ballistic missile (ICBM), during his traditional New Year speech, set the tone for the upcoming rise in tension on the peninsula. North Korea's missile test, in early February, and the murder of Kim Jong Nam, only a few days later, further increased tension. In March, the newly appointed US Secretary of State, Rex Tillerson, visited South Korea and reiterated the need for a change of strategy toward Pyongyang, affirming that «all options are on the table».<sup>40</sup> This statement fuelled speculation as to the possibility that the United States was contemplating a military option to stop North Korean nuclear and missile programmes. This scenario caused some concern in South Korea. In fact, even a limited surgical attack by the US against North Korean military facilities would most likely cause a massive retaliation by the regime against the southern part of the peninsula, especially the extremely populated urban area of Seoul, situated only 40 kilometres from the border. The chances of a «military option» increased in April, when the United States announced the decision to send the aircraft carrier USS Carl Vinson to the Korean peninsula.

On 15 April, North Korea performed a massive military parade to commemorate the birth of Kim Il Sung, founder of the nation and grandfather of the current leader. During the parade the regime displayed a wide range of missiles, including an ICBM tube, which may have contained an intercontinental missile. In the meantime, the frequency of the North Korean missile tests significantly increased. On 4 April, the regime tested a medium range missile and attempted to test two more missiles on 15 and 28 April. This series of provocations strongly influenced inter-Korean relations and prepared the ground for a difficult start of the next South Korean president's mandate.

Despite the increase in tension, in the first months of 2017 there was some space also for sporadic contacts in non-political sectors. In particular, sport proved to be a field in which the two Koreas found common ground. On 6 April, North Korea's women's hockey team travelled to the South for the World Championship tournament. The atmosphere was friendly and hundreds of South Korean activists waved the unification flag that had been used in the past when the two Koreas marched together during international sporting competitions.

### 3.2. *A new «Sunshine Policy» on the peninsula?*

In the final weeks of South Korea's presidential campaign, North Korea and inter-Korean relations were sidelined in favour of domestic problems such as economic growth, youth unemployment and corruption. Nevertheless, the positions of the main contenders on these issues were

40. Anne Gearan & Anna Fifield, 'Tillerson says «all options are on the table» when it comes to North Korea', *The Washington Post*, 19 March 2017.

very clear: Moon Jae-in supported dialogue and cooperation, while the conservative candidates ranged from scepticism about engagement to a programme of military containment and nuclear rearmament, which included the re-deployment of American weapons or even the development of an autonomous nuclear deterrent.

Without the possibility of a normal two-month transition between the election and the inauguration, Moon was forced to tackle the complicated North Korean issue right away. In his inauguration speech, he emphasised repeatedly the need for peace on the peninsula, pledging to do whatever he could and to go anywhere in order to achieve this goal. At the same time, references to the nuclear threat were largely marginalised.<sup>41</sup>

During the electoral campaign, Moon had revisited the key feature of South Korean progressive foreign policy: inter-Korean relations should return to the era of cooperation and engagement, reopening and expanding the Kaesong Industrial Complex; the alliance with the US should be more balanced and South Koreans should learn to say no to Americans;<sup>42</sup> and the decision on the deployment of THAAD should be reviewed. One of the most complicated tasks for the newly elected president was quite clearly how to reconcile his willingness to cooperate with the North – and to improve relations with China – and the hard-line position of the American administration.

From the very beginning, Moon took practical steps in order to put inter-Korean relations on a new path. He appointed key officials with a strong background in dealing with Pyongyang and swiftly allowed South Korean NGOs to resume contact with the North. However, Moon's efforts were frustrated for two main reasons: Pyongyang's reckless behaviour and the confrontational policy of the American administration. Only a few days after Moon's inauguration, North Korea tested two different intermediate range ballistic missiles: the Hwasong-12 on 13 May and the Pukkuksong-2 on 21 May, launched from a submarine. Both tests were swiftly followed by two rounds of short range missile launches into the East Sea, on 29 May and 8 June, probably anti-ship projectiles aimed at countering the show of force of the American navy in the region.

In late June, President Moon travelled to the United States for his first meeting with President Trump. Despite initial concerns about the differences between the two presidents on several issues, the joint statement released on 30 June showed that they had found much common ground. This result was made possible by Moon's ample concessions to Trump's tough policy towards North Korea, including South Korean support for the American campaign of maximum pressure.<sup>43</sup>

41. 'Moon Jae-in's inauguration speech', *The Korea Times*, 12 May 2017.

42. Choe Sang-hun, 'Ouster of South Korean President Could Return Liberals to Power', *The New York Times*, 10 March 2017.

43. Mark Landler, 'Trump Takes More Aggressive Stance With U.S. Friends and Foes in Asia', *The New York Times*, 30 June 2017.

