

U.S. Department of Justice

Washington, DC 20530

**Supplemental Statement****Pursuant to the Foreign Agents Registration Act of 1938, as amended**

For Six Month Period Ending 08/31/2018

(Insert date)

**I - REGISTRANT**

1. (a) Name of Registrant

(b) Registration No.

Korea Economic Institute of America, Inc

3327

(c) Business Address(es) of Registrant

1800 K St. NW Suite 300

Washington, DC 20006

2. Has there been a change in the information previously furnished in connection with the following?

(a) If an individual:

(1) Residence address(es) Yes ☐ No ☐(2) Citizenship Yes ☐ No ☐(3) Occupation Yes ☐ No ☐

(b) If an organization:

(1) Name Yes ☐ No ☒(2) Ownership or control Yes ☐ No ☒(3) Branch offices Yes ☐ No ☒

(c) Explain fully all changes, if any, indicated in Items (a) and (b) above.

**IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, AND 5(a).**3. If you have previously filed Exhibit C<sup>1</sup>, state whether any changes therein have occurred during this 6 month reporting period.Yes ☐No ☒

If yes, have you filed an amendment to the Exhibit C?

Yes ☐No ☐

If no, please attach the required amendment.

<sup>1</sup> The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, and by laws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, National Security Division, U.S. Department of Justice, Washington, DC 20530.)

4. (a) Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period?

Yes ☐No ☒

If yes, furnish the following information:

Name

Position

Date Connection Ended

(b) Have any persons become partners, officers, directors or similar officials during this 6 month reporting period?

Yes ☐No ☒

If yes, furnish the following information:

Name

Residence Address

Citizenship

Position

Date Assumed

5. (a) Has any person named in Item 4(b) rendered services directly in furtherance of the interests of any foreign principal?

Yes ☐No ☒

If yes, identify each such person and describe the service rendered.

(b) During this six month reporting period, has the registrant hired as employees or in any other capacity, any persons who rendered or will render services to the registrant directly in furtherance of the interests of any foreign principal(s) in other than a clerical or secretarial, or in a related or similar capacity? Yes ☐ No ☒

Name

Residence Address

Citizenship

Position

Date Assumed

(c) Have any employees or individuals, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? Yes ☒ No ☐

If yes, furnish the following information:

Name

Position or Connection

Date Terminated

DONALD MANZULLO

PRESIDENT &amp; CEO

06/30/2018

JIN KYO SUH

BOARD MEMBER

07/20/2018

JENNA GIBSON

DIRECTOR OF COMMUNICATIONS

08/31/2018

(d) Have any employees or individuals, who have filed a short form registration statement, terminated their connection with any foreign principal during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name

Position or Connection

Foreign Principal

Date Terminated

6. Have short form registration statements been filed by all of the persons named in Items 5(a) and 5(b) of the supplemental statement?

Yes ☒No ☐

If no, list names of persons who have not filed the required statement.

**II - FOREIGN PRINCIPAL**

7. Has your connection with any foreign principal ended during this 6 month reporting period? Yes ☐ No ☒  
If yes, furnish the following information:

Foreign Principal

Date of Termination

8. Have you acquired any new foreign principal(s)<sup>2</sup> during this 6 month reporting period? Yes ☐ No ☒  
If yes, furnish the following information:

Name and Address of Foreign Principal(s)

Date Acquired

9. In addition to those named in Items 7 and 8, if any, list foreign principal(s)<sup>2</sup> whom you continued to represent during the 6 month reporting period.

KOREA INSTITUTE FOR INTERNATIONAL ECONOMIC POLICY (KIEP)

10. (a) Have you filed exhibits for the newly acquired foreign principal(s), if any, listed in Item 8?

Exhibit A<sup>3</sup> Yes ☐ No ☒Exhibit B<sup>4</sup> Yes ☐ No ☒

If no, please attach the required exhibit.

- (b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period? Yes ☐ No ☒

If yes, have you filed an amendment to these exhibits? Yes ☐ No ☒

If no, please attach the required amendment.

2 The term "foreign principal" includes, in addition to those defined in Section 1(b) of the Act, an individual organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a) (9)). A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

3 The Exhibit A, which is filed on Form NSD-3, sets forth the information required to be disclosed concerning each foreign principal.

4 The Exhibit B, which is filed on Form NSD-4, sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

**III - ACTIVITIES**

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 7, 8, or 9 of this statement? Yes ☐ No ☐

If yes, identify each foreign principal and describe in full detail your activities and services:

THE KOREA INSTITUTE FOR INTERNATIONAL ECONOMIC POLICY (KIEP) WAS FOUNDED IN 1990 AS A GOVERNMENT-FUNDED ECONOMIC RESEARCH INSTITUTE IN THE REPUBLIC OF KOREA. IT IS A LEADING INSTITUTE CONCERNING THE INTERNATIONAL ECONOMY AND ITS RELATIONSHIP WITH KOREA. KIEP ADVISES THE KOREAN GOVERNMENT ON ALL MAJOR INTERNATIONAL ECONOMIC POLICY ISSUES AND SERVES AS A WAREHOUSE OF INFORMATION ON KOREA'S INTERNATIONAL ECONOMIC POLICIES, FURTHER, KIEP CARRIES OUT RESEARCH BY REQUEST FROM OUTSIDE INSTITUTIONS AND ORGANIZATIONS ON ALL AREAS OF KOREAN AND INTERNATIONAL ECONOMIES BY REQUEST. THE REGISTRANT'S OBJECTIVE IS TO PROMOTE DIALOGUE AND UNDERSTANDING BETWEEN THE REPUBLIC OF KOREA AND THE UNITED STATES OF AMERICA, PARTICULARLY IN THE AREA OF ECONOMIC RELATIONS BUT ALSO ON SECURITY AND OTHER ISSUES SIGNIFICANTLY AFFECTING THE RELATIONSHIP BETWEEN THE TWO COUNTRIES.

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity<sup>5</sup> as defined below? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

PLEASE SEE ATTACHED THE INFORMATION

13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits your foreign principal(s)? Yes ☐ No ☒

If yes, describe fully.

<sup>5</sup> "Political activity," as defined in Section 1(o) of the Act, means any activity that the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

## IV - FINANCIAL INFORMATION

## 14. (a) RECEIPTS-MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 7, 8, or 9 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes ☒ No ☐

If no, explain why.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.<sup>6</sup>

| Date       | From Whom                                               | Purpose      | Amount       |
|------------|---------------------------------------------------------|--------------|--------------|
| 03/21/2018 | KOREA INSTITUTE<br>FOR INTERNATIONAL<br>ECONOMIC POLICY | PER CONTRACT | \$ 666,011   |
| 06/15/2018 | KOREA INSTITUTE<br>FOR INTERNATIONAL<br>ECONOMIC POLICY | PER CONTRACT | \$ 646,282   |
|            |                                                         |              | \$ 1,312,293 |
|            |                                                         |              | Total        |

## (b) RECEIPTS - FUNDRAISING CAMPAIGN

During this 6 month reporting period, have you received, as part of a fundraising campaign<sup>7</sup>, any money on behalf of any foreign principal named in Items 7, 8, or 9 of this statement? Yes ☐ No ☒

If yes, have you filed an Exhibit D<sup>8</sup> to your registration? Yes ☐ No ☐

If yes, indicate the date the Exhibit D was filed. Date \_\_\_\_\_

## (c) RECEIPTS-THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value<sup>9</sup> other than money from any foreign principal named in Items 7, 8, or 9 of this statement, or from any other source, for or in the interests of any such foreign principal?

Yes ☐ No ☒

If yes, furnish the following information:

| Foreign Principal | Date Received | Thing of Value | Purpose |
|-------------------|---------------|----------------|---------|
|-------------------|---------------|----------------|---------|

6, 7 A registrant is required to file an Exhibit D if he collects or receives contributions, loans, moneys, or other things of value for a foreign principal, as part of a fundraising campaign. (See Rule 201(e)).

8 An Exhibit D, for which no printed form is provided, sets forth an account of money collected or received as a result of a fundraising campaign and transmitted for a foreign principal.

9 Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

**15. (a) DISBURSEMENTS-MONIES**

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 7, 8, or 9 of this statement? Yes ☒ No ☐(2) transmitted monies to any such foreign principal? Yes ☐ No ☒

If no, explain in full detail why there were no disbursements made on behalf of any foreign principal.

REGISTRANT TRANSITS MONIES WHEN WE HAVE REIMBURSEMENTS TO BE MADE FOR THE FOREIGN PRINCIPAL

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

| Date | To Whom | Purpose | Amount |
|------|---------|---------|--------|
|------|---------|---------|--------|

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Total

**(b) DISBURSEMENTS-THINGS OF VALUE**

During this 6 month reporting period, have you disposed of anything of value<sup>10</sup> other than money in furtherance of or in connection with activities on behalf of any foreign principal named in Items 7, 8, or 9 of this statement?

Yes ☐No ☒

If yes, furnish the following information:

| Date | Recipient | Foreign Principal | Thing of Value | Purpose |
|------|-----------|-------------------|----------------|---------|
|------|-----------|-------------------|----------------|---------|

**(c) DISBURSEMENTS-POLITICAL CONTRIBUTIONS**

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value<sup>11</sup> in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?

Yes ☐No ☒

If yes, furnish the following information:

| Date | Amount or Thing of Value | Political Organization or Candidate | Location of Event |
|------|--------------------------|-------------------------------------|-------------------|
|------|--------------------------|-------------------------------------|-------------------|

<sup>10, 11</sup> Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

**V - INFORMATIONAL MATERIALS**

16. (a) During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any informational materials?<sup>12</sup>

Yes ☒ No ☐

If Yes, go to Item 17.

(b) If you answered No to Item 16(a), do you disseminate any material in connection with your registration?

Yes ☐ No ☐

If Yes, please forward the materials disseminated during the six month period to the Registration Unit for review.

17. Identify each such foreign principal.

DURING THE 6 MONTH PERIOD, KEIA HAS PUBLISHED ACADEMIC PAPER SERIES PAPERS, JOINT U.S. - KOREA ACADEMIC STUDIES PUBLICATION AND BLOG ARTICLES. ALL THESE ITEMS ARE ALSO AVAILABLE ON KEIA'S WEBSITE.

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating informational materials? Yes ☒ No ☐

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

PLEASE SEE ATTACHED INFORMATION (BUDGET\_JUNE 2018)

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of informational materials include the use of any of the following:

- ☒ Radio or TV broadcasts ☒ Magazine or newspaper ☐ Motion picture films ☐ Letters or telegrams  
☐ Advertising campaigns ☒ Press releases ☒ Pamphlets or other publications ☒ Lectures or speeches  
☐ Other (specify) \_\_\_\_\_

**Electronic Communications**

- ☒ Email  
☒ Website URL(s): WWW.KEIA.ORG  
☒ Social media websites URL(s): FACEBOOK.COM/KOREAECONINSTITUTE, TWITTER.COM/KOREAECONINST  
☐ Other (specify) \_\_\_\_\_

20. During this 6 month reporting period, did you disseminate or cause to be disseminated informational materials among any of the following groups:

- ☒ Public officials ☒ Newspapers ☒ Libraries  
☒ Legislators ☐ Editors ☒ Educational institutions  
☒ Government agencies ☒ Civic groups or associations ☐ Nationality groups  
☐ Other (specify) \_\_\_\_\_

21. What language was used in the informational materials:

- ☒ English ☐ Other (specify) \_\_\_\_\_

22. Did you file with the Registration Unit, U.S. Department of Justice a copy of each item of such informational materials disseminated or caused to be disseminated during this 6 month reporting period? Yes ☒ No ☐

23. Did you label each item of such informational materials with the statement required by Section 4(b) of the Act?

Yes ☒ No ☐

<sup>12</sup> The term informational materials includes any oral, visual, graphic, written, or pictorial information or matter of any kind, including that published by means of advertising, books, periodicals, newspapers, lectures, broadcasts, motion pictures, or any means or instrumentality of interstate or foreign commerce or otherwise. Informational materials disseminated by an agent of a foreign principal as part of an activity in itself exempt from registration, or an activity which by itself would not require registration, need not be filed pursuant to Section 4(b) of the Act.

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**VI - EXECUTION**

In accordance with 28 U.S.C. § 1746, the undersigned swear(s) or affirm(s) under penalty of perjury that he/she has (they have) read the information set forth in this registration statement and the attached exhibits and that he/she is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his/her (their) knowledge and belief, except that the undersigned make(s) no representation as to truth or accuracy of the information contained in the attached Short Form Registration Statement(s), if any, insofar as such information is not within his/her (their) personal knowledge.

(Date of signature)

(Print or type name under each signature or provide electronic signature<sup>13</sup>)

September 26, 2018

/s/ Min Kang

eSigned

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<sup>13</sup> This statement shall be signed by the individual agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions, if the registrant is an organization, except that the organization can, by power of attorney, authorize one or more individuals to execute this statement on its behalf.

## Korea Economic Institute of America, Inc (KEI)

Budget Expenditures through June 30, 2018

| 2018 Total Operating Budget (운영예산) |                                          | Planned      | Actual Fund Received |  |  |
|------------------------------------|------------------------------------------|--------------|----------------------|--|--|
| Contributions                      | KIEP Allotment (2.76 Billion Korean Won) | \$ 2,442,500 | \$ 1,215,926         |  |  |
| Contributions Total                |                                          | \$ 2,442,500 | \$ 1,215,926         |  |  |

| Budget Category              |                                                                                                | 2017 Expended (a) | 2018 Planned (b) | 2018 Expended (c) | Variance (b)-(c) | % (c)/(b) | Unit: (\$) |
|------------------------------|------------------------------------------------------------------------------------------------|-------------------|------------------|-------------------|------------------|-----------|------------|
| 예산과목(대)                      | 예산과목(소)                                                                                        | 2017 집행액          | 2018 예산액         | 2018 집행액          | 집행잔액             | 집행비율      |            |
| Operational (정상운영비)          | Equipment Supplies and Maintenance (장비보조비 및 관리비)                                               | \$ 721            | \$ -             | \$ -              | \$ -             | 0%        |            |
|                              | Computer Maintenance (사무용 컴퓨터 유지비)                                                             | \$ 38,221         | \$ 38,000        | \$ 15,810         | \$ 22,190        | 42%       |            |
|                              | Office & Liability Insurance (사무실 보험, 책임보험료)                                                   | \$ 25,516         | \$ 25,500        | \$ 25,924         | \$ (424)         | 102%      |            |
|                              | Office Supplies, incl. Postage & Printing (소모품비, 프린트, 우편요금)                                    | \$ 15,493         | \$ 5,000         | \$ 7,770          | \$ (2,770)       | 155%      |            |
|                              | Attendance to International/Domestic Conferences & Travel to KIEP (국내외 학회 프로그램 및 KIEP 방문 이동경비) | \$ 10,113         | \$ 10,000        | \$ 3,271          | \$ 6,729         | 33%       |            |
|                              | Services & Fees (일반 용역비)                                                                       | \$ 58,401         | \$ 45,000        | \$ 35,282         | \$ 9,718         | 78%       |            |
|                              | Rent & Associated Expenses (사무실 임대료 및 관리비)                                                     | \$ 540,982        | \$ 545,000       | \$ 268,378        | \$ 276,622       | 49%       |            |
|                              | Representation (업무주진비 및 홍보비)                                                                   | \$ 11,613         | \$ 10,000        | \$ 10,185         | \$ (185)         | 102%      |            |
|                              | Telephone, Fax and Network (통신비)                                                               | \$ 15,508         | \$ 15,000        | \$ 7,680          | \$ 7,320         | 51%       |            |
|                              | Local Travel Expenses (업무 교통비)                                                                 | \$ 1,549          | \$ 1,500         | \$ 429            | \$ 1,071         | 28%       |            |
|                              | Intern Expenses (인턴비)                                                                          | \$ 2,762          | \$ 2,500         | \$ 454            | \$ 2,046         | 18%       |            |
|                              | Operational Total                                                                              | \$ 718,880        | \$ 697,500       | \$ 375,183        | \$ 322,317       | 54%       |            |
| Programs (일반사업비)             | Programs on U.S.-Korea Relations (한미관계 강화사업)                                                   |                   |                  |                   |                  |           |            |
|                              | National Assembly Visit (국회 프로그램)                                                              | \$ 81,031         | \$ 95,000        | \$ 2,985          | \$ 92,015        | 3%        |            |
|                              | Korean-American Day Celebration (미주 한인의 날 행사)                                                  | \$ 39,802         | \$ 40,000        | \$ 38,852         | \$ 1,148         | 97%       |            |
|                              | Opinion Leaders Seminar (한미여론 주도형 세미나)                                                         | \$ 140,374        | \$ 120,000       | \$ 80,011         | \$ 39,989        | 67%       |            |
|                              | Outreach Programs (지역 협력사업)                                                                    |                   |                  |                   |                  |           |            |
|                              | Ambassadors' Dialogue (대사와의 대화 공동설명회)                                                          | Not held          | On Hold          | \$ -              | \$ -             | 0%        |            |
|                              | Future of Korea (한국의 미래 프로그램)                                                                  | \$ 33,743         | \$ 10,000        | \$ 24,235         | \$ (14,235)      | 242%      |            |
|                              | University Program (대학 프로그램)                                                                   | \$ 18,584         | \$ 10,000        | \$ 16,072         | \$ (6,072)       | 161%      |            |
|                              | Korean Kontext Podcast, Blogs (한국관련 팟캐스트 & 블로그)                                                | \$ 7,167          | \$ 5,000         | \$ 3,185          | \$ 1,815         | 64%       |            |
|                              | Roundtables (라운드 테이블)                                                                          |                   |                  |                   |                  |           |            |
|                              | KEI Roundtables (라운드테이블)                                                                       | \$ 29,090         | \$ 27,000        | \$ 12,741         | \$ 14,259        | 47%       |            |
|                              | Special Joint Program (공동 프로그램)                                                                | \$ 5,000          | \$ 5,000         | \$ 5,000          | \$ -             | 100%      |            |
|                              | Academic Paper Series (학문 논문 시리즈)                                                              | \$ 35,703         | \$ 30,000        | \$ 20,791         | \$ 9,209         | 69%       |            |
|                              | Policy Seminars (정책 세미나)                                                                       |                   |                  |                   |                  |           |            |
|                              | Advisory Council/Board of Directors (이사회)                                                      | \$ 14,867         | \$ 15,000        | \$ 13,492         | \$ 1,508         | 90%       |            |
|                              | Annual KIEP/KEI Academic Symposium (한미합동 학술 포럼회)                                               | \$ 85,197         | \$ 80,000        | \$ 69,500         | \$ 10,500        | 87%       |            |
|                              | Programs Total                                                                                 | \$ 490,538        | \$ 437,000       | \$ 298,985        | \$ 150,135       | 66%       |            |
| Publications (출판비)           | Joint Academic Studies (공동 학술 연구)                                                              | \$ 28,424         | \$ 7,500         | \$ 7,650          | \$ (150)         | 102%      |            |
|                              | On Korea (한반도 관련 학술지)                                                                          | \$ 26,472         | \$ 5,000         | \$ 25,625         | \$ (20,625)      | 513%      |            |
|                              | Korea's Economy (한국경제)                                                                         | \$ 30,654         | \$ 15,000        | \$ -              | \$ 15,000        | 0%        |            |
|                              | Library Acquisition/Smart Cards (도서관스마트 카드 열람비)                                                | \$ 10,713         | \$ 10,000        | \$ 6,079          | \$ 3,921         | 61%       |            |
| Infrastructure Support (인건비) | Publications Total                                                                             | \$ 96,263         | \$ 37,500        | \$ 39,355         | \$ (1,855)       | 105%      |            |
|                              | Compensation including Employer's Taxes (인건비/고용주 관련 세금)                                        | \$ 1,045,480      | \$ 1,065,000     | \$ 532,009        | \$ 532,991       | 50%       |            |
|                              | Severance (퇴직연금)                                                                               | \$ 50,000         | \$ 55,000        | \$ -              | \$ 55,000        | 0%        |            |
|                              | 401(k) / Education (복지후생비, 직원 교육프로그램)                                                          | \$ 83,323         | \$ 83,000        | \$ 44,852         | \$ 38,148        | 54%       |            |
| Infrastructure Support (인건비) | Transportation, Parking & Insurances (교통비, 보험료)                                                | \$ 68,718         | \$ 67,500        | \$ 36,849         | \$ 30,651        | 55%       |            |
|                              | Infra. Support Total                                                                           | \$ 1,245,499      | \$ 1,270,500     | \$ 613,711        | \$ 656,790       | 48%       |            |
| Planned vs. Actual           |                                                                                                | \$ 2,551,180      | \$ 2,442,500     | \$ 1,315,113      | \$ 1,127,357     | 54%       |            |

| Currency Avg. Rate | Korean (₩)     | US (\$)                     |
|--------------------|----------------|-----------------------------|
| 1st Quarter        | ₩ 1,091 / \$ 1 | \$ 600 Million \$549,915    |
| 2nd Quarter        | ₩ 1,081 / \$ 1 | \$ 720 Million \$666,011    |
| 3rd Quarter        | TBD            | \$ 720 Million TBD          |
| 4th Quarter        | TBD            | \$ 720 Million TBD          |
| AVG.   Total       | ₩ 1,086 / \$ 1 | \$ 2.76 Billion \$1,215,926 |

| Budget Summary          | Actual Fund Received | Total Expended |
|-------------------------|----------------------|----------------|
| Variance %              | \$ 1,215,926         | \$ 1,315,113   |
| Total Surplus/(Deficit) | \$ (99,187)          |                |

For the month ended 08/30/2018

**Department of Justice (DOJ) Report****Phil Eskeland****Executive Director of Operations and Policy****Korea Economic Institute of America (KEI)****Contacts from March 1, 2018 – August 30, 2018**

|                    |               |           |        |
|--------------------|---------------|-----------|--------|
| Manner of Contact: |               |           |        |
| Meeting            | Forum/Program | Dinner    | Lunch  |
| Breakfast          | Phone call    | Interview | E-mail |

- Coffee with someone may be categorized as Meeting

| <b>Date</b>   | <b>Activity/Subject Matter</b>                                             | <b>U.S. gov't office or U.S. public contacted</b>                                                                                                                                 | <b>Manner of contact</b> |
|---------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| March 1, 2018 | Follow-up on information related to exports from Arizona to South Korea    | Justin Roth, Chief of Staff, Office of Representative Martha McSally (AZ-2 <sup>nd</sup> )                                                                                        | E-mail                   |
| March 1, 2018 | Follow-up on information related to exports from New Mexico to South Korea | Rachel Hugman, Legislative Assistant, Office of Representative Michelle Lujan Grisham (NM-1 <sup>st</sup> )                                                                       | E-mail                   |
| March 6, 2018 | U.S.-Korea relations                                                       | Rep. Charles Dent (PA-15 <sup>th</sup> ) and Caitlin Wilson, Legislative Director                                                                                                 | Meeting                  |
| March 6, 2018 | U.S.-Korea relations                                                       | Tony Pankuch, Military Legislative Assistant; Christopher Ryan, Military Legislative Fellow; and Adrienne Jackson, Legislative Correspondent, Office of Senator James Inhofe (OK) | Meeting                  |
| March 7, 2018 | Cancelling proposed KEI program in Colorado Springs, CO                    | Dale Anderson, District Director, Office of Rep. Doug Lamborn (CO-5 <sup>th</sup> )                                                                                               | E-mail                   |
| March 8, 2018 | North Korea and Iran: Nuclear Challenges for the United States             | Korea Economic Institute of America (KEI)                                                                                                                                         | Program/forum            |
| March 8, 2018 | U.S.-Korea relations                                                       | Andrew Lee, Legislative Fellow (State), Office of Senator Kirsten Gillibrand (NY)                                                                                                 | Meeting                  |
| March 8, 2018 | U.S.-Korea relations                                                       | Justin Stebbins, Legislative Aide, Office of Senator Ron Johnson (WI)                                                                                                             | Meeting                  |
| March 9, 2018 | President Trump's decision to meet with                                    | Debriefing for think tank experts by various State Department officials                                                                                                           | Phone call               |

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|----------------|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
|                | North Korean leader Kim Jong-un                                                                              |                                                                                                                                                 |               |
| March 14, 2018 | Sixth anniversary of the Korea-U.S. Free Trade Agreement (KORUS FTA)                                         | KEI                                                                                                                                             | Program/forum |
| March 15, 2018 | U.S.-Korea relations                                                                                         | Senator Richard Burr (NC), Ann Woods Hawks, Legislative Counsel, and Christian Cook, Senior Policy Advisor, Senate Intelligence Committee       | Meeting       |
| March 15, 2018 | U.S.-Korea relations                                                                                         | Daniel O'Connor, Pearson Foreign Policy Fellow, and Jake Gutman, Legislative Correspondent, Office of Senator Cory Booker (NJ)                  | Meeting       |
| March 21, 2018 | U.S.-Korea relations                                                                                         | Senator Mike Rounds (SD) and Darren Hedlund, Legislative Assistant                                                                              | Meeting       |
| March 21, 2018 | U.S.-Korea relations                                                                                         | Senator Rand Paul (KY) and Jim Webb, Legislative Assistant                                                                                      | Meeting       |
| March 21, 2018 | U.S.-Korea relations                                                                                         | Senator Joni Ernst (IA) and Michael Dolch, Legislative Assistant                                                                                | Meeting       |
| March 22, 2018 | Inquiry about the use of Section 301 of U.S. trade law outside of the World Trade Organization (WTO) process | Lewis Leibowitz, Counsel, The Law Office of Lewis Leibowitz                                                                                     | E-mail        |
| March 22, 2018 | U.S.-Korea relations                                                                                         | Senator Thom Tillis (NC) and Bo Prosch, Military Legislative Assistant                                                                          | Meeting       |
| March 22, 2018 | Planning for upcoming KEI program on U.S.-Korea agricultural trade                                           | David Oppedahl, Senior Business Economist, Federal Reserve Bank of Chicago, and Veronica Nigh, Economist, American Farm Bureau                  | Phone call    |
| March 22, 2018 | Proposed framework for the upcoming Trump-Kim summit                                                         | KEI                                                                                                                                             | Program/forum |
| March 23, 2018 | Providing information on the amount of distilled product exports from Kentucky to South Korea                | Jim Webb, Legislative Assistant, Senator Rand Paul (KY)                                                                                         | E-mail        |
| March 23, 2018 | Effect of Korean investments in certain industries in the U.S.                                               | Dan Kim, Ph.D., Senior International Economist and Alissa Tafti, Office of Economics; David Coffin, Senior International Trade Analyst and Jeff | Meeting       |

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|----------------|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|                |                                                                | Horowitz, International Trade Analyst,<br>Office of Industries, U.S. International Trade<br>Commission (USITC)                                                                             |                              |
| March 28, 2018 | U.S.-Korea relations                                           | University of California/San Diego Global<br>Leaders Institute participants                                                                                                                | Meeting                      |
| March 28, 2018 | U.S.-Korea agricultural<br>trade since KORUS<br>implementation | KEI                                                                                                                                                                                        | Program/forum<br>(moderator) |
| April 2, 2018  | South Korean science<br>diplomacy                              | KEI                                                                                                                                                                                        | Program/forum                |
| April 2, 2018  | Providing an updated<br>chart on China-North<br>Korea trade    | Ryan Leavitt, Deputy Chief of Staff/<br>Legislative Director, Office of Rep. John<br>Curtis (UT-3 <sup>rd</sup> )                                                                          | E-mail                       |
| April 2, 2018  | Providing an updated<br>chart on China-North<br>Korea trade    | Samantha Schiffrin, Legislative Assistant,<br>Office of Rep. David Price (NC-4 <sup>th</sup> )                                                                                             | E-mail                       |
| April 2, 2018  | Providing an updated<br>chart on China-North<br>Korea trade    | Scott Stephanou, Legislative Director, Office<br>of Rep. John Larson (CT-1 <sup>st</sup> )                                                                                                 | E-mail                       |
| April 2, 2018  | Providing an updated<br>chart on China-North<br>Korea trade    | Joon Suh, Legislative Director, and Rob<br>Nuttall, Legislative Assistant, Office of Rep.<br>Terri Sewell (AL-7 <sup>th</sup> )                                                            | E-mail                       |
| April 2, 2018  | Providing an updated<br>chart on China-North<br>Korea trade    | Mike Dankler, Deputy Chief of Staff, Office<br>of Rep. Jackie Walorski (IN-2 <sup>nd</sup> )                                                                                               | E-mail                       |
| April 2, 2018  | Providing an updated<br>chart on China-North<br>Korea trade    | Ali Nepola, Senior Legislative Assistant,<br>Rep. James Comer (KY-1 <sup>st</sup> )                                                                                                        | E-mail                       |
| April 2, 2018  | Providing an updated<br>chart on China-North<br>Korea trade    | Benjamin Cantrell, Acting Chief of Staff,<br>Office of Rep. Steve Womack (AR-3 <sup>rd</sup> )                                                                                             | E-mail                       |
| April 2, 2018  | Providing an updated<br>chart on China-North<br>Korea trade    | Jessica Schwartz, Legislative Director,<br>Office of Rep. Bradley Schneider (IL-10 <sup>th</sup> )                                                                                         | E-mail                       |
| April 2, 2018  | Providing an updated<br>chart on China-North<br>Korea trade    | Christopher Sweet, Legislative Director, and<br>Gisselle Reynolds, Legislative Assistant &<br>Director of Constituent Services, Office of<br>Rep. Mario Diaz-Balart (FL-25 <sup>th</sup> ) | E-mail                       |
| April 2, 2018  | Providing an updated<br>chart on China-North<br>Korea trade    | Walter Gonzales, Deputy Chief of Staff,<br>Office of Rep. C.A. "Dutch" Ruppersberger<br>(MD-2 <sup>nd</sup> )                                                                              | E-mail                       |
| April 2, 2018  | Providing an updated<br>chart on China-North<br>Korea trade    | Liz Drummond, Legislative Director, Office<br>of Rep. Donald Norcross (NJ-1 <sup>st</sup> )                                                                                                | E-mail                       |

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|---------------|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------|
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Evan Lee, Legislative Director, Office of Rep. Neal Dunn, M.D. (FL-2 <sup>nd</sup> )                                           | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Jeremy Woodrum, Deputy Chief of Staff, Office of Rep. Joseph Crowley (NY-14 <sup>th</sup> )                                    | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Clay White, Legislative Director, and Luci Arveseth, Legislative Assistant, Office of Rep. Chris Stewart (UT-2 <sup>nd</sup> ) | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Grady Bourn, Legislative Director, Office of Rep. John Carter (TX-31 <sup>st</sup> )                                           | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Kaozouapa "Liz" Lee, Legislative Assistant, Office of Rep. Barbara Lee (CA-13 <sup>th</sup> )                                  | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Sonja Schaefer, Legislative Assistant, Office of Peter Visclosky (IN-1 <sup>st</sup> )                                         | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Katherine Stewart, Legislative Aide, Office of Rep. Alma Adams (NC-12 <sup>th</sup> )                                          | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Nic Adams, Military Legislative Assistant, Office of Rep. Brad Wenstrup (OH-2 <sup>nd</sup> )                                  | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Ashley Rose, Counsel & Legislative Director, Office of Rep. Carlos Curbelo (FL-26 <sup>th</sup> )                              | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Mike Nichola, Legislative Director, Rep. Darren Soto (FL-9 <sup>th</sup> )                                                     | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Will Turner, Legislative Aide, Office of Rep. Robert Aderholt (AL-4 <sup>th</sup> )                                            | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Justin Roth, Chief of Staff, Office of Representative Martha McSally (AZ-2 <sup>nd</sup> )                                     | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Rachel Hugman, Legislative Assistant, Office of Representative Michelle Lujan Grisham (NM-1 <sup>st</sup> )                    | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Alexandra Davis, Legislative Fellow Foreign Policy, Office of Senator Christopher Coons (DE)                                   | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Caitlin Wilson, Legislative Director, Office of Rep. Charles Dent (PA-15 <sup>th</sup> )                                       | E-mail |

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|---------------|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Tony Pankuch, Military Legislative Assistant; Christopher Ryan, Military Legislative Fellow; and Adrienne Jackson, Legislative Correspondent, Office of Senator James Inhofe (OK) | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Andrew Lee, Legislative Fellow (State), Office of Senator Kirsten Gillibrand (NY)                                                                                                 | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Justin Stebbins, Legislative Aide, Office of Senator Ron Johnson (WI)                                                                                                             | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Ann Woods Hawks, Legislative Counsel, Office of Senator Richard Burr (NC) and Christian Cook, Senior Policy Advisor, Senate Intelligence Committee                                | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Daniel O'Connor, Pearson Foreign Policy Fellow, and Jake Gutman, Legislative Correspondent, Office of Senator Cory Booker (NJ)                                                    | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Nicole Porreca, Senior Foreign Policy Advisor, and Blake Souter, Legislative Assistant, Office of Senator Tim Kaine (VA)                                                          | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Darren Hedlund, Legislative Assistant, Office of Senator Mike Rounds (SD)                                                                                                         | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Bo Prosch, Military Legislative Assistant, Office of Senator Thom Tillis (NC)                                                                                                     | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Michael Dolch, Legislative Assistant, Office of Senator Joni Ernst (IA)                                                                                                           | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Jim Webb, Legislative Assistant, Office of Senator Rand Paul (KY)                                                                                                                 | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Samantha Gottshall, Director of Operations, Office of Rep. Jodey Arrington (TX-19 <sup>th</sup> )                                                                                 | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Sam Mahler, Senior Legislative Assistant, and Matt Hodge, Military Legislative Assistant, Office of Rep. Tom Graves (GA-14 <sup>th</sup> )                                        | E-mail |
| April 2, 2018 | Providing an updated chart on China-North Korea trade | Gisselle Reynolds, Legislative Assistant & Director of Constituent Services, Office of Rep. Mario Diaz-Balart (FL-25 <sup>th</sup> )                                              | E-mail |

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|-------------------|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| April 2, 2018     | Providing an updated chart on China-North Korea trade | Robert Cogan, Chief of Staff, Office of Rep. Diane Black (TN-6 <sup>th</sup> )                                                                     | E-mail            |
| April 2, 2018     | Providing an updated chart on China-North Korea trade | Kayleigh Nauman, Legislative Correspondent, Office of Rep. Patrick Maloney (NY-18 <sup>th</sup> )                                                  | E-mail            |
| April 2, 2018     | Providing an updated chart on China-North Korea trade | Andrew Ashley, Military Legislative Assistant, Office of Rep. Martha Roby (AL-2 <sup>nd</sup> )                                                    | E-mail            |
| April 2, 2018     | Providing an updated chart on China-North Korea trade | Andrew Lee, Legislative Fellow (State), Office of Senator Kirsten Gillibrand (NY)                                                                  | E-mail            |
| April 4 – 7, 2018 | U.S.-Korea relations                                  | Two panels at KEI's Academic Symposium at the International Studies Association (ISA) annual conference in San Francisco, CA, along with KEI booth | Program/forum     |
| April 9, 2018     | Six Party Talks simulation exercise                   | International Studies Student Association of the University of California/San Diego                                                                | Program (speaker) |
| April 11, 2018    | Providing an updated chart on China-North Korea trade | Rachel Collins, Counsel, and Jimmy Ballard, Legislative Assistant, Office of Rep. Rodney Davis (IL-13 <sup>th</sup> )                              | E-mail            |
| April 11, 2018    | Providing an updated chart on China-North Korea trade | Nick Tortorici, Senior Legislative Assistant, Office of Rep. John Faso (NY-19 <sup>th</sup> )                                                      | E-mail            |
| April 11, 2018    | Providing an updated chart on China-North Korea trade | Alex Pinson, Senior Legislative Assistant and Counsel, Office of Rep. Hal Rogers (KY-5 <sup>th</sup> )                                             | E-mail            |
| April 11, 2018    | Providing an updated chart on China-North Korea trade | Mark Ratto, Legislative Director, Office of Rep. Mike Bost (IL-12 <sup>th</sup> )                                                                  | E-mail            |
| April 11, 2018    | Providing an updated chart on China-North Korea trade | Gabrielle Gould, Legislative Director & Counsel, Office of Rep. William Keating (MA-9 <sup>th</sup> )                                              | E-mail            |
| April 11, 2018    | Providing an updated chart on China-North Korea trade | Andrews Noh, Legislative Director, and Wooyoung Lim, Legislative Correspondent, Office of Rep. Jimmy Gomez (CA-34 <sup>th</sup> )                  | E-mail            |
| April 11, 2018    | Providing an updated chart on China-North Korea trade | Sarah Callaway, Senior Legislative Assistant, Office of Rep. Thomas Rooney (CA-17 <sup>th</sup> )                                                  | E-mail            |
| April 11, 2018    | Providing an updated chart on China-North Korea trade | Shantanu Tata, Senior Legislative Assistant, Office of Rep. Suzan DelBene (WA-1 <sup>st</sup> )                                                    | E-mail            |
| April 11, 2018    | Providing an updated chart on China-North Korea trade | Joe Stanoch, Senior Legislative Assistant, Office of Rep. Richard Nolan (MN-8 <sup>th</sup> )                                                      | E-mail            |

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|----------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------------|
| April 11, 2018 | Providing an updated chart on China-North Korea trade                                                                 | William "Reyn" Archer III, Chief of Staff, Office of Rep. Jeff Fortenberry (NE-1 <sup>st</sup> )                  | E-mail                    |
| April 12, 2018 | North Korea and impact on U.S.-ROK relations                                                                          | Young Professionals in Foreign Policy                                                                             | Program/forum (speaker)   |
| April 17, 2018 | U.S.-Korea relations                                                                                                  | D.C. visit of the World Affairs Council of Reading, PA                                                            | Meeting                   |
| April 17, 2018 | U.S.-Korea trade relations                                                                                            | U.S. Chamber of Commerce/Korea International Trade Association (KITA)                                             | Program/forum             |
| April 17, 2018 | U.S.-Korea trade                                                                                                      | KITA                                                                                                              | Reception on Capitol Hill |
| April 17, 2018 | Response to a question about a pending visit of officials from the Korean Ministry of Health & Welfare to Buffalo, NY | Matthew Fery, Chief of Staff, Office of Rep. Brian Higgins (NY-26 <sup>th</sup> )                                 | E-mail                    |
| April 19, 2018 | Understanding North Korea's outreach in 2018                                                                          | KEI                                                                                                               | Program/forum             |
| April 24, 2018 | U.S.-French relations                                                                                                 | Arrival ceremony at the White House for the President of France Emmanuel Macron                                   | Program                   |
| April 30, 2018 | North Korean diplomacy in an era of summits                                                                           | KEI                                                                                                               | Program/forum             |
| May 16, 2018   | U.S.-Korea relations                                                                                                  | Rep. Tom Cole, (OK-4 <sup>th</sup> ) and Marie Bowie, Deputy Chief of Staff                                       | Meeting                   |
| May 16, 2018   | Confirm use a hearing room for retirement reception for KEI President & CEO Donald Manzullo                           | Kevin Fitzpatrick, Staff Director, Small Business Committee, U.S. House of Representative                         | E-mail                    |
| May 17, 2018   | U.S.-Korea relations                                                                                                  | KEI and International Council on Korean Studies (ICKS)                                                            | Program/forum             |
| May 18, 2018   | Invitation to speak at KEI's Opinion Leaders Seminar (OLS) program                                                    | The Honorable Gilbert Kaplan, Under Secretary for International Trade Administration, U.S. Department of Commerce | E-mail                    |
| May 23, 2018   | Providing an updated chart on China-North Korea trade                                                                 | Marie Bowie, Deputy Chief of Staff, Rep. Tom Cole (OK-4 <sup>th</sup> )                                           | E-mail                    |
| May 24, 2018   | Korea's economic reform agenda                                                                                        | KEI                                                                                                               | Program/forum             |
| May 29, 2018   | Future of U.S. forces on the Korean peninsula                                                                         | KEI                                                                                                               | Program/forum             |
| June 4, 2018   | Promoting tourism into the U.S. from South Korea                                                                      | Mike Fullerton, Senior Director, and Peter Dodge, Senior Coordinator, Public Policy & Public Affairs, Brand USA   | Meeting                   |

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|-------------------|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|---------------|
| June 4, 2018      | Follow up/response to questions regarding Under Secretary Kaplan's participation at OLS         | Dilan Wickrema, Assistant, Office of the Under Secretary, International Trade Administration, U.S. Department of Commerce               | E-mail        |
| June 5, 2018      | Follow up/response to further questions regarding Under Secretary Kaplan's participation at OLS | Dilan Wickrema, Assistant, Office of the Under Secretary, International Trade Administration, U.S. Department of Commerce               | E-mail        |
| June 7, 2018      | U.S.-Korea relations                                                                            | Students and faculty at the Hinckley School of Politics, University of Utah                                                             | Meeting       |
| June 7, 2018      | U.S.-Korea relations                                                                            | 90.9 FM KRCL Community Radio, Salt Lake City, UT                                                                                        | Interview     |
| June 7, 2018      | U.S.-Korea economic relations                                                                   | World Trade Center Utah                                                                                                                 | Meeting       |
| June 7, 2018      | U.S.-Korea relations                                                                            | Utah Council for Citizen Diplomacy (UCCD) World Affairs Lecture at Westminster College (UT)                                             | Program/forum |
| June 13, 2018     | Regional perspectives on the U.S.-North Korea summit                                            | KEI and Sasakawa Foundation USA                                                                                                         | Program/forum |
| June 13, 2018     | Follow up/response to questions regarding Under Secretary Kaplan's participation at OLS         | Adrian Stover, Commercial Service Officer, Korea/Australia/New Zealand desk, International Trade Administration, Department of Commerce | E-mail        |
| June 20, 2018     | Farewell reception for KEI President & CEO Donald Manzullo                                      | KEI (on Capitol Hill)                                                                                                                   | Reception     |
| July 9 – 11, 2018 | U.S.-Korea relations                                                                            | KEI's Opinion Leaders Seminar                                                                                                           | Program/forum |
| July 12, 2018     | Next steps in dealing with North Korea                                                          | KEI                                                                                                                                     | Program/forum |
| July 17, 2018     | Thank you for participating in OLS                                                              | The Honorable Gilbert Kaplan, Under Secretary for International Trade Administration, U.S. Department of Commerce                       | E-mail        |
| July 18, 2018     | U.S.-Korea relations                                                                            | U.S. Congress-ROK National Assembly student exchange program                                                                            | Meeting       |
| July 25, 2018     | Organisation of Economic Cooperation and Development (OECD) Economic Survey of Korea            | KEI                                                                                                                                     | Program/forum |
| July 25, 2018     | Future of the U.S.-Korea alliance                                                               | George Washington University Institute for Korean Studies (GWIKS)                                                                       | Program/forum |
| July 30, 2018     | Korea Culture: Hallyu                                                                           | KEI and the Korea Society                                                                                                               | Program/forum |

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|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| August 27, 2018 | Asking for a correction on a chart in an article entitled "How to View Trump's Call for Zero Tariffs" that listed South Korea with the highest tariff rate among nine selected economies | Bob Davis, Senior Editor, <i>Wall Street Journal</i>                                                                                                                                  | E-mail |
| August 28, 2018 | U.S.-Korea relations                                                                                                                                                                     | Gabe Neville, Senior Advisor, Covington & Burling, LLP                                                                                                                                | Lunch  |
| August 29, 2018 | Invitation to the launch of the upcoming Korea Matters event                                                                                                                             | Diana Shin, Executive Assistant/Scheduler, Office of Rep. Jeff Fortenberry (NE-1 <sup>st</sup> ) and co-chair of the Korean American Current & Former Congressional Staff Association | E-mail |

**Department of Justice (DOJ) Report****Kyle Ferrier****Director of Academic Affairs and Research****Korea Economic Institute of America (KEI)****Contacts from March 1, 2018 – August 31, 2018**

Manner of Contact:

Meeting

Forum/Program

Dinner

Lunch

Breakfast

Phone call

Interview

E-mail

- Coffee with someone may be categorized as Meeting

| Date           | Activity/Subject Matter                                              | U.S. government official or U.S. public contacted                                                                                                                                                                                                  | Manner of contact |
|----------------|----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| March 1, 2018  | Logistical arrangements for an upcoming program                      | Caverlee Cary, Program Director, Institute of East Asian Studies, University of California-Berkeley                                                                                                                                                | E-mail            |
| March 8, 2018  | North Korea and Iran: Nuclear Challenges for the United States       | Korea Economic Institute of America (KEI)                                                                                                                                                                                                          | Program/forum     |
| March 9, 2018  | Advisory Council Meeting                                             | KEI                                                                                                                                                                                                                                                | Meeting           |
| March 14, 2018 | Sixth anniversary of the Korea-U.S. Free Trade Agreement (KORUS FTA) | KEI                                                                                                                                                                                                                                                | Program/forum     |
| March 18, 2018 | Logistics for panel at International Studies Association conference  | David Straub, former Senior U.S. Foreign Service Officer; Leif-Eric Easley, Associate Professor, Ewha University; John Delury, Associate Professor, Yonsei University; Sheila Smith, Senior Fellow for Japan Studies, Council on Foreign Relations | E-mail            |
| March 18, 2018 | Logistics for panel at International Studies Association conference  | T.J. Pempel, Jack M. Forcey Professor of Political Science, University of California-Berkeley                                                                                                                                                      | E-mail            |
| March 19, 2018 | Arrangements for the Association of Asian Studies annual conference  | Kirk Larsen, Associate Professor of History, Brigham Young University                                                                                                                                                                              | E-mail            |
| March 20, 2018 | U.S. policy on North Korea                                           | St. Mary's University (TX)                                                                                                                                                                                                                         | Program/forum     |

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|-------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| March 22, 2018    | Planning for upcoming KEI program on U.S.-Korea agricultural trade                 | David Oppedahl, Senior Business Economist, Federal Reserve Bank of Chicago, and Veronica Nigh, Economist, American Farm Bureau                     | Phone call     |
| March 22, 2018    | Proposed framework for the upcoming Trump-Kim summit                               | KEI                                                                                                                                                | Program/ forum |
| March 25, 2018    | Chinese views of Korean history                                                    | Association of Asian Studies annual conference                                                                                                     | Program/ forum |
| March 25, 2018    | Arrangements for an upcoming university program                                    | Brigid Pavilonis, Humanities Department, Department Head, Professor of International Relations, U.S. Coast Guard Academy                           | E-mail         |
| March 26, 2018    | KEI's Academic Paper Series                                                        | Meredith Shaw, Associate Professor, University of Tokyo                                                                                            | E-mail         |
| March 28, 2018    | U.S.-Korea relations                                                               | University of California/San Diego Global Leaders Institute participants                                                                           | Meeting        |
| March 28, 2018    | U.S.-Korea agricultural trade since KORUS implementation                           | KEI                                                                                                                                                | Program/ forum |
| March 28, 2018    | U.S.-Korea free trade agreement                                                    | Zeina Al-Shaib, Guest Producer, CGTN America                                                                                                       | Interview      |
| April 2, 2018     | South Korean science diplomacy                                                     | KEI                                                                                                                                                | Program/ forum |
| April 4 – 7, 2018 | U.S.-Korea relations                                                               | Two panels at KEI's Academic Symposium at the International Studies Association (ISA) annual conference in San Francisco, CA, along with KEI booth | Program/ forum |
| April 10, 2018    | South Korea, North Korea, China trilateral relations                               | University of California-Berkeley                                                                                                                  | Program/ forum |
| April 16, 2018    | Invitation to record a podcast                                                     | Stephen Blank, Senior Fellow for Russia, American Foreign Policy Council                                                                           | E-mail         |
| April 19, 2018    | Understanding North Korea's outreach in 2018                                       | KEI                                                                                                                                                | Program/ forum |
| April 25, 2018    | Arranging a Six-party Talks simulation                                             | Steve Maczynski, Dean of College Counseling and Academic Support Services                                                                          | E-mail         |
| April 26, 2018    | Preparation for an upcoming university program                                     | Terence Roehrig, Professor of National Security Affairs, U.S. Naval War College                                                                    | E-mail         |
| April 30, 2018    | North Korean diplomacy in an era of summits                                        | KEI                                                                                                                                                | Program/ forum |
| May 10, 2018      | Invitation to join a KEI panel at the International Studies Association conference | Mireya Solis, Director of the Center for East Asia Policy Studies, Brookings Institution                                                           | E-mail         |
| May 10, 2018      | Invitation to join a KEI panel at the International Studies Association conference | Takako Hikotani, Gerald L Curtis Associate Professor of Modern Japanese Politics and Foreign Policy, Columbia University                           | E-mail         |

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|--------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------|
| May 10, 2018 | Invitation to join a KEI panel at the International Studies Association conference | Aram Hur, Postdoctoral Fellow, Wagner School of Public Service, New York University                                                   | E-mail         |
| May 10, 2018 | Invitation to join a KEI panel at the International Studies Association conference | Stephen Blank, Senior Fellow for Russia, American Foreign Policy Council                                                              | E-mail         |
| May 10, 2018 | Invitation to join a KEI panel at the International Studies Association conference | Gaye Christoffersen, Resident Professor of International Politics, School of Advanced International Studies, Johns Hopkins University | E-mail         |
| May 10, 2018 | Invitation to join a KEI panel at the International Studies Association conference | Brian Carlson, Ph.D. student, Paul H. Nitze School of Advanced International Studies, Johns Hopkins University                        | E-mail         |
| May 10, 2018 | Invitation to join a KEI panel at the International Studies Association conference | Robert Sutter, Professor of Practice of International Affairs at the Elliott School of George Washington University                   | E-mail         |
| May 10, 2018 | Invitation to join a KEI panel at the International Studies Association conference | Scott Kennedy, Deputy Director, Freeman Chair in China Studies, and Director, Project on Chinese Business and Political Economy, CSIS | E-mail         |
| May 11, 2018 | Invitation to join a KEI panel at the International Studies Association conference | James Brown, Associate Professor and Academic Program Coordinator for International Affairs, Temple University, Japan Campus,         | E-mail         |
| May 11, 2018 | Invitation to join a KEI panel at the International Studies Association conference | Nicholas Lardy, Anthony M. Solomon Senior Fellow, Peterson Institute for International Economics                                      | E-mail         |
| May 14, 2018 | Invitation to join a KEI panel at the International Studies Association conference | Shihoko Goto, Senior Associate for Northeast Asia, Asia Program, Wilson Center                                                        | E-mail         |
| May 14, 2018 | Invitation to join a KEI panel at the International Studies Association conference | Benjamin Katzeff Silberstein, Ph.D. student, University of Pennsylvania                                                               | E-mail         |
| May 17, 2018 | U.S.-Korea relations                                                               | KEI and International Council on Korean Studies (ICKS)                                                                                | Program/ forum |
| May 20, 2018 | Invitation to join a KEI panel at the International Studies Association conference | Derek Scissors, Resident Scholar, American Enterprise Institute                                                                       | E-mail         |
| May 21, 2018 | Arrangements for upcoming simulation                                               | Kathleen Stephens, William J. Perry Fellow, Stanford University (CA)                                                                  | E-mail         |
| May 22, 2018 | Discussion of upcoming simulation                                                  | Seung-hee Nah, Korean American Sharing Movement                                                                                       | Meeting        |
| May 22, 2018 | U.S.-Korea trade relations                                                         | Zeina Al-Shaib, Guest Producer, CGTN America                                                                                          | Interview      |
| May 23, 2018 | Networking                                                                         | Paul Park, Senior Research Assistant, Brookings Institution                                                                           | Lunch          |

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|-------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| May 23, 2018      | Arrangements for talk with Critical Language Scholarship recipients                | Janice Feng, Program Officer, Indonesian, Japanese and Korean, Critical Language Scholarship Program, American Councils for International Education | E-mail               |
| May 23, 2018      | Invitation to join a KEI panel at the International Studies Association conference | Peter Harrell, adjunct senior fellow, Center for a New American Security                                                                            | E-mail               |
| May 24, 2018      | Korea's economic reform agenda                                                     | KEI                                                                                                                                                 | Program/<br>forum    |
| May 28, 2018      | Kim Jong-un and Donald Trump summit                                                | Nyshka Chandran, Reporter, CNBC                                                                                                                     | E-mail/<br>Interview |
| May 29 – 30, 2018 | Six-party talks simulation                                                         | Kathleen Stephens, William J. Perry Fellow, Stanford University; Stanford University students                                                       | Program/<br>forum    |
| June 1, 2018      | Kim Jong-un and Donald Trump summit                                                | Matt Rusling, Reporter, Xinhua News                                                                                                                 | E-mail/<br>Interview |
| June 5, 2018      | Career advice                                                                      | Irene Kim, Stanford University student                                                                                                              | Phone call           |
| June 5, 2018      | Career advice                                                                      | Ty Kim, Columbia University student                                                                                                                 | Phone call           |
| June 5, 2018      | Kim Jong-un and Donald Trump summit                                                | Matt Rusling, Reporter, Xinhua News                                                                                                                 | E-mail/<br>Interview |
| June 6, 2018      | Career advice                                                                      | 2018 Korean Critical Language Scholarship recipients                                                                                                | Program/<br>forum    |
| June 7, 2018      | NK identity and nuclear weapons                                                    | KEI                                                                                                                                                 | Program/<br>forum    |
| June 10, 2018     | Foreign investment in North Korea                                                  | Jonathan Cheng, Seoul Bureau Chief, Wall Street Journal                                                                                             | E-mail/<br>Interview |
| June 11, 2018     | Kim Jong-un and Donald Trump summit                                                | KEI facebook live                                                                                                                                   | Interview            |
| June 12, 2018     | Kim Jong-un and Donald Trump summit                                                | Elizabeth Cherneff, Producer, Voice of America                                                                                                      | Interview            |
| June 12, 2018     | Kim Jong-un and Donald Trump summit                                                | Matt Rusling, Reporter, Xinhua News                                                                                                                 | E-mail/<br>Interview |
| June 12, 2018     | Kim Jong-un and Donald Trump summit                                                | Elliott S. Feigenbaum, Producer, i24 News                                                                                                           | Interview            |
| June 13, 2018     | Regional perspectives on the U.S.-North Korea summit                               | KEI and Sasakawa Foundation USA                                                                                                                     | Program/<br>forum    |
| June 20, 2018     | Submission of an article on the cost of U.S. troops on the Korean Peninsula        | Carl Baker, Executive Director, Pacific Forum CSIS                                                                                                  | E-mail               |

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|-------------------|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| June 20, 2018     | Farewell reception for KEI President & CEO Donald Manzullo                       | KEI (on Capitol Hill)                                                                                                                                        | Reception         |
| June 24, 2018     | My paper that will be included in The International Journal of Korean Studies    | James Durand, Editor, The International Journal of Korean Studies                                                                                            | E-mail            |
| June 26, 2018     | Arranging a Six-Party Talks simulation                                           | John Calabrese, Assistant Professor, American University                                                                                                     | E-mail            |
| June 26, 2018     | Possibility of a KEI University program                                          | Shannon Hahn, Spanish Instructor, Durham Technical Community College                                                                                         | E-mail            |
| June 27, 2018     | South Korea vs Germany World Cup viewing party                                   | KEI                                                                                                                                                          | Program/ forum    |
| July 3, 2018      | Arrangements for a potential university program                                  | Eunsook Jung, Director of International Programs University of Wisconsin-Madison                                                                             | E-mail            |
| July 3, 2018      | Arrangements for a potential university program                                  | Charity Butcher, Associate Professor of Political Science, School of Government and International Affairs, Kennesaw State University                         | E-mail            |
| July 6, 2018      | Six-party talks simulation                                                       | Georgetown Preparatory School                                                                                                                                | Program/ forum    |
| July 9, 2018      | Secretary of State Pompeo's visit to North Korea                                 | Matt Rusling, Reporter, Xinhua News                                                                                                                          | E-mail/ Interview |
| July 9 – 11, 2018 | U.S.-Korea relations                                                             | KEI's Opinion Leaders Seminar                                                                                                                                | Program/ forum    |
| July 12, 2018     | U.S.-Korea relations                                                             | Dr. Mark Croatti's High School Students                                                                                                                      | Program/ forum    |
| July 13, 2018     | Six-party talks simulation                                                       | Korean American Sharing Movement                                                                                                                             | Program/ forum    |
| July 17, 2018     | U.S. policy on North Korea                                                       | Bryan Port, Office of Net Assessment, Office of Secretary of Defense                                                                                         | Meeting           |
| July 18, 2018     | Discussing new collaboration                                                     | Shannon Tiezzi, editor, <i>The Diplomat</i>                                                                                                                  | Meeting           |
| July 20, 2018     | Arranging a possible university program                                          | Frank Plantan, Co-Director International Relations Program and President, Sigma Iota Rho Honor Society for International Studies, University of Pennsylvania | E-mail            |
| July 24, 2018     | Acceptance of an invitation to a roundtable on the U.S.-Korea economic relations | Wendy Cutler, Vice President and Managing Director, Washington, D.C. Office, Asia Society Policy Institute                                                   | E-mail            |
| July 24, 2018     | Arrangements for an upcoming simulation                                          | John Dickson, Director of Government Relations, Global Peace Foundation                                                                                      | E-mail            |

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|---------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| July 22 – August 31, 2018 | Northeast Asia Economic Forum Yong Leaders Program                                                              | April Nozomi Goodwin, PhD student, University of Hawaii; Tom Giles, PhD student, Florida International University; Nicholas Seltzer, Masters student, Middlebury Institute for International Studies at Monterey; Wrenn Yennie Lindgren, PhD student, Stockholm University; Walter Thulin, undergraduate student, Yale University; Stanley Chang, State Senator, State of Hawaii; George Ariyoshi, former Governor of Hawaii; Tarui Nori, Associate Professor of Economics, University of Hawai'i; Stephen Cowper, former Governor of Alaska; Terry Surles, Interim Energy Administrator, Hawaii State Energy Office; Lee-Jay Cho, Chairman, Northeast Asia Economic Forum | Program/ forum |
| August 9, 2018            | Arrangements for a university program                                                                           | Eunsook Jung, Director of International Programsm University of Wisconsin-Madison                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | E-mail         |
| August 9, 2018            | Arrangements for a university program                                                                           | Charity Butcher, Associate Professor of Political Science, School of Government and International Affairs, Kennesaw State University                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | E-mail         |
| August 14, 2018           | Announcement of book on issues related to the Korea Peninsula in which the work of those contacted are included | David Straub, former Senior U.S. Foreign Service Officer; Leif-Eric Easley, Associate Professor, Ewha University; John Delury, Associate Professor, Yonsei University; Sheila Smith, Senior Fellow for Japan Studies, Council on Foreign Relations; Kirk Larsen, Associate Professor of History, Brigham Young University; T.J. Pempel, Jack M. Forcey Professor of Political Science, University of California-Berkeley                                                                                                                                                                                                                                                   | E-mail         |
| August 20, 2018           | Arrangements for a simulation                                                                                   | Eileen Block, Assistant Director, Washington, DC Office at The Asan Institute for Policy Studies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | E-mail         |
| August 21, 2018           | Arrangements for a university program                                                                           | Andrew Yeo, Associate Professor, Catholic University                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | E-mail         |
| August 21, 2018           | Setting up a coffee meeting                                                                                     | Sheila Smith, Senior Advisor, Office of the Coordinator for Cyber Issues, U.S. Department of State                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | E-mail         |
| August 22, 2018           | Submission of an article on South Korea's economic policies                                                     | Shannon Tiezzi, editor, <i>The Diplomat</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | E-mail         |

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|-----------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| August 26, 2018 | Following-up from meeting at Northeast Asia Economic Forum Yong Leaders Program   | Terry Surles, Interim Energy Administrator, Hawaii State Energy Office                                                                                                         | E-mail               |
| August 27, 2018 | Arrangements for a potential university program                                   | Bruce Bechtol, Professor, Department of Security Studies and Criminal Justice, Angelo State University                                                                         | Phone call           |
| August 27, 2018 | Arrangements for a potential university program                                   | Frank Plantan, Co-Director International Relations Program and President, Sigma Iota Rho Honor Society for International Studies, University of Pennsylvania                   | E-mail               |
| August 28, 2018 | Invitation to an upcoming KEI program on solar energy in South Korea              | Clara Gillespie, Senior Director, Trade, Economic, and Energy Affairs, National Bureau of Asian Research; Ashley Johnson, Project Manager, Trade, Economic, and Energy Affairs | E-mail               |
| August 29, 2018 | Arrangements for a potential simulation                                           | Dennis Jett, Professor of International Affairs, School of International Affairs, Penn State University                                                                        | E-mail               |
| August 29, 2018 | Submission of an article on the impact of the U.S.-China trade war on South Korea | Shannon Tiezzi, editor, <i>The Diplomat</i>                                                                                                                                    | E-mail               |
| August 29, 2018 | Arrangements for a potential simulation                                           | Melissa Morton, Program Coordinator, Maxwell-in-Washington, Maxwell School of Syracuse University                                                                              | E-mail               |
| August 29, 2018 | U.S. North Korea policy                                                           | Matthew Rusling, Reporter, Xinhua News Agency                                                                                                                                  | E-mail/<br>Interview |

**Department of Justice (DOJ) Report****Jenna Gibson****Director of Communications****Korea Economic Institute of America (KEI)****Contacts from March 1, 2018 – August 31, 2018**

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|--------------------|---------------|-----------|--------|
| Manner of Contact: |               |           |        |
| Meeting            | Forum/Program | Dinner    | Lunch  |
| Breakfast          | Phone call    | Interview | E-mail |

- Coffee with someone may be categorized as Meeting

| Date          | Activity/Subject Matter                                        | U.S. government official or U.S. public contacted                                        | Manner of contact |
|---------------|----------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------------|
| March 1, 2018 | Planning upcoming visit to the University of Nebraska          | Amy Struthers, interim dean, University of Nebraska College of Journalism                | Phone             |
| March 1, 2018 | Reaction to President Trump's 232 tariffs on steel             | Media contact list of the Korea Economic Institute of America (KEI)                      | Press release     |
| March 2, 2018 | Networking, possible collaborations                            | Kayleigh Naumann, Legislative Correspondent, Rep. Patrick Maloney (NY-18 <sup>th</sup> ) | Lunch             |
| March 2, 2018 | Interview on PyeongChang Olympics                              | Jonathan Cheng, Seoul Bureau Chief, <i>Wall Street Journal</i>                           | Podcast           |
| March 4, 2018 | K-pop fan culture                                              | Crystal Tai, reporter, <i>South China Morning Post</i>                                   | Email/interview   |
| March 6, 2018 | Reaction to North-South summit meeting and agreement           | KEI's media contact list                                                                 | Press release     |
| March 6, 2018 | Facilitating interview on Paralympics in South Korea           | Samuel Reeves, reporter, <i>AFP</i>                                                      | Email             |
| March 6, 2018 | Facilitating interview on North-South relations                | Nyshka Chandran, reporter, <i>CNBC</i>                                                   | Email             |
| March 7, 2018 | Analysis of latest U.S.-Korea trade data                       | KEI's media contact list                                                                 | Press release     |
| March 8, 2018 | North Korea and Iran: Nuclear Challenges for the United States | KEI                                                                                      | Program/forum     |

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|----------------|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|------------------|
| March 9, 2018  | Facilitating interview on North Korea negotiations                   | Lucy Bishop, producer, <i>Sky News</i>                                                                             | Email            |
| March 9, 2018  | Facilitating interview on North Korea negotiations                   | Winifred Okocha, journalist, <i>BBC News</i>                                                                       | Email            |
| March 12, 2018 | South Korean public opinion on North Korea negotiations              | Elise Hu, Seoul Bureau Chief, <i>National Public Radio</i> (NPR)                                                   | Email/phone call |
| March 14, 2018 | Sixth anniversary of the Korea-U.S. Free Trade Agreement (KORUS FTA) | KEI                                                                                                                | Program/forum    |
| March 14, 2018 | Facilitating interview on KORUS FTA talks                            | Randy Woods, reporter, <i>Bloomberg News</i>                                                                       | Email            |
| March 14, 2018 | Analysis of possible changes to the KORUS FTA                        | KEI's media contact list                                                                                           | Press release    |
| March 19, 2018 | Analysis of human rights and North Korea negotiations                | KEI's media contact list                                                                                           | Press release    |
| March 19, 2018 | Facilitating interview on North Korea human rights                   | Alastair Gale, Japan Editor, <i>Wall Street Journal</i>                                                            | Email            |
| March 20, 2018 | Interview on North Korea sanctions                                   | William Brown, nonresident fellow, KEI                                                                             | Podcast          |
| March 22, 2018 | Proposed framework for the upcoming Trump-Kim summit                 | KEI                                                                                                                | Program/forum    |
| March 23-25    | U.S.-Korea relations                                                 | Panel for KEI's Academic Symposium Program at the Association for Asian Studies (AAS) Conference in Washington, DC | Conference       |
| March 26, 2018 | Facilitating interview on the KORUS FTA                              | Mara Lee, reporter, <i>International Trade Today</i>                                                               | Email            |
| March 28, 2018 | Interview on Korean American Day 2018                                | Julie Ha, documentary filmmaker                                                                                    | Podcast          |
| March 28, 2018 | U.S.-Korea relations                                                 | University of California/San Diego Global Leaders Institute participants                                           | Meeting          |
| March 28, 2018 | U.S.-Korea agricultural trade since KORUS implementation             | KEI                                                                                                                | Program/forum    |
| March 30, 2018 | Facilitating interview on North Korea sanctions                      | Bryan Harris, Seoul Bureau Chief, <i>Financial Times</i>                                                           | Email            |
| April 2, 2018  | South Korean science diplomacy                                       | KEI                                                                                                                | Program/forum    |

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|-------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| April 4 – 7, 2018 | U.S.-Korea relations                                                | Two panels for KEI's Academic Symposium Program at the International Studies Association (ISA) annual conference in San Francisco, CA, manning KEI conference booth | Conference                     |
| April 6, 2018     | Interview on KORUS FTA and agriculture                              | David Oppedahl, Senior Business Economist, Federal Reserve Bank of Chicago, and Veronica Nigh, Economist, American Farm Bureau Federation                           | Podcast                        |
| April 10, 2018    | Facilitating interview on ADB annual meetings                       | Melissa Goh, producer, <i>CNBC</i>                                                                                                                                  | Email                          |
| April 11, 2018    | Facilitating interview on North Korea sanctions                     | Katie Hunt, producer, <i>CNN</i>                                                                                                                                    | Email                          |
| April 12, 2018    | Planning for upcoming program at University of Nebraska             | Alexander Goldberg, desk officer, U.S. State Department                                                                                                             | Email                          |
| April 13, 2018    | Working with Friends of Korea                                       | Nancy Kelly, President, Friends of Korea                                                                                                                            | Lunch                          |
| April 17, 2018    | Facilitating interview on North Korea's first lady                  | Euan McKirdy, editor, <i>CNN</i>                                                                                                                                    | Email                          |
| April 17, 2018    | U.S.-Korea relations                                                | D.C. visit of the World Affairs Council of Reading, PA                                                                                                              | Meeting                        |
| April 17, 2018    | Interview on k-pop in the U.S.                                      | Katie Brownlie, DJ, Rutgers University radio                                                                                                                        | Podcast                        |
| April 17, 2018    | Korea Club with Ambassador Lee Jung-hoon                            | KEI                                                                                                                                                                 | Program/forum                  |
| April 19, 2018    | Understanding North Korea's outreach in 2018                        | KEI                                                                                                                                                                 | Program/forum                  |
| April 19, 2018    | Analysis of location for Trump-Kim Summit                           | Euan McKirdy, editor, <i>CNN</i>                                                                                                                                    | Email/interview                |
| April 25, 2018    | Interview on North Korea summit                                     | John Delury, professor, Yonsei University                                                                                                                           | Podcast                        |
| April 25-27       | University Program at University of Nebraska                        | Students and staff, University of Nebraska                                                                                                                          | Program/forum, classroom visit |
| April 26, 2018    | Interview on inter-Korean summit                                    | Chun In-bum, retired general, Republic of Korea Army                                                                                                                | Podcast                        |
| April 26, 2018    | Analysis of possible linguistic barriers at the Inter-Korean Summit | Crystal Tai, reporter, <i>South China Morning Post</i>                                                                                                              | Email/interview                |

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|----------------|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------|
| April 29, 2018 | Recent issues in U.S.-Korea relations                     | KRNU Campus Voices radio program, Lincoln, NE                                                                  | Radio interview                |
| April 29, 2018 | Facilitating interview on South Korea's pension service   | Bruce Einhorn, reporter, <i>Bloomberg News</i>                                                                 | Email                          |
| April 29, 2018 | Analysis of possible locations for Trump-Kim Summit       | Ben Westcott, producer, <i>CNN</i>                                                                             | Email/phone call               |
| April 30, 2018 | University Program at Drake University (IA)               | Students, Drake University                                                                                     | Program/forum, classroom visit |
| May 4, 2018    | Analysis of humanitarian assistance to North Korea        | KEI's media contacts list                                                                                      | Press release                  |
| May 8, 2018    | Interview on North Korean public relations                | Eun A Jo, researcher, Asan Forum                                                                               | Podcast                        |
| May 14, 2018   | Analysis of science diplomacy with North Korea            | KEI's media contacts list                                                                                      | Press release                  |
| May 17, 2018   | U.S.-Korea relations                                      | KEI and International Council on Korean Studies (ICKS)                                                         | Program/forum                  |
| May 21, 2018   | Speaking at upcoming program                              | Baumstark, staff, Community Peace Network                                                                      | Meeting                        |
| May 22, 2018   | Opening Ceremony for Old Korean Legation Museum           | Korean Embassy and guests                                                                                      | Reception                      |
| May 23, 2018   | Announcement of Kathleen Stephens as new president of KEI | KEI contacts                                                                                                   | Press release                  |
| May 24, 2018   | Interview on reporting in Seoul                           | Elise Hu, Seoul Bureau Chief, <i>NPR</i>                                                                       | Podcast                        |
| May 24-28      | Media coverage of North Korea                             | Presentation at the International Communications Association (ICA) annual conference in Prague, Czech Republic | Conference                     |
| May 25, 2018   | Facilitating interview on South Korea's housing market    | Peta Tomlinson, freelance journalist                                                                           | Email                          |
| May 27, 2018   | Facilitating interview on Trump-Kim Summit                | Nyshka Chandran, reporter, <i>CNBC</i>                                                                         | Email                          |
| May 30, 2018   | Facilitating interview on U.S.-North Korea negotiations   | Alison Acton, reporter, <i>BBC Radio</i>                                                                       | Email                          |
| June 1, 2018   | Networking                                                | Olivia Enos, policy analyst, Heritage Foundation                                                               | Meeting                        |
| June 4, 2018   | Korean unification                                        | Community Peace Network event                                                                                  | Program/forum                  |

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|---------------|------------------------------------------------------------|----------------------------------------------------------------|------------------------|
| June 6, 2018  | Interview on Trum-Kim Summit                               | Joe Yun, senior advisor, The Asia Group                        | Podcast                |
| June 7, 2018  | North Korea's nuclear identity                             | KEI                                                            | Program/forum          |
| June 8, 2018  | Trump-Kim Summit in Singapore                              | Center for Center for a New American Security event            | Program/forum          |
| June 8, 2018  | Previewing Trump-Kim Summit in Singapore                   | Joseph Hinks, reporter, <i>Time</i>                            | Email/phone call       |
| June 8, 2018  | Facilitating interview on Trum-Kim Summit                  | Victoria Craig, producer, <i>BBC</i> radio                     | Email                  |
| June 8, 2018  | Facilitating interview on Trum-Kim Summit                  | Elizabeth Cherneff, producer, <i>Voice of America</i> (VOA)    | Email                  |
| June 10, 2018 | Facilitating interview on North Korea investments          | Jonathan Cheng, Seoul Bureau Chief, <i>Wall Street Journal</i> | Email                  |
| June 11, 2018 | Planning for upcoming program                              | Darah Phillip, Research Assistant, Sasakawa Foundation USA     | Meeting                |
| June 11, 2018 | Korean culture's spread in the U.S.                        | Naiwen Cui, journalism student, Emerson College                | Email/phone call       |
| June 11, 2018 | Trump-Kim Summit                                           | <i>BBC</i> Radio                                               | Emails/radio interview |
| June 11, 2018 | Trump-Kim Summit                                           | Facebook Live Video via KEI                                    | Video                  |
| June 11, 2018 | Trump-Kim Summit                                           | Op-ed for <i>The Diplomat</i>                                  | Op-ed                  |
| June 12, 2018 | Analysis of Trump-Kim Summit                               | KEI's media contacts list                                      | Press release          |
| June 13, 2018 | Regional perspectives on the U.S.-North Korea summit       | KEI and Sasakawa Foundation USA                                | Program/forum          |
| June 13, 2018 | Interview on Trump-Kim Summit                              | Jim Zumwalt, CEO, Sasakawa Peace Foundation USA                | Podcast                |
| June 14, 2018 | Trump-Kim Summit                                           | Asan Institute event                                           | Program/forum          |
| June 14, 2018 | Analysis of North Korean messaging around Trump-Kim Summit | Morgan Brinlee, reporter, <i>Bustle</i>                        | Email                  |
| June 15, 2018 | Information penetration and telecoms in North Korea        | U.S. Institute for Peace                                       | Program/forum          |
| June 18, 2018 | Analysis of North Korea sanctions and negotiations         | KEI's media contacts list                                      | Press Release          |

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|-------------------|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|---------------|
| June 19, 2018     | Planning for upcoming program                              | Luz Laznot, program officer, Korea Society                                                                                         | Email         |
| June 19, 2018     | Interview on science diplomacy                             | Olga Krasnyak, lecturer, Yonsei University                                                                                         | Podcast       |
| June 20, 2018     | Farewell reception for KEI President & CEO Donald Manzullo | KEI (on Capitol Hill)                                                                                                              | Reception     |
| June 22, 2018     | Interview on North Korean nuclear identity                 | Marco Milani, postdoctoral fellow, University of Southern California                                                               | Podcast       |
| June 26, 2018     | Trump-Kim Summit                                           | Eloise Baumstark, staff, Community Peace Network                                                                                   | Interview     |
| June 27, 2018     | South Korea vs Germany World Cup viewing party             | KEI                                                                                                                                | Program/forum |
| June 28, 2018     | Planning for upcoming programs                             | Luz Laznot, program officer, Korea Society                                                                                         | Phone call    |
| June 28, 2018     | Analysis of Korean language study in the U.S.              | Matt Pickles, reporter, <i>BBC News</i>                                                                                            | Email         |
| June 28, 2018     | Analysis of U.S.-Korea burdensharing                       | KEI's media contacts list                                                                                                          | Press release |
| June 29, 2018     | Interview on retiring from KEI                             | Donald Manzullo, outgoing president, KEI                                                                                           | Podcast       |
| July 9 - 11, 2018 | U.S.-Korea relations                                       | KEI's Opinion Leaders Seminar                                                                                                      | Program/forum |
| July 12, 2018     | Next steps in dealing with North Korea                     | KEI                                                                                                                                | Program/forum |
| July 12, 2018     | Facilitating interview on North Korea's economy            | Chloe Tsang, reporter, <i>NBC</i>                                                                                                  | Email         |
| July 13, 2018     | Networking                                                 | Yong Kwon, analyst, The Asia Group                                                                                                 | Lunch         |
| July 13, 2018     | Interview on North Korea negotiations                      | Chris Hill, Chief Advisor to the Chancellor for Global Engagement and Professor of the Practice in Diplomacy, University of Denver | Podcast       |
| July 18, 2018     | Discussing new collaboration                               | Shannon Tiezzi, editor, <i>The Diplomat</i>                                                                                        | Email         |
| July 18, 2018     | U.S.-Korea relations                                       | U.S. Congress-ROK National Assembly student exchange program                                                                       | Meeting       |
| July 18, 2018     | Discussing new collaboration                               | Shannon Tiezzi, editor, <i>The Diplomat</i>                                                                                        | Meeting       |

