South Korea's New President: Into Rough Foreign Policy Waters

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MAX NURNUS, MAY 31 2017

The past year will be remembered as the most turbulent in South Korea's recent history. During the fall and winter, the media and prosecutors exposed a web of corruption, cronyism and nepotism between President Park Geun-hye, her closest confidante and several of the country's largest businesses. While South Korea is no stranger to political and economic scandals, its people had finally had enough at this point and took their outrage to the streets. Over several months, hundreds of thousands peacefully gathered every weekend in Seoul and other cities until Park was impeached by parliament in December 2016. Since then, the former president, her closest confidante and the vice-president of Samsung have been arrested and are awaiting trial.

The country, meanwhile, has moved on and elected a new president on May 9, 2017: Moon Jae-in, a former human rights lawyer and pro-democracy activist who spent time in prison during South Korea's authoritarian era. His election marks a break with nine years of conservative rule, yet he is by no means an outsider to the political establishment. Moon was a leading figure in a previous liberal government and narrowly lost the presidential election to Park in 2012. This time he won handily with 40% of the vote, which was almost twice the share of the runner-up. The candidates from the conservative camp were barely able to gather a third of the popular vote. South Koreans are hoping for a clean break with the past and pin high hopes on Moon. According to opinion polls, three out of four believe that he will do a good job in office. Moon is therefore starting his presidency with a sense of purpose and popular support – but will find himself in rough waters once he has to make his first foreign policy decisions.

The new government in Seoul faces a number of challenges in its relations with China and Japan, its two most important neighbors, and with the United States, its most important ally. These challenges are the results of the legacy left to Moon by the previous government as well as of the expectations he created during his election campaign. Much is at stake for South Korea, and not only because these countries are its most important trading partners and geopolitical heavyweights in their own right. Amiable relations with East Asia's other powers are indispensable for South Korea in order to deal with and defend itself against North Korea. This is truer than ever as North Korea is making progress in the development of nuclear weapons and ballistic missiles to deliver them, and as the new American government has declared this issue a 'top foreign policy priority' that has to be dealt with.

China: Picking up the Pieces

The first challenge for the Moon administration lies in its relations with China. For years, South Korea and its largest neighbor have been growing closer. South Korea trades more with the People's Republic than with the United States and Japan combined and signed a free trade agreement in 2015. During most months, almost half of all visitors to South Korea come from China. In September 2015, much was made of a trip by President Park to Beijing. During the visit she was positioned, together with only Vladimir Putin, alongside Xi Jinping to watch a military parade on Tiananmen Square. Observers subsequently spoke of 'an unusual degree of closeness' between the two heads of state and 'a new stage in bilateral diplomacy' between the two countries. Some even wondered whether South Korea was moving away from its long-standing relationship with the United States and towards China.

Little of this amiability is left today. The bone of contention is THAAD, short for Terminal High Altitude Area Defense,

an American weapons system able to detect and shoot down approaching ballistic missiles. In response to progress North Korea made in developing its ballistic missiles and equipping them with nuclear warheads, the Park government and the United States agreed last year to deploy one THAAD battery in South Korea. From the perspective of the Chinese government, this was unacceptable. It has criticized the decision to deploy the system as inappropriate for the threat that North Korea poses and as disproportionate as it can not only monitor and intercept missiles from North Korea but also from China. According to China's foreign minister, THAAD will thereby 'undermine the security interests of China' and 'shatter the regional strategic balance'. An editorial by China's state-run news agency labeled it 'a bad deal for South Korea and the region' that serves only the American interest in establishing a regional missile defense system.

Irrespective of Beijing's concerns, the THAAD battery arrived in South Korea in March and was deployed in the country's southern region in May. The government in Beijing followed up on its rhetoric by fueling anger among the Chinese population via state-run media and retaliated against South Korea with unofficial sanctions. The concerts of South Korean performers in the People's Republic were cancelled, travel agencies were instructed to stop selling package tours to South Korea. As a result, the number of tourists arriving from China fell by 40% from February to March. The Japanese-Korean company Lotte, which agreed to provide the South Korean government with land to deploy the THAAD battery, was punished equally for its role. Half of its stores in China were closed for dubious reasons, others saw protests and boycotts. The result: ties between South Korea and China have been described as being at their worst since the two countries established diplomatic relations in 1992.