A few days after his first trip to the United States, Moon flew to Europe for the G-20 summit in Hamburg. On 6 July, the South Korean president presented his inter-Korean policy in a speech at the Körber Foundation in Berlin, following the tradition of several of his predecessors. Moon's policy emphasised the alliance with the United States and the importance of North Korea's denuclearisation, but also the need for inter-Korean cooperation. In particular, Moon explicitly stressed the importance of South Korea being in the driver's seat with regard to inter-Korean relations. Moon's very detailed strategy was articulated in several points: the first one was peaceful coexistence, with an explicit reassurance to North Korea that his government was not seeking absorption or regime change; the second point was denuclearisation, achieved through a step-by-step approach and providing security guarantees for Pyongyang; the remaining three points dealt with the improvement of inter-Korean cooperation, and, in particular, economic and non-political exchanges. From this perspective, Moon revived the separation between military and political issues from economic and cultural aspects that was one of the cornerstones of the «Sunshine policy».<sup>44</sup> In his speech, the South Korean president also proposed a series of practical actions towards rapprochement on the peninsula, such as restarting family reunions, the participation of North Korea in the upcoming 2018 winter Olympics in Pyeongchang, and the reopening of inter-Korean dialogue. Moon even stated that he was «ready to meet with Chairman Kim Jong Un of North Korea at any time at any place, if the conditions are met and if it will provide an opportunity to transform the tension and confrontation on the Korean Peninsula.»<sup>45</sup> Influenced by the tough confrontation between Washington and Pyongyang, the speech offered significant openings towards Pyongyang, but at the same time reassured the allies about Seoul's commitment to international sanctions and denuclearisation.<sup>46</sup>

This dualism between hard-line and engagement was at the core of Moon's «dual track» strategy of simultaneously pursuing denuclearisation and cooperation. Soon after the Berlin speech in July, South Korea proposed the resumption of inter-Korean military dialogue and Red Cross talks. North Korea refrained from responding to these offers of dialogue, precisely because of the dual strategy pursued by Moon Jae-in. According

44. Moon Chung-in, 'The Sunshine Policy and the Korean Summit: Assessments and Prospects', *East Asian Review*, Vol. 12, No. 4, 2000, pp. 3-36. The Sunshine Policy refers to South Korea's new approach to North Korea, which characterised its foreign policy between 1998 and 2008. The new policy strived to realise closer relations between the two Koreas, exemplified by an increased political engagement, growing economic cooperation and meetings between members of the same families who had been separated by the Korean War.

45. Bae Hyun-jung, 'Full text of Moon's speech at the Korber Foundation', *The Korea Herald*, 7 July 2017.

46. Ruediger Frank, 'Navigating Difficult Waters: President Moon Jae-in's Berlin Speech', *38 North*, 10 July 2017.

to Pyongyang, in fact, Seoul could not realistically propose dialogue and exchanges with the North and at the same time support the American hard-line position and international sanctions.

### *3.3. The escalation of tension between North Korean provocations and inflammatory rhetoric*

During the summer, tension on the peninsula escalated again. North Korea tested an ICBM, the Hwasong 14, twice, on July 4 and 28. The first missile flew for 37 minutes and 930 kilometres, reaching an altitude of 2,500 kilometres. The second one reached the even higher altitude of 3,000 kilometres. Both missiles, launched with a longer trajectory, appeared to be able to reach several potential targets also in continental United States. The condemnation of the international community took the form of a new round of sanctions by the United Nations Security Council (UNSC) through resolution 2371, approved unanimously on 5 August. The new restrictions regarded the purchase of North Korean coal, iron, lead and seafood, and also prohibited governments to admit more North Korean workers in their countries.

This situation had negative repercussions also on Moon Jae-in's efforts to reopen a channel with Pyongyang. At the same time, the South Korean president stated on several occasions that the United States was fully committed to coordinating every action with Seoul in advance and that unilateral military options would not be tolerated. These tense weeks in July and August clearly showed the difficulties that the new progressive South Korean leadership was forced to handle, not only with regard to its policy towards North Korea, but also the increasingly dangerous rhetoric coming from Washington. Moon was trying to find a balance between supporting the American policy of maximum pressure and engaging Pyongyang in some form of dialogue. He also had to reassure South Koreans that he was able to influence Trump, and prevent his adoption of military measures against North Korea. As already noted, any military conflict was bound to have tragic consequences for South Korea.

The situation worsened even more in the following weeks. On 3 September North Korea performed its sixth underground nuclear test, the most powerful since the beginning of the nuclear programme. The test produced an earthquake between 5.7 and 6.3 degrees on the Richter scale, with an estimated power of more than 100 kilotons, 10 times the strength of the previous one in September 2016.<sup>47</sup> A new round of UNSC sanctions was approved, unanimously, on 11 September with resolution 2375, only one week after the test. The US pushed for a total ban on oil, petroleum-refined products and for North Korean workers abroad, and the possibility

47. Joshua Berlinger & Taehoon Lee, 'Nuclear test conducted by North Korea, country claims; South Korea responds with drills', *CNN*, 4 September 2017.

to use force for the inspections of ships coming in and out of North Korean ports. The opposition of Russia and China to these measures limited the extension of the new restrictions.<sup>48</sup> On 15 September, North Korea launched an intermediate ballistic missile, which flew over Japan at an altitude of 770 kilometres, triggering the response of the American Secretary of Defense, Jim Mattis, who reiterated that the military option was still on the table.

### 3.4. *Towards a possible inter-Korean thaw*

After the intermediate missile launch on 15 September, North Korea stopped its tests for several weeks, leading to a decrease in the level of tension. The South Korean offer of reopening the channels of communication between North and South and the invitation to participate to the Winter Olympic Games did not trigger any response from Pyongyang. Moon Jae-in's strategy of putting Seoul into the driver's seat of inter-Korean relations again was continuously frustrated by the highly personalised war of words between Trump and Kim Jong Un. In addition, Moon's strategy of pursuing a dual track policy of sanctions and dialogue was proving to be a failure, without any significant achievement in either of the two issues.

North Korea's *de facto* moratorium on tests ended on 29 November, when Pyongyang launched its most powerful missile, the Hwasong 15. It reached an apogee of 4,475 kilometres and flew for 1,000 kilometres and 50 minutes over the East Sea. Its potential range appeared to be of more than 13,000 kilometres on a flat trajectory, putting the entire continental United States within its reach.<sup>49</sup> The North Korean authorities affirmed that the country had reached the completion of the state nuclear and missile programme with this last test. The condemnation of the international community followed the usual path of sanctions from the UN Security Council. Resolution 2397, approved on 22 December, tightened the measures on oil imports and labour abroad, with a stricter cap on imports of oil and refined products and the repatriation of all North Korean workers abroad within 24 months.<sup>50</sup>

In November, an incident inside the Demilitarized Zone (DMZ) risked provoking a conflict between the two Koreas. On 13 November, a North Korean soldier succeeded in defecting to the South, crossing the border through the village of Panmunjom. He drove a military vehicle towards the line and then started to run towards the southern part while North Korean soldiers were shooting at him. The defector then took cover near a

48. Ankit Panda, 'UN Security Council Adopts New Sanctions After North Korea's Sixth Nuclear Test', *The Diplomat*, 12 September 2017.

49. Justin McCurry & Julina Berger, 'North Korea missile launch: regime says new rocket can hit anywhere in US', *The Guardian*, 29 November 2017.

50. Rodrigo Campos & Hyonhee Shin, 'U.N. Security Council imposes new sanctions on North Korea over missile test', *Reuters*, 21 December 2017.



building in the South and was later taken to the hospital by South Korean and American soldiers. The video footage of the escape showed that North Korean soldiers violated the armistice of 1953 when they fired weapons across the border and also when a soldier briefly crossed the borderline, before retreating quickly, while chasing the defector.

Despite the official recognition of the violation by the UN Command, the South Korean government decided not to escalate the situation and refrained from taking any specific countermeasure, apart from warning the North not to repeat the violation and broadcasting the news about the defection through loudspeakers.<sup>51</sup> A further defection through the DMZ occurred on 20 December, when a low ranking soldier fled through the fog towards the South from a guard post in the North. This time the North Korean soldiers did not fire upon the defector, but the South Koreans later fired 20 warning shots at the border guards who were searching for the defectors, followed 40 minutes later by similar gunfire from the North.<sup>52</sup>

In spite of these events, diplomatic contacts between the two Koreas continued under the surface, especially regarding the participation of North Korea to the Winter Olympics. In December, the governor of Gangwon province, where the Olympic venue was located, travelled to China for an international junior soccer tournament to meet North Korean officials and support the participation of their athletes in the Olympic Games. At the same time, Moon Jae-in, during a television interview, suggested that South Korea and the US could postpone the joint military exercises after the Olympic and Paralympic Games, if North Korea decided to stop its provocations.<sup>53</sup> This statement was a clear signal aimed at Pyongyang and showed Seoul's willingness to take practical steps to convince North Korea to participate. In the last days of the year, expectations were high for Kim Jong Un's New Year address, which always includes policy indication for inter-Korean relations.<sup>54</sup> Moon's strategy to engage Pyongyang seemed to work, at least for what concerned the Olympics: in his speech, Kim directly addressed the issue and appeared to be open to the possibility of sending a North Korean delegation to the Games. He went so far as to wish for the success of the Winter Olympics, in a rare turnaround of the regime's usual rhetoric against Seoul.<sup>55</sup>

51. 'South Korea warns North not to repeat armistice violation', *Reuters*, 26 November 2017.

52. Gerry Mullany, 'North Korean Soldier Defects Through DMZ, and Gunfire Erupts', *The New York Times*, 20 December 2017.

53. Richard Engel & Kennett Werner, 'North Korea tensions: South urges U.S. to delay military drills ahead of Olympics', *NBC News*, 19 December 2017.

54. Song Sang-ho, 'Uncertainties shroud prospect of dialogue with N. Korea in 2018', *Yonhap News Agency*, 25 December 2017.

55. Ankit Panda, '3 Takeaways From Kim Jong-un's 2018 New Year's Address', *The Diplomat*, 1 January 2018.

Notwithstanding the many issues that increased tension in the peninsula during 2017, in particular the confrontation between North Korea and the United States, the year ended on a much more positive tone in terms of inter-Korean dialogue. No doubt Moon Jae-in's election had been crucial for this improvement.

#### *4. International relations*

##### *4.1. The increasing tensions between North Korea and the United States*

The combined effect of the election of Donald Trump and of North Korea's implementation of its nuclear and missile programmes produced a sharp deterioration in relations between the two countries. This highly influenced the security and stability of the entire region. Kim Jong Un inaugurated 2017 with a pledge to obtain an ICBM in the following months, and Trump immediately responded, using Twitter, stating that he would not allow that to happen.<sup>56</sup> This exchange between the two leaders set the tone for US-North Korea relations during the rest of the year and consolidated a dynamic of threat and response.

The Trump administration identified North Korea's missile and nuclear programmes as the top national security concern right from the beginning, at the recommendation of the outgoing administration. In order to reassure the allies, especially after some of Trump's controversial remarks over the US commitment in the region during his electoral campaign, the new administration sent Secretary of Defence Jim Mattis to South Korea in early February, a few weeks after the inauguration. North Korea was also a high priority in the first official visit to the new US president of Japanese Prime Minister Shinzo Abe, during which Pyongyang tested an intermediate ballistic missile launched from a submarine. The US, Japan and South Korea immediately condemned the test and called for a meeting of the UN Security Council. However, Trump's reaction on this occasion was rather moderate and focused on reassuring the allies, especially Japan, that the United States was fully committed to their security.<sup>57</sup>

The main reason behind Trump's unexpected restraint was that the new president, being in his first weeks in office, had not yet formulated a coherent North Korea strategy. In addition, during his electoral campaign, Trump had repeatedly called upon China to intervene and force the North Korean regime to renounce its nuclear ambition, with statements such as: «China has [...] total control over North Korea. And China should solve

56. 'Trump: North Korea intercontinental missile «won't happen»', *BBC World News*, 3 January 2017.

57. 'North Korea claims missile test success as China rejects US criticism', *The Guardian*, 13 February 2017.

that problem. And if they don't solve the problem, we should make trade very difficult for China.»<sup>58</sup> Coherently with his campaign stands, in the first phase of his first year in office, the new US president focused on pressuring China to resolve the issue.

Kim Jong Nam's murder in mid-February heavily influenced Pyongyang's international relations, also with the US. In the weeks after the murder, Malaysia and North Korea started a diplomatic dispute that escalated to the point of the ejection of the North Korean ambassador and a refusal by both countries to allow the departure of the other's citizens. The controversy ended when Malaysia backed down, releasing the body of Kim Jong Nam to North Korea along with three men involved in the investigation. In the process North Korea gave up its good relations with Malaysia, however, losing visa-free access to Malaysia for its citizens.

The US government and media emphasised the use of a VX nerve agent, which also raised the issue of North Korea's chemical and biological capabilities, labelling Kim Jong Nam's murder as state-sponsored terrorism. This first increase of tension led Washington to cancel unofficial talks between analysts and former officials from the two countries, scheduled for 1 March in New York.

When the «Foal Eagle» joint military exercises between the US and South Korea began in March, tensions were already high and North Korea responded with more missile launches, on 6 March. After Tillerson's visit to South Korea, a new and more aggressive approach by the US administration started to take shape. In early April, the Trump administration completed its North Korea policy review, pushing back military options in favour of heightened sanctions and strengthened deterrence. However, speculation about the option of a pre-emptive military strike emerged, fuelled by America's significant moves in other theatres, such as the strike on Syria and the attack in Afghanistan with the largest non-nuclear bomb in the US arsenal. The meeting between Trump and Xi Jinping at Mar-a-Lago, on 6 and 7 April, was very relevant for the US-North Korea policy. The two leaders found a common ground in denouncing the advancements in Pyongyang's nuclear and missile capabilities, but Xi also explained to the American president the limits of Chinese influence over the North Korean regime.

After Xi's visit and following new provocations from North Korea, including a massive show of force during the 15 April military parade and new tests on 4 April, 15 April and 28 April, the US policy started to move toward a more proactive and assertive approach. In his speech to the UN Security Council, on 28 April, Secretary of State Tillerson stated that in case of a diplomatic failure the US was ready to act also militarily, and the same

58. Colin Campbell, 'DONALD TRUMP: Here's how I'd handle that «madman» in North Korea', *The Business Insider Australia*, 7 January 2017.

day President Trump affirmed during an interview that a major conflict with North Korea was possible.<sup>59</sup>

Despite this threatening rhetoric, the new approach launched by Washington, labelled as «maximum pressure», posed a specific emphasis on imposing new sanctions on North Korea to force the country to dismantle its nuclear programme. Trump vowed from the very beginning that his approach would be different from Obama's strategic patience. But when he launched his policy it didn't seem to be much different from that of his predecessor. The main instrument was still represented by sanctions and by consolidating an international broad consensus to isolate North Korea. The difference was represented by the periodical hints at the threat of a military attack against nuclear and missile facilities. A further characteristic of the US new approach was the co-existence of a dualism between the hard line, embodied by the president and his National Security Advisor, Lt. Gen. H.R. McMaster, and a more conciliatory stance championed by Secretary of State Tillerson. This dualism created confusion and risked sending mixed signals especially to the US allies in the region.

The already tense and complicated relations between Washington and Pyongyang worsened on 12 June, when North Korea released the American citizen Otto Warmbier who was arrested in 2016 while visiting the country. Before Warmbier's release, North Korean officials advised the American government that the student had been in a coma for more than one year and that his health was rapidly declining. A week after returning to the US, Otto Warmbier died. The conditions of his detention in North Korea and the causes of his death remained unclear, also because Otto's parents did not allow an autopsy. President Trump reacted by reaching out to the family and vowing to make North Korean authority accountable for what had happened.<sup>60</sup> The US Department of State issued a travel ban on American citizens to North Korea and the Treasury Department imposed new financial sanctions against the regime.

During the summer tensions reached the highest point after the successful ICBM tests on 4 and 28 July. In addition to the UNSC resolution (see above), President Trump started to send clear messages to North Korea about his growing preference for a military solution. He constantly reiterated the concept of «all options on the table», adding that «talking is not the answer», in a clear rebuff of South Korea's emphasis on the need for dialogue, and stating that the US would meet North Korean provocations

59. Stephen J. Adler, Steve Holland & Jeff Mason, 'Exclusive: Trump says «major, major» conflict with North Korea possible, but seeks diplomacy', *Reuters*, 27 April 2017.

60. Stephen Noerper, 'US-Korea relations: Missiles Fire and Fury', *Comparative Connections*, Vol. 19, No. 2, 2017.

with «fire and fury like the world has never seen».<sup>61</sup> Pyongyang responded to these messages, threatening to launch a missile towards the American territory of Guam.

The sixth, and most powerful, North Korean nuclear test in September exacerbated tension even more. As a reaction, President Trump decided to continue his «war of words» against Kim Jong Un and the North Korean regime. During his speech at the UN General Assembly, on 19 September, the American president threatened to totally destroy North Korea, if the regime continued to pursue its strategy of developing nuclear weapons and missiles. He also used derogatory terms when referring to the North Korean leader. Kim Jong Un responded to Trump's address to the General Assembly with an unexpected televised speech just three days later, in which he replied to the threats and the insulting language of the American President, while the North Korean ambassador to the UN, Ri Yong Ho, compared Trump's words to a declaration of war.

The continuous use of the threat of a military option against North Korea proved to be counterproductive for the American administration, especially after the UN speech. On one side, Kim Jong Un used this rhetoric to reinforce his claims that the US was threatening North Korea and that a reliable nuclear deterrent was necessary to protect his country. On the other, the possibility of a new war in the Korean peninsula started to erode the international consensus on the American strategy of maximum pressure on Pyongyang. China and Russia were pushing for opening a dialogue and for a negotiated solution to the crisis. But also South Korea, fearing the tragic possibility of an armed conflict on its own territory, started to distance itself from the US approach. The threat of totally destroying a country of 25 million people – and not only its authoritarian regime – as well as being launched from the podium of the UN General Assembly undermined the international image of the United States.

The temporary halt to missile launches after 15 September slightly decreased the tension and gave the US the possibility to partially change its approach. Trump's administration was still totally committed to its strategy of maximum pressure, but the rhetoric started to move away from the military threats towards an emphasis on the North Korean regime's violation of human rights, and the possibility of a better future for the country and its population in the event of denuclearisation. This shift was clearly reflected in Trump's visit to South Korea, in early November. After his inflammatory speech at the UN General Assembly, there were concerns in South Korea about the tone of the visit, especially in relation to Trump's address at the National Assembly. But on this occasion, Trump appeared to be more moderate and reassuring. In his speech, he directed sharp criticism towards North Korea, also with regard to human rights abuses and

61. *Ibid.*

human security issues. However, he did not directly threaten Pyongyang with a military attack, calling for more international cooperation and even offering a «brighter path» for North Korea, in the event that the regime decided to dismantle the nuclear programme.<sup>62</sup>

The resumption of missile launches, with the test of the Hwasong 15 on 29 November, increased tension once again, but without reaching the dangerous levels of August and September. In a symbolic move, given the extent of the sanctions already in place, the Trump administration re-listed North Korea as a state sponsor of terrorism, because of its alleged involvement in recent cyber-attacks and on the assassination of Kim Jong Nam with a chemical attack. In mid-December, Tillerson reaffirmed that the US was ready to start some form of dialogue with North Korea without specific pre-conditions, but the White House promptly contradicted his Secretary of State, stating that dialogue was not an option until Pyongyang fundamentally improved its behaviour.<sup>63</sup> This contradictory exchange between two branches of the same administration confirmed the existence of a dual approach towards North Korea: the Department of State adopting a more conciliatory perspective, and the White House following a hard-line policy.

#### *4.2. Relations between South Korea and the United States under the new presidents*

The relations between South Korea and the US in 2017 have been highly influenced by the new presidencies in both countries. The election of Donald Trump raised concerns in South Korea, especially for some of the positions taken during his electoral campaign. Trump's emphasis on the domestic problems of the US, epitomised by his slogan «Make America Great Again», suggested a more isolationist foreign policy in comparison with Obama's policy of rebalancing towards Asia. Regarding South Korea, concerns focused around the American security commitment to the peninsula and the free trade agreement between the two countries, the so-called KORUS FTA.

After his inauguration, and with renewed provocations from North Korea, Trump reassured its ally, despatching high-level officials to the Korean peninsula in the first weeks: Secretary of Defense Jim Mattis travelled to South Korea in early February, Secretary of State Tillerson in March, Vice President Mike Pence in April and CIA director Mike Pompeo in May. Further reassurance came with the deployment of the anti-missile system Terminal High Altitude Aerial Defense (THAAD). The decision

62. 'Donald Trump's South Korea speech: the key points', *The Guardian*, 7 November 2017.

63. Julian Borger, 'White House contradicts Tillerson and says not right time for North Korea talks', *The Guardian*, 13 December 2017.

to install this system in the peninsula had been very controversial. In particular, it caused vehement protests by China, and also retaliation in the economic and cultural sectors. After the first North Korean missile launches in February and March, South Korean acting president Hwang called for an early deployment of the system. The first two launchers were installed in April and became operational on 2 May, ahead of the original schedule. On 7 September the deployment of the remaining four launchers began.

Tensions between US and South Korea briefly increased in April 2017, when President Trump claimed that it was appropriate for South Korea to pay for the cost of THAAD.<sup>64</sup> This statement was later retracted, but it reinforced the idea that under the new American administration South Korea would have to bear a greater commitment for its security.

The second crucial event in US-South Korea relations has been the election of Moon Jae-in. Before his election, Moon made clear that he was planning to change the country's foreign policy, following the traditional principles of South Korean progressive parties: improvement of inter-Korean dialogue and cooperation, a more independent policy vis-à-vis the US and rapprochement with China. Obviously, these premises risked paving the way for an increase in tension between Washington and Seoul. For example, concerning the THAAD system, Moon had a more critical perspective compared to his predecessor. According to his view, the decision over the deployment should have been left to the new South Korean president and, since the agreement was already in place, he vowed to review the legitimacy of the decision, in consultation with the US but, significantly, also with China.<sup>65</sup>

On the eve of the first meeting between the two Presidents, which took place on 29 and 30 June, the existing divergences raised concerns.<sup>66</sup> But those fears were overestimated and the meeting was held in a friendly atmosphere. In the final declaration, the two leaders emphasised the importance of enhancing both their military defences and sanctions against North Korea. The final declaration also highlighted the US-South Korea commitment to promote regional cooperation – especially trilateral relations between US-South Korea-Japan, but without mentioning China. The need for a truly fair and balanced trade relation, with a clear reference to Trump's pledge to review the KORUS FTA, was also mentioned. As already noted, the general impression was that Moon had decided to make ample concessions to the American ally, at least compared to his election campaign stand. Clearly his aim was to avoid a weakening of the alliance and starting relations with Trump in a productive way.

64. 'THAAD on the Korean Peninsula', *ISDP Backgrounder*, October 2017.

65. Ben Weller, 'Top South Korean Presidential Candidate to Review THAAD Process', *Reuters*, 17 March 2017.

66. Mark Landler, 'Trump Welcomes South Korean Leader as Options on the North Wane', *The New York Times*, 27 June 2017.

Despite the positive atmosphere of the meeting, several fissures remained between the two countries. The US emphasis on the hard-line towards North Korea left little room for Moon Jae-in to pursue inter-Korean dialogue and cooperation. In particular, Trump's rebuke of dialogue initiatives as useless or as appeasement signalled the persistent distance between Seoul and Washington on this issue. In addition, the tendency of President Trump to consult less with the South Korean president than with Japanese Prime Minister Shinzō Abe regarding North Korea irritated Seoul. Finally, the debate over the revision of the KORUS FTA created serious friction between the two administrations.

In his broader attack against US free trade deals, Trump had strongly criticised the agreement, indicating it to be one of the worst and most unfair trade deals for the United States. During an interview in April he defined the agreement as «horrible» and also stated that it «destroyed» the country's economy and threatened to terminate it. These criticisms were based on the fact that from 2012, the year of the implementation of the FTA, to 2016, the American trade deficit in goods with South Korea had more than doubled. The South Korean Trade Ministry, and also many analysts in the US, questioned the real role of the KORUS in increasing the deficit, and pointed to the American surplus in the service component of trade.<sup>67</sup>

Despite the reluctance of South Korea to review the deal, Trump's threats to terminate it completely convinced the government to hold special talks in order to address the issue. In the first session, on 22 August, the two parties did not reach any agreement. A second round was scheduled for 4 October, after a meeting between South Korean Trade Minister Kim Hyun-chong and US Trade Representative Robert Lighthizer.<sup>68</sup> The second round ended in success for the American administration. In fact, both parties recognised the need to amend the agreement and to enhance mutual benefits.<sup>69</sup> This compromise solution avoided the extreme measures of terminating the agreement – which was opposed also by some members of the US administration fearing that it might have weakened the security alliance with South Korea – and gave the two parties more time to prepare for a smoother transition.

The more conciliatory tone of Trump's state visit to South Korea in November helped in mitigating concerns about the risk of military attacks against North Korea but also about the US commitment to the alliance. In his speech at the National Assembly, the President refrained from further criticising the KORUS agreement. In spite of this improvement, some basic

67. Leslie Sheffer, 'Trump's aggressive drive against one «horrible» trade deal may break down', *CNBC*, 29 August 2017.

68. Cho Kye-wan, 'Second round of KORUS FTA special session set for Oct. 4', *Hankyoreh English Edition*, 25 September 2017.

69. Sofia Lottio Persio, 'Trump Scores First Win on «horrible» South Korea Trade Agreement', *Newsweek*, 5 October 2017.



differences in terms of policies between Trump and Moon Jae-in remained, with the risk of undermining the economic and security links between the two allies.

#### 4.3. *China's relations with the Korean peninsula*

Relations between the two Koreas and China during 2017 were also largely influenced by two elements: the development of North Korea's nuclear and missile programme, and the election of Moon Jae-in.

North Korea's repeated military provocations created concerns for the leadership in Beijing. Fearing instability in the region, China has always condemned Pyongyang's dangerous behaviour and supported, at least formally, UN Security Council's resolutions. The Chinese role in the issue was emphasised when Trump stressed the fact that Beijing could have done more in order to convince, or force, North Korea to dismantle its nuclear programme. In order to show its commitment to the international sanction regime, in February China suspended all coal imports from North Korea for the rest of the year, and in April ordered its trading companies to return the North Korean coal cargoes to North Korean ports.<sup>70</sup> The second move, which took place soon after Xi Jinping's visit to the US, was aimed at sending a clear signal that China was doing its part in implementing the sanctions. These decisions by the Chinese government worsened the already damaged relations between Beijing and Pyongyang. On 23 February the North Korea state news agency, Korean Central News Agency (KCNA), accused a «neighbouring country» of taking «inhumane steps» of «blocking foreign trade» and «dancing to the tune of the US». Again, on 23 April, KCNA threatened «catastrophic consequences for bilateral ties» in response to economic sanctions.<sup>71</sup>

During the escalation of tension between Washington and Pyongyang, Beijing tried to play the role of mediator, aimed especially at avoiding any possible armed conflict in the peninsula. Trump's continuous references to the possibility of a pre-emptive strike increased China's fear of a war at its border. During the summer escalation, Beijing reiterated its proposal of a «dual freeze»: a moratorium on nuclear and missile tests for Pyongyang, and the suspension of large-scale joint military exercises by the US and South Korea, as a starting point to de-escalate tension and start negotiations. The idea was first launched on 8 March by Chinese Foreign Minister Wang Yi, but it was rejected by both Seoul and Washington despite the fact that China kept pushing for this solution.

After Pyongyang conducted the two ICBM tests in July and the sixth nuclear test in September, President Xi committed to maximise pressure on

70. Meng Meng & John Ruwitch, 'Exclusive - North Korean ships head home after China orders coal returned', *Reuters*, 10 April 2017.

71. Scott Snyder & See-won Byun, 'China-Korea relations: Two Koreas defies Chinese sanctions', *Comparative Connections*, Vol. 19, No. 1, 2017.

North Korea through the full enforcement of the UN sanctions. The fact that Resolution 2375 was approved only eight days after the test, while usually those kind of deliberations come only after months of negotiation, might have signalled a stronger commitment by China. However, despite early indications of Chinese cooperation on the new sanctions, the resolution still reflected Beijing's priority not to destabilise the Pyongyang regime, limiting the scope of sanctions. The resolution in fact did not impose a complete oil embargo or asset-freeze against Kim Jong Un, as proposed by the US in the initial draft. China opposed a complete cut off of oil supplies also in the resolution that followed the November ICBM test. The distance between Chinese and American strategy on how to deal with North Korea remained, despite the fact that the new provocations pushed Beijing towards a maximum pressure approach.

North Korea's behaviour and Trump's dangerous rhetoric had the effect of drawing China and South Korea closer. The decision to deploy the THAAD system had seriously deteriorated relations between the two countries, exacerbated by China's asymmetric retaliations against South Korea in economic and cultural sectors.<sup>72</sup> Moon Jae-in's election paved the way for an improvement of relations. Moon's sceptical position on the THAAD issue was welcomed as a relevant improvement in Beijing. A few days after his inauguration, Moon spoke on the phone with President Xi stating his willingness to mend ties also by sending a special delegation to China. This change of attitude was acknowledged also by Foreign Minister Wang Yi in a press release on 22 May.<sup>73</sup> Prospects for a significant improvement of the relations waned again with Moon's support of THAAD before his first meeting with President Trump in Washington.<sup>74</sup> Beijing dismissed Seoul's proposal of three-way consultations on the issue, which included the creation of a joint panel to examine THAAD's technical specifications.

Despite this temporary setback, relations between South Korea and China had already been put on the right track for improvement. For both President Moon and President Xi the priority was to avoid an armed conflict between North Korea and the US. For this reason, China welcomed the more conciliatory approach of South Korea, which focused also on regional dialogue. At an international forum in Seoul on 17 October, South Korean prime minister Lee Nak-yeon indicated that Seoul was seeking cooperation from both the United States and China for a peaceful resolution of the North Korea issue. The same position was

72. Marco Milani, 'Korean Peninsula 2016: The never ending crisis', *Asia Maior* 2016, pp. 110-112.

73. 'Chinese FM urges S. Korea to «pull out the thorn» of Beijing-Seoul relations', *Xinhua*, 22 May 2017.

74. Choe Sang-hun, 'South Korea Voices Support for U.S. Antimissile System', *The New York Times*, 26 June 2017.

reiterated by President Moon at the ASEAN Plus Three and East Asian Summit in November.<sup>75</sup>

The final reconciliation between China and South Korea, after over one year of tension, came on 31 October when the foreign ministries of the two countries released coordinated statements aimed at normalising relations: «both sides shared the view that the strengthening of exchange and cooperation between Korea and China serves their common interests and agreed to expeditiously bring exchange and cooperation in all areas back on a normal development track.»<sup>76</sup> South Korea recognised China's concerns and made clear that the THAAD system was not aimed at any third countries but its only purpose was to defend the country from North Korea's missile threats. Beijing reiterated its opposition, but noticed Seoul's more conciliatory position and hoped that the issue could be appropriately handled.<sup>77</sup> The rapprochement sparked discussion in South Korea over whether Moon had agreed to the «three noes» requested by China: no further deployment of THAAD launchers, no integration of South Korean missile defence with US defence system, no to a trilateral security alliance including Japan.

The reconciliation paved the way for two summits between President Moon and President Xi: the APEC Forum in Vietnam on 11 November and South Korea's presidential state visit to China on 13 to 16 December. During the first meeting, the two leaders stressed the importance of their countries' relations and began the process of normalisation after the dispute over THAAD.<sup>78</sup> The final rapprochement came with Moon's visit to China. The relevance of the economic aspects of South Korea-China relations was emphasised by the presence of leaders of South Korea's biggest industrial conglomerates, such as Samsung, Hyundai, LG and others. In fact, the retaliations that China implemented during the dispute mainly affected economic and trade relations between the two countries. This emphasis on economic – but also cultural – cooperation was supported by a series of agreements signed by the respective ministers of trade, for an expansion of the free trade agreement, by the ministers of finance, to restart high-level talks on financial and economic issues, and by the ministers of agriculture.<sup>79</sup> Despite the positive developments of economic aspects and the fact that the two sides reached a consensus on advancing bilateral relations, they did not issue a joint statement

75. Scott Snyder & See-won Byun, 'China-Korea relations: Business as usual', *Comparative Connections*, Vol. 19, No. 3, 2018.

76. Christine Kim & Ben Blanchard, 'China, South Korea agree to mend ties after THAAD standoff', *Reuters*, 30 October 2017.

77. *Ibid.*

78. 'Leaders of S. Korea, China stress importance of bilateral relations in fence-mending summit', *Yonhap News Agency*, 11 November 2017.

79. 'China-Korea relations: Business as usual'.

signalling that China was not yet satisfied and was still sticking to a tough position for what concerned the anti-missile system.

The election of Moon Jae-in certainly represented a positive development for South Korea-China relations, compared to the last phase of the previous administration. The two countries found common ground for dealing with North Korea, emphasising the need for dialogue, together with pressure and sanctions. Also on the controversial issue of THAAD, Seoul showed its willingness to find a negotiated solution and in particular of seriously taking into account China's security concerns. This increasingly positive atmosphere between Seoul and Beijing underlined also the policy differences between South Korea and the US, reopening Seoul's complicated issue of managing relations between the two competing regional superpowers.