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|----------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| July 18, 2018  | Discussing upcoming program                                                          | Linda Butcher, executive assistant, International Student Conferences                                                                                                                                  | Lunch         |
| July 18, 2018  | Issues in U.S.-Korea relations                                                       | Meridian - U.S. Congress-ROK National Assembly Exchange Program                                                                                                                                        | Meeting       |
| July 21-22     | Six Party Talks Simulation and discussions                                           | Korea-America Student Conference participants                                                                                                                                                          | Program/forum |
| July 23, 2018  | Facilitating interview on North Korea sanctions                                      | Don Lee, reporter, <i>LA Times</i>                                                                                                                                                                     | Email         |
| July 25, 2018  | Organisation of Economic Cooperation and Development (OECD) Economic Survey of Korea | KEI                                                                                                                                                                                                    | Program/forum |
| July 25, 2018  | Future of the U.S.-Korea alliance                                                    | George Washington University Institute for Korean Studies (GWIKS)                                                                                                                                      | Program/forum |
| July 27, 2018  | Interview on South Korea's economy                                                   | Randall Jones, head of the Japan/Korea Desk, Organization for Economic Co-Operation and Development                                                                                                    | Podcast       |
| July 30, 2018  | Korea Culture: Hallyu                                                                | KEI and the Korea Society                                                                                                                                                                              | Program/forum |
| July 31, 2018  | Networking                                                                           | Joshua Nazeem, student, American University                                                                                                                                                            | Meeting       |
| August 1, 2018 | Human Rights in North Korea                                                          | Facebook Live discussion with Ambassador Robert King, nonresident fellow, KEI                                                                                                                          | Video         |
| August 1, 2018 | Interview on repatriating remains from North Korea                                   | Ashton Ormes, retired U.S. Army colonel, Army Northeast Asia Foreign Area Officer, and former civil servant, Office of the Secretary of Defense                                                        | Podcast       |
| August 2, 2018 | Korean companies and the Laos damn collapse                                          | Op-ed for The Diplomat                                                                                                                                                                                 | Op-ed         |
| August 3, 2018 | Planning upcoming event                                                              | Jean Lee, scholar, Wilson Center                                                                                                                                                                       | Phone call    |
| August 8, 2018 | Planning upcoming event                                                              | Jean Lee, scholar, Wilson Center                                                                                                                                                                       | Meeting       |
| August 8, 2018 | Interview on 232 tariffs on autos                                                    | David Kim, Vice President of Government Affairs at Hyundai Motor Company's Washington Office, and Christopher Wenk, Vice President of Government Affairs at Kia Motors Corporation's Washington Office | Podcast       |
| August 9, 2018 | Analysis of 232 decision on auto tariffs                                             | KEI's media contacts list                                                                                                                                                                              | Press release |

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|-----------------|--------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------|
| August 9, 2018  | Six Party Talks Simulation                                   | International Young Leaders Assembly participants                              | Program/forum   |
| August 16, 2018 | Networking                                                   | Rosa Park, director of programs, Committee for Human Rights in North Korea     | Lunch           |
| August 17, 2018 | Facilitating interview with KEI nonresident fellow Yonho Kim | Jingnan Huo, reporter, <i>NPR</i>                                              | Email           |
| August 20, 2018 | Inter-Korean family reunions                                 | Facebook Live discussion with Soojin Park, public policy fellow, Wilson Center | Video           |
| August 20, 2018 | Analysis of North Korea negotiation process                  | KEI's media contacts list                                                      | Email           |
| August 21, 2018 | Facilitating interview on South Korean economic reform       | Sohee Kim, reporter, <i>Bloomberg</i>                                          | Email           |
| August 23, 2018 | Economics of k-pop                                           | The Korea Society (NY)                                                         | Program/speaker |

**Department of Justice (DOJ) Report****Min Kang****Director of Finance and Human Resources****Korea Economic Institute of America (KEI)****Contacts from March 1, 2018 – August 31, 2018**

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|--------------------|---------------|-----------|--------|
| Manner of Contact: |               |           |        |
| Meeting            | Forum/Program | Dinner    | Lunch  |
| Breakfast          | Phone call    | Interview | E-mail |

- Coffee with someone may be categorized as Meeting

| Date       | Activity/Subject Matter                                                                              | U.S. government official or U.S. public contacted | Manner of contact |
|------------|------------------------------------------------------------------------------------------------------|---------------------------------------------------|-------------------|
| 03/08/2018 | North Korea and Iran: Nuclear Challenges for the United States                                       | Korea Economic Institute of America (KEI)         | Forum/Program     |
| 03/14/2018 | The KORUS FTA: Expectations Fulfilled?                                                               | KEI                                               | Forum/Program     |
| 03/22/2018 | A Diplomatic Path Forward: A Proposed Framework for the Trump-Kim Summit                             | KEI                                               | Forum/Program     |
| 04/19/2018 | Understanding North Korea's Outreach in 2018                                                         | KEI                                               | Forum/Program     |
| 04/30/2018 | North Korean Diplomacy in the Era of Summits                                                         | KEI                                               | Forum/Program     |
| 05/17/2018 | Security issues on the Korean Peninsula: Challenges for the ROK-US Alliance in 2018                  | KEI                                               | Forum/Program     |
| 05/29/2018 | The Future of U.S. Forces on the Korean Peninsula                                                    | KEI                                               | Forum/Program     |
| 06/07/2018 | North Korea's Nuclear Identity: Why Pyongyang Wants Nuclear Weapons and How It Matters for Diplomacy | KEI                                               | Forum/Program     |
| 06/27/2018 | South Korea vs. Germany Soccer game Watch Party                                                      | KEI                                               | Forum/Program     |

|            |                                                                                   |     |               |
|------------|-----------------------------------------------------------------------------------|-----|---------------|
| 07/12/2018 | Next Steps on North Korea:<br>Denuclearization and Building a New<br>Relationship | KEI | Forum/Program |
| 07/30/2018 | Hallyu at High Tide: Korean Culture<br>Takes off in the United States             | KEI | Forum/Program |

**Department of Justice (DOJ) Report****Junil Kim****Program Manager and Executive Assistant****Korea Economic Institute of America (KEI)****Contacts from March 1, 2018 – August 31, 2018**

|                    |               |           |        |
|--------------------|---------------|-----------|--------|
| Manner of Contact: |               |           |        |
| Meeting            | Forum/Program | Dinner    | Lunch  |
| Breakfast          | Phone call    | Interview | E-mail |

- Coffee with someone may be categorized as Meeting

| Date           | Activity/Subject Matter                                        | U.S. government official or U.S. public contacted                                                   | Manner of contact |
|----------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-------------------|
| March 1, 2018  | Arranging meeting between Congressional office and KEI         | Jacqueline Juffer Sumpter, Scheduler and Executive Assistant, Office of Senator Mike Rounds (SD)    | E-mail            |
| March 1, 2018  | Arranging meeting between Congressional office and KEI         | Caroline Celley, Deputy Scheduler and Executive Assistant, Office of Senator Jeff Flake (AZ)        | E-mail            |
| March 5, 2018  | Arranging travel for KEI Advisory Council Meeting              | Ambassador James Kelly, former Assistant U.S. Secretary of State for East Asian and Pacific Affairs | E-mail            |
| March 6, 2018  | Arranging meeting between Congressional office and KEI         | Lauren Radice, Scheduler, Office of Congressmember Karen Bass (CA)                                  | E-mail            |
| March 7, 2018  | Arranging meeting between Congressional office and KEI         | Sabrina Parker, Executive Assistant, Office of Congressman Tom Cole (OK)                            | E-mail            |
| March 8, 2018  | Arranging meeting between Congressional office and KEI         | Maya Ashwal, Scheduler, Office of Senator Christopher Murphy (CT)                                   | E-mail            |
| March 8, 2018  | North Korea and Iran: Nuclear Challenges for the United States | Korea Economic Institute of America (KEI)                                                           | Program/forum     |
| March 12, 2018 | Arranging meeting between Congressional office and KEI         | Nicole Porreca, Senior Foreign Policy Advisor, Office of Senator Tim Kaine (VA)                     | E-mail            |
| March 14, 2018 | Arranging meeting between Congressional office and KEI         | Hilda Harder, Scheduler, Office of Senator Richard Burr (NC)                                        | E-mail            |

|                |                                                                      |                                                                            |               |
|----------------|----------------------------------------------------------------------|----------------------------------------------------------------------------|---------------|
| March 14, 2018 | Sixth anniversary of the Korea-U.S. Free Trade Agreement (KORUS FTA) | KEI                                                                        | Program/forum |
| March 14, 2018 | Arranging meeting between Congressional office and KEI               | Angela Schulze, Director of Scheduling, Office of Senator Thom Tillis (SD) | E-mail        |
| March 21, 2018 | Arranging meeting between Congressional office and KEI               | Drake Henle, Scheduler, Office of Senator Rand Paul (KY)                   | E-mail        |
| March 22, 2018 | Proposed framework for the upcoming Trump-Kim summit                 | KEI                                                                        | Program/forum |
| March 23, 2018 | Arranging meeting between Congressional office and KEI               | Lauren Radice, Scheduler, Office of Congressman Karen Bass (CA)            | E-mail        |
| March 28, 2018 | U.S.-Korea agricultural trade since KORUS implementation             | KEI                                                                        | Program/forum |
| April 2, 2018  | South Korean science diplomacy                                       | KEI                                                                        | Program/forum |
| April 4, 2018  | Arranging meeting between Congressional office and KEI               | Lauren Radice, Scheduler, Office of Congressman Karen Bass (CA)            | E-mail        |
| April 10, 2018 | Coordinating on logistics for public engagement program              | Alexander Goldberg, Korea Desk Officer, U.S. State Department              | E-mail        |
| April 11, 2018 | "North Korea's Diplomatic Gambit: Will History Repeat Itself?"       | U.S. House Committee on Foreign Affairs                                    | Program/forum |
| April 13, 2018 | Arranging meeting between Congressional office and KEI               | Sabrina Parker, Executive Assistant, Office of Congressman Tom Cole (OK)   | E-mail        |
| April 17, 2018 | "China and North Korea: Past, Present, and Future"                   | U.S. Institute of Peace                                                    | Program/forum |
| April 19, 2018 | Understanding North Korea's outreach in 2018                         | KEI                                                                        | Program/forum |
| April 26, 2018 | Inter-Korean summit and public opinion                               | Op-ed for <i>The Diplomat</i>                                              | E-mail        |
| April 30, 2018 | North Korean diplomacy in an era of summits                          | KEI                                                                        | Program/forum |
| May 2, 2018    | Northeast Asia security                                              | Sasakawa Peace Foundation USA                                              | Program/forum |
| May 7, 2018    | Arranging travel for KEI program                                     | Ambassador Kathleen Stephens, former U.S. Ambassador to South Korea        | E-mail        |
| May 8, 2018    | Coordinating on logistics for public engagement program              | Alexander Goldberg, Korea Desk Officer, U.S. State Department              | E-mail        |
| May 10, 2018   | Coordinate logistics and details for joint public program            | Joyce Davis, President, Harrisburg World Affairs Council                   | E-mail        |

|              |                                                           |                                                                                                                                   |               |
|--------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|---------------|
| May 10, 2018 | Coordinate logistics and details for joint public program | Felecia Maxfield-Barrett, Executive Director, Utah Council for Citizen Diplomacy                                                  | E-mail        |
| May 10, 2018 | Coordinate logistics and details for joint public program | Katherine Tarr, Coordinator for Korea and Japan, Office of Public Diplomacy, U.S. State Department                                | E-mail        |
| May 14, 2018 | Arranging meeting between Congressional office and KEI    | Sabrina Parker, Executive Assistant, Office of Congressman Tom Cole (OK)                                                          | E-mail        |
| May 15, 2018 | Coordinate logistics and details for joint public program | Lindsay Bowman, Middle School Teacher, Harrisburg Academy                                                                         | E-mail        |
| May 15, 2018 | Coordinate logistics and details for joint public program | Lauren Osga, Senior Director of Programs & Development, World Affairs Council of Charlotte                                        | E-mail        |
| May 17, 2018 | U.S.-Korea relations                                      | KEI and International Council on Korean Studies (ICKS)                                                                            | Program/forum |
| May 18, 2018 | Coordinate logistics and details for joint public program | Vanna Lavery, Political Officer, Office of Korea Affairs, U.S. State Department                                                   | E-mail        |
| May 18, 2018 | Coordinate logistics and details for joint public program | Felecia Maxfield-Barrett, Executive Director, Utah Council for Citizen Diplomacy                                                  | Phone call    |
| May 18, 2018 | Coordinate logistics and details for joint public program | Lauren Osga, Senior Director of Programs & Development, World Affairs Council of Charlotte                                        | Phone call    |
| May 21, 2018 | Coordinate logistics and details for joint public program | Sandy Campbell, Executive Director, Santa Fe Council on International Relations                                                   | E-mail        |
| May 24, 2018 | Korea's economic reform agenda                            | KEI                                                                                                                               | Program/forum |
| May 24, 2018 | Coordinate logistics and details for joint public program | Larry Cimino, President, Indiana Council on World Affairs                                                                         | E-mail        |
| May 24, 2018 | Passing on congratulation remarks to KEI                  | John Endicott, President, Woosong University                                                                                      | E-mail        |
| June 4, 2018 | Coordinate logistics and details for joint public program | Juli Kim, Political Officer, Office of Korean Affairs, U.S. State Department                                                      | E-mail        |
| June 4, 2018 | Coordinate logistics and details for joint public program | Larry Cimino, President, Indiana Council on World Affairs                                                                         | E-mail        |
| June 4, 2018 | Coordinate logistics and details for joint public program | Suzette Alles, International Business Director, World Trade Center Utah                                                           | E-mail        |
| June 4, 2018 | Coordinate logistics and details for joint public program | Karen Burghart, Executive Director, Colorado Springs World Affairs Council<br>Karen de Bartolome, Executive Director, WorldDenver | E-mail        |

|               |                                                           |                                                                                                      |               |
|---------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------|
| June 4, 2018  | Coordinate logistics and details for joint public program | Katherine Tarr, Coordinator for Korea and Japan, Office of Public Diplomacy, U.S. State Department   | E-mail        |
| June 5, 2018  | Coordinate logistics and details for joint public program | Felecia Maxfield-Barrett, Executive Director, Utah Council for Citizen Diplomacy                     | E-mail        |
| June 5, 2018  | Coordinate logistics and details for joint public program | Vanna Lavery, Political Officer, Office of Korea Affairs, U.S. State Department                      | E-mail        |
| June 6, 2018  | Coordinate logistics and details for joint public program | Karli Miller, Program Coordinator, World Affairs Council of NH                                       | E-mail        |
| June 6, 2018  | Coordinate logistics and details for joint public program | Sandy Campbell, Executive Director, Santa Fe Council on International Relations                      | E-mail        |
| June 8, 2018  | Coordinate logistics and details for joint public program | Mark Soo Hoo, Manager, Mechanical Systems and Design, Sandia                                         | E-mail        |
| June 8, 2018  | Coordinate logistics and details for joint public program | Adam Miller, LCDR U.S. Navy, Office of Korean Affairs, U.S. State Department                         | E-mail        |
| June 11, 2018 | Coordinate logistics and details for joint public program | Karli Miller, Program Coordinator, World Affairs Council of NH                                       | Phone call    |
| June 11, 2018 | Coordinating on logistics for public engagement program   | Randall Jones, Head of Japan/Korea Desk, Organisation of Economic Cooperation and Development (OECD) | E-mail        |
| June 13, 2018 | Regional perspectives on the U.S.-North Korea summit      | KEI and Sasakawa Foundation USA                                                                      | Program/forum |
| June 13, 2018 | Coordinate logistics and details for joint public program | Felecia Maxfield-Barrett, Executive Director, Utah Council for Citizen Diplomacy                     | E-mail        |
| June 13, 2018 | Coordinate logistics and details for joint public program | Brice Wallace, Reporter, Salt Lake Enterprise                                                        | E-mail        |
| June 14, 2018 | Coordinate logistics and details for joint public program | Adam Miller, LCDR U.S. Navy, Office of Korean Affairs, U.S. State Department                         | E-mail        |
| June 15, 2018 | Coordinate logistics and details for joint public program | Katherine Tarr, Coordinator for Korea and Japan, Office of Public Diplomacy, U.S. State Department   | E-mail        |
| June 18, 2018 | Coordinate logistics and details for joint public program | Nicole Gollifer, Office of Korean Affairs, OMS, KTG Contractor                                       | E-mail        |
| June 19, 2018 | Coordinating on logistics for roundtable program          | Thomas Byrne, President, Korea Society                                                               | E-mail        |
| June 20, 2018 | Coordinating on logistics for roundtable program          | Kirk Larsen, Professor, Brigham Young University                                                     | E-mail        |
| June 20, 2018 | Coordinating on logistics for roundtable program          | Katrin Katz, Adjunct Fellow (Non-resident), Korea Chair, CSIS                                        | E-mail        |

|                   |                                                           |                                                                                                      |               |
|-------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------|
| June 20, 2018     | Silk Road Narratives                                      | East West Center                                                                                     | Program/forum |
| June 21, 2018     | Coordinate logistics and details for joint public program | Sandy Campbell, Executive Director, Santa Fe Council on International Relations                      | E-mail        |
| June 21, 2018     | Coordinate logistics and details for joint public program | Mark Soo Hoo, Manager, Mechanical Systems and Desifn, Sandia                                         | E-mail        |
| June 21, 2018     | Coordinate logistics and details for joint public program | Susan Jay, Program Officer, Santa Fe Council on International Relations                              | E-mail        |
| June 25, 2018     | Coordinate logistics and details for joint public program | Katherine Tarr, Coordinator for Korea and Japan, Office of Public Diplomacy, U.S. State Department   | E-mail        |
| June 29, 2018     | Coordinate logistics and details for joint public program | Lauren Osga, Senior Director of Programs & Development, World Affairs Council of Charlotte           | E-mail        |
| July 2, 2018      | Coordinating on logistics for public engagement program   | Randall Jones, Head of Japan/Korea Desk, Organisation of Economic Cooperation and Development (OECD) | E-mail        |
| July 2, 2018      | Coordinating on logistics for roundtable program          | Janet Roll, Assistant to Amb. Chris Hill, University of Denver                                       | E-mail        |
| July 3, 2018      | Coordinate logistics and details for joint public program | Angela Weck, Executive Director of the Peoria Area World Affairs Council                             | E-mail        |
| July 3, 2018      | Coordinate logistics and details for joint public program | Susan Jay, Program Officer, Santa Fe Council on International Relations                              | E-mail        |
| July 5, 2018      | Coordinate logistics and details for joint public program | Angela Weck, Executive Director of the Peoria Area World Affairs Council                             | Phone call    |
| July 5, 2018      | Coordinating on logistics for roundtable program          | Kirk Larsen, Professor, Brigham Young University                                                     | E-mail        |
| July 9 – 11, 2018 | U.S.-Korea relations                                      | KEI's Opinion Leaders Seminar                                                                        | Program/forum |
| July 10, 2018     | Coordinating on logistics for roundtable program          | Tamar Herman, Columnist, Billboard<br>Luz Lanzot, Program Officer for Education, Korea Society       | E-mail        |
| July 11, 2018     | Coordinate logistics and details for joint public program | Lauren Osga, Senior Director of Programs & Development, World Affairs Council of Charlotte           | E-mail        |
| July 12, 2018     | Next steps in dealing with North Korea                    | KEI                                                                                                  | Program/forum |
| July 13, 2018     | Coordinate logistics and details for joint public program | Adam Miller, LCDR U.S. Navy, Office of Korean Affairs, U.S. State Department                         | E-mail        |
| July 13, 2018     | Coordinate logistics and details for joint public program | Liz Brailsford, COO, World Affairs Council of America                                                | E-mail        |

|                |                                                                                      |                                                                                                                                   |               |
|----------------|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|---------------|
| July 13, 2018  | Coordinate logistics and details for joint public program                            | Karen Burghart, Executive Director, Colorado Springs World Affairs Council<br>Karen de Bartolome, Executive Director, WorldDenver | E-mail        |
| July 18, 2018  | Coordinating on logistics for roundtable program                                     | Tamar Herman, Columnist, Billboard<br>Luz Lanzot, Program Officer for Education, Korea Society                                    | E-mail        |
| July 19, 2018  | Mongolian foreign policy                                                             | East West Center                                                                                                                  | Program/forum |
| July 20, 2018  | Coordinating on logistics for roundtable program                                     | Kirk Larsen, Professor, Brigham Young University                                                                                  | E-mail        |
| July 23, 2018  | Coordinate logistics and details for joint public program                            | Liz Brailsford, COO, World Affairs Council of America                                                                             | E-mail        |
| July 24, 2018  | Coordinate logistics and details for joint public program                            | Karen Burghart, Executive Director, Colorado Springs World Affairs Council<br>Karen de Bartolome, Executive Director, WorldDenver | E-mail        |
| July 24, 2018  | Coordinate logistics and details for joint public program                            | Lauren Osga, Senior Director of Programs & Development, World Affairs Council of Charlotte                                        | E-mail        |
| July 25, 2018  | Organisation of Economic Cooperation and Development (OECD) Economic Survey of Korea | KEI                                                                                                                               | Program/forum |
| July 26, 2018  | Coordinate logistics and details for joint public program                            | Katherine Tarr, Coordinator for Korea and Japan, Office of Public Diplomacy, U.S. State Department                                | E-mail        |
| July 27, 2018  | Coordinate logistics and details for joint public program                            | Drew Lorelli, Program Assistant, World Affairs Council of America                                                                 | E-mail        |
| July 27, 2018  | Coordinating on logistics for roundtable program                                     | Keith Luse, Executive Director, National Committee on North Korea                                                                 | E-mail        |
| July 27, 2018  | Coordinating on meeting times                                                        | Mark Lippert, Vice President, Boeing                                                                                              | E-mail        |
| July 30, 2018  | Korea Culture: Hallyu                                                                | KEI and the Korea Society                                                                                                         | Program/forum |
| July 30, 2018  | U.S.-ROK security discussions on denuclearization                                    | Jacob Doyle, Senior Consultant and Content Supplier for Unipath, IAPDF and IADF Magazines                                         | E-mail        |
| July 30, 2018  | Coordinating on meeting times                                                        | Deborah McCarthy, former U.S. Ambassador to Lithuania                                                                             | E-mail        |
| August 1, 2018 | Coordinate logistics and details for joint public program                            | Angela Weck, Executive Director of the Peoria Area World Affairs Council                                                          | E-mail        |

|                 |                                                           |                                                                                                                                   |            |
|-----------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------|
| August 2, 2018  | Coordinate logistics and details for joint public program | Lauren Osga, Senior Director of Programs & Development, World Affairs Council of Charlotte                                        | E-mail     |
| August 2, 2018  | Coordinate logistics and details for joint public program | Adam Miller, LCDR U.S. Navy, Office of Korean Affairs, U.S. State Department                                                      | E-mail     |
| August 9, 2018  | Coordinate logistics for joint public program             | John Dickson, President of the World Trade and Development Group                                                                  | E-mail     |
| August 14, 2018 | Coordinate logistics and details for joint public program | Katherine Tarr, Coordinator for Korea and Japan, Office of Public Diplomacy, U.S. State Department                                | E-mail     |
| August 15, 2018 | Coordinate logistics and details for joint public program | Karli Miller, Program Coordinator, World Affairs Council of NH                                                                    | E-mail     |
| August 16, 2018 | Coordinate logistics and details for joint public program | Karen Burghart, Executive Director, Colorado Springs World Affairs Council<br>Karen de Bartolome, Executive Director, WorldDenver | E-mail     |
| August 20, 2018 | Coordinate logistics and details for joint public program | Lauren Osga, Senior Director of Programs & Development, World Affairs Council of Charlotte                                        | E-mail     |
| August 20, 2018 | Coordinate logistics and details for joint public program | Adam Miller, LCDR U.S. Navy, Office of Korean Affairs, U.S. State Department                                                      | E-mail     |
| August 20, 2018 | Coordinate logistics and details for joint public program | Angela Weck, Executive Director of the Peoria Area World Affairs Council                                                          | E-mail     |
| August 21, 2018 | Coordinate logistics and details for joint public program | Karli Miller, Program Coordinator, World Affairs Council of NH                                                                    | Phone call |
| August 22, 2018 | Coordinating on logistics for public engagement program   | Alexander Goldberg, Korea Desk Officer, U.S. State Department                                                                     | E-mail     |
| August 22, 2018 | Coordinate logistics and details for joint public program | Drew Lorelli, Program Assistant, World Affairs Council of America                                                                 | E-mail     |
| August 27, 2018 | Coordinating on logistics for public engagement program   | Alexander Goldberg, Korea Desk Officer, U.S. State Department                                                                     | E-mail     |

**Department of Justice (DOJ) Report****Sang Kim****Director of Public Affairs & Intern Coordinator****Korea Economic Institute of America (KEI)****Contacts from March 1, 2018 – August 31, 2018**

|                    |               |           |        |
|--------------------|---------------|-----------|--------|
| Manner of Contact: |               |           |        |
| Meeting            | Forum/Program | Dinner    | Lunch  |
| Breakfast          | Phone call    | Interview | E-mail |

- Coffee with someone may be categorized as Meeting

| Date           | Activity/Subject Matter                                              | U.S. government official or U.S. public contacted                                                                                                                                | Manner of contact |
|----------------|----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| March 2, 2018  | Planning for upcoming event                                          | Greg Scarlatou, Executive Director, Committee for Human Rights in North Korea (HRNK); Jim Kelman, Program Officer, Meridian International; Rosa Park, Director of Programs, HRNK | Email             |
| March 6, 2018  | Introduction and invitation to Korea Club event                      | Katrina Manson, U.S. Foreign Policy & Defense Correspondent, <i>Financial Times</i>                                                                                              | Email             |
| March 8, 2018  | Planning for upcoming event                                          | Sherry Cameron, Board Member, World Affairs Council of Readings, Pennsylvania                                                                                                    | Email             |
| March 8, 2018  | North Korea and Iran: Nuclear Challenges for the United States       | Korea Economic Institute of America (KEI)                                                                                                                                        | Forum/Program     |
| March 13, 2018 | Thinking the unthinkable: War on the Korean Peninsula                | Brookings Institution                                                                                                                                                            | Forum/Program     |
| March 14, 2018 | Sixth anniversary of the Korea-U.S. Free Trade Agreement (KORUS FTA) | KEI                                                                                                                                                                              | Program/forum     |
| March 14, 2018 | US.-North Korea Summit                                               | Wilson Center                                                                                                                                                                    | Conference call   |
| March 14, 2018 | Assessing the Evolving Threat From North Korea                       | KEI's Korea Club                                                                                                                                                                 | Forum/Program     |
| March 22, 2018 | Proposed framework for the upcoming Trump-Kim summit                 | KEI                                                                                                                                                                              | Forum/Program     |

|                |                                                          |                                                                                                          |                   |
|----------------|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------|-------------------|
| March 27, 2018 | Planning for upcoming Korea-America Student Conference   | Linda Butcher, Executive Director, and Paul Sung, Program Assistant, International Student Conference    | Meeting           |
| March 28, 2018 | U.S.-Korea agricultural trade since KORUS implementation | KEI                                                                                                      | Forum/Program     |
| April 2, 2018  | South Korean science diplomacy                           | KEI                                                                                                      | Forum/Program     |
| April 6, 2018  | Six Party Talks Simulation exercise                      | American University                                                                                      | Program (speaker) |
| April 11, 2018 | Follow up on Six Party Talks Simulation                  | John Calabrese, Professor, American University                                                           | Email             |
| April 17, 2018 | U.S.-Korea relations                                     | D.C. visit of the World Affairs Council of Reading, PA                                                   | Meeting           |
| April 17, 2018 | North Korean human rights                                | KEI's Korea Club                                                                                         | Forum/Program     |
| April 18, 2018 | Diplomacy with North Korea                               | Koch Institute                                                                                           | Forum/Program     |
| April 19, 2018 | Understanding North Korea's outreach in 2018             | KEI                                                                                                      | Forum/Program     |
| April 26, 2018 | Planning for upcoming event                              | James Zumwalt, Chief Executive Officer; Darah Phillip, Research Assistant, Sasakawa Peace Foundation USA | Email             |
| April 30, 2018 | North Korean diplomacy in an era of summits              | KEI                                                                                                      | Program/forum     |
| May 2, 2018    | North Korea Denuclearization Debate                      | Intelligence Squared Debates                                                                             | Forum/Program     |
| May 4, 2018    | The Future of a Denuclearized Korean Peninsula           | Atlantic Council                                                                                         | Forum/Program     |
| May 16, 2018   | Student/Young Professionals initiatives                  | Daniel Wertz, Program Manager, National Committee on North Korea                                         | Email             |
| May 17, 2018   | U.S.-Korea relations                                     | KEI and International Council on Korean Studies (ICKS)                                                   | Program/forum     |
| May 24, 2018   | Korea's economic reform agenda                           | KEI                                                                                                      | Forum/Program     |
| May 29, 2018   | Future of U.S. forces on the Korean peninsula            | KEI                                                                                                      | Forum/Program     |
| June 7, 2018   | North Korean Identity and Nuclear Weapons                | KEI                                                                                                      | Forum/Program     |
| June 8, 2018   | Korean American issues                                   | John Kim, Council on Korean Americans                                                                    | Lunch             |

|                 |                                                                                      |                                                                     |                   |
|-----------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------|
| June 11, 2018   | Planning for Korean American Day 2019                                                | Chris Tsou, Freelance producer                                      | Dinner            |
| June 13, 2018   | Regional perspectives on the U.S.-North Korea summit                                 | KEI & Sasakawa Peace Foundation USA                                 | Forum/Program     |
| June 14, 2018   | Cybersecurity in East Asia                                                           | Brookings Institution                                               | Forum/Program     |
| June 20, 2018   | Farewell reception for KEI President & CEO Donald Manzullo                           | KEI (on Capitol Hill)                                               | Reception         |
| June 21, 2018   | CNAS Annual Conference                                                               | Center for New American Security                                    | Forum/Program     |
| June 21, 2018   | Informational interview about KEI                                                    | Jaemin Baek, Associate, Stonebridge Albright                        | Meeting           |
| June 26, 2018   | Upcoming event with Japan-America Student Conference                                 | Linda Butcher, Executive Director, Internaitonal Student Conference | Dinner            |
| June 27, 2018   | South Korea vs. Germany World Cup Viewing                                            | KEI                                                                 | Forum/Program     |
| July 9-11       | U.S.-Korea relations                                                                 | KEI's Opinion Leaders Seminar                                       | Program/forum     |
| July 12, 2018   | Next steps in dealing with North Korea                                               | KEI                                                                 | Program/forum     |
| July 24         | Kim Jong-un's Survival Strategy, Why It Might Work                                   | KEI's Korea Club                                                    | Forum/Program     |
| July 25, 2018   | Organisation of Economic Cooperation and Development (OECD) Economic Survey of Korea | KEI                                                                 | Forum/program     |
| July 25, 2018   | Future of the U.S.-Korea alliance                                                    | George Washington University Institute for Korean Studies (GWIKS)   | Program/forum     |
| July 30, 2018   | Hallyu in the United States                                                          | KEI                                                                 | Forum/program     |
| August 8, 2018  | North Korean Defectors on Successful Startups and Employment                         | Bridge International                                                | Forum/Program     |
| August 9, 2018  | Six Party Talks Simulation exercise                                                  | International Young Leaders Assembly, Global Peace Foundation       | Forum/program     |
| August 14, 2018 | "Spy Gone North" Korea movie screening event                                         | KEI & Wilson Center joint event                                     | Forum/program     |
| August 20, 2018 | Six Party Talks Simulation exercise                                                  | Japan America Student Conference                                    | Program (speaker) |

**Department of Justice (DOJ) Report****Donald Manzullo****President & CEO****Korea Economic Institute of America (KEI)****Contacts from March 1, 2018 – August 31, 2018**

| Manner of Contact: |               |           |        |
|--------------------|---------------|-----------|--------|
| Meeting            | Forum/Program | Dinner    | Lunch  |
| Breakfast          | Phone call    | Interview | E-mail |

- Coffee with someone may be categorized as Meeting

| Date           | Activity/Subject Matter                                              | U.S. government official or U.S. public contacted                                                                                                                                 | Manner of contact |
|----------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| March 6, 2018  | U.S.-Korea relations                                                 | Rep. Charles Dent (PA-15 <sup>th</sup> ) and Caitlin Wilson, Legislative Director                                                                                                 | Meeting           |
| March 6, 2018  | U.S.-Korea relations                                                 | Tony Pankuch, Military Legislative Assistant; Christopher Ryan, Military Legislative Fellow; and Adrienne Jackson, Legislative Correspondent, Office of Senator James Inhofe (OK) | Meeting           |
| March 8, 2018  | North Korea and Iran: Nuclear Challenges for the United States       | Korea Economic Institute of America (KEI)                                                                                                                                         | Program/ forum    |
| March 8, 2018  | U.S.-Korea relations                                                 | Andrew Lee, Legislative Fellow (State), Office of Senator Kirsten Gillibrand (NY)                                                                                                 | Meeting           |
| March 8, 2018  | U.S.-Korea relations                                                 | Justin Stebbins, Legislative Aide, Office of Senator Ron Johnson (WI)                                                                                                             | Meeting           |
| March 14, 2018 | Sixth anniversary of the Korea-U.S. Free Trade Agreement (KORUS FTA) | KEI                                                                                                                                                                               | Program/ forum    |
| March 15, 2018 | U.S.-Korea relations                                                 | Senator Richard Burr (NC), Ann Woods Hawks, Legislative Counsel, and Christian Cook, Senior Policy Advisor, Senate Intelligence Committee                                         | Meeting           |
| March 15, 2018 | U.S.-Korea relations                                                 | Daniel O'Connor, Pearson Foreign Policy Fellow, and Jake Gutman, Legislative Correspondent, Office of Senator Cory Booker (NJ)                                                    | Meeting           |

|                |                                                          |                                                                                                                                                                                                 |               |
|----------------|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| March 15, 2018 | Invite for Chairman Ed Royce to speak at KEI Event       | Nien Su, Chief Economic Advisor, Office of Congressman Ed Royce (CA)                                                                                                                            | E-mail        |
| March 19, 2018 | KEI program on KORUS FTA and beef issues                 | Colin Woodall, VP Gov't Affairs, Cattlemen Association                                                                                                                                          | E-mail        |
| March 21, 2018 | U.S.-Korea relations                                     | Senator Mike Rounds (SD) and Darren Hedlund, Legislative Assistant                                                                                                                              | Meeting       |
| March 21, 2018 | U.S.-Korea relations                                     | Senator Rand Paul (KY) and Jim Webb, Legislative Assistant                                                                                                                                      | Meeting       |
| March 21, 2018 | U.S.-Korea relations                                     | Senator Joni Ernst (IA) and Michael Dolch, Legislative Assistant                                                                                                                                | Meeting       |
| March 22, 2018 | Trade and security in Korea                              | Peter Weichlein, CEO, US Assoc. of Former Members of Congress                                                                                                                                   | Meeting       |
| March 22, 2018 | U.S.-Korea relations                                     | Senator Thom Tillis (NC) and Bo Prosch, Military Legislative Assistant                                                                                                                          | Meeting       |
| March 22, 2018 | Trade and security in Korea                              | Ron Storhaug, Senior Economic Advisor; Blake Souter, Legislative Assistant; Nicole Porreca, Senior Foreign Policy Advisor, Senate Foreign Relations Committee, Office of Senator Tim Kaine (VA) | Meeting       |
| March 26, 2018 | Invitation to speak at KEI event                         | Ambassador Robert Lighthizer, U.S. Trade Representative                                                                                                                                         | E-mail        |
| March 26, 2018 | Invitation to speak at university classes                | Mark Croatti, Professor of Political Science, George Washington University                                                                                                                      | E-mail        |
| March 28, 2018 | U.S.-Korea relations                                     | University of California/San Diego Global Leaders Institute participants                                                                                                                        | Meeting       |
| March 28, 2018 | U.S.-Korea agricultural trade since KORUS implementation | KEI                                                                                                                                                                                             | Program/forum |
| March 29, 2018 | U.S.-Korea trade issues                                  | Colin Woodall, Vice President of Government Affairs, National Cattlemen's Beef Association                                                                                                      | E-mail        |
| March 29, 2018 | Disability awareness                                     | Tony Cancelosi, CEO Columbia Lighthouse                                                                                                                                                         | Meeting       |
| April 12, 2018 | Employment opportunities                                 | Shabab Moghadam, University Student                                                                                                                                                             | E-mail        |
| April 14, 2018 | Endicott Center in Korea                                 | John Endicott, President, Woosong University                                                                                                                                                    | E-mail        |
| April 17, 2018 | Steel tariffs                                            | Llewellyn Hinkes-Jones, Writer, Bloomberg News                                                                                                                                                  | Phone call    |
| April 17, 2018 | Issues involving Korean peninsula                        | World Affairs Council, Greater Reading, Pennsylvania Chapter                                                                                                                                    | Meeting       |

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|----------------|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| April 24, 2018 | Central banking                                                                                                        | Heritage Foundation                                                                                                                                                  | Forum/<br>program |
| April 24, 2018 | Opening of DC office,<br>Arlington, Va                                                                                 | Hanwha Corporation                                                                                                                                                   | Forum/<br>program |
| April 26, 2018 | Speaking appearance                                                                                                    | Sharon Witiw, Director of Communication<br>Outreach, US Former Members of<br>Congress Association                                                                    | E-mail            |
| April 26, 2018 | Trade and security in Korea                                                                                            | Congresswoman Karen Bass (CA) and Dr.<br>Janette Yarwood, Democratic Staff<br>Director, Africa Subcommittee, House<br>International Relations Committee              | Meeting           |
| April 28, 2018 | Speaking opportunity                                                                                                   | W. Robert Warne, former Korea Economic<br>Institute President                                                                                                        | E-mail            |
| April 30, 2018 | North Korean diplomacy in an<br>era of summits                                                                         | KEI                                                                                                                                                                  | Program/<br>forum |
| May 16, 2018   | U.S.-Korea relations                                                                                                   | Rep. Tom Cole, (OK-4 <sup>th</sup> ) and Marie<br>Bowie, Deputy Chief of Staff                                                                                       | Meeting           |
| May 17, 2018   | U.S.-Korea relations                                                                                                   | KEI and International Council on Korean<br>Studies (ICKS)                                                                                                            | Program/<br>forum |
| May 22, 2018   | Program opportunities                                                                                                  | Claus Gramckow, Representative USA<br>and Canada, Transatlantic Dialogue                                                                                             | E-mail            |
| May 22, 2018   | U.S. pull out from the Iran<br>nuclear deal                                                                            | U.S. Former Members of Congress<br>Association, former Rep. Charles<br>Boustany, and Ambassador Stuart<br>Eizenstat, former Deputy Secretary of the<br>U.S. Treasury | Forum/<br>program |
| May 24, 2018   | Speaking engagement on trade<br>and security in Korea                                                                  | Harrisburg, PA World Affairs Council                                                                                                                                 | Forum/<br>program |
| May 25, 2018   | Speaking opportunities                                                                                                 | Joyce Long and Lindsay Bowman,<br>Teacher, Harrisburg Academy                                                                                                        | E-mail            |
| May 29, 2018   | Follow-up on implications of<br>the U.S. withdrawal from the<br>Iran nuclear deal for<br>negotiations with North Korea | Charles Boustany, former U.S.<br>Congressman (LA) and Ambassador Stuart<br>Eizenstat, former Deputy Secretary of the<br>U.S. Treasury                                | E-mail            |
| May 29, 2018   | Future of U.S. forces on the<br>Korean peninsula                                                                       | KEI                                                                                                                                                                  | Program/<br>forum |
| May 30, 2018   | Assistance on trying to arrange<br>a meeting in Seoul, South<br>Korea                                                  | Mustafa Mohatarem, Chief Economist,<br>General Electric                                                                                                              | E-mail            |
| May 31, 2018   | Thesis research                                                                                                        | Matt Wigler, Stanford Ph.D. student                                                                                                                                  | E-mail            |

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|---------------|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-------------------|
| June 4, 2018  | Promoting tourism into the U.S. from South Korea           | Mike Fullerton, Senior Director, and Peter Dodge, Senior Coordinator, Public Policy & Public Affairs, Brand USA | Meeting           |
| June 7, 2018  | North Korean national identity and nuclear weapons         | KEI                                                                                                             | Program/<br>forum |
| June 13, 2018 | Regional perspectives on the U.S.-North Korea summit       | KEI and Sasakawa Foundation USA                                                                                 | Program/<br>forum |
| June 19, 2018 | Disability awareness                                       | Tony Cancelosi, CEO Columbia Lighthouse                                                                         | Meeting           |
| June 20, 2018 | KEI and U.S.-Korea relations                               | Ambassador Kathleen Stephens, former U.S. Ambassador to South Korea                                             | Meeting           |
| June 20, 2018 | Farewell reception for KEI President & CEO Donald Manzullo | KEI (on Capitol Hill)                                                                                           | Reception         |

**Department of Justice (DOJ) Report****Troy Stangarone****Senior Director of Congressional Affairs & Trade****Korea Economic Institute of America (KEI)****Contacts from March 1, 2018 – August 31, 2018**

|                    |               |           |                   |
|--------------------|---------------|-----------|-------------------|
| Manner of Contact: |               |           |                   |
| Meeting            | Forum/Program | Dinner    | Lunch             |
| Breakfast          | Phone call    | Interview | E-mail            |
|                    |               |           | Speaker/Moderator |

- Coffee with someone may be categorized as Meeting

| Date      | Activity/Subject Matter                                                                            | U.S. government official or U.S. public contacted                                                                                     | Manner of contact           |
|-----------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 3/6/2018  | Internal North Korean developments                                                                 | Eric Swanson, Contractor, Microsystems Automation Group at the Bureau of Conflict and Stabilization Operations, U.S. State Department | Meeting                     |
| 3/7/2018  | Blog on decline of U.S.- Republic of Korea (ROK) trade deficit                                     | Chris Nelson, Editor, Nelson Report                                                                                                   | E-mail                      |
| 3/8/2018  | Dealing with the Iran and North Korea nuclear issues                                               | Korea Economic Institute (KEI)                                                                                                        | Program/Moderator           |
| 3/8/2018  | Sixth anniversary of the Korea-U.S. Free Trade Agreement (KORUS FTA)                               | KEI                                                                                                                                   | Program/Moderator           |
| 3/12/2018 | Blog on agriculture and the KORUS FTA                                                              | Brook Ramlet Hougesen, Communications Director, Office of Senator Joni Ernst                                                          | E-mail                      |
| 3/13/2018 | The effect of the departure of Secretary of State Rex Tillerson on U.S. policy towards North Korea | Matthew Rusling, Reporter, Xinhua News Agency                                                                                         | Interview/e-mail            |
| 3/14/2018 | KORUS FTA                                                                                          | Doug Palmer, Senior Trade Reporter, Politico                                                                                          | Interview/e-mail/phone call |
| 3/14/2018 | KORUS FTA                                                                                          | Randall Woods, U.S. Economics Editor, Bloomberg                                                                                       | Interview/e-mail/phone call |

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|--------------|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 3/14/2018    | KORUS FTA and Section 232 national security trade process                                   | Isabelle Hoagland, Associate Editor, Inside U.S. Trade                                                                                                                                                                                                   | Interview/e-mail            |
| 3/16/2018    | Economic-security dynamics of relations with South Korea                                    | Students in Korea-Japan relations class at Georgetown University                                                                                                                                                                                         | Program/speaker             |
| 3/15/2018    | Impact of the nomination of Mike Pompeo as Secretary of State on U.S.-North Korea relations | Matthew Rusling, Reporter, Xinhua News Agency                                                                                                                                                                                                            | Interview/e-mail            |
| 3/16/2018    | KORUS FTA                                                                                   | Adam Behsudi, Trade Reporter, Politico                                                                                                                                                                                                                   | Interview/phone call        |
| 3/19/2018    | U.S.-North Korea summit                                                                     | Matthew Rusling, Reporter, Xinhua News Agency                                                                                                                                                                                                            | Interview/e-mail            |
| 3/19-21/2018 | North Korean economy and sanctions                                                          | St. Mary's University (TX) conference                                                                                                                                                                                                                    | Program/speaker             |
| 3/19/2018    | Accepting a meeting request                                                                 | Wendy Cutler, Vice President and Director of the Washington Office, Asia Society Policy Institute                                                                                                                                                        | E-mail                      |
| 3/21/2018    | Impact of Iran deal withdrawal on denuclearization talks with North Korea                   | Alex Ward<br>Staff Writer, International Security and Defense, Vox.com                                                                                                                                                                                   | Interview/phone call/e-mail |
| 3/23/2018    | Effect of Korean investments in certain industries in the United States                     | Dan Kim, Ph.D., Senior International Economist and Alissa Tafti, Office of Economics; David Coffin, Senior International Trade Analyst and Jeff Horowitz, International Trade Analyst, Office of Industries, U.S. International Trade Commission (USITC) | Meeting                     |
| 3/25/2018    | KORUS FTA revisions                                                                         | Daniel Shane<br>Reporter, CNNMoney                                                                                                                                                                                                                       | Interview/e-mail            |
| 3/26/2018    | Cross border data flows                                                                     | U.S. Chamber of Commerce                                                                                                                                                                                                                                 | Program                     |
| 3/26/2018    | KORUS FTA revisions                                                                         | Randall Woods, U.S. Economics Editor, Bloomberg                                                                                                                                                                                                          | Interview/phone call        |
| 3/26/2018    | KORUS FTA revisions                                                                         | Adam Behsudi, Trade Reporter, Politico                                                                                                                                                                                                                   | Interview/phone call/e-mail |
| 3/27/2018    | Planning for upcoming Korea-America Student Conference                                      | Linda Butcher, Executive Director, and Paul Sung, Program Assistant, International Student Conference (ISC)                                                                                                                                              | Meeting                     |
| 3/27/2018    | KORUS FTA revisions                                                                         | Steve Herman<br>White House Bureau Chief<br>VOA News                                                                                                                                                                                                     | Interview/phone call/e-mail |

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|--------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| 3/28/2018    | KORUS FTA revisions                                                   | Alex Lawson<br>Senior Reporter, International Trade,<br>Law360 Newswire                                                                                     | Interview/<br>phone call/e-<br>mail |
| 3/28/2018    | Kim Jong-un/Xi Jinping<br>Summit                                      | Matthew Rusling, Reporter,<br>Xinhua News Agency                                                                                                            | Interview/e-<br>mail                |
| 3/28/2018    | U.S.-Korea agricultural trade<br>since KORUS implementation           | KEI                                                                                                                                                         | Program                             |
| 3/31/2018    | North Korea and<br>cryptocurrency                                     | Tim Martin, Staff Reporter, Wall Street<br>Journal                                                                                                          | Interview/e-<br>mail                |
| 4/4-7/2018   | U.S.-Korea relations                                                  | Two panels at KEI's Academic<br>Symposium at the International Studies<br>Association (ISA) annual conference in<br>San Francisco, CA, along with KEI booth | Program                             |
| 4/4/2018     | Planning for joint inter-Korean<br>summit event                       | Darah Phillips, Research Assistant,<br>Sasakawa Peace Institute USA                                                                                         | Phone call                          |
| 4/9/2018     | U.S.-Korea economic<br>cooperation                                    | Wendy Cutler, Vice President and Director<br>of the Washington Office, Asia Society<br>Policy Institute                                                     | Meeting                             |
| 4/9/2018     | Invitation to speak at inter-<br>Korean summit event                  | Jung Pak, Senior Fellow and SK-Korea<br>Foundation Chair in Korea Studies,<br>Brookings Institution                                                         | E-mail                              |
| 4/10/2018    | Invitation to speak at upcoming<br>KEI inter-Korean summit<br>program | Scott Snyder, Senior Fellow for Korea<br>Studies and Director of the Program on<br>U.S.-Korea Policy, Council on Foreign<br>Relations                       | E-mail                              |
| 4/11/2018    | Meeting request                                                       | Julianna Kim, Trade Unit Chief, U.S.<br>Embassy Seoul                                                                                                       | E-mail                              |
| 4/12/2018    | Update on inter-Korean<br>Summit                                      | U.S. Institute of Peace event with South<br>Korean Ambassador Cho Yoon-je                                                                                   | Program                             |
| 4/12/2018    | North Korea and Secretary<br>Pompeo                                   | Matthew Rusling, Reporter,<br>Xinhua News Agency                                                                                                            | Interview/e-<br>mail                |
| 4/16/2018    | U.S.-Korea economic relations                                         | American Enterprise Institute                                                                                                                               | Program/<br>lunch                   |
| 4/17/2018    | U.S.-Korea economic relations                                         | U.S. Chamber of Commerce                                                                                                                                    | Program                             |
| 4/19/2018    | North Korea's negotiating<br>strategies                               | KEI                                                                                                                                                         | Program                             |
| 4/19/2018    | Request for podcast interview                                         | Elise Hu, Seoul Bureau Chief, National<br>Public Radio (NPR)                                                                                                | E-mail                              |
| 4/24-25/2018 | North Korea and U.S.-Korea<br>relations                               | Asan Institute for Policy Studies                                                                                                                           | Program                             |

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|-----------|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 4/27/2018 | U.S.-Korea economic relations                                  | Joy Yamamoto, Minister Counselor for Economic Affairs; George Noll, Deputy Economic Counselor; Julianna Kim, Trade Unit Chief, U.S. Embassy Seoul | Meeting                     |
| 4/30/2018 | Inter-Korean summit results                                    | KEI                                                                                                                                               | Program/moderator           |
| 5/1/2018  | KORUS FTA updates                                              | Isabelle Hoagland, Associate Editor, Inside U.S. Trade                                                                                            | Interview/e-mail/phone call |
| 5/3/2018  | North Korea sanctions evasion                                  | Kevin Hirten, Investigative Producer Al Jazeera Media Network                                                                                     | Meeting                     |
| 5/4/2018  | KORUS FTA                                                      | Len Bracken, Reporter, Bloomberg BNA                                                                                                              | Interview/e-mail            |
| 5/8/2018  | North Korea nuclear issues                                     | Yun Sun, co-Director of the East Asia Program and Director of the China Program, Stimson Center                                                   | Lunch                       |
| 5/8/2018  | U.S.-Korea economic relations                                  | Foreign Service Institute                                                                                                                         | Program/speaker             |
| 5/9/2018  | News reporting in South Korea                                  | Elise Hu, Seoul Bureau Chief, National Public Radio (NPR) for KEI's Korea Kontext podcast                                                         | Interview                   |
| 5/9/2019  | Invitation to speak at 2018 U.S.-Korea Opinion Leaders Seminar | Peter Navarro, Assistant to the President, White House                                                                                            | E-mail                      |
| 5/9/2018  | Invitation to speak at 2018 U.S.-Korea Opinion Leaders Seminar | Jeffrey Gerrish, Deputy U.S. Trade Representative, Office of the U.S. Trade Representative                                                        | E-mail                      |
| 5/10/2018 | Reporting on North Korea in South Korea                        | Asia Society Policy Institute event with Elise Hu, NPR                                                                                            | Meeting                     |
| 5/10/2018 | Trump-Kim Summit                                               | Matthew Rusling, Reporter, Xinhua News Agency                                                                                                     | Interview/e-mail            |
| 5/10/2018 | U.S.-Korea Opinion Leaders Seminar                             | Joshua Pierce, Deputy Assistant USTR for Korea, Office of the U.S. Trade Representative                                                           | Phone call and e-mail       |
| 5/10/2018 | Invitation to speak at 2018 U.S.-Korea Opinion Leaders Seminar | Marcus Noland, Executive Vice President and Director of Studies, Peterson Institute for International Trade                                       | E-mail                      |
| 5/11/2018 | Invitation to speak at 2018 U.S.-Korea Opinion Leaders Seminar | Tami Overby, Senior Advisor, McLarty Associates                                                                                                   | E-mail                      |
| 5/14/2018 | Dismantling North Korea's nuclear program                      | Institute for Science and International Security                                                                                                  | Program                     |

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| 5/15/2018 | U.S.-Korea economic relations                                      | Scott Seaman, Director for Asia, Eurasia Group                                                                              | Lunch                |
| 5/15/2018 | Invitation to speak at 2018 U.S.-Korea Opinion Leaders Seminar     | Katrin Katz, Adjunct Fellow (Non-resident), Center for Strategic and International Studies                                  | E-mail               |
| 5/15/2018 | Invitation to speak at 2018 U.S.-Korea Opinion Leaders Seminar     | Patrick Cronin, Senior Advisor and Senior Director of the Asia-Pacific Security Program, Center for a New American Security | E-mail               |
| 5/16/2018 | U.S.-Korea economic relations                                      | Brookings Institution Executive Education                                                                                   | Program/speaker      |
| 5/16/2018 | Trump-Kim Summit                                                   | Matthew Rusling, Reporter, Xinhua News Agency                                                                               | Interview/e-mail     |
| 5/16/2018 | Invitation to speak at 2018 U.S.-Korea Opinion Leaders Seminar     | Shihoko, Senior Northeast Asia Associate, Wilson Center                                                                     | E-mail               |
| 5/17/2018 | U.S.-Korea Relations and North Korea                               | KEI and International Council on Korean Studies Conference                                                                  | Program              |
| 5/22/2018 | Opening reception                                                  | Old Korean Legation House                                                                                                   | Program              |
| 5/22/2018 | Trump-Kim Summit                                                   | CGTN                                                                                                                        | Interview            |
| 5/24/2018 | North Korea and the Chemical Weapons Convention                    | Dr. Charles Blair, Adjunct Faculty, School of Advanced International Studies, Johns Hopkins University                      | Phone call/interview |
| 5/24/2018 | Inclusive and innovative growth in South Korea                     | KEI Program                                                                                                                 | Program              |
| 5/25/2018 | Invitation to speak at the 2018 U.S.-Korea Opinion Leaders Seminar | Former Rep. Charle Boustany, Counselor, National Bureau of Asian Research                                                   | E-mail               |
| 5/25/2018 | Invitation to speak at the 2018 U.S.-Korea Opinion Leaders Seminar | Balbina Hwang, Visiting Professor, Georgetown University                                                                    | E-mail               |
| 5/29/2018 | Future of U.S. troops in Korea                                     | KEI                                                                                                                         | Program/moderator    |
| 5/29/2018 | Invitation to speak at the 2018 U.S.-Korea Opinion Leaders Seminar | Lindsey Ford, Director of Political-Security Affairs, Asia Society Policy Institute                                         | E-mail               |
| 6/1/2018  | Acceptance of invitation to speak at Georgetown                    | Scott Harold, Adjunct Professor, Georgetown University                                                                      | E-mail               |
| 6/1/2018  | KORUS FTA and U.S.-Korea economic relations                        | University of Southern California conference                                                                                | Program/speaker      |

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| 6/4/2018  | U.S.-Korea economic relations and potential collaboration                                     | Shihoko Goto, Senior Associate for Northeast Asia, Wilson Center                                                                                           | Lunch                        |
| 6/4/2018  | North Korea and Japan                                                                         | Jackie Alemany, White House Reporter, CBS News                                                                                                             | Interview/ phone call/e-mail |
| 6/5/2018  | U.S.-North Korea Summit                                                                       | Canadian Television (CTV)                                                                                                                                  | Interview                    |
| 6/5/2018  | Farewell message for KEI President & CEO Donald Manzullo                                      | Ambassador Pete Hoekstra, U.S. Ambassador to the Netherlands                                                                                               | E-mail                       |
| 6/7/2018  | North Korea's nuclear identity                                                                | KEI                                                                                                                                                        | Program                      |
| 6/8/2018  | U.S.-North Korea summit                                                                       | Center for a New American Security                                                                                                                         | Program                      |
| 6/8/2018  | Trump-Kim Summit                                                                              | Matthew Rusling, Reporter, Xinhua News Agency                                                                                                              | Interview/e-mail             |
| 6/10/2018 | U.S.-North Korea summit                                                                       | CTV                                                                                                                                                        | Interview                    |
| 6/11/2018 | North Korea-Myanmar ties                                                                      | National Committee on North Korea event with Kavi Chongkittavorn, Senior Fellow, Institute of Security and International Studies, Chulalongkorn University | Lunch                        |
| 6/11/2018 | The politics, defense, and foreign policies of South Korea                                    | Students at Georgetown University East Asia class                                                                                                          | Speaker                      |
| 6/12/2018 | Preview of U.S.-North Korea summit                                                            | KEI Facebook Live                                                                                                                                          | Interview                    |
| 6/13/2018 | U.S.-North Korea summit                                                                       | KEI-Sasakawa Peace Foundation event                                                                                                                        | Program/ speaker             |
| 6/14/2018 | Cybersecurity                                                                                 | Brookings Institution                                                                                                                                      | Breakfast                    |
| 6/14/2018 | Trump-Kim summit                                                                              | Matthew Rusling, Reporter, Xinhua News Agency                                                                                                              | Interview – E-mail           |
| 6/15/2018 | North Korea talks and chemical and biological weapons                                         | Stuart Leavenworth, National Correspondent, McClatchy Newspapers DC Bureau                                                                                 | E-mail and phone call        |
| 6/15/2018 | Invitation for Secretary of Defense James Mattis to speak at the 2018 Opinion Leaders Seminar | Randall Shriver, Assistant Secretary of Defense for Asian and Pacific Security Affair, Department of Defense                                               | E-mail                       |
| 6/15/2018 | Invitation to speak at the 2018 Opinion Leaders Seminar                                       | Michael Schiffer, Senior Advisor and Counselor, Democratic Staff of the Senate Foreign Relations Committee                                                 | E-mail                       |

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| 6/18/2018   | Follow-up regarding invitation to speak at 2018 U.S.-Korea Opinion Leaders Seminar                              | Matt Pottinger, Senior Director for Asian Affairs, National Security Council, the White House                                                       | E-mail              |
| 6/18/2018   | Invitation to speak at 2018 U.S.-Korea Opinion Leaders Seminar                                                  | Carolyn Leddy, Professional Staff Member, Republican Staff of the Senate Foreign Relations Committee                                                | E-mail              |
| 6/19/2018   | U.S.-North Korea summit assessment                                                                              | Center for Strategic and International Studies                                                                                                      | Meeting             |
| 6/19/2018   | Invitation to speak at 2018 U.S.-Korea Opinion Leaders Seminar                                                  | Ambassador Christopher Hill, Chief Advisor to the Chancellor for Global Engagement and Professor of the Practice in Diplomacy, University of Denver | E-mail              |
| 6/20/2018   | North Korea                                                                                                     | Yun Sun, co-Director of the East Asia Program and Director of the China Program, Stimson Center                                                     | Lunch               |
| 6/20/2018   | Farewell reception for KEI President Donald Manzullo                                                            | KEI (on Capitol Hill)                                                                                                                               | Program             |
| 6/22/2018   | Invitation to speak at 2018 U.S.-Korea Opinion Leaders Seminar                                                  | Former Rep. Charlie Dent, Senior Policy Advisor, DLA Piper                                                                                          | E-mail              |
| 6/28/2018   | U.S.-Korea alliance and North Korea                                                                             | KEI Future of Korea (Santa Fe, NM)                                                                                                                  | Program/<br>speaker |
| 6/28/2018   | Follow-up to invitation for Senator Edward Markey to speak at 2018 U.S.-Korea Opinion Leaders Seminar           | Sarah E. Butler, Director of Scheduling and Operations, Office of Senator Ed Markey                                                                 | E-mail              |
| 7/6/2018    | Responses to questions regarding Undersecretary Gilbert Kaplan's participation at KEI's Opinion Leaders Seminar | Dilan Wickrema, Assistant, Office of the Under Secretary, International Trade Administration, U.S. Department of Commerce                           | E-mail              |
| 7/9/2018    | Responses to questions regarding Senator Edward Markey's participation at KEI's Opinion Leaders Seminar         | Zachary M. Hosford, Senior Foreign Policy Advisor, Senator Edward J. Markey                                                                         | E-mail              |
| 7/9-11/2018 | U.S.-Korea relations and North Korea                                                                            | KEI Opinion Leaders Seminar                                                                                                                         | Program             |
| 7/12/2018   | Next steps in dealing with North Korea                                                                          | KEI Program                                                                                                                                         | Program             |
| 7/12/2018   | U.S. trade policy and Korea                                                                                     | Stimson Center                                                                                                                                      | Program/<br>speaker |

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| 7/12/2018 | Role of Kia in U.S. economy                                               | Kia Motors                                                                                                                                   | Reception                |
| 7/17/2018 | U.S. policy on North Korea                                                | Bryan Port, Office of Net Assessment,<br>Office of Secretary of Defense                                                                      | Meeting                  |
| 7/18/2018 | Potential new KEI partnership<br>with The Diplomat                        | Shannon Tiezzi, Editor, The Diplomat                                                                                                         | Meeting                  |
| 7/18/2018 | U.S.-Korea relations                                                      | U.S. Congress-ROK National Assembly<br>Student Exchange Program                                                                              | Meeting                  |
| 7/19/2018 | U.S. trade policy and Korea                                               | American Enterprise Institute                                                                                                                | Program/<br>breakfast    |
| 7/19/2018 | Prospects for North Korean<br>denuclearization                            | U.S.-Asia Institute: Korea 101 lecture                                                                                                       | Program/<br>speaker      |
| 7/24/2018 | U.S. trade disputes with China                                            | CGTN                                                                                                                                         | Interview                |
| 7/24/2018 | U.S. tensions with Iran                                                   | CGTN Arabia                                                                                                                                  | Interview                |
| 7/24/2018 | North Korean economy and<br>sanctions                                     | Don Lee, Reporter, Los Angeles Times                                                                                                         | E-mail and<br>phone call |
| 7/25/2018 | Organization for Cooperation<br>and Development South Korea<br>report     | KEI                                                                                                                                          | Program/<br>moderator    |
| 7/26/2018 | North Korea policy                                                        | Stanford University                                                                                                                          | Dinner                   |
| 7/27/2018 | Anniversary of Korean War<br>Armistice                                    | KEI Facebook Live broadcast                                                                                                                  | Interview                |
| 7/30/2018 | U.S. use of section 232 for<br>trade disputes                             | Isabelle Hoagland, Associate Editor,<br>Inside U.S. Trade                                                                                    | E-mail and<br>phone call |
| 7/30/2018 | Impact of Korean culture in the<br>United States                          | KEI Program                                                                                                                                  | Program                  |
| 7/31/2018 | South Korea and Section 232<br>national security trade process            | Scott Seaman, Director for Asia, Eurasia<br>Group                                                                                            | Phone call               |
| 8/2/2018  | U.S.-Korea trade                                                          | James Alvis, Senior Manager, Government<br>Affairs, Kia Motors Corporation                                                                   | Lunch                    |
| 8/3/2018  | Invitation to speak at event on<br>North Korean negotiating<br>strategies | Laura Rosenberger, Director of the<br>Alliance for Securing Democracy and<br>Senior Fellow, The German Marshall Fund<br>of the United States | E-mail                   |
| 8/8/2018  | KORUS FTA and Section 232<br>investigations                               | Heather Long, Economics Correspondent,<br>Washington Post                                                                                    | Interview                |

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| 8/9/2018  | KORUS FTA and Section 232 investigations                                                                        | Randall Woods, U.S. Economics Editor, Bloomberg News                         | Interview        |
| 8/14/2018 | "Spy Gone North" Korea movie screening event                                                                    | KEI & Wilson Center joint event                                              | Forum/program    |
| 8/15/2018 | New North Korea sanctions designations                                                                          | Matthew Rusling, Reporter, Xinhua News Agency                                | Interview        |
| 8/21/2018 | U.S.-Korea trade relations                                                                                      | Pushpinder Dhillon, incoming Economic Minister-Counselor, U.S. Embassy Seoul | Meeting          |
| 8/22/2018 | Proposal to host a book launch for Bruce Bechtol's new book on North Korea's ties to the Middle East and Africa | Bruce Bechtol, Professor of Political Science, Angelo State University (TX)  | E-mail           |
| 8/23/2018 | Invitation to speak at book launch for Bruce Bechtol                                                            | David Maxwell, Senior Fellow, Foundation for Defense of Democracies          | E-mail           |
| 8/28/2018 | U.S.-Korea economic relations                                                                                   | Foreign Service Institute                                                    | Program/speaker  |
| 8/24/2018 | Cancellation of Secretary Pompeo's trip to North Korea                                                          | Matthew Rusling, Reporter, Xinhua News Agency                                | Interview/e-mail |
| 8/29/2018 | North Korea and U.S.-Korea economic relations                                                                   | Atlantic Council                                                             | Meeting          |

**Department of Justice (DOJ) Report****Mark Tokola****Vice President****Korea Economic Institute of America (KEI)****Contacts from March 1, 2018 – August 31, 2018**

|                    |                |           |        |
|--------------------|----------------|-----------|--------|
| Manner of Contact: |                |           |        |
| Meeting            | /Forum/Program | Dinner    | Lunch  |
| Breakfast          | Phone call     | Interview | E-mail |

- Coffee with someone may be categorized as Meeting

| Date      | Activity/Subject Matter             | U.S. government official or U.S. public contacted                                                                                     | Manner of contact |
|-----------|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| 3/1/2018  | Internal North Korean developments  | Eric Swanson, Contractor, Microsystems Automation Group at the Bureau of Conflict and Stabilization Operations, U.S. State Department | Meeting           |
| 3/6/2018  | North Korea negotiations            | Elliott S. Feigenbaum<br>Producer, i24 News                                                                                           | E-mail            |
| 3/6/2018  | North Korea negotiations            | i24 News                                                                                                                              | Interview         |
| 3/7/2018  | U.S.-Korea-Japan relations          | Carnegie Endowment for International Peace                                                                                            | Program           |
| 3/8/2018  | U.S.-South Korea relations          | Andrew Lee, Legislative Fellow and<br>Niambe Tomlinson, Legislative Correspondent, Office of Senator Kirsten Gillibrand (NY)          | Meeting           |
| 3/9/2018  | North Korea negotiations            | Sky News                                                                                                                              | Interview         |
| 3/12/2018 | Global politics                     | Brookings Institution                                                                                                                 | Program           |
| 3/13/2018 | Korean Peninsula security relations | Brookings Institution                                                                                                                 | Program           |
| 3/13/2018 | U.S.-Korea-Japan relations          | James Zumwalt, Chief Executive Officer, Sasakawa Peace Foundation USA                                                                 | E-mail            |

|              |                                     |                                                                                                                                                    |         |
|--------------|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|---------|
|              |                                     |                                                                                                                                                    |         |
| 3/15/2018    | U.S.-South Korea relations          | Daniel O'Connor, Pearson Fellow, and Jake Gutman, Legislative Fellow, Office of Senator Cory Booker (NJ)                                           | Meeting |
| 3/17-23/2018 | U.S.-South Korea security relations | U.S. Army Special Operations Command (SOCOM), Fort Bragg, NC                                                                                       | Program |
| 3/16/2018    | Planning for joint event            | Katherine Tarr, Coordinator for Japan and Korea, Office of Public Diplomacy, Bureau of East Asian and Pacific Affairs, State Department            | E-mail  |
| 3/16/2018    | Planning for joint event            | Bill Clifford, President and CEO, World Affairs Councils of America                                                                                | E-mail  |
| 3/17-23/2018 | U.S.-South Korea security relations | U.S. Army Special Operations Command (SOCOM), Fort Bragg, NC                                                                                       | Program |
| 3/19/2018    | Planning for joint event            | Darah Phillip, Research Assistant, Sasakawa Peace Foundation USA                                                                                   | E-mail  |
| 3/30/2018    | U.S.-South Korea security relations | Carmela A. Conroy, Asia Director, Bureau of Conflict and Stabilization Operations, State Department                                                | Meeting |
| 3/27/2018    | North Korea negotiations            | Alexis Dudden, Professor, University of Connecticut                                                                                                | E-mail  |
| 3/28/2018    | U.S.-South Korea relations          | Mark Croatti, Instructor<br>Department of Political Science<br>The George Washington University                                                    | E-mail  |
| 4/3/2018     | U.S.-South Korea relations          | Anthony Giuliani, Special Assistant to Secretary of State Rolando Pablos, State of Texas                                                           | E-mail  |
| 4/4/2018     | North Korea Negotiations            | Frank Aum, Senior Expert on North Korea, United States Institute of Peace                                                                          | E-mail  |
| 4/4-7/2018   | U.S.-Korea relations                | Two panels at KEI's Academic Symposium at the International Studies Association (ISA) annual conference in San Francisco, CA, along with KEI booth | Program |
| 4/12/2018    | U.S.-South Korea relations          | Jim Schoff, Senior Fellow, Asia Program, Carnegie Endowment for International Peace                                                                | E-mail  |
| 4/17/2018    | North Korea negotiations            | Bureau of Intelligence and Research, State Department                                                                                              | Meeting |
| 4/18/2018    | Planning for joint event            | Katherine Tarr, Coordinator for Japan and Korea, Office of Public Diplomacy,                                                                       | E-mail  |

|           |                                        |                                                                                                                                |           |
|-----------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|-----------|
|           |                                        | Bureau of East Asian and Pacific Affairs,<br>State Department                                                                  |           |
| 4/19/2018 | Planning for joint event               | Felecia Maxfield-Barrett, Executive<br>Director, Utah Council for Citizen<br>Diplomacy                                         | E-mail    |
| 4/20/2018 | U.S. foreign policy                    | Ashley Tellis, Senior Fellow, Carnegie<br>Endowment for International Peace                                                    | Dinner    |
| 4/25/2018 | North Korea internal politics          | Woodrow Wilson International Center for<br>Scholars                                                                            | Program   |
| 4/27/2018 | U.S.-North Korea relations             | James Applegate, North Korea Desk<br>Officer, Bureau of East Asian and Pacific<br>Affairs, State Department                    | E-mail    |
| 4/27/2018 | North Korea negotiations               | iHeartRadio                                                                                                                    | Interview |
| 5/7/2018  | U.S.-South Korea relations             | Foreign Service Institute, National Foreign<br>Affairs Training Center, State Department                                       | Program   |
| 5/1/2018  | North Korea negotiations               | Jenna McLaughlin, National Security<br>Reporter, CNN                                                                           | Interview |
| 5/3/2018  | Planning for joint event               | Drew Lorelli, Administrative and Program<br>Associate, World Affairs Councils of<br>America                                    | E-mail    |
| 5/4/2018  | North Korean economy                   | Dana M. Marshall, President,<br>Transnational Strategy Group LLC                                                               | E-mail    |
| 5/9/2018  | Korean Peninsula security              | Terence Roehrig, PhD, Professor, National<br>Security Affairs, Director, Asia-Pacific<br>Studies Group, U.S. Naval War College | E-mail    |
| 5/9/2018  | U.S.-South Korea security<br>relations | U.S. Army Special Operations Command<br>(SOCOM), Fort Bragg, NC                                                                | Program   |
| 5/16/2018 | North Korea negotiations               | Sky News                                                                                                                       | Interview |
| 5/15/2018 | Korean Peninsula security              | U.S. Naval War College                                                                                                         | Program   |
| 5/25/2018 | U.S.-South Korean relations            | Joyce M. Davis, President and CEO,<br>Harrisburg World Affairs Council                                                         | E-mail    |
| 5/30/2018 | North Korea negotiations               | Sky News                                                                                                                       | Interview |
| 5/31/2018 | U.S.-South Korea relations             | Sandy Campbell, Executive Director,<br>Santa Fe Council on International<br>Relations                                          | E-mail    |

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|-----------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------|
| 6/5/2018  | North Korea media          | Voice of America                                                                                                                  | Program   |
| 6/11/2018 | North Korea economy        | BBC World Service                                                                                                                 | Interview |
| 6/11/2018 | North Korea negotiations   | Sky News                                                                                                                          | Interview |
| 6/12/2018 | North Korea negotiations   | Center for Strategic and International Studies (CSIS)                                                                             | Program   |
| 6/15/2018 | Planning for joint event   | Liz Brailsford, COO, World Affairs Councils of America                                                                            | E-mail    |
| 6/19/2018 | North Korea negotiations   | Center for Strategic and International Studies (CSIS)                                                                             | Program   |
| 5/26/2018 | Planning for joint event   | Stephen E. Noerper, Ph.D., Senior Director, Korea Society                                                                         | E-mail    |
| 6/27/2018 | North Korea negotiations   | i24 News                                                                                                                          | Interview |
| 6/29/2018 | North Korean Economy       | National Committee for North Korea                                                                                                | Program   |
| 6/29/2018 | Meeting scheduling         | Margaret Shin, Office Management Specialist, Bureau of East Asian and Pacific Affairs, Office of Korean Affairs, State Department | E-mail    |
| 7/5/2018  | U.S.-South Korea relations | Robert Rapson, Deputy Chief of Mission, American Embassy Seoul                                                                    | Lunch     |
| 7/5/2018  | North Korean economy       | Keith Luse, Executive Director, National Committee on North Korea                                                                 | E-mail    |
| 7/6/2018  | North Korea government     | Todd Kushner, Faculty Member, National Intelligence University                                                                    | E-mail    |
| 7/6/2018  | North Korea negotiations   | Bryan Port, Office of Net Assessment, Office of the Secretary of Defense, Defense Department                                      | E-mail    |
| 7/13/2018 | U.K.-EU negotiations       | Carnegie Endowment for International Peace                                                                                        | Program   |
| 7/17/2018 | North Korea Negotiations   | Office of Net Assessment, Office of the Secretary of Defense, Defense Department                                                  | Program   |
| 7/20/2018 | Planning for joint event   | Karen de Bartolome', Executive Director, WorldDenver                                                                              | E-mail    |
| 7/26/2018 | North Korean negotiations  | Brookings Institution                                                                                                             | Program   |

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|-----------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|--------|
| 7/26/2018 | Planning for joint event    | Katherine Tarr, Coordinator for Japan and Korea, Office of Public Diplomacy, Bureau of East Asian and Pacific Affairs, State Department | E-mail |
| 7/29/2018 | Planning for joint event    | Robert Rapson, Deputy Chief of Mission, American Embassy Seoul                                                                          | E-mail |
| 8/10/2018 | Planning for joint event    | George Noll, Deputy of the Economic Section, American Embassy Seoul                                                                     | E-mail |
| 8/13/2018 | U.S.-South Korea relations  | Milton Walters, Chairman, Southeast Connecticut World Affairs Council                                                                   | E-mail |
| 8/28/2018 | Planning for joint event    | Gordon S. Church, Chief, Macroeconomic & Trade Policy, Economic Section, American Embassy Seoul                                         | E-mail |
| 8/31/2018 | North Korea economic issues | Lian von Wantoch, Office of Monetary Affairs, Bureau of Economic and Business Affairs, Department of State                              | E-mail |

# The PyeongChang Olympics and Solving the Korean Crisis with Goodwill

Posted on 02 March 2018. Tags: diplomacy

**By Casey Robinson**

In January, the South Korean government extended its hand to the Kim regime by offering high-level talks to discuss North Korea's possible participation at the Winter Olympics, to which the North Korean leader Kim Jong-un responded positively and ordered a reopening of the Panmunjom hotline. The international community was generally optimistic towards this development. Even President Trump, who has shown a willingness to use force to protect American interests, commented that inter-Korean talks are a good thing and even suggested his willingness to speak with Kim Jong-un himself.