The new government in Seoul will have to pick up the pieces of this once amiable relationship. During the election campaign, Moon repeatedly criticized the Park administration for ordering THAAD without a parliamentary decision and deploying it hastily. Yet, its reconsideration or even removal is hardly an option. Public opinion polls indicate that only a minority of South Koreans would support this step and that the dispute over the system has significantly changed the public's attitude towards China (Asan Institute, 2017: 3, 9). In this climate, it is difficult to imagine how any decision that questions the deployment of THAAD would not be perceived as bowing to China's coercive demands and allowing the People's Republic to directly influence South Korean security policy. The government in Beijing, at the same time, is unlikely to make concessions on this issue, especially after stirring up public outrage at home over the missile defense system. Even though Moon has declared the dialogue with China a priority, it will therefore be difficult for him to mend relations with South Korea's largest neighbor – which is, after all, the country with the greatest leverage over North Korea.

Japan: From Bad to Worse

The second challenge for the Moon government lies in the relations between South Korea and Japan. The ties between the two countries have been shaped by negative perceptions for years. Opinion polls indicate that the attitude of the South Korean public towards Japan is barely more favorable than towards North Korea, and that the Japanese Prime Minister Shinzo Abe is barely more popular than Kim Jong-un, the Supreme Leader of North Korea (Asan Institute, 2016: 9, 10). The dominant theme of these fraught relations are disputes about the two countries' shared history, and about whether Japan has shown genuine remorse for its colonialization of the Korean Peninsula (1910-1945) and its actions during the Second World War. Most prominent in this context are the disputes surrounding the so-called 'comfort women', a euphemism which refers to tens of thousands of girls and women from the Korean peninsula and other Asian countries who were forced into sexual slavery by the Japanese army.

Previous Japanese administrations had apologized on various occasions and organized compensation payments. Yet, conservative politicians in Japan repeatedly called into question the government's responsibility and whether the women were actually coerced. South Korea has therefore been reluctant to accept these apologies as sincere and appropriate. These differences were supposed to be resolved with a landmark agreement between the two countries in late 2015. The Japanese government expressed 'heartfelt apologies and remorse' for the 'immeasurable pain and incurable physical and psychological wounds' of the comfort women and accepted responsibility for their suffering; in addition, it agreed to pay $8.3 million into a fund to support the comfort women who are still alive. The South Korean government, in return, accepted this as the 'final and irreversible resolution' of the issue. Observers, although critical of the implementation of the agreement, therefore saw the relationship between South Korea and Japan on a way to

improvement in the following months.

At the same time, the agreement became a controversial issue in South Korea. As the negotiations leading up to the understanding did not involve consultation with any of the victims, and as the Japanese apology was not perceived as genuine, only a minority of South Koreans supported the agreement from the beginning. Several living comfort women rejected the agreement and the compensation payments by the Japanese government. As of the summer of 2016, three quarters of South Koreans still thought it a necessity to resolve the comfort women issue in order to improve bilateral relations (Genron NPO/East Asia Institute, 2016: 12). By the end of the year, six out of ten were in favor of outright scrapping the agreement. Since then, relations between the two countries have been deteriorating once again. In January, Japan temporarily withdrew its ambassador out of protest against a statue commemorating the comfort women that was erected in front of its consulate in Busan, the second-largest city in South Korea.

In line with public opinion, Moon Jae-in repeatedly drew into question the legitimacy of the comfort women agreement during the election campaign. He implied that the agreement should be renegotiated and, in his first days in office, told Prime Minister Abe during a phone call that the majority of South Koreans 'do not emotionally accept that agreement'. The new government in Seoul may therefore soon have to decide whether it wants to accede to popular sentiment and call the agreement into question – and thereby, most likely, terminate it. Abandoning this supposedly final and irreversible resolution would turn relations with Japan from bad to worse, undermining belief in South Korea's trustworthiness and only add to the feeling in Japan that no apology will ever suffice. Putting relations with Japan on a positive trajectory, or at least preventing a rupture, will therefore be a second challenge that Moon will have to face.

The deployment of THAAD as well as the comfort women agreement are legacies left to Moon by the government of Park Geun-hye. Moon has called into question the legitimacy of both outcomes – yet it is unlikely that this reasoning will be met with open ears in China and Japan. Both decisions were made by a democratically elected government that, at the time, had not yet lost the public's support. Whether South Korea's new government keeps or reverses these decisions, it will inevitably be unable to please both its neighbors and its domestic constituents.

United States: Dependent Independence

A third challenge awaits the new government in Seoul in its ties with the United States. Moon himself has described the relationship, at the center of which stand a military alliance and some 28.000 American troops deployed to South Korea, as 'the most important foundation for our diplomacy and national security'. At the same time, he has emphasized his belief that South Korea should preserve a degree of independence from its most important partner. In a book published earlier this year, Moon wrote that 'I am a pro-American, but we need to be able to negotiate American demands and to say No'. This implies the intention to readjust the relationship with the United States – which might require a balancing act as the ties of the two countries are poised to become more complicated in the near future.