Many acts of goodwill came from these high-level talks. North and South Korea agreed to participate as a unified team at the Winter Olympics under one flag with inter-Korean team practices in the North. In addition, the United States may have also displayed a sign of goodwill by decreasing funding for human rights and freedom of information programs in North Korea. Decreasing its budget towards these issues may show the North Korean government that the United States is potentially no longer be interested in undermining the Kim regime.

However, the Moon administration's attempt at rapprochement with North Korea may only be good for the short-term, until the closing of the Winter Olympics. Without the incentive of sports diplomacy, all three governments may likely return to provocations as there is no sense of confidence in their respective adversary. Even though North Korea and South Korea discuss long-term goals such as family reunions and reducing military tensions, seven decades of war has created significant mistrust. Consequently, despite each government displaying a desire for a peaceful resolution, concerns over the intentions of the other party will remain an obstacle.

Indeed, South Korea and the United States still maintain certain attitudes that would be looked at as unfriendly by North Korea. For example, President Moon's comment that high-level talks were due to President Trump's pressure on North Korea and reaffirming his commitment to applying sanctions on North Korea greatly displeased the North Korean government. President Trump, on the other hand, continues to push towards further pressuring North Korea both diplomatically and economically. North Korea has seemingly decreased its provocative attitude as it has not tested a missile since November 28. However, there are still signs that suggest that the North may continue missile tests.

If provocations persist, the potential accomplishments that the PyeongChang Olympics might bring will be in vain. For this reason, it is important for all parties to take advantage of the sense of good feelings that the Olympics has created by continuing to display acts of goodwill. This can be accomplished by addressing the concerns that their respective adversary has expressed in the past. By doing so, the three parties would be able to alleviate tensions, create confidence and trust in their respective adversaries, and encourage collaboration towards a peaceful solution.

In showing goodwill, the three governments will start by showing low levels of goodwill. It is irrational to expect North Korea to return the U.S.S. Pueblo to the United States, which is a high level of goodwill,

immediately as it has no guarantee that the United States is willing to abandon its reactionary policies against it. As trust and confidence improves, it is then appropriate for each government to show greater amounts of goodwill until peace is adequately established. The following are explanations for possible acts of goodwill. The list first begins with low levels of goodwill that could be started immediately but gradually builds up to large levels of goodwill.

#### **Gradually Decrease the Extensity of Military Exercises/Weapons Tests**

North Korea, South Korea and the United States have been quite clear about their concerns towards military exercises and weapons tests, respectively. Accordingly, the biggest form of goodwill would be to abandon military exercises and weapons tests. North Korea may already be showing this kind of goodwill as it has stopped its weapons tests since November of last year. However, it is unrealistic to expect South Korea and the United States to cease military exercises. Doing so would jeopardize their military preparedness. Nevertheless, it would be possible for both South Korea and the United States to show a similar kind of goodwill by making exercises less provocative. For example, the United States may move military drills farther south and cease unnecessary military drills such as flying aircrafts close to the North Korean border.

#### **Allow the Military to Continue Its Search for the Bodies of American Soldiers**

From 1996 to 2005, North Korea allowed the United States to repatriate dead bodies of U.S. soldiers but there are still thousands of bodies of deceased U.S. soldiers in North Korea. Reinitiating this project would be meaningful to the U.S. government as the repatriation of deceased American soldiers has always been an important issue for the United States.

#### **Refrain from Violent, Inflammatory, and Unproductive Rhetoric**

It is typical for North Korea, South Korea, and the United States to exchange inflammatory comments, especially since the inauguration of Trump. North Korea will make threatening remarks such as vowing to turn South Korea into a "sea of flames" or insult the leadership of its adversaries such as calling President Trump a dotard. On the other hand, the United States will criticize North Korea by highlighting North Korea's human rights abuses or when former President Obama commented that North Korea will continue to fall behind due to its isolationism. . These defamatory comments are frivolous. They only upset the other party.

#### **Displaying Respect to the Adversary**

Displaying more respect to the other party is another sign of goodwill. This is especially important to the North Korean government, as it is very proud and highly desires to receive respect from the international community. For this reason, addressing North Korea by its official name, The Democratic People's Republic of Korea, may create goodwill with the North Korean government. Recently, North Korean counsellor, Ri Song Chol, expressed his government's dismay when the United States refused to address North Korea by its official name at the United Nations in New York. Accordingly, both South Korea and the United States would display considerable goodwill to North Korea if it were to refer to the country by its official name in official documents, press releases, and official comments. North Korean media has begun referring (not completely) to South Korea as its official name, Republic of Korea, in recent days. Therefore, it would be appropriate for both South Korea and the United States to return the favor.

### **Offer American Prisoners More Access to Swedish Diplomats**

Since 2009, American prisoners have often commented that they rarely met with diplomats from the Swedish embassy, which is typically viewed as a defiance of international law. Accordingly, by allowing the Swedish Embassy to meet with American prisoners regularly, North Korea would show goodwill towards the United States. It would not only show that North Koreans are now better meeting the needs of American prisoners but are also willing to abide by international norms, a possible sign that Pyongyang wants to become a contributing member in the international community.

### **Addressing War Atrocities**

North Korea claims that the United States is responsible for the death of thousands of North Koreans due to heavy bombing and germ warfare during the Korean War. This has become a painful memory for North Korea. It has erected two museums, the Korean War Museum and the Sinchon Museum of American War Atrocities, that remind the people of the United States' war atrocities. However, while many agree that the United States is responsible for heavily bombing North Korea, there is a distinction between legitimate acts of war and war atrocities. The United States should not apologize for something it did not do. However, it could agree to participate in a Joint Investigation for war atrocities to begin to put issues of the war behind each country. This could be a joint investigation with China, Russia, and South Korea. Doing so would show that the United States is willing to address the issue.

### **Return the Pueblo to the United States**

North Korea is proud of its treasure in the U.S.S. Pueblo, as it often boasts about its victory against the United States in the 1960s skirmish. North Korea returning the U.S.S. Pueblo to the United States would show significant goodwill to the United States. It would show that North Korea is willing to swallow some of its own pride to improve relations with the United States.

There are understandable concerns towards the sincerity of North Korea. For decades, North Korea has seemingly only acted in its own interests and has rarely done anything for free. In addition, Seoul is paying for the cost of North Korea's attendance at the Olympics. The North Korean government is sacrificing very little and benefitting greatly. It is reasonable to believe, like many have pointed out, that North Korea has ulterior motives for participating in the Olympics.

However, North Korea's conduct in recent weeks seems to suggest that the Kim regime may have become sincere. Robert Carlin and Joel Wit pointed out that the direct involvement of high level officials and their considerable respect towards President Moon Jae-in shows a rare level of respect towards South Korea, which may be a sign of considerable sincerity from the North Korean government.

Despite possible good intentions, North Korea, nevertheless, has much more to prove than South Korea and the United States. The months coming after the Olympics is a perfect opportunity to continue to show acts of goodwill to both South Korea and the United States as the Olympics has created a legitimate justification to engage at the official level. Not doing so will result in the international community continuing its pressure on the country. Likewise, South Korea and the United States should continue displaying acts of goodwill as North Korea needs assurances that both governments have good intentions towards its state. Without a sense of security, it is unlikely that the Kim regime would collaborate with South Korea and the United States.

If all three governments continue to show low levels of goodwill throughout 2018, the outlook for the future in 2019 may look less bleak. With modest confidence and security building through goodwill, all three governments, especially North Korea, may develop confidence in pursuing activities that have traditionally been uncharacteristic of it. For example, we may witness a North Korea that may choose diplomacy over weapons development to improve its economy. It may choose to engage other countries at international conferences such as the Asia-Pacific Economic Cooperation and Shangri La Dialogue.

The PyeongChang Olympics has brought a sense of good feelings, but these good feelings may quickly disappear after the Olympics. If all three parties are sincere in coming up with a peaceful solution, it is necessary for all three governments to continue to display acts of goodwill after the Olympics. Doing so would create a sense of trust and security, and improve cooperation towards a peaceful solution.

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## The 2018 PyeongChang Winter Paralympics and North Korea's Record on People with Disabilities

Posted on 05 March 2018. Tags: [Human Rights](#), [Olympics](#), [sports](#)

By Robert King

The Olympic torch flickered out a week ago bringing the PyeongChang 2018 Winter Olympics to a close after a spectacular techno light show featuring traditional Korean folk performers combined with the best of K-pop. The pentagonal stadium, however, will be dark for only a few days before the opening ceremony of the PyeongChang 2018 Paralympic Games on March 9.

The Paralympic Games are an international multi-sport event for athletes with disabilities, which grew out of a modest gathering of disabled British World War II veterans in 1948. It has become a major international sports event, and since the 1960s the [Paralympic Games](#) have paralleled the Olympic Games in venue, timing, and international participation. Since 1976, the Winter Olympics have been followed by Paralympic games. The PyeongChang 2018 Winter Paralympic Games are the first winter Paralympics hosted by the Republic of Korea.

The [participation of North Korean athletes](#) in the 2018 PyeongChang Winter Paralympics is the first time disabled athletes from the North have been involved in the Winter Paralympics. North Korean Paralympic athletes participated in summer games in London in 2012 and in Rio de Janeiro in 2016.

On February 27 the South Korean Ministry of Unification [announced](#) the North will send a 20-member team with six athletes and four officials from the North's Paralympic Committee. Only two of the athletes will participate in the games, however, both in Para-Nordic skiing events.

The two DPRK skiers who will participate in the games are novices, one of the young men only began skiing in December of 2017. To qualify for the PyeongChang Paralympics, however, both participated

in Para-Nordic Skiing World Cup event at Oberreid, Germany, earlier this year. Both, however, have high hopes of winning medals in PyeongChang.

Based on inter-Korean talks in January regarding North Korean participation in the just-ended PyeongChang Winter Olympics and the upcoming Paralympics, it was originally expected that there would be a 150-member delegation from the North for the Paralympics. The Ministry of Unification, however, suggested that the lack of musicians and cheerleaders for the Paralympics was because "North Korea seems to think that it has already partly contributed to an improvement of inter-Korean ties by sending an art troupe and a cheering squad to the PyeongChang Olympics." Apparently greater effort for the Paralympics is unnecessary—a clear signal that North Korean participation was principally political.

The involvement of the DPRK in the Paralympics highlights the issue of treatment of the disabled in the North. In the past there were reports in 2006-2008 that persons with disabilities were banned from living in the capital city Pyongyang, and the only persons with disabilities who were treated with respect were veterans whose disabilities were attributed to American brutality in the Korean War. Professor Vitit Muntarbhorn, the first UN Special Rapporteur for human rights in the DPRK, also reported this to the UN Human Rights Council.

Two elements were probably important in encouraging North Korean leaders to improve the treatment of people with disabilities.

First, the criticism of the North's human rights in the United Nations. In 2009 the DPRK officials participated in their first Universal Periodic Review (UPR) in the UN Human Rights Council at a plenary session in Geneva. A high-level delegation, including a number of officials from Pyongyang, maintained in the country's report and public statements at the UN that the country's human rights were excellent and had no deficiencies. The 167 recommendations made by other Member Countries of the UN to North Korea in the context of the UPR process, however, suggested serious issues in a number of areas. Representatives from many member countries called for attention to specific human rights deficiencies. Among the problems on which the United States and a few other countries urged improvement was in the area of persons with disabilities. North Korea has been sensitive to this criticism from UN member countries.

The United States raised this issue based on the belief that this was an area that was less sensitive to the North Korean leadership. Freedom of speech, freedom of movement, freedom of religion, and such rights were a threat because they could undermine authoritarian rule. Humane treatment of persons with disabilities, however, was simply a humanitarian concern that would pose no threat to the existing regime.

Second, elite families include individuals with disabilities, and these leaders likely pressed for government programs to help family members. It is clear, for example, that those individuals who are participating in the Paralympics are from elite families. The skiers who qualified for the PyeongChang Paralympics are from Pyongyang—and only the elite are permitted to live in the capital city. Furthermore, foreign travel is a privilege to reward the worthy elite. Travel to Germany for the qualifying Para-Nordic Skiing competition and to South Korea for the Paralympics are a reward extended only to families of the favored elite.

Because of this desire to reduce the criticism of its human rights record in the United Nations, the North Korean leadership has taken steps to improve conditions for persons with disabilities. As the North Koreans approached their second Universal Periodic Review in the UN Human Rights Council, the DPRK signed the Convention on People with Disabilities (an international agreement created and negotiated through the United Nations). This was announced by DPRK delegates in their 2014 second UPR report.

One of the most dramatic indications of the North Korean progress on disability rights was the country's willingness to host the UN Special Rapporteur on the rights of persons with disabilities in May 2017. Catalina Devandas-Aguilar, a Costa Rican diplomat, has been the Special Rapporteur since the position was created in 2014. She was the first UN human rights official permitted to visit Pyongyang. All UN Special Rapporteurs on DPRK human rights issues and the Chair of the UN Commission of Inquiry on DPRK human rights have made repeated efforts to visit and all have been denied by Pyongyang. Ms. Devandas-Aguilar reported favorably on the results of her visit, though she expressed regret that she was denied access to some ministries relevant to her visit, and she recommended needed improvements in disability rights practices.

North Korea has made progress on dealing with its citizens with disabilities, and these positive steps have been reported on in some detail by Kati Zellweger in a 2014 report for the Shornstein Research Center at Stanford University. John Feffer has also summarized and gave a more recent report on North Korean efforts on disabilities in a 2017 blog posting for *38 North*. Both reports praise the progress that has been made, but both also acknowledge and discuss the limitations and the needs for additional effort.

The participation of a few North Korean Paralympians in the PyeongChang Paralympics is a positive step forward in the recognition and implementation rights of disabled DPRK citizens. At the same time, however, North Korean participation is motivated much more by the political effort to improve Pyongyang's political relationship with South Korea. The goal is to gain South Korean assistance to undermine and evade international sanctions on the North imposed because of its hostile and threatening nuclear and missile programs, and also an effort to create division between South Korea and the United States.

North Korea's progress on rights for people with disabilities should be acknowledged and welcomed, but—despite these positive steps in this one area—its human rights record still remains one of the worst in the world.

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## 2017 U.S. Agricultural Exports to South Korea Nearly Tied Record

Posted on 06 March 2018. Tags: [FTA](#), [Korus FTA](#), [trade](#)

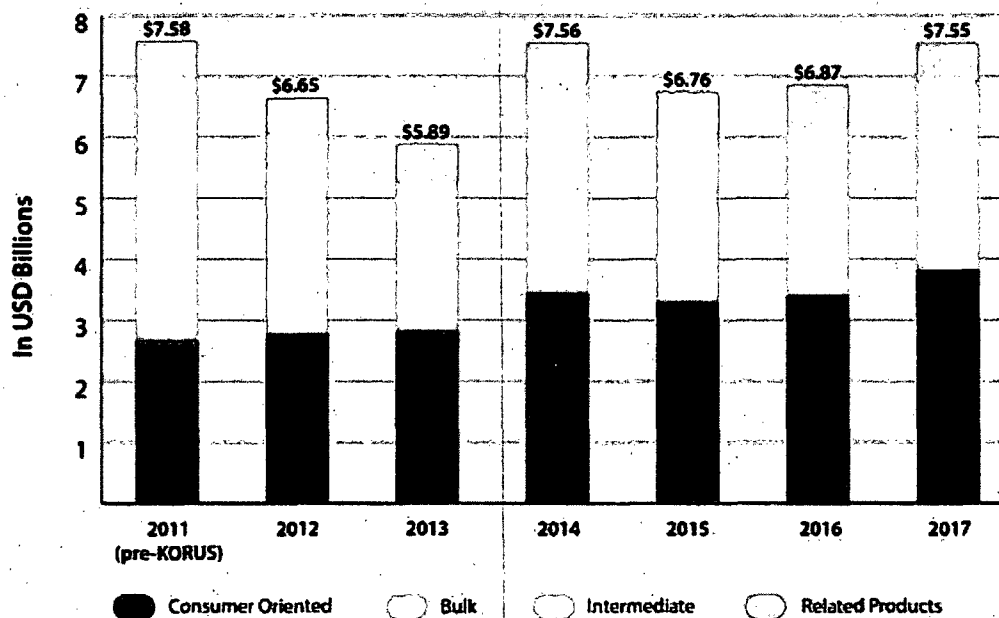
By Phil Eskeland

Recently, the Foreign Agricultural Service (FAS) of the U.S. Department of Agriculture (USDA) released 2017 trade statistics showing that the value of U.S. agricultural related exports to South Korea reached \$7.55 billion, very close to the same level as in 2011 (\$7.58 billion), the year before the implementation of the Korea-U.S. Free Trade Agreement (KORUS FTA). Korea is now America's sixth largest market for agricultural exports. Using the USDA estimates, U.S. agricultural exports to Korea kept over 60,000 Americans employed in 2017, mostly located in the rural heartland, and have generated nearly \$9.6 billion in additional economic activity in the United States. The U.S. also still runs a massive trade surplus in agricultural trade with South Korea, totaling \$6.3 billion for 2017.

Because South Korean tariffs on agricultural imports were previously very high (averaging 55.4 percent vs. 3.8 percent for the U.S.), there was heightened expectation that U.S. agricultural exports to Korea would soar as tariffs on U.S. agricultural products were either eliminated immediately (i.e., on almonds, cherries, and wine) or were gradually phased out over time (i.e., on beef, cheese, and pork). For many specific product areas, U.S. exports did dramatically climb. Most notably in one of the more contentious items negotiated in the KORUS FTA, U.S. beef exports to South Korea grew 78 percent, from \$686 million in 2011 to \$1.22 billion in 2017, as the tariff rate has been gradually ratchetting down from 40 percent. However, why has the aggregate number with respect to U.S. agricultural exports to Korea remained essentially frozen during these past six years?

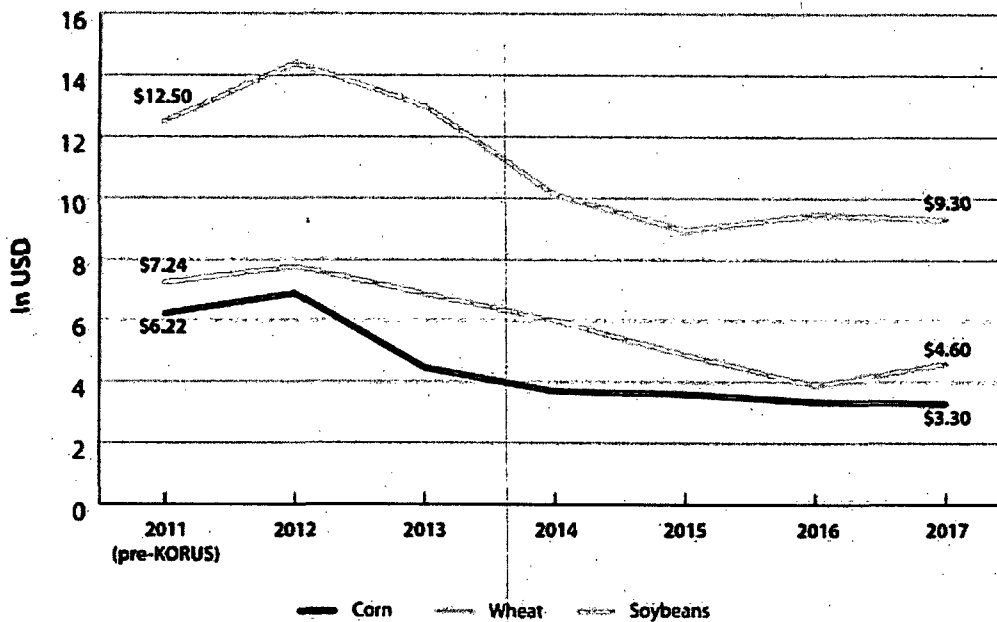
The answer can be primarily found in falling prices for basic farm commodities. In all but one sub-category of agriculture-related products, U.S. exports of these items to Korea have increased since KORUS came into effect. Since 2011, exports of U.S. consumer-oriented food products, such as beef, fruit juice, nuts, and wine to Korea have increased overall by 47 percent. Exports of U.S. intermediate agricultural goods to Korea, such as soybean and vegetable oil, have increased 11 percent since 2011. Exports of agricultural-related products, such as distilled spirits, forest and fish products, to Korea have also increased by 10 percent during that same time period. What has not increased is the dollar value of bulk commodity exports such as wheat, corn, and soybeans. U.S. exports of these products to Korea have declined in *value* by 44 percent between 2011 and 2017.

### Value of U.S. Agricultural Exports to South Korea



Some groups critical of the KORUS FTA have seized upon the drop in the value of U.S. agricultural exports to Korea, but conveniently omit that prices for commodities have fallen and overlook the fact that for many commodities, the *quantity* of these exports has increased even as U.S. exporters receive a lower remuneration for their product. Thus, just examining the value of certain agricultural exports misses the broader picture. The drop in bulk commodity prices unfortunately began to occur during the implementation year of the KORUS FTA in 2012, for reasons unrelated to the agreement, and have still yet to recover. This slump in commodity prices over the past five years has cut total U.S. farm income in half.

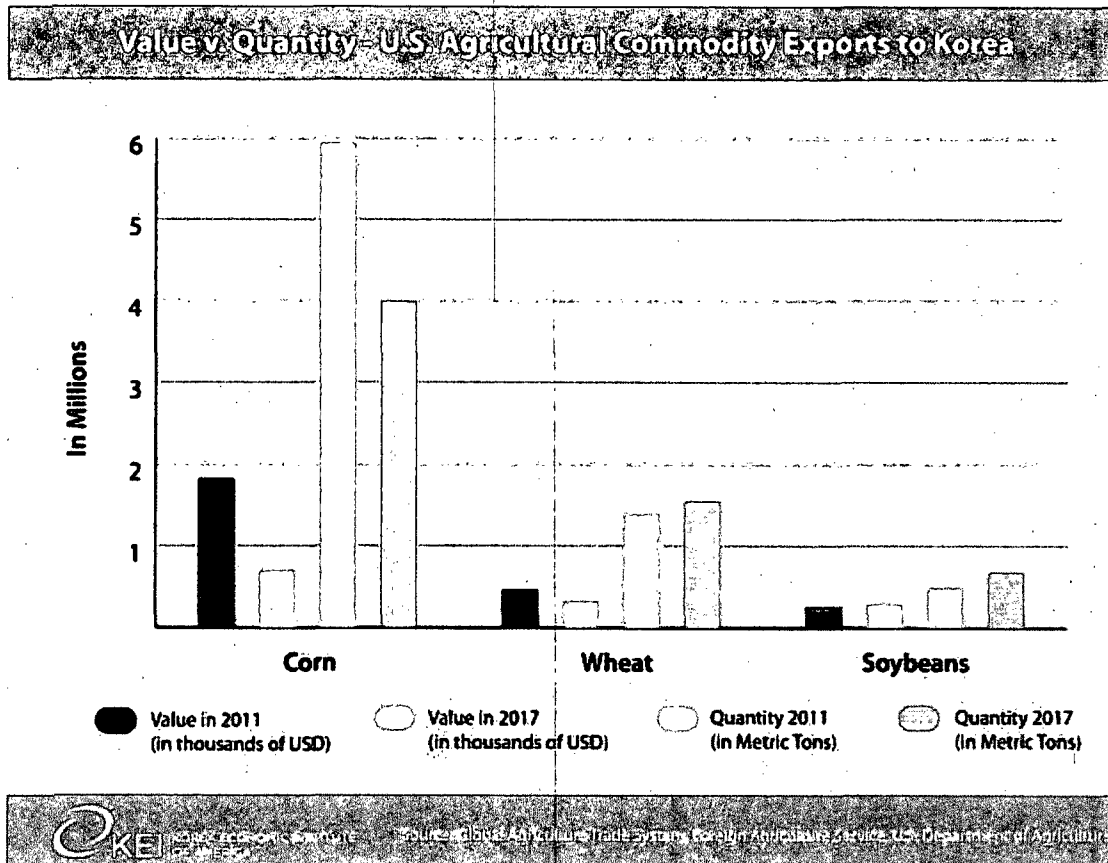
## Annual Crop Value per Bushel



In 2017, three commodities formed 75 percent of all bulk U.S. agricultural exports to Korea: corn, wheat, and soybeans. The price for all these commodities dramatically declined since 2011, some as much as 50 percent. For example, even though the U.S. exported more wheat to Korea (in terms of volume) in 2017 than in 2011, the monetary value of that export declined by \$138.6 million because the price of wheat fell by 37 percent during that same time period.

U.S. corn exports have a similar, but more complicated story. The U.S. exported 5.9 million metric tons of corn to Korea in 2011, valued at \$1.8 billion. For the next two years, American exports of corn dramatically declined, not just to Korea, but all around the world due to a drought in the United States. As a result, corn growers in other parts of the world took advantage of America's misfortune to meet the demand for corn in other countries that the U.S. previously supplied. The Economic Research Services at the USDA reported that "...farmers (in the Southern Hemisphere) plant their corn after discovering the size of the U.S. crop, thereby providing a quick, market-oriented supply response to short U.S. crops. Several countries—including Brazil, Ukraine, Russia, India, and South Africa—have had significant corn exports when crops were large or international prices, attractive. South Korea is a price-conscious buyer...willing to buy corn from the cheapest source." After the drought, the price for corn dropped by over 50 percent, going down from its height of \$6.89 per bushel in 2012 during the drought to the present level of \$3.30 a bushel. The U.S. is still trying to regain market share in Korea with the export of 4 million metric tons of corn in 2017 (33 percent decline in *quantity* from 2011 levels), but only received \$705.3 million for this same product (representing a greater decline of 61 percent in *value*).

To put this another way, if prices for corn, wheat, and soybeans in 2017 remained the same as they were in 2011, the *value* of U.S. bulk agricultural exports to the ROK would have increased 28 percent or by nearly \$400 million. As a result, the total *value* of U.S. agricultural exports to South Korea would have surpassed the previous record set in 2011 to reach \$7.93 billion if agriculture commodity prices had remained stable during the past six years.



In sum, the latest release of agricultural trade statistics continues to demonstrate the value and benefits of the KORUS FTA. Even with a drop in world farm commodity prices, the U.S. is able to capitalize on lower tariffs to offer high quality and lower cost American farm products to Korean consumers. The U.S. should not undermine its current massive bilateral trade surplus in agriculture with Korea and further depress American farm income by terminating KORUS. That will only result in Korean tariffs on U.S. agricultural products snapping back to an average of 55 percent and U.S. farmers losing opportunities to sell their goods to a growing customer base in Korea.

*Phil Eskeland is Executive Director for Operations and Policy at the Korea Economic Institute of America. The views expressed here are his own.*

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## North Korean Breakthrough?

Posted on 06 March 2018. Tags: [diplomacy](#), [military affairs](#), [nuclear weapons](#)

By Mark Tokola

There were startling headlines on March 6 that North Korea is prepared to enter into talks, to freeze its nuclear and missile testing, and is willing to abandon its nuclear weapons. This would be welcome news, but of course there are caveats and questions. The first caveat is that this is North Korea's new position as described by the South Korean delegation following talks in Pyongyang on March 5. There is no reason to doubt the accuracy of the South Korean account of the talks, but it would be reassuring to hear the change of heart from North Korea directly.

The three main elements of the new North Korean position are reported to be: (1) North Korea is prepared to suspend nuclear and missile testing while prospective talks with the United States are ongoing; (2) North Korea sees no need to have nuclear weapons if the "military threat to North Korea is eliminated and its security guaranteed"; and (3) Kim Jong-un has offered a summit meeting with South Korea President Moon Jae-in in April at Panmunjom, in the DMZ.

The North Korean government has a record of backtracking on its offers and adding new conditions, so it may take a while to see how it will elaborate on the three elements. An early question will be whether it will expect that U.S.-ROK joint military exercises, scheduled for April, to be modified. If it does not — and there is some reporting that Kim Jong-un told the South Korean delegation that he understands that the April exercises will take place as scheduled — that would be an encouraging sign that Kim Jong-un actually intends to negotiate. Washington and Seoul, for their part, may want to consider how to shape the exercises. Planning and preparations are well underway for the April exercises, but there is some latitude to shape their public messaging.

On the second element, what North Korea would consider the elimination of the "military threat" to North Korea and what would constitute a "security guarantee," are open to wide interpretation. At one end of the spectrum would be their acceptance of a statement by the United States that it has no intention of attacking North Korea. At the other end would be a demand that U.S. forces leave the Korean Peninsula and that the U.S.-ROK military alliance be scrapped. North Korea may want assurances that its security is not threatened while maintaining its ability to threaten others, with conventional if not nuclear weapons.

A North Korean freeze on nuclear and missiles testing would be a positive development. They have not tested since November and that has eased tensions. A testing freeze would also be relatively verifiable. Missile launches and nuclear detonations are difficult to hide. However, it would be a long road from a freeze to denuclearization, which would require an intrusive inspection regime. The U.S. and South Korean (and Chinese and Russian and United Nations) position that denuclearization must be "complete, verifiable, and irreversible," could only be met by the outcome of complex and probably difficult negotiations. Even a suspension of the production of nuclear material would not be sufficient because North Korea probably has produced enough, and hidden it, that it would require an enormous efforts to have confidence that it had actually "denuclearized."

It does feel like a concession on Kim Jong-un's part that he is offering to hold the inter-Korean summit at Panmunjom rather than Pyongyang. Another test of his sincerity is whether he will expect "payment" in

exchange for holding the summit, either through economic assistance, an easing of sanctions, or a suspension of U.S.-ROK military exercises. An unconditional summit could lead to positive outcomes: an agreement on family reunions, humanitarian and medical assistance to North Korea that North Korea would allow to be monitored to ensure it serves its intended recipients, or cultural exchanges that might ease tensions without providing North Korean economic gains.

Has there been a breakthrough? It is too soon to tell, but it certainly needs to be tested. It is prudent to remain skeptical and too soon to make any concessions to North Korea before it makes any concrete steps towards denuclearization. It seems most likely that North Korea may be trying to drive a wedge between Washington and Seoul by trying to lure South Korea into weakening the alliance. Or, North Korea may be making a sham offer with the intent of being able to blame the United States and South Korea when the diplomatic moves collapse. This could be a way of lessening pressure from Beijing.

However, the possibility should be considered that this is an early sign of what success might look like. The goal of the United States and South Korea has been to pressure North Korea into negotiations leading to denuclearization. If maximum pressure and isolation were to work, wouldn't it lead to something like the March 5 headlines?

*Mark Tokola is the Vice President of the Korea Economic Institute of America. The views expressed here are his own.*

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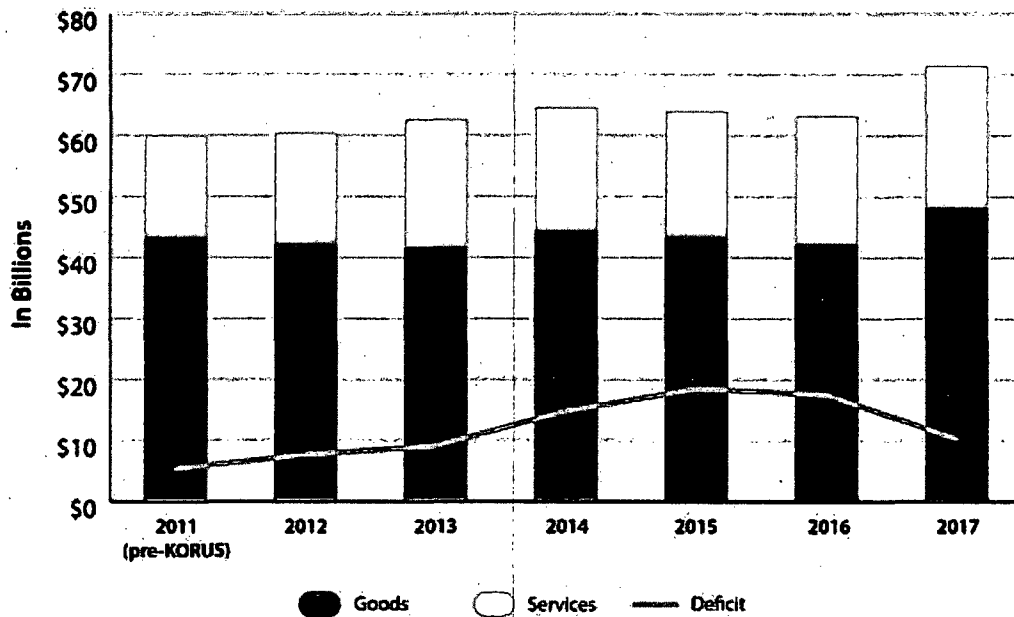
## U.S. Bilateral Trade Deficit with South Korea Drops 41 percent

Posted on 07 March 2018. Tags: [economics](#), [FTA](#), [Korus FTA](#), [trade](#)

**By Phil Eskeland**

The [Foreign Trade Division of the U.S. Census Bureau](#) released the latest monthly trade statistics earlier today, revealing the annualized services trade data for 2017. The news with respect to U.S. trade with the Republic of Korea (ROK) was encouraging. Not only did the U.S. achieve record levels of services exports to South Korea of \$23.2 billion in 2017 (on top of the [record level in merchandise goods](#) that we learned about last month), but the bilateral trade deficit in both goods and services between the two countries fell 41 percent from 2016 levels. As a result, the U.S. trade deficit with Korea in goods and services declined by \$7.3 billion and the ROK fell to 9<sup>th</sup> place in terms of individual countries with a trade deficit with the United States. In contrast, the overall U.S. trade deficit with the rest of the world went up by 12.6 percent or \$63.6 billion, including growing U.S. bilateral goods and services trade imbalances with China, Taiwan, Mexico, Italy, and Germany.

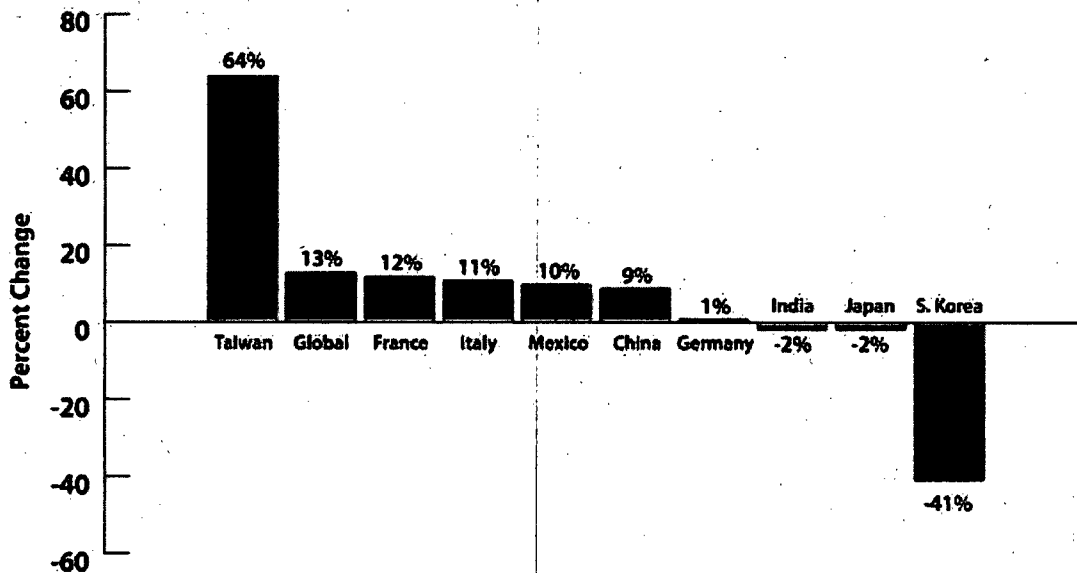
### Total Value of U.S. Exports to South Korea



Korea Economic Trade Office

Source: Korea Trade-Investment Promotion Agency

**Increases/Decreases In the Bilateral Goods & Services Trade Deficit with the U.S.  
(2016-2017)**



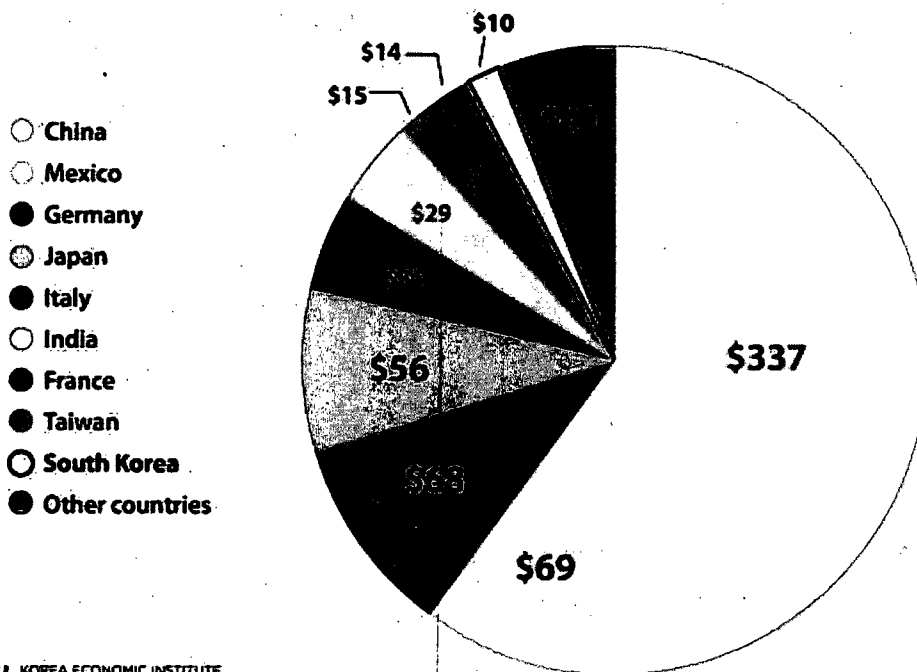
KOREAN ECONOMIC INSTITUTE  
KOREA ECONOMIC INSTITUTE

Source: Korea Economic Institute, U.S. Department of Commerce

Since the Korea-U.S. Free Trade Agreement (KORUS FTA) took effect, the U.S. trade surplus in services with Korea has increased by 77 percent to a record \$12.2 billion, in part, because U.S. service exports to the ROK grew from \$16.7 billion in 2011 to \$23.2 billion in 2017. One reason for the increase in U.S. service exports is the number of South Koreans who visit the United States continues to grow. International travel is considered a service export, so tourists or business travelers who come from overseas should be encouraged. While the U.S. has experienced an overall 1.8 percent decline in visitors from all over the world (mostly from Mexico, Great Britain, China, and Brazil), South Korea is the one major exception with a 17 percent increase of its citizens travelling to the United States for business or pleasure when comparing the first eight months of 2017 to the same time period in 2016. According to the International Travel and Tourism Office at the U.S. Department of Commerce, the typical South Korean visitor spent an average of \$4,370 in the U.S. during 2016. As a result, South Korean travelers contributed \$8.6 billion to the U.S. economy, helping to boost U.S. service exports.

### 2017 U.S. Trade Deficit in Goods and Services by Country

(in billions) Source: Foreign Trade Division U.S. Census Bureau



Thus, as the Administration considers various trade policy actions that could affect South Korea, it should keep in mind the positive role the ROK has played in alleviating the main concern of President Trump with respect to lowering the bilateral trade deficit in favor of the United States. While there is no guarantee that this declining trend can be continued indefinitely, particularly in light of the tax cuts that were recently signed into law, Korea should be recognized as a strong U.S. ally not just on security matters, but also in the area of trade.

*Phil Eskeland is Executive Director for Operations and Policy at the Korea Economic Institute of America. The views expressed here are his own.*

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## A History of Security Guarantees with North Korea and What We Should Expect

Posted on 08 March 2018.

**By Casey Robinson**

On March 6, North Korean officials expressed to their South Korean counterparts a willingness to denuclearize on the condition that it receives a security guarantee. South Korean national security director Chung Eui-young said, "The North clarified its will to denuclearize the Korean peninsula, and

made it clear that there is no reason to possess nuclear weapons if the security of the North Korean regime is guaranteed." While this development is indeed positive, North Korea has a history of requesting a security guarantee in return for freezing or ending its weapons program to which the United States has typically denied. However, there have been at least two occasions in which the United States has considered providing a security guarantee to North Korea.

#### **1993 Joint Statement and 1994 Agreed Framework**

It was in the early 1990s when North Korea first requested a security guarantee from the United States. After Soviet abandonment, North Korea was considerably vulnerable as it had a poor economy and a weak military. With concerns of a preemptive strike by the United States and a reluctance to depend on its allies in case of a conflict, the North Korean leadership believed that it had little choice but to pursue weapons development. Accordingly, when North Korea denied the International Atomic Energy Agency access to inspect nuclear sites and threatened to withdraw from the Nuclear Non-Proliferation Treaty, the United States was immediately concerned for its national security. In response, the Clinton Administrations sent high-level officials to encourage North Korea to denuclearize. These high-level talks resulted in the United States agreeing to:

- Assurance against the threat and the use of force, including nuclear weapons
- Peace and security in a nuclear-free Korean Peninsula, including impartial application of full-scope safeguards, mutual respect for each other's sovereignty, and non-interference in each other's internal affairs.
- Support for the peaceful reunification of Korea

After close to a year and a half of negotiations, North Korea and the United States signed the Agreed Framework in 1994:

- Both sides will cooperate to replace the D.P.R.K.'s graphite-moderated reactors and related facilities with light-water reactor (LWR) power plants.
- The two sides will move toward full normalization of political and economic relations.
- Both sides will work together for peace and security on a nuclear-free Korean peninsula.
- Both sides will work together to strengthen the international nuclear non-proliferation regime.

This is the only time that the United States provided a security guarantee in writing to North Korea. Yet, despite this, North Korea would ultimately continue its nuclear proliferation. The possible reason for this was that the security agreement was poorly executed by the United States. The United States never signed a peace treaty, continued joint military exercises with South Korea, and going into the Bush administration would increase criticism towards the regime. Without a true sense of security, North Korea chose to continue its weapons program.

#### **2003 Five-party Security Guarantee Proposal**

In 2002, the United States intelligence discovered that North Korea had continued its nuclear weapons development and when approached about it chose to officially withdraw from the Nuclear Non-Proliferation Treaty. Once again, North Korea said that it would agree to denuclearize on the condition,

among others, that it received an adequate security guarantee from the United States, specifically a signing of a non-aggression treaty. The Bush administration refused, arguing that North Korea should not be rewarded for failing to abide by its previous obligations. However, the administration made a counter-proposal of a five-party security guarantee of the United States, China, Russia, Japan, and South Korea. This way, North Korea could receive security assurances without the United States jeopardizing its stance. Nevertheless, North Korea viewed this proposal by the United States as inadequate as it did not guarantee that the United States would not invade North Korea like it did with Iraq. The Kim regime desired a nonaggression treaty from the United States.

#### **Will the Trump Administration Offer a Security Guarantee?**

If history remains constant, North Korea denuclearizing solely depends on the United States' willingness to offer the Kim regime an adequate security assurance. Without a strong security assurance, North Korea will not feel safe from a preemptive strike from the United States. The question is therefore whether the Trump administration will provide a security guarantee to North Korea.

For a security guarantee to occur, there needs to be high-level talks between North Korea and the United States. However, it is hard to fathom a Trump administration that is willing to have high-level talks, let alone provide a security assurance, without North Korea first denuclearizing. The Trump administration's tough policies towards Cuba and Iran, despite progress being made, is one hint of President Trump's unwillingness to compromise and negotiate with North Korea without it first denuclearizing. Moreover, the Trump administration has even commented that it will not have talks without North Korea first denuclearizing. United States Ambassador to the United Nations Nikki Haley said, "We won't take any of the talks seriously if they don't do something to ban all nuclear weapons in North Korea. We consider this to be a very reckless regime. We don't think we need a Band-Aid. We don't think we need to smile and take a picture. We think that we need to have them to stop nuclear weapons and they need to stop it now."

Though, as an administration without a clear signal, there are signs within the administration that it may be willing to have high-level talks without preconditions. Secretary of State Rex Tillerson hinted so by saying, "We're ready to have the first meeting without precondition. Let's just meet and see — we can talk about the weather if you want." Yet, even if high-level talks do take place, will Trump's hardline stance towards North Korea allow for an agreement in which a denuclearization and security assurance occur simultaneously or perhaps a security assurance taking place before a North Korean denuclearization? It seems unlikely that either scenario would occur.

Since the early 1990s, North Korea has asked for a security guarantee from the United States and on two separate occasions the United States did offer a security assurance in some form. However, both security assurances failed to generate confidence for the Kim regime that the United States would not preemptively strike it, and consequently North Korea chose to continue its weapons development. For North Korea to denuclearize, the United States will need to in some form agree to move towards signing a nonaggression treaty, an assurance that the United States will not attack it. Given the Trump Administration's hardline stance, it seems unlikely that it will provide a security assurance to North Korea without it first denuclearizing.

*Casey Robinson is a Ph.D. candidate at Waseda University. His research interests include the DPRK, U.S. foreign policy, and international development. The views expressed here are the author's alone.*

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## International Women's Day in South Korea – Slow but Steady Progress

Posted on: 08 March 2018. Tags: [economics](#), [social issues](#)

**By Jenna Gibson**

Two years ago, on Women's Day 2016, I wrote a [blog](#) titled "On International Women's Day, South Korea Needs to Do More," which focused on new (at that time) numbers showing South Korea was the lowest in the OECD when it comes to women's issues such as the labor-force participation rate, gender wage gap, and the number of women in leadership roles in government and businesses.

At the time, I called on South Korea's leadership to do more, to take concrete steps to improve the lives of women in their country. Now, two years later, has South Korea made any progress on closing the gender gap and elevating the role of women in society?

Unfortunately, most of the data says no. In the 2017 version of the Economist's [Glass Ceiling Index](#), South Korea is still last in the OECD. The country ranks last in such measures as gender wage gap, women in managerial positions, and women on company boards, and second-to-last in the labor force participation rate. Of course, none of these issues are easy to solve, and it's unrealistic to expect them to have changed drastically in just a few years. However, this type of ranking can continue to keep the issue in front of South Korea's leadership, and can keep the pressure on those in power to step up and push for policy changes.

**By the numbers:**

**Women in the Workplace in Korea 2017**

**17 %** female representation in parliament

**2.4 %** women on company boards

**36.7 %** gender wage gap

**20.8 %** points lower labor force participation

**228/42** daily minutes of unpaid work, women/men

**1 year** guaranteed maternity & paternity leave



Source: The Economist, OECD

But while the overall data may not show much improvement, there is significant societal movement toward positive change. After the tragic murder of a young woman in Gangnam in 2016, in which the perpetrator attacked the 23-year-old at random because he had felt “ignored and belittled” by women, there was a flood of attention on the issue of domestic violence and violence against women in Korea. Now, with the Me Too movement continuing to gain steam in Korea, a major politician, Governor Ahn Hee-jung, just announced his resignation amid accusations of sexual assault.

In addition to these societal pushes, there have been some policy changes that should help improve the gender inequality index in the long term, if properly implemented. For example, last summer the Korean government announced they are instituting a blind hiring process for public sector jobs, meaning hiring managers can no longer ask for applicants’ photos, family background, and other personal information not related to the job. While this move was advertised more as a way to combat the use of family ties in the hiring process, it will also help combat hiring practices that disproportionately affect women, such as questions about appearance and marital status.

Another policy change that could help improve the lives of women in the Korean workforce is the push to eliminate the use of irregular workers. The Seoul city government announced last summer that it would convert 24,000 contract workers to full-time status, and President Moon has supported doing the same for other public sector entities. According to KEI research from labor market expert Dr. Vladimir Hlasny, Korea’s reliance on short-term and irregular jobs is one of the factors keeping women’s labor force participation low. “Women who get married or return from maternity leave are relegated to non-regular jobs, rather than being put on an alternative schedule or being retrained,” he wrote in his paper for KEI. “Workers from disadvantaged backgrounds, childbearing-age women, the disabled,

and the elderly are largely excluded from participating in the primary labor market, and have consequently lagged behind in their earnings, non-pay benefits and various opportunities for advancement. This in turn reduces their incentives for skill acquisition in the first place.”

These policy changes have thus far only affected the public sector, with private companies still reluctant to implement policies like blind hiring that could bring women into the Korean workforce. But while it's too soon to tell if there will be a deeper, systematic change in Korea in the coming years, it is encouraging to see greater focus on issues that women face every day. And it's clear that these issues are intrinsically linked to each other – by making progress on labor force participation, for example, it increases the pool of talented women who can make their way up to managerial positions, which will in turn allow them to push for policies that can improve the lives of women workers. This is a long-term goal, of course, but small changes in government policy now can get the ball rolling toward a more equitable future for Korea's women.

*Jenna Gibson is the Director of Communications at the Korea Economic Institute of America. The views expressed here are the author's alone.*

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## The Trump-Kim Summit: North Korea's Preventative Diplomatic Strike?

Posted on 09 March 2018. Tags: [diplomacy](#), [Kim Jong-un](#)

**By Troy Stangarone**

As tensions increased for much of last year the threat of a preventative war hung over the Korean Peninsula. The Trump administration had made clear that it would not tolerate North Korea developing nuclear weapons capable of reaching the United States and that it was willing to remove North Korea's nuclear capabilities by force, if necessary. By the end of the year, a stalemate had been reached. North Korea demonstrated that its inter-continental ballistic missiles (ICBMs) could reach all of the United States, but had shown no indication of a willingness to talk.

As 2017 came to a close, the leadership in Pyongyang faced a strategic decision. It could continue its weapons development and risk either increasing international sanctions or potentially an attack by the United States, or it could engage in a preventative diplomatic strike to limit and forestall U.S. action. By offering to take part in the PyeongChang Olympics and extending summit invitations to South Korean President Moon Jae-in and U.S. President Donald Trump, North Korea has been able to move the dynamics from confrontation to dialogue. Its intentions may not truly be denuclearization, but it has been able to forestall talk of a preventative attack for the foreseeable future and provide its researchers time to perfect its ICBM reentry technology. It has also created an opportunity to explore if it can divide the allies or achieve sanctions reduction without fully denuclearizing. It has also achieved one long-term goal; direct communication with a U.S. President.

In making its moves, North Korea has been highly pragmatic. It knew that the U.S. and South Korea would not postpone military exercises for talks, so Kim Jong-un is reported to have said that he understands they will move forward. North Korea has also agreed to not conduct nuclear or missile tests during the talks. At the same time, we should be cautious about the impact of “maximum pressure” on

North Korea's decisions. It has only been since December that sanctions have truly begun to cut into North Korea's trade with China. It seems likely that North Korea is trying to change the dynamic before the sanctions have truly begun to bite to improve its own negotiating position.

With the expectation that a U.S.-North Korea summit meeting will take place by May shortly after the initial inter-Korean summit, there will not be time for the United States, its allies, and other parties to reach a negotiated solution with North Korea on denuclearization. Trump will be meeting Kim at the beginning of the process rather than the end. If the first summit is a success, the process will most likely consist of a series of interlocking summit meetings rather than only a single U.S.-North Korea summit. Since the initial summit is not intended to lead to a resolution, a second U.S.-North Korea summit would likely be required to conclude any negotiation.

If the process is successful, rather than a return to the Six Party Talks, the initial summits could result in an initial framework or an agreement on general areas for discussion that are followed up with working level discussions. One key question moving forward will be how South Korea and Japan fit into any process. Summit meetings between the U.S., South Korea, and Japan would likely be needed to flesh out these interests and make sure each country's concerns are met. Inter-Korean summits could be used as needed to move the process forward. Additionally, since both Trump and Kim see themselves as the only key decision makers, the two could engage in direct diplomacy via calls when their negotiators reach stumbling blocks.

Even if North Korea is sincere in its efforts to engage in talks on denuclearization, that doesn't mean that it will not try to maximize its own interests. While the details of the summit are still to be determined, a meeting in Pyongyang would hold significant risk. It would provide North Korea with a significant domestic political coup, but also an opportunity to flatter Trump with the pageantry of a military parade and a new version of the mass games with the hopes of charming him into a better deal. If the talks move forward, a more neutral location would be best.

If the initial summit doesn't go well, the situation could quickly deteriorate. The United States, South Korea, and Japan would be left with three options. If the United States and its allies determine that the summit fails because pressure has not truly changed North Korean calculus, they could choose to increase maximum pressure and look for an opportunity for dialogue after North Korea has concluded it cannot talk its way out of this by splitting the allies and it is more open to a genuine dialogue. The other alternatives would be to bolster long-term deterrence or to consider a preventative strike.

In addition to close coordination with U.S. allies, the United States will need to maintain coordination with China. While Beijing is likely pleased that the prospect of conflict has receded for the moment and the United States and North Korea are talking, direct talks between Pyongyang and Washington run the risk of excluding Beijing from the process. If China believes that its interests are being undermined by direct U.S.-North Korea talks it could be tempted to loosen up on sanctions to give North Korea more leverage. If the U.S. is to maintain maximum pressure until a deal is reached it needs to work to maintain Chinese cooperation.

The movement towards potential talks has happened much more swiftly than one would have imagined and could create an opening for denuclearization. The United States should view the summit as exploratory to determine if North Korea is sincere in its willingness to denuclearize or if its preventative diplomacy is an effort to gain time. At the same time, it would be prudent for the United States, South

Korea, and Japan to consider what the possible outcomes of talks might be and begin discussing alternative courses of action should the talks not lead to a genuine process for the denuclearization of North Korea.

*Troy Stangarone is the Senior Director for Congressional Affairs and Trade at the Korea Economic Institute of America. The views expressed here are the author's alone.*

## The Dilemma of Humanitarian Work in North Korea

Posted on 12 March 2018. Tags: [development](#), [Human Rights](#)

**By Mark Tokola**

The McClatchy news service carried an article on March 1 titled "[Global charity stops medical grants to North Korea over doubts about use of aid.](#)" The article described a decision by The Global Fund to stop providing malaria and tuberculosis aid to North Korea because of concerns that the assistance was being diverted by the North Korean regime instead of being given to North Koreans who need it. The story highlights a dilemma long faced by humanitarian organizations who attempt to provide assistance to North Korea: does the humanitarian value of the assistance outweigh the burden of the conditions imposed by the North Korean government and the risks that the government will divert it only to benefit the Army or party loyalists?

There is no easy answer. Different humanitarian organizations have come to different conclusions: some have stuck it out in North Korea and done their best to see that their aid reaches its intended recipients. Others have given up and pulled out. The ones who have stayed and continued to provide assistance argue that it doesn't matter if the North Korean regime takes the credit, or even if it decides who receives the assistance — saving a life is saving a life, whether it is a poor villager or a Party loyalist or a North Korean soldier. Apart from the ethical imperative of helping whoever they can, there is the practical consideration that preventing the spread of infectious diseases (such as multi-drug resistant tuberculosis) benefits everyone, including South Koreans, Chinese, and others who may be in the path of an epidemic. There is also a hopeful assumption that providing assistance can create international goodwill, even among regime stalwarts, easing tensions and reducing the risk of conflict.

Organizations that have given up on North Korea argue that if their mandate is to provide aid to those who need it most, and if the North Korean government makes it impossible to do so, then they have little choice other than to refocus their efforts on countries in which they can have more control over their efforts. As a concrete example, it has been reported by some organizations that the North Korean government would not allow them to provide help to anyone who could not produce a government identification card and the cards were withheld from populations not favored by the government. Allowing the government to screen who and who could not receive assistance was an unacceptable condition. According to the McClatchy article, the situation may even have been worse regarding Global Fund assistance. Their concern was that North Korea was diverting and selling their medical supplies, earning a profit for the regime without benefiting the North Korean people.

The root of the humanitarian dilemma is that the North Korean government is prepared to hold its own people hostage. Are international humanitarian organizations prepared to stand by and allow North

Korean people to die of disease or malnutrition?, The awful implication is that the North Korean government is prepared to do exactly that by placing a higher priority on funding its nuclear weapons program instead of adequately funding its clinics or modernizing its agricultural sector. Whether to give in to such hostage taking by the North Korean regime is a difficult decision, particularly for organizations whose purpose is to alleviate suffering.

*Mark Tokola is the Vice President of the Korea Economic Institute of America. The views expressed here are his own.*

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## The Cheeseburger Summit: What Trump Could Say to Kim

Posted on 13 March 2018. Tags: [diplomacy](#), [economics](#), [Kim Jong-un](#), [WMD](#)

**By William B. Brown**

Everything else has been tried, and failed, so why not have Kim Jong-un and Donald Trump meet face-to-face? I've advocated for it for more than a year now, and it looks like it might happen. Many details need to be worked out but, given it is a North Korean request, coming on the heels of Kim's willingness to meet President Moon Jae-in next month in the middle of the DMZ, and his apparent new willingness to talk nuclear issues while refraining from testing, there is no reason not to say yes. Even better, the meetings are being brokered by Seoul, so allied coordination problems have been lessened. Expectations, difficult in this time of media frenzy, need to be kept under control, and, as Trump might say, a great outcome might be in the works or it might be just a quick stop at the Burger King, with more threats forthcoming. Despite the naysayers, we must give it a try.

Why is Kim venturing his offer now? My impression is he is feeling very strong pressure from China's virtual embargo on North Korea's exports, only since November. And what he must see as a gradual ratcheting down of needed imports, even petroleum. This an enormous economic hit of a sort the country has never had to deal with on this scale. And it comes at a point where dollarization, the use of foreign currency, usually U.S. dollars, to replace the domestic currency, already is moving ahead rapidly, sapping Pyongyang of the one power all governments want to have, the issuance of currency. We need to take advantage quickly, while China is giving us the chance, and use it cleverly to get what we want out of the nuclear program and systemic reform. It's not so impossible if you realize everyone, even young Kim, can benefit.

So, what is Trump going to tell Mr. Kim? Here is my suggestion. As you can imagine, I focus on economics since, in following North Korea since 1976, I am convinced its broken socialist system is the root of all of its problems with itself, with the world, and of course with the United States.

Trump could say to Kim, "In your message you indicated that to climb down from this nuclear path you need to have assurances that the U.S. is not your mortal enemy. This makes great sense, and I congratulate your scientists and military industry for their hard work in achieving some success in building what some might call impossible, a deterrent against a superpower. So, let's work on that piece of the problem, nothing else. If we can solve that we can solve everything.

This is what I propose. Explanations and fine tuning can occur in a committee we will set up today to begin work on the problem.

Our side:

1. We will mentor your accession to the World Trade Organization, starting a long process that will enable the U.S. to have normal or even preferential trade with your country, and all the investment prospects that will come with that. This is far more important than sanctions relief and will make your economy better integrate with ours. The best security assurance you can have is profitable U.S. investments in Pyongyang, even perhaps, a Trump hotel.
2. We will advocate your membership in the ILO, a body to which all other UN members subscribe and which allows healthy, not parasitic employment, investment and trade conditions.
3. Our Federal Reserve will step in with a partnership to help the Chosen (central) Bank create a solid won currency, with requisite hard currency reserves. As it did with South Korea in 1963, we would invite the Bank of Japan to help and likely add the People's Bank of China and Bank of Korea. But we will take the lead, as we did in Seoul, a move that began the transformation of the South Korean economy. Given the volume of foreign currency already in use in your economy, a currency board mechanism might be best, in which your money trades as solidly as the Hong Kong dollar. Combined with your hard working and smart people, it is hard to imagine better economic security for your country.
4. With progress in denuclearization talks, and actions, on both sides, we will ask the UN Security Council to gradually remove sanctions on your exports, as would we. Sanctions on imports, except military or nuclear related, can come off very quickly as we expect you need the petroleum, and funds to buy grain and fertilizer, even as we speak.
5. Food relief can begin to occur quickly, although on terms that reward private growth of farm output in your country and improved distribution. We are concerned that too much commodity aid may have stunted your agricultural sector and harmed your economy. We made that mistake in South Korea in the 1950s but corrected it in the 1960s to great success and we think we can help a great deal in removing malnutrition and the threat of starvation.
6. We have noticed your new interest in tourism, which we agree has great potential and is likely a great comparative advantage of your country. But your treatment of tourists, including visiting Americans, has been deplorable. Let's make some agreements here that will make safe tourism possible and, at the earliest point, I will propose creation of an official U.S. tourism office in Pyongyang, along with a liaison office and ultimately an Embassy.
7. If requested, we will help your government stabilize its budget, affording large pay increases for state employees in a smaller state and military sector. The key, as we see it, is to liquidate some of the state's huge assets—it effectively owns the whole country—and burdens, offering them to private North Korean investors and perhaps a few foreigners, who will make much better use of them. Profits from assets sales, and from ongoing taxes, easily can fund the state's welfare, investment, and military requirements. This privatization is China's great and surprising success. Again, it is something you already are doing half-way, but as disinterested outsiders we can provide unbiased support for an equitable process. This we did in Japan, following WWII, in South Korea before and after the Korean War, and in Taiwan, all to great positive effect.

8. The U.S. will stop any aggressive exercises in South Korea, or provocative military movements, once we are convinced your country has no threats on us or our allies in the region. Over time, successful change in your relations with the region and the world can make our forces in South Korea redundant, and we can withdraw as regional security relationships allow.

We ask, insist, that your side:

1. Begin economic reforms that unify your price and wage system according to WTO rules. Unified prices are the first important step in improving the productivity of your very extensive labor, capital and natural resources. We ask for these since they will help your economy grow and they will enable our companies to trade with yours on a competitive basis. Otherwise, we must continue the very high tariffs that we employ against all non-market economies, which now only include North Korea and Cuba.

2. As the WTO and ILO will require, change your wage system so that all workers are paid directly, not through an agency that does not necessarily operate in their best interests. This is the rule of the ILO and is employed everywhere in the world except North Korea. And even in your country, many, perhaps most workers are now paid directly, a huge benefit that needs to include everyone. We have noticed revitalization in some parts of the North Korean economy due to what we think is the success of pilot wage projects you initiated soon after you took power; this ongoing change is what we think is working and needs to be expanded to everyone.

3. Elimination of the 19th century, archaic "guilt by association" criminal system and an end to political camps. This will be a difficult transition but there are many NGOs who will help the process. Some emigration may be needed. But with the above reforms, your country will need every spare worker it can find and former inmates, and the land and resources (coal) of the camps, can be very effectively employed to everyone's benefit.

4. Progress on the nuclear issue sufficient to reduce or eliminate trade sanctions, will require a continued halt in testing and a new process laid out that will convince us you are taking down your fissile material programs, both plutonium and HEU, or converting them to purely civilian activities and that you are on a path to eliminating the weapons you now have. The IAEA will have to come back in to work with you on that. Export of low enriched uranium, plutonium rods, and uranium ore to South Korea, explored some years ago but not fulfilled, should be reconsidered, along with viable employment for your highly skilled workers in civilian industry. Your ballistic missile program also must stop, although some cooperation might be arranged to allow and develop your space program. And, with sanctions ultimately removed, the larger issue of your fixed price system must be addressed, as in the WTO negotiations and reform as laid out above, to put your country on normal trade status with everyone. Otherwise removal of sanctions alone will ultimately prove dissatisfying, as they have before.

5. And, of course, your country should agree with South Korea to never attack each other and that unification, desired by all parties, and especially by the U.S., will occur only in a peaceful matter over time. Both of you can begin adjusting your force structures accordingly, as well as can the United States. We think that economic integration, as in an EU type process, offers the best avenue for this to occur and we think the program we have outlined will do just that.

Believe me, there is no better way for us to guarantee the external and internal security of your country.

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*Image created by Jenna Gibson, Director of Communications at the Korea Economic Institute of America, with images from Gage Skidmore and Prachatai's photostreams on flickr Creative Commons.*

## Agriculture is the Clear-Cut Winner with Sound Trade Policy

Posted on 14 March 2018. Tags: [economics](#), [FTA](#), [Korus](#), [FTA](#), [trade](#)

**By Senator Joni Ernst (R-IA)**

Mexico and South Korea are racing for American beef and pork. In 2017 alone, the U.S. shattered records with beef exports hitting \$7.27 billion and pork exports reaching \$6.49 billion according to the U.S. Meat Export Federation. For my home state of Iowa, one of the largest producers in the United States of both, this trend is keeping Iowans employed and the rural economy strong.

What's driving this acceleration in demand? To start, our farmers and ranchers offer a high-quality product that people crave and trust. But more broadly, this demand and export growth does not happen without the right regulatory policies and trade deals in place.

Recent headwinds reverberating through the White House, evidenced most recently by the President's decision to implement tariffs on imported steel and aluminum (raising the possibility of a strong retaliatory response on agriculture exports), have many in agriculture and livestock production deeply concerned. President Trump has indicated that he is ready to tear up the North American Free Trade Agreement (NAFTA) and our FTA with South Korea or renegotiate new terms. As we recently closed the seventh round of negotiations in Mexico City and have begun talks with Korea, it is clear that our agriculture industry is looking for answers.

I agree with the President on many things. I also think his intentions on trade are good and flow from a strong desire to put America in the driver's seat globally. A goal I share. However, I do not share the President's beef with the current agreements and hope we can land a resolution that modernizes NAFTA and fosters increased trade between the U.S., Mexico, and Canada.

In fact, NAFTA, and trade deals like KORUS FTA – the United States-Korea Free Trade Agreement – are keeping our farms and rural communities not just afloat, but at the forefront and rapidly growing. Far from an adversary, NAFTA is a boon to agriculture, allowing us to satisfy consumer demand that would otherwise be filled by nations like Brazil.

With all eyes on South Korea at the recent Winter Olympics where the world's best athletes competed, let us bring attention back to the farm gate where some of the world's hardest-working farmers and ranchers are competing for global market share. Spurred by the 2012 free trade agreement, South Korea is now the sixth largest market for U.S. ag products. The country of 51 million people imported \$6.2 billion of agricultural products from the United States in 2016. KORUS has opened new, untapped markets across Asia – markets where the U.S. pork industry could lose the podium to Australia, Canada, Chile and the European Union if we were to revert back to pre-KORUS tariffs.

This is why I continue to lead a vocal effort to communicate the benefits of trade and a “do no harm” approach to the President and other key Administration officials. My hope is these conversations with our allies start and finish with the premise that these agreements should be preserved.

Keeping the U.S. globally competitive has many levers. We recently passed a tax reform bill that will provide Americans needed tax relief while allowing our U.S. businesses to remain competitive and chart a path of expansion. I was proud to work with my Republican colleagues and President Trump to get this across the finish line.

Similarly, our trade deals ensure American exports remain strong and our economy growing. We should give producers a competitive advantage, not a disadvantage, and search for ways to showcase American products across the globe to meet the growing middle-class’ demand. Teaming this effort with regulatory reform to reduce red tape on a highly-regulated industry, we can create a recipe for success that will continue to push American exports to the top of the leaderboard.

*Joni Ernst is a United States Senator from the State of Iowa and serves on the Senate Agriculture, Nutrition, and Forestry Committee and the Senate Armed Services Committee. The views expressed here are the author’s alone.*

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## How are South Korean Voters reacting to Newly Created Political Parties?

Posted on 15 March 2018. Tags: [politics](#), [polling data](#)

By Juni Kim

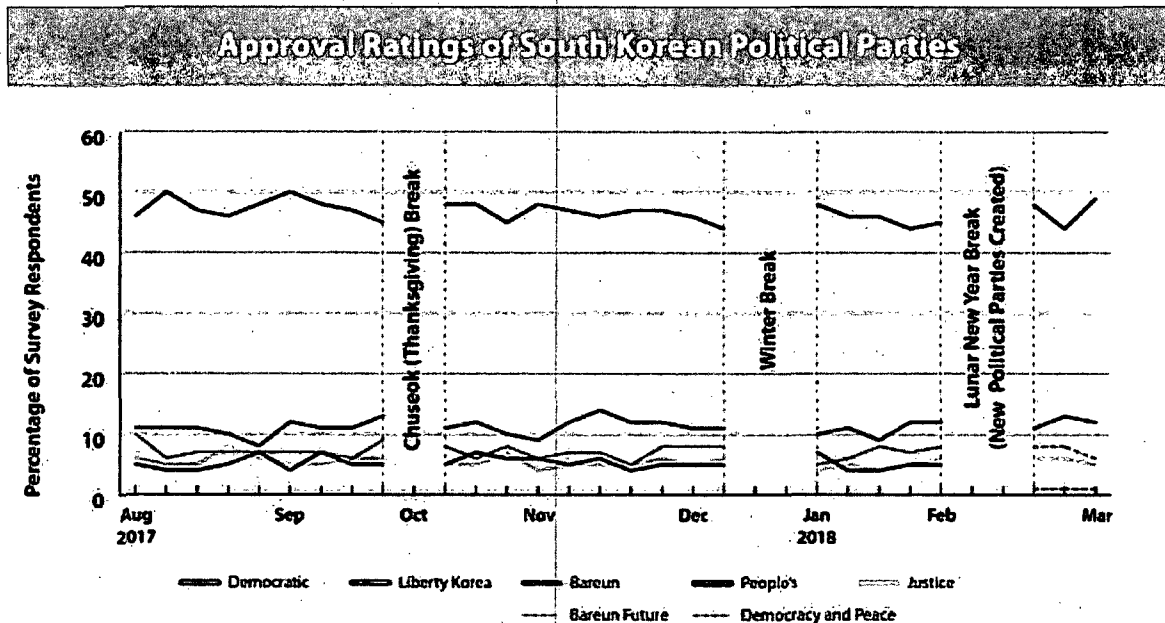
On February 13<sup>th</sup>, South Korean lawmakers from both the center-left People’s Party and the center-right Bareun Party finalized their merger and launched the new Bareun Mirae Party, which translates literally to the Righteous Future Party. National Assemblyman Yoo Seong-min, one of the new party heads and former Bareun Party presidential candidate, boldly declared, “We will become a party that competes with the incompetent ruling party, and the center-right reformist party that replaces the Liberty Korea Party.” The Bareun Future leadership hopes that the new party’s creation will be a watershed moment in South Korean politics, which has long been dominated by a two-party system and political regionalism.

Although the merger now makes the Bareun Future Party the third largest political party in the National Assembly at 30 members, both originating parties faced their own internal struggles leading up to last month’s merger. Created in the wake of former President Park Geun-hye’s scandal, the Bareun Party struggled to retain its ranks as many of its legislators defected back to the major conservative Liberty Korea Party (LKP) prior to the merger. The party lost its parliamentary negotiating bloc status, which requires 20 legislators, last November when nine of its members left. By the time of the party merger, the Bareun party’s legislative members only numbered in the single digits.

Fractured interests and leadership struggles in the People’s Party also provoked 14 legislators to defect from their party prior to the merger and form the Party for Democracy and Peace (PDP). The PDP is

currently seeking to form its own negotiating bloc with the progressive Justice Party, which has the requisite six additional members needed to meet the minimum requirement.

Any expected boost from the merger has yet to materialize in higher approval ratings. In the weeks following the merger, approval ratings for the Bareun Future Party are similar to the Bareun Party's numbers and slightly better than the People's Party's ratings before the merger. In the most recent Korea Gallup polls, the Bareun Future Party had a 6% approval rating, while the most recent Realmeter poll had the party's approval rating at 8.4%. In comparison, the Bareun Party's approval rating before the merger mostly fluctuated in the high-single digits while the People's party in the mid-single digits.



The PDP has had a more difficult time in finding its foothold since its own inception. For the past two weeks, Korea Gallup polls have the party's approval rating at 1%. The most recent Realmeter numbers have the party at a slightly rosier 2.6%.

As the above chart shows, approval rating struggles are a common challenge for all parties besides the ruling Democratic Party, which is the party of South Korean President Moon Jae-in. Despite maintaining significantly higher approval ratings, the Democratic Party currently does not hold a legislative majority and minor parties like the newly created Bareun Future Party and PDP can still play pivotal roles in the National Assembly agenda.

With the June local elections fast approaching, South Korean voters will be the ultimate factor in deciding the course of the two new minor parties and how much impact they will have in national politics. However, both parties have their work cut for them to convince voters of their platform message ahead of what will almost certainly be a heated election season.

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## Withdrawing U.S. Troops from Korea is a White Flag, not a Bargaining Chip

Posted on 16 March 2018. Tags: [Korus FTA](#), [military affairs](#), [politics](#), [security](#), [US - ROK Relations](#)

By Kyle Ferrier

It may have just been bravado to further his image as a tough negotiator, but President Trump's comments suggesting that the withdrawal of U.S. troops on the Korean Peninsula may be on the table is problematic to say the least. Leaked comments from a private fundraiser on Wednesday revealed the president stated, "We have a very big trade deficit with [South Korea], and we protect them." He further went on to say, "We lose money on trade, and we lose money on the military. We have right now 32,000 soldiers on the border between North and South Korea. Let's see what happens." The claims about the trade deficit are nothing new, despite significant evidence to the contrary, nor is the president playing security and economic issues off one another. However, if the president thinks he can leverage U.S. troops in Korea for any political or economic gain he is woefully mistaken.

The U.S.-South Korea military alliance is the backbone of the bilateral relationship. "Forged in blood" by the Korean War, the alliance continues to serve the shared interest of both countries through stabilizing the region as well as promoting economic openness and, since the late 1980s, liberal democracy. While the spread of communism is no longer the threat it was perceived to be during the Cold War, the North Korean threat remains, which is why even though South Korea is one of the world's most advanced countries, the military component of these ties is vital. One of Trump's biggest criticisms of the bilateral relationship is that South Korea has gotten away with exploiting the U.S. economy because of security concerns, yet the necessity of the alliance arguably helped to create a fairer trade deal for the United States. The alliance has also been the gateway to cooperation in a number of other global issues such as in space exploration, global health, and cybersecurity.

The closest the U.S. has ever been to withdrawing troops from the peninsula is also not coincidentally the lowest point in U.S.-Korea relations. From 1977 to 1979, President Jimmy Carter was seriously considering the gradual removal of all U.S. troops from the peninsula over the South Korean government's human rights record. The issue was a source of great consternation between the two governments and stoked Korean fears of abandonment. In the end, only about 3,000 troops left South Korea because the North Korean military proved to be a larger threat than previously thought. The potential for further withdrawal was resolved on its own after Carter pushed the decision back to 1981 in what would have been his second term in office, but by then there was new leadership in both Seoul and Washington.

Flash forward to today, the North Korean threat is similar in many ways but the evolution of Pyongyang's nuclear and missile programs greatly raise the stakes for Washington. As a treaty ally, the United States is bound to defend South Korea in case of an attack. Thus, everything the alliance encompasses—including the 28,500 U.S. troops in South Korea, joint military exercises, and the U.S.

nuclear umbrella—acts as a deterrence against North Korean aggression. Should this disappear now, tied to a negotiating tactic on trade or otherwise, South Korea would be at tremendous risk. This would jeopardize all of the added benefits the U.S. receives from relations with South Korea, including economic gains from bilateral trade as well as from regional stability. This is the same as it would have been in the late 1970s, though the benefits now are much larger than they were 40 years ago. The biggest difference now, however, is North Korea is almost, if it isn't already, capable of reaching the United States with a nuclear weapon. While the threat of military retaliation after an attack on the U.S. is undoubtedly a deterrent, this could easily be weakened if the U.S. were to abandon South Korea. After all, deterrence is a combination of both will and capability. Should the first half be questioned, Pyongyang could be emboldened to strike first.

Even if the president was trying to talk tough and has no intention to formally bring the issue up with Seoul, let alone follow through on it, the public discussion of troop withdrawal could have disastrous implications for U.S. interests. There is a confluence of factors, such as the return of great power politics between Washington and Beijing, now influencing Seoul that could force it to go off the well-worn path of firm resolve and close coordination with the United States. Though this is still the best way forward as CFR's Scott Snyder argues in his new book "South Korea at the Crossroads," should its feasibility come into question, Seoul may look to pursue other options even before the U.S. takes any action. Many of these options—such as obtaining nuclear weapons, which has gained some popularity in recent months, and closer ties with Beijing—would not only run counter to U.S. interests in the region, but on the global stage as well.

The best course of action for President Trump would be to immediately walk back the comments he made at the fundraiser and reaffirm the strength of the alliance by using well-trodden language, such as calling it "ironclad" and claiming there is "no daylight" between the two countries. At the very least it would be wise to quietly let this idea die. Trump may think it is a power play at the negotiating table, but should he pursue this further, he would actually be raising the white flag to Pyongyang and Beijing. He would risk setting off a chain of events that would ultimately put the U.S. in a worse position on trade with South Korea and at a strategic disadvantage in dealing with the most pressing regional security threat and global rival.

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## Human Rights Should be on the Agenda for a Possible Trump-Kim Jong-un Meeting

Posted on 19 March 2018. Tags: [diplomacy](#), [Human Rights](#)

**By Robert King**

President Donald Trump surprised everyone when he unexpectedly told a South Korean delegation that he would be willing to meet with North Korea's reclusive leader Kim Jong-un. The initial proposal was for a meeting to take place by the end of May at a place yet to be determined. There have been

numerous questions raised about the wisdom of talks, a possible agenda, and potential problems with American allies. Nevertheless, such a meeting is the issue *de jour* for foreign policy analysts.

Advance preparation for such a conversation is critical, and the United States is in a less than ideal situation at present. Secretary of State Rex Tillerson is on his way out as of a few days ago, and Secretary of State-designate Mike Pompeo is facing waiting for what might be a difficult Senate confirmation. Other senior diplomats who are needed for preparation are also not in place. Fourteen months after the President's inauguration we still do not have a U.S. Ambassador to Seoul, and the senior diplomat at the State Department who has dealt with North Korean issues for the last two years just retired.

These personnel issues plus other indications of turmoil in the White House suggest that preparation for such a meeting will not be quick or easy. Going into talks with Kim Jong-un without careful planning would be very risky. Though North Korea's nuclear and missile programs are clearly the chief topic for such a discussion, it is not clear what outcome from such a meeting is possible. There is also the question of what other issues need to be raised, and in particular whether human rights ought to be on the agenda.

Two months ago in his State of the Union Address to Congress, the President gave considerable attention and focus to North Korea's human rights abuses. He said "no regime has oppressed its own citizens more totally or brutally than the cruel dictatorship in North Korea," and then went on, "We need only look at the depraved character of the North Korean regime to understand the nature of the nuclear threat it could pose to America and our allies."

In fact, over 10 percent of the speech was devoted to North Korea—a very significant amount of time in a speech reporting on the President's first year in office and highlighting the major domestic and international issues facing the United States.

The President not only discussed the threat of its nuclear and missile programs, but he also gave even greater attention to North Korea's human rights abuses. He invited the parents, brother and sister of Otto Warmbier to the United States Capitol for the speech. Otto is the American college student who was arrested, tried and imprisoned while on a tourist visit to North Korea and who was returned to his parents 17 months later in an unresponsive comatose state. He died shortly after returning home to Cincinnati. The president welcomed the parents and siblings to the State of the Union Address as "powerful witnesses to a menace that threatens our world."

The President then introduced to the Members of Congress a young man from North Korea, Ji Song-ho, "another witness to the ominous nature of this regime." Song-ho lost his leg in an effort to find food during the famine of the 1990s in North Korea. He was tortured by North Korean security officers after returning from China where he went in a search for food. Subsequently, he made a dangerous escape from the North, and he completed the arduous trip over thousands of miles on crutches across China, through Southeast Asia, and ultimately to South Korea. The President described Song-ho as an example of the many "defectors" who have fled the North to find freedom and security in South Korea and elsewhere.

Three days after the State of the Union Address, President Trump invited to the Oval Office eight North Korean defectors including Ji Song-ho and five others from South Korea and two who received asylum in

the United States. Holding the meeting in the Oval Office and devoting a significant amount of the President's time was an important effort to highlight the North's abysmal human rights record. Furthermore, when Vice President Mike Pence represented the United States at the opening of the PyeongChang 2018 Winter Olympics a few days later, he was accompanied by Otto Warmbier's father Fred.

Two months after the State of the Union Speech and the President's meeting with North Korean defectors, we are looking at the possibility of Trump-Kim Jong-un talks. In light of what the President recently said, human rights is very much relevant. But will the President raise this sensitive subject with Kim?

If the meeting does take place, failure to raise North Korean human rights issues would be a serious mistake. Because the President has given such attention to the issue in the past two months, his credibility and prestige are on the line. Not to include the issue on the agenda would signal that the United States is not really concerned about human rights. This would suggest that raising humanitarian issues was only part of a Trump effort to "soften-up" the DPRK to bring them to the negotiating table to discuss the only issue that really counts—nuclear weapons and missiles.

For the last seven decades the United States and our democratic allies around the globe have sought to create a rules-based world order in which differences are resolved peacefully, and where nations cooperate in improving the general well-being. A key part, an integral part of that international order is respect for human rights.

The best way to press human rights with North Korea is through the United Nations, as we have sought to do over the last two decades under both Republican and Democratic administrations. The UN Human Rights Council has appointed a Special Rapporteur on the issue, a Commission of Inquiry on the issue has produced a definitive report on the problems, and criticism of North Korea's human rights abuses has received overwhelming international support in the UN Human Rights Council and the UN General Assembly. The latest report of the Special Rapporteur on human rights in North Korea continues to detail and document the ongoing abuses, and the report is expected to be approved by the Human Rights Council in a resolution that the North Koreans are unlikely to press for a recorded vote, since support in the past has been so overwhelming.

The President should urge Kim Jong-un to cooperate with the United Nations on these issues. He should urge the North to welcome a visit by the UN Special Rapporteur on DPRK human rights, as it has already done by receiving a visit from the UN's Special Rapporteur on Persons with Disabilities.

It is helpful for the United Nations to take the lead on the North Korea human rights engagement. This means the United States is not the only voice on human rights, but one of many urging progress. The President can make the argument that engagement with UN agencies on human rights would improve the international stature of the North.

Ultimately, American influence in the world is less a function of the "size of the button" on President Trump's desk than it is the strength and respect we show for the ideals of human rights, democracy, tolerance, international order, and respect for other nations. It is important that we press the North on human rights, though it may not produce immediate success. Human rights is not the focal point of the discussions, but it is important to include that topic.

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## Music Diplomacy: South Korean Artists Will Head to North Korea for Pyongyang Concerts

Posted on 20 March 2018. Tags: [concert](#), [Culture](#), [diplomacy](#), [kpop](#), [music](#), [north korea](#), [public diplomacy](#), [rock](#), [singers](#), [soft power](#), [South Korea](#)

By Jenna Gibson

After a meeting of North and South Korean delegates today, the two sides announced that 160 South Korean musicians would head to Pyongyang at the end of March for two concerts, the first of their kind since 2007. The lineup is chock-full of the most popular Korean singers, crossing genre and generational boundaries. The headliners announced today show off the best from trot, rock, and k-pop, and are sure to put on an amazing concert. Whether the concert and other related diplomatic outreach events will result in any meaningful political breakthroughs, however, remains to be seen.

Check out a quick intro of the South Korean singers who will head to Pyongyang for the concert, including a Spotify playlist of some of their greatest hits at the bottom!

### **Cho Yong-pil**

Cho Yong-pil is universally regarded as a legend in the Korean music industry. He made his solo debut in 1976, and has released 19 albums since then, including his latest, "Hello," which swept the charts in 2013 despite coming after a 10-year hiatus. Interestingly, this will not be Cho's first foray into inter-Korean music diplomacy – he performed a solo concert in Pyongyang back in 2005

### **Red Velvet**

Red Velvet is versatile by design – their name is meant to describe the group's two different styles of music. Music showcasing their "red" side is bubbly and fun, and songs on the "velvet" side are smoother and more mature sounding. This concept helps the group stay fresh and innovative with each new release, keeping them on the top of the music charts and making the members some of the most in-demand celebrities for TV appearances and endorsements.

### **Lee Sun-hee**

Given the nicknames "국민디바" ("National Diva") and "여가왕" (Queen of Female Vocalists), Lee Sun-hee has been a staple of the Korean music industry for decades. She has also become well-known for lending her voice to the soundtracks for popular movies and dramas, most recently with her song "Wind Flower," which appeared in the smash-hit 2016 drama The Legend of the Blue Sea.

### **Baek Ji-young**

The queen of drama soundtracks, you can easily picture Baek Ji-young's powerful voice playing in the background during some of the most memorable scenes in Korea's most famous dramas. "That Woman," one of the main songs from the classic TV drama Secret Garden, is just one example of her unforgettable OST appearances. But of course Baek does much more than TV ballads, releasing dozens of songs that show off her vocal talents through more upbeat dance tracks.

#### **Choi Jin-hee**

Trot singer Choi Jin-hee is also no stranger to musical diplomacy – she has performed in North Korea three times in the past. In 2010, a viral video showed a North Korean woman singing Choi's famous song "Maze of Love," but with lyrics changed to praise then-leader Kim Jong-il. In response to her popularity in the North, Choi told the Korea Times "The North Korean audiences were always very welcoming and showed great enthusiasm for my songs. I thought that 'The Maze of Love' could connect the peoples of the two Koreas."

#### **Seohyun**

One of the main vocalists of Girl's Generation, Seohyun recently parted ways with the group, and is now focused on her solo and acting career. She has starred in several TV dramas, stage musicals, and has even done voiceover work for the Korean version of "Despicable Me" and its sequel. It makes sense for Seohyun to join the delegation heading to Pyongyang, as she was the only South Korean artist to join the North Korean art troupe on stage during their recent concert in Seoul.

#### **Yoon Do-hyun**

Known for his musical versatility, Yoon Do-hyun is the lead vocalist of rock band Yoon Do-hyun Band, but he has also had a successful solo career, hosted TV show, and has starred in musicals including "Jesus Christ Superstar" and "Once." Notably, the band won the World Peace Music Award in 2003 for advocating for better human rights conditions in Korea.

#### **Ali**

First gaining notoriety for her appearances on music competition show "Immortal Songs 2," Ali has released several albums and often appears as a featured artist with other famous Korean acts as well as on drama soundtracks. She is also known for taking on societal themes in her music, including a song that dealt with sexual assault.

#### **Jung-in**

Initially debuting as a featured artist on hip hop duo Leessang's song "Rush," Jung-in was part of R&B group G.Fa until their disbandment in 2007. She now has a successful solo career and collaborates regularly with other hip hop and R&B artists.

*Jenna Gibson is the Director of Communications at the Korea Economic Institute of America. The views expressed here are the author's alone.*

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## Summit Announcements Encourage Cautious Optimism Among South Koreans

Posted on 21 March 2018. Tags: [diplomacy](#), [Kim Jong-un](#), [polling data](#), [South Korea](#)

By Juni Kim

On March 8<sup>th</sup>, a special delegation from South Korea announced on the White House lawn that U.S. President Donald Trump had accepted an invitation from North Korea's leader Kim Jong-un to meet. The surprise announcement followed an earlier proposal for an inter-Korean summit with South Korean President Moon Jae-in. Both summit declarations cap a recent string of cooperative overtures made by the North Korean regime, starting from Kim Jong-un's unusually conciliatory remarks in his New Year's address.

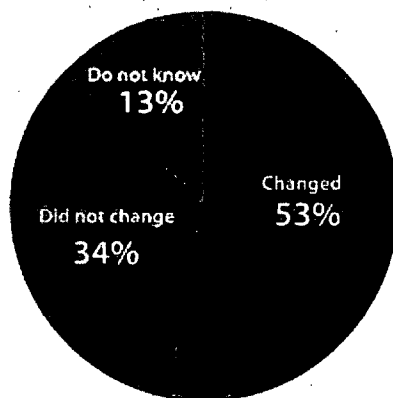
While the talks have been met with varied reactions by Korea watchers, recent polls show that South Koreans have positively received the announcement of the proposed talks and are somewhat optimistic what it means for inter-Korean relations. According to a March 9<sup>th</sup> [Realmeter poll](#), 73 percent of South Koreans welcomed the development, compared to 23 percent who did not welcome the change.

A majority of South Koreans (53 percent) also believed the proposed summit announcement marks a change in North Korea's attitude. The numbers stand in stark contrast to [Korea Gallup](#) polling conducted shortly after Kim Jong-un's [New Year's address](#) this past January when the leader called for a peaceful resolution of tensions with South Korea. At that time, 65 percent of South Koreans responded that the speech did not reflect a change in North Korea's attitude.

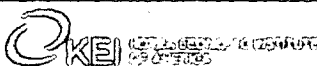
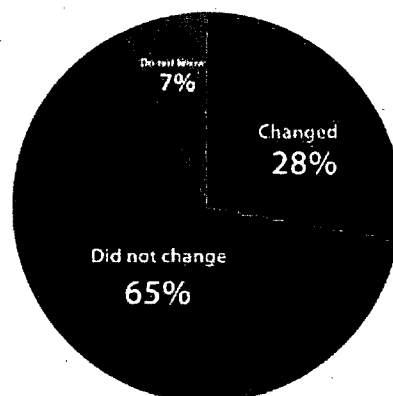
### South Korean Public Opinion on North Korea's Attitude

Question: Do you think North Korea's attitude has changed or not changed?

After the announcement of the  
Inter-Korean and U.S.-North Korea Summits  
(Mar. 13-15, 2018)



After Kim Jong-un's New Year's Address  
(Jan. 2-4, 2018)



Source: [KEI](#)

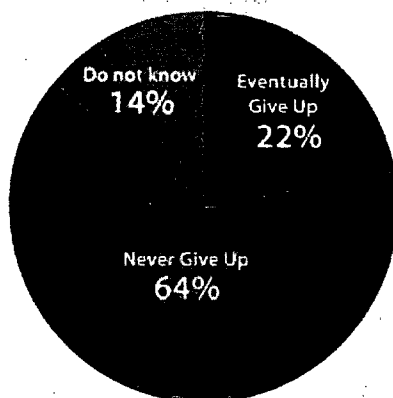
The substantial difference in reaction between the two different events underlies the significance of the summit announcements for the South Korean public. The last inter-Korean summit was more than ten years ago, with then-South Korean President Roh Moon-hyun and Kim Jong-un's father Kim Jong-il. A sitting U.S. president has never met with a North Korean leader.

South Korean poll respondents also expressed more optimism about North Korea's denuclearization compared to poll numbers in January, though a majority of South Koreans still believe that North Korea will never give up its nuclear program.

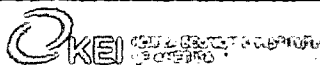
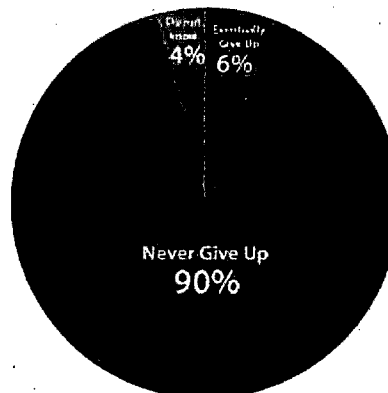
### South Korean Public Opinion on North Korea Denuclearization

Question: Do you think North Korea will eventually give up its nuclear program or never give up its program?

After the announcement of the  
Inter-Korean and U.S.-North Korea Summits  
(Mar. 13-15, 2018)



After Kim Jong-un's New Year's Address  
(Jan. 2-4, 2018)



SOURCE: REALMETER

Although the poll numbers indicate increased optimism, South Koreans still remain deeply skeptical of their northern counterpart. According to Realmeter, 64 percent of polled South Koreans do not trust North Korea despite the talks offer, while 32 percent of South Koreans do trust North Korea. The numbers reflect South Korean awareness and familiarity with North Korean diplomatic tactics. Prior inter-Korean talks in the 2000s under the "Sunshine Policy" were later criticized for the substantial amounts of money South Korea provided to the North during that time, and the current lack of South Korean trust despite increased optimism reflects this recent history.

Having lived under the North Korean threat for decades, South Koreans are very familiar with the deadly provocations and broken promises of the past. The upcoming summits are undoubtedly meaningful, but like many throughout the global community, South Koreans are cautiously optimistic of what developments the talks will bring.

*Juni Kim is the Program Manager and Executive Assistant at the Korea Economic Institute of America (KEI). The views expressed here are the author's alone.*

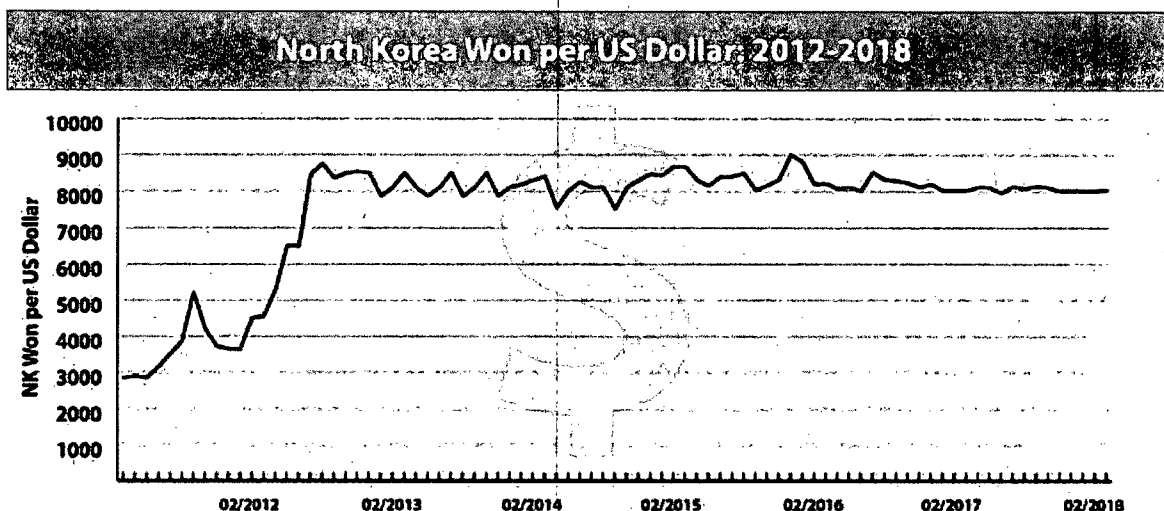
*Photo from zuk0's photostream on flickr Creative Commons.*

## How is Pyongyang Controlling its Won?

Posted on 26 March 2018. Tags: [economics](#), [trade](#)

By William B. Brown

Like many North Korea questions, we don't know but we have some ideas. All of them regarding finance must be worrisome to Kim Jong-un and his cabinet as they try to deal with a near Chinese embargo on their exports that is likely causing an outflow of reserve dollars needed for essential imports, and even for maintaining stability in the domestic money supply.<sup>[1]</sup> But the apparently pegged won also offers excellent opportunities for continued growth of the market side of the country's bifurcated economy, whether or not desired by the regime. Don't hold your breath but some clues as to the regime's policy direction might show up early next month when the government's annual budget is presented, always a rubber stamp exercise with little data. The observed fact that ever scarcer dollars are competing with won in everybody's wallets, however, should be drawing attention to how Pyongyang is financing its enormous bureaucracy and military. Credibility becomes important and a mistake by the regime can create a dangerous situation in which the public suddenly tries to sell its won in exchange for hard currency, and the won collapses in panic. Since a significant part of the government's needs must now be met by paying dollars, the impact on public finance could be catastrophic.



The North Korean won, as reported by *Daily NK* each week, has been remarkably stable for the past five years, after falling precipitously for a decade prior to Kim Jong-un taking power. (The graphic portrays the value of the dollar so up is down for the value of won.) Most remarkable is its even greater stability in the past six months, even as the country's observed trade deficit has grown spectacularly, presumably creating an outflow, and thus a shortage, of foreign exchange. One might consider this monetary stability, also shown in stable prices for rice and corn, as the young leader's greatest accomplishment so far, and it does speak to the skills and knowledge of his monetary team. The likely tension, given a growing storm, however, suggests a snap may be coming.

An analogy might be a boat, tied to a dock on tidal waters, much as I experienced upon moving to Virginia Beach many years ago. Our house was on a tidal canal and I soon bought a small boat, tying it to the dock. My neighbors quickly told me, however, don't use your instinct and tie it too tight. If you do, a rising tide will, as the saying goes, raise all boats except yours, and yours will sink. If you are lucky the line will break, and it will float away. Flexibility is important; very useful advice. The same can be said for an exchange rate. The won-dollar rate, not budging despite apparent big changes in trade and foreign payments conditions—the rising or falling tide—might either snap letting the economy go free, or the economy might sink and its rulers with it.

Why is this suddenly important? In decades past the exchange rate would not be an issue for North Korea since its currency was permanently fixed, as were currencies of all socialistic, "command economies," and not very meaningful. No forces of supply and demand were on the rates and they had nothing to do with imports or exports. Exchange rate theory says that a government can fix an exchange rate in this way but it then must give up one of two other normally desired characteristics of a monetary system, openness to capital flows (in effect the ability of its citizens to trade and hold foreign money, and for foreigners to invest and use its money) or freedom in setting its own monetary policy, for instance setting short term interest rates or financing a fiscal deficit. For a socialist country this was an easy choice as it did not want to have open capital markets. They all chose fixed rates and severe capital controls, enforcing tight limits on their citizens use of money. Most developed countries today choose to have free capital flows, given the improvement in economic efficiency they allow, and independence in monetary policy, so somewhat reluctantly they let their exchange rates float freely. Very few states choose the third option, a fixed rate, free capital flows, and no independence of monetary policy. Hong Kong, with its currency board, is one of few examples, fixing its dollar at 7.8 per U.S. dollar and holding that rate for more than 30 years, while letting its monetary policy be determined, in effect, by the Fed. A trade surplus that would raise demand for the Hong Kong currency and try to make it more valuable, is automatically countered by a fall in interest rates, which reduces demand for currency and increases consumption and imports. Without government interference, the exchange rate holds firm and the real economy, so to speak, adjusts. Hong Kong adopted this system to protect itself from Chinese monetary policy as it was being returned to China's jurisdiction in 1997 but, except during the Asian Financial Crisis ten years later, it has worked well so has been maintained.

I would venture to say, North Korea now has joined this elite club of fixed exchange rates and surprisingly open foreign exchange markets, ironically linking the top and bottom countries in Heritage's Index of Economic Freedom. Only I doubt it lets interest rates adjust to maintain the won peg; that would be entirely too capitalistic, and those rates would have to be extremely high, jumping ever higher with each nuclear test. It must be doing something else.

Its observed but unofficial solution is not what one would expect from a such a control conscious regime, allowing citizens freedom to use foreign currency and thus giving up its money monopoly and freedom of monetary policy. Defector reporting puts at about 50 percent the value of normal transactions done in the domestic currency versus those done in U.S. dollars or Chinese yuan. This means that a typical North Korean will have two or three currencies in his wallet, or on his electronic debit cards. For a taxi ride he may need two U.S. dollar bills, for household goods in the market he may use RMB, for any payments to the government (except bribes) he will use won. If he is paid by the government, he will receive won but he can change that for hard currency in market places. For a down payment on a long-term unofficial and in theory illegal lease on an apartment, he will need something

like \$30,000 in U.S. cash which he might cobble together by borrowing from friends or relatives and from his profits dealing as a merchant.

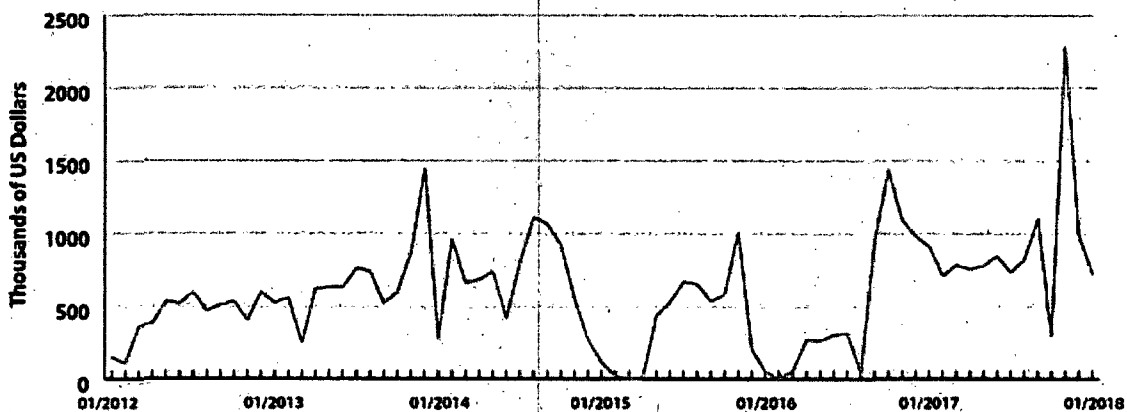
With citizens able to freely convert won to hard currency in this way, and vice versa, the government must have a mechanism to enforce the pegged rate. If we rule out interest rate changes by the central bank, there are several possibilities:

- Direct intervention in markets, selling official reserves of dollars or RMB whenever the won starts to slip. As long as the public believes the state has ample reserves, this is not a costly operation and the bank might even make some profits. But if there is a loss of public confidence, say in a realization that reserves are small compared to outstanding won, there can be an avalanche in favor of the dollar and the central bank's foreign exchange will quickly disappear. (In Hong Kong this is avoided by 100 percent reserves, that is for every 7.8 Hong Kong dollars printed, 1 U.S. dollar must be deposited in the Monetary Authority's accounts.) North Korea's system is so opaque; however, no one will believe how much reserves they have. This means a slight rise in the dollar might be a signal that reserves are being depleted, as they must be given a persistent current account deficit and the bank might be losing its power.
- Supporting the won by not printing more of it, that is severely controlling expansion of the won money supply. This scarcity would make won valuable, compensating for the increasing scarcity of dollars as the current account continues in deficit. This creates big issues for the real economy, however, as it would likely diminish the state's ability to provide credit to state enterprises to invest, or to raise government or military payments. Forced to run state surplus, expenses would be reduced and income increased, wherever possible. Deflation, rather than inflation might become a problem, a high cost to any debtor.
- Inducing an inflow of foreign capital, that is letting a rise in a capital account surplus compensate for the observing rise in the current account deficit, netting out any pressures on the won. This would be difficult in the current sanctions environment, and the state's poor record in paying back debt. But it might be happening on the private side, given an imbalance in capital freedom in North Korea compared to capital controls in its giant next-door neighbor. Chinese speculators might find they can increase returns by buying North Korean RMB denominated assets, getting around Chinese rules which generally discourage foreign use of RMB currency, clearly abused in North Korean markets. Like a border casino playing by different rules, North Korea's lax enforcement of capital might be drawing in more Chinese money than we might expect.

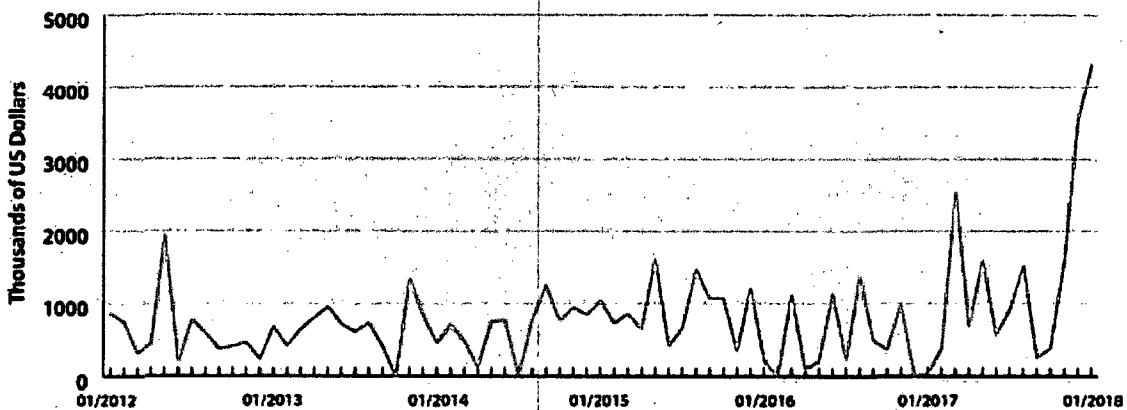
I suspect element of all three are happening, the last one most interesting since it would be more market rather than policy related and could shift quickly if such entrepreneurs and speculators reversed course and took their money home. One relatively easy, but ideologically damaging solution, would be for the state to finance itself by selling state property and licenses. Unable to pay a military battalion, for example, it might authorize the unit to build an apartment bloc in Pyongyang, allowing it to buy the materials on the market and use its conscript labor to build and offer hundreds of these at perhaps \$30,000 a unit. Another way would be to clamp down as much as possible on imports, and in January imports from China did show about a 30 percent drop according to Chinese customs data. And every effort would be made to increase exports of the few products that are not embargoed.

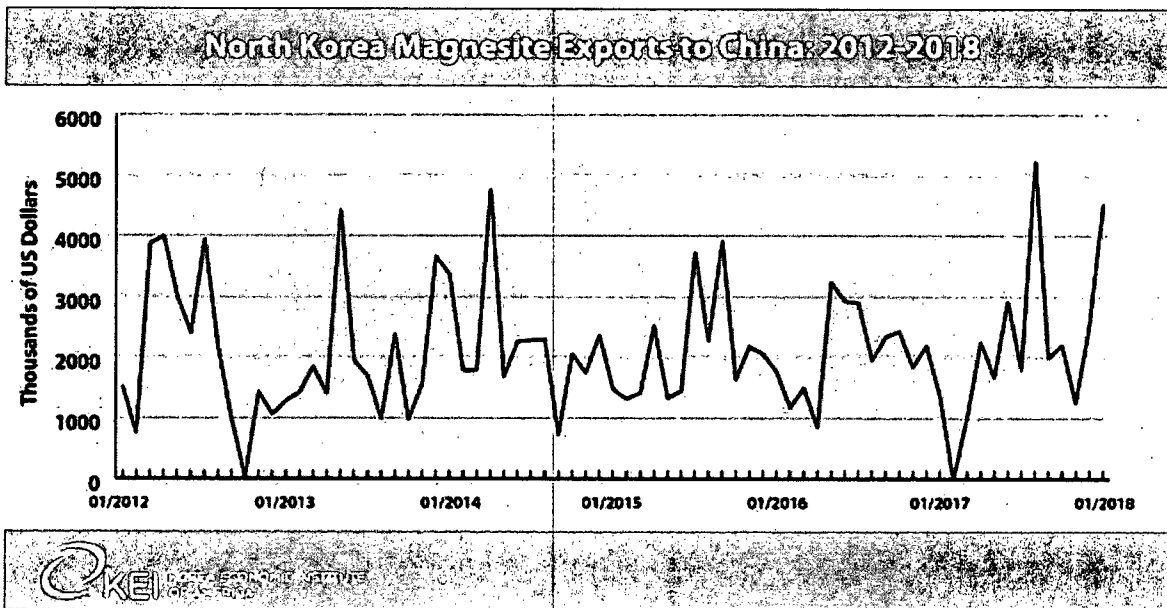
Exports of earth materials, graphite and magnesite, for example, therefore, have been strong in recent months, but still add to only about \$ 8 million in January. And nets sales of electricity have risen despite perennial domestic power shortages. Interestingly, North Korea can charge an internationally competitive rate, about 4 cents a kilowatt hour to Chinese customers just over the border. Considering domestic customers pay next to nothing, one can see how optimum decisions can become distorted, with vital needs, even for pumped water, going unfilled as power flows north. *Daily NK* reports that meters are being installed in Pyongyang housing to allow electricity to be charged for usage, a measure that would help rationalize its use and provide income to the power plants, but electricity intensive heavy industry, which was built to use cheap power, could be devastated as a result.

### North Korea Electricity Exports to China: 2012-2018

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### North Korea Graphite Exports to China: 2012-2018

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OF AMERICA



For many years I have argued that North Korea's abuse of its monetary system sets it apart from even Maoist China and has made Chinese style economic reforms exceedingly difficult. The people don't trust the money, and for good reason, since inflation and won devaluation wiped out its value. And even friendly foreigners would not lend the state money since it never repaid its debts. This meant the citizens had no way of acquiring financial savings and were thus forced to live hand to mouth, an essential component of the state's control system. With no savings and no money to be earned, everyone was at the mercy of the Worker's Party for his next meal.

But this has now changed, dramatically. People have money and they are saving it, in one hundred-dollar bills. And the government, in need of imported kerosene, must be scrambling to get those dollar bills back. It's the kind of tension I like to see. Maybe we can create more of it.

*William Brown is an Adjunct Professor at the Georgetown University School of Foreign Service and a Non-Resident Fellow at the Korea Economic Institute of America. He is retired from the federal government. The views expressed here are the author's alone.*

*Photo from Mike Rowe's photostream on flickr Creative Commons.*

[i] Other solutions might be possible as well. I would appreciate alternative views and comments on this rather complex topic especially from experts in monetary theory who might not normally pay attention to North Korea.

## South Korea's Not Out of the Woods Yet on U.S. Trade Actions

Posted on 27 March 2018. Tags: [china](#), [security](#), [trade](#)

By Phil Eskeland

While many have expressed relief over reaching a tentative deal on limiting steel imports from the Republic of Korea (ROK) to the U.S. and modifying the Korea-U.S. Free Trade Agreement (KORUS FTA) with respect to maintaining the alliance, South Korea still could get caught in the cross-fire between China and the United States on trade and security.

Last Thursday, the Trump Administration announced the results of its investigation into violations of U.S. intellectual property (IP) rights by China through forced technology transfers, discriminatory licensing practices, and cyber intrusions. The U.S. Trade Representative (USTR) found that China's policies have resulted in at least \$50 billion in harm to the U.S. economy. As a result, the Trump Administration has proposed three responses to these violations:

1. Impose a 25 percent tariff on certain high-technology products from China, including aerospace, information and communication technology (ICT), and machinery.
2. Bring a dispute settlement resolution case to the World Trade Organization (WTO) regarding these Chinese IP violations; and
3. Restrict Chinese investment in key U.S. technology industries.

The Trump Administration is basing its action on a part of U.S. trade law (Section 301 of the *Trade Act of 1974*) that has not been frequently used since the responsibilities of the post-World War II era General Agreement on Tariffs and Trade (GATT) system was transferred to the World Trade Organization (WTO). Prior to 1994, Section 301 was used to combat unfair trade practices by other nations (beyond anti-dumping and illegal government export subsidization accusations) because the GATT system did not have an enforcement mechanism to sanction countries when they violated their international trade obligations. The WTO became the successor international regime to the GATT precisely for the reason to have binding authority to resolve trade disputes among member nations.

Since the WTO assumed the responsibilities of the GATT, the United States has prevailed 91 percent of the time in trade disputes it brought against other nations. Also, objections by other countries against inconsistent Chinese trade practices have prevailed in all instances at the WTO when the complaint was fully pursued. Thus, the odds are in favor of success through the U.S. filing a dispute settlement resolution case at the WTO, particularly in dealing with China.

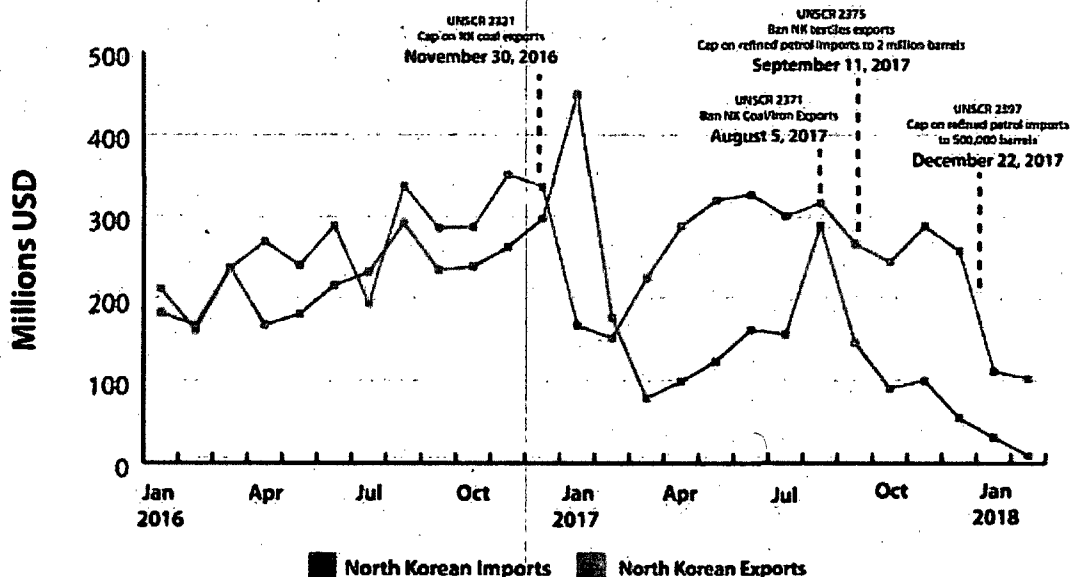
In addition, the European Commission challenged the United States use of Section 301 at the WTO in 1998. As a result, the USTR committed to "use its statutory discretion to implement Section 301 in conformity with WTO obligations." This explains the rationale for the Trump Administration to file a case at the WTO while also seeking to impose Section 301 tariffs, even though it appears to be a duplicative effort. The critical difference is the time it takes to arbitrate a trade dispute. Most WTO cases take approximately 15 months to fully adjudicate. However, it appears that the Trump Administration wants to impose tariffs against Chinese high-technology products within a shorter period of time.

In the middle of this trade fight is South Korea. Forty-two percent of Korea's economy is reliant on exports. South Korea's largest trading partner is China. Because Korea exports 29 percent of its intermediate goods and 23 percent of capital goods to China, higher U.S. tariffs on Chinese products will also leave Korea's economy vulnerable to a trade spat because many of these Chinese products incorporate parts from South Korea. Possible U.S. pressure on China to specifically shift some of its semiconductor purchases away from Korean companies should also be of concern. It would be odd for a

country like the U.S. that prides itself on free and open markets to have the government dictate where parts should come from to be incorporated into a final product.

In addition, the unilateral trade action by the U.S. could complicate the upcoming summit meetings with North Korea. Last year, President Trump offered to not go tough on China's trade policies in return for cooperation on denuclearizing North Korea. Recent customs data shows that China has dramatically reduced its bilateral trade with North Korea in the last few months in response to U.S. and international pressure. However, if the U.S. proceeds with placing higher tariffs on certain Chinese high technology products outside the bounds of the WTO, China may perceive this to be a breach of good faith on the part of the United States. China does not compartmentalize its relations with the outside world, and there could be a less vigorous enforcement of United Nations sanctions on North Korea by Chinese authorities if the U.S. unilaterally proceeds with imposing higher tariffs on Chinese products under Section 301.

### Month-to-Month Trade Between North Korea and China



This is not the best course of action. Any U.S. tariff imposed on Chinese products not authorized by the WTO will provoke China to impose a similar level of duties against U.S. exports (most logical target – U.S. agricultural commodities, such as soybeans, that China can easily purchase elsewhere) while they also file a parallel dispute settlement case in the WTO against the U.S. government's misuse of Section 301. In addition, China could have a rapprochement with its erstwhile ally, North Korea, particularly if the visit of a high-level delegation from the DPRK results in a commitment to not engage in further nuclear or missile tests. A better course would have been to organize a coalition of like-minded nations, including South Korea, to join the U.S. in a WTO case to combat Chinese violations of intellectual property rights. Then, China would be required to change its domestic policies to respect IP or face the

consequences of WTO-approved trade sanctions. This would not start a "tit-for-tat" global trade war with an escalation in tariffs that would have a host of unintended consequences, including catching nations like Korea in the cross-hairs in terms of both economics and security.

Hopefully, it is not too late. Already, there are behind-the-scenes discussions between the U.S. and China to avert a possible trade war. If both sides can reach an accommodation fairly soon, it will restore stability and predictability to global markets and not negatively affect strong allies such as South Korea in the quest to deal with a legitimate problem of IP violations by China. It would also send a positive signal to the world that the America stands behind the WTO as the guarantor of international trading rules that were established under the leadership of the United States. Finally, it would not affect the continued maximum pressure and engagement campaign, currently supported by China, to peacefully denuclearize the Korean peninsula.

*Phil Eskeland is Executive Director for Operations and Policy at the Korea Economic Institute of America. The views expressed here are his own.*

*Photo from the White House's photostream on flickr Creative Commons.*

## The Kim-Xi Summit and the Implications for North Korean Denuclearization

Posted on 28 March 2018. Tags: [china](#), [Kim Jong-un](#), [nuclear weapons](#)

By Troy Stangarone

After years of deteriorating relations between North Korea and China, Kim Jong-un recently made his first visit abroad to China. The surprise summit meeting between Kim Jong-un and Chinese President Xi Jinping comes ahead of highly anticipated summit meetings by Kim Jong-un with South Korean President Moon Jae-in and U.S. President Donald Trump.

If Trump's decision to meet with Kim was unexpected, Xi's desire to meet with Kim prior to his summit meetings with Moon and Trump shouldn't come as much of a surprise. With South Korean President Moon Jae-in leading efforts to reach out to Kim Jong-un and Trump's decision to meet with Kim Jong-un, China risked being cut out of discussions of North Korea's denuclearization all together. If that were to occur it would mean that it had used the leverage it had on North Korea to drive it to the table with the United States and left itself in no position to protect its own interests in any forthcoming talks. Something that was surely unpalatable to Beijing.

If there was ever any prospect of the United States sidelining China in talks over North Korea's denuclearization, that prospect has ended. By inviting Kim Jong-un to China, Beijing ensures that it met with Kim Jong-un first and reminds the United States that it still has influence over the future of denuclearization and needs to be included in any talks. For Beijing this is about dealing itself back into the game and trying to influence the issues that Kim Jong-un may put on the table in talks. Ideally, Beijing would have also used it as an opportunity to reinforce to Kim that North Korea should avoid provocations in the run up to its summits with South Korea and the United States.

Ever the masters of playing one country off of another, North Korea likely recognized Beijing's fading position, something which was only confirmed by Xi Jinping's invitation, and saw it as an opportunity to

repair relations with China and expand its options heading into talks with South Korea and the United States. With exports to China falling to only \$9.4 million in February, and South Korea not budging on sanctions relief despite North Korea's Olympic charm offensive, meeting with Xi sends a clear signal to the United States that North Korea has options if Washington's demands on denuclearization go too far.

At the summit, Kim Jong-un also continued to send the right signals that denuclearization may be in the offing. Having invited President Trump to meet to discuss denuclearization, he is reported by a Chinese summary to have said "If South Korea and the United States respond with good will to our efforts and create an atmosphere of peace and stability, and take phased, synchronized measures to achieve peace, the issue of the denuclearization of the peninsula can reach resolution." However, the vague nature of the statement still leaves unclear what North Korea is willing to offer and what it might expect in return.

Meeting with Xi Jinping also tells us something about North Korea's domestic situation. After years of working to solidify his hold on power, Kim Jong-un is now firmly in control and does not fear the prospect of a coup when he travels abroad. It also suggests that sanctions have not yet taken deep hold. If the North Korean economy was in desperate straits, Kim Jong-un would have been unlikely to feel comfortable traveling abroad. All told, his trip to Beijing suggests, that at least for the moment, Kim is firmly in control.

In essence, the meeting between Kim and Xi has reset the dynamics on denuclearization. China has signaled that it will not be left on the sidelines, while North Korea has signaled that it has cards to play despite "maximum pressure." The one question that remains unclear is if North Korea was able to secure some measure of sanctions relief from China. If they have, convincing Pyongyang to denuclearize just became much more difficult.

*Troy Stangarone is the Senior Director for Congressional Affairs and Trade at the Korea Economic Institute of America. The views expressed here are the author's alone.*

*Photo from Michael McDonough's photostream on flickr Creative Commons.*

## Why North Korean Silence on the Trump-Kim Summit?

Posted on 29 March 2018. Tags: diplomacy

**By Troy Stangarone**

Since President Donald Trump accepted Kim Jong-un's invitation to meet, North Korea has gone conspicuously silent. While North Korea has suggested that a potential thaw in relations is thanks to its own efforts rather than sanctions and a Chinese news report stated that Kim Jong-un told Chinese President Xi Jinping that he is willing to meet with Trump, North Korea has remained silent on the invitation and the decision to have a summit meeting. This has led to speculation about North Korea's true intent.

After the failures of the Agreed Framework, the Six Party Talks, and the misunderstandings of the Leap Day Agreement, it is not unreasonable to be concerned that North Korea has no real intention of denuclearizing. North Korea's failure to publically state as much or that Kim Jong-un has agreed to meet with Trump only adds to suspicion.

This has led to speculation that North Korea may have been caught off-guard by President Trump's decision to quickly accept the invitation, or that it is still analyzing the intentions of other countries to calculate its next move. It has also been suggested that North Korea is still considering how to convince North Koreans that giving up nuclear weapons is a good thing after years of propaganda to the contrary or that the move is just an attempt by North Korea to ward off a potential attack by the United States. All of these could be the reason, or it could be some combination of them.

Of course, there could be perfectly understandable reasons for North Korea's relative silence on the Trump-Kim summit. A summit meeting is a high risk endeavor for North Korea. While a meeting between Kim and Trump would legitimize the regime and serve as a propaganda coup domestically, especially if the meeting took place in Pyongyang, there is little upside to the regime announcing the summit. Trump is a mercurial leader who could change his mind at the last minute. If North Korea were to announce a summit and Trump were to later decline despite North Korea agreeing to not conduct tests and refrain from criticizing U.S.-South Korea military exercises it would be a significant loss of prestige domestically for the regime.

There is a similar downside for the regime in making public announcements on a commitment to denuclearize. After promoting the nuclear program as a "treasured sword" and part of the byungjin policy, North Korea is in no position to publically announce its intent to denuclearize when it has no assurances of what benefits this policy would bring to the regime. Publically committing to denuclearization, even with caveats, could be seen domestically as tantamount to giving up the nuclear program for nothing in return.

At the same time, with reports that the CIA is taking the lead on planning the summit with North Korea's Reconnaissance General Bureau, it is not surprising that there have been few public discussions of the summit. With each country's respective intelligence agencies handling the planning we should expect details to be kept more closely than if the State Department were running the lead in the United States.

North Korea's silence is most likely a reflection of these and other concerns, but in the end the most significant factor may be that there is just little upside for the regime to make public announcements until there is more certainty about a summit or what benefits it might receive from denuclearization.

*Troy Stangarone is the Senior Director for Congressional Affairs and Trade at the Korea Economic Institute of America. The views expressed here are the author's alone.*

*Photo from Tom Frohnhofer's photostream on flickr Creative Commons.*

## How Does the Current Break from North Korean Missile Tests Rank Among Others?

Posted on 06 April 2018. Tags: Kim Jong-un military affairs

**By Juni Kim**

While North Korea has aggressively pursued its nuclear and missile programs for years, the reclusive nation under the Kim Dynasty's third generation leader Kim Jong-un has been particularly committed to demonstrating its weapons advances. 2017 alone saw North Korea conduct three intercontinental

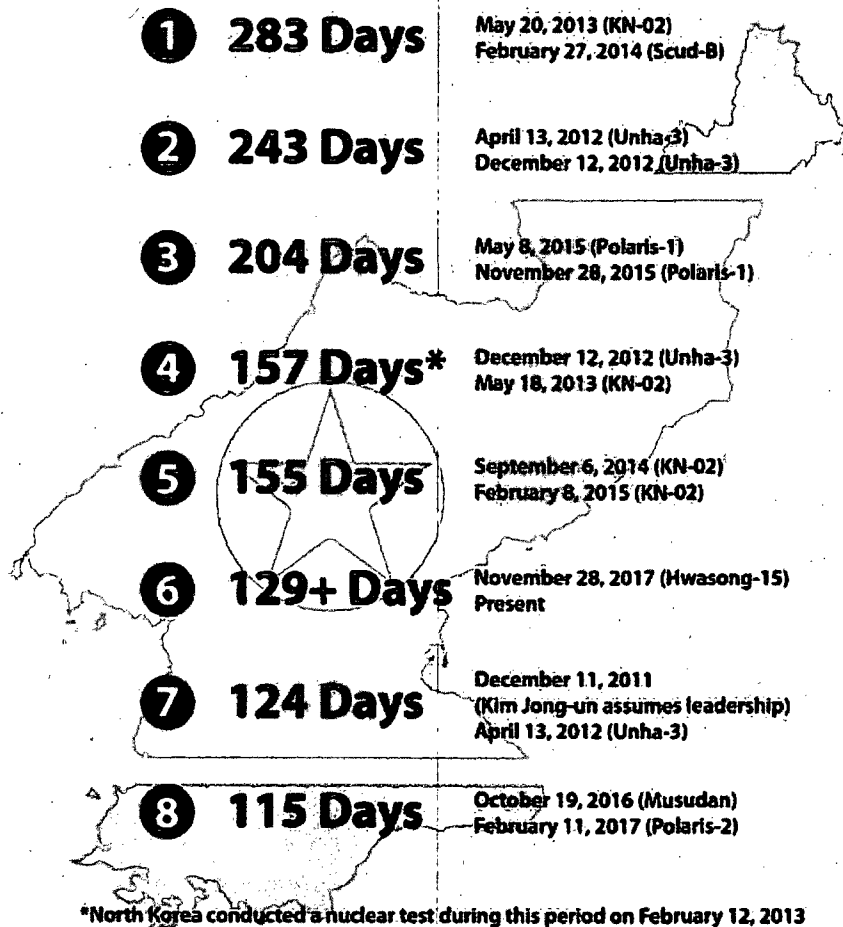
ballistic missile (ICBM) tests that showcased their range to reach the United States, multiple missile launches over Japan, and its most powerful nuclear test yet.

2018, however, is already shaping up to be a very different year. Starting with Kim Jong-un's New Year address where the young leader expressed his desire for a peaceful reconciliation with South Korea, North Korea has made a string of diplomatic overtures including the country's participation in the 2018 Winter Olympics in Pyeongchang and planned summits with both South Korea and the United States. Just last week Kim Jong-un met with Chinese leader Xi Jinping for his first trip abroad as North Korea's leader, and there are rumblings of other potential world leader meetings.

Likewise, North Korea has refrained from any missile tests since its ICBM test last November. The announced summits will likely continue the pause in missile testing until at least after the talks (the inter-Korean summit is planned for April 27<sup>th</sup> with the U.S.-North Korea meeting to follow in May). Of course North Korea could pull an about face at any moment, but for now the current break is already one of the longest under Kim Jong-un's rule.

## 100+ Day Gaps Between North Korean Missile Tests

✈ During the Kim Jong-un Era (2011-Present) ✈



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Source: CNS North Korea Missile Test Database

It would be difficult, if not impossible, to definitively associate breaks in missile tests to certain political factors. Although missile tests are used as an instrument for advancing policy, pauses in missile test, even for those that last months, may be more easily explained by logistical reasons. Shea Cotton of the James Martin Center for Nonproliferation Studies noted, "North Korea tests its missiles when it's ready to. They've got a program in place that probably has a schedule and a timetable for deliverables."

Still, the longest pauses do overlap with significant events in North Korean politics, which may help illustrate the larger picture of why the breaks occur when they do. Kim's early ruling years, when the longest breaks in testing occurred, are widely seen as a time when Kim was focused on consolidating

power among North Korea's highest ranks. During the longest break from May 2013 to February 2014, Kim Jong-un purged his influential uncle Jang Song-taek, which signaled Kim's tightening grip. North Korea's "Byungjin Line" policy – its simultaneous pursuit of economic and weapons development – was announced in March 2013, after the second longest pause in testing. Missile testing since the policy announcement increased significantly under Kim Jong-un.

The third longest break overlaps with an August 2015 landmine incident where two South Korean soldiers were wounded by a DMZ landmine. The fallout from the incident flared into increased tensions including exchanged artillery fire and cross-border propaganda broadcasts. The heightened stances of both Koreas made any provocation an especially risky endeavor, which may help explain the relatively long pause in missile testing during this period.

If the current break continues past the proposed Trump-Kim summit in May, it could potentially be the fourth longest gap in missile testing. Kim Jong-un did declare in his last New Year's address that North Korea had successfully completed its nuclear program. Whether or not this is true, the statement provides the regime an easy explanation for its refrained testing. With this self-professed notion, Kim's current diplomatic outreach could be a play to get his country's nuclear status acknowledged internationally.

\*Graphic shows current testing pause in days from 4/6/18.

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## North Korea Must Address Nuclear Safety and Security as it Discusses Curbing its Nuclear Weapons Program

Posted on 10 April 2018. Tags: [diplomacy](#), [Donald Trump](#), [Kim Jong-un](#), [military affairs](#), [Moon Jae-In](#), [north korea](#), [nuclear weapons](#), [politics](#), [sanctions](#), [security](#), [WMD](#)

**By Casey Robinson**

Under diplomatic and economic pressure, North Korea has ceased weapons tests and has expressed a willingness to denuclearize. In meetings with South Korea, North Korean officials stated that North Korea has no need for nuclear weapons if its security is guaranteed. However, due to lingering distrust and resentment, the denuclearization of North Korea, as well as scaling back U.S. forces in South Korea, is unlikely to occur in the short-term. Consequently, North Korea's reliability in denuclearizing will continue to be in question. Nonetheless, the North Korean government does have options to boost international confidence and reduce regional tensions in the short-term. One option that North Korea could pursue is address and enhance nuclear safety and security. A nuclear attack is not the only thing that the international community is concerned about. It is also concerned of the international consequences of a nuclear catastrophe or nuclear material landing in the wrong hands due to the North Korean government's negligence.

Less than a week prior to its first test on October 11, 2006, the North Korean Foreign Ministry stated that it would conduct nuclear tests safely as well as prohibit the first-use and transfer of nuclear weapons. However, despite this statement, there are concerns about North Korea's handling of its nuclear weapons program. Matt Korda, a researcher in the Department of War Studies at King's College, expressed his concerns regarding North Korea's safety culture. He has pointed to a video of Kim Jong-un smoking near a liquid-fueled missile and a report that 200 workers were killed in a tunnel collapse after the sixth nuclear test. Yet, Korda's major concern is if a nuclear catastrophe occurred, North Korea would likely not ask for international assistance to address the issue. Consequently, nuclear safety in North Korea is a considerable international concern.

In addition, due to increasing concerns about terrorist groups using nuclear weapons or dirty bombs, there has been fear that North Korea would sell nuclear weapons or material to terrorist organizations. The primary argument for this is that the cash-strapped North Korean government has a history of engaging in illicit dealing and selling weapons to terrorist groups. Graham Allison, former dean of the Harvard Kennedy School, has argued for years that North Korea is capable and willing to sell nuclear weapons or materials to terrorist groups. Last year, Allison pointed to North Korea's dealings with Syria as a precedent that North Korea will go as far as sell to terrorist organizations.

Accordingly, North Korea may benefit greatly if it were to immediately address nuclear safety and security concerns. The United States and South Korea have stated that they will not provide sanctions relief without North Korea first denuclearizing. However, not all governments share the same interests as the United States and South Korea. For example, China, which has historically shown more concern about destabilization and has a reputation of not abiding by sanctions against North Korea, would likely respond well if concerns about a nuclear catastrophe occurring south of its Northwest border decreased. The United States would likely push China to continue to pressure North Korea. However, with greater concerns about the collapse of Pyongyang, China may choose to provide North Korea with sanctions relief as long as its concerns in nuclear safety and security are addressed.

There are many concerns about the reliability of North Korea performing nuclear safety and security functions reliably. North Korea has a history of not abiding by its agreements and is too secretive to allow international scientists to assist it in improving nuclear safety and security functions. However, as Korda points out, nuclear safety (and as I would argue nuclear security) is a sincere interest of North Korea. If a severe nuclear accident were to occur, North Korea's regime stability would be at risk. In addition, if it was proven that thousands to millions of people perished due to terrorists obtaining North Korean nuclear weapons or materials, the international reaction about North Korea would likely not be pleasant for the Kim regime. Accordingly, permitting foreign scientists in to improve nuclear safety and security functions would be in the best interest of North Korea.

North Korea has recently shown sincerity in denuclearizing, but, as a rational regime, it is unlikely to immediately denuclearize due to security concerns. However, what it can do is commit itself to improving nuclear safety and security functions within the country, which would boost confidence that it is a responsible power. Doing so may help encourage governments to provide it with sanctions relief, but would also decrease incentive to blame it for a terrorist nuclear catastrophe. While the ultimate goal should be denuclearization of the peninsula, these small steps would help enormously in moving North Korea in the right direction.

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## Could North Korea Use Nuclear Weapons as a Shield for Aggression?

Posted on 16 April 2018. Tags: [military affairs](#), [nuclear weapons](#), [security](#)

By Taehwa Hong

The mainstream view of North Korea's nuclear weapons program holds that it is the regime's ticket to survival; Pyongyang's nuclear stockpiles serve as a deterrence against American military intervention. Having seen Muammar Qaddafi and Saddam Hussein fall after giving up their nuclear programs, the Kim regime is unlikely to forgo its' strongest bulwark against "American imperialists." There is widespread complacency that it is all good and safe though, because deterrence works. As long as the U.S and South Korea maintain overwhelming military superiority, Pyongyang's nuclear missiles will remain cobwebbed in underground facilities. However, North Korea's nuclear weapons are *not* just about protecting the regime. They are a shield behind which the regime could engage in aggressive actions. Even with deterrence against a nuclear war, North's nuclear program has the potential to breed instability on the peninsula.

North Korea's strategy is likely to exploit nuclear weapons as a deterrence against American and South Korean retaliation to its own aggressions. Granted, it is not unreasonable to believe Kim Jong-un will restrain from headlong aggressions once he possesses a credible second-strike capability against the U.S., given his much-touted Byungjin policy line (developing nuclear weapons and economy simultaneously). Tension doesn't help promote much-needed foreign investments, especially from China. In fact, the North's recent move for reconciliation with Seoul comes in this backdrop; with its nuclear program entering a terminal phase, Pyongyang may be hoping to formulate an environment favorable to foreign aid and investment. However, the regime's legitimacy hinges on protecting the people from "imperialists" in the U.S., Japan and South Korea. The regime needs a perennial state of tension, even a latent one, as a rationale for the Communist Party's rule. Furthermore, North Korea has traditionally carried out its unique deceptive stick-and-carrot strategy whereby it alternates between saber-rattling and olive branch to elicit economic aid. Previous progressive governments in Seoul provided financial assistance in the hopes of improving relations, most notably in 2000 when the South Korean government transferred cash to North Korea as a sign of goodwill ahead of a summit meeting between President Kim Dae-jung and Kim Jong-il. North Korea has been demanding economic rewards for inter-Korean stability since then. While this coercive posture could be further buttressed by nuclear weapons, it is unclear that it will be as successful with the current South Korean government which has backed the Trump administration's policy of "maximum pressure."

Those who put trust in deterrence assume North Korea is rational. They are right—as the CIA noted, Kim does appear to be rational. It is completely rational for North Korea, however, to occasionally exit the deterrence box and provoke its southern neighbor, for such moves strengthen regime legitimacy and consolidates national unity. Furthermore, domestic political imperatives drive North Korea towards provocations. North Korea's bombing of the Yeonpyeong Island in November 2010 was designed to form

a crisis mood in the North to smoothly facilitate Kim Jong-un's upcoming succession of his father. North Korean generals also have a habit of spearheading aggression against the South to win the Kim family's favor. Although the final decision must go through the supreme leader himself, North Korean military figures have political incentive to plot an attack against the South during confrontational periods. The sinking of South Korean warship Cheonan in March 2010 was orchestrated by Kim Yong-chul, the then director of the Reconnaissance General Bureau—the North Korean equivalent of the CIA. He used the incident to steadily climb up the hierarchical ladder to become the head of the United Front Department and the Vice-Chairman of the Central Committee of the Worker's Party. In these contexts, North Korea views nuclear weapons as a perfect shield to deter South Korean and American countermeasures, especially if the allies understand North's attacks are not intended for an all-out-war. This is North Korea's own "bloody-nose strike": inflicting enough damage on South Korea to humiliate it, but preventing escalation through nuclear deterrence. A nuclear apocalypse may be precluded by mutually assured destruction, but South Korean lives and territorial integrity will continuously be at risk.

In the aftermath of the attack on Yeongpyeong Island, Seoul planned to launch a massive retaliatory air strike on North Korea, only to be restrained by its concerned American allies. North Korea's progress in developing an inter-continental ballistic missile (ICBM) that can reach U.S. mainland coupled with Donald Trump's "America-First" rhetoric has raised questions about American commitment to South Korea. Quiet disagreement between the allies over how to deal with North Korea's charm offensive exacerbates this concern. Policymakers in Seoul and Washington are discussing the so-called "Libyan Solution," whereby North Korea is rewarded only after complete, verifiable, irreversible dismantlement of its nuclear program. The Trump administration's new National Security Advisor John Bolton advocates this path, while the Blue House deems it unrealistic. Further, prior to reaching a preliminary agreement, President Trump even insinuated he could use U.S. troops stationed in South Korea as leverage for a more favorable renegotiation of the KORUS FTA. Should these areas of dissent—which so far have been managed quietly—develop to a policy-level discord, North Korea could interpret it as a sign of weakening U.S.-Korea alliance. If another Yeongpyeong happens, South Korea could fear that the U.S. may try to avoid confrontation rather than stand by its side. After all, much has changed since the American effort to deescalate the Yeongpyeong. In this backdrop, North Korea could find it easier to launch periodic provocations against the South, hiding behind the nuclear asymmetric advantage and relatively unclear American willingness to intervene.

An even more dangerous problem could arise if Seoul decides to retaliate. It will be compelled to do so with or without American support, belying Pyongyang's own perception of retaliation-free provocations. In the aftermath of a series of provocations, Seoul's counter-provocation posture shifted to "Proactive Deterrence," whereby it retaliates disproportionately to deter further provocations and snap enemy morale. The South Korean government would also face the domestic political cost of displaying weakness in a time of crisis. Even if both sides do not favor a full-blown war, a spiral of reciprocal retaliations could render the situation uncontrollable. In such a scenario, Pyongyang's possession of nuclear weapons will make it more likely to gamble than if it had not acquired them. Kim Jong-un's sense of strategic advantage through nuclear weapons could lead him to take risky steps he otherwise wouldn't. Over the last seven decades, excessive escalation has been precluded by mutual constraints in the Korean peninsula. As North Korea's nuclear capability advances, mutual escalation will become more likely.

While overwhelming U.S.-South Korea military superiority deters North Korea from launching large-scale aggression, Pyongyang is not contained to a level that it can no longer exercise local provocations. As Kenneth Waltz noted in *The Spread of Nuclear Weapons*, the shaky North Korean regime needs to “demonstrate to its own people that it has influence beyond its own borders”. The Madman Strategy is at work here; North Korea is betting on the assumption that Seoul and Washington are afraid of a war, and that if they know Kim didn’t mean to start one, they would back-down rather than escalate because the regime is more reckless than them. Pyongyang is also aware that the allies have more to lose from a crossfire—economically, politically and socially. It is paradoxically using its status as a starving pariah state to challenge much stronger adversaries.

In essence, the North Korean nuclear threat is not one that can be simply dealt with through deterrence. As Henry Kissinger noted in *World Order*, Bismarck’s 19<sup>th</sup> century aphorism applies to North Korea: “We live in a wondrous time, in which the strong is weak because of his scruples and the weak grows strong because of his audacity.” While strengthening military deterrence remains critical, the international community should seek to at least freeze and preferably roll-back North’s nuclear program through pressure and engagement. The most ideal outcome of the upcoming negotiations would be the complete, verifiable, and irreversible dismantlement of nuclear weapons, but such an outcome is highly unlikely to be reached anytime soon. North Korea will demand a reciprocal guarantee of regime security such as a peace treaty and the removal of U.S. troops from the peninsula which neither South Korea nor the U.S. can afford. Furthermore, North Korea witnessed Qaddafi’s demise after he abandoned nuclear weapons. North Korean officials continue to argue that Qaddafi should have kept his nukes. For Pyongyang, Bolton’s insistence on the “Libyan Solution” would simply revive the specter of the “Libyan Mistake”. In that backdrop, a freeze and roll-back are unsatisfying, yet a realistic compromise. The slower the progress in North Korea’s nuclear program is, the weaker the conceptual “shield” will be. In the end, stable peace in the Korean peninsula will come in the form of a peaceful Seoul-led reunification, not a fragile deterrence put in place.

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## A Role for Human Rights at the Inter-Korean Summit?

Posted on 17 April 2018. Tags: diplomacy, Human Rights

**By Robert R. King**

In just over a week on April 27, South Korean President Moon Jae-in and North Korea’s leader Kim Jong-un will meet on the South Korean side of the joint security area at the inter-Korean border at Panmunjom. According to the latest reports, a few weeks later President Donald Trump will have his own tête-à-tête with the North Korean leader, though the precise date and place have not been confirmed, but confidential discussions apparently continue between the United States and the DPRK.

All sides have made clear that the overarching topic—complete and verifiable denuclearization—will be the most difficult. There are no easy solutions, and the position staked out by the North Korean leader

is still far from leading to a satisfactory resolution that will meet the demands of both South Korea and the United States. The success or failure in dealing with this issue will be the measure of whether the summits can succeed.

The inter-Korean dialogue which begins this summitry will involve other issues, however. Progress must be achieved on these issues if the meetings are to lead to lasting progress. South Koreans are anxious to reduce military tensions along the heavily armed North-South border. Steps also need to be taken to prevent conflict in the West Sea, where the ocean boundaries have not been mutually agreed upon, and serious clashes have taken place in the past.

For both North and South, economic cooperation is an important issue. The North and many South Koreans would like to see the reopening of the Kaesong Industrial Complex where South Korean firms used North Korean labor in a joint economic venture that provided benefits to both countries. This operation was closed in 2016 under the previous South Korean president, Park Geun-hye. Also, there is interest in reopening the South Korean-built resort at Mount Kumgang in North Korea. For South Koreans also, there is a strong interest in a comprehensive agreement to permit the reunion of family members separated during the Korean War (1950-1953).

The most sensitive and difficult potential agenda item for the inter-Korean summit is human rights. North Koreans are adamant that this topic not be on the agenda, while many in the South, the United States, and elsewhere feel strongly that any summit must include a discussion of the North's horrific human rights abuses.

The South Koreans are in a difficult position. They are eager to hold the summit, and serious issues need to be resolved. Insistence on putting human rights on the addenda, however, could cause Kim Jong-un to torpedo any meeting. The South Korean Ministry of Unification has led the negotiations with the North on the inter-Korean summit venue and agenda. When questioned pointedly if human rights would be on the agenda, a Ministry of Unification spokesperson stated unequivocally: "The main agenda will be denuclearization, establishment of peace on the Korean Peninsula and improving North-South relations. Nothing more, nothing less."

Human rights advocacy groups have been vocal in their concern that human rights be included in the summit conversation. A letter to the South Korean President dated April 9 and signed by forty international human rights organizations, urged Moon Jae-in to "make it a priority to keep pressure on the DPRK to improve its human rights record and not allow it to be sidelined or upstaged by concerns about the DPRK's weapons proliferation."

The inclusion or exclusion of human rights in the talks is particularly sensitive because both the President and the Foreign Minister of South Korea are identified with human rights. Before his involvement in politics, President Moon Jae-in was a civil rights and human rights attorney, though his focus was more on domestic civil rights. Foreign Minister Kang Kyung-wha is a career diplomat who was actively involved in human rights issues in Seoul and abroad. She was a senior United Nations official, serving as Deputy UN High Commissioner for Human Rights (2006-2013) and Assistant UN Secretary-General for Humanitarian Affairs and Deputy Emergency Relief Coordinator (2013-2017). For both, human rights is an issue of personal concern and commitment.

Despite the President and Foreign Minister's identification with human rights, there seems to be little stomach for frontally challenging North Korea on this sensitive issue at this first inter-Korean summit in twelve years. In the past year since the Moon administration has been in office, criticism of the DPRK's human rights record has continued. South Korea's UN Ambassador in New York spoke critically of the North at a UN Security Council session on DPRK human rights in December 2017. On the other hand, although the Moon government has been in office nearly 12 months, it has not yet designated a new Ambassador for North Korean Human Rights.

As we noted, when asked if human rights would be on the inter-Korean agenda, the Ministry of Unification spokesperson said the agenda had been agreed upon, and human rights was not one of the three general topics agreed upon. These topics, however, are broad enough to provide opportunity to include some human rights issues. "Establishment of peace on the Korean Peninsula and improving North-South relations" can certainly encompass some human rights concerns.

For example, concern to increase information reaching North Korea has been an important human rights goal. Since the beginning of this year, the improvement in bilateral relations has already involved exchanges between North and South. Watching South Korean soap operas (dramas) and other popular culture programs on television is prohibited in the North, although there are indications that these programs have a significant but underground audience despite the risk of severe penalties if viewers are discovered.

Relations between North and South have improved since Kim Jong-un's New Year's speech and North's decision to participate in the February 2018 Winter Olympics in PyeongChang in the South. In the euphoria of better relations, once-forbidden K-Pop (South Korean pop music) stars have performed in Pyongyang. Even Kim Jong-un said he was "deeply moved" after personally attending a live performance of a K-Pop troupe in Pyongyang—the first live performance in the North in well over a decade.

Although not generally identified as a "human rights" issue, but one that will surely be raised in the inter-Korean summit, is allowing reunions of family members in the South who were separated from relatives in the North during the Korean War. Based on past practice, if such meetings are permitted, they would likely take place in the North and under strict control of the Pyongyang regime. Again, such meetings will allow information about life in the South to reach family members and others in the north. Other aspects of "improving North-South relations" could lead to greater information about conditions in the South to reach citizens in the North.

There are clearly problems with greater contacts between citizens on both sides of the 38<sup>th</sup> Parallel. The North is unlikely to permit these humanitarian meetings and cultural exchanges unless there are funds flowing from South to North. Nevertheless, there are positive benefits from engagement. Questions will and should be raised about steps to prevent these activities from becoming a means of circumventing UN economic sanctions, which were imposed to cut funds for nuclear, missile and other weapons.

It is important for human rights groups to continue to press Seoul for action and progress on human rights. But it is also important to take a longer look at the process of progress in North-South relations. There are more subtle ways to press for human rights improvement than including key words or phrases in the agenda.

Before criticizing the agreed agenda for the inter-Korean summit it makes sense to take a longer look at the process that is beginning. If this effort is to be a success, it cannot be seen as one day of meetings between President Moon Jae-in and Kim Jong-un on April 27 to resolve all issues. This could be the first step down a much longer road that *might* eventually lead to changes that could bring progress on human rights. It is important that human rights advocates in South Korea and the rest of the world continue to press the government in Seoul to work for progress on rights, however, to make sure that the issue is not ignored.

We need to keep the upcoming summitry in perspective. It may lead to very limited gains as previous summits, agreed frameworks, and international six-party efforts have. We need to make a genuine effort to make things work. We need to press on denuclearization, but we also need to be smart and continue to press on human rights as well.

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## Why the U.S. Strike on Syria Won't Deter North Korea

Posted on 18 April 2018. Tags: Middle East, military affairs

By Troy Stangarone

In the aftermath of the U.S., French, and British strike on Syrian chemical weapons facilities in response to Assad regime's use of chemical weapons against its own people some have suggested that the strike sends a signal to North Korea that it must take seriously the United States' threat of military force against Pyongyang's weapons programs and that the strike could strengthen President Donald Trump's hand in talks with Kim Jong-un. In reality, the strike is likely to have little impact on North Korea's calculus in talks with the United States.

The lessons of the strike on Syria are more complicated than the United States being willing to enforce a red line against the use of chemical weapons. The strike targeted three suspected chemical facilities and was designed to minimize the possibility of a retaliation by either Russia or Iran, who are supporting the Assad regime in Syria, against U.S. allies or interests. The strike itself is acknowledged by U.S. military officials as not eliminating Syria's ability to conduct future strikes on its own people, while Israeli intelligence officials are also skeptical that the strike will have any real impact on Assad's ability to use chemical weapons again in the future.

It is also unclear that U.S. military strikes have deterred Syria itself, let alone North Korea. The strike was the second in response to the Assad regime's use of chemical weapons. The first having come in April, 2017. In both cases, Syria faced minimal consequences for its actions.

The North Korean situation is also different from the case of Syria. As was the case in Syria, the United States could not be assured of destroying all of North Korea's nuclear weapons and missiles. North Korea also has a much more significant ability to retaliate against the United States, South Korea, and Japan should the U.S. strike North Korea. While the recent joint U.S. and U.K. warning against potential

Russian cyberattacks was not related to the recent strike on Syria, it echoes North Korea's own ability to retaliate through the use of cyber, as well as conventional means and weapons of mass destruction.

Additionally, if the United States was reluctant to engage in a wider conflict with Russia, something which is prudent, the strike likely validates North Korea's recent efforts to improve ties with China to deter the United States from taking significant military action against it.

If Syria had paid a stronger price for its actions, North Korea might have to reconsider its options. Instead, both strikes have been more symbolic than substantive to this point. As a result, those suggesting that North Korea took lessons from the United States strike on Syria are correct, just those lessons are likely not what they have been suggesting.

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*Photo from Navy Live, the Official Blog of the U.S. Navy.*

## Hosting the Proposed Trump-Kim Summit would be "Huge" for Mongolia

Posted on 19 April 2018. Tags: diplomacy

By Juni Kim

On Tuesday, U.S. President Donald Trump publicly acknowledged that five locations were being considered for the proposed U.S.-North Korea summit. Although Trump stayed mum on which sites are included, media reports have speculated that the short list may include Oslo, Helsinki, Stockholm, Geneva, Warsaw, Bangkok, Singapore, and Ulaanbaatar among others.

Although not without risks, the chance to host the historic meeting represents an exceptional opportunity for a country to raise its global profile. In particular, Mongolia has long sought to become a mediating presence in Northeast Asia, and hosting the Trump-Kim summit in the capital Ulaanbaatar would be a huge win for Mongolia's foreign policy aims.

In accordance with their Foreign Policy concept, Mongolia maintains friendly ties with both Koreas, as well as the United States, and promoting a peaceful resolution for inter-Korean relations has been of special interest for Mongolian officials. Shortly after the announcement of the U.S.-North Korea summit, former Mongolian President Ts. Elbegdorj tweeted, "Korean Peninsula: A long waited breakthrough! Here is an offer: US President Trump and NK leader Kim meet in UB. Mongolia is the most suitable, neutral territory." He also highlighted the "continuing legacy" of the Ulaanbaatar Dialogue, a Track 1.5 multilateral forum started under Elbegdorj to encourage greater cooperation among Northeast Asian countries. Similarly, current Mongolian President Kh. Battulga welcomed the opportunity to host the potential summit and his chief of staff met with both U.S. and North Korean officials on March 16 to discuss the possibility.

While other neutral sites may appeal to both the U.S. and North Korea, Mongolia has the unique advantage of geographic proximity to Pyongyang. When Kim Jong-un traveled to Beijing to meet with Chinese leader Xi Jinping last month, he took a heavily secured 21-car train from North Korea's capital Pyongyang. Kim's father and grandfather both also traveled by train for foreign visits. Of the speculated

sites, Ulaanbaatar is one of the only feasible options reachable by train. Analysts have questioned the logistical and political hazards of long-distance air travel for the summit, and if North Korea deems the risks of farther locations in Europe or Southeast Asia too great, Kim Jong-un may opt for a closer site like Mongolia.

With the immense stakes that come with the U.S.-North Korea summit, North Korean officials would also have to feel comfortable with the potential host country, which they have demonstrated with Mongolia in prior occasions. In 2014 after a series of talks, Ulaanbaatar hosted a reunion between the daughter of a Japanese abductee residing in North Korea and her Japanese grandparents. North Korea also continues to participate in Mongolia's Ulaanbaatar Dialogue, which North Korean officials expressed support for during a recent visit by Mongolia's foreign minister to Pyongyang.

Insight into what location the U.S. and North Korea are currently favoring for the summit is minimal, though reportedly the host site has become a contentious point between officials from both countries. Certainly other locations hold their own advantages (Kim Jong-un may feel nostalgic for Switzerland where he studied in his youth) that may lead to the summit being held elsewhere, but Mongolia would enthusiastically welcome the opportunity to bolster its regional mediating role in Northeast Asia.

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## Expectations for the Third Inter-Korean Summit and the Flaws of Previous Inter-Korean Agreements

Posted on 19 April 2018. Tags: diplomacy

**By Casey Robinson**

After a successful Winter Olympics, inter-Korean relations are heading in the right direction with South Korean President Moon Jae-in and North Korean leader Kim Jong-un's proposed meeting on April 27. Accordingly, there is a sense of optimism that relations between North Korea and South Korea will improve. One South Korean ministry official commented, "North Korea has demonstrated it has very strong intentions to improve inter-Korean relations and, if necessary, it can take drastic, unprecedented actions." However, we have heard similar comments before. There have been four separate occasions in which both North Korea and South Korea came to an agreement to pursue peace in the peninsula: the 1972 Joint Communiqué, the 1992 Basic Agreement, the 2000 Joint Declaration, and the 2007 Peace Declaration. Each agreement generated hope that Korea was heading in a positive direction. For example, the Nixon administration responded positively after both North and South Korea came to a surprise agreement in 1972. One Asian specialist at the State Department said, "When I first took my present job two years ago, I would have wagered my life savings that the two Koreas would not be unified in my lifetime. Now, the question is, will they be unified before I am reassigned?" Unfortunately, as we all know, the Koreas never unified after that agreement. Therefore, what are the realistic expectations for the coming third inter-Korean summit?

### **Why the Four Previous Inter-Korean Agreements Failed**

After the Korean War, both Korean governments were competing for international recognition, legitimacy, and power over the peninsula and in doing so were uncompromising in their national objectives. For this reason, the 1954 Geneva Convention failed to produce an agreement between both Korean governments. Viewing themselves as the sole legitimate government of Korea, as argued by Hong Yong-pyo, both Seoul and Pyongyang introduced proposals with no compromise and which completely favored themselves. North Korea proposed an electoral law for general actions that would give it power to secure unification under its terms. South Korea, likewise, proposed that elections be held in proportion to the population of North and South Korea, thus ensuring that North Korea would be absorbed into the legality of South Korea. Consequently, with little interest on each side to make compromises and come to an agreement, the armistice agreement never turned into a peace treaty and communication between both governments ceased.

For the next two decades, North and South Korea had very little contact with each other. However, with China and the United States beginning to warm relations in the early-1970s, both Korean governments developed an incentive to talk. With a mutual interest in a peaceful reunification of the Korean peninsula, both Koreas agreed to take steps towards reducing tensions. In their 1972 Joint Communiqué, both Koreas agreed that reunification should be achieved independently with no reliance on external forces, reunification should be achieved without the use of military force, and to promote national unity despite ideological and political differences among other things. In the following months there was a sense of good feelings between both sides, but once again neither government was sincere in compromising their own values to achieve peace. For example, in 1973, South Korea and North Korea never considered the others' proposal. South Korea quickly declined North Korea's proposal for the Democratic Confederal Republic of Koryo and North Korea quickly declined South Korea's proposal to sign a Non-Aggression Pact in 1974.

Despite, not following through on their agreement, both Korean governments began to compromise in the 1980s. Specifically, North and South Korea began to sincerely discuss sports exchanges and inter-Korean economic cooperation. Previously, both Korean governments were uncompromising in forming an inter-Korean team for the 1964 Tokyo Olympics and Kim Il-sung declined President Park Chung-hee's inter-Korean economic proposal in 1978. It could be argued that the North Korean government was under pressure to cooperate. North Korea received major criticism for not allowing South Korean athletes to participate at the 1979 World Table Tennis Championship. In addition, North Korea was beginning to experience economic hardships. Nevertheless, North Korea disregarded its national objective by choosing to engage with a government that it views to be illegitimate in South Korea.

In addition to their uncompromising attitude, there was a sense of mistrust as well. The aftermath of the Korean War created much antagonism between both sides, but continued provocations fueled more resentment and anger towards the other government. From 1955 to 1975, there were approximately 1,157 clashes between North Korean and South Korean forces, with approximately 729 North Korean soldier casualties 163 South Korean soldier casualties, and 150 South Korean civilian casualties. In addition, both governments attempted to assassinate (or at the very least prepared to assassinate) the leader of the other government. As a consequence, there was no suitable environment for inter-Korean peace talks to take place as both sides carried much mistrust against the other. Within one year of the 1972 Joint Communiqué, provocations continued. Both North and South Korean soldiers continued

to clash with one another, the dispute over the Northern Limit Line arose, and North Korea attempted to assassinate South Korean president Park Chung-hee on at least two occasions. In 1976, only four years after the agreement, North Korea would disconnect the hotline connecting to South Korea.

It would take another two decades and the collapse of the Eastern Bloc for both Koreas to enter negotiations once again. In the early 1990s, both Korean governments came to two agreements: The Joint Declaration on Denuclearization and the Agreement on Reconciliation, Non-aggression and Exchanges and Cooperation (1992 Basic Agreement). While the Joint Declaration on Denuclearization focused on denuclearizing the Korean peninsula, the 1992 Basic Agreement focused on building a peaceful coexistence between both Koreas. In the 1992 Basic Agreement, North and South Korea agreed to respect each other's system, not to slander or vilify each other, not to sabotage or overthrow each other, transform the present state of the armistice into a solid state of peace, and not to undertake armed aggression against each other. Unlike the 1972 Joint Communiqué, there was a sense of sincerity between both North and South Korean governments as both were actively engaging with one another through sports, family reunions, and were discussing inter-Korean economic relations. However, just like the 1972 Joint Communiqué, provocations between North Korea and South Korea would continue with clashes at the demilitarized zone (first occurrence took place three years after the agreement), U.S.-ROK joint-military exercises, and espionage among other things.

Despite setbacks, South Korea nevertheless pushed towards improving relations with its northern counterpart. The Kim Dae-jung administration introduced the Sunshine Policy, which adopted a policy of engagement, established economic relations with North Korea, and accepted the rule of the Kim government in the north. Resulting from the Sunshine Policy was the 2000 Joint Declaration and 2007 Peace Declaration which encouraged respecting the other government, refraining from the use force, movement towards the establishment of a peace treaty, and efforts to achieve unification. The most important development in these agreements was that it created an economic incentive for both Korean governments to restrain from provoking the other. For example, up until its closing, Kaesong Industrial Complex earned North Korea approximately \$560 million. Yet, despite this, both North and South Korea would characteristically continue to provoke each other. To make matters worse, North Korea was accused of sinking the South Korean submarine Cheonan and bombarding South Korea's Yeonpyeong island. Consequently, a strong sense of insecurity and mistrust developed among South Koreans and for the next decade the South Korean government would adopt more hardline policies towards North Korea.

#### **Have the Circumstances Significantly Changed Enough for a Potential Fifth Agreement to be Successful?**

From 1948 until the late 1980s, both Korean governments were authoritarian and were uncompromising in their respective objectives. This changed by 1987 when South Korea became a republic and began shifting its policy regarding relations with North Korea. From the 1990s, the South Korean government has given various concessions, mostly economic and humanitarian, to North Korea. Accordingly, it would not be surprising if the Moon Jae-in administration were willing to give concessions to North Korea. For example, the Blue House hinted that it would be willing to accept a nuclear Korea for the time being as it recognizes that denuclearization as a pre-condition is unrealistic. On the other hand, North Korea has rarely, if ever, given concessions to South Korea. North Korea has given little and only benefited from its engagement with South Korea since the 1990s. Accordingly, what are the realistic expectations of

North Korea this coming summit? North Korea has recently behaved more respectfully towards South Korea in ways such as identifying President Moon by his proper name and title and no longer sending leaflets that are vulgar and offending. However, will North Korea be willing to significantly sacrifice its own national objectives to make concessions? Recently, Kim Jong-un hinted at an understanding towards U.S.-ROK joint military exercises, which have been an obstacle for inter-Korean peacebuilding since the 1972 Joint Communiqué. If Kim Jong-un is willing to acknowledge this, perhaps North Korea is willing to make some unprecedented concessions to South Korea, such as sign a non-aggression treaty with the recognition that joint exercises will continue.

After decades of provocations against one another, mistrust and insecurity is the biggest obstacle that both Korean governments must overcome. In 2011, former South Korean President Park Geun-hye recognized this in a Foreign Affairs article in which she argued for her Trustpolitik policy. This year, a survey conducted by RealMeter showed that 64.1 percent of South Koreans did not trust North Korea's sincerity in denuclearization and having a dialogue. On the other hand, North Koreans may not have the same sense of antagonism to South Koreans. While statistics are unavailable, Je Son Lee, a North Korean defector, said that while North Koreans have negative opinions of the United States and Japan, no such feelings exist towards South Korea. So, on a local level, the general South Korean population may pose a larger obstacle than North Koreans in terms of peacebuilding. However, at the governmental level, the North Korean government's insecurity may be an obstacle towards peace. Despite a recent ease in tensions, North Korea has continued to criticize South Korea's military decisions. Last month, North Korea criticized South Korea's move to acquire additional jets during a time of reconciliation and unity. These kind of comments suggests that the North Korean government still feels a sense of insecurity and consequently, may back out of any potential agreement, as it has before.

### Conclusion

In order for any potential agreement from the inter-Korean Summit to be successful, both North and South Korea must recognize a need to improve communication and increase transparency. Uncompromising attitudes may not be as large of an obstacle as they once were, but mistrust and insecurity remains a major obstacle in inter-Korean relations. Today, South Koreans continue to fear military hostilities from the North and the North Korean government remains concerned about the potential collapse of the regime. If mistrust and insecurity issues are not adequately addressed, it is likely that the third inter-Korean Summit and a potential fifth agreement will experience a similar fate to that of their predecessors.

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## Hallyu 3.0: The Era of K-pop Collaborations

Posted on 20 April 2018. Tags: Culture

By Jenna Gibson

In the mid to late 2000s, Korean pop music burst onto the scene in Asia, capturing the imagination of fans in China, Japan, Malaysia, and elsewhere. The next wave of Hallyu started bringing Latin America,

Europe and parts of the Middle East into the fold, bolstered by the growing popularity of YouTube and other social media channels that helped international fans connect with Korea-based stars.

But now that K-pop stars have established a certain amount of fame in different markets across the globe, we're seeing another surge in interest for Korean pop music, particularly in the United States, ushering in the era of Hallyu 3.0. And one of the main markers of this new period in K-pop history is a noticeable increase in the number of international collaborations between Korean and non-Korean artists. The new strategy of Hallyu 3.0 uses this type of collaboration to achieve two major goals – expand audiences beyond die-hard K-pop fans, and reward loyal international fans with music that caters to their culture and language.

### Going Gold

One of the latest and clearly the biggest of these collaborations is BTS' "Mic Drop Remix," a remastered version of their Korean single that mixed in some English verses and featured famous American DJ/Producer Steve Aoki. The remix's music video has racked up 225 million views on YouTube in just four months, and recently became the first song by a Korean group to be certified gold by surpassing 500,000 units sold (Psy is the only other Korean artist to hold this honor).

It makes sense for Korean artists to use collaborations and English versions of songs as a way to position themselves for American success. In a recent KEI podcast, Katie Brownlie, who hosts a weekly K-pop radio show in New Jersey, said that the language barrier has been one of the biggest obstacles for Korean singers who want to break into the United States. "It's hard to break into the American market if it's not in English," she said.

This isn't to say that English-language songs or big collaborations are an automatic ticket to success by any means. In fact, up until BTS' Mic Drop remix, collaborations in the United States have largely failed to capture mainstream attention outside of existing K-pop fandom.

Riding high on the success of Gangnam Style, in 2014 Psy came out with the noisy, repetitive "Hangover" featuring Snoop Dogg – needless to say, it fell short of the sky-high expectations set by his viral hit. That same year, Psy's labelmates, CL and G-Dragon teamed up with well-known DJs Skrillex and Diplo for "Dirty Vibe," and CL has since done several other collaborations with American artists in the lead up to her long-awaited American debut. Other K-pop groups have used similar tactics in an ultimately unsuccessful attempt to break into the American market, like the Wonder Girls' English song "Like Money," which featured Akon.

None of these collaborations catapulted these K-pop stars into the mainstream in the way they may have hoped, perhaps because they got ahead of themselves. If BTS' American success has taught Korean entertainment companies anything, a strong fanbase who are willing to spend hours calling local radio stations and requesting songs can be far more powerful than a handful of big-name collaborations. Once that fanbase is successfully established, then a powerhouse collaboration can tip the scale and bring a group into the mainstream consciousness. This is part of the second prong of Hallyu 3.0 – for fans who already devote their time and money to a Korean group, they can now listen to collaborations with American artists they may also know and love, and in a language they already speak.

### En Espanol

You may notice that all the collaborations mentioned above are with American artists, and are largely aimed at increasing popularity in the notoriously tough American market. But Spanish-speaking fans are starting to get some collaboration love as well.

Although k-pop artists have done covers of Spanish songs before – often during concerts or events held in Latin America – collaborations are few and far between. Perhaps the first Korean-Spanish collaboration was girl group Crayon Pop's work with Mexican boy band CD9 back in 2016, which resulted in the trilingual party anthem "Get Dumb."

Now, K-pop legends Super Junior have teamed up with Latin-pop's Leslie Grace for their new single, Lo Siento, which mixes lyrics in Korean, English and Spanish throughout. Grace will accompany the group on their Latin American concert tour this week to perform the song and possibly show off other collaborative stages.

Like many of the American collaborations mentioned above, this project aims to increase their popularity in the region outside of those who already love the group. In fact, SM Entertainment, the group's agency, said "The reception of 'Lo Siento' in the Central and South American region is explosive. We want to expand our business in the region on the back of Super Junior's regional tour."

#### The Next Wave

It is likely that we'll see more international collaborations from K-pop stars in the future, especially after the runaway success of BTS' Mic Drop. In fact, BTS has also worked with The Chainsmokers and Fall Out Boy, and the group is rumored to be working with other top American artists including Halsey, Shawn Mendes, and maybe even Maroon 5. Other groups will likely be watching these collaborations closely. It will be interesting to see if groups take this tactic into other regions where K-pop is popular – will we see some Arabic or Tagalog collaborations next?

*Jenna Gibson is the Director of Communications at the Korea Economic Institute of America. The views expressed here are the author's alone.*

*Photo from Wikimedia Commons.*

## North Korea Test Moratorium Not as Significant as It Seems

Posted on 23 April 2018. Tags: diplomacy, Donald Trump, Kim Jong-un, military affairs, missile test, missiles, Moon Jae-In, north korea, nuclear weapons, politics, security, South Korea, United States, WMD

By Troy Stangarone

In what is being hailed as a significant step by the United States and South Korea, North Korea has announced that it has suspended missile tests and will shut down its nuclear test site. While seemingly an important step towards denuclearization, the move by North Korea only affirms prior statements by the regime.

Shortly after conducting its third intercontinental ballistic missile (ICBM) test and in Kim Jong-un's New Years Day Address, North Korea had suggested that it had concluded testing for its nuclear program. Since North Korea's third ICBM test, it is now in the midst of one of the longest pauses in tests under

Kim Jong-un. While there are still questions regarding the development of North Korea's ICBMs, it is this pause that made the upcoming talks between Kim Jong-un and President Trump possible.

However, in light of its earlier announcements, North Korea's pause in testing was an easy concession to the United States and South Korea, and the announcement of an end to testing is not as significant as it may seem. Any further tests on the part of North Korea would have either been an acknowledgement that it had not actually completed its tests, or would be intended as a clear provocation designed to raise tensions.

In addition, there were already concerns about the geological stability of North Korea's nuclear test site at Punggye-ri. Since the last nuclear test there have been further signs of instability.

This is not the first time that North Korea has made a largely symbolic gesture in relations to its nuclear program. During the Six Party Talks, North Korea made the dramatic gesture of blowing up the cooling towers at the Yongbyon nuclear power plant to demonstrate its commitment to denuclearization. Those talks ended up failing over North Korea's refusal to agree to verification procedures. In this case, resuming use of its nuclear test site will be significantly easier than restoring the cooling systems at Yongbyon should North Korea decide to change course.

The announcement also does not commit North Korea to denuclearization or to abandon the other significant plan Kim Jong-un laid out in his New Year's Day Address – to expand North Korea's stockpile of nuclear weapons and ballistic missiles. In advance of the summits, it would have been more impressive if Kim Jong-un had offered to suspend uranium enrichment or missile production during the upcoming talks, though these steps would also be unverifiable without intrusive inspections.

The announcement does, however, fit into North Korea's outreach that began at the beginning of 2018 when it announced that it would take place in the PyeongChang Olympics. North Korea may be making a strategic decision eventually to dismantle its nuclear program, but the recent announcement on a suspension of testing and the closing of its nuclear test site should be viewed more as a public relations move than a real step towards denuclearization.

*Troy Stangarone is the Senior Director for Congressional Affairs and Trade at the Korea Economic Institute of America. The views expressed here are the author's alone. Image from Wikimedia Commons.*

## The Summit Will Be Televised: Both Koreas are Seeking the Summit Spotlight

Posted on 25 April 2018. Tags: diplomacy, Kim Jong-un, Moon Jae-In

By Jenna Gibson

There's no question the world's attention will be on the Korean peninsula this week as South Korean President Moon Jae-in and North Korean Leader Kim Jong-un meet at the DMZ on Friday. And that's exactly what those two leaders want. In fact, the entire meeting will be televised, so interested people all over the world can see exactly what happens when Kim and Moon sit down together.

The meeting's location is historic – for the first time, a North Korean leader will travel to the DMZ to meet with his Southern counterpart, rather than insisting on a meeting in Pyongyang. This is being hailed as a sign of sincerity and compromise on the part of the North Koreans. But the location is not

just historic, it is practically made for TV. With thousands of landmines for miles around, in a place that has become a symbol of the peninsula's division, the two leaders will enter one of Panmunjeom's iconic bright blue buildings and sit down to chat for the first time. And while the two sides will certainly come to the table with major differences, they seem to be on the same page when it comes to the importance of showing everything to the world – both sides spent their Tuesday running through a rehearsal of the summit, even going so far as to hold the rehearsal at the exact same time of the day “because sunlight has to be taken into consideration for the broadcasting of the meeting.”

For President Moon in particular, generating positive domestic and international buzz about this meeting is a priority. In the leadup to the summit, the South Korean government launched a website in nine languages to communicate to international audiences what President Moon hopes to accomplish with his engagement strategy. The South Korean government has been promoting their vision extensively on Twitter – one particularly enthusiastic message from Minister of Foreign Affairs Kang Kyung-wha declared “Twitter followers across the world! We want to let you know history is being made on the Korean Peninsula. The top leaders of the two sides will meet for an Inter-Korean Summit on April 27. Cheer us on, and stay tuned!”

Clearly for Moon, the summit is an integral part of his foreign policy strategy. But the emphasis on international messaging suggests that the meeting itself is not enough. Moon also wants it to be seen – and he wants to be in the center of it all. Moon has played his cards perfectly so far – walking the tightrope between taking too much credit and seeming arrogant, or risking stepping on Trump's toes – and fading too far into the background. He has very publicly given Trump credit for giving him an opening for diplomacy, and sent high-level officials to immediately convey the invitation from Kim Jong-un to Trump for a summit meeting. He is the conductor of the diplomatic orchestra – completely essential but taking little credit, until the final bow.

If he has made any mistake, it has been to raise expectations for this and the Trump-Kim summit above what is practical in the short term. Even in the wildest scenario, a successful summit doesn't mean the peninsula will change overnight. And even if major promises are made, it is reasonable to be skeptical about how long North Korea will keep their word, or how much they will follow the letter rather than the spirit of any agreements.

All of this makes sense for Moon – but why would Kim Jong-un agree to televise the summit? What does he gain by opening himself up to the scrutiny of public and pundits all over the world, many of whom are openly skeptical about his intentions? Does this mean that Kim is completely sincere, and is ready to prove it on tape? Possibly, but not necessarily. Kim will likely be wary of making concrete promises, and will likely equivocate on some of the key issues, including denuclearization. He will avoid saying anything on tape that he can later be held to. And he may also be carefully watching for any words from the South Korean side that he can twist to show insincerity and use as an excuse to break deals later on.

At the same time, Kim does also want to get credit for having agreed to the meeting and for being open to mending the openly hostile and even dangerous situation on the peninsula over the last year or so. Despite what North Korea's “Hermit Kingdom” stereotype may imply, the Kim regime actually does care about how it is viewed abroad, and about its legitimacy in the international community. Take the 2014 UN Commission of Inquiry Report, in which Michael Kirby and his team laid out the case for why the North Korean regime should be prosecuted for crimes against humanity. After the release of this report, North Korea's UN team leapt into action, doing everything possible to discredit the report and Kirby, and

to deny the accusations as publicly as possible. If Kim were truly ruling over a hermit kingdom, he wouldn't care what others thought about the way he treated his people.

It's unclear how televising of the summit will affect the ultimate outcome of talks between North Korea and South Korea, or eventual talks with the United States. But it does ensure that both sides will be even more careful with their words and actions than they may have been behind closed doors. The good thing is, for the time being, both North and South have plenty of incentives to make this meeting go smoothly. Neither wants to be the one to spoil the Korean spring – particularly with the cameras on.

*Jenna Gibson is the Director of Communications at the Korea Economic Institute of America. The views expressed here are the author's alone.*

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## Markets Optimistic about the Moon-Kim Summit but Investing in the Outcome is Premature

Posted on 26 April 2018. Tags: [economics](#), [market](#), [north korea](#), [South Korea](#), [Summit](#)

**By Kyle Ferrier**

Expecting the Moon-Kim summit to go well, the [Financial Times](#) has reported that markets are more upbeat about the South Korean economy. The price of South Korea's five-year credit default swaps—reflecting market sentiment on geopolitical risk among other things—is down (which is a good thing) and investors are parking more of their money in Korean stocks, particularly construction companies. They are banking on rapprochement leading to a revival of South Korean-led construction projects in the North. It is thus not surprising that shares of Hyundai Engineering and Construction, responsible for projects in North Korea such as the Mount Kumgang Resort, hit a three-year high on Monday.

While there are reasons to be hopeful about the outcome of the summit, investing now in the resumption of Inter-Korean construction projects is premature even in the best case scenario. This is true for three reasons.

The first is that Seoul has stated it would continue to exert maximum pressure against Pyongyang until concrete actions are taken to address its missile and nuclear programs. As numerous precautionary [op-eds](#) in the past month have made clear, North Korea and the United States likely have different definitions of "denuclearization," which could prove to be a major sticking point in negotiations. Should they come to an agreement on U.S. terms, the next steps would likely be the negotiation and then implementation of verifying and dismantling the North's nuclear program in exchange for the gradual drawdown of sanctions. This long, drawn-out process suggests that it could very well take years before investors start to see any North Korea-related returns on investments made this week. One could be tempted to make the argument that waiting isn't a problem once you've gotten in on the ground floor and the value of your investment skyrockets. However, others have taken this gamble in the North before and most have lost.

The second reason is that foreign direct investment in North Korea doesn't have a great track record, at least not for the investors. Although smaller investors not linked to politically motivated ventures have been able to get by in North Korea's Special Economic Zones, larger investors have had a much tougher go of it. Hyundai lost around \$900 million when its Mount Kumgang resort was closed in 2008 after a North Korean guard shot and killed a South Korean tourist. After Seoul shut down the Kaesong Industrial Complex in February 2016, a consortium of 174 South Korean companies claimed to have lost a combined \$60 million, which South Korea's Ministry of Unification agreed to cover last November. There is evidence in both cases of Pyongyang taking over the facilities for their own gain after the South Korean companies closed shop and left. Yet, perhaps the biggest cautionary tale is Orascom.

Orascom, an Egyptian telecommunications conglomerate, entered into a joint venture with the North Korean government in 2008 to form Koryolink, which was charged with building the country's mobile network. Putting up the majority of the capital, Orascom may own 75 percent of the venture but this does not mean it has effective control. The company has been unable to repatriate revenues from the North estimated to be worth between \$500 and \$600 million because Pyongyang is either unable or unwilling to let them do so because of sanctions. In an attempt to decrease its activity in the country, Orascom even attempted to give up its majority stake in Koryolink by merging with the government-owned cellular provider Byol in 2015. While this failed, Orascom is still looking to pursue the merger, but that is unlikely to go anywhere until sanctions are lifted.

This poor record may not necessarily reflect what is to come, but rather provides the context for the many challenges which still need to be worked through for foreign investors in North Korea. Kim Jong-un's apparent shift in focus from the nuclear to the economic side of byungjin (the Kim policy of simultaneously pursuing nuclear weaponry while improving the domestic economy) could again open the door to foreign investors. However, even if we discount the possibility of the door closing as it has done to the detriment of outsiders in the past, it is important to note the limited avenues of recourse investors have in North Korea. It is not as if robust rules to protect foreign investment, which have historically been a major point of contention between developed and developing countries, would be readily implemented should sanctions be lifted. The North's history of capriciously taking advantage of foreign business ventures suggests that potential investors should be clear-eyed about investing there.

The last and perhaps most important reason that investing now in future Inter-Korean construction projects is premature is that placing long-term bets on the North dismisses possibly more immediate risks in the South. Although there are signs that the rate of increase is slowing, South Korea's household debt problem is perhaps the most important structural issue facing its economy. Household debt is around 95 percent of GDP, making it among the highest in the world. The government has focused on curbing bank loans to slow the accumulation of household debt and rising home prices, but undeterred borrowers have increasingly turned to non-bank lenders to pay for new homes, further raising prices and making outstanding debt more precarious. The construction industry may be doing well now, growing by 3.3 percent in the first quarter of this year, but with the prospect of more Federal Reserve rate hikes this year there is greater risk of debt problems coming to a head well before the groundbreaking of Inter-Korean construction projects.

It is certainly a good sign that markets are less concerned about geopolitical risks on the Korean Peninsula than they were last fall, though investors should be careful to not get too carried away with the prospect of rapprochement just yet. Being among the first in a new, relatively untouched market can

be a tempting prospect, but events that would allow this to happen are far off and even then there would still be major challenges. At this point investors should be more concerned with the more immediate realities in the South and not let a fascination with the North cloud their judgement.

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## The April 27 "Panmunjom Declaration" in Context

Posted on 27 April 2018. Tags: [diplomacy](#), [Kim Jong-un](#), [military affairs](#), [Moon Jae-In](#), [security](#), [South Korea](#)

**By Donald Manzullo**

Did any real progress come out of the April 27 summit meeting between President Moon Jae-in and Kim Jong-un? Optimists will say "yes": the two sides dramatically agreed to formally end the Korean War and to declare a new era of peace on the Korean Peninsula. Pessimists will say "no": the Panmunjom Declaration seems heavy on pledges to 'facilitate,' 'improve,' and 'cultivate,' better relations but is light on concrete commitments. But, asking if Panmunjom produced significant achievements may be to ask the wrong question. A better question might be where the April 27 Inter-Korean summit fits in the pattern of previous summits and what it is pointing towards, particularly in regard to the intended summit between President Trump and Kim Jong-un.

The April 27 summit was full of symbolism, imagery, and rhetoric. That should not be brushed aside to look for "real" progress. Symbolism is important in itself. The strong appeal to common history, seen in the ancient costuming of the honor guard; shared attachment to geographic features in backdrops for the talks, such as Mount Paektu and Mount Kumgang; and the repeated commitment to unification of the peninsula put North and South Korea in the same space. This is clearly a better environment for cooperation than would be a focus on the warring systems of democracy and totalitarianism, or capitalism and communism. The two sides agreed that they are both Korean and did not claim exclusivity to be the "real Koreans."

Another point of context is that both sides made concessions to hold the summit. This is the first time that a North Korean leader has set foot in South Korea since 1953. Kim Jong-un made a concession in agreeing to meet in Panmunjom rather than in his capital. Kim Jong-un also met Moon Jae-in as an equal, which is a departure from previous North Korean rhetoric that South Korea was merely a puppet regime with which it would not deal. North Korea has sought to negotiate directly with the United States and to ignore South Korea. The United States has long insisted that North Korea would have to deal with South Korea on a bilateral basis before it would deal with North Korea. That demand has now been met.

To set up the meetings with President Moon and President Trump, Kim Jong-un has also made the concession of a freeze on nuclear and missile testing. In 2017, then-Secretary of State Rex Tillerson said that a sustained absence of testing could set the stage for talks. Also, significantly, North Korea dropped its opposition to U.S.-South Korean joint military exercises. Previously, North Korea had said that it would not talk until the exercises were suspended. For their part, South Korea and the United States have made the concession of agreeing to talks before North Korea has taken concrete steps to begin a

process of denuclearization. Their previous position had been that without such action, they would not participate in "talks for talk's sake."

The final point of context needed to understand the April 27 "Panmunjom Declaration" is Kim Jong-un's insistence that previous agreements had "fizzled out" because they had not been fully implemented. He reportedly said in his meeting with Moon Jae-in, "There are people who are skeptical that the results of today's meeting will be properly implemented...I hope we can have open-minded talks on issues of concern and produce good results, not the kind of results we saw in the past that were not implemented and made us start from scratch again."

To which previous agreements was Kim Jong-un referring? Certainly not to the 1992 Joint Declaration in which North Korea pledged "to not test, manufacture, produce, receive, possess, store, deploy or use nuclear weapons." And not to the 2005 Joint Statement in which North Korea "committed to abandoning all nuclear weapons and existing nuclear programs and returning at an early date to the treaty on the nonproliferation of nuclear weapons (NPT)."

More likely, Kim Jong-un was referring to the 2007 Inter-Korean Summit Agreement (in which Moon Jae-in was involved) to "promote economic cooperation, including investments, pushing forward with the building of infrastructure and the development of natural resources." The 2007 Agreement, with language almost exactly reappearing in the Panmunjom Declaration, calls for "inter-Korean economic cooperation projects on a continual basis for balanced economic development and co-prosperity on the Korean Peninsula." By the way, the commitment to formally end the Korean War is not new. That was also part of the 2007 Agreement. Replacing the Armistice with a peace agreement will require action by the United Nations, which is a signatory to the Armistice.

Kim Jong-un remarkably noted in his conversation with Moon Jae-in that the North Korea road system is "embarrassing" and that North Korean visitors to South Korea for the Winter Olympics were impressed by the South Korean high-speed trains. These remarks were unusual and almost certainly calculated. What Kim Jong-un may have been saying was in effect: because of economic pressure from South Korea and the United States, North Korea is lagging economically. Peace on the peninsula requires that economic assistance be given to North Korea.

Kim Jong-un said in his 2018 New Year's speech that North Korea had achieved its nuclear ambitions and was now shifting to economic development. That is logical. Kim's long-term survival depends as much on an improvement in North Korea's woeful economic situation – partly caused by sanctions but mostly caused by decades of mismanagement and misplaced priorities – as it does on security, whether through a nuclear deterrent or security assurances that it considers adequate.

The Panmunjom Declaration sets the board for future summits and negotiations. The most important question now is how much denuclearization is North Korea willing to offer for how much economic help?

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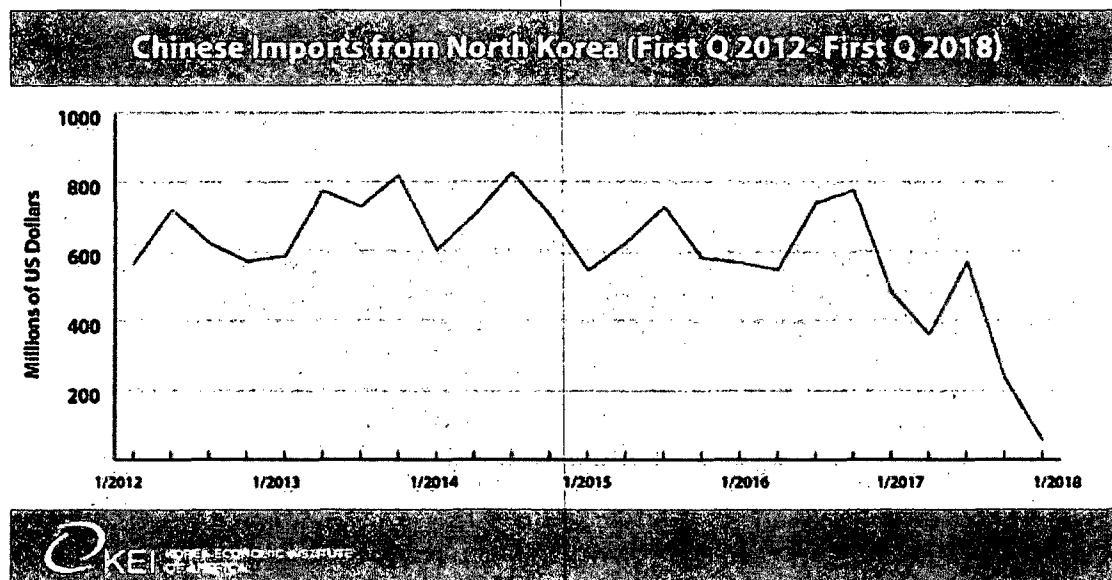
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## “Maximum Pressure” Beijing Style

Posted on 30 April 2018.

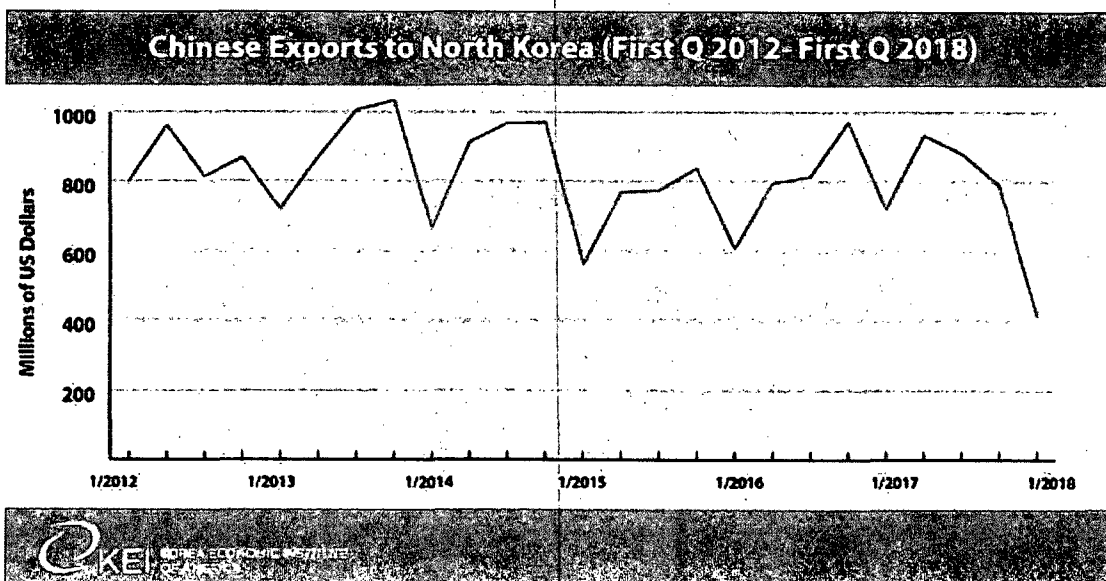
By William B. Brown

China, and Xi Jinping, might not have been mentioned in the North-South summit talks on Friday, and may have been glossed over in much of the expert analysis of why the meeting was taking place, but one can bet their influence on Kim's decision to make the trip south was paramount. Data released by China's customs just a day or two before the historic occasion shows that official trade with North Korea remained in a near collapsed state in March, with only \$12 million in imports from North Korea and \$143 million in exports.<sup>[i]</sup> (Kim travelled to Beijing, probably to ask for relief, in late March so any softening by Xi would not yet be reflected in this data.) Year-earlier figures, before the Trump-Xi talks in Florida at which tough measures against North Korea were hammered out, were \$109 million and \$328 respectively, indicating drops of 89 and 56 percent. Quarterly data indicates the same remarkable trend (graphics below). First quarter imports were down 89 percent to only \$57 million, from \$483 million in the same quarter of 2017.



North Korean sales of usually important and now sanctioned textiles, coal, fish, iron ore and non-ferrous metals all registered near zero in the official data for the quarter. Food items and tungsten, not sanctioned, showed increases.

Perhaps more interestingly, first quarter Chinese exports to North Korea, which generally are not sanctioned, were down a stunning 42 percent from first quarter 2017, including 92 and 86 percent drops in the important electrical and non-electrical machinery sectors, which include many consumer electronics products and computers, but also essential parts needed to keep North Korean industry in operation.<sup>[i]</sup>

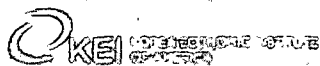
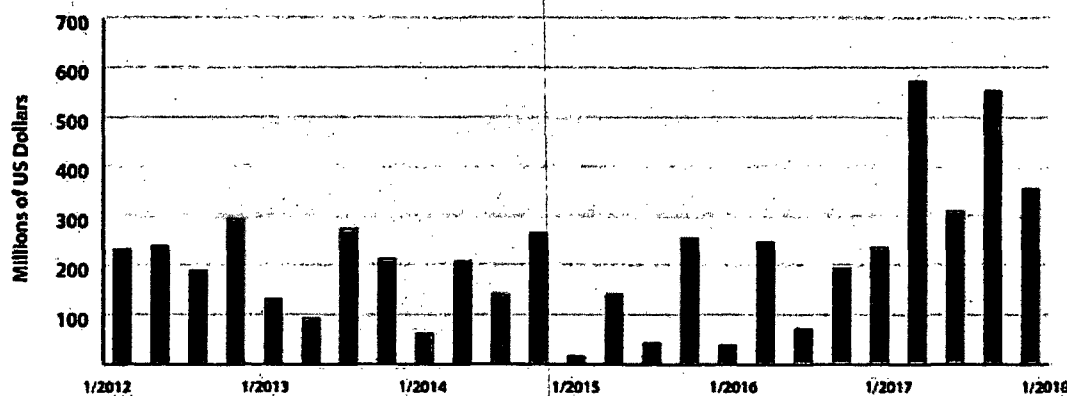


Refined petroleum products, which are capped by the UN sanctions, fell to near zero. Food products, interestingly including tobacco, tended to rise as did fertilizer. Some of these may be purchased in China by foreign aid organizations and the UN, and shipped to North Korea.

Most damaging to North Korean industry is likely the drop in industrial parts and materials, presumably reflecting a growing inability to pay in hard currency. And vehicle imports, mostly trucks, totalled \$28 million in first quarter 2017, fell to near nothing this year.

The absence of refined petroleum product imports is cushioned by the continued, but not officially counted, flow of Chinese crude oil. The latest UNSC rules allow the crude to flow by pipeline at its historical rate, about 50,000 tons (350,000 bbl) a month, to a small refinery in northwest North Korea. This has accounted for about two-thirds of all North Korean petroleum supply in recent years so the halt in petroleum products imports erases about one third of supply. Gasoline prices have responded and are about double the level of a year-ago, much higher than world prices. They jumped in early April but have since fallen back.

### China Trade Surplus with North Korea (First Q 2012- First Q 2018)



The drop in North Korean imports lowered its bilateral trade imbalance in the first quarter from fourth quarter 2017, to a little over \$100 million a month (\$131 million in March). With essentially no credit, and with little trade with other countries, Pyongyang's persistent goods trade deficit with China is probably financed with about a \$50 million a month surplus in services, remittances, and aid, all of which also are negatively affected by UN sanctions, and these would not likely cover the much larger recent deficits, suggesting a drawdown of whatever foreign exchange reserves the regime might have had. The impact of tough Chinese sanctions on North Korean exports a few quarters ago is thus now resulting in a drop of often essential imported products, a difficult task for the management of the command economy. Surprisingly, Pyongyang continues to keep its won currency, traded in unofficial markets all over the country, virtually pegged against the U.S. dollar, suggesting very tight won monetary conditions and no lending to state owned enterprises and agencies and a very tight budget—maximum pressure by almost any definition.

Two weeks ago, in a speech to his Worker's Party Central Committee, widely heralded in Western media for his promise to end nuclear and long-range missile testing, Kim also said he will now focus entirely on the economy, suggesting an end to the parallel nuclear and prosperity, or "byongjin" line. "The whole party and the whole nation will now focus on socialist economic development. That is our new Party line". Tight money, busted budgets, desperate foreign trade and a temperamental American adversary, may be giving him little choice.

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*Photo from Roman Boed's photostream on flickr Creative Commons.*

[i] China stopped including crude oil shipments to North Korea in its data beginning January 2014. By all accounts these continue at historical rates and should add \$50 to \$150 million a quarter in Chinese exports but do not add to the overall deficit since they are provided free of charge.

[i] All data is from Global Trade Atlas, April 28, 2018.

## More South Koreans Trust North Korea's Intent to Denuclearize after Summit

Posted on 02 May 2018. Tags: [diplomacy](#), [Kim Jong-un](#), [Moon Jae-In](#), [north korea](#), [polling data](#), [south](#), [South Korea](#)

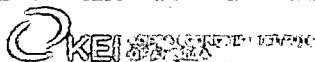
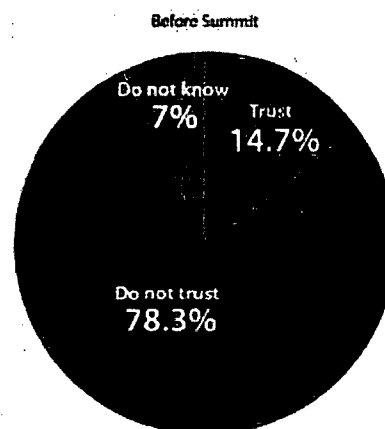
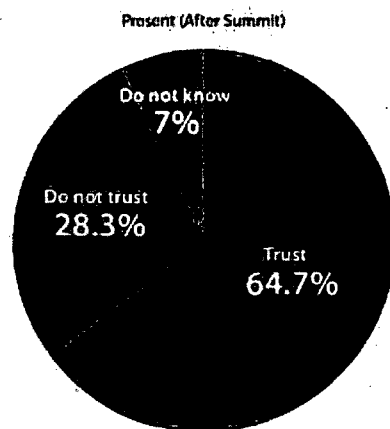
By Juni Kim

Last Friday's historic meeting between South Korean President Moon Jae-in and North Korean leader Kim Jong-un was enthusiastically received by the South Korean public. According to a Realmeter poll conducted the day of the summit, nearly 65 percent of South Koreans trust North Korea will denuclearize and maintain peace, a stunning reversal from only 14.7 percent before the summit.

Large increases of 25 to 55 percent were seen across all age, geographic, and ideological demographics. While previous polls have indicated that young South Koreans in their 20s are more skeptical and indifferent towards North Korea compared to the general population, young Koreans likewise had a hefty 48.9 percent increase in trust from 9.8 percent (the lowest number among measured age ranges) to 58.7 percent. Respondents that self-identified as conservative, who typically lean towards a hawkish stance on security issues, saw an increase of 25.8 percent from 13.8 percent to 39.6 percent.

### South Korean Public Opinion on North Korea Denuclearization

Percentage of South Koreans who trust North Korea will denuclearize and maintain peace  
(Conducted April 27, 2018, 500 respondents)



Global Research

President Moon also enjoyed a significant bump in his approval ratings post-summit. In the latest Hangil Research poll, Moon's ratings jumped 12.9 percent to 85.7 percent. Moon saw his numbers dip in the lead up to the Pyeongchang Olympics (though reports of online opinion manipulation cast doubt on the true poll values), but his numbers have since rebounded.

The significant shift in poll numbers highlight how impactful the summit was for South Koreans and their hopes for a peaceful resolution on the Korean peninsula. The startling images of the two leaders holding hands, sharing jokes, and warmly embracing made a profound impression for a nation that has endured the prospect of war with its northern neighbor. The next critical test will be the pending U.S.-North Korea summit, which will also have substantial implications for the future of the peninsula.

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## The Meaning of the #MeToo Movement in South Korea

Posted on 03 May 2018. Tags: [Culture](#) [Human Rights](#) [social issues](#)

**By Yeonsu Kim and Jihyun Joung**

In 2006, Tarana Burke, a survivor of sexual violence, coined the phrase "Me Too," a slogan that resonated with female victims of sexual harassment. The slogan transitioned into a movement when actress Alyssa Milano spread the hashtag #MeToo, which has since gained immense momentum. Gender equality has clearly been on societies' agenda for years, but 2018 seems to be a turning point in women's empowerment. The Me Too phenomenon has been spreading like wildfire, providing the platform for women and girls to boldly tell their stories, raising awareness of the struggles and fight back.

Women in South Korea have been strongly relating with the Me Too movement as well. This may come as a surprise because of the highly patriarchal corporate and social structure prevalent in the nation – South Korea is known for having one of the highest pay gaps among 29 developed nations, with Korean women earning only 63 percent of men's salaries. The male-dominant society in South Korea makes it nearly impossible for female victims to convey their encounters with sexual abuse. When they do, victims were repeatedly blamed rather than the assailant. As a result, women and girls are often fearful of being judged or losing their jobs. This explains why only 1.9 percent of raped women reported their assault to the police in 2016, according to an investigation of sexual violence from the Ministry of Gender Equality and Family (MOGEF).

Prior to the Me Too movement, female students relied on private channels such as the "Bamboo Forest," a university Facebook page that hosted personal stories sent from victims. For female students, who are vulnerable to sexual violence on campus, the Bamboo Forest was at first a dependable platform where those women could feel comfortable talking to each other and disclosing instances of sexual harassment. Some of the posts exposed inappropriate sexual behavior of male upperclassmen or professors during student gatherings. Because many women could relate to these posts, more students from different Korean universities engaged with the page, attracting a wide audience. For years, this was the only tool that raised awareness of sexual violence. Yet, there were a few limitations of the Bamboo Forest. This platform failed to receive official approval from the universities; as a result, its impact was short-lived. It was difficult to make regulations or punish perpetrators simply through a Facebook page. Without any concrete positive outcomes, more female students opted out of the Bamboo Forest.

Unlike the Bamboo Forest which is gradually fading away, the Me Too movement has been expanding. What is so influential about this year's gender campaign that speaks to women all over the world? With the Me Too movement, women are courageously stepping forward and exposing the problem directly. In South Korea, the movement was initiated by Seo Ji-hyeon, a prosecutor who accused her boss of sexual harassment on national television. This assertion triggered a domino effect, where other victims came forward and disclosed their experiences using their real names. Seo Ji-hyeon's courageous first move inspired other women to speak about topics that are considered taboo, including domestic and sexual violence. According to Korea Women's Hotline, a counseling service for victims of sexual abuse, there has been a 23.5 percent increase in hotline calls compared to the previous year. Specifically, MOGEF announced that they had a breakthrough of 300 hotline calls to '1366 Seoul Center' in February.

Likewise, women organized a protest on International Women's Day at Gwanghwamun Square, where hundreds of South Korean women spoke out against sexual abuse, which illustrates that the Me Too movement has indeed sparked drastic change in women and girls' willingness to come forward. The Me Too movement has started to make real changes in society, pushing the public to acknowledge gender discrimination as a serious problem. Gender discrimination and violence is an issue that must be included in the discussion, publicly criticized, and eventually eliminated.

And Korea's Me Too movement has already caused concrete changes, particularly by exposing key political leaders, academic figures and entertainment icons. One clear example is Ko Un, a Korean poet considered to be a candidate for the Nobel Prize in Literature. In late February, Ko was accused of sexual harassment by his previous female assistants. By March 8th, the Ministry of Education decided to remove not only his literature from the national curriculum but also those of all academics who have demonstrated gender discrimination, including Lee Yoon-taek and Oh Tae-seok.

Despite its numerous successes, the Me Too movement has also garnered its fair share of criticism. Some of the accused are blaming female victims for falsely targeting men for sexual violence. A few have even gone so far as to label the movement as a campaign to express a hatred of men. This backlash grew after an actor who was accused of assault was found dead in an apparent suicide. As a result, 40 percent of accusations from female victims have been deemed false by critics, when in reality, no more than 2 percent have actually proven to be false.

The Me Too phenomenon, unlike any other movement in the past, has played a vital role in empowering South Korean women this year. Thanks to Me Too, violence against women is no longer a private matter but a public one, and women have shown they can stand up and speak for themselves about critical issues like sexual assault. Despite ongoing criticism and accusations, everyone must be mindful that the movement must persist and strive to achieve gender equality. The media, investigators, as well as the government need to contribute to encouraging women to step up, while also establishing strict regulations that punish assailants and protect victims. The media must avoid fake news and report the truth, avoiding so-called "witch hunts," against victims. At the same time criminal investigations must take the perspective of the victims, and the government should be fully supportive of the process in order to promote real changes and fully eradicate gender violence.

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*Photo by KEI.*

Humanitarian Engagement with North Korea Could Be Important to the Success of a Trump-Kim Summit

Posted on 04 May 2018. Tags: [diplomacy](#)

## The KORUS FTA and the Creative Industries

Posted on 07 May 2018. Tags: [economics](#), [FTA](#), [Korus FTA](#), [trade](#)

**By Kevin M. Rosenbaum**

Enhanced bilateral trade and investment under the Korea-U.S. Free Trade Agreement (KORUS) has positively impacted the U.S. copyright industries—producers of literary works, music, movies and TV programming, and video games and software—in several ways. As an initial matter, it is important to understand the contribution of these vital industries to the U.S. economy. The core copyright industries combined, according to a December 2016 study, generate over \$1.2 trillion of economic output, accounting for nearly 7% of the entire U.S. economy; and employ over 5.5 million workers – in high paying jobs – accounting for almost 4% of the entire U.S. workforce. Their foreign sales and exports grew from \$147 billion in 2012 to \$177 billion in 2015, reflecting extraordinary growth in the timeframe since KORUS entered into force and significantly exceeding foreign sales of other major U.S. industries.

KORUS was a significant step forward in many respects for the critical industry sectors that depend on copyright protection. On the issues of copyright law reform and copyright enforcement, KORUS is one of the strongest and most ambitious trade agreements ever negotiated. It also includes important commitments that further opened the Korean market to the U.S. copyright industries. Current and future trade negotiations, including the ongoing NAFTA negotiations, would do well to build on key aspects of the KORUS agreement's strong rules for copyright protection and enforcement, with few exceptions.

The impact of KORUS on the copyright industries has been remarkable in several ways. Back in 1985, U.S. works and products received virtually no copyright protection in Korea. Piracy was rampant. The International Intellectual Property Alliance (IIPA)[1] described the situation to the U.S. government as follows: "Pirates have all but taken over the sale of records and tapes, videocassettes, books, and computer software." As late as 2007, before KORUS was signed, a study conducted by the Korean Film Council (COFIC) estimated that the Korean film industry suffered losses of \$1 billion as a result of online piracy and, between 2002 and 2007, piracy reduced the overall home entertainment market in Korea by half.

Today, Korea boasts a strong copyright law, which in several respects exceeds U.S. law in its robust protections for creative works. While this dramatic improvement in Korea's legal standards, and subsequent upgrades to Korean enforcement efforts against piracy, have been a continual process, KORUS was undoubtedly a critical catalyst. Almost contemporaneously with KORUS taking effect, Korea responded by adopting major upgrades of its copyright laws and enforcement regime.

The dramatic change in Korea is reflected not simply in laws and regulations, but in market realities. Thirty years ago, revenue for the U.S. copyright industries in Korea approached zero. In 1993, IIPA

estimated trade losses to U.S. industry due to copyright piracy in Korea at \$423 million. Today, South Korea is a robust and growing market for music sound recordings, movies, TV programming, videogames and other entertainment software, and books and other publications, benefiting both American and Korean creators, innovators, and workers. The KORUS agreement has played a significant role in Korea's transformation into a vibrant marketplace for U.S. creative works, and a cultural powerhouse in the Asia-Pacific region. For the film industry, it is widely recognized that KORUS's market opening steps have contributed to the steady growth of the Korean film industry with new box office records year on-year and Korean films taking 54 percent of the Korean market in 2016. Korea is the sixth largest market in the world for video games with an estimated 25 million Korean gamers and revenues of \$4.2 billion in 2017.

The Korean music market illustrates KORUS's profound impact. In 2012, the music market was shrinking, generating revenues of less than \$200 million, a decrease of 4 percent from the year before. But since 2012, the year KORUS entered into force, the music market has experienced double digit increases, and in 2016 Korea's music market stood as the eighth largest in the world, with revenues of more than \$330 million, an increase of over 23 percent from 2015.

Of course, notwithstanding the significant improvements to Korea's laws and the growth of the market, important challenges remain. For example, there has been an attempt in Korea to extend the scope of mandatory collective management of rights and statutory license fees for certain types of digital music services. This would hurt rights holders and undermine KORUS obligations that have resulted in improved copyright protections. In addition, the creative industries continue to raise concerns regarding efforts around the world to diminish strong copyright protection and enforcement by, for example, introducing what amount to loopholes to protection and safe harbor provisions that do not adequately incentivize Internet platforms to cooperate with rights holders on finding ways to address infringing content on their networks, thereby allowing Internet platforms to profit unfairly at the expense of rights holders. U.S. trade negotiators should ensure that KORUS is used as a model to promote strong copyright protection and is not used to undermine such protection.

It is important that the positive changes that KORUS has helped to foster are not reversed, but instead continued and built upon. The creative industries in both the United States and Korea – and the many high paying jobs these industries support and the economic and cultural benefits that these industries provide – depend on it.

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*Photo from [Bigotes de Gato](#) / [Fotografía's photostream](#) on flickr Creative Commons.*

[1] IIPA is a private sector coalition, formed in 1984, of trade associations representing U.S. copyright-based industries working to improve international protection and enforcement of copyrighted materials and to open foreign markets closed by piracy and other market access barriers. Members of the IIPA include [Association of American Publishers \(www.publishers.org\)](#), [Entertainment Software Association \(www.theesa.com\)](#), [Independent Film & Television Alliance \(www.ifta-online.org\)](#), [Motion Picture Association of America \(www.mpa.org\)](#), and [Recording Industry Association of America \(www.riaa.com\)](#). IIPA's five member associations represent over 3,200 U.S. companies producing and distributing materials protected by copyright laws throughout the world. These include entertainment

software including interactive video games for consoles, handheld devices, personal computers and the Internet, and educational software; motion pictures, television programming, DVDs and home video and digital representations of audiovisual works; music, records, CDs, and audiocassettes; and fiction and non-fiction books, education instructional and assessment materials, and professional and scholarly journals, databases and software in all formats.

## Evaluating the Panmunjom Declaration

Posted on 08 May 2018. Tags: [diplomacy](#), [Kim Jong-un](#), [Moon Jae-In](#), [security](#)

By Taehwa Hong

For a cold-hearted dictator who killed his half-brother and uncle, Kim Jong-un looked incredibly composed and suave. The 4.27 meeting between President Moon Jae-in and Kim Jong-un was imbued with joy and relief. Despite North Korea's record of walking back on every promise it made, there are good reasons to be optimistic this time. The Panmunjom Declaration explicitly mentioned "complete denuclearization," making it clear that the end goal is denuclearization, not a roll-back or a freeze. Kim Jong-un seems to be very different from his late father Kim Jong-il, at least stylistically. He even managed to change South Korean hearts and minds; hours after the summit, South Korean media was flooded with observations that Kim appears to be "sincere and truthful." While it remains to be seen if he is politically different from his father, it is not unrealistic to hope for a generational shift in Pyongyang's politics. Most importantly, the two Koreas have embarked on a trust-building process after years of confrontation which drove the peninsula to the brink of war. Cultural exchanges, reunion of separated families, and actual demilitarization of the DMZ lower the possibility of an accidental clash by inspiring mutual trust.

However, the Panmunjom Declaration raises more question than it answers. First, what are the true implications of "ending the war"? It is not the first time the North Koreans broached the idea of a peace treaty. In fact, Pyongyang has been relentlessly pursuing a formal end to the Korean War. Most recently in 2007, President Roh Moo-hyun and Kim Jong-il agreed to replace the armistice with a permanent peace agreement. The negotiation expired after North Korea coupled the issue with the U.S.-Korea alliance. A peace treaty opens a window for Pyongyang to demand a diminished American role in the peninsula; while the agreement itself may not affect the United States Forces Korea (USFK), a U.S.-North Korea non-aggression pact—which Kim has been pushing forward along with a peace treaty—is certain to influence the nature of the alliance. In fact, Moon Chung-in, the Special Adviser for Foreign Affairs and National Security to President Moon, recently wrote on *Foreign Affairs* that "it will be difficult to justify their (U.S. troops) continuing presence in South Korea after its (Peace Treaty) adoption." U.S. Secretary of Defense James Mattis also commented that the presence of American troops in Korea will hinge on the administration's discussions with American allies and North Korea. As President Moon repeatedly assured, Kim may not explicitly demand withdrawal of all American troops from Korea. Nonetheless, it would be surprising for Kim to not seize the opportunity to touch upon issues that are domestically controversial in the South, such as the Terminal High Altitude Area Defense (THAAD) system and transfer of Wartime Operational Command. Kim could use the opportunity to decouple the U.S.-Korea alliance. Equally importantly, a formal end of the war is nothing more than a paper pigeon. Some argue that the status quo is a precarious state of war that may explode at any point—but that would be the case even with a peace treaty. Did North Korea bomb Yeonpyeong Island and sink South Korean warship Cheonan because the two Koreas are "still at war," or because of Pyongyang's internal

political dynamics? Once a peace treaty is signed, can we expect North Korea to stop testing South Korean resolve to defend itself through local aggressions? History tells us North Korea is restrained by military deterrence, not its own promises and agreements.

Second, what does the term "complete denuclearization of the peninsula" exactly mean? There are perennial concerns that the definition of "denuclearization" may differ between North Korea and U.S.-Korea allies. North Korea always insisted on using the term "Denuclearization of the Chosun (Korea) Peninsula," demanding that Seoul remove all American nuclear assets. This may be puzzling as all American tactical nuclear weapons were withdrawn from South Korea in 1991. North Korea has been essentially demanding the complete removal of any platform for the American nuclear umbrella, including American troops—the reinforcement of which entail nuclear assets—and nuclear submarines and stealth bombers that participate in joint military exercises. Previous agreements included clauses clearer than the mere "confirmation" of a common to realize a "nuclear-free Korean peninsula" through "complete denuclearization." The 1992 Joint Declaration of Denuclearization of the Korean Peninsula, while coining the controversial term "denuclearization of the peninsula," at least explicitly banned nuclear tests, production, manufacturing, possession, storage, deployment and usage. The 2005 9.19 agreement clarified North as the principal agent of denuclearization. While it remains to be seen whether Kim will abuse the term yet again to defy "unfair, unilateral denuclearization," the clause surely offered him such leeway. If the Blue House was so confident that Pyongyang's denuclearization drive is unprecedentedly sincere, President Moon should have leveraged Kim into accepting the term "denuclearization of the North." In the same vein, Seoul put an additional burden on Trump by failing to provide even the most elementary framework for denuclearization. Granted, the nuclear issue is traditionally between Pyongyang and Washington, rather than Seoul. It would have been unrealistic to expect President Moon to announce a roadmap to denuclearization in the 4.27 summit, but declaring a tentative time frame or a platform for denuclearization would have helped his American ally. After all, he did so with the declaration of the end of war (within this year). There is simply too much ambiguity regarding the denuclearization process for Trump to work on.

Third, is the so-called Maritime Peace Zone in the West Sea a worthy project? The idea, which most likely entails the joint fishing area beneath the Northern Limit Line (NLL), also warrants scrutiny. On the surface, the agreement seems innocuous; the two Koreas will be sharing fish near the NLL, a de-facto maritime border between the North and South. Proponents claim that this plan would prevent military clashes with the North, which has historically denied the legitimacy of the line. Granted, deadly crossfires occurred near the area in the past, taking South Korean lives. However, the very definition of territorial integrity requires risking armed conflict to defend it. Furthermore, North Korea does not have commercial fishing ships; all vessels belong to the Workers Party, and its "fishermen" are often North Korean naval officers who were directed by the government to feed themselves. Therefore, the "fishing ships" are more often than not armed. The fog in the area makes it even harder to distinguish if a ship is unarmed or armed, North Korean or South Korean. The joint fishing area potentially allows North Korean naval assets to roam the West Sea without restriction. It does not matter if North Korea formally acknowledges the NLL in return; it would be still gaining de-facto control of crucial rich fishing grounds and strategic waterways that undermine the whole purpose of the line. In fact, the same idea was brought up in the 2007 high-level talks, resulting in a comic scene whereby South Korean representatives desperately blocked the map of the agreed fishing area from being presented in a room

full of reporters. When finally revealed to the press, the agreement faced severe political backlash in South Korea. It is unclear how President Moon will maneuver this potential political landmine.

Fourth, what are the true implications of inter-Korean economic cooperation? Increased economic cooperation can potentially mutate into sanction relief. The two leaders exploited a potential loophole in the United Nations Security Council sanctions that do not bar investments in North's public infrastructure by agreeing to take "practical steps towards the connections and modernization of the railways and roads," but the project would still require UN approval and have to be non-revenue generating for North Korea. It is also concerning there are already talks of reopening the Kaesong Complex, which was closed in 2016 February after North's ballistic missile test. South Korean companies are excitedly preparing to rush back to the complex, which, while open, annually provided over \$100 million to the North Korean regime. It is therefore concerning that Kaesong will be hosting a joint liaison office, which are usually situated in capital cities. North Korea's traditional trade partners such as China and Russia do not need an official sanction relief to find an excuse for resuming trade with Pyongyang. Given Beijing's latent concern of being bypassed in the denuclearization and peace process, Xi Jinping will be tempted to prolong the negotiation by offering Kim financial package as an insurance in case negotiation fails, which will undermine Kim's incentive to denuclearize.

The Panmunjom Declaration's focus was largely on inter-Korean cooperation rather than denuclearization. Much more specific details were provided for the inter-Korean cooperation projects, while virtually none was provided on the denuclearization front. Leading up to the summit, the Blue House's policy line was "denuclearization first, peace later" to maximize pressure on Pyongyang. The summit could send a wrong signal that the priority has been reversed. The distorted frame of peace makes denuclearization look like a mere component of the peace process rather than a separate agenda by itself; the one and only mention of denuclearization belongs to a last subset of the last clause, the overarching theme of which is establishing a permanent peace. The peace process has traditionally been the U.S.-Korea alliance's capstone leverage for the grand bargain: denuclearization in return for diplomatic normalization and permanent peace. Seoul might have just given up crucial leverage to finally ending the cycle of denuclearization talks.

In essence, the geopolitics surrounding the peninsula has not changed. North Korean nuclear weapons continue to pose a grave security threat to the region. Kodak moments are good, but we need more substantial results. South Korea and the U.S. need to calibrate the denuclearization process and peace process so that the incongruent timeline does not become a source of tension between the allies. Seoul need to repel Kim Jong-un's trap of "Korean solidarity against external forces." So far, President Moon and President Trump demonstrated extraordinary dexterity in coercing and persuading Kim to engage in dialogue. It is worthwhile continuing administrative contacts with the North Koreans, but their extent should hinge on the U.S.-North talks. The outpouring of jubilation, while completely understandable, should be restrained by objective interpretation of Kim's calculus. Our attention should be on Kim's cold calculation, not his cold Pyongyang noodle.

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# The Lessons North Korea Will Likely Take from the U.S. Withdrawal from the Iran Nuclear Deal

Posted on 09 May 2018. Tags: [diplomacy](#), [iran](#), [Middle East](#)

By Troy Stangarone

As President Donald Trump announced that he was withdrawing the United States from the Iran nuclear deal and reimposing sanctions on Iran, in perhaps surreal fashion he also announced that U.S. Secretary of State Mike Pompeo would be landing in North Korea in about an hour to discuss the final details for the summit meeting with North Korean leader Kim Jong-un on North Korean denuclearization. Even if unintentionally, President Trump's comments had the result of linking the two agreements and how the issue of the withdrawal from the Iran nuclear agreement may impact the prospects for reaching an agreement with North Korea on denuclearization.

Shortly afterwards, National Security Advisor John Bolton tried to draw these connections. He said that the withdrawal from the Iran deal was also designed to send a signal to North Korea that the United States wants a real deal on denuclearization, he added that "Another aspect of the withdrawal that was announced today (Tuesday), is to establish positions of strength for the United States.. (with) implications not simply for Iran but for the forthcoming meeting with Kim Jong Un of North Korea; it sends a very clear signal that the United States will not accept an inadequate deal." Of course, reaching a real deal goes two ways and North Korea will likely take lessons from the U.S. decision to withdraw from the Iran deal.

North Korea studies the United States intensely and will likely want to avoid the challenges the Iran deal faced, as well as the shortcomings of its own prior experiences with the United States. While there are significant reasons that withdrawing from the Iran agreement could make reaching a deal with North Korea more difficult rather than provide the United States with leverage, there are also distinct lessons that North Korea may take from the U.S. withdrawal from the Iran nuclear deal beyond whether an agreement with the United States can be depended on.

When the Iran deal was completed there were bi-partisan concerns over whether the agreement sufficiently addressed Iran's nuclear program and other issues. Democratic Vice Presidential nominee Tim Kaine was a co-author of the bi-partisan Iran Nuclear Agreement Review Act and pushed to extend sanctions on Iran. North Korea may find the process put forward in the Iran Nuclear Review Act as a stumbling block that it will want to avoid. The Act required the president to certify every 90 days that Iran was in compliance with the Joint Comprehensive Plan of Action (JCPOA). Avoiding a similar North Korea Nuclear Review Act and the potential for a continuous need to have the agreement certified will likely be a North Korean objective in light of the certification processing having served as a means for critics of the agreement to bring it to an end.

However, that does not necessarily mean that North Korea will not want Congressional involvement. Another failing of the Iran nuclear deal was that there was no real Congressional buy-in. As Assistant Secretary of Legislative Affairs at the Department of State wrote to then Congressman Mike Pompeo in 2015, the JCPOA is "not a or an executive agreement, and is not a signed document." There is also the

lesson from the Agreed Framework in the 1990s when North Korea became frustrated over delays in promised heavy fuel oil shipments and Congress' reluctance to provide funding for the construction of light water reactors. We should expect North Korea to want more Congressional buy-in to avoid difficulties with U.S. follow through and for any agreement to be more difficult to discard, perhaps as formal treaty to prevent a future president from withdrawing from the deal.

While the JCPOA was not designed to address Iran's actions in the Middle East or its ballistic missile tests, the narrower scope of the agreement should also demonstrate the need for North Korea to reach a more comprehensive agreement with the United States so disputes on issues other than its nuclear weapons and ballistic missile programs do not undermine support for the core agreement. We are already seeing this in commentary to address North Korea's chemical and biological weapons, but there will be some issues, such U.S. sanctions on human rights, which the talks may be unlikely to address.

Lastly, both the Agreed Framework and the JCPOA were reached with Democratic administrations and ultimately overturned by Republican administrations. With a general post-Cold War trend of Democrats preferring multilateral solutions and a Republican preference for bilateral agreements, any agreement reached with a Republican president is more likely to remain in place should there be a future Democratic president, additionally incentivizing North Korea to reach a deal with the current Trump administration.

As Americans go into talks with North Korea, they should be prepared for the North Koreans to seek stronger assurances for the longevity of any agreement than existed with the Iran agreement. If that is the case, North Korea could push U.S. negotiators in three areas: (1) to eliminate the prospect of the relatively frequent reviews that Iran faced; (2) that there be Congressional buy-in to sustain any agreement; and (3) that any agreement should be as comprehensive as possible. Without addressing these areas, it may be more difficult to reach a lasting deal.

*Troy Stangarone is the Senior Director for Congressional Affairs and Trade at the Korea Economic Institute of America. The views expressed here are the author's alone.*

## American Citizens Detained in North Korea and their Potential Impact on U.S. Policy

Posted on 09 May 2018. Tags: diplomacy, Human Rights

**By Robert R. King**

In a 8:30 AM tweet this morning, President Trump announced, "I am pleased to inform you that Secretary of State Mike Pompeo is in the air and on his way back from North Korea with the 3 wonderful gentlemen that everyone is looking so forward to meeting. They seem to be in good health." The President will meet the flight with the Secretary of State and the returning Americans at Joint Base Andrews when it lands.

Secretary of State Pompeo was in Pyongyang to complete final preliminary discussions with the North Koreans before the soon-to-be-announced high-level meeting between North Korean leader Kim Jong-un and President Trump.

The three returning Americans are Kim Dong Chul, who has been incarcerated by the DPRK since October 2015; Kim Sang-duk (Tony Kim), who has been held since April 21, 2017; and Kim Hak-song, who has been imprisoned since May 7, 2017. All three are Korean Americans.

Kim Dong Chul is a naturalized American who (according to the *New York Times*) lived for a time in Fairfax, Virginia, but who more recently managed a trading and hotel services firm in Rason, a special economic zone to encourage foreign economic activities on the northeast coast of North Korea near the border with Russia and China. In April 2016, six months after his arrest in the North, he was sentenced to ten years in prison for espionage against the DPRK and for seeking to spread religious ideas.

Kim Sang-duk (also known as Tony Kim) and Kim Hak-song were both associated with PUST (the Pyongyang University of Science and Technology located in Pyongyang), although both men were also involved in activities in the DPRK that were unrelated to their teaching at PUST. The University has emphasized that none of the illegal activities for which these men were detained are related to their teaching at PUST.

Privately funded, PUST is an independent college of higher education located in Pyongyang. It is largely funded with contributions from the Americans, individuals in the Korean ethnic areas of China, and some aid from South Korean citizens when it is legal for them to contribute. The teaching faculty is largely trained in the United States, South Korea, and Europe, and courses seek to introduce North Korean students to internationally accepted ideas and concepts. The language of instruction is English, which is an important plus for the North Koreans, and there are good programs in business and health care. The faculty is heavily drawn from ethnic Koreans who have taught in the U.S., ethnic Korean areas of China, and South Korea, but there are also many non-Korean Americans and citizens from a number of European countries.

The North Koreans are eager to get western business and medical training, and they are interested in the English language training. DPRK leaders, however, are anxious to make certain that students are not ideologically tainted. There is a North Korean President of PUST who is responsible for maintaining ideological purity, and students that attend are carefully selected by the DPRK and must meet frequently for self-criticism sessions to reinforce ideological orthodoxy. Students who are selected by the North to attend PUST are from the country's elite, and most have gone on to important positions in the DPRK economy and government.

Kim Sang-duk (Tony Kim) is an accountant who taught accounting and financial management at PUST and also at a sister institution in Yenji, China, an ethnic Korean area across the North Korean border in China. In addition to his teaching, Tony Kim was also involved in humanitarian efforts for orphans in North Korea. He frequently traveled in and out of North Korea for his teaching. Just over a year ago, Kim was detained at the Pyongyang airport as he was preparing to leave the country, and he has been held by the North until his release today. He had not yet been put on trial.

Kim Hak-song is an agricultural specialist and taught agriculture courses at PUST. He was apparently born in the ethnic Korean area of northeast China, but he later immigrated to the United States, became an American citizen, and later returned to northeast China when he was involved with PUST. Kim Hak-song was arrested about two weeks after Tony Kim, and he has also not been put on trial.

The three American citizens returning from Pyongyang today are just the latest in a long line of American citizens to be detained over the last decade. Wikipedia lists 14 Americans detained by the North Koreans since Euna Lee and Lisa Ling were detained March 17, 2009. That does not necessarily include all Americans detained during that period because privacy laws prohibit U.S. Government officials from releasing information on individuals who may be detained without first getting a signed privacy waiver from each detained individual. If family members do not reach out to the media or if information is not released by the North Koreans, information about detained Americans does not necessarily become public. The Wikipedia list of Americans detained in North Korea is a good list, and the references and links to related media reports is helpful.

Beginning with the detention of Euna Lee and Lisa Ling in March 2009, holding American citizens has become a frequent irritant in America's relationship with North Korea. In the case of Japanese abductees, the North Koreans from the mid-1970s to the mid-1980s kidnapped Japanese citizens in Japan and abducted them against their will to North Korea. The American citizens held by North Korea have largely been Americans traveling in the North who have been arrested and detained, in most cases as they have routinely attempted to leave the country. There are a few cases of Americans illegally entering the DPRK, but there are no proven cases of Americans being abducted.

In most cases, also, the North Koreans feel that they have a justification for detaining the Americans. Their actions are not something that we in the United States or in most other countries would find serious. For example, leaving behind a copy of the Bible in a bar, is not something that would provoke police action in most places, but in the DPRK an American was held for that. Another American was detained for over two years for bringing material on a computer drive that might involve spreading Christianity. North Korean leaders are anxious to stop the spread of what they might consider hostile propaganda including religion. In most other countries of the world this would simply be considered free speech.

Over the last decade, the North Koreans have both opened their borders to greater contact with Americans and people of other nationalities, but at the same time they have become more meticulous about cracking down on those that carry out activities they consider hostile, but which would hardly be noticed elsewhere. The arrest of American citizens, which are usually given noteworthy domestic publicity are also intended to warn DPRK citizens of the dangers and risks of dealing with foreigners who may wish to talk or otherwise engage them. They also give publicity to arrested Americans to give credence to the narrative that hostile foreign powers are constantly seeking to undermine the Kim regime, and hence there is a need for vigilance and tough action by the security forces.

The DPRK has also found it useful to have Americans in custody as a way to put pressure on the United States and get periodic acknowledgement of North Korean sovereignty. The release of Euna Lee and Laura Ling was arranged only when former U.S. President Bill Clinton (whose wife was then U.S. Secretary of State) agreed to go to Pyongyang to meet with leader Kim Jong-il. The somber, unsmiling photo of the former American President meeting with leader Kim in 2009 was the price for the release of the two journalists. A visit by former President Jimmy Carter in August 2010 resulted in the release of Aijalon Gomes. When I was serving as Special Envoy for North Korea Human Rights, I was in Pyongyang in May 2011 to negotiate with the North Korean officials about possible humanitarian assistance for the North, and when I left the country, I was allowed to take with me U.S. Citizen Eddie

Jun. A visit to Pyongyang by Director of National Intelligence James Clapper in November 2014 resulted in the release of Kenneth Bae and Matthew Miller.

A number of other Americans detained for various reasons were permitted to leave without a senior American official appearing in Pyongyang. In those cases, the individuals had not received the high-level of press attention to assure appropriate publicity for the North or in some cases the individuals were elderly or had other health problems, and the regime has sought to avoid having an American die in their custody.

The case of Otto Warmbier was certainly the most tragic detainee case. He died shortly after returning home to his family in Ohio in a condition medical officials in Cincinnati called "unresponsive wakefulness." When he was returned to the U.S., North Korean officials said he had been in a coma for the previous 14 months, though there was no attempt to explain why American officials or Swedish Embassy officials in Pyongyang (who deal with American citizen issues for the U.S. in North Korea) had not been told about his condition until a few days before he was returned. His parents have filed a legal case against North Korea for torturing their son, though American medical officials who examined him after his return to the U.S. did not cite medical evidence of brutality. The reaction to Otto Warmbier's tragic death was a ban by the United States government on most travel by American citizens to North Korea, largely in order to avoid Americans being detained and harmed.

One of the greatest problems of North Korea's detaining American citizens is the ability it provides the North to put pressure on Washington. Protection of American citizens abroad is one of the highest and most important priorities of the United States Government and the Department of State. Yet when Americans abroad do foolish things or get themselves arrested, the ability of American officials to help is severely limited, particularly when dealing with hostile governments. In the case of North Korea, these detentions involve naiveté on the part of some American travelers, but also a certain element of manipulation by the DPRK government, which has shown itself willing to take any action to further its hostile aims.

Antagonistic regimes, such as North Korea, are willing to use detained American citizens as leverage to press for actions that are not in America's best interest. We welcome the release of these American citizens by Pyongyang. At the same time, U.S. policy should not be held hostage by Americans who are held hostage by a hostile regime. We need to recognize that release of detained American citizens is a very important goal, but we need to be cautious about the price we are willing to pay in terms of American policy. We should not make concessions to a foreign government that finally releases Americans who should not have been held in the first place.

*Robert R. King is a Non-Resident Fellow at the Korea Economic Institute of America. He is former U.S. Special Envoy for North Korea Human Rights. The views expressed here are his own.*

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## Building Trust: Science Diplomacy with North Korea

Posted on 14 May 2018. Tags: diplomacy, science

By Olga Krasnyak

The hostility and mutual threats seen over the last year on the Korean peninsula have subsided recently and been replaced with peaceful interpersonal communications between state level leaders, policymakers, and lower levels of engagement between regional and major powers. Since the PeongChang Olympics, this shift has evolved into summit diplomacy. The Xi-Kim and Kim-Moon meetings have already been perceived as historical or at least crucial in reshaping regional geopolitics and easing tensions on the peninsula. Even though the real socio-political outcome of these summits has yet to be evaluated precisely, as well as the results of the upcoming the Trump-Kim meeting, one thing is clear — face-to-face diplomacy, building personal trust, and proving trustworthiness — are key components in normalizing inter-state relations. Whilst face-to-face interaction allows state leaders to better understand each other intentions, they can also be used to deepen and broaden contacts between states and nations.

North Korea's sensibility to its security dilemma, however, means that continuing a direct line of diplomatic communication on a state level is a fundamentally important part of any strategy. While lifting sanctions on North Korea is unlikely to happen any time soon, the most important step will be determining the economic and social cooperation that can be conducted while sanctions are still in place. While North Korea is sanctioned it will not be able to maintain economic cooperation, but science diplomacy should be considered a viable alternative and an effective tool for engaging Pyongyang.

I argue that a strategy for developing healthy and effective relations with North Korea should include (1) using science diplomacy, (2) acknowledging the idea that the intensification of interpersonal engagements of state leaders paves the way in building the trust that ultimately leads to (3) opening channels for wider scientific cooperation with a country internationally.

**First**, science diplomacy, and related to that educational diplomacy, is a strong candidate to be implemented into a state's foreign policy towards North Korea. With North Korea, science diplomacy might have limitations and will mostly be focused on educational elites, rather than various people-to-people interactions. For instance, during earlier decades, North Korea sent science interns, mostly physicists and engineers, to study in Soviet Union/Russia. North Korea's current nuclear advancement is the result of this educational diplomatic strategy, though, something which any new effort at science diplomacy would need to avoid. Moreover, considering the fact that North Korea's science organization and the functioning of state institutions is similar to the then-Soviet system, the top-down perspective of engagement seems reasonable and practically possible. Academic elites with access to the political system and diplomatic negotiations, are the social group best placed to carry on cooperation with intentional colleagues.

The broad involvement of the North Korean people is less likely to be possible now due to decades of isolation, and the ideological and cultural gulf that has developed with advanced countries. However, this isolation was not complete and contacts with the outside world (see aforementioned educational and scientific contacts with Russia) have been taking place regularly, however, mass people-to-people interactions should not be expected soon.

North Korea's scientific advancement or, at least, compatibility in some academic fields to world science should be taken into account in developing a strategy. Science diplomacy is also an ideal means to engage with a country as it points out the country's best scientific and technological achievements and underlines potential for future cooperation on the international and regional level.

There are a few joint projects in which science diplomacy has proved effective. For example, a collaboration between Western and North Korean scientists in observing Mount Paektu's volcanic activity. This collaboration proceeded under American and British diplomatic support and supervision from the American Association for the Advancement of Science in Washington, DC and the Royal Society in London. Another involving, Élisabeth Chabano, a distinguished French archaeologist, is the only foreign archaeologist to work in North Korea studying the historical sites of Kaesong (in French). This long-term scientific project is one of the assets of French scientific and cultural diplomacy, and is supervised by the French School of the Far East. It has resulted in not only academic papers, but also a joint archaeological exhibition in Pyongyang in 2014 (in French).

Other collaborations include a project with a Dutch team on genetic engineering and a partnership with chemists in the United Kingdom. The number of academic papers jointly published by North Korean scientists with international co-authors is rare and accommodates fewer than a hundred each year, but the number is rising. Although, there are diplomatic restrictions to be applied if scientific cooperation contributes to nuclear or military-related activities.

**Second**, the ways in which scientific cooperation and future engagement might effectively proceed can be based on and relied upon interpersonal interactions of state leaders. In their recent books Marcus Holmes and Nicholas Wheeler explore the essence of face-to-face diplomacy in building trust between state leaders and the impact of such interactions on a process of (re)building peaceful and healthy inter-state relations

In acquiring trust, science diplomacy might work well, as a sophisticated and knowledge-based tool to be implemented into a state's foreign policy. In the Cold War, personal connection and trust between Nixon and Brezhnev allowed the U.S. and the USSR to cooperate actively in scientific projects in outer space exploration and vaccine diplomacy. The mutual trust, peaceful intentions and actual scientific cooperation that resulted played well towards normalization relations and détente between the two superpowers which also contributed to maintaining the global order. There is a clear advantage to building up interpersonal trust, and the current round of summits over the Korean peninsula presents a unique opportunity.

Kim Jong-un's high responsiveness to face-to-face diplomacy is a mechanism for retaining inter-state relations. When a country as controversial as North Korea is trying to integrate into international community, the results and expectations of the interactions need to remain positive. Put differently, if a country feels alienation and its leader is dismissed as 'misbehaved,' it will more likely lead to a country taking aggressive actions, as has happened with Putin's Russia. If no one expects an authoritarian leader to behave well and follow the rules-based order, that leader will continue to refrain from meeting any international obligations. Acknowledging Kim's accountability, even giving him credit and trust when it is earned, is a better way to normalize relations than the other way around.

**Third**, it might be that Kim's intentions were meant to not only to stabilize the relationship with China and South Korea, but reassure the international community (read the U.S.) about North Korea's trustworthiness and its peaceful intentions. In this case, visibility and transparency in overcoming diplomatic hurdles, intensifying diplomatic negotiations, and opening channels for cooperation and putting weight on scientific cooperation is a must. Without widening the channels for scientific cooperation, as well as for educational and cultural exchanges, Kim's rhetoric of denuclearization might remain just a rhetoric to lift economic sanctions and decrease the threat of pre-emptive strikes. If real

progress is not made, the inter-Korean summit will be remembered as highly symbolic, but merely a cosmetic diplomatic effort.

To wrap up, adopting a sophisticated long-term strategy of science diplomacy towards North Korea, intensifying face-to-face diplomacy with Kim to build interpersonal trust and prove mutual trustworthiness and political capability, suggesting and opening more channels for scientific cooperation, including cultural and educational exchanges with North Korean citizens, are the building blocks to engage wisely with the country formerly known as the Hermit Kingdom.

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## Young Koreans Are More Hopeful About the Economy Despite Challenges

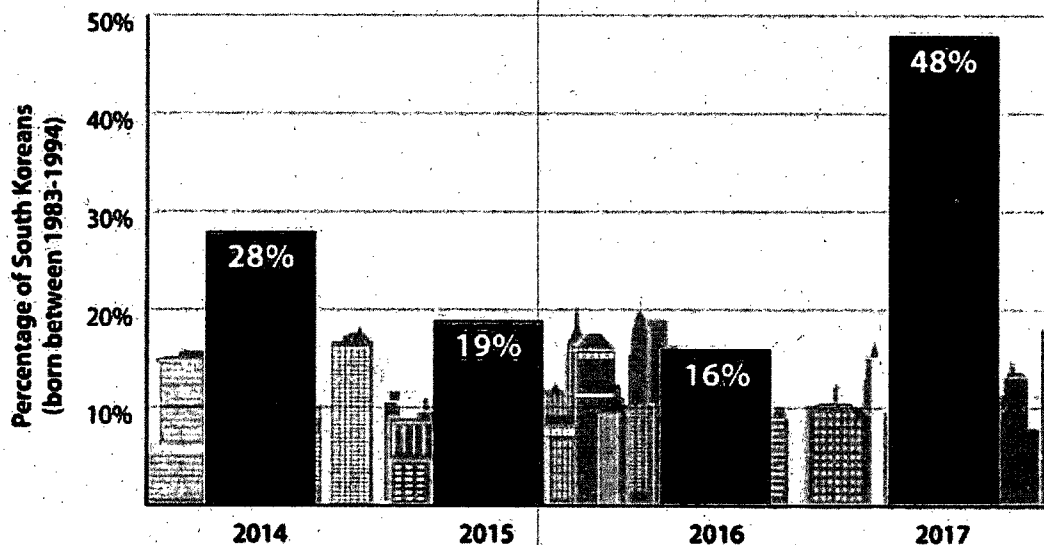
Posted on 15 May 2018. Tags: [economics](#), [polling data](#)

**By Jenna Gibson**

For the first time in years, young South Koreans are optimistic about their country's economy – even though major economic issues have not gone away. In a new poll from Deloitte that asked regularly employed South Koreans born between 1983 and 1994 what they thought of their country's economic outlook for this year, 48 percent responded positively. This is a huge jump from the same poll last year, when only 13 percent held positive views of Korea's growth potential.

### South Korean Millennial Outlook on National Economy

Number of South Korean millennials who think the national economy will improve this year



KOREA ECONOMIC INSTITUTE  
OF AMERICA

SOURCE: TOWERS PERRIN

The economic outlook for young Koreans has been grim for the past few years, with youth unemployment continuing to climb. Under a new expanded definition that includes certain types of underemployment, Korea's youth unemployment rate reached a staggering 24 percent. At the same time, South Korea's overall economic growth is steady at around 3 percent, a rate that is expected to be maintained or increase slightly in 2018.

Despite this, young South Koreans are bullish on Korea's growth in 2018. One of the main reasons is President Moon Jae-in, who was swept into office on a wave of populism bolstered by the grassroots democratic movement that removed President Park Geun-hye from office. And the juxtaposition between Park and Moon could not be more stark – she represented everything many young Koreans see as wrong with what they call Hell Chosun, from her reliance on old money and entrenched networks of the ultra-rich to her distant and aloof manner. Moon on the other hand makes connecting with the people a priority, from eating in the cafeteria to taking actual questions from journalists during a marathon press conference.

In terms of his economic goals, President Moon laid out his goals in a recent statement, saying, "We still have a long way to go...there seems to be little change in the everyday lives of the people...When I finish my term, I hope to hear people saying, 'Much has changed, my life has become better.'"

But while President Moon and his policies overall are incredibly popular, his economic scorecard is more mixed. Recent Gallup Korea polling shows that while approval of Moon's diplomatic and North Korea policies are at 74 and 83 percent respectively, only 47 percent of South Koreans approve of the way he's

handling the economy. This could be because while Moon has laid out a slew of ambitious policies, from cracking down on conglomerates to reducing the maximum number of hours workers can clock in per week, many of these plans will take years to show dividends, and some may cause unintended consequences in the meantime.

Take one of Moon's major economic initiatives, a minimum wage hike, for example. His administration increased the country's minimum wage from 6,470 won per hour in 2017 to 7,530 in 2018, aiming to reach 10,000 by 2020. But while this addresses some of the Korean public's major concerns about growing income inequality, some fear it will also put a damper on hiring. In fact, statistics show there are already job losses, particularly among small and medium-sized businesses.

In addition, one of the major limitations of the Deloitte survey is that it only polls young South Koreans who are regularly employed. As researchers have pointed out, one of the main issues holding young Koreans (especially women and those from economically disadvantaged backgrounds) back is the dichotomy between those with regular work and those who are stuck in a cycle of temporary and contract positions. So while this study is certainly instructive in terms of highlighting the huge jump in those who have a positive outlook of the South Korean economy, it would be interesting to see if young South Koreans who are un- or under-employed share the same optimism.

Moon seems to really get the issues that plague young Koreans – or at least he tries to. His policies may not be the silver bullet that launches a new wave of economic growth, but for the first time in years, Koreans feel like they have a president who is at least listening to their issues and trying to find a way to fix them.

*Jenna Gibson is the Director of Communications at the Korea Economic Institute of America. The views expressed here are the author's alone.*

*Photo from LG 전자's photostream on flickr Creative Commons.*

## Life in Plastic, Not So Fantastic

Posted on 18 May 2018. Tags: [environment](#) [trade](#)

**By Jenna Gibson**

After a sudden Chinese ban on waste and recycling imports threw countries around the world for a loop, the South Korean government is now scrambling to cut down on the amount of plastic waste that the country generates.

Last fall, Beijing shocked the world when it announced that it would no longer accept imports of certain types of waste, including several types of plastic and mixed paper, which countries around the world commonly sell to China for reprocessing. The Chinese government then doubled down this spring, adding 24 more categories to the list of banned waste imports. For years, nearly half of the world's waste has been sold to China, but the government is now trying to cut down on their environmental footprint by accepting only higher-quality recyclables.

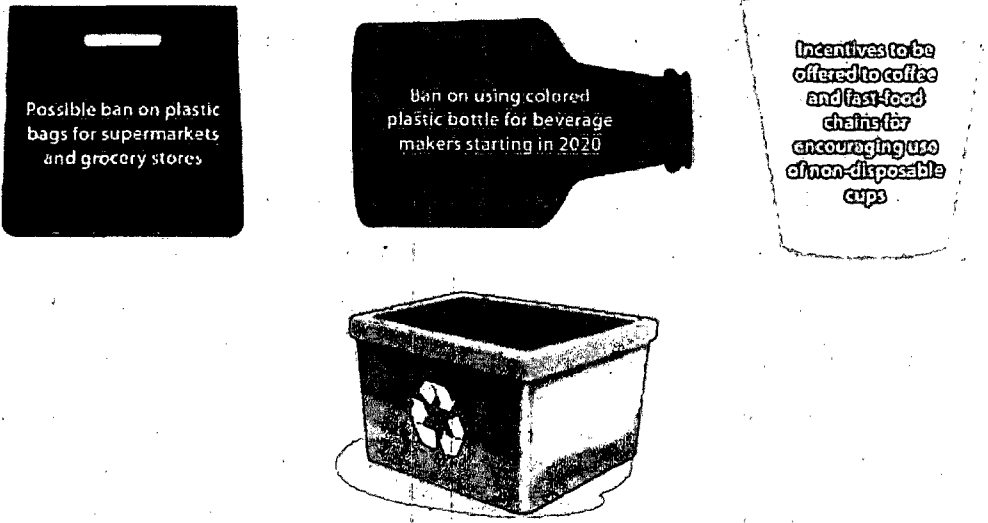
The announcement a few weeks ago sparked panic in South Korea, which is among the countries that sends large amounts of waste to China. The crisis reached a boiling point in early April when local waste collection companies stopped accepting certain types of plastic waste, claiming they could no longer sell

those materials for a profit under the new ban. According to the JoongAng Ilbo, "It caused chaos in many residential apartment complexes, where loads of plastic waste were stacked up and left uncollected for days."

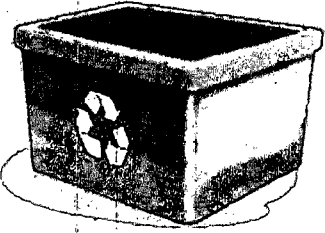
To cope with this major disruption in the global waste trade, the South Korean government has been forced to take drastic measures. They plan to completely ban grocery and convenience stores from offering plastic bags by the end of this year, and will incentivize coffee shops and fast food franchises to offer more reusable cups for customers who are dining in. In addition, beverage companies will have to phase out colored plastic bottles by 2020, using only clear plastic that is easier and cheaper to recycle. The government's ultimate goal is to cut Korea's plastic waste in half by 2030, and increase the recycling rate from 34 to 70 percent.

## Reducing Plastic Waste in South Korea

On May 12, the South Korean Ministry of Environment unveiled new proposals to cut down on plastic waste



- Possible ban on plastic bags for supermarkets and grocery stores
- Ban on using colored plastic bottle for beverage makers starting in 2020
- Incentives to be offered to coffee and fast-food chains for encouraging use of non-disposable cups



KEI KOREA ECONOMIC INSTITUTE OF AMERICA

Source: Yonhap News

Other countries have imposed their own policies to deal with the Chinese ban – in the UK, for example, which used to send almost all of its recycled plastic to China and Hong Kong, has cut prices to sell their waste to countries like India, Indonesia, Vietnam, Germany and the Netherlands, and the government is discussing whether to add a tax on some plastic items. The EU has encouraged its members to ban single-use plastic items such as straws by 2030 – and some local governments, such as the city of Glasgow, went ahead and banned those products in municipal buildings effective immediately. Across the pond, Seattle just passed a similar ban which will take effect this summer.

This waste crisis has already disrupted the lives of the Korean population, and the government's crackdown on plastic will likely take some getting used to. But often it takes a crisis like this to spur

important and necessary change. So while Korea's residents will likely need some time to get used to the new plastic laws, in the end the country will be better for it.

*Jenna Gibson is the Director of Communications at the Korea Economic Institute of America. The views expressed here are the author's alone.*

*Photo from European Parliament's photostream on flickr Creative Commons.*

## Is Beijing Beginning to Ease the THAAD Boycott?

Posted on 23 May 2018. Tags: [china](#), [military affairs](#), [sanctions](#), [trade](#)

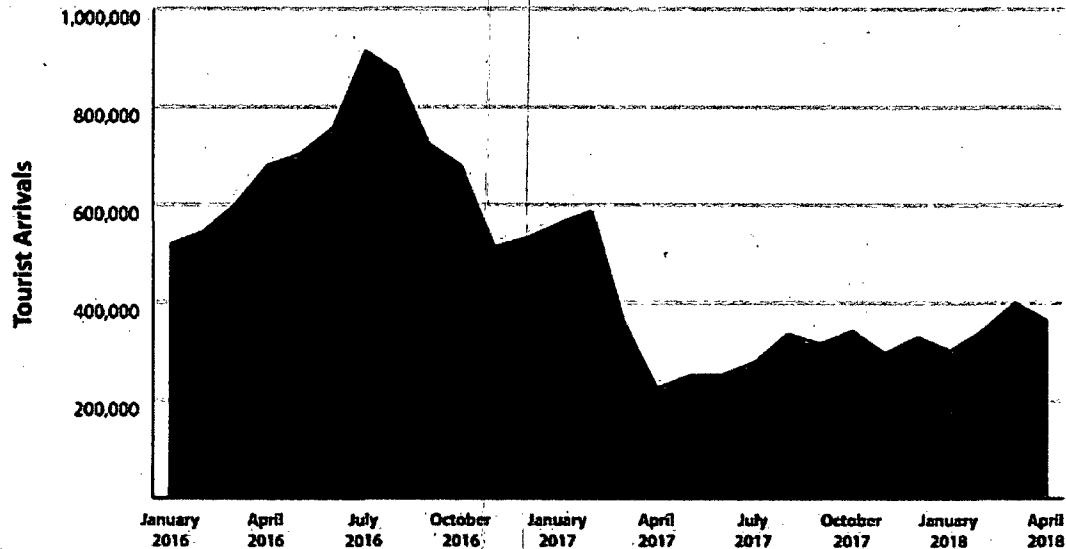
**By Jenna Gibson**

The number of Chinese tourists arriving in South Korea in March and April has increased year-on-year for the first time since February 2017. Is this a sign of a return to normal economic relations between South Korea and China?

Korean companies have been enduring a Chinese boycott of their products and services for two years now, fueled by Beijing's anger over the Terminal High Altitude Aerial Defense (THAAD) missile defense system. The tourism industry was among the hardest hit, with the number of Chinese visitors to Korea dropping off a cliff last March. The numbers ended up decreasing as much as 70 percent year-on-year last summer.

The March numbers represent a small increase, reaching just above 400,000 when nearly 600,000 Chinese visitors used to arrive every month prior to the THAAD spat. The numbers declined in April to 366,600, but that is up from 277,800 Chinese tourists year-on-year and higher than every month since the boycott began other than the high in March. The fact that there is an increase at all after a full year of decreases is meaningful. The Chinese government was able to carefully control the number of tourists choosing to visit Korea last year to the point that in just a month, the number of visitors went from increasing 8 percent year-on-year in February, to decreasing 40 percent in March. So it would be naïve to think that this new increase, however small, didn't involve the explicit or implicit permission of the government in Beijing. So while it is certainly too soon to declare a complete cease-fire in the THAAD row, signs are looking good for a gradual recovery.

### Month-to-Month Arrivals of Chinese Tourists to South Korea



In addition to the slight increase in tourism, there have been some other isolated cases that show progress. For example, in the entertainment industry, which had been hit hard by the boycott, a South Korean and Chinese company are partnering to join their two boy bands into a new combined group, which will feature a mix of Korean and Chinese members. The group is going to promote in Korea and China, which will provide an interesting litmus test for how the Chinese market re-opens to Korean content.

Not every industry is seeing a return to some amount of normalcy, however. For Lotte, the company that was specifically targeted for selling the land that THAAD eventually occupied, the Chinese market may be permanently off-limits. Last year, after the sale was announced, Chinese regulators suddenly raised various health and fire safety violations at many Lotte Mart locations across the country. According to the Chosun Ilbo, these shutdowns and an overall boycott of Lotte Mart stores caused their sales to plummet from 1.14 trillion won in 2016 to just 263 billion won in 2017. The paper estimates that Lotte's combined losses from the spat surpass 2 trillion won.

Now, the conglomerate is throwing in the towel, selling off its assets in China and pulling out of the market completely. Clearly, even if the above cases are signs of a sincere easing of the Chinese government's sanctions regime on South Korea, the relief didn't come soon enough to keep Lotte from throwing in the towel and giving up on the Chinese market.

It is certainly too soon to tell if these promising signs in the tourism and entertainment industry represent an upward trajectory for Korean companies in China. After all, papers were running stories as

early as May last year declaring the boycott at its end, and we can now clearly see that the devastating sanctions continued for many more months, causing billions of dollars in damage for many Korean companies. And even if this is finally the turning point toward a more friendly market for Korean goods and services in China – the recovery may be further delayed simply because Korean companies have seen what happens when you incur the wrath of Beijing – and no one wants to be the next Lotte.

*Jenna Gibson is the Director of Communications at the Korea Economic Institute of America. The views expressed here are the author's alone.*

*Photo from the Republic of Korea's photostream on flickr Creative Commons.*

## Trump Cancels Summit and Tells Kim “Call Me, Maybe”

Posted on 25 May 2018. Tags: china, diplomacy, Kim Jong-un, sanctions

**By Troy Stangarone**

For the second time in less than two weeks, North Korea suggested that it might not take part in the June 12 summit with U.S. President Donald Trump. To Kim Jong-un's surprise, he won't have the opportunity to withdraw from the summit. After recently standing up U.S. officials arranging the meeting in Singapore and calling Vice President Mike Pence a “political dummy,” President Trump decided to cancel the meeting. With President Trump's decision to not attend the summit in Singapore, the prospect of denuclearizing North Korea has entered into a new era of uncertainty.

In his letter to Kim Jong-un, President Trump left the door open to meet in the future, and North Korea responded by leaving the door open as well. As the United States and North Korea try to find a way forward, there are largely three outcomes that could occur. As we've seen with President Trump's own suggestion, the summit could still take place on June 12 or shortly thereafter.

If the two sides are unable to make the summit happen in the near term, the United States could continue its policy of “maximum pressure” and pursue a summit in the medium-term. It is very well possible that the June 12 date was too ambitious for the two sides to work through the issues that need to be resolved in advance of a summit.

However, there are downsides to a later summit date. By choosing to take on China over its trade practices before reaching an agreement with North Korea over its nuclear programs, the Trump administration has lost the leverage it had over China on North Korea. While North Korea's exports to China have remained mere pocket change, its imports from China have slowly begun to increase in each of the last two months. There have already been signs the China might be loosening sanctions enforcement and Beijing may only need to moderate its enforcement of sanctions slightly to take some of the pressure off North Korea. If Beijing does so, the United States will begin to lose leverage in its talks with North Korea. Even if the United States strikes a deal with North Korea, ensuring enforcement will be more difficult if the U.S. has less influence with Beijing to tightly enforce sanctions while denuclearization is going forward.

A later summit date would also slow South Korea's efforts to implement the Panmunjom Declaration. If the United States and North Korea do not meet until the fall, it would likely push back the prospect of

concluding a peace treaty to end the Korean War this year. It would also slow South Korean efforts to engage North Korea economically as the United States would want to maintain economic pressure to keep North Korea at the denuclearization table.

The third potential outcome is the breakdown of the current process. That need not lead to military action, but would require the United States to find a way to ratchet up the pressure on North Korea. If the United States determines that Kim Jong-un is not serious about denuclearization this would be a sensible course. However, it is also complicated by U.S. trade actions against China.

However, if the United States and North Korea are able to find a way to put the process back on track, sustaining the process will be the key. With that in mind, there are a few steps each side should consider. North Korea and the United States have a tendency to make charged statements. Some restraint is necessary by both sides. When frustrations do gather, rather than publically express them, key officials should speak to smooth over any troubles. Lastly, North Korea will need to refrain from the games it has played in the past. Perhaps most importantly, they will need to come to a common definition of what they mean by denuclearization.

If Trump's decision to call of the summit had a feel of "call me, maybe," North Korea's response had its own sense of "I mean, were good if you're good." Clearly, both sides still retain an interest in talking, even if both are being coy in their statements. In the end, the date of the summit matters less than the objective of reaching an agreement to denuclearize North Korea. If the two sides can find a way to achieve that, regardless of the date, the summit will be a success.

*Troy Stangarone is the Senior Director for Congressional Affairs and Trade at the Korea Economic Institute of America. The views expressed here are the author's alone.*

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## Car Imports Do Not Harm U.S. National Security

Posted on 29 May 2018. Tags: [economics](#), [trade](#)

By Phil Eskeland

Lost in most of the media attention surrounding the upcoming summit meeting with North Korea was the announcement quietly released late on Wednesday evening from Secretary Wilbur Ross that the Department of Commerce will initiate an investigation into the national security ramification of motor vehicle imports into the United States. President Donald Trump had earlier posted a tweet promising "big news coming soon for our great American autoworkers." Tariffs could be as high as 25 percent, replicating the import duty the U.S. currently imposes on light trucks. The rationale for this action is that "economic security is national security." However, the next day, the U.S. automotive industry issued a statement concluding that vehicle imports do not pose a national security threat to the United States. Some have speculated that the launch of the investigation is a negotiating ploy by President Trump to compel Canada and Mexico to be more responsive to U.S. demands at the talks to renegotiate the North American Free Trade Agreement (NAFTA).

However, imposing tariffs based on an overly broad interpretation of national security could boomerang against U.S. interests as other nations would replicate U.S. actions to protect their economy. If economic security is national security, then almost every good and service can be subjected to higher duties, which would undermine the rules-based international trade regime that the U.S. has painstakingly built up over the past 70 years. There is already a hint that this study may foreshadow more action to come. Dan DiMicco, Chairman Emeritus of Nucor Steel, former trade adviser to the 2016 Trump campaign, and Chairman of the Board of the Coalition for a Prosperous America, recently said that the national security study on auto imports "is one of several that the White House is planning in the coming months" and other targeted sectors include semi-conductors and artificial intelligence.

The World Trade Organization (WTO) has generally let countries define for themselves national security exemptions. No case has been fully adjudicated on this matter yet, but that may change. Ironically, the U.S. Trade Representative (USTR) singled out eight countries for being too lax in using their national security exemption. The most recent U.S. National Security Strategy also expressed concern over China's policies on intellectual property and forced technology transfers under the guise of protecting China's national security. What will the U.S. government say next year?

Higher tariffs have major implications for not just for imported vehicles, but also for producers in America, including foreign transplants. According to the National Highway Transportation Safety Administration (NHTSA), there are eight car models assembled outside of the U.S. that have 50 percent or more domestic content. Would those models, such as the Honda Civic, be subject to import duties as high as 25 percent even if they are more "American" than many cars assembled in the U.S. with lower domestic content? Including automotive parts in this national security review could also disrupt valuable supply chains that have been carefully built up over the years based on market principles, not on government intrusion.

Plus, adding 25 percent to the cost of a car does not help the American consumer. Even if assembly is encouraged to move to America, the economics of pick-up trucks sales in the U.S. serves as a cautionary tale – these models have the largest profit margin because consumers are not given a full range of choices that would provide the incentive for auto manufacturers to offer the highest quality vehicle at the lowest possible price. It also takes time to build an automotive assembly plant in the U.S. – BMW boasts that it had the fastest factory start up in U.S. automotive history, but it still took 23 months to build before the first car rolled off the assembly line. What will consumers do in the interim? It also ignores the role imports play in the U.S. economy – international automobile dealers alone created 577,000 U.S. jobs with a payroll of \$32 billion in 2016.

However, missing in most of this discussion are the ramifications for U.S. allies, such as South Korea. According to the Center for Automotive Research, 22 percent of motor vehicles sold in America in 2017 originated from outside the NAFTA trading bloc (Canada and Mexico). Approximately 11 percent originated from Japan, 4 percent from Germany, 4 percent from South Korea, and 3 percent from the rest of the world, including other U.S. allies such as France, Hungary, Italy, Slovakia, Spain, and the United Kingdom. South Korea also has a free trade agreement with the U.S. in which tariffs are no longer charged by either country on passenger vehicles.

According to the Korea Automobile Manufacturers Association, even with production facilities in America, South Korea exported 845,319 units to the U.S. in 2017 – 306,935 from Hyundai; 284,070 from

Kia Motors; 131,112 from GM Korea (Chevy Spark and Chevy Trax); and 123,202 from Renault Samsung Motors (Nissan Rogue SUV). The Census Bureau calculated the total value of auto imports from Korea at \$15.7 billion in 2017, representing an average cost of \$18,613 for these vehicles, which is about half of the national average. A 25 percent tariff would raise the price of these affordable cars by an additional \$4,653 on those who can least pay for it.

Complicating this issue is that the Trump Administration recently concluded negotiations to revise the Korea-U.S. Free Trade Agreement (KORUS FTA) that affected, among other items, automotive trade. Imposing new duties as high as 25 percent on passenger cars from Korea would once again be perceived as opening up the KORUS FTA on items Korea thought were closed. Plus, if more and more goods are added to the list of items determined by the U.S. to be critical to U.S. national security, such as semiconductors, these actions would be interpreted by South Korea as, once again, moving the goals posts on trade.

The U.S. should not abuse the national security exemption in its trade law to arbitrarily slap on tariffs on imported automobiles for factitious reasons. This will only devolve into a tit-for-tat trade war that will come back to harm the U.S. economy and encumber U.S. trade negotiators in their ability to persuade other nations to abandon that practice. Lowering barriers to trade should be resolved at the negotiating table, not by a series of escalating tariffs imposed on dubious "national security" grounds outside of the norms of trade remedy laws.

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## Taking Quick Delivery for Granted in South Korea

Posted on 30 May 2018. Tags: [economics](#), [technology](#)

By Jihyun Joung

Even if you are surrounded by hundreds of people in the middle of nowhere near the vast Han River, there is no need to worry—the chicken delivery man will spot you. Widely known as the "Delivery Nation," South Koreans enjoy high speed delivery services in almost every product, you name it. You can have all sorts of food delivered from locally owned restaurants to large franchises. You can also save time going grocery shopping and conveniently have your groceries delivered to your home with few clicks, which is especially useful for single or double-income households. Recently, deliveries of grooming products such as razors, shirts, and shoes have expanded so that individuals can keep up with their overwhelming workload. If you don't speak the language or are too shy to call, you can simply download one of numerous Korean delivery Apps such as *Yogiyo* and *Baedal Minjok*. The best part of it all is that you can get all of these goods delivered within a few hours through South Korea's renowned "Rocket Delivery." With the burgeoning of mobile and online services and applications delivering a wide range of products to your doorstep, South Korea saw a record high for online purchases in March. Although the country has benefited from overall economic growth and consumer satisfaction through this expansion, there has been a failure to recognize the sufferings of the

employees, the delivery men who are coerced into working extensive hours for minimum wage to meet the ever-growing demands from consumers.

Due to the harsh working conditions of delivery men in the country, they were driven to take extreme measures. Over the past year, there have been multiple deaths of delivery men and postal workers. Either by succumbing to diseases incited by stress or by committing suicide. Evidently, the main cause of death was overworking. A 47-year-old Asan-based mailman, Gwak Hyung-gu, was found dead in April 2017. An autopsy revealed that Gwak died from arteriosclerosis, a sickness highly correlated to both physical and mental stress. Gwak had to deliver at least 1,200 letters every day, working 12 more hours than an average Korean worker. His work normally extended to the weekends, where he was refrained from spending any time with his family. Some postal workers even took their own lives, leaving behind suicide notes that accentuated their resentment towards the unbearable work schedule.

Besides these dire consequences, postmen and delivery men have expressed their frustration through protests as well. Most recently in April 2018, a shocking picture exposed hundreds of delivery boxes stranded in the parking lot of an apartment complex. This incident occurred in Dasan-dong, where delivery trucks were prohibited from entering an apartment complex due to its exclusiveness. The owners of the apartment complex claimed that these delivery trucks would place the residents, particularly the children in harm. This meant that these delivery men had to hand carry heavy packages to each and every house, which was an arduous task. Not only was this a physically laborious duty, but also unfair because their wages and working hours did not differ based on their workload. Unable and unwilling to do the absurd job required of these delivery men, the packages delivered to this particular apartment complex were often delayed or lost. Unfortunately, all complaints were directed towards them. On one side, business owners scolded them for their incompetence. On the other, the apartment residents were furious that their packages weren't delivered on time. Subsequently, they rudely demanded that postmen place the packages in a cart and deliver them to every household personally. This ridiculous request led to the aforementioned protest.

These radical examples demonstrate how quick delivery services are pushing both delivery men and postal workers to do the impossible. As the delivery services become more convenient, wide-ranged, and quick, there will be a limit to how much the employees can tolerate, especially with the consumers and business owners pressuring them even further on both sides. We should acknowledge the fact that there is so much that one person can do in a given time. Though swift delivery services are prevalent and growing in the country, people should never take this for granted.

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## Korean Trust in the Media Remains Low, Despite Recent Victories for Press Freedom

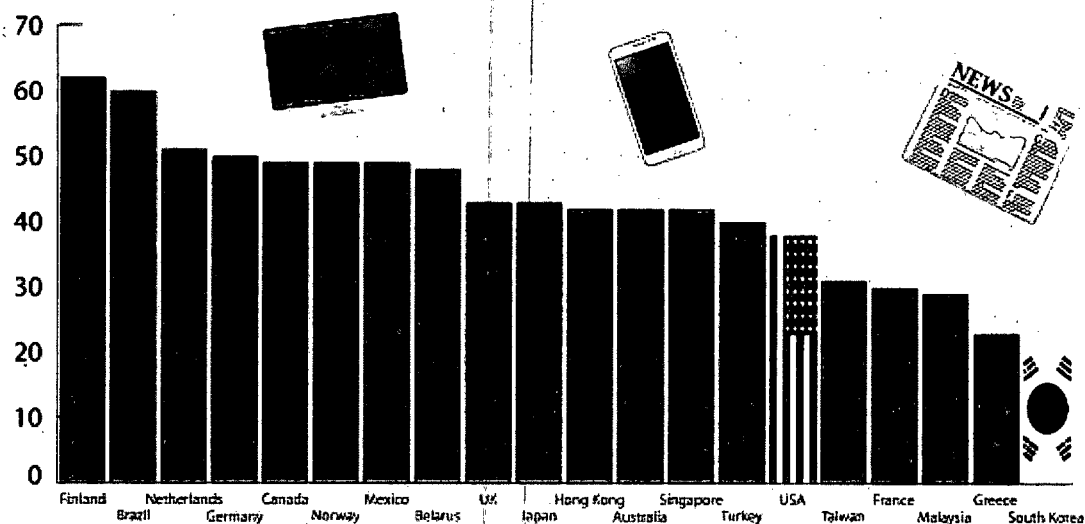
Posted on 31 May 2018. Tags: [Culture](#) [media](#) [Moon Jae-In](#) [news](#) [Park Geun-hye](#) [politics](#) [social issues](#) [South Korea](#)

By Jenna Gibson

In the United States, the rise of terms like “fake news” and “alternative facts,” as well as scandals about election manipulation through made-up news stories and biased sources have led to a spike in discussion about the inherent trustworthiness of the news media. However, when it comes to overall distrust in the news, the United States has nothing on South Korea.

According to the University of Oxford Reuters Institute’s 2017 Digital News Report, South Korea has the lowest trust in news out of the 36 countries surveyed around the world. Just 23 percent of Koreans said they trust news overall in that survey, and only 12 percent said that the news is free from political and business influence. By contrast, the United States also reported a low trust in news, just 38 percent, putting it at number 28 out of 36. The report, which has examined media consumption around the world since 2013, added Korea in 2016, and the results that year were about the same – 22 percent said they trusted the news, which was 25<sup>th</sup> out of the 26 countries surveyed (only ahead of Greece).

### Percent of respondents who say they trust the news



KEI KOREA ECONOMIC INSTITUTE OF AMERICA

Source: Reuters Institute for the Study of Journalism Digital News Report 2018

Another interesting finding in the 2017 report was that Koreans have a narrow gap between their trust of news overall (23 percent) and their trust in the news they personally consume (27 percent). In most other countries surveyed, that gap was significantly higher (38 percent vs. 53 percent in the US, for example), reflecting the fact that people presumably seek out and follow news outlets that they find particularly trustworthy. In Korea, however, the popularity of news aggregation platforms like Naver and Daum mean that people often consume the news through a third party. According to the Oxford researchers, “The small difference between overall trust and trust in the news I use, relates to the heavy use of portals, where people often don’t remember specific news brands.”

Several major scandals in the last few years have dealt major blows to Korean trust in the news media. Former President Park Geun Hye was accused of using South Korea’s strict defamation laws to silence critics in the media, causing many moderate to left-leaning publications to self-censor out of fear of

prosecution. The Park administration was also criticized for manipulating major public broadcasters KBS and MBC by appointing conservative pro-Park CEOs to both organizations. Employees of both companies have protested these appointments on and off for years, culminating in a months-long strike last fall that eventually resulted in the removal of the two leaders. After the announcement that their strike was successful, the KBS Union released a statement reading, "We have only just removed the biggest hurdle that stood in the way of KBS becoming a true broadcasting company of the people. Our goal isn't just to make KBS what it was 10 years ago, our goal is to end the broadcasting company's shameful history of servitude and submission to power. We will create a KBS that touches the lives of our citizens and reflects their opinions and ideas."

These issues are not just limited to Park Geun Hye's time, however. Earlier this year, an online blogger known as "Druking" was accused of using a computer program to "like" comments on news stories on Naver, thus artificially inflating certain comments to make sure that they were shown first in the comment section below political stories, as well as writing critical comments. Police say he used as many as 2,000 online IDs at a time to manipulate Naver comment sections. The blogger was recently indicted along with three former members of the Minjoo Party, who were also allegedly participating in online opinion rigging. Naver has since announced that they are overhauling their news portal to prevent similar issues in the future, and hope to make their process more transparent to regain the trust of the public.

In the Reporters Without Borders annual World Press Freedom Index, South Korea fell from 31<sup>st</sup> in the world in 2006 to 70<sup>th</sup> in 2016, largely on the back of these influence scandals. But in 2017 the country returned to 63<sup>rd</sup>, and then jumped 20 places to hit 43<sup>rd</sup> in 2018's report. According to the index, the media's work to expose Park's corruption, as well as President Moon's efforts to end the MBC and KBS strikes were the main reasons for this improvement.

The Moon administration has openly stated that they want to make these issues a priority. Right after his election last summer, Moon's team pledged to bring Korea back to 30<sup>th</sup> in the ranking, and listed that pledge fourth among the incoming administration's 100 policy priorities. Solving the MBC/KBS issue shows he is serious in following through on this promise. But issues remain – the structure that allows the government to appoint managers at these broadcasters are still in place, leaving open the possibility for future influence. Plus, South Korea's defamation laws allow for harsh punishments for a range of political and non-political speech, and could still be used to silence opponents of the government. By eliminating these structural issues within South Korea's free speech landscape, as well as considering whether the National Security Law which criminalizes viewing of a wide range of North Korea-related material, Moon can ensure that his commitment to free speech lasts long after he leaves the Blue House.

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*Photo by KEI Intern Minhee Lee*

# Dismantling North Korea's Nuclear Program is Also About Dismantling Its Supply Network

Posted on 04 June 2018. Tags: [diplomacy](#), [military affairs](#), [WMD](#)

By Troy Stangarone

In announcing that the June 12 summit in Singapore with Kim Jong-un is back on, President Donald Trump suggested that he was no longer looking for a process where the dismantlement of North Korea's nuclear and missile programs would happen rapidly. Instead, he conceded to North Korea's position that it should be a process, saying that "Wouldn't it be wonderful if we walked out and everything was settled all of a sudden from sitting down for a couple of hours? No, I don't see that happening. But I see over a period of time. And frankly, I said, 'Take your time.'"

With estimates that it could take upwards of 15 years to dismantle North Korea's weapons programs and facilities, a slower process may be prudent. Dismantling North Korea's nuclear program will be highly technical and tedious work. Dismantling North Korea's nuclear weapons and missile programs, however, is not only about dismantling North Korea's facilities, but also about dismantling the networks behind the programs. True complete, verifiable, and irreversible dismantlement of North Korea's nuclear and missile programs will be extremely difficult to achieve, but each step that makes the quick reconstitution of North Korea's nuclear program more difficult moves the process closer to being irreversible.

As part of any dismantlement program the United States will push for North Korea to return to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), as well as to sign onto the NPT's Additional Protocol. Under the Additional Protocol North Korea will need to provide a declaration detailing the constituent components of its nuclear program and its nuclear materials to the International Atomic Energy Agency. Even if North Korea resists signing up for the Additional Protocol, a thorough description of its nuclear programs will be necessary to verify and dismantle North Korea's nuclear program.

While a detailed declaration on the locations, facilities, processes, and materials of North Korea's nuclear program will be critical for its dismantlement, ensuring that North Korea will not be able to easily reconstitute its program in the future will require a deeper knowledge of North Korea's program. As North Korea's nuclear program has developed, Pyongyang has learned how to domestically produce some of the required components. However, as the UN Panel of Experts investigation into Unha-3 launch in December 2012 demonstrated, North Korea needs to foreign source parts as well as produce them domestically for its weapons programs. Gaining greater insight into what parts North Korea has mastered production of and which ones it still needs to source from abroad will help in monitoring the program's dismantlement and preventing relapses.

A detailed declaration on the supply networks utilized and the shell companies created to facilitate this trade would assist in dismantling North Korea's supply network. While North Korea may be reluctant to give up these sources and details on its programs, working with the international community to unravel the networks behind its programs would go a long way to demonstrating that it is serious about

dismantling its weapons programs and will be a key component if the international community is to attempt to make North Korea's dismantlement irreversible.

*Troy Stangarone is the Senior Director for Congressional Affairs and Trade at the Korea Economic Institute of America. The views expressed here are the author's alone.*

*Photo of the agreement on the application of comprehensive safeguards between the IAEA and North Korea signed on 30 January 1992. Image from the IAEA Imagebank's photostream on flickr Creative Commons.*

## Five Korean Shows that Deserve American Remakes

Posted on 05 June 2018. Tags: [Culture](#) [trade](#)

By Jenna Gibson

Although they may not know it, over the last few years, American TV watchers have seen several Korean TV shows appear on their screens. NBC's "Better Late Than Never," which follows the antics of American celebrities in their 70s and 80s as they travel around the world together, was based on the Korean show "Grandpas Over Flowers." And ABC's successful medical drama "The Good Doctor," focused on the life of a surgical resident with autism, was based on a Korean drama of the same name. Will this usher in a new wave of American versions of Korean TV programs? Here are five great Korean shows that may resonate well with an American audience.

### **1. King of Masked Singer**

Anyone who watches a lot Korean TV knows that there is no shortage of singing-related competition shows in Korea. Korea has several of the typical singing elimination programs, but it also has some singing competitions with a twist – including King of Masked Singer. The program features famous singers and other celebrities who belt out covers of popular songs – but while wearing a (ridiculous, glittery, over-the-top) mask. The idea is for a panel of guest judges to guess who the singer is – and to evaluate their voice free from any prior conceptions they may have about that person. Americans may be familiar with the program thanks to a recent viral clip of Ryan Reynolds making a surprise appearance on the show, covering "Tomorrow" from Annie while wearing a sparkly unicorn mask. With the return of American Idol and The Voice still going strong, there may be some interest among Americans for a new kind of singing program – in fact, Fox may already be developing an American version of this show, although details and timeline is unclear.

### **2. Strong Woman Do Bong Soon**

Comic book movies are taking over the box office, and people are calling for more female superheroes in the wake of "Wonder Woman." Korea may have the perfect answer with "Strong Woman Do Bong Soon." With her superhuman strength, Do Bong Soon gets a job as a bodyguard for a super-rich and super-snobby CEO, and hijinks (and sexual tension) ensue. This show (and many other romantic Korean dramas) might be particularly primed for an American run now that we've seen more Netflix-style mini-series, since its will-they-or-won't-they romance plot might get old past a dozen or so episodes.

Whether or not this show gets an American remake, you can check it out on Netflix with English subtitles under the name "Strong Girl Bong-soon."

### **3. Return of Superman**

One of Korea's most popular and long-lasting variety shows on air right now is Return of Superman, a fun reality show that follows the lives of celebrity dads as they take care of their adorable kids. Besides just showcasing the real lives of celebrity families, the show is often educational – the show will sometimes feature expert guests who show the fathers how to teach their kids about resolving conflict, not to talk to strangers, etc. One of the best parts of the show is watching the kids (and their dads) grow and learn new things. With American audiences still eating up even the most toxic of reality TV shows, this could be a nice antidote to some of that drama-filled programming.

You can watch full episodes of Return of Superman with English subtitles on KBS World's [YouTube channel](#).

### **4. Please Take Care of My Refrigerator**

If there's one type of show that can rival the number of singing programs on Korean TV, its food shows – so any list of Korean TV programs has to include something with cooking. One program that has a fun twist is "Please Take Care of My Refrigerator," which pits chefs against each other to make a great meal in just 15 minutes – using just the ingredients found in a guest's refrigerator. While each episode shows off the great cooking skills that Food Network fans love to watch, it's also more approachable than most cooking shows, since it reveals creative ways to use all the random ingredients you forgot you bought during your last trip to the grocery store. Fans of Chef Gordon Ramsay may have heard of this show – he appeared as a special competitor late last year.

You can watch this show on Netflix with English subtitles under the name "Chef & My Fridge."

### **5. Signal**

This drama can capitalize on a couple of major trends in American TV – it's a police procedural, which can be ratings gold, but with some time-travel thrown in which could capitalize on the recent resurgence of nostalgia-based programming. But, most importantly, it's good – the show ended up as one of the highest rated Korean dramas from a cable network, and won a slew of writing and acting awards. Although the show wrapped up after 16 episodes, its plot is intriguing and versatile enough that it could easily be extended into an American style show with multiple seasons.

You can watch the entire show with English subtitles on [Viki](#).

*Jenna Gibson is the Director of Communications at the Korea Economic Institute of America. The views expressed here are the author's alone.*

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## An Interview with Ambassador Joseph Yun on the U.S.-North Korea Summit

Posted on 07 June 2018. Tags: [diplomacy](#) [military affairs](#) [nuclear weapons](#) [security](#)

**KEI Communications Director Jenna Gibson, host of the KEI podcast Korean Kontext, recently interviewed Ambassador Joseph Yun, former U.S. Special Representative for North Korea Policy at the State Department.**

**The following is a partial transcript of that conversation, which has been edited for space. The rest of the episode can be found [here](#).**

**Gibson:** I want to start at the beginning, with the first meeting that will be taking place between a U.S. leader, President Trump, and North Korean leader Kim Jong-un. We saw during the inter-Korean summit, the first meeting between President Moon of South Korea and Kim went very well, it kind of captured people's imaginations even, this first greeting. So how do you expect it will go when Trump and Kim meet for the first time?

**Yun:** Like you, I thought the meeting between Kim Jong-un and President Moon of South Korea went very well. I mean, I felt that this was really the first time we saw Kim Jong-un fairly up close, as he did a press conference afterwards. And I think he came across much more human, a real person, not like a caricature Americans are used to seeing. And then of course he met twice with President Xi Jinping of China and most recently he also met with Foreign Minister Lavrov of Russia. So all that tells me is that he is pretty much ready for prime time. So in Singapore I expect the meetings to go smoothly. And also I think you saw the way President Trump greeted Kim Jong-un's special envoy Kim Yong Chol only a few days ago, that was a very warm greeting, and President Trump came out of the White House to go to the driveway, accompanied him all the way to his car, had a photo op with the North Korean delegation. So everyone's going to put on just excellent diplomatic protocol, if I may call it that.

**Gibson:** Did that surprise you, the warm welcome for Kim Yong Chol?

**Yun:** It did in some ways, but of course this is a summit which President Trump, I believe, has been wanting for a long time. Even before he became president, even during the campaign, he made it clear that these big issues – denuclearization, or normalization of relationship with North Korea, is something he wanted to do face-to-face at a summit with the other leader. So to me, it was not a big surprise that he took the arrangement that South Korea made so readily. He's been following the issue very closely for a long time. So I'm really in a bit of a disagreement with people who say he's not well prepared. I think he is adequately prepared.

**Gibson:** One thing that a lot of us particularly who are Korea policy wonks are watching closely is if and how President Trump brings up any of the related issues with North Korea. Of course the nuclear program is the big, main issue they're going to discuss, but there are of course issues with cyber capabilities, biological and chemical weapons, human rights, etc. Do you think President Trump should try to address any of these other issues at the Singapore meeting and if so, how?

**Yun:** Well I think the highest priority issue is of course denuclearization and, accompanying that issue, what North Korea wants in terms of North Korea's own security. Now, there are some of the issues like cybersecurity, but there are many other issues. What do you do about biochem weapons? What do you

do about conventional weapons? What do you do about human rights? And another example related to that is Japanese abductions. What do you do about refugee issues? Clearly if you load that all together in one agenda, that's going to be too much. So in that sense, I can completely understand why the administration would want to stick with priority issues. But I can also understand people who feel deeply, for example, about human rights, that might not get raised. And also, what does normalization or international legitimacy for North Korea look like – eventually these issues will have to be addressed in some form or another.

**Gibson:** So the summit is going to take place on June 12, next week. What do you think June 13 looks like? What are the next steps?

**Yun:** What I would like to see from the summit is the two leaders agree very broadly on things like denuclearization and security assurances for North Korea, and thereafter, have some immediate concrete steps that they can roll out. So that, I would say, would constitute credibility going forward that there is something in place. So with those immediate next steps should include a process on how to deal with step-by-step denuclearization and with step-by-step security assurances. So if we see broad agreements followed by some immediate concrete steps and a process that goes along with it, I think that certainly would meet my own test as a credible summit.

**Gibson:** For those of us who on June 12<sup>th</sup>, or late on the 11th here in the States, will be glued to the news or glued to Twitter, do you have any recommendations for things to watch out for or things you might be expecting during the summit?

**Yun:** Well certainly you should see what the outcome documents look like, I think that's very important that the two leaders agree on paper to something. What do they agree on denuclearization? Is it going further than we have gone before, not just agreeing in principle to denuclearize, but are there concrete steps? So you should look at what the immediate steps are. Similarly on the security side, you should look at: Is there a path to an end of war declaration? Is there a path to peace treaty negotiations? Is there a path to diplomatic normalization? So those are the things that I would look for.

*Photo provided by Korea Economic Institute of America.*

## What to Look for at the Trump-Kim Summit

Posted on 11 June 2018. Tags: [diplomacy](#), [Kim Jong-un](#), [nuclear weapons](#)

**By Troy Stangarone**

For the first time a sitting U.S. president will meet with the leader of North Korea when Donald Trump and Kim Jong-un meet in Singapore on June 12. While President Trump has recently described the meeting as the beginning of a process and a meet and greet, there are seven issues that will give us a good idea of how the summit went and where the process is going.

### **The Optics Will Matter**

Both Trump and Kim revel in presentation. After spending a year discussing "fire and fury" and missile strikes on Guam both will want to present an image of success. In the case of Trump, normally there would be an increased incentive to present success in the aftermath of a G7 summit where the optics were as bad as they can potentially be for a U.S. president. However, optics also depend on the

audience, and for Trump's audience walking away to demonstrate American toughness could be seen as a success rather than working towards an actual success.

In contrast, Kim Jong-un seems to have mastered the art of managing the international stage. He used a simple spontaneous gesture in his first meeting with South Korean President Moon Jae-in to help break the ice by offering to step with Moon back into North Korea briefly to offer Moon his first trip to North Korea, and their bridge walk proved successful enough that it was copied for his second meeting with Xi Jinping. One thing to look for will be does Kim try to use a little English or self-deprecating humor to disarm Trump?

The use of optics may be no stronger than if there is a statement about ending the Korean War. Both leaders want to be the historic figures that brought the Korean War to end.

Unless the summit ends in failure, look for both sides to use the imagery of a historic moment to spin a narrative, but also pay attention to how the two leaders interact with each other, what images they try to present, and how they define their talks – in Trump's case on Twitter afterwards – for how they want to the summit to be defined.

#### **The Substance Will Matter More**

If the optics will matter for presentation, the substance will tell you how the process is going. There is no expectation of every issues being settled and every detail being agreed, but the specifics will matter if the process is going to work.

When the inter-Korean summit concluded it laid out some precise objectives and timelines – specifically a timeline for the conclusion of talks on a peace treaty. Will any document give a clear definition of what denuclearization means or maintain a vague aspiration for the denuclearization of the Korean Peninsula? Will there be specific actions and timelines announced? The more specific the details and the timelines involved, the more substantive agreement there likely is between the United States and North Korea.

#### **What Was Said About Peace and Security?**

Whether it is a political declaration ending the Korean War, an agreement to negotiate a treaty ending the war, or an announcement on the security guarantees that the United States will provide North Korea, this is the part of the summit that will most interest North Korea.

Secretary of State Mike Pompeo has suggested that the United States would offer security assurances unlike those that it has offered in the past and in prior Congressional testimony had suggested that the administration wanted Congress to give its approval to any deal, unlike in the case of Iran. If the United States offered a treaty with North Korea, getting two-thirds of the Senate to vote for a treaty with North Korea without a strong deal on denuclearization from Pyongyang could be too high a bar to reach for the administration. The shape of the security assurance, therefore, could be critical to the processes ability to be successful.

One other key issue to watch on this front isn't necessarily whether there is any announcement on ending the Korea War but, rather if President Trump makes any comments on the possibility of removing any U.S. troops from the Korean Peninsula.

### **What Else Was on the Agenda?**

When the United States and North Korea release their joint statement one area to watch is whether there are any issues discussed by the two leaders other than the dismantlement of North Korea's nuclear and missile program, as well as discussions of ending the Korean War. President Trump has promised Japanese Prime Minister Abe Shinzo that he will raise the issue of North Korea's abduction of Japanese citizens. Will there be discussion of other human rights concerns related to North Korea? Will the two leaders discuss North Korea's chemical and biological weapons programs, its cyber activities, or economic reforms in North Korea?

### **What Happens to Sanctions?**

The United States position has been that sanctions will remain in place until after the dismantlement of North Korea's nuclear program has been completed. However, it seems unlikely that North Korea will agree to a phased dismantlement of its weapons programs without some sanctions relief.

North Korea may not be looking for significant sanctions relief as it will likely want to control the reopening of the economy and a rapid lifting of sanctions could be destabilizing to the regime, but it will push for some relief to take the current level of pressure off.

While the administration has indicated that it will not take the pressure off, it will be important to want for any U.S. agreement to lift some of the sanctions or suggestions that it might do so prior to the complete dismantlement of North Korea's nuclear programs.

### **What Is Said in North Korea?**

Some issues we'll only know after the summit, but will provide insight into the process. On Kim Jong-un's recent flight to Singapore, the tightly controlled North Korean state media made no attempt to hide the fact the Kim traveled to Singapore on a Chinese jet. Will North Korea be as forthcoming about the results of the summit, or will it hold details back? If there is an agreement on denuclearization and North Korea releases the same information to its public that would be a positive sign going forward.

### **How Do Other Countries Treat North Korea Afterwards?**

On the international stage, the U.S.-North Korea summit has been a boon for Kim Jong-un. After years of isolation he has already met with Moon Jae-in and Xi Jinping twice. Once he has met with Trump, will other countries begin to treat North Korea as a more normal country? We have already seen suggestions that Chinese sanctions are beginning to loosen, will the summit and the prospect of peace unravel much of what remains of the sanctions regime and relieve pressure regardless of whether the U.S. administration is willing to engage in early sanctions relief or not. While we will not know the answers to these questions right away, they could provide the answer to whether North Korea abandons its nuclear program in the end or not.

*Troy Stangarone is the Senior Director for Congressional Affairs and Trade at the Korea Economic Institute of America. The views expressed here are the author's alone.*

*Photo from Brian Evans photostoram on flickr Creative Commons.*

## **Initial Thoughts on the Trump-Kim Summit**

Posted on 12 June 2018. Tags: [diplomacy](#), [Donald Trump](#), [Kim Jong-un](#), [negotiations](#), [north korea](#), [nuclear weapons](#), [politics](#), [sanctions](#), [security](#), [Summit](#), [United States](#)

After watching the first summit meeting between President Donald Trump and Chairman Kim Jong Un, KEI staff members Troy Stangarone, Kyle Ferrier, and Jenna Gibson share some of the things that stood out to them.

The three analysts participated in a Facebook live video during the start of the summit, sharing their thoughts as the event unfolded in Singapore. You can watch the [full discussion here](#).

**Troy Stangarone:**

- What made the meeting between Donald Trump and Kim Jong-un stunning wasn't the symbolic setting of crossing the DMZ that set the tone for the inter-Korean summit, but the fact that a sitting president of the United States was meeting with the leader of North Korea. Now that Kim Jong-un has become the man of the hour he has moved from "rocket man" to "rockstar."
- At the inter-Korean summit, Kim Jong-un went off script when South Korean President Moon Jae-in asked when he could visit North Korea. With the summit kicking off with a private meeting between Trump and Kim, one wonders if Kim Jong-un surprised Trump with an offer as well.
- Now that the process has started, one of the key things to success will be whether the new process only focuses on North Korea's nuclear program or whether it tries to build a sustainable relationship by tackling cyber, chemical/biological, and the other issues that could undermine any progress made.

**Kyle Ferrier:**

- The opening of the summit clearly was more about optics and pleasantries than anything else. That there was not even a reference to any substantive issues highlights how this meeting is foremost about building a rapport between the two leaders.
- Trump's broad statements about working with Kim Jong-un seem to support his earlier statements that this is going to be a drawn out process with North Korea. This is the best alternative if a concrete agreement is not yet on the table, but the U.S. must use this meeting to at least move the ball forward on the nuclear issue in some way. The Kim family has always had time on their side, so the U.S. can't wait too long for progress, particularly as diplomatic success is really contingent upon maintaining international economic pressure on Pyongyang. If the diplomatic process goes on for too long it could lead to lax sanctions enforcement due to impatient business interests.

**Jenna Gibson:**

- Kim Jong Un has truly arrived on the world stage. After successful meetings with both President Moon Jae In and President Xi Jinping in which he was treated to the full summit experience, we just witnessed a leader of North Korea standing in front of alternating American and North Korean flags shaking hands with a U.S. President. No matter what comes out of the rest of this meeting, Kim Jong Un has already gotten a big chunk of what he came for – to be taken seriously as a world leader and the head of a nuclear state.

- I wasn't necessarily surprised by this because we saw some of this at the Inter-Korean Summits, and we know President Trump's informal style, but I was still struck by some of the friendly body language between the two, particularly the way Trump kept patting Kim on the arm. This seemed like a very friendly and almost intimate gesture, although I wonder if Trump was purposely trying to send the signal that he's at ease and not intimidated by Kim.
- The fact that Trump and Kim planned to meet behind closed doors with no one else but interpreters in the room made many analysts uneasy. But at least as far as we could tell, it didn't cause any major issues – the two emerged 40 or so minutes later still smiling. Considering that President Trump said he would walk away from the table if he didn't think he could get somewhere with Kim, we're off to a good start so far. What would be interesting (and we may never know the answer) is whether Trump raised some of the issues that could be embarrassing to Kim if raised in a more open meeting, including abductees and human rights. If he were going to raise those issues, it would have to be in that closed-door meeting.

*Troy Stangarone is KEI's senior director for congressional affairs and trade, Kyle Ferrier is the director of academic affairs and research, and Jenna Gibson is communications director. The views expressed are the authors' alone.*

## U.S.-North Korea Aspirations Waiting to Be Fulfilled

Posted on 12 June 2018. Tags: [diplomacy](#), [Kim Jong-un](#), [military affairs](#), [nuclear weapons](#)

**By Donald Manzullo**

After a year of exchanging insults and threats, the United States and North Korea have decided to work towards a different future. Much could still go wrong, and much remains to be done, but in Singapore Donald Trump and Kim Jong-un laid out an aspiration for a better relationship between the United States and North Korea.

The Singapore Statement is not the type of detailed document that we have come to expect from international diplomacy. It clocks in at a relatively brisk 394 words, a little less than this blog. It gains its detail not necessarily from new commitments from North Korea, but rather the agreement to work towards recovering POW/MIA remains from the Korean War and the reaffirmation of the Panmunjom Declaration.

If the statement is aspirational, many questions remain about the road ahead. In his press conference, President Trump indicated that Kim Jong-un understands the need for denuclearization, but will he be willing to commit to a more specific statement on denuclearization and inspections? The language in the Singapore Statement actually steps back from the language on denuclearization in the September 2005 Joint Statement from the Six Party Talks:

**2018:** Reaffirming the April 27, 2018 Panmunjom Declaration, the DPRK commits to work toward complete denuclearization of the Korean Peninsula

**2005:** The D.P.R.K. committed to abandoning all nuclear weapons and existing nuclear programs and returning, at an early date, to the Treaty on the Nonproliferation of Nuclear Weapons and to IAEA safeguards.

Prior to the 2005 statement, North Korea had withdrawn from the Treaty Nonproliferation of Nuclear Weapons, which the statement from the Six Party Talks would have required it to rejoin. In contrast, with the collapse of the Six Party Talks, North Korea has instead continued to pursue its nuclear program.

In that same press conference, President Trump also raised questions about the future of U.S. military exercises in South Korea and the rate of sanctions relief. To the surprise of many, President Trump indicated that there will be no more military exercises in South Korea. This raises questions about the future readiness of U.S. and South Korean forces, as well as the United States' ability to deter an attack from North Korea. It also boxes the United States and South Korea into a corner. If North Korea drags the process out and readiness deteriorates, the alliance faces the no-win choice. Allow readiness to continue to deteriorate or risk being accused of derailing the process by restarting what Trump himself has described as "provocative." Adding to all of this, there is no indication that North Korea will be foregoing its own military exercises.

President Trump also indicated that he is open to the idea of the eventual removal of U.S. troops from the Korean Peninsula. Couple with the decision to end military exercises, a future withdrawal of U.S. troops could be an unexpected coup for China.

On sanctions, President Trump also suggested that sanctions could come off quicker than had previously been anticipated. If the administration's position had been that sanctions would not be removed until North Korea had dismantled its nuclear program, President Trump has suggested that "the sanctions will come off when we are sure that the nukes are no longer a factor." This could be much quicker than the complete and verified dismantlement of North Korea's nuclear program, especially with countries such as China already calling for sanctions to be lifted.

Rather than a specific commitment by North Korea to dismantle its nuclear programs, we have received an aspiration to attain denuclearization at some point. It's a noble goal, but one that since the early 1990s has waited to be fulfilled. The question remains, will this time be different?

*Donald Manzullo is President and CEO of Korea Economic Institute and former Member of U.S. Congress (1993-2013). The views expressed here are the author's alone.*

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## South Korean General Elections: Outlook for the Seoul, Gyeonggi Province, and South Gyeongsang Province Elections

Posted on 12 June 2018. Tags: elections

By Jun Young (James) Park

On June 13, local elections in South Korea will be held for about 4,000 local administrative, legislative, and educational leaders in 17 major cities and provinces. The Democratic Party of Korea (DPK) is predicted to dominate in fourteen of them.

The approval rate of President Moon Jae-in and his administration has been above 70% for the past few months, and has seemingly translated into massive public support for DPK candidates for the upcoming elections. According to a recent survey, 52% of South Koreans are known to favor the DPK, 18.5% support the conservative Liberty Korea Party (LKP), 6.6% for the Bareunmirae Party, and 7.7% for the Justice Party. In South Korea, where the land is small, but population density is high, local elections can be as important as presidential elections. Local policies can have direct and immediate impacts on the daily lives of citizens, and the implementation of local policies is highly dependent on the leadership of mayors and governors. As usual, major regions like Seoul, Gyeonggi, and South Gyeongsang have received a lot of attention from the general public, but for various reasons in this year's case.

The Seoul mayoral election traditionally has been regarded as the highlight of South Korean local elections. This year, the Seoul mayoral election presents high-profile candidates, as the race has shaped up as a three-way competition among Park Won-soon of the DPK, Kim Moon-soo of the LKP, and Ahn Cheol-soo of the Bareunmirae Party.

The hottest issue of the Seoul Mayoral election has been whether Kim and Ahn will seek a single candidacy or not. Incumbent Mayor Park Won-soon of the DPK, aiming for his third term, has been ahead of Kim and Ahn with 56.1 % of Seoul citizens supporting his mayorship, while Kim and Ahn's support rates are only 15.8% and 14.9%. Many people expressed skepticism towards Kim and Ahn's possible merger as their combined approval rate is still significantly lower than that of Park. Both Kim and Ahn stated that neither would be willing to give up his candidacy, leading to a prediction that Park would easily outperform his rivals.

During the Seoul mayoral election debate, Park was harshly criticized by both Kim and Ahn for Seoul's increasingly devastating air pollution and the issue of reconstructing old, impoverished areas, which have been problematic for multiple years during Park's two terms as the mayor. On the other hand, Kim was condemned for his negative comments on the LGBTQ issue during the debate. Despite the LKP and Bareunmirae Party's collaboration to downplay Park's candidacy, the Seoul public's support for Park remains sky-high.

The gubernatorial election of Gyeonggi Province, where more than twelve million people reside, is arguably the second most significant event of the local elections. This year, the Gyeonggi gubernatorial election is by far the most controversial of the elections, with negative campaigns targeting Lee Jae-myung, the DPK candidate. Similar to most regions, Gyeonggi Province has witnessed DPK dominance, with Lee's support rate consistently being around 50% or above for the past couple months, and its counterpart Nan Kyung-pil of the LKP only receiving less than half of Lee's support. As a way to decrease Lee's support, Lee's rivals including Nam and Kim Young-hwan of the Bareunmirae Party, have conducted negative campaigns in full swing, by addressing two notable scandals involving Lee: his verbal harassment of his brother and the brother's wife in 2012 and his possible extramarital affair with an actress named Kim Bu-seon. While scandals involving Lee have been on the top news for many weeks, Lee seemingly has not been affected by them, as his support has not dropped.

The DPK's exceptional performance in 2018 local elections is an anticipated outcome, but this year's South Gyeongsang gubernatorial race might have been a surprise for the conservatives. Previously governed by the LKP's current Chairman Hong Jun-pyo from the year of 2012 to 2017, South Gyeongsang Province traditionally has been regarded as a conservative stronghold. The two-way race between the DPK candidate Kim Kyoung-soo and the LKP candidate Kim Tae-ho, who already had been elected as the governor of South Gyeongsang for two terms from 2004 to 2010, was expected to be a close competition. On top of the LKP's historical dominance in the region and Kim Tae-ho's distinguished resume as a politician, the effect of the Druking Scandal, an online public opinion rigging scandal that Kim Kyoung-soo is alleged to be heavily involved led to the conservatives' belief that they should at least be able to have a good run in South Gyeongsang. Unlike many conservatives' wish and hopeful prediction, Kim Kyoung-soo, with his support in the mid-to-high 40%, has entirely led the competition between him and Kim Tae-ho. The nationwide dominance of the DPK, even in highly conservative regions like the South Gyeongsang not only shows South Koreans' trust and favoritism towards President Moon, but is also a strong reminder of the public's huge disappointment and antipathy towards the LKP in recent years.

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*Photo from Simon Williams-lm's photostream on flickr Creative Commons.*

## Fight to the Finish: Local Election Season in South Korea

Posted on 13 June 2018. Tags: elections

By Linnea Logie

South Korea's local elections and parliamentary by-elections took place on the heels of the much-hyped June 12 summit between U.S. President Donald Trump and North Korean leader Kim Jong-un in Singapore. Nearly 43 million South Koreans were reportedly eligible to vote in the local elections, where ballots were cast for over 4,000 posts, including 17 mayors and governors of cities and provinces, 824 seats in provincial and metropolitan assemblies, 226 heads of smaller administrative units, 2,927 lower-level local councilors, and 17 superintendent-of-education positions. Simultaneously occurring with local elections for the first time, parliamentary by-elections decided an additional 12 seats in the National Assembly.

Though unlikely to have an immediate or dramatic effect on national politics, quadrennial contests of the type held June 13<sup>th</sup> carry major implications for everyday South Koreans and the communities in which they live and work. The intensity of campaigning confirms that local and by-elections came at a critical moment in Korean domestic politics. They are being regarded as a referendum on the presidency of Moon Jae-in, who hoped to strengthen his mandate by translating the overwhelmingly favorable public reaction to his post-Olympics summit with Kim Jong-un into large-margin victories for the ruling Democratic (Minjoo) Party of Korea (DP). The liberal-minded DP seemed poised for a dominant performance prior to the vote, entering June with a 53 percent approval rating that dwarfed major competitors the Liberty Party of Korea (11 percent) and Bareunmirae Party (5

percent). Exit polls project DP victories in 14 of 17 mayoral and gubernatorial races and 10 or 11 of 12 National Assembly constituencies, respectively. These results will likely be confirmed by early Thursday morning at the latest, and they raise questions as to the future of the conservative cause. The leaders of Liberty Party Korea and Bareunmirae Party are widely expected to step down from their posts in the face of an overwhelming defeat.

In spite of these numbers, election outcomes were far from preordained. Members of the Democratic Party expressed concern during the campaign that expectations for a decisive DP showing could depress voter turnout, particularly among younger Koreans. Their unease was understandable, given that the liberal-leaning youth cohort comprised a larger share of eligible voters than in previous election cycles and turned out in force during the 2017 presidential election. Absent strong youth participation, the persistent reluctance among many older Koreans to support the liberal cause (in spite of a splintered conservative camp) could have narrowed DP victories, even jeopardizing tighter races. Ultimately, however, the National Election Commission estimates that voter participation exceeded 60 percent, a level not seen in local South Korean elections since 1995 and higher than the 56.8 percent recorded in 2014.

Faced with the challenge of a generationally bifurcated voter base, many candidates contesting the June 13<sup>th</sup> election tapped into pop culture and highlighted issues of common concern to broaden their appeal. Below are a few notable tactics and policy proposals from the campaign trails:

#### **Vehicles**

Local U.S. politicians, including mayors and governors, rarely have the funds for flashy transportation. They prefer to invest precious campaign dollars in costly TV or internet campaign ads, community events, and so on. But not so in South Korea.

Be it a national, parliamentary, or local South Korean election, one can always count on there being a crush of campaign vehicles jockeying for position around heavily trafficked, highly visible areas throughout the country for the duration of the brief official campaign blitz.

Campaigns in South Korea exercise little restraint when it comes to outfitting their specially remodeled trucks, plastering candidate names and slogans along the exterior and outfitting them with speaker systems to allow for high-quality audio during candidate speeches and, as discussed below, the blasting of upbeat music.

Canvassing vehicles reflect the need for South Korean electoral candidates to achieve a high level of visibility during a fleeting official campaign season. The major political parties contesting recent local elections waged "all-out war," dispatching candidates in tight races to subway stations, markets, and even elderly dance classes to shake as many hands as possible before voting began.

#### **K-pop**

The Korean popular music phenomenon, better known as K-pop, extends well beyond the realm of entertainment within South Korean society. Students and special interest groups nationwide have politicized various hit tracks to bolster their cause in recent years, and many political hopefuls in South Korea have come to regard K-pop as a valuable campaign tool.

K-pop politicking reaches a fever-pitch in South Korean campaign cycles where ample resources are at play, such as the 2017 presidential election. Performers bedecked in candidates' signature colors take to parade floats and mobile stages to belt out well-known tunes, sometimes altering lyrics to incorporate candidate names and key platform themes. The overall effect is a concert-like atmosphere in major cities across the country, promising unusual amusements such as a human-sized blue Smurf performing choreography alongside other campaign dancers.

Campaign theme songs enable candidates who might otherwise resemble members of the old political establishment better connect with younger voters. Using a personalized version of the song "Cheer Up" by K-pop girl band Twice as an anthem, for example, helped freshen up the image of then-presidential hopeful Moon Jae-in, a "64-year-old lawyer in a gray suit who may be the antithesis of a K-pop star." Candidate Moon apparently had 11 other songs on rotation to appeal to a broad range of audiences. For Moon and others in South Korea, these songs often double as soundtracks for playful campaign ads, contrasting starkly with the typically humorless, reflective tone of political ad spots in the U.S.

K-pop was no less a feature of the recent local election campaign effort. Music started at high volume early each morning, building throughout the afternoon. Not everyone in Korea is fond of the raucous campaign atmosphere; residents of North Jeolla Province filed 28 complaints over loud noise between 7 am and 12 pm on the first day of official campaigning, alone. These sentiments are widespread, with locals throughout the country expressing annoyance at the clamor and illegal parking, while also wondering over the seeming lack of regulation surrounding the conduct of campaign vehicles. Others simply reject the notion that a song or amplified speech could sway their vote.

#### Posters

South Korean electoral candidates have only days to share their message with constituents. As a result, the start of official campaigning in South Korea sets off a visual assault of bright colors and graphic imagery. Banners, posters, online ads, and vehicles emblazoned with candidate names and smiling faces crowd public areas, fighting for the attention of passers-by. Many candidates incorporate slogans into their signage in an effort to stand out from their competitors, though doing so sometimes elicits less-than-enthusiastic responses from members of the general public.

Shin Ji-ye, twenty-seven-year-old Green Party Korea candidate in one of the most significant races in the June 13<sup>th</sup> election, the mayorship of Seoul, experienced this firsthand. Vandals targeted her posters, which promoted Shin in seemingly typical fashion: name, photograph, and candidate number set against a vivid green background. But Shin believes it was her decision to describe herself as "Feminist Seoul Mayor" on the posters that prompted the backlash, and she denounced the mischief as "crimes violating the election law" and "misogynic terrorism against a feminist politician."

Though true that unjustifiably disrupting the installation of, or subsequently tampering with, campaign paraphernalia is a punishable offense in South Korea, it is Shin's assessment of what earned her posters unwanted attention that carries broader implications for the ROK and Asia-Pacific region.

Gender roles that subordinate women to inferior positions within society are deeply entrenched throughout Asia. So while Shin leveraged her situation to gain support at the polls, her comments nevertheless highlight an issue sure to have a major impact on South Korea's economic development and global standing in years to come. Much like neighboring Japan and China, South Korea

is home to an aging and contracting population. These inexorable demographic trends imperil national interests, undermining productivity while adding to social welfare costs. Robust female participation in the workforce will be essential for East Asia's major powers as they navigate this difficult period, requiring policy and cultural changes.

### Flashy Proposals

Even in periods of strong economic growth, jobs, wages, affordable housing, family planning, and upward mobility are rarely far from voters' minds. More than a few of the candidates contesting key mayoral races in the June 13<sup>th</sup> South Korean local election outlined proposals to establish local cryptocurrencies as a means of stimulating local economic growth and fostering more civically responsible communities.

Such proposals are perhaps best understood as social-benefits programs funded by individual cities, wherein "points" or "credits" would accrue to businesses and citizens who demonstrate environmental responsibility, participate in volunteer or charitable work, or provide other services to the local community (some of the plans include pension points for seniors and unemployed workers, as well as incentives for child-rearing). These credits could then be cashed in for city-funded services. Candidates gave their proposals catchy abbreviated titles, such as "S-Coin" from incumbent Seoul mayor Park Won-soon, "B-Coin" from Park Min-shik of Busan, and "Local Coin" from Kim Kyocheung of Incheon, among others. With Park Won-soon expected to retain his post, becoming the first to win a third term as mayor of Seoul, time will tell whether S-Coin becomes a reality.

In short, interest in the historic Trump-Kim meeting should not come at the expense of developments below the 38<sup>th</sup> parallel. The local election campaign process now coming to an end offers a fascinating glimpse into South Korean democracy and the challenges elected ROK officials will confront in the years to come.

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## Comparing Prior U.S.-North Korea Joint Statements

Posted on 14 June 2018. Tags: diplomacy, military affairs, nuclear weapons

By Phil Eskeland

With all the discussion regarding the statement signed by President Donald Trump and North Korean leader Kim Jong-un at their recent summit meeting, now is a good time to compare and contrast past joint statements between the U.S. and the DPRK to measure how closely they match and review previous commitments by both parties. Below are two graphics that summarize the central elements of key American and North Korea statements that have aimed to denuclearize the Korean Peninsula and establish grounds for a new relationship between the two countries. The statements may not be reflective of every commitment made at the Singapore summit, but further diplomacy may develop a more comprehensive agreement later on in the process, similar to how the aspirational 1993 New York statement led to the more detailed Agreed Framework in 1994.

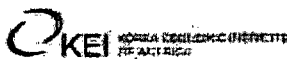
## Comparison of Past U.S.-North Korea Statements On Denuclearization

| Joint OPRK-U.S. statement<br>(1993)                                                                                                                                                                                                                                                               | Agreed Framework (1994)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Six Party Talks (2005)                                                                                                                                                                                                                                                                                                  | Singapore statement<br>(2018)                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The U.S. and North Korea agreed to the principles of peace and security in a nuclear-free Korean Peninsula, and assurances against the threat and use of force, including nuclear weapons.</p> <p>North Korea suspends its decision to withdraw from the Nuclear Non-Proliferation Treaty.</p> | <p>North Korea will consistently take steps to implement the 1992 North-South Joint Declaration on the Denuclearization of the Korean Peninsula (i.e., North and South Korea shall not test, manufacture or produce nuclear weapons; neither country is allowed to possess nuclear reprocessing and uranium enrichment facilities).</p> <p>North Korea shall remain a party to the Nuclear Non-Proliferation Treaty.</p> <p>Both sides will replace North Korea's graphite-moderated reactors with light-water reactor power plants and the U.S. will deliver 500,000 tons annually of heavy fuel oil to North Korea.</p> | <p>Verifiable denuclearization of the Korean Peninsula.</p> <p>North Korea commits to abandoning all nuclear weapons and existing nuclear programs.</p> <p>North Korea commits to returning, at an early date, to the Nuclear Non-Proliferation Treaty and to International Atomic Energy Agency (IAEA) safeguards.</p> | <p>Chairman Kim Jong Un reaffirmed his firm and unwavering commitment to complete denuclearization of the Korean Peninsula.</p> <p>Reaffirms the April 27, 2018, Panmunjom Declaration where both South and North Korea confirmed the common goal of realizing, through complete denuclearization, a nuclear-free Korean Peninsula.</p> |

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## Comparison of Past U.S.-North Korea Statements On Promoting Peace

| Joint DPRK-U.S. statement<br>(1993)              | Agreed Framework (1994)                                                                                                                                                                                                                                                                                                                                                                                                        | Six Party Talks (2005)                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Singapore statement<br>(2018)                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Support for the peaceful reunification of Korea. | Both sides will work together for peace and security on a nuclear-free Korean Peninsula.<br><br>Both sides will move toward full normalization of political and economic relations, including reducing barriers to trade and investment; opening a liaison office in the other's capital; and, as progress is made in these areas, the U.S. and North Korea will upgrade their bilateral relations to the Ambassadorial level. | North Korea and the U.S. shall respect each other's sovereignty, exist peacefully together, and take steps to normalize their relations.<br><br>The Six Parties shall:<br>(1) promote economic cooperation;<br>(2) Commit to join efforts for lasting peace and stability in Northeast Asia;<br>(3) Negotiate a permanent peace regime on the Korean Peninsula at an appropriate separate forum; and<br>(4) Explore ways and means for promoting security cooperation in Northeast Asia. | U.S. and North Korea commits to establish a new relationship in accordance with the desire of the two countries for peace and prosperity.<br><br>U.S. and North Korea will join their efforts to build a lasting and stable peace regime on the Korean Peninsula.<br><br>Recover and repatriate U.S. POW/MIA remains from the Korean War. |



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*Photo from the White House's Instagram feed.*

## The Neither Nor Singapore Summit

Posted on 15 June 2018. Tags: [diplomacy](#), [Kim Jong-un](#)

By Mark Tokoia

The June 12 summit meeting between President Trump and Kim Jong-un was neither a triumph nor a defeat for the United States or North Korea. Rather than reading the Joint Statement as a deal to be judged, it is more accurate to see it as a glimpse of a process. In standard diplomacy, a summit communique or joint statement would reflect the end of a negotiation – a public announcement of the deal that was struck, usually following many negotiating sessions. President Trump was explicit before the Singapore Summit that he thought the June 12 meeting would only be the first of several, perhaps many that he would be holding with Kim Jong-un.

The Joint Statement describes the core of the negotiation to come: denuclearization in exchange for security guarantees. Neither term is described in any detail, which seems appropriate for opening positions. The details that were provided in post-summit comments suggest that much more was

discussed during the meetings than appear in the Joint Statement. That is also appropriate for an ongoing negotiation.

President Trump's announcement of a suspension of "war games" while satisfactory progress is being made did not appear in the Joint Statement but is a key point. The fact that the North Korean post-summit description of the suspension as being "over a period of good-will dialogue between the DPRK and the U.S." shows a common understanding of what the President offered. That makes it sound as if it was discussed in the meeting.

President Trump's assertion that North Korea would soon be taking concrete steps towards denuclearization also hints that Kim Jong-un made an offer that has not been made public. Similarly, there is no mention of the lifting of sanctions in the Joint Statement, but the North Korean account of the meeting states that the President offered to do so. We simply do not know what has been agreed to at this point, but state-to-state negotiations generally are not carried out in the public eye. It is for historians later to work out how deals were made.

There are two encouraging points that can be seen in the Joint Declaration. One is the North Korean commitment to "complete denuclearization of the Korean Peninsula." Although what North Korea means by that is unclear, it is certainly progress over its 2017 statements that North Korea would never dismantle its nuclear weaponry. Yes, North Korea promised to "denuclearize" in 1992, 1994, 2000, 2005, and 2007 so this is not a new commitment, but its restatement of the commitment in 2018 is at least a place to start this round of talks.

The other encouraging point is that the specific language of the Joint Statement indicates that both sides worked on the text. U.S. drafters were unlikely to have come up with the phrase, "...epochal event of great significance." That sounds rather North Korean. Joint drafting shows the two sides are actually talking to one another. Good.

The June 12 summit between President Trump and Kim Jong-un was a historic event. We do not know whether it was historic because it marked the beginning of a peaceful resolution to the Korea problem, or whether it was historic as a false dawn before the Korean Peninsula became even more tension-filled and dangerous. Based on what we know today, neither outcome is predetermined.

*Mark Tokola is the Vice President of the Korea Economic Institute of America. The views expressed here are his own.*

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## Did China Use North Korea as Smoke Screen for the South China Sea?

Posted on 18 June 2018. Tags: [china](#), [diplomacy](#), [military affairs](#)

By Donald Manzullo

For several years, China has been claiming ownership of most of the South China Sea, using what it calls the "Nine Dash" line. The People's Republic of China (PRC) claims it inherited this area from the Koumintang government, identified by nine dashes that outline and encompass 1.4 million square miles including several hundred reefs, atolls, and small islands — largely uninhabited and uninhabitable.

Ownership of these land masses is disputed. Taiwan, Vietnam and the PRC claim the Paracels. The PRC, Taiwan, Malaysia, Brunei, Philippines and Vietnam claim the Spratlys, and a 2016 ruling by the Permanent Court of Arbitration in The Hague held against the PRC and in favor of the Philippines. The Court described the South China Sea as a "crucial shipping lane, a rich fishing ground, home to a highly biodiverse coral reef ecosystem, and believed to hold substantial oil and gas resources."

But China's interest is more than what the Court just described: It's the key to controlling international security of that part of the world. That's why the PRC has constructed three airstrips on the Spratly Islands and placed anti-ship cruise missiles and surface-to-air missiles there.

Further, the PRC recently landed a heavy bomber on Woody Island in the Paracels. Jake Maxwell Watts and Eva Dou, writing in *The Wall Street Journal*, May 20, 2018 make this startling statement: "The landing was the latest in a series of military moves that China has carried out *while global attention has been focused on the standoff with North Korea*" (emphasis added).

But these actions have even broader security implications. Consider this statement in an article in Quartz Media written by Steve Mollman, with the headline, *North Korea is helping China in the south China Sea—whether it knows it or not*: "For Beijing, North Korea's saber-rattling does serve one useful purpose: It distracts attention from the contested South China Sea....Thanks largely to North Korea, the issue has faded into the background – just as China might have hoped."

Mollman cites an article in *Foreign Affairs* by Mira Rapp-Hooper and Charles Edel, Adrift in the South China Sea that demonstrates the U.S. does not have a dual track in disarming North Korea and impeding China's quest in the South China Sea: "Exactly why the South China Sea has fallen off the administration's agenda is not clear. But it is possible that U.S. officials have decided to lift the pressure on China's maritime outposts because they believe that doing so could help secure Beijing's help in managing North Korea."

Recently, however, the U.S. is showing a high level of interest in China's expansion into the South China Sea, as reflected in Secretary of Defense Mattis statement at the 2018 Shangri-La Dialogue:

"Our Indo-Pacific strategy informs our relationship with China. We are aware China will face an array of challenges and opportunities in coming years. We are prepared to support China's choices, if they promote long-term peace and prosperity for all in this dynamic region.

"Yet China's policy in the South China Sea stands in stark contrast to the openness of our strategy....[I]t calls into question China's broader goals. China's militarization of artificial features in the South China Sea includes the deployment of anti-ship missiles, surface-to-air missiles, electronic jammers, and more recently, the landing of bomber aircraft at Woody Island."

In response, Chinese Foreign Ministry spokesman Hua Chunying called Secretary Mattis' remarks "ridiculous" and said it is the U.S. with its large number of ships that already has hegemony in the area.

These analyses leave several unanswered questions. Did the PRC not interfere with North Korea's development of nuclear weapons so as to draw the world's attention from China's seizure of the South China Sea? Did China use North Korea as a smoke screen to divert attention from its illegal seizure of these land masses? Did China purposely set out to deflect attention from its South China Sea activities by making other countries give the PRC a pass so that China could put pressure on North Korea?

Now that China has greatly expanded its mission in the South China Sea, has its attention turned to North Korea with the ultimatum to make the best deal it can with the U.S. because China does not want a nuclear neighbor and 25 million refugees crossing its border from North Korea? Is China's choking off trade with North Korea a message from China to North Korea that China will no longer tolerate North Korea's nuclear program?

The U.S. will have to contend with the implications of China's South China Sea strategy sooner than later. China may have played the best hand if North Korea gives up its nuclear weapons: It accomplished its goal in the South China Sea and neutered a nuclear neighbor.

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## Kim Jong-un's Two Strategic Decisions

Posted on 20 June 2018. Tags: [economics](#), [Kim Jong-un](#)

By Mark Tokola

Even before the June 12 Singapore Summit, but particularly since then, the question being asked is whether Kim Jong-un really intends to denuclearize North Korea. Commentators are divided on whether: (1) his offer is sincere, (2) he has no intent to denuclearize and is simply buying time through negotiations for sanctions to erode and to advance his weapons program covertly, or (3) he intends to agree to denuclearize and then to cheat by obstructing inspections or reneging on his commitments. Any of the three assumptions could be true. The United States has experienced the latter two from North Korea in the past.

However, the fork in the road at which Kim Jong-un finds himself is about more than whether or not to hang onto his nuclear weapons. He has two strategic decisions to make. The first is whether to carry out a serious program of denuclearization – the details of which remain to be defined but generally would add up to a program acceptable to the United States, South Korea, and Japan in scope, timescale, and verifiability.

For North Korea to abandon or significantly limit its nuclear weapons would not by itself fundamentally reset relations with the United States. Kim's second strategic decision is whether to begin a process of reform that would lead to North Korea being a more normal country in regard to its diplomatic and economic policies.

A denuclearized North Korea that maintained chemical and biological weapons, that continued to point missiles and artillery at Seoul, that illicitly proliferated conventional weapons, and that continued to engage in cyber-warfare and cyber-crime, would remain a serious threat to its neighbors and even directly to the United States (a la the Sony Picture hack). Even in the midst of people-to-people exchanges, economic cooperation, and other signs of normalcy, North Korea's weapons would remain cocked and loaded. North Korean diplomacy would remain coercive rather than peaceful.

Denuclearization would be a good first step. It would be prudent to test Kim Jong-un's sincerity by seeing how far he is prepared to denuclearize and then to go on from there. Maybe his vision for North Korea's future is different from its past. Maybe he sees in President Trump and President Moon Jae-in

an unusual opportunity to reset North Korea's foreign relations and to put his country on a new path. Or, maybe he is playing it by ear and does not himself know how the current diplomatic flurry is going to end.

It is unlikely that Kim Jong-un wants North Korea to become a liberal democracy, but he may want it to become an authoritarian state that is also a member of the international community. We have many of those. If that is his decision, then there may be a pathway that would lead to North Korea becoming a different kind of state, one that does not habitually threaten other countries and that puts up with being constrained by at least a minimal level of international rules and norms, perhaps even including how it treats its own citizens. Making North Korea *one* of the worst human rights offenders would be progress over its being *the* worst human rights offender.

If Kim Jong-un intends to partially or wholly denuclearize in exchange for easing of economic pressure, then we may avoid the threat of nuclear war. That would be desirable but would hardly mark a new era for Northeast Asia, or for the people of North Korea. If Kim Jong-un, contrary to almost all expectations, actually is a reformer of historic proportions who is prepared to risk transforming his country, then we may be seeing history in the making. Sometimes even the longest of shots pay off.

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## Moon and Putin on North Korea and Economic Cooperation

Posted on 21 June 2018. Tags: [diplomacy](#), [economics](#), [north korea](#), [russia](#)

By Juni Kim

South Korean President Moon Jae-in arrived in Moscow earlier today for a three-day state visit to Russia, the first such visit by a South Korean president since 1999. In a first-time feat for a South Korean president, Moon addressed Russia's lower parliamentary house and emphasized Russia's key role in helping achieve peace on the Korean peninsula.

He is set to hold a bilateral summit with Russian President Vladimir Putin tomorrow, where a number of agreements are expected to be signed. The two had previously met when Moon attended the Eastern Economic Forum in Vladivostok last September, where both leaders highlighted their two countries' shared economic and security interests. Much has changed in the time since with North Korea's surprise diplomatic warming in early 2018 followed by North Korean leader Kim Jong-un's summit tour. When Moon and Putin meet tomorrow, Kim and North Korea's intentions will certainly be a top discussion point for both leaders.

Both countries' leaders have previously mentioned the role trilateral relations with North Korea can play in integrating the country into the economic infrastructure in Northeast Asia and building peace on the peninsula. In his remarks at the Eastern Economic Forum last year, Putin commented, "We could deliver Russian pipeline gas to Korea and integrate the power lines and railway systems of Russia, the Republic

of Korea and North Korea. The implementation of these initiatives will be not only economically beneficial, but will also help build up trust and stability on the Korean Peninsula."

Moon reiterated the importance of trilateral relations in his address this morning to the Russian parliamentary State Duma stating, "When a peace regime on the Korean Peninsula is established, economic cooperation between North and South Korea will become regularized and expand to trilateral cooperation involving Russia."

When Moon met with Kim Jong-un for their first inter-Korean summit in April, Moon handed Kim a USB thumb drive with an economic roadmap to show the North Korean leader an enticing alternative option to Kim's nuclear program. Part of the plan included the before-mentioned integrated pipelines and railways with Russia, and Moon's summit talking points likely include reemphasizing Russia's potential role in helping integrate North Korea into the regional economy. Much to the ire of many American observers, Russia embraces such opportunities to act as a facilitator for peninsula relations, and Russian officials have stated that both Moon and Kim received invitations to this year's Eastern Economic Forum.

North Korean issues aside, both Moon and Putin are expected to highlight the economic relations between South Korea and Russia. In 2017, both countries saw a large 40% increase in bilateral trade, which Moon previously commented on as "just the beginning" in South Korea-Russia trade. For Moon, increased trade and economic cooperation with Russia fits into his administration's New Northern Policy, an initiative started by the president to push for joint economic projects with China, Russia, and other Northeast Asian countries. During last year's Eastern Economic Forum, Moon proposed "nine bridges" of economic cooperation with Russia including gas, rail, sea routes, shipbuilding, working groups, and agriculture.

In lighter matters, Moon is also expected to attend the FIFA World Cup during his visit and watch the South Korean team play against Mexico on Saturday. Moon shared his congratulations to the Russian team earlier today during his address to the State Duma.

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## U.S. Withdraws from UN Human Rights Council Which Played a Critical Role in Pressing the DPRK on Human Rights

Posted on 22 June 2018. Tags: diplomacy, Human Rights

By Robert R. King

On June 19, the United States withdrew from the United Nations Human Rights Council. In a "blistering critique" announcing the withdrawal, U.S. Ambassador to the UN Nikki Haley "lambasted the council for 'its chronic bias against Israel' and lamented the fact that its membership includes accused human rights abusers such as China, Cuba, Venezuela and the Democratic Republic of Congo." Haley said, "We take

this step because our commitment does not allow us to remain a part of a hypocritical and self-serving organization that makes a mockery of human rights.”

U.S. Secretary of State Mike Pompeo, standing shoulder-to-shoulder with Haley for the announcement at the State Department, said, “We have no doubt that there was once a noble vision for this council. But today, we need to be honest—the Human Rights Council is a poor defender of human rights.” He continued: “The only thing worse than a council that does almost nothing to protect human rights is a council that covers for human rights abuses and is therefore an obstacle to progress and an impediment to change. The Human Rights Council enables abuses by absolving wrongdoers through silence and falsely condemning those who have committed no offense. A mere look around the world today demonstrates that the council has failed in its stated objectives.”

This rhetoric from the two top American diplomats justifying the U.S. withdrawal from the UN human rights organization would carry greater conviction if the Trump Administration were not simultaneously involved in one of the most acrimonious controversies thus far about U.S. respect for human rights. The Administration’s policy forcibly to separate young children from their parents as they seek asylum in the United States, the so-called “zero tolerance” policy, has been vigorously criticized by American human rights organizations and churches, as well as by foreign leaders, including many American allies. After blaming Democrats for the policy and demanding that Congress take action to “fix” the problem, President Trump signed an executive order ending family separations at the U.S.-Mexico border to quiet the public uproar.

There is no question that Islamic states have hypocritically used UN organizations to undermine the legitimacy of Israel, and some of the elected member countries on the UN Human Rights Council are indeed guilty of serious human rights abuses. But we saw the spectacle of the United States President going to Capitol Hill to meet with Republican members of the House of Representatives about the festering domestic acrimony over forced family separation of asylum-seekers while at the very same moment just 22 blocks west at the other end of Constitution Avenue the two leading American diplomats are denouncing the UN Human Rights Council for falling short of its high-minded principles.

There is also no question that the Human Rights Council has not fully lived up to the lofty goals and high expectations for defense of human rights. But there is also no question that the Human Rights Council has made a difference in many cases. The key role that the Council played in focusing attention and pressing for improvement on North Korea’s atrocious human rights record is one of the great success stories of the Human Rights Council.

In 2004 the UN human rights body first appointed a Special Rapporteur to report on human rights conditions in North Korea. A UN Special Rapporteur is an independent expert designated to report to a UN body on a particular issue. The Special Rapporteur on human rights conditions in the Democratic People’s Republic of Korea (DPRK) presented his first report to the council in 2004, and the mandate for a special rapporteur has been renewed by the Human Rights Council annually since then. In 2005 the United Nations General Assembly in New York also requested that the Special Rapporteur on North Korea human rights annually report to the General Assembly. These regular reports have focused on various aspects of North Korean human rights violations, and the reports provide damning and documented details of the North’s abysmal human rights record.

The three men who have served as Special Rapporteur are distinguished human rights experts who speak with great credibility and experience. The first Rapporteur was Vitit Muntarbhorn (2004-2010), a Thai professor of law at Bangkok's Chulalongkorn University, who studied at Oxford and Brussels and has an outstanding international reputation in human rights law. In 2004 he received the UNESCO prize for human rights education. The second Special Rapporteur for North Korean human rights was Marzuki Darusman (2010-2016), former member of the Indonesian parliament and former Indonesian Prosecutor General (a position roughly equivalent to the U.S. Attorney General). Darusman has held a number of leading positions in international human rights. The current Special Rapporteur, Tomas Ojea Quintana (2016-present), is an internationally recognized Argentine human rights attorney and professor of law. He was formerly UN Special Rapporteur for human rights in Myanmar.

In 2013 the UN Human Rights Council established a Commission of Inquiry (COI) with the mandate to examine with greater focus the human rights situation in North Korea and make recommendations to the Human Rights Council and the General Assembly. The three-member commission was chaired by Michael Kirby, former Justice of the High Court of Australia (the Australian Supreme Court) and a prominent international human right lawyer. The two other members were Marzuki Darusman, then the Special Rapporteur on DPRK human rights issues who led the major effort for the creation of the Commission of Inquiry, and Sonja Biserko, a Serbian human rights activist and head of a highly regarded Serbian human rights non-governmental organization.

The creation of the Commission of Inquiry (COI) on North Korea human rights abuses was an example of U.S. membership and leadership in the Human Rights Council making a difference. U.S. diplomats worked with the European Union and Japan who took the lead in creating the commission. American efforts with South Korea and other Human Rights Council members was critical to the commission's establishment.

The COI's final report was published in February 2014. The report was hailed as "groundbreaking" and a "landmark." A New York Times journalist called it "the most authoritative assessment of human rights in North Korea." Resolutions citing the report were adopted in the UN Human Rights Council, the UN General Assembly, and at the request of the Human Rights Council, the UN General Assembly has taken up discussion of DPRK human rights annually since 2014—despite the opposition to considering the issue from the Soviet Union and China.

The COI report has more international credibility and legitimacy than any other report or document on DPRK human rights. It was commissioned by the UN Human Rights Council by a resolution adopted with overwhelming support of the Council's 47 member countries. The three outstanding individuals who conducted the investigation were not from the United States, the European Union, Japan or South Korea. When the report was presented, it was endorsed and lauded in resolutions approved overwhelmingly in the Human Rights Council (30 votes for the resolution, 6 against, and 11 abstentions) and the UN General Assembly (116 votes for the resolution, 20 against, and 53 abstentions).

The creation of the Commission of Inquiry and the public hearings held in Bangkok, Seoul, Tokyo, Washington, and London were important in raising the public profile of North Korea's human rights abuses. The availability of COI members to publicly discuss and defend their work gave wide international attention and publicity to their work.

Most important, the COI report has become the definitive document, the internationally recognized and accepted standard of analysis on the North Korean human rights. Following the publication of that document the Human Rights Council accepted the COI recommendation to establish a special UN office in Seoul, South Korea, to monitor and collect information for the UN Human Rights Council on North Korean human rights conditions.

This announcement by U.S. Ambassador to the United Nations and the U.S. Secretary of State that America would withdraw from participation in the UN Human Rights Council is the classic instance of "throwing out the baby with the bathwater." I would be the first to admit that the Human Rights Council has serious shortcomings, but the way in which the Council has dealt with North Korea's human rights record clearly shows that flawed organization can still play an extremely helpful role.

Furthermore, we need the voice of the United States in the Human Rights Council. The United States needs to be engaged with the international community on human rights issues. It serves our national interest, even if we are occasionally subjected to criticism of our own human rights record and even if our allies and our friends are criticized.

When the Human Rights Council was restructured in 2006, the George W. Bush Administration made the decision not to participate in the Council. The reason for that decision was for the same reasons that the Trump Administration announced its withdrawal from participation this week. In 2009 the Obama Administration made the decision to reengage and participate in the Human Rights Council.

In December 2009, two weeks after I was confirmed by the Senate and sworn-in as Special Envoy for North Korea human rights issues, I was the first U.S. ambassador to participate in a regular Human Rights Council meeting—in this case, consideration of North Korea's human rights record. I was warmly and personally welcomed by diplomats from countries across the spectrum from all parts of the world expressing their pleasure that the United States was participating in these human rights efforts. That included ambassadors from countries whose human rights record we had criticized and continued to criticize, as well as close allies with whom we work closely and share a respect for human rights and democracy. These countries seek the involvement of the United States.

From the perspective of American efforts to press North Korea on its human rights abuses, our withdrawal from participation in the UN Human Rights Council reduces our influence in the most important international organization shaping international efforts against human rights abuses in the North. American absence from the Human Rights Council silences our voice in the key international forum on human rights. This unfortunate action not only weakens our influence, it weakens efforts of the international community by removing our voice, which has been one of the strongest in pressing North Korea. We are unilaterally taking ourselves out of the fight in this most important forum struggling against North Korea's human rights atrocities.

The world is a safer and better place when the United States—with the values and ideals that we reflect—is a full and active participant in the international community. "Picking up our marbles and going home" is no solution. It does not help solve the issues that concern us, and far greater harm comes to America when we isolate ourselves and minimize the role we can play in shaping the international community.

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## The Evolution of Mobile Telecommunications and Private Transport Services in North Korea

Posted on 25 June 2018. Tags: [cell phones](#), [economics](#), [technology](#)

By Yonho Kim

North Korean leader Kim Jong-un committed to complete denuclearization of the Korean Peninsula at the June 12 summit with U.S. President Donald Trump. Whether Kim has made a shift in his strategic calculus will become clearer depending on the sequence of concrete steps he takes. One of the critical factors in his calculus should be his strong desire to develop the North Korean economy. It is notable that his public commitment to and policy focus on domestic economic development have been consistent, especially since he declared completion of the state nuclear force at his 2018 New Year's address. In this sense, Kim may have made calculated remarks when he admitted to the embarrassing condition of the roads and railways in his country at his first summit with South Korean President Moon Jae-in.

Since Kim Jong-un took power in late 2011, unprecedented market activities are emerging thanks to the expansion of state-run mobile telecommunications and spontaneously formed private transport services. North Korea's cell phone subscribers are now estimated to count around 4 million, close to 20% of its entire population, facilitating timely communication of market trends. This allows the merchants to determine quantities and prices of products to trade, as well as shipping and delivery methods over the phone. Merchants can no longer compete in the markets without a cell phone. In addition, Kim Jong-un's tolerance of private enterprise within North Korea, and the creation of a de facto public-private collaborative operation have helped to foster private transport service enterprises, also known as "servi-cha." Beset by economic difficulties and poor electricity supply, the railway system has become unreliable, leaving a fleet of vehicles imported mainly from China to rise as the main mode of commercial transport.

The combination of *servi-cha* and cell phone during the Kim Jong-un era have given birth to a North Korean style innovation in logistics. Assisted by the rapid exchange of information, the system is evolving to create close ties between *servi-cha* owners and drivers, wholesale and retail merchants, brokers, fuel traders, checkpoints, and other associated actors in the chain. Bringing in new *servi-cha* customers, pricing freight charges, transferring money, trading fuel, and situations at checkpoints are all being managed efficiently through communications via cell phones. The combination of *servi-cha* and cell phones has even made possible North Korean style parcel delivery services. Gradually disappearing "door-to-door" merchants who used to travel long distance to make profitable trade, the ability to operate a supply chain through a phone call, connecting traders, drivers, and even checkpoints, has opened up a new business era of "stay-at-home merchants."

Considering the great increase in the mobility of the North Korean people and products off the regime's radar, and rapid expansion of market information dissemination through mobile telecommunications, the aforementioned "combination" is a core element in determining the changing direction of North Korean marketization. First of all, the new system in logistics has brought specialization to the process of distribution. Moving away from the previous method of the merchants self-delivering, the actors have divided each step of distribution by roles such as shipping, transporting, receiving and selling. As a result, it has created cost reduction, risk distribution, and the enlargement of cargo transfers, which made possible the quick response of product supply to changes in market conditions. While these structural changes benefit consumers through the stable price of goods, since a sales strategy aimed at regional prices differences has lost its competitiveness, a new sales strategy has emerged where sellers attempt to quickly turnover goods but profit margins are squeezed. In such circumstances, the influence of *donju* known as the 'red capitalists' continues to grow, widening the gap between the rich and poor among merchants.

The combination of *servi-cha* and cell phones has facilitated long-term and stable trade relationships, and developed a credit-based logistics system. The enlargement in the scale of trade has also increased the risk of business failure, and as a result, it is difficult to guarantee the operation of the new logistics system without credibility. In fact, in order for the market to develop, fulfillment of a contract must be ensured, and the predictability of trade relationship secured through legal and institutional arrangements. However, as evidenced by people's deep-rooted distrust in the parcel delivery system of Ministry of Post and Telecommunications and the official banking system, the state is unable to properly support its markets with law and the necessary institutions. Instead, ironically enough, declining functions and corruption of the state, such as state institution's involvement in smuggling and trafficking fuel, and bribery at checkpoints are promoting marketization. The predictability of trade relations in the North Korean market has been made possible through the awakening of the self-interested market participants who realized the importance of credibility in the trade relationship cycle and pressured prevention of fraud using rapid informational exchange via cell phones.

The new logistics system has also greatly improved the mobility of people, products, and information, and unlike in the past, has made possible the sharing of information on the movement of people and products in real-time between average citizens. At least in this respect, North Korea can no longer be seen as an underdeveloped and closed country where freedom of movement and expression is completely suppressed. Certainly, corruption is rampant in North Korea to the extent that there is a running joke, "you have to bribe to move around." However, ironically, the disadvantages of a failed state are fostering the circulation of people, products, and information. A defector's statement that 'to the one who has the ability to purchase freedom,' North Korea guarantees freedom is full of suggestions.

The specialization in the distribution chains and proliferation of bulk sales will inevitably require the maintenance and development of road infrastructure in North Korea. The private fuel supply system, which is heavily dependent on smuggling and trafficking from state institutions, will eventually have to be replaced by a legal supply system. As time passes, fuel demand will continue to rise, and as a result, the increase in vulnerability of North Korea to oil sanctions is highly probable. On the other hand, it would be reasonable to assume that increased mobility of people, products, and information has already reached an irreversible level. Kim Jong-un's regime may be able to take measures against the market in the short-run. However, it is probably aware of the truth that doing so is not sustainable.

The dramatic shift in the geopolitics in Northeast Asia sparked by the PyeongChang Winter Olympics thaw earlier this year has created a new context for economic engagement with North Korea. The international community will have to start considering new economic strategies to facilitate progress on the denuclearization negotiations. In doing so, rather than stereotyped views of the North Korean economy, careful observations of the changes of North Korean marketization on the micro level will have to be adopted.

*This article is based on an excerpt from "North Korea's Mobile Telecommunications and Private Transport Services in Kim Jong-un Era" by Yonho Kim (US-Korea Institute, Johns Hopkins SAIS, May 2018).*

*Yonho Kim is a Non-Resident Fellow at the Korea Economic Institute of America. The views expressed here are the author's alone.*

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## Family Reunions Should Be a Priority in Inter-Korea Relations

Posted on 26 June 2018. Tags: diplomacy, Human Rights

**By Jenna Gibson**

This August, a group of around 100 Koreans from both sides of the DMZ will be able to reunite with family members for the first time since 2015, allowing some relatives to see each other for the first time in more than seven decades.

The enduring separation of families is one of the most tragic legacies of the post-WWII separation of the two Koreas. Because of North Korea's extreme isolation, many South Koreans with family in the North have been completely unable to contact their relatives or in some cases even confirm that they're still alive.

South Korea has 56,000 people registered as a separated family member, according to the Ministry of Unification. This is down from the 80,000 still alive during the most recent reunion event in 2015. And with most of these family members in their 70s, 80s or even 90s, there is no time to waste on politics. In fact, successive South Korean administrations have tried to divorce these reunion events from political considerations, but to no avail. Perhaps now, with the reserve of goodwill built up from two inter-Korean and the historic Trump-Kim summits, the dream of having regular, large-scale reunion events can finally become a reality.

In the past, family reunions have been held during periods of tension, and have been used as a way to build trust and restore some amount of goodwill between the governments of the two Koreas. In 2015, for example, family reunions came after a tough negotiation over a North Korean mine attack in the DMZ that left two South Korean soldiers severely injured. And in 2013, North Korea cancelled a planned reunion, citing the Park Administration's hardline policies as a sign of bad faith from Seoul.

Now, however, the process is working in reverse – rather than using the reunions as a means to an end, the Moon Administration rightly sees them as a priority worth spending hard-earned political capital to achieve.

With that being said, it is important to keep in mind that these events unfortunately do have political implications, and that they are going to be taking place amidst what will likely be a difficult and drawn-out negotiation process over North Korea's nuclear program. So it's important to make it clear that positive events like the reunions, or similarly positive agreements like the repatriation of American soldiers' remains – should not be considered concessions on the part of the North Koreans. They are not concessions – they are baseline humanitarian activities that should never have been needed in the first place.

In this way, while I was pleased to see the repatriation issue highlighted and prioritized in the Singapore Statement, it was disappointing to see it listed next to the denuclearization issue, as if it were part of a tit-for-tat agreement between the two countries. I am incredibly happy to see families reunited in some way at long last, but North Korea should not get to use the family reunions or repatriations – things they should be doing as much as they can anyway – to demand further compromises from South Korea or the United States.

It will be amazing to see a group of families reunited this summer, even if just for a short meeting. All sides should work to make this a regular occurrence, and to expand the number of participants as much as possible. After all, there are tens of thousands of South Koreans on the waiting list, and there is no time to waste in helping them see loved ones again after such a long separation.

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## Hold Your Dollars! The Right, and Wrong, Ways to Engage North Korea

Posted on 27 June 2018. Tags: [development](#), [economics](#)

**By William Brown**

South Korea is abuzz with talk of big economic projects in North Korea, like railroads, electric transmission lines, and gas and oil pipelines, a remarkable change just since September when a huge nuclear blast shook the peninsula, forcing everyone to take notice of Kim Jong-un's growing arsenal. Even some Americans are joining the big business optimism. Not much talk though from the Europeans, Japanese and Chinese; their businessmen and politicians were badly burned years ago by failed North Korea investments. And Korean companies seem wary that Seoul will weigh in on them to push unrealistic and ultimately unprofitable investments. It's easy to forget the communist country's "Opening before Reform" in the 1970s that turned into a disastrous bankruptcy of Pyongyang's financial institutions, even the central bank. And tough economic sanctions, a virtual prohibition of trade, remain in force as attention turns to how engagement might proceed should Kim do what he says and end his nuclear weapons program.

This is a tricky proposition, one that requires a kind of thinking rarely applied to North Korea—a combination of muscular security policy and developmental economics. We can't force the outcome, but we need to provide encouragement to both denuclearization and economic reform, and penalties if Pyongyang reneges. A tough combination but, in my view, possible and well worth the chance.

The tempting, and likely wrong approach would be to again try to buy away the nuclear program, giving Pyongyang what we think it wants in return for dismantlement. Big projects, such as the 1990s KEDO nuclear power deal, or large sums of money, as in several South Korean ventures and U.S. offers, always seem to be the preferred way to do this, even though it is not clear to me why North Koreans should be enamored with South Korean chaebols, and trains, crisscrossing the country on the way to China. These have failed in the past because such gifts don't meet the test of sustainable commercial viability in the target economy, creating distortions and disappointments when they inevitably fail. Moreover, the "buy it" approach is to pretend the nuclear weapons are the source of the problem, not the symptom. As Kim wrote Donald Trump in his invitation to meet, the real problem is American, and world-wide, hostility to North Korea's system. Trump might have answered that the hostility is real and that it is embedded in our view of Marxist-Leninism, which still controls and impoverishes the North Korean people. More gifts to the state will strengthen the system, creating more disappointments and more reasons for Kim to hold nuclear weapons. To break this cycle, our reengagement needs to work the two issues simultaneously; end the weapons program and end the failed economic system.

No doubt this will be difficult, but if it seems impossible it may be due to lack of understanding of the enormous pressure now being applied to Kim and the miserable condition of his command economy, pulled apart by market forces and foreign currencies that have invaded North Korea. Kim took his first ever trip to Beijing in March just as North Korean trade with China was plummeting, with exports down about 90 percent from year-earlier levels and vital imports plunging more than half. And upon returning, just in April, Kim gave a speech to his Party leadership that indicates he wants to put full priority on the economy, letting nothing get in the way. Kim's verbiage might be dismissed by many, but it, together with highly positive statements about the Moon and Trump summits, two more quick trips to China, and a sharp decline in anti-U.S. propaganda, have given North Koreans a big boost in optimism that economic life will soon turn for the better. It seems Kim has staked his future to this promise and will be desperate to succeed, even as sanctions remain in place. Reform policies, aided but not controlled by outside forces, may be the only way this can happen, and Kim probably knows it.

Given this opportunity, what should we do and what should we not do? Here is a short list, just for starters. The actual process will take years but several key decisions, made by Pyongyang within a few months, could set them off in a very good direction.

1. We need to engage North Korean policymakers and technocrats on economic development, not just nuclear disarmament. Conversations might include big foreign investment projects, but these should not drive the conversation. Instead North Korea needs to learn to begin macroeconomic reforms—creation of a viable money and banking system that induces the buildup of domestic savings—and microeconomic reforms, creation of property rights and a single price system that bridges the enormous gap between state dictated and market prices, wages, interest rates, and exchange rates. Success will depend on Pyongyang's willingness to reform; there is little we can make them do but there is a lot we can do, both the U.S. and South Korea, should they begin to make the right decisions. Backing a new won currency, for instance. But without these reforms, big projects are bound to fail as they have before. And if Pyongyang resolutely fails to make progress, there is plenty more maximum pressure that can be applied to get them to the right place.

2. An early "give" to Pyongyang could be U.S. actions to again remove Trading With the Enemy Act penalties that force a veto of any North Korean attempt to join the WTO, the IMF, and the World Bank. Washington could even offer to mentor Pyongyang through the long reform process it would take to join the WTO, and thus gain normal trade access to the whole world.
3. An early "ask" should be advancement of Kim's earlier pilot projects to shrink and then end the collective farm system and return the country to family based farms, as in China and as in North Korea before the Korean War. Family farms everywhere are enormously more productive, releasing labor for industry and with more production, ending the malnutrition that still pervades the country. Studies show that land reform, forced by the U.S. occupation army in Japan, Taiwan, and South Korea following World War II, may have been the single most important factor behind those countries' huge economic successes.
4. Several "rules of engagement" could be employed that guide all economic and financial engagements with North Korea. For instance, as required by the ILO, any pay for North Korean work must go directly to the workers themselves, not through the government or state enterprises' ration, or payment in-kind, systems. Probably about half North Koreans work for pay but the other half, including all government workers, most professionals, workers in state enterprises, and most party officials, work for rations, supplementing those meager offerings with secondary work in markets, a most in-efficient system.
5. Another rule should be to only use the market exchange rate for won, stable in recent years at about 8,000 won per dollar, and not the 130 won per dollar official rate. And more generally, employ all possible efforts to use markets instead of official state procurements.
6. Reopening the Kaesong Industrial Zone might be considered if the above rules are employed, most importantly that workers are paid directly. This was promised at the original opening fifteen years ago but never implemented. Instead, a cruel and demeaning "Choco Pie" economy developed. Significant funds should be allocated to a check system so that workers could be sure of obtaining their full earnings. If successful, the U.S. might offer to bring Kaesong made products into the KORUS, a huge inducement to further success. Wages would circulate in the Kaesong local economy affecting hundreds of thousands of people, generating a significant source of market oriented economic growth.

The rules of engagement should also include negative policies, things that should not occur. Most importantly, this should include no commodity aid, except in a famine. Commodity aid, in the tens of billions of dollars, has distorted North Korea's economy over past decades, eliminating its capacity to export. (If imports are free, exports are not needed, and thus are not produced.) Commodity aid, moreover, disadvantages domestic producers, most importantly, farmers. The temptation to offload excess South Korean rice, or American corn, on the North Korean market should, most emphatically be resisted. Even special needs products provided by World Food Program and other donor organizations should be questioned, since local farmers and merchants should be able to provide the same.

Likewise, foreign investment, except when an equity stake can be ensured, should be minimized until North Korea can get a new money and banking system in order. Otherwise, foreign money will either drive out domestic investment (a "carpet bagger" effect) or, more likely, domestic investors will drive out the foreign investors. But true equity deals, where ownership rights are allowed not just for

foreigners, but to North Koreans as well, should be promoted as the legal system evolves. The latter, the North Korean people, in this new system will be the owners, not the Worker's Party and not foreign carpetbaggers or international banks. For Kim, this might be a hard sell but, given the alternatives, maybe not impossible.

*William Brown is an Adjunct Professor at the Georgetown University School of Foreign Service and a Non-Resident Fellow at the Korea Economic Institute of America. He is retired from the federal government. The views expressed here are the author's alone.*

## Why the United States Won't Provide Financial Aid to North Korea

Posted on 28 June 2018. Tags: [aid](#), [Donald Trump](#), [economics](#), [finance](#), [Kim Jong-un](#), [money](#), [negotiations](#), [north korea](#), [nuclear weapons](#), [sanctions](#), [security](#), [South Korea](#)

By Troy Stangarone

In trying to sell Kim Jong-un on giving up his nuclear program, the United States and South Korea have tried to entice North Korea with the promise of a better economic future. As part of this push, the Trump administration has suggested that the U.S. private sector, along with China, South Korea, and Japan, will provide financial assistance to North Korea. However, it has also been made clear that no U.S. tax dollars will be used as an economic inducement for North Korea.

While the refusal to provide aid is in line with President Donald Trump's desire to ensure that greater costs are born by other states, there is a practical reason why the United States will not provide significant aid to North Korea. The administration is limited in its ability to provide economic assistance.

When Congress legislates sanctions on foreign countries, it generally includes a provision in the legislation that allows an administration to waive the sanctions if it determines that doing so in the national interest. Most of the U.S. sanctions on North Korea contain national interest waivers, but in most cases they do not to apply to the prohibitions on providing aid to the regime in Pyongyang.

In recent years, Congress has inserted specific language into the annual appropriations legislation explicitly forbidding the use of funds for North Korea. These restrictions include credits, loans, or guarantees by the Export-Import Bank. While there are exceptions for humanitarian aid and some other circumstances, it is unlikely that Congress will change course and remove the prohibitions in the near future.

While the administration could request Congress grant it an exception to the prohibitions on aid or to remove them permanently, it would also need to persuade Congress to appropriate the necessary funds. Doing so could be challenging. If the United States intends to provide security assurances to the North Korean regime through a treaty in the U.S. Senate, as has been suggested by Secretary Pompeo, persuading Congress to also waive sanctions on aid will be dependent upon progress on the nuclear issue, and perhaps other issues. Even if the administration can secure an agreement with North Korea on the nuclear issue that would gain the support of two-thirds of the Senate that would be needed for passage of a treaty, Congress may be reluctant to appropriate funds for North Korea if progress is not made on issues that could include North Korea's chemical and biological weapons programs, its cyber activities, and human rights.

The history of the Agreed Framework suggests that even if Congress agrees to appropriate funds there will be limits. As part of the Agreed Framework, the United States committed to providing 500,000 metric tons of heavy fuel oil a year until a light water reactor was completed. The Clinton administration had promised Congress that the costs would not exceed \$30 million a year, and when they did the needed extra funds were not forthcoming. In the case of the Agreed Framework, the funds were designed to serve as a bridge to a new energy resource for North Korea. While it is reasonable to expect that if a deal is struck Congress might appropriate funds for dismantlement of North Korea's nuclear program, funding that is focused on economic development as opposed to dismantlement is unlikely.

Practically speaking, the Trump administration does not have the authority to provide economic assistance to North Korea and is unlikely to seek it from Congress. It goes against Trump's broader philosophy and is something Congress would most likely be reluctant to provide. While North Korea will need assistance in developing its economy, there is unlikely to be political support in the United States in the near future for economic aid for North Korea.

*Troy Stangarone is the Senior Director for Congressional Affairs and Trade at the Korea Economic Institute of America. The views expressed here are the author's alone.*

*Photo by Pictures of Money on flickr Creative Commons.*

## Korea- Mexico Relations: Where Ties are a Win

Posted on 29 June 2018. Tags: Culture, diplomacy, economics, FTA, hallyu, investment, pop, mexico, music, north korea, soft power, South Korea, sports, tourism, trade, TV

By Kyle Ferrier and Linnea Logie

While South Koreans celebrated their team's upset victory over Germany in the World Cup earlier this week, no country was happier about the win than Mexico. The South Korean "Reds" late game heroics against Germany advanced Mexico to the next round of the tournament despite Mexico's simultaneous 3-0 loss to Sweden, causing pro-Korea euphoria to sweep across the country. Videos of people celebrating outside of the South Korean embassy in Mexico City, hoisting Koreans on their shoulders to a chorus of cheers, and pictures of stores offering heavy discounts to Koreans flooded the internet. Although it may seem like an unusual pairing at first glance, Koreans and Mexicans actually have a long history of working together. Below are some key areas of cooperation beyond sports.



James Wagner

✓@ByJamesWagner

That's the Korean consul general to Mexico, Byoung-Jin Han, celebrating with grateful Mexican fans outside the Korea embassy here. One fan said he took a shot of tequila with them earlier.

1:33 PM - Jun 27, 2018

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47.6K

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## **Official Relations**

### Diplomatic history

Mexico and South Korea formally established diplomatic relations in January 1962 driven by South Korean leader Park Chung-hee's efforts to open new markets for exports. South Korea opened an embassy and appointed an ambassador shortly thereafter, while Mexico waited until 1978 and 1987 to open an embassy in and post a resident ambassador to Seoul, respectively. The Korean Embassy in Mexico City has played a key role in spreading Korean culture, particularly from when the first bilateral cultural agreement was signed in 1966 through the late 1990s when the two countries first started a dialogue on educational and cultural projects, which continues today and has produced numerous programs such as festivals and museum exchanges. In international relations, both countries are middle powers and belong to the informal middle power partnership known as MITKA (an acronym for the members of Mexico, Indonesia, Turkey, Korea, and Australia).

### North Korea

Mexico and North Korea first established diplomatic relations in 1980. Mexico City is one of only 48 cities in the world to host a North Korean embassy, but Mexico does not have an embassy in Pyongyang. In protest of North Korea's sixth nuclear test in September 2017, Mexico expelled the North Korean ambassador Kim Hyong Gil. In 2017, reported North Korean exports to Mexico were valued at \$6,102,754.

### FTA negotiations

South Korea and Mexico officially launched negotiations for a free trade agreement in 2007, but talks stalled because of Mexican concerns that a deal could have widened its trade deficit with Seoul. However, amid growing protectionism, both countries have announced a renewed interest in accelerating negotiations. A Mexican government official has even recently stated, "We have selected strategic partners worldwide, and in Asia, our major strategic [economic] partner is Korea."

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[#GraciasCorea](#) <https://viaja.am/2IHxUq1>

[1:43 PM - Jun 27, 2018](#)

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[6,096](#)  
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3,232 people are talking about this

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### **People to People Links**

#### Tourism

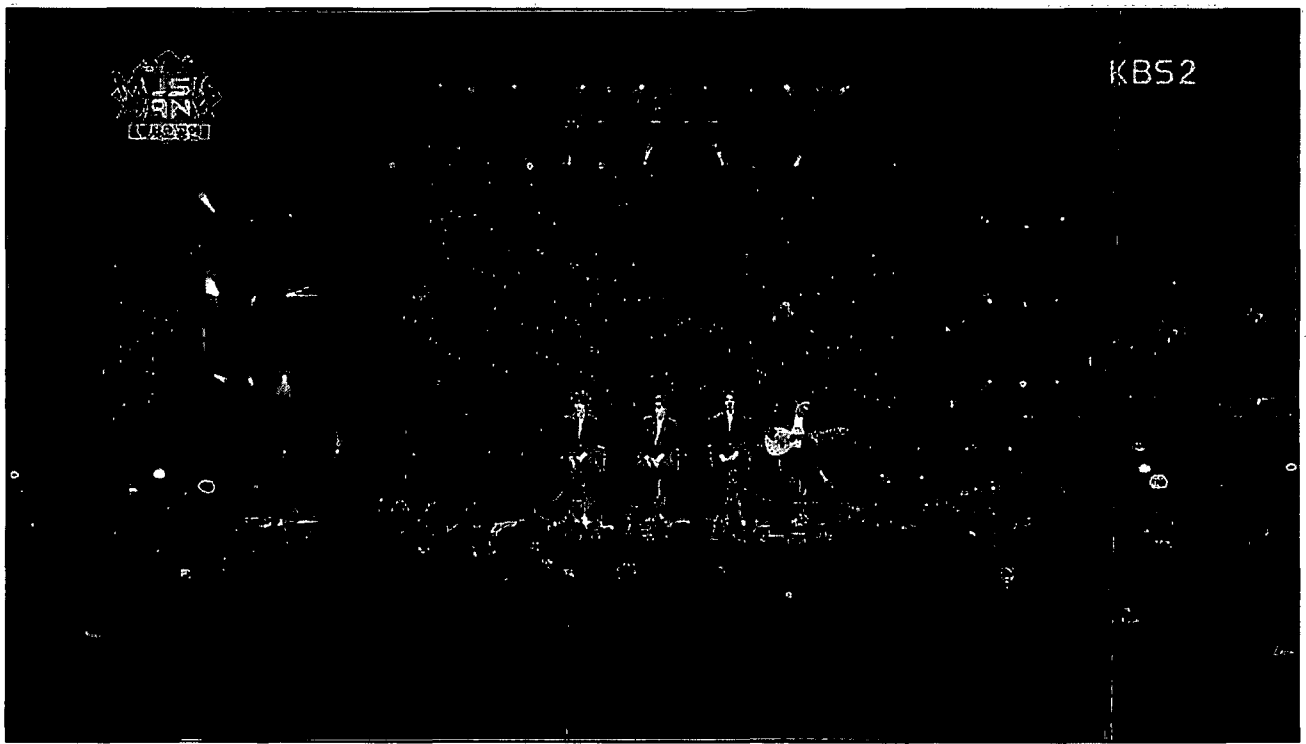
Mexico is a popular destination for South Korean honeymooners. It also may be gaining popularity among retirees as an affordable travel spot. Last year, 75,415 South Koreans visited Mexico, up from 63,661 in 2016. From January through April 2018 this year, 30,230 South Koreans travelled to Mexico, which is a third more visits than during the same period in 2017. While fewer Mexicans travel to South Korea, it is becoming a more popular destination. From January through May this year, 9,509 Mexicans have visited South Korea, a nearly 50 percent increase from the same period last year.

#### Hallyu

The Korean culture wave is swelling in Mexico. Korean culture has increasingly entered homes throughout Latin America in recent years by way of K-pop and Korean dramas, giving rise to fan clubs for South Korean actors and music groups. Mexico City was one of only two cities in 2014 to host Music Bank, a Korean music show featuring live performances of multiple K-pop groups outside of South Korea. South Korean music groups are increasingly releasing songs in Spanish, including the girl group Crayon Pop which collaborated with the Mexican boy band BD9 for the song "Get Dumb." When Mexicans wanted to show their appreciation to South Koreans after their World Cup victory they played K-pop on local radio stations and bought songs from groups like BTS, whose song "Fake Love" climbed 31 spots on the Mexican iTunes Charts on the day of the game.

#### Trade and Investment

Mexico is South Korea's largest Latin American trading partner, while South Korea is Mexico's third largest export destination in Asia, after China and Japan. South Korea exported nearly \$11 billion in goods to Mexico last year, a 12.5 percent increase from 2016, and Mexico exported about \$4.4 billion to South Korea, a 20 percent increase from 2016. South Korea has invested \$5.6 billion in Mexico, while Mexican investment in South Korea is around \$60 million. Over 1,800 Korean companies operate there. South Korea's main exports are liquid-crystal display devices, optical devices and instruments, electronic parts, auto parts, vehicles, and electrical machines, appliances and equipment. Mexico's main exports to Korea include crude oils, lead minerals and concentrates, zinc ores, silver ores, copper ores, and electronic devices.



Gene Park

✓@GenePark

Btw Koreans love Mexico's music. Fun fact: "Sabor a mi" (performed here) is my go to karaoke song.

6:45 PM - Jun 27, 2018 · Washington, DC

6,372

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*Kyle Ferrier is the Director of Academic Affairs and Research at the Korea Economic Institute of America. Linnea Logie is currently an Intern at the Korea Economic Institute of America and is also an incoming graduate student with the Security Studies Program at Georgetown University. The views expressed here are the authors' alone.*

*Image by KEI's Jenna Gibson.*

## Interpreting Admiral Harris' Appointment to Seoul

Posted on 30 June 2018. Tags: [ambassador](#), [diplomacy](#), [Donald Trump](#), [Harry Harris](#), [politics](#), [security](#), [South Korea](#), [US - ROK Relations](#)

**By Mark Tokola**

First, there was widespread relief that we finally have a new Ambassador to South Korea, retired Admiral Harry B. Harris. It has seemed more than odd not to have had an American Ambassador in Seoul during the eventful past year-and-a-half. Then, commentators began speculating on the meaning of this particular appointment. One Korean friend asked me if it didn't send a very mixed message to be sending a formerly high-ranking military officer as Ambassador at the same time the Administration is pursuing a diplomatic path with North Korea. Doesn't that show a lack of faith in the peace process?

My answer to the question was that at a time when we are managing the postponement or scaling back of joint military exercises; when we must be particularly insightful regarding the balance of forces (including weapons of mass destruction and cyberwar capabilities) between North Korea and the alliance; and when the security relationship between the United States and the Republic of Korea may be evolving, military experience probably is exactly what is needed.

That said, Ambassador Harris is not going to Seoul to represent the Pentagon or the uniformed services. As Ambassador, he will be responsible for the full range of diplomatic relations between the United States and South Korea and will work under the direction of the Secretary of State as well as of the President. The individual responsible for military-to-military relations will continue to be the four-star officer who serves as Commander U.S. Forces Korea (USFK), the United National Command (UNC), and the Combined Forces Command (CFC).

Although a Naval Officer from the time he graduated from the Naval Academy in 1978 until he retired as Commander of the United States Pacific Command (PACOM) in May 2018, that does not mean that Ambassador Harris is unfamiliar with the "big picture." While Commander of the U.S. Pacific Fleet and then as PACOM Commander, Ambassador Harris has spent the past five years closely following all events of significance in Asia, political and economic as well as military. He will bring a rich and up-to-date experience to the job – frankly, far more than most new ambassadors.

It's worth noting, too, that like many of the most senior U.S. military officers, he has spent part of his career outside of narrowly military affairs: he studied international relations and the ethics of war at Oxford University and at Georgetown University, where he was a Fellow in the School of Foreign Service. We have had a string of high-caliber and effective American Ambassadors in Seoul over the years, that seems to be continuing.

*Mark Tokola is the Vice President of the Korea Economic Institute of America. The views expressed here are his own.*

*Photo via Yokota Air Base.*

## Consequences of South Korea's New Shortened Workweek

Posted on 03 July 2018. Tags: [business](#), [economics](#), [Moon Jae-In](#), [politics](#), [social issues](#), [South Korea](#), [work](#), [work-life balance](#), [workweek](#)

By Jihyun Joung

Known for its "inhumanely long" workweek, South Korea ranks second place for the longest work hours among the Organization for Economic Co-operation and Development (OECD) members. This work culture has widespread consequences in Korean society – the younger generation are increasingly straying away from marriage, and the country hit record-low birth rates in 2017, a fact that President Moon Jae-in attributed to the country's work-life imbalance.

To tackle these problems, President Moon sought to revise the Labor Standards Act, reducing Korea's maximum working hours from 68 hours to 52 hours a week for all companies with more than 300 employees, with smaller companies to follow in 2020 and 2021. Violating the new regulation could result in a two-year sentence or a fine of up to 20 million won (\$17,900).

With this legal modification, Moon pledged to improve workers' quality of life, create more jobs, and increase the birth rate. But while these seem like positive goals that anyone can get behind, the response to this new law is more mixed. In a recent survey by local employment portal site Job Korea, about half of respondents had a positive view of the change, with many saying that productivity would improve but also expressing concern about losing overtime pay. Despite divided opinions from the public towards a shortened working week, the National Assembly's Environment & Labor Committee passed the reform bill on February 28, and it went into effect July 1.

Many workers may benefit from a shortened workweek. Prior to the reform bill, individuals barely had any time or energy after work. Today, they relish in having spare time for leisurely activities such as cooking, watching movies, or going to the gym. Others enjoy the cutback of mandatory company gatherings or meals, known as *hwesik*, which are normally held after work.

However, not everyone appreciates the newly passed law. For example, some workers claim they are suffering from loss of income, and that they are taken advantage of when their bosses technically log 52 work hours but make them work overtime without being paid. Likewise, businesses claim they will lose money and productivity after the implementation of the law. For example, in the past, they were able to send workers on business trips abroad to gain more profit and partnerships. With the reduced working hours prohibiting weekend or overnight business trips, companies are suffering.

Not only do workers essentially lose income, but also receive more stress at work. Cutting down on work hours does not necessarily mean that the workload diminishes. On the contrary, workers are faced with higher work intensity, as they are obliged to complete assignments within a shorter period of time. One smartphone developer told Chosun Ilbo, "we have to go home at 5:30 p.m. no matter what, but if

we are assigned work after 4 p.m., it's hard to accommodate the request on the same day. If we leave work on time, the boss gets on our case the following day about the lack of progress. What are we supposed to do?" This is the reason to why workers have been spotted hurriedly completing their work in cafes nearby their workplace long after work hours.

Believed to improve living conditions for workers, Moon's work-life balance campaign has ironically aggravated the situation, and lawmakers have already introduced a six-month grace period for the rest of 2018 to allow companies to adjust to the change without incurring a fine. Nonetheless, it is too early to assume the success or failure of the amendment. Perhaps this campaign can bring about an abrupt change to the deep-rooted working culture of South Korea. Looking forward, it may simply be a matter of time for people to adjust to this sudden modification.

*Jihyun Joung is an incoming Masters student in Economic and Political Development at Columbia University. She is currently an Intern at the Korea Economic Institute of America. The views expressed here are the author's alone.*

*Photo from Pixabay.*

## The Secrets to Success for Marvel Movies in South Korea

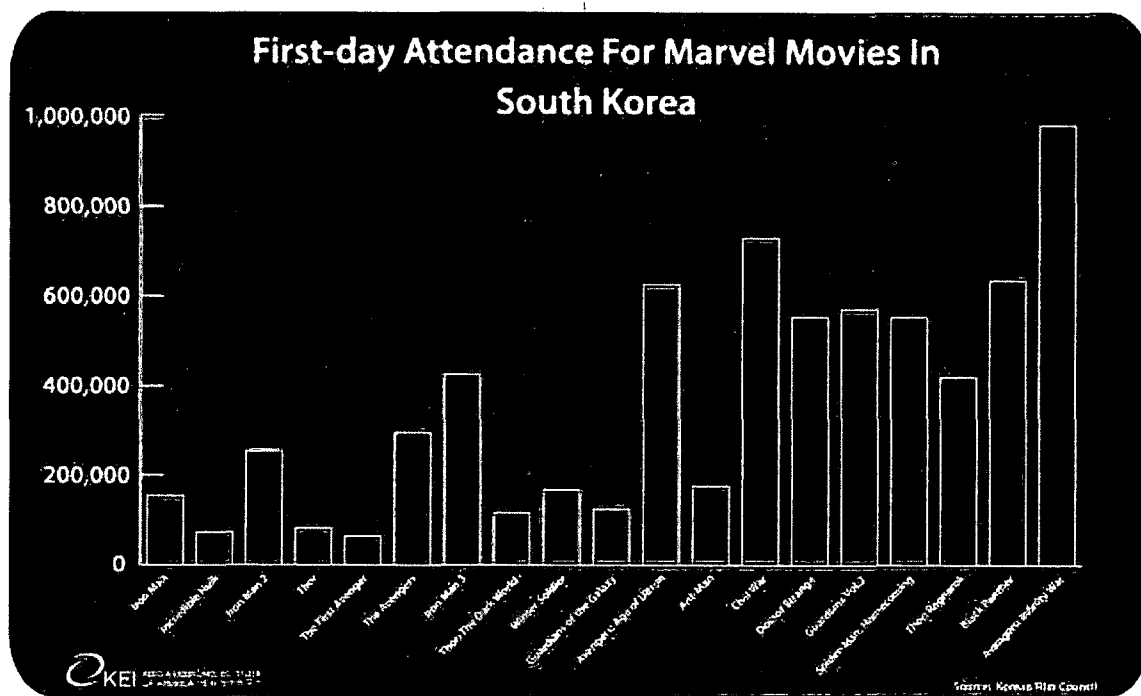
Posted on 05 July 2018. Tags: Culture, economics, entertainment, film, marvel, movies, South Korea

**By Yeonsu Kim**

*When Avengers: Infinity War* was released in South Korea on April 25, 980,676 people watched it just on the first day, a record high among Marvel movies. The movie marks the 10th anniversary since the Marvel Cinematic Universe (MCU) released *Iron Man*, the first in the Marvel superhero series, and clearly shows how famous the MCU movies have become among Korean audiences. MCU so far includes 18 movies, and 13 of them appear on the list of all-time highest-grossing films at the Korean box office list; *Avengers: Infinity War* at 14, *Age of Ultron* at 17, *Iron Man 3* at 23 and *Captain America: Civil War* at 24.

The reason why most MCU movies were able to succeed in the Korean movie market is that people obviously love the characters and the stunning visuals. But, to explain more about some factors which made Marvel movies so famous in South Korea, I want to address two main reasons: marketing strategies and lessons from the movies.

The MCU actively tries to promote and maintain a favorable public opinion in South Korea. First of all, it is easy to see the slogan "First Release in Korea" or "Faster Premiere in Korea" on the movie posters. All the Marvel movies except *Captain America: The First Avenger* and *Ant-Man* were released in Korea before the United States. *Avengers: Infinity War*, for example, was released a week earlier. Over time, the number of people watching Marvel movies on their first day has increased as well.



According to Kevin Feige, the President of Marvel Studios, the core reason for the early premieres in Korea is that South Korea has been an indicator of success. An aide who worked on Marvel movies told Chosun Ilbo that success in Korea can bring word of mouth that turns movies into hits in other Asian countries. Moreover, many actors of Marvel movies have visited South Korea personally to promote their movies, including Tom Hiddleston, Benedict Cumberbatch, and Tom Holland. In February 2018, South Korea was selected to be the first host country for the International Press Tour of the first Marvel movie of 2018, *Black Panther*. Likewise, some recent movies including *Spiderman Homecoming* (July 5, 2017), *Black Panther* (Feb. 14, 2018), and *Avengers: Infinity War* (April 25, 2018) held their Asia Promotion Event in South Korea. Furthermore, the MCU has shown their appreciation for Korean audiences by filming parts of their movies in South Korea, including scenes shot in Busan and on the Han River in *Black Panther* and *Avengers: Age of Ultron*, respectively. The Korea Tourism Organization made an agreement to improve the relationship between Korea and Marvel in 2014 after the release of *Avengers: Age of Ultron*. These types of special events and extra attention have helped boost the popularity of Marvel movies among an already eager Korean audience.

Second, Marvel movies present various life lessons for audiences to contemplate under the main theme of defeating villains who don't care about the value of individual life. For example, the first Marvel movie, *Iron Man*, showed Tony Stark's change from an arrogant and rich guy to a new man who seeks peace in the world. Through his change, the movie addressed the importance of altruism and courage rather than egotism. Likewise, every other movie contains lessons for audiences. *Captain America: Civil War* laid out a philosophical debate in the conflict between Captain America and Iron Man, asking which virtue should be more valued between free will and responsibility. Captain America focused more on free will as he tried to protect his friend, Bucky, who had been brainwashed to assassinate innocent people. In contrast, Iron Man thought that Bucky has to take responsibility for his behavior regardless of whether it is his own will. Both virtues are important, and the movie provides a good opportunity to spend time debating and creating our own thought and logic.

To take another example, let's look at *Black Panther*. The reason why the movie *Black Panther* is meaningful is that Black Panther is the first black hero in the MCU. Black Panther depicts the unknown country "Wakanda" which is fictional Sub-Saharan African nation. People in the movie recognize Wakanda as impoverished country, but actually it has tons of vibranium which is the strongest element in the universe according to the MCU stories. The reason why the king of Wakanda hides this fact and their high technological capability to the world is to protect their citizens from the outside world. However, in the movie, T'Challa decides to reveal their true strength and share the resources which they have to the other countries in need. This movie clearly shows MCU's respect toward the value of ethnic and cultural diversity, and at the same time depicts some interesting lessons of diplomacy and international relations. With this point of view, Marvel announced a plan to make more diverse heroes, possibly including an Asian hero. C.B. Cebulski, editor for Marvel Comics, even mentioned his idea to produce some Korean heroes for upcoming movies.

The MCU has succeeded in Korea, with movies earning a combined \$600 million there. This amount makes up 6.8% of the MCU's total foreign revenue. Korean ticket sales for *Civil War*, for example, totaled 8% of the movie's total foreign revenue of more than \$700 million. It already has been 10 years and MCU has released 19 movies to make a whole series of heroes that have captured the attention of Korean audiences. With more stories yet to come, including a possible Korean hero to add to the MCU, Marvel's popularity in Korea may continue to grow.

*Yeonsu Kim is a student of Sogang University in South Korea, majoring in Economics. She was an intern at the Korea Economic Institute of America as part of the Asan Academy Fellowship Program. The views expressed here are the authors' alone.*

*Photo by yooina37 on Naver Blog (CCL).*

## South Korean Opinion of North Korea Spikes

Posted on 09 July 2018. Tags: Donald Trump, Kim Jong-un, north korea, polling data, public opinion, South Korea, Summit United States

**By Jenna Gibson**

In a new poll from the Asan Institute, South Korean public opinion of North Korea has greatly increased since the beginning of 2018, hitting 4.71 out of 10 in their June poll. According to Asan, this is the first time favorability of North Korea has exceeded 4.0 since they started conducting these polls in 2013. Kim Jong-un similarly saw a spike in favorability among the South Korean respondents, rising to 4.06 from just 0.88 in November 2017.

This result is particularly surprising in comparison to other countries in the region. The United States maintains its position as the most favored nation among Koreans, but North Korea had now surpassed both Japan and China in the eyes of the Korean public.

This increase comes on the back of the inter-Korean and U.S.-North Korea Summits, which recurred positive reviews from Koreans. According to the Asan poll, 71.8 percent of South Koreans evaluated the Trump-Kim meeting as achieving positive results, and 62.6 percent said they believed North Korea will follow through on its agreements to denuclearize.

While the South Korean public remains optimistic about the recent dentente on the Korean peninsula, they will likely be closely watching next steps and their opinion may shift again as the situation continues to unfold.

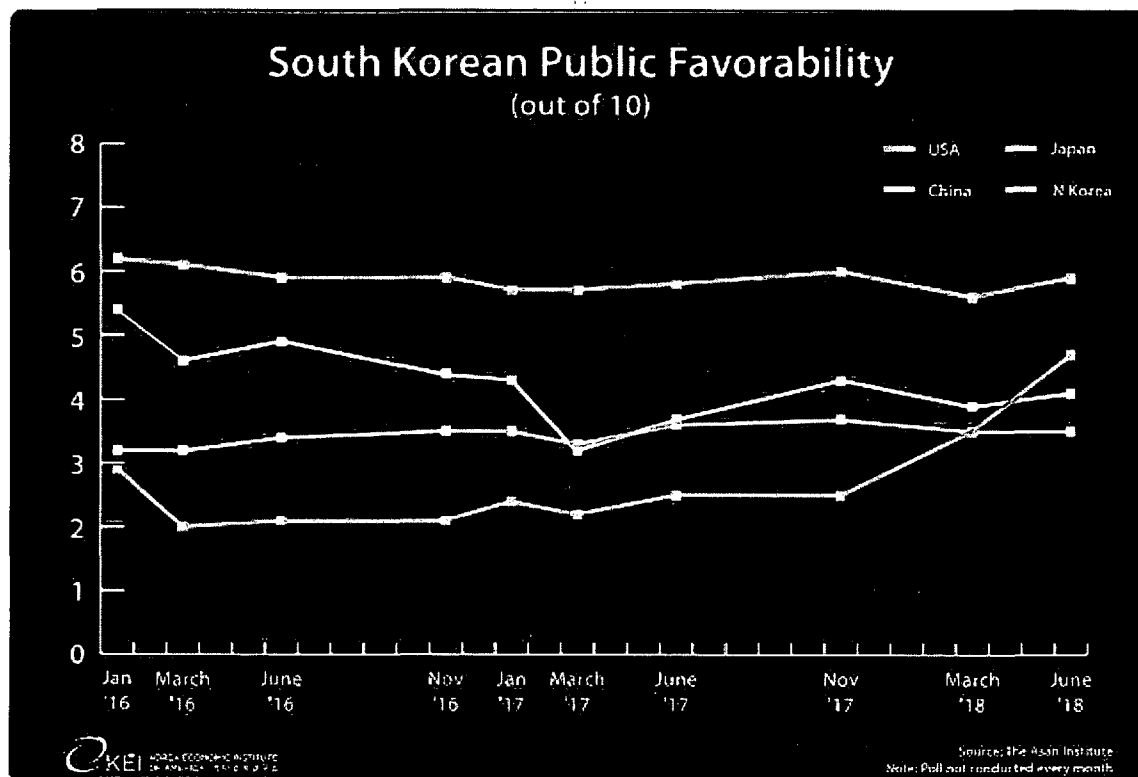


Image from Wikimedia Commons. Graphic by Jenna Gibson.

## Korean Women Protest Epidemic of Spy Cam Crimes

Posted on 10 July 2018. Tags: [Moon Jae-In](#), [politics](#), [protests](#), [social issues](#), [South Korea](#), [spy cam](#), [women](#)  
By Su Yeon Ham and Soyeon Kim

The issue of so-called “spy cams” is making headlines these days in South Korea. “Spy cams” refers to filming people in public or private places like toilets or the subway without their permission. Spy cam crimes have been one of many sexual related crimes women face in South Korea. However, it has gained more attention recently because of the recent “Hongdae spy cam” case. Someone secretly filmed a nude male model during a drawing class at Hongik University – the number one fine art university in South Korea – and posted the video online. The police quickly investigated the case and caught the criminal within 10 days. The culprit turned out to be a female model who was taking the same class.

However, women were surprised by how quickly the police rushed to solve this spy cam case. They claimed that the only reason it was resolved so quickly was because the victim was a man. In most spy cam cases, the victims are women, but few of them get the attention or resolution that the Hongdae case received. Therefore, the Hongdae spy cam case sparked a larger conversation on the issue of

gender inequality in South Korea. On June 9, about 22,000 South Korean women marched through the streets of Seoul protesting against illegal filming and photography, and called for unbiased investigations and gender equality. This protest was reportedly the largest female protest in South Korean history.

The type of camera used in these hidden camera crimes can be easily purchased through websites that people commonly use. There are also a wide variety of types, including ones that are so small they are almost invisible. These cameras can be attached to glasses, screws, tie pins, and even fountain pens. This is why many people are angry – victims have no chance to protect themselves when a camera could literally be hidden anywhere. Even though such hidden cameras are often misused, Korea has no regulations on their sale. The fact that anyone can buy it without any special procedure and that anyone can become a victim without realizing it make the situation even more serious.

In addition, criminal punishment has often been too weak because there is no readily apparent physical damage. Under current law, in the case of filming or proliferating pictures or videos taken against a victim's will, the perpetrator is punishable by up to five years in prison or fines up to 10 million won (\$8,900). Distributing such images for the purpose of profit is punishable by up to seven years in prison or a 30 million won (\$27,000) fine. However, in reality, spy cam crimes and disseminating the pictures or video go unpunished in most cases.

In April 2018, more than 200,000 people signed a petition demanding a ban on sales of hidden cameras and stronger punishments for hidden camera crimes. In response, on June 15, the Blue House announced that it would introduce a registration system for manufacturing, importing and selling disguised cameras. Moreover, the government plans to dedicate five billion won (\$4.5 million) toward eradicating these crimes; the Ministry of Public Administration and Security, the Ministry of Gender Equality and Family and the National Police Agency will check 50,000 public washrooms around the nation in hopes of discovering and destroying any hidden cameras. On July 3, President Moon Jae-in called for tougher punishment for hidden camera crimes, including notifying perpetrators' employers of their misconduct. He asserted that we must make sure perpetrators suffer a greater disadvantage than the damage they inflicted.

Hidden camera crimes are constantly taking place everywhere, including in the subway, in public toilets, on the stairs, and so on. Spy cam criminals are getting more sophisticated and intelligent with subminiature cameras. Considering the growing number of spy cam crimes, more severe punishment and countermeasures are urgently needed.

*Su Yeon Ham is a current intern at the Korea Economic Institute and Soyeon Kim is a former intern. The views expressed are the authors' alone.*

*Image from user kmr280 on Naver Blogs.*

## UN Special Rapporteur Calls for Investigation of North Korean Waitresses' Defection

Posted on 13 July 2018. Tags: Human Rights

By Robert R. King

A few days ago during a visit to Seoul, the United Nations Special Rapporteur on Human Rights in North Korea, Tomas Ojea Quintana, called for an investigation into conditions under which 12 North Korean waitresses and their manager who defected from China to South Korea two years ago with the help of South Korean officials.

UN Special Rapporteur Quintana, who has been vilified in the North Korean press, has an excellent record as a human rights attorney. Because of his strong human rights reputation and his position with the United Nations, Mr. Quintana's comments received considerable attention in South Korea.

The 12 female workers were among the many young women from the North who are allowed to leave the DPRK in order to work as waitresses and musical performers at North Korean government-owned restaurants in China and other Asian countries. These are a major source of hard currency for the North.

The group of 12 waitresses and musicians, as is the case with other such young women, lived together dormitory-style under the supervision of the male North Korean manager. In April 2016, the entire group of 12 plus the manager defected to South Korea from the restaurant in Nignbo, China, an important port and industrial city just south of Shanghai.

In a departure from usual practice, the South Korean government announced the group defection in April 2016. This was the largest and most public group defection since Kim Jong-un became DPRK leader in late 2011. The defection of the 13 was announced by the spokesperson for the South Korean Ministry of Unification, who suggested that the defections were the result of difficult living conditions in the North after the imposition of sanctions a month or so previously and that the group were "tired of Pyongyang's ideological campaigns." He also added that they "had become disillusioned with their home country after watching South Korean television dramas and films."

As soon as the defections were announced by the South, the North mounted a campaign to denounce the "so-called defection" as nothing more than an abduction by South Korea. Seven other waitresses, purportedly from the same North Korean restaurant in Ningbo, China, were paraded out for CNN in a Pyongyang hotel shortly after the defections became known. One of the seven, standing with her colleagues, sobbed, "We would never leave our parents, country, and leader Kim Jong-un. None of us would ever do that." A North Korean Red Cross spokesperson quickly denounced the action as a "group abduction" of North Koreans "in broad daylight" according to KCNA, the official North Korean press agency.

The call made a few days ago by UN Special Rapporteur Quintana for an investigation of the circumstances of the defection was the result of a news story that appeared in May of this year in which the North Korean manager at the restaurant in China said that he "tricked" the 12 young women "into going to South Korea at the bidding of South Korea's spy agency, the National Intelligence Service (NIS)."

Although the defections took place under the conservative government of former President Park Geun-hye, the current government of progressive President Moon Jae-in reiterated that the waitresses came voluntarily. A spokesperson for the Ministry of Unification said, "I understand that the workers came to the South of their own free will." Despite this reiteration by the current South Korean government, there are media calls for an independent investigation.

Unfortunately, the controversy has shifted emphasis away from the underlying human rights atrocities that are the basis of the problem. It is instructive to note that the free press of South Korea has

investigated and opined on the case, providing increasing detail and a wide variety of opinion on the issue. In stark contrast, the state-controlled media in Pyongyang have sung the same melody in unison. The heart of the orchestrated campaign was that these abducted victims should be returned to the North.

The human rights atrocities at the real root of the problem, however, are North Korea's gross violation of fundamental human rights.

One of these is the right of North Koreans to leave the country. The rightfully celebrated Report of the UN Commission of Inquiry on human rights in the DPRK, concluded (Paragraph 380): "The Commission finds that DPRK citizens are subject to restrictions on foreign travel that in practice amount to a virtual travel ban on ordinary citizens, which is enforced through extreme violence and harsh punishment." It is difficult for Americans to appreciate this because when Americans board a flight to leave the United States, there is no passport control. Airline personnel, not U.S. government border guards, check passports, but this is only to be sure that the traveler has the proper visa to enter the destination country.

Those who do leave the North illegally are subjected to severe punishment in North Korea prison camps. The UN Commission of Inquiry Report (Paragraphs 693-845) described "the widespread use of torture and inhuman treatment" including starvation in the prisons and detainment facilities in the DPRK. In meetings I had as U.S. Special Envoy for North Korea Human Rights with individuals from the DPRK who recently arrived in the South, I was struck by the number who were able to escape the North only after several attempts. Without exception they described brutal treatment and imprisonment for months or even years when they were apprehended for attempting to leave the country.

These measures are in clear violation of internationally recognized human rights, and they were strongly condemned by the UN Commission of Inquiry on DPRK human rights.

The other element that needs to be kept in mind is the consequence for family members who are left behind in the North when family members go to South Korea or elsewhere without official permission. Family members in the North are severely punished when relatives leave illegally—even when they had no idea that a family member intended to go. Most family members who leave do not tell family members of their plans. They are also generally very careful in South Korea to mask their identities. If family members left behind are identified, they are punished. (A New York Times story has interesting details about defectors and family members left behind.)

Thae Yong-ho, the former second ranking official in the DPRK embassy in London, defected with his wife and two teen-aged sons in 2016. In talking about his experiences with an American journalist, he said, "Our freedom here [he was in Seoul] is achieved at the cost of the sacrifice of my family members left in North Korea. When a defection of my level happens, the North Korean regime usually sends the family members of high officials, defectors, to remote areas or labor camps and, to some extent, even to political prison camps as well."

It should be kept in mind that some defectors prefer to be identified as having been abducted rather than leaving voluntarily. This may make it easier on family members who remain in the DPRK. The manager of the North Korean restaurant in China who led the group of waitresses, according to a recent press story claimed that he "tricked" the young women into leaving—they did not defect. He also gave

a reason for his own decision. "He says five of his friends were executed without trial and he feared he could one day face a similar fate."

The bottom line is that the issue is complex. As Greg Scarlatou, Executive Director of the Committee for Human Rights in North Korea told one journalist, this is basically "a senior UN official reaching a verdict prior to any investigation."

It may be helpful to have a more formal investigation of the circumstances, but at the same time the issue is complicated and those unique elements need to be taken into consideration. One thing that seems clear, in the future publicizing or calling attention defections may not be a good idea. For their own security and for the security of family members who remain in North Korea, uncertainty about who and why some individuals may have defected may be the safest course.

*Robert R. King is a Non-Resident Fellow at the Korea Economic Institute of America. He is former U.S. Special Envoy for North Korea Human Rights. The views expressed here are his own.*

*Photo from UN Geneva's photostream on flickr Creative Commons.*

## An Interview with Ambassador Christopher Hill on the Nuclear Talks with North Korea

Posted on 16 July 2018. Tags: [diplomacy](#), [nuclear weapons](#)

**KEI Communications Director Jenna Gibson, host of the KEI podcast Korean Kontext, recently interviewed Ambassador Christopher Hill, former Assistant Secretary of State for East Asian and Pacific Affairs.**

**The following is a partial transcript of that conversation, which has been edited for space. The rest of the episode can be [found here](#).**

**Gibson:** Since you've seen some of these things before in terms of negotiating with the North Koreans, what do you see in today's negotiations that is maybe similar or different than when you were working on similar issues?

**Ambassador Hill:** There's no question there are some familiar patterns, but I think there are also some new elements to it. And one of the new elements was of course the American President, President Trump, being prepared to meet with the North Korean President, that was a first. The North Koreans have over the years suggested that they would like to meet with the American president, but it's first time that the American president said yes. So that was very different.

What is not different, however, is that North Korea really has a great deal of difficulty coming forward and saying it'll do the things that we would like to see done, namely denuclearization. I think North Korea also has some difficulty explaining what it is they want, and they often leave us kind of negotiating with ourselves – is it a peace treaty they want, is it something to do with economic assistance – what do they want? And I think to some extent that whole issue has bedeviled this process in the days and weeks after the Singapore Summit.

**Gibson:** What was your assessment of the Singapore Statement?

**Ambassador Hill:** I think the statement that was agreed to at the Six Party Talks in 2005 was a much better statement, and there are a number of reasons for that – it very successfully laid out some of the issues and laid out the mutual obligations of the various parties. But it also represented not only a lot of work but a lot of time in doing that work, and I think to some extent Singapore suffered by a sense that perhaps they got going on it much too late.

So it was a statement that kind of touched some of the issues that were drilled into in Beijing in 2005, but in kind of just touching those issues, I don't think it did a very good job of making it clear what the various obligations are. So I think it was a statement that got the process going, and now we have to see if the diplomacy can flesh out some of those issues.

**Gibson:** What are some of the pros and cons of the top-down approach?

**Ambassador Hill:** The pros are obvious – if you get some agreement, the agreement should stick, because it's being done at the top. The cons are also evident – if they can't agree on something, what are you going to do? Push it down to lower levels for more work? So I think there's a problem overall with the idea of having this senior approach.

And moreover, every time there's a failure to agree on something, that failure looms very large in everyone's' minds. It's one thing to have an assistant secretary come back from a trip empty handed, it's another thing to have the Secretary of State come back from a trip empty handed. So I think the problem is the failures are magnified, perhaps even more than the successes are.

**Gibson:** Is it important to get regional players such as China, Japan, and Russia directly involved and if so, how?

**Ambassador Hill:** If you look at the Six Party statement of September 2005, which had some similar elements to the Singapore Statement, and it had a lot of other elements there. It spoke about normalization of North Korean-Japanese relations. Obviously, that wasn't touched in Singapore. Again, I think peace and security can be achieved in Northeast Asia, and I continue to be an optimist about that. But we have to understand what has driven the crisis, and it's not just the U.S. and NK, there are other things going on.

I think to understand what happened in the Six Parties, it was not a question of the six delegations all meeting together simultaneously, I think that would have been a very difficult format to pursue. What it was, was essentially a platform on which the various delegations could meet with each other whether one-on-one, one-on-two, three-on-one, whatever was necessary. I think that was beneficial.

But again we have a president who wants to look at this with a very fresh set of eyes, and not have his vision clouded by the problems and events of the past.

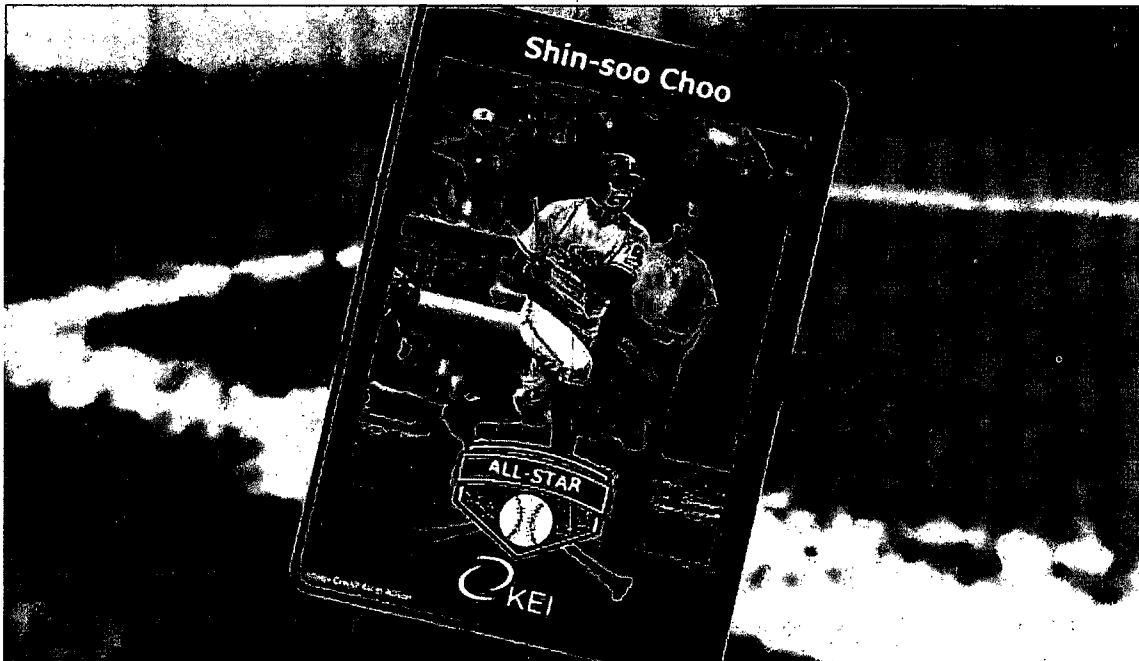
## Is Choo Shin-soo the Second-Best Player Ever from Asia in MLB?

Posted on 17 July 2018. Tags: [sports](#)

By Troy Stangarone

When Choo Shin-soo makes his first All-Star appearance in tonight's Major League Baseball (MLB) All-Star Game he will become only the third Korean born player to take part in the mid-summer classic. While it will be a career highlight for Choo to join Park Chan-ho and Kim Byung-hyun as the only Korean born players to be selected as All-Stars, he may also be one of the more underappreciated players from Asia to play in the MLB.

Without question, the best position player from Asia to play in the MLB is Ichiro Suzuki. With more than 3,000 hits, the third most home runs by a player from Asia, 10 All-Star selections, an MVP award, and Rookie of the Year Award, Ichiro stands apart from other players that have crossed the Pacific. What may be in more dispute is that Choo Shin-soo is likely the second-best player from Asia to play in the majors.



Pitchers from Asia have tended to stand out more than position players in the MLB. Starting with Park Chan-ho, there have been a string of pitchers to come to the United States and became stars. The Yankees' Marhiano Tanaka and the Cubs' Yu Darvish are current star pitchers from Japan. When it comes to position players, some like Koske Fukidome who debuted with a two-home run game, have quickly faded. Hideki Matsui might be the default answer for the best position player from Asia after Ichiro, but that may no longer be the case.

While the idea that Choo might only be surpassed by Ichiro among Asian born players in the history of MLB is not likely the casual fan's first impression, it is a debate worth having. One way of judging players performance is how many wins above replacement (WAR) that they produce. The idea behind WAR is essentially a measure of the value of a player to their team in terms of contribution to wins over an average replacement player. As MLB heads into its All-Star break, Jose Ramirez of the Indians, Mike Trout of the Angels, and Mookie Betts of the Red Sox lead the way with 6.5 WAR. In essence, they have been worth six and a half more wins for their respective teams than a replacement level player. Choo currently ranks 40<sup>th</sup> in MLB with 3.0 WAR.

Among players from Asia, Choo trails only Ichiro in terms of career WAR and has surpassed all of the pitchers who have come to the majors from Asia. Over his career, Choo's performance on the field has been worth 34.6 WAR to his teams. His career WAR is closing in on three times that of Hideki Matsui (34.6 to 13.1), and so far he has achieved that only playing for more seasons than Matsui. Beyond his career WAR totals, Choo has had three seasons in his career where he has produced seasons of 5 WAR or greater, while Matsui topped out at 3 WAR during his best season.

### WAR Leaders Among Asian-born Players



| Name                | WAR  | Seasons |
|---------------------|------|---------|
| 1. Ichiro Suzuki    | 57.4 | 18      |
| 2. Choo Shin-soo    | 34.6 | 14      |
| 3. Hideo Nomo       | 27.3 | 12      |
| 4. Hiroki Kuroda    | 23.7 | 7       |
| 5. Park Chan-ho     | 21.1 | 17      |
| 6. Yu Darvish       | 19.2 | 6       |
| 7. Masahiro Tanaka  | 13.3 | 5       |
| 8. Hideki Matsui    | 13.1 | 10      |
| 9. Koji Uehara      | 12.1 | 9       |
| 10. Hisashi Iwakuma | 11.7 | 6       |

Source: Fangraphs.com

In addition to being named an All-Star for the first time, Choo achieved a new milestone this year when he passed Matsui to become the all-time home run leader among Asian players. Choo enters the All-Star break with 186 home runs.



While some might argue that Choo has played more seasons than other Asian players, his per season WAR averages compare well. Though, it will be interesting to see if Yu Darvish and Masahiro Tanaka, two players with better career WAR averages, are able to have better careers in the end.

Others in time, such as Shohei Ohtani, may surpass the Choo's achievements, but as he comes near the end of his playing career he is arguably the second most successful Asian player to play in the major leagues. Choo might not have received the fanfare of players such as Daisuke Matsuzaka, Hideki Matsui, or Kosuke Fukudome when they came to the United States, but his career will likely surpass theirs and other well-known names.

*Troy Stangorone is the Senior Director for Congressional Affairs and Trade at the Korea Economic Institute of America. The views expressed here are the author's alone.*

*Photos from Keith Allison's photostream on flickr Creative Commons.*

## Higher Tariffs on Imported Vehicles and Parts from Korea Will Harm U.S. National Security

By Phil Eskeland  
Posted on 19 July 2018. Tags: economics, trade

Earlier today, the U.S. Department of Commerce held a public hearing as part of the investigative process (Section 232) into the national security implications of motor vehicle and parts imports in the United States. The Commerce Department also hosted a public comment period, now closed, in which approximately 2,300 persons responded. In both the public hearing and the comments the Commerce Department received on-line, the vast majority of respondents were strongly opposed to the proposal to raise tariffs, perhaps as high as 25 percent, on imported motor vehicles and parts for numerous reasons, most notably the lack of a valid national security rationale for embarking on this course of action. The broader concern is that if the U.S. adopts the reasoning that "economic security is national security" to raise tariffs on imported vehicles and components, then this would empower other countries to emulate the American action, which would lead to a host of abuses around the world that will be detrimental not just to the U.S. economy, but to the world economy at-large.

Most of the media coverage of this issue focuses on trying to explain the rationale for the Trump Administration's justification for launching this study: either to (1) induce Canada and Mexico to become more amenable to the U.S. position in the auto provisions in the North American Free Trade Agreement (NAFTA) renegotiation talks or (2) persuade the European Union to eliminate its 10 percent tariff on imported motor vehicles. Caught in the peripheries of this maelstrom is the effect higher U.S. tariffs on imported autos and parts would have on the Republic of Korea (ROK) and the burgeoning Korean auto manufacturing industry in the United States if Korea is not given an exemption.

There are two Korean companies that manufacture automobiles with operations in both Korea and the United States – Hyundai Motor Company and Kia Motors Corporation. According to written comments to the Department of Commerce, Hyundai and Kia provided the following information:

|                                                                                             | Hyundai                                                                                             | Kia                                                            |
|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| Amount of investments in the U.S. (2016)                                                    | \$8.3 billion                                                                                       | \$7.7 billion                                                  |
| Main assembly plant location                                                                | Montgomery, AL                                                                                      | West Point, GA                                                 |
| Vehicles made in U.S.                                                                       | Elantra, Santa Fe, and Sonata                                                                       | Optima and Sorento                                             |
| Number of manufacturing workers in the U.S. (2017)                                          | More than 25,000                                                                                    | Almost 25,000                                                  |
| Number of U.S. workers in automobile dealerships (2017)                                     | 47,000                                                                                              | 38,000                                                         |
| Total unit sales in U.S. (2017)                                                             | 685,554                                                                                             | 589,626                                                        |
| Final destination of vehicles made in the U.S. (2017)                                       | 311,055 – U.S.<br>79,436 – export                                                                   | 196,430 – U.S.<br>30,223 – export                              |
| % of total U.S. auto sales (2017)                                                           | 4.0 percent                                                                                         | 3.4 percent                                                    |
| % of total U.S. auto sales of vehicles made in U.S. (2017)                                  | 1.8 percent                                                                                         | 1.1 percent                                                    |
| U.S. production cost increase if a 25 percent tariff is imposed on imported autos and parts | 10 percent                                                                                          | 10 percent                                                     |
| Effect of 25 percent tariff on future investment                                            | Plans of "several billion dollars" could be jeopardized                                             | Plans of "additional billions of dollars" could be jeopardized |
| Effect of 25 percent tariff on jobs                                                         | A "significant reduction" in the number of U.S. workers at manufacturing facilities and dealerships | A "substantial loss" of U.S. jobs                              |

Source: Hyundai Motor America and Kia Motors America

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There are two other automobile manufacturers that export vehicles from South Korea to the United States – General Motors (GM) Korea and Renault/Samsung Motors (Renault is now part of an alliance

with Nissan). Vehicles manufactured in Korea under these nameplates include the Chevy Spark and Trax, along with some Nissan Rouge vehicles. In their written comments to the Department of Commerce, the Korea Automobile Manufacturers Association (KAMA) said that U.S. sales of all Korean automotive imports, including Hyundai and Kia vehicles, totaled 821,338 units in 2017, which was 4.8 percent of the total U.S. market share. The primary focus of these Korea-made vehicles is on small cars and cross-over utility vehicles (CUVs) that is no longer a mainstay of U.S. automakers.

In addition, the Korean automotive components manufacturers are also increasing their presence in the U.S., now producing parts in 94 facilities located in 14 states across the United States. For example, LG Electronics also spoke before the Department of Commerce panel conducting the Section 232 investigation to remind the audience of their recent investment in the Detroit, Michigan area to produce batteries for electric vehicles that resulted in the creation of 300 jobs.

Nonetheless, the unique challenge confronting Korea is that not only is the ROK a strong allied partner of the U.S., but also recently successfully concluded a renegotiation of its free trade agreement (FTA) with the United States, including making several changes to the auto provisions, that "will strengthen our national security relationship." In fact, President Trump recently characterized the revised Korea-U.S. Free Trade Agreement during a trip to Wisconsin as a "wonderful deal for both" countries. Neither Japan nor the European Union has a FTA with the United States. Canada and Mexico, the other two major nations that exports vehicles and parts to the U.S., are still in the throes of renegotiation their FTA with the United States.

In addition, the ROK and the U.S. together face the unique challenge of North Korea. There are more than 400,000 South Koreans employed in their domestic auto sector and the U.S. is their largest export market, totaling \$6.8 billion in 2016. If tariffs are imposed on South Korea's auto and parts exports to the United States, it would represent a major blow to South Korea's economy and thus weaken the ability of the ROK to advance our shared national security interests with respect to dealing with North Korea. Imposing tariffs would also make it extremely problematic for President Moon Jae-in to pass the revisions to the Korea-U.S. (KORUS) FTA in the divided Korean National Assembly (no single party has majority control in their parliament) because the U.S. action would be viewed by these legislators as bad faith on the part of the Trump Administration, particularly in light of other discussions in Washington, D.C. of embarking on even more Section 232 investigations into sectors important to Korea's economy, such as semi-conductors. Already, there has been yet another Section 232 investigation launched – this time dealing with U.S. imports of uranium.

Not only are there sound economic reasons not to impose higher tariffs on Korea motor vehicle and parts imports, due to the fact that this action would significantly raise prices on the most affordable, safe, and dependable vehicles and result in job losses, but it will also damage U.S. national security by undermining a foundation of the South Korean economy. If economic security is national security, it is counterintuitive to buttress a vibrant U.S. auto industry that does not need help by undercutting Korea's ability to continue to be a strong partner in the U.S.-Korea alliance. If this was thought of as a broad tool to force more companies to move production into the U.S., higher tariffs will be backfire because this action will only lead to fewer car sales, and thus less revenue for expansion, as the basic price for all vehicles rises and discourages Americans from buying a new car.

*Phil Eskeland is Executive Director for Operations and Policy at the Korea Economic Institute of America. The views expressed here are his own.*

*Photo from Abdullah AlBargan's photostream on flickr Creative Commons.*

## Record Heat in South Korea Prompts Talk of Including Extreme Heat as a “Natural Disaster”

Posted on 24 July 2018. Tags: [environment](#)

**By Juni Kim**

A relentless and unprecedented heat wave continues to scorch South Korea with little relief in sight. Cities across the country have recorded all-time high temperatures in recent days, with temperatures peaking above 40 degrees Celsius (104 degrees Fahrenheit). The Korea Center for Disease Control and Prevention reported yesterday that ten people have died due to heatstroke, with seven deaths occurring just last week, and over a thousand people have suffered from heat-related illnesses.

The continuing heat wave has prompted concerns of mass electricity shortages as power demands reach record numbers. The Korea Electric Power Corp reported multiple blackouts across South Korea over the weekend, including in the major cities of Seoul, Busan, and Gwangju.

Paik Un-gyu, the nation's Minister of Trade, Industry, and Energy, acknowledged the record demand in a parliamentary report made yesterday. Despite the outages, he reassured that the South Korean government “will be fully ready for the stable power supply this summer.” In order to meet the increased electricity demand, two offline nuclear plants, Hanbit 3 and Hanul 2, will be brought back online in August and scheduled maintenance for plants Hanbit 1 and Hanul 1, originally planned for mid-August, will be postponed.

# TOP 5 TEMPERATURES IN SEOUL HISTORY

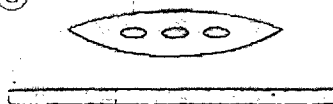
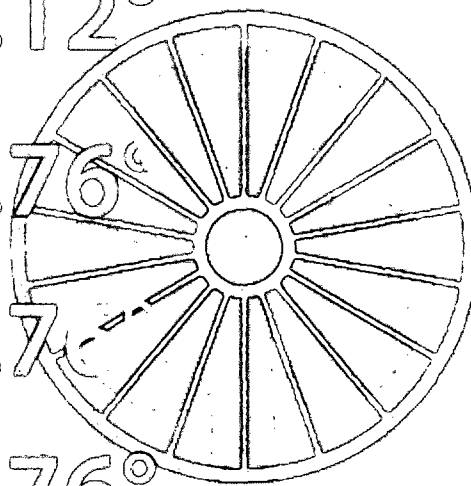
1. 38.4°/101.12°  
(July 24, 1994)

2. 38.2°/100.76°  
(July 23, 1994)

3. 38.2°/100.76°  
(August 24, 1943)

4. 38.2°/100.76°  
(August 10, 1939)

5. 38.0°/100.4°  
(July 22, 2018)



KEI  
Source: Korea Meteorological Administration

In a cabinet meeting held earlier today, President Moon Jae-in recommended that heat waves be included on the natural disaster list designated by the Act on the Management of Disasters and Safety. He stated, "I urge you to recognize the prolonged heat wave as a form of special disaster and once again carefully review related measures." His comments follow talk from the Ministry of Interior and Safety to revise the current disaster law to include extreme heat. The Ministry has already taken measures to address the heat wave, including an additional 6 billion won (\$5.3 million) of funding announced earlier today to help local governments handle the problems caused by the unprecedented heat. The funding follows an initial provision last month that provided 4 billion won to cities and provinces.

Unfortunately, South Koreans can expect little relief in the coming days as weather forecasts expect the heat wave to continue until the end of the month. To help beat the heat, South Koreans have taken to traditional summertime foods like samgyetang, a hot chicken and ginseng soup. While eating soup may

seem like an odd tactic for combating hot weather, it follows an old Korean saying to fight fire with fire (이열치열). According to the online retailer Gmarket, sales of chicken and duck, both associated with helping to increase stamina, have increased 57 percent and 167 percent compared to sales numbers last year.

*Juni Kim is the Program Manager and Executive Assistant at the Korea Economic Institute of America (KEI). The views expressed here are the author's alone.*

*Photo from eLJeProks' photostream on flickr Creative Commons.*

## The Jig Is Not Yet Up: Kim Jong-un Turns to Cyber Crime

Posted on 25 July 2018. Tags: cyber, security, technology

**By Linnea Logie**

Kim Jong-un and his inner circle have since the beginning of 2018 professed their ardent desire for peace on the Korean peninsula. Yet however impassioned their rhetorical allusion to the prospect of peacefully reunifying the Korean peninsula and integrating North Korea (DPRK) into the global community, North Korean leaders are keenly aware that attempting a major pivot would undermine the ideological and theoretical basis of regime legitimacy. Fearful that relinquishing nuclear weapons and seeking out alternative means of regime security would precipitate their downfall, Kim and company remain intent on developing alternative means of not only defending elite activities against external interference, but also inflicting damage on so-called foreign "enemies." Continued nuclear-weapons development, for all the attention it receives from the outside world, is only part of this broader strategy.

The regime has not survived on the threat of nuclear terrorism, alone. Contrary to popular belief, North Korea is rapidly amassing capabilities with arguably greater destructive potential than nuclear or ballistic missiles. Pyongyang's elaborate licit and illicit financial networks grow more sophisticated and its army of cyber warriors grows more adept with each passing day, posing fearsome threats to Northeast Asia, the United States, and the entire international system. This has become increasingly evident under the leadership of Kim Jong-un, who has overseen a dramatic expansion of criminal activities into the vast realm of cyberspace to bolster the economic security of the ruling class, as well as threaten the national interests of foreign adversaries. These malicious activities belie the appearance of civility and openness crafted so carefully by the North Korean leadership since it launched a pre-Olympics charm offensive in early 2018. Add to this Pyongyang's recent recriminations of the U.S. negotiating posture, and the prospects of Kim adopting a radically new tact seem slim.

Focusing on North Korea's nuclear-weapons development at the exclusion of other ominous regime objectives neither diminishes the North Korean cyber threat, nor renders it more easily contained. With the time already won through the ongoing charm offensive, this threat is now even more disquieting, demanding extreme vigilance from the United States and its allies. As the revenue-generating activities of regime cyberwarriors rapidly gather steam, Kim will almost certainly remain recalcitrant.

**Fighting the Next War**

The international community made a critical error in reducing the threat posed by the North Korean regime to one of a strictly nuclear nature. That the Kim dynasty is first and foremost a "nuclear conundrum" remains the prevailing view, underlying the strategic thinking of key policymakers around the world and virtually institutionalizing a preference for diplomacy in addressing the North Korean threat. Meanwhile, behind a veil of nuclear belligerence, the ruling Kim family has been quietly and painstakingly preparing to fight the next war: a "Secret War" waged not with guns and bullets, but with information and network access.

Former NSA deputy director Chris Inglis describes cyber as a "tailor-made instrument of power" for the North Korean regime, offering a relatively anonymous, low-cost means of both procuring financial resources and threatening foreign public and private-sector infrastructure. The rapid escalation of malicious North Korean cyber activities over the past decade seems to confirm the utility of hacking operations for the ruling elite, indicating that cyberwarfare has become a core survival tactic of the current regime.

Pyongyang's cyber program took root decades prior to Kim Jong-un's rise to power, however. The experiences and observations of scientists returning to North Korea from abroad in the 1990s sparked a realization within the regime that programming skills could help the domestic economy recover from the ravages of famine, while concomitantly amplifying the regime's ability to spy on and attack the United States and South Korea (ROK). This catalyzed the still-continuing process of identifying and recruiting promising talent for specialized education in elite North Korean or Chinese computer-science programs. Some North Koreans posted to the UN in the mid-1990s even enrolled in New York-based computer-programming courses.

By the time the U.S. invaded Iraq in 2003, Kim Jong-il was ostensibly convinced that information, rather than conventional military power, would define the future of warfare. He impressed this conviction upon his son, who, after navigating an uncertain transition of power in the early 2010s, found himself armed with an increasingly potent weapon only just beginning to be taken seriously by outside observers.

Surveying an interconnected globalized landscape with an expanded 21<sup>st</sup>-century understanding of cyberspace, Kim Jong-un came to regard cyber capabilities as more valuable than his father likely ever dreamed possible: a new asset to be leveraged in conjunction with the tools already in the regime's arsenal. With support from Offices 39 and 91, he expanded the modest ranks of programmers serving his father's regime into an army of cyberwarriors perhaps 7,000-10,000 strong (ROK Defense Ministry estimates from early 2015 placed this figure at 6,000). These hackers have carried out increasingly sophisticated attacks on targets in South Korea and around the globe, graduating from "distributed denial-of-service" (DDoS) assaults in 2009, 2011, and 2013; to the infamous Sony hack in 2014; to sensitive data-collection campaigns in 2016; to socially disruptive attacks in 2017; and, increasingly, to digital bank and cryptocurrency-exchange heists. Indeed, decades-long investments in the grooming of North Korean talent have given rise to a range of malicious North Korean cyber activities known by authorities in the United States and around the world as "Hidden Cobra."

The third ruling Kim allegedly believes he now wields a fearsome "all-purpose sword" comprised of offensive cyber capabilities, nuclear weapons, and ballistic missiles: a mighty arsenal to be employed not only as a weapon, but for revenue-generation, harassment, and geopolitical retribution. His efforts to cultivate a robust cyber army have only just begun to pay real dividends for Pyongyang, yielding the

advanced technical capabilities necessary for the regime to shift the focus of its cyber strategy from espionage to money-making.

### Cashing In

Cybercrime has emerged as a new means of extending the lifespan of the North Korean regime amid punishing international sanctions, whose deleterious effect on Sino-North Korean trade threatens regime economic security and, in turn, legitimacy. Current estimates place the value of North Korean cybertheft as high as \$1 billion annually, and with continued advancement in North Korean programming and cyberinfiltration skills, this already massive sum is poised to balloon rapidly, providing a financial lifeline for the regime while undermining regional and global stability.

Since 2015, North Korean hackers have hit banks in Mexico, Nepal, the Philippines, Poland, Taiwan, and Vietnam, pulling off an \$81-million theft in February 2016 from a Bangladesh Central Bank account managed by the U.S. Federal Reserve. And though some of these banks managed to protect at least a portion of targeted accounts, security experts are sounding the alarm that with improved North Korean computer skills, Hidden Cobra is becoming broader in scope and increasingly sophisticated, designed to successfully perform critical data-collection and revenue-generating functions.

Indeed, Pyongyang only recently embraced cryptocurrency theft and mining as new preferred mechanisms for raising the hard currency it so desperately needs. Within the first few months of 2017, North Korean hackers pulled off a \$7-million heist from Yobit that ultimately shuttered the platform, in addition to a 3,931 Bitcoin (BTC) theft from Yapizon. Other online exchanges in East Asia, including Coinis in South Korea and Coincheck in Japan, have suffered similar North Korean attacks of various magnitude and frequency.

### Undaunted

Evidence suggests that rather than stopping or slowing in the wake of the historic April meeting between Kim Jong-un and President Moon Jae-in of South Korea, Pyongyang's cyberassault on the South has gathered momentum. In the weeks following the inter-Korean dialogue in April (and subsequent talks in May), North Korean hackers struck out at the South in a quest for sensitive information that could help the regime prepare for and control the optics surrounding Kim Jong-un's June 12 summit with President Trump. Hidden Cobra actors targeted financial companies and organizations known to focus on North Korea, including an independent think tank and a non-governmental group with a history of sending food and material aid to the DPRK. The use of spear-phishing emails in this attack allegedly yielded strategic gold for Pyongyang, granting hackers access to information detailing U.S.-ROK expectations and ongoing preparations for the Trump-Kim summit.

Meanwhile, the hundreds of North Korean hackers tasked with infiltrating cryptocurrency exchanges continue to flex their growing muscles. Over a forty-minute period in the wee hours of Monday, June 11<sup>th</sup>, 2018, they stole tokens with an estimated value upwards of \$36 million from Conrail, the seventh-largest cryptocurrency exchange in South Korea. Their successful theft represented roughly thirty percent of the total coin owned by the online service, and news of the breach sent the trading value of Bitcoin into a tailspin, driving the global price down more than seven percent by the time markets closed on Monday. Then came Bithumb, which had already suffered a July 2017 breach that caused over \$1 million in losses. On Wednesday, June 20, representatives of the Seoul-based cryptocurrency

exchange—currently the sixth-largest in the world—revealed that hackers had stolen nearly \$31.6 million-worth of digital currency overnight, prompting a temporary freeze on withdrawals and deposits. Fortunately, Bithumb managed to recoup nearly half of its losses by the end of June through a collaborative recovery effort with various worldwide exchanges.

### Conclusion

The fact that brazen North Korean cyberattacks on South Korea and other foreign targets have not merely continued unabated but actually *accelerated* in the weeks since recent meetings with U.S. and ROK leaders belies Kim Jong-un's repeated allusions to peace, while also suggesting that economic sanctions and the firm messages communicated through direct diplomatic engagement have yet to chasten North Korean leaders. Instead, hubris appears to remain a prominent feature of Pyongyang's self-image and worldview.

Kim Jong-il seemingly recognized roughly fifteen years ago that technology was once again transforming the nature of warfare, and the next battle would be surreptitiously waged over information and access. His son had little choice but to incorporate this conviction into his asymmetrical survival strategy.

While keeping the international community preoccupied with the dangers posed by his ever-improving nuclear arsenal, Kim Jong-un has overseen a thriving network of criminal activity and accelerated the development of robust domestic cyber capabilities. He now appears confident that he can have his cake and eat it, too: winning time and possible concessions through diplomatic engagement, while quietly ratcheting up a malicious cyberwarfare campaign that is proving increasingly profitable for the regime.

Ultimately, the question is whether the Kim regime recognizes that rebuffing a one-time offer of cooperation from the United States may elicit a devastating response from the Trump administration. Pyongyang's diplomatic track record, unceasing activities at major domestic nuclear sites, and continued misbehavior in cyberspace suggest the ruling core has yet to accept the necessity for a dramatic strategic shift. Events unfortunately seem to be building toward an unsavory breakdown in comity, leaving observers only to wonder how negotiations may founder, and when.

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## Kim Turns to Exhortation Economics, What is His Plan B?

Posted on 26 July 2018. Tags: economics, Kim Jong-un

By William Brown

Can an economy grow by being told to do so? Kim Jong-un is launching his "economy first" messaging, spreading the word inside North Korea that he is sincere in his new emphasis on economic growth and

improved living standards. And many Koreans on both sides of the DMZ seem to be buying it. But doubts may be creeping in as sanctions are not neatly falling away and as denuclearization peace talks enter a more difficult phase. The ebullient Kim of Singapore and Panmunjom may now feel he is trapped in a box, having promised his citizens something he can't deliver except through politically dangerous changes his elders may not allow, both on the nuclear and economic fronts. A new editorial in the Party run newspaper warns with dire famine-era words, "belt tightening" and "arduous march" if the summit promises don't pan out.

In April, Kim told his Worker's Party leadership that the "focus of the entire party, and country, will now be on socialist economic construction. That is our new party line." According to defector sources, this message is being studied all across the country with people accepting it with newfound optimism. Maybe too much, hence the weekend warning. And ever since, Kim has been on the move, travelling to Singapore to meet Trump, back to China to meet Xi, and back to the DMZ to meet again with Moon, all, presumably, in an effort to get stifling sanctions lifted and the economy moving. And he is following up those meetings with a tour across northern North Korea, visiting production units and dispensing advice about how to improve output.

The visits themselves are not extraordinary—a page from the on-the-spot guidance provided by his father and grandfather—but the content is. In a visit to a children's bookbag plant, he berates the factory for poor zippers and weak, shoddy, production.<sup>[i]</sup> In a visit to a small hydro power cascade, he complains bitterly that the project was begun thirty years ago by his grandfather and is still not finished due to lazy managers and poor planning. In a visit to the Sinuiju chemical fibre plant, he complains the bureaucrats ("functionaries" in North Korean terminology) were not managing.<sup>[ii]</sup> And in a visit to an old person's home he complains of unsanitary and generally mean conditions. Stark changes from the smiling, happy Kim the public is used to seeing in these official propaganda releases. Although not always. He was happy with a small shipyard, saying that since they produced a boat for the navy they can build a cruise ship, and he liked the results of a reforestation project.<sup>[iii]</sup>

Analysts differ on what led to Kim's changed focus from militarism to development, first seen in his annual New Year's address and accelerating through the half year. Some see Kim as working from a position of strength, following by far the biggest nuclear test last September and an ICBM test in November, thus enabling Kim to pivot from a successful nuclear first *byongjin* to an economic first *byongjin*—originally, they were supposed to be parallel. But another, not incompatible view, seems more likely. As Kim was taking his train to Beijing in mid-April, for his first ever meeting with Xi Jinping, just before the party leader's announcement, China's Custom's Bureau was announcing trade between the two allies had fallen to probably the lowest level since the 1990s; almost no exports to China and plummeting imports as North Korea's foreign currency reserves were probably drying up. No textiles, no coal, no lead or zinc, no fish, no iron ore being exported and no vehicle or machinery or industrial components were being imported. Only tobacco and sugar were crossing into North Korea in meaningful amounts, addictive products not very helpful to economic production, and a small volume of milled products, possibly provided by foreign aid donors. The only meaningful exception was the crude oil lifeline, virtually all of North Korea's petroleum supply—that China has provided for decades. Beijing doesn't charge for the crude but Xi, no doubt, uses it to string Kim along, one last tool, a sledge hammer, in case Pyongyang gets too far out of line. Its easy to imagine this was not a pleasant experience for the young comrade meeting the elder Chinese statesman.

But either way, whether caused by foreign and domestic economic pressures, or a genuine feeling of strength and ambition to progress, Kim must now find himself at a crossroads, with fundamental decisions to be made about the future of his country. He has promised economic advance amidst the country's most complex, and by some counts, worst economic conditions in recent memory, caused immediately by China's cutoff in trade, but also by a longer running slide in the state's planned or "command" economy. And this comes after five years of relative economic success, as he has been able to squash inflation and peg his once disappearing currency to the U.S. dollar and Chinese yuan. But this too has come at a cost. The state's fixed priced and supposedly centrally planned economy is slowly eroding in the face of nearly uncontrolled market activity, which had been buoying productivity and growth. The Bank of Korea, South Korea's central bank, bravely fills in a gap left by Pyongyang's unwillingness to provide its own economic data, said last week it figures North Korea's GDP dropped 3.5 percent in 2017, as the trade cuts were just beginning to set in, the worst performance in a decade. The drop in exports to China in the fourth quarter was mostly to blame, but interestingly, the Bank claims, using data provided by the country's intelligence services, and by defector and open source reporting, that the impact of the trade is being felt heavily in the country's industrial sector, presumably by a drop of imports of required intermediate inputs and parts. Manufacturing, it estimates, was down about 6.9 percent. More seriously, the data only covers last year whereas worse problems are likely to be occurring in 2018, as China reports a near shutdown in its purchase of North Korean exports in the first half and plummeting North Korean imports. [1]

If Kim is in a box, it is useful to think of a hallway with two doors at the end. One, the hallway, and seemingly the tact he is currently pursuing, is to get China and others, especially South Korea, to quit sanctions and restart trade as quickly as possible, induced by tepid progress on denuclearization and relatively good international behavior. Certainly, no nuclear or missile tests, a happy pause in the "provocation cycle." Shuttering the high-profile satellite launch site, but not toying with the more important uranium and plutonium production facilities, or the mobile ballistic missile systems, may be part of that plan as with, on the domestic side, feel good measures such as giving a three-year early release for criminals—not including, apparently more dangerous, political prisoners. A series of half measures that buy him a little time. And beyond trade, he will try to entice foreign investment and aid. All of this will help, but Kim probably knows it will not solve the internal problems that have created the insanely unproductive economy in the first place—an economy where market prices are routinely 50 times state set ration prices, and wages. Intriguing is the possibility that he will thus allow greater use of market mechanisms, most importantly, flexible market determined prices and wages, at the cost of state controls and the ration system. This is a dangerous activity since while it promotes improved productivity and wealth for some, it also can split loyal state workers who depend on the ration system, such as those responsible for the failing facilities Kim visited, from entrepreneurs seeking to make money in a capitalist frontier. And it ultimately will require a huge boost in government revenue or a devastating drop in government employment.

An example of the churn is the all-important electric power industry, one that is clearly failing to meet the country's immediate, let alone, long-term needs. A new "Supplemental law on Electric Power" was promulgated in June that names the industry as most critical for the development of the economy and people's welfare.[iv] Unfortunately, the "law" is all about planning power allocations and says nothing about using market forces to solve inherent problems in capacity and demand. Yet in real life, changes seem to be occurring. According to anecdotal reporting by Chinese businessmen, Pyongyang residents

are or soon will be paying for electricity, what had been an essentially free good. The new prices for low usage household levels are still low, and will not come close to the cost of coal needed to produce the power, but for higher level users, at about 4 cents per kilowatt hour, the price is significant and about a third the price, worldwide. A boon to the power industry and to consumers who can pay, but a potential disaster for industry. Again, an important but dangerous half-move to capitalism. In China, similar moves three decades ago crippled thousands of factories dependent of nearly free electricity but allowed new more efficient and competitive factories to emerge. But this has taken thirty years. Can Kim deal with the kind of unemployment indicated by such closures, and does he have decades to play with?

Given these and other critical problems, most importantly the ever larger role foreign currency is playing in North Korean commerce, and the seemingly massive privatization, one might say theft of state property and licenses seen in the new housing markets, one might consider these efforts by Kim to be transitional or temporary in nature. Sooner or later economic and international circumstances will push him to make stark decisions over whether to fundamentally open the economy to domestic and then international competition, and to proceed with denuclearization or whatever is needed to obtain access to foreign markets and finance, or he will try to claw back the market and restore the command, some might say the exhortation, economy. The latter seems unlikely to succeed but the former will create enormous stresses as the regime tries to sort out the many winners and losers who will come from it. Not an easy predicament for the brave, perhaps fool-hearty, comrade commander.

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*Photo from Boaz Guttman's photostream on flickr Creative Commons.*

[1] Chinese trade is itself an enigma. Usually one of the world's fastest and most reliable trade data reporters, China's Custom's Bureau is three months late in delivering its global data, which it says is due to a computer or technical problem. As a result, detailed data for trade with North Korea is available only through March, with China's imports down about 90 percent from year earlier levels, and exports down nearly 60 percent. More aggregative data indicate there was no recovery through June, as sanctions held, but details are not provided.

[i] *Korean Central Television via Satellite* in Korean 0614 GMT 17 Jul 18

[ii] *Pyongyang Rodong Sinmun (Electronic Edition)* in Korean 16 Jul 18

[iii] *Uriminjokkkiri* in Korean 24 Jul 18

[iv] *Pyongyang Minju Joson (Electronic Edition)* in Korean 10 Jun 18 – 15 Jul 18

## The Significance of North Korea's Repatriation of American Soldiers' Remains

Posted on 30 July 2018. Tags: [diplomacy](#) [Human Rights](#)

By Robert R. King

Last Friday (July 27) some 55 sets of human remains were transferred to United States military personnel by North Korean military officials in the city of Wonson, North Korea. These were identified by the North as the remains of American soldiers from the Korean War. With great respect and appropriate formal military honors, the remains were received and immediately taken to the Osan Air Base in South Korea. On August 1<sup>st</sup> they will be moved to the Defense POW/MIA Accounting Agency laboratory at Joint Base Pearl Harbor-Hickam in Hawaii where specialists will attempt to identify these remains. On August 1<sup>st</sup> Vice President Mike Pence will be on hand when the remains are repatriated to United States soil.

The United States has always taken great care to identify and repatriate the bodies of American soldiers who died defending their country. The military tribute, respect and honor shown for these remains was obvious in the video of the transfer ceremony. The Korean War was fought as a United Nations action under UN command with the participation of many nations, though the United States provided by far the largest foreign contingent of troops and military equipment for the conflict. As a result each set of remains were covered in a United Nations flag. Subsequently, when the identity of the remains is established, those that are American citizens will be given appropriate American military honors.

There is much time-consuming work to be done by Defense Department officials to determine whether these remains are in fact American servicemen, and to establish the identity of the individuals. DNA analysis, dental records, and other forensic science are remarkable tools, but it is not quick. The identity of an American soldier whose remains were returned from North Korea to the United States sometime before 2005 was identified and given a burial with full military honors in Seattle only in 2012.

#### **Past U.S. Remains Recovery Efforts**

U.S. Defense Department officials report the number of American military personnel who were lost in Korea and whose bodies have not been recovered totals as many as 8,000. The hostile relationship between the U.S. and North Korea has made recovery efforts difficult. The first return of remains to the United States came in 1990, when the bodies of five servicemen were returned after some two years of difficult negotiations and diplomatic maneuvering. Protracted negotiations between the U.S. and the DPRK on missing military personnel continued in the 1990s as the U.S. and North Korea made progress in efforts leading to the Agreed Framework on nuclear issues. By 1996 the remains of 208 individuals had been transferred to the U.S. and of those, 181 were identified as U.S. servicemen.

An additional 153 individuals were identified as American servicemen from remains that were recovered by U.S. and North Korean officials during the decade from 1996 to 2005. During this time some progress in negotiations with the North on efforts to limit nuclear development, and the progress on remains recovery was part of the broader effort to make progress on denuclearization and improve relations. A subsequent military report, however, made public through a Freedom of Information Act request from the AP in 2013 found that the North Koreans had "planted" or "salted" remains at battlefield sites so they would be found by American investigators. The North used the return of remains as a tool to improve relations with the United States.

From 2005 through 2011 recovery efforts were halted as relations soured between the United States and North Korea, particularly after the DPRK tested its first nuclear device in October 2006 and its second in April 2009. Six sets of remains were handed over to then-New Mexico Governor Bill Richardson on his 2007 trip to North Korea, apparently part of an effort to spark improved relations with

the U.S. after the first nuclear test. This gift to Governor Richardson did not lead to further progress at that time.

#### **Transition to Kim Jong-un's Leadership Puts Efforts on Hold**

In 2011, relations between the U.S. and the North again began to improve. Pyongyang indicated to American officials an interest in resuming Six-Party talks on denuclearization, requested U.S. humanitarian assistance, and began negotiations with the Defense Department on remains recovery of U.S. military personnel.

As U.S. Special Envoy for North Korean Human Rights issues at that time, I led a U.S. delegation to Pyongyang in May 2011 to assess North Korean needs for humanitarian aid and to negotiate regarding U.S. conditions if aid were to be provided. We needed to provide assurances to Congress that any humanitarian aid would be based on established need and that any aid would be focused on those most in need. We had positive discussions with the North Koreans, and an American citizen detained by the North for the previous seven months was released to me when we left. We held two additional rounds of discussions in Beijing with the North Koreans in December 2011 and March 2012.

In October of 2011, Department of Defense officials met in Bangkok with North Korean counterparts on resuming efforts to find and identify the remains of American military personnel still in Korea from the time of the Korean War. At least one whole container of materials for a U.S. mission to search for American troop remains in the DPRK was shipped to North Korea for the resumption of search activities in the early spring of 2012.

The effort to move forward with North Korea on the resumption of Six Party Talks was reached in the so-called "Leap-Day Deal" signed February 29, 2012. This agreement, as well as agreements on the provision of humanitarian assistance and the search for U.S. servicemen remains from the Korean War, were all abruptly terminated in March 2012 when North Korea announced that it planned a ballistic missile firing to "launch a satellite." Of all these efforts underway at that time, the search for U.S. servicemen remains was the furthest along.

It was the change in leadership in North Korea that most likely stopped progress on remains recovery, as well as the resumption of Six Party Talks and humanitarian aid. Kim Jong-il died December 17, 2011, and his son Kim Jong-un began the steps to assume the reins of power immediately afterward. He was named Supreme Commander of the Korean People's Army a week later, even before his father's funeral. Initially there were questions about whether he would become supreme leader immediately because he was young and had limited leadership experience. There was some thought that his uncle would serve as regent. It took over two years for Kim Jong-un to complete his consolidation of power. Two years after his father's death, Kim had his uncle Jang Song-thaek publicly arrested at a Central Committee plenary session, and it was shown on national television that evening. Jang was summarily executed a few days later, apparently in front of a select audience of senior officials.

During the period of leadership transition, Kim Jong-un was particularly focused on establishing the credibility of North Korea's nuclear and missile capability. Under his leadership four more nuclear weapons were tested, and in 2016 alone there were 16 major missile tests. During the six year period from his father's death in December 2011 until the last nuclear missile tests at the end of 2017, Kim

unequivocally established his role as leader and demonstrated North Korea's military capability. Only after he had done that was he ready to engage in diplomacy.

#### **Why North Korea Returns American Servicemen Remains**

Returning the remains of American servicemen killed during the Korean War is not a particularly sensitive issue for the North. It is obviously important to the United States government, the American military, and the American people. It is a bargaining chip and a source of ready cash with little cost to the North.

Economic sanctions against the DPRK appear to be creating an economic pinch, but returning American troop remains has significant economic benefits. The cooperation of North Korean officials is essential to conduct searches inside that country and to remove remains that may be discovered, but this comes with a price. A report of the Congressional Research Service, an official arm of the U.S. Congress, concluded that "Between 1996 and 2005, the Department of Defense's Prisoner of War/Missing Personnel Office (DPMO) provided the North Korean military with over \$20 million for assistance in recovering the suspected remains." It is not clear yet what costs might have been involved in the just completed repatriation or what costs might follow if more aggressive recovery efforts are resumed.

With North Korea beginning to feel the pinch of United Nations economic sanctions, Pyongyang is clearly pursuing policies to undermine the sanctions. The United States has been the toughest advocate for sanctions over the last two decades. If the United States makes significant payments to the North for aid in the recovery of American servicemen, it will be much more difficult to hold a hard line on sanctions vis-à-vis the Chinese, Russians and other North Korean economic partners.

While the economic benefits are an important consideration for the North, providing remains of American servicemen is also a cheap and easy way for the North to keep the United States at least somewhat happy as Pyongyang seeks improved economic and political relations with China, South Korea, and other countries.

North Korea clearly has not been anxious to make progress on denuclearization—the key U.S. request in President Trump's meeting with Kim Jong-un in Singapore. Kim received stunning accolades from the American President, to say nothing of the legitimizing impact of photographs of the two leaders standing before a mass of North Korean and American flags at a joint press conference.

Follow-up conversations with the North, however, have been disappointingly meager from the American point of view. Secretary of State Pompeo's meeting in Pyongyang just after July 4<sup>th</sup> was disappointing, to say the least. A requested meeting between Pompeo and Kim Jong-un did not take place because Kim was apparently making an inspection visit to a potato farm. Clearly Kim is not ready to talk denuclearization, and America is left holding an empty bag after the Singapore Summit.

The return of U.S. servicemen remains is extremely important to Americans and it should not be minimized. But at the same time the return of these possible remains is a way for Pyongyang to give the White House a benefit from the Singapore Summit that it can tout. The President has done that in his personal tweet thanking Kim Jong-un and announcing that Vice President Pence will be on hand in Hawaii when the remains are returned.

Holding out the possibility of further remains recovery operations with the United States can be helpful in keeping the U.S. government cooperative, despite lack of success on denuclearization.

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*Photo from Morning Calm Weekly Newspaper Installation Management Command, U.S. Army's photostream on flickr Creative Commons.*

## Five Misconceptions About Recovering the Remains of America's Korean War Servicemen Missing in North Korea

Posted on 01 August 2018. Tags: [diplomacy](#), [Human Rights](#)

**By Ashton Ormes**

July 27<sup>th</sup> this year marked the 65<sup>th</sup> anniversary of the signing of the Armistice Agreement that militarily, though not politically, ended the Korean War. It also marked the beginning of a new but familiar chapter in the 65 year, often troubled history of U.S./DPRK cooperation in the effort to account for thousands of still missing American servicemen from the Korean War. On that day, for the first time in eleven years, North Korea returned cases, fifty-five in all, that Pyongyang claimed held the remains of unaccounted for American servicemen found in North Korea.

There are 36,574 Americans listed by the Department of Defense (DOD) as having been killed in the Korean War. Sixty-five years later, 7,699 of these men are still missing. Compare this to the Vietnam War where 58,200 Americans died, but only 1,597 are still unaccounted for. DOD estimates that the remains of most of these missing Korean War servicemen – approximately 5,300 – are still in North Korea.

As shown in the accompanying table, since the signing of the Armistice Agreement, there have only been two extended, multi-year periods during which the DPRK actively cooperated in the effort to account for America's missing Korean War servicemen. The first was from 1990-1994 when, at the request of the United Nations Command and the U.S. Government, the DPRK unilaterally recovered and returned up to 400 human remains. During the second period, from 1996-2005, American military and DOD civilian personnel traveled to North Korea and worked jointly with North Korean soldiers to find and recover the remains of 229 probable American servicemen.



### All Repatriations of Remains of Missing Korean War American Servicemen from North Korea: 1954-2018

| Time Period                       | 1954 <sup>1</sup>   | 1990-1994 <sup>2</sup>      | 1996-2005 <sup>3</sup>       | 2007 <sup>4</sup> | 2018 <sup>5</sup> |
|-----------------------------------|---------------------|-----------------------------|------------------------------|-------------------|-------------------|
| Type Recovery <sup>6</sup>        | Unilateral          | Unilateral                  | Joint                        | Unilateral        | Unilateral        |
| Coffins/Cases <sup>7</sup>        | 7                   | 208                         | 229                          | 6                 | 55                |
| Remains Returned <sup>8</sup>     | 2,944               | 400                         | 229                          | 7                 | 7                 |
| Remains Identified <sup>9</sup>   | 2,528 <sup>10</sup> | 181                         | 153                          | 6                 | 7                 |
| Identification Rate <sup>11</sup> | 86%                 | 45%                         | 67%                          | 86%               | 7                 |
| Compensation Paid <sup>12</sup>   | None                | \$2.8 Million <sup>13</sup> | \$19.5 Million <sup>14</sup> | None              | 7                 |

(Numbers of identifications through June 18, 2018)

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The DPRK's current failure to fulfill its Singapore Statement commitment to the "immediate repatriation" of remains in its possession by both delaying their return for forty-five days and then withholding most of the 200 sets of remains it has claimed to have recovered is troubling. Nevertheless, there is room for optimism that the July 27, 2018 repatriation of remains from North Korea will mark the beginning of a new extended period of active DPRK cooperation in America's mission to find our missing men. With this new attempt at mutual cooperation ongoing, it is worth clearing up some misconceptions from the past.

**Misconception # 1.** North Korea pulled the plug on both the 1990-1994 unilateral recovery program and the 1996-2005 joint recovery program.

In fact, it was the United States that surprised the DPRK by terminating both of these programs. The 1990-1994 program was terminated at America's request because of initial difficulty in identifying unilaterally recovered remains with the technology available at that time. The 1996-2005 joint recovery program was abruptly and unexpectedly halted by the Bush administration because of unspecified "safety concerns." The biggest "safety concern" continuing from that time is likely worry that in a time of crisis, or for other political reasons, the DPRK might arbitrarily arrest and imprison one or more American joint recovery team members.

**Misconception # 2.** When we see a flag draped coffin or case being returned from North Korea, the remains of a missing American serviceman are inside.

In fact, the only thing that is relatively certain at the time of repatriation, especially when the remains have been unilaterally recovered by the DPRK, is that there are human remains of one or more people inside each coffin or smaller case. That much is normally verified ahead of time. It is possible that there are American or other United Nations Command remains in the coffin, hence the respect shown to it. As the table shows, because of commingling, the remains of up to 400 people were inside the 208 coffins returned from 1990-1994, 181 of whom have since been identified as missing Americans. The remains of seven people were inside the six cases of remains given to New Mexico Governor Bill Richardson during his visit to North Korea in 2007. Six of them have since been identified as missing Americans. Only the lengthy identification process proves that a given set of remains is that of a missing American serviceman.

**Misconception # 3.** Because of commingling and other problems, it is nearly impossible to identify missing Americans among human remains unilaterally recovered by the DPRK.

That was true in 1994, but, in fact, as the table shows, more identifications to date have come from remains North Koreans unilaterally recovered and repatriated from 1990-1994 than have come from the 1996-2005 joint recoveries (181 to 153), albeit at a lower overall identification rate percentage (45% to 67%). This is largely a testament to remarkable advances in science, technology, and techniques in recent years.

**Misconception # 4.** The DPRK demanded compensation for costs it claimed it incurred during the joint recovery program, but not for the remains it unilaterally recovered.

In fact, it demanded compensation for both, although North Korea certainly received far more compensation for its participation in the joint recovery program, \$19.5 million, than it did for its unilateral recoveries, \$2.8 million.<sup>[15]</sup> It is true that Pyongyang didn't ask for compensation when it first began returning unilaterally recovered remains in 1990. It waited until later to drop that card.

**Misconception # 5.** The DPRK's primary motivation for assisting in accounting for missing Americans is money.

In fact, Pyongyang's primary motivation is political. It seeks to satisfy long-standing U.S. government policy that North Korea's assistance in this effort is a precondition to any improvement in relations with the United States and to turn the remains issue to its own political advantage in other ways. That didn't stop its negotiators from keeping up a never ending demand for more and more compensation, however; a practice that significantly slowed progress on this issue, frustrated American negotiators, and compromised the good will Pyongyang could otherwise have earned from the American people for their help in bringing home our missing servicemen.

*Ashton Ormes is a retired U.S. Army colonel, an Army Northeast Asia Foreign Area Officer, and a former civil servant in the Office of the Secretary of Defense who was previously involved in efforts to recover the remains of U.S. servicemen from North Korea. The views expressed here are the author's alone.*

*Photo from Defense.gov.*

[1] In compliance with the Armistice Agreement – from September 1<sup>st</sup> to November 9<sup>th</sup>, 1954 – North Korea and China disinterred and returned the remains of 2,944 Americans servicemen. Many of them had previously been identified and buried in military cemeteries in North Korea that were later overrun by Chinese troops in the autumn of 1950. U.S. Army Quartermaster Museum "Operation Glory" [www.qmmuseum.lee.army.mil](http://www.qmmuseum.lee.army.mil) and Defense POW/Missing Personnel Office Fact Sheet "Operation Glory and South Korean Unknowns" June 28, 2012

[2] Defense POW/MIA Accounting Command (DPAA) Fact Sheet "Progress on Korean War Personnel Accounting" June 18, 2018 [www.dpaa.mil](http://www.dpaa.mil)

[3] Ibid

[4] On April 11, 2007, during a visit to North Korea, New Mexico Governor Bill Richardson was presented with six cases of remains. Ibid and James Klatell, Associated Press "N. Korea Releases Remains of U.S. War Dead" April 11, 2007

[5] Remains returned on July 27, 2018. Other information not yet available.

[6] During unilateral remains recovery operations, North Koreans recover remains in North Korea without any Americans present and prepare them for repatriation. During joint recovery operations, American military and civilian personnel travel to North Korea, jointly recover remains with North Korean assistance, and prepare the remains for repatriation.

[7] "Coffins/Cases" is the total number of coffins or smaller cases of remains repatriated during the time period given at the top of the column. The North Koreans repatriating remains they had unilaterally recovered may have believed that the remains of only a single person were in each coffin, but they often commingled more than one person's remains in individual coffins.

[8] "Remains Returned" figures are numbers of individual human remains returned.

[9] "Remains Identified" figures are numbers of missing American servicemen identified through June 18, 2018 from the total number of remains returned within the same column.

[10] 2,528 is the number identified in the 1950's. The rest were buried as "unknown". 101 previously "unknown" Korean War American servicemen from various sources have recently been identified, according to the DPAA Korean War accounting fact sheet.

[11] The identification rate is the percentage of the repatriated remains in the same column that have been identified to date as previously unaccounted for American servicemen missing since the Korea War

[12] "Compensation Paid" is the amount of money paid by the U.S. Government to North Korea in compensation for claimed expenses while conducting or supporting the remains recoveries during the time period given at the top of the same column

[13] Korea Herald "UNC passes \$2 mil. To N.K. for helping recover GI remains" May 21, 1996

[14] Eric Talmadge, Associated Press "Remains of U.S. MIA in North Korea in political limbo" March 24, 2016

[15] Korea Herald "UNC passes \$2 mil. To N.K. for helping recover GI remains" May 21, 1996

## Timeline of North-South Sports Cooperation

Posted on 02 August 2018. Tags: [diplomacy](#) [sports](#)

By Linnea Logie

The current diplomatic thaw between North and South Korea has given rise to a range of sports exchanges, most notably the historic fielding of a unified women's hockey team at the 2018 PyeongChang Winter Olympic Games. Such instances of inter-Korean amity date back to 1991, when unified teams competed at the 41<sup>st</sup> World Table Tennis Championships in Chiba, Japan. North and South Korean athletes have since marched under the Korea Unification Flag at opening and closing ceremonies

in multiple Olympic and Asian Games, played friendly basketball games in both national capitals, and fielded joint teams in several international sporting contests.

In the past, athletes and observers hoped sports diplomacy would lessen the acrimonious state of relations between Pyongyang and Seoul. Instead, thorny political and security challenges have repeatedly disrupted the continuation of regular athletic exchanges. With the Moon Jae-in administration in South Korea adopting an enthusiastic approach to all forms of engagement with North Korea, however, some optimism has returned that bringing together athletes from both sides of the 38<sup>th</sup> parallel may help advance the cause of peace on the Korean Peninsula.

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## U.S. Merchandise Trade Deficit with South Korea Continues to Decline

Posted on 03 August 2018. Tags: [economics](#), [FTA](#), [Korus FTA](#), [trade](#)

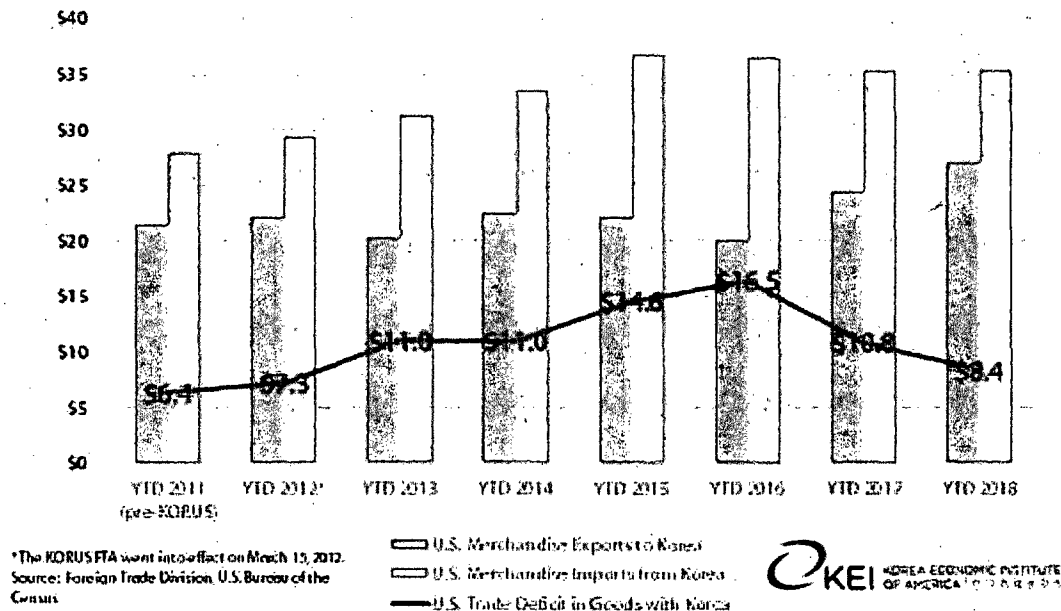
By Phil Eskeland

Earlier this morning, the Foreign Trade Division of the U.S. Census Bureau revealed the latest set of monthly trade statistics. The August release of June trade figures provides an opportunity for a mid-year review on trends in U.S. goods trade with all nations of the world, including South Korea. Next month, Census will released the 2<sup>nd</sup> Quarter data with respect to services trade, so that will be another opportunity to obtain a more complete mid-year view of the overall trade relationship in both goods and services with various countries. For example, for the first three months of this year, the U.S. almost had a balanced goods and services trade relationship with South Korea, with only a modest \$83 million cumulative deficit, in contrast to the \$9.1 billion 1<sup>st</sup> Quarter trade deficit the U.S. ran with Italy.

While America's overall merchandise trade deficit with the world went up by 6.7 percent for the first six months of this year, the trend with South Korea continued its downward trajectory, declining 23 percent. There one major reason for this trend: in 2018, U.S. exports to Korea have greatly expanded, averaging over \$4.5 billion each month (a record was set in March at \$5.1 billion). This may be a "Trump effect," but it is mostly due to more favorable domestic market conditions, particularly as Korea continues to buy more energy resources from the United States.

### Mid-year review of U.S. Merchandise Trade With Korea

(Comparing Year to Date (YTD) Bilateral Trade in Goods: January — June)  
(in billions of dollars)



This news is on top of recent release of updated information from the Bureau of Economic Analysis from the Commerce Department documenting the growing amount of foreign direct investment (FDI) by Korean firms into the United States, reaching a record high of \$50.6 billion in 2017, up over 23 percent since 2016 or 150 percent since 2011, the year before the Korea-U.S. Free Trade Agreement (KORUS FTA) went into effect. Over 51,000 American workers at U.S. subsidiaries of wholly-owned Korean companies earned an average compensation package of over \$91,000 per year (2015). In contrast, overall FDI into the U.S. declined by 32 percent in 2017.

Factors such as a declining bilateral U.S.-ROK merchandise trade deficit and increased FDI from Korea into the U.S. must be taken into consideration as the Trump Administration contemplates further action on the trade front. South Korea has been a constructive and valuable partner of the U.S., not just in the military alliance and in diplomatically dealing with North Korea, but also on trade. South Korea could also take an indirect hit to its economy if higher U.S. tariffs are contemplated against more consumer-oriented products made in China, particularly if the duties are aimed at goods assembled in China containing semiconductor components made in Korea. There is no need to open up new areas of friction in the U.S.-Korea trade relationship, such as levying a 25 percent tariff on U.S. imports of Korean-made autos and parts, when other countries posed larger challenges to U.S. economic and security interests.

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## North Korean Denuclearization: Whose Side is Time on?

Posted on 06 August 2018. Tags: [diplomacy](#), [Kim Jong-un](#), [nuclear weapons](#), [sanctions](#), [security](#)

By Mark Tokola

Who is in the biggest hurry to conclude current negotiations: the U.S., South Korea, or North Korea? It is not easy to tell. At the end of 2017, the Trump Administration conveyed a sense of urgency to put an end to North Korea's growing nuclear threat, through negotiations if possible, but an end in any case, and sooner rather than later. North Korea has kept up an impressive pace of summitry with Kim Jong-un meeting with Moon Jae-in, Xi Jinping, and Donald Trump all in the first half of 2018. Perhaps Kim is impatient. And, South Korea's diplomatic efforts towards North Korea seem intended to maintain momentum with the apparent concern that if there is a lull in engagement, progress could stall. If the bicycle doesn't keep moving forward, it could fall over.

In any negotiation, there is a presumption that the side most eager to conclude the talks will have to make the most concessions. Consumers know not to appear overly enthusiastic about closing a deal on a house or a car. Walk away and wait for the price to come down. In the aftermath of the June 12 Singapore Summit between President Trump and Kim Jong-un, U.S. and North Korean negotiators seem to be easing their foot off the gas, not because a settlement is less important than it was in 2017, but because there is a negotiating advantage in appearing to have all the time in the world. South Korea is still urging rapid progress, which seems appropriate because they are under less pressure