This is likely to become most apparent in how South Korea and the United States engage North Korea. In response to the country's development and testing of nuclear weapons as well as ballistic missiles, the government of President Donald Trump has been foreshadowing a tough approach. It has emphasized that 'all options are on the table', including military strikes, and has called for 'far stronger sanctions against North Korea'. In addition, President Trump has expressed a willingness to engage in direct negotiations with North Korea and to meet Kim Jong-un. These plans coincide with Moon's ambitions – yet South Korea's new president has also proposed a more conciliatory approach to dealing with North Korea. His plans have been interpreted as following the spirit of the so-called Sunshine Policy which characterized the peaceful, cooperative approach of South Korea towards its northern neighbor from 1998 to 2008. Moon is no stranger to this idea. He was a close friend of and worked for President Roh Moo-hyun who enacted the Sunshine Policy in its purest form during the early 2000s.

If the South Korean government wants to follow through with its conciliatory ambitions, it will likely clash with the American approach towards North Korea. To pick but one example, among Moon's proposals is the reopening of the Kaesong Industrial Zone near the inter-Korean border. From 2002 on, companies from South Korea employed up to

50.000 North Korean workers in the area, thereby gaining access to cheap labor in exchange for providing North Korea with a source of foreign currency. The joint project of the two countries was put on halt in early 2016 in protest over North Korean missile tests. The South Korean government has since acknowledged that a large share of the money that went into the program was used to finance the North Korean nuclear weapons program and luxury items for the country's elites. Thus, reopening Kaesong would most likely violate United Nations sanctions imposed on North Korea's nuclear weapons program; it would furthermore help the country bypass sanctions which cut it off from the international financial system, and possibly violate sections of the free trade agreement between South Korea and the United States.

The outcome would be reminiscent of the situation in the early 2000s. While the South Korean government of President Roh approached North Korea with a focus on peaceful coexistence and economic cooperation, the American administration of President George W. Bush took a hardline stance towards North Korea's nuclear program. Neither of these divergent approaches led to lasting progress with the government in Pyongyang. Meanwhile, relations between South Korea and the United States were characterized by 'differences, tensions, and discomfort' (Joo, 2006: 58). Neither government has an interest in a recurrence of this situation – and the United States would certainly not react fondly to the impression that South Korea is undercutting the international community's sanctions on North Korea. If Moon intends to act upon his conciliatory rhetoric, he therefore faces the challenge of aligning his approach with that of the United States or managing a political rupture.

Beyond the issue of North Korea, the South Korean decisions regarding the THAAD deployment and the comfort women agreement will reverberate in its relations with the United States. Should the Moon government decide to remove the missile defense system from its territory, this would probably cast a dim light on its commitment to the military alliance with America and demonstrate China's ability to influence its policy. And should the Moon government decide to scrap the comfort women agreement with Japan, this would add another chapter to the long history of disputes between the two most important allies of the United States in the region. Two years ago, the American government already indicated its weariness of the situation. The then Under Secretary for Political Affairs described the persistent South Korean quarrels over historical issues as 'frustrating', producing 'paralysis, not progress'.

The challenge that the Moon administration faces in dealing with the United States is exaggerated by President Trump's attitude towards the country's alliance partnerships. In April he described the free trade agreement with South Korea as a 'horrible deal' and vowed to either renegotiate or scrap it. Shortly thereafter, he announced that South Korea would have to pay for the deployment of the American THAAD battery. This implicit rejection of a previous cost sharing agreement with South Korea was refuted by White House officials a few days later. Yet these statements illustrate that the rulebook of the shared alliance might be changing under President Trump's "America First" doctrine. This will make it difficult to carve out room for Moon's ambition to act with a degree of independence from the United States – and especially so for a country as dependent on American support as South Korea.

Rough Waters

In conclusion, the government of Moon Jae-in faces a number of foreign policy challenges that will determine South Korea's most important bilateral relations for years to come. Relations with China are at a low point, ties with Japan might soon deteriorate, and the alliance with the United States is poised to become more complicated. Especially with an eye towards domestic expectations which South Korea's new government faces, it is difficult to imagine how all the interests at play can be reconciled. In the worst case, South Korea might isolate itself regionally and irritate its most important partner. The timing is unfortunate. As America is getting serious about dealing with North Korea's nuclear program, and as tensions in East Asia as well as the security risks for South Korea are likely to rise, cooperation among the region's powers is more desirable than ever. President Moon may thus ride a wave of popular support at home – but will soon have to deal with much rougher waters.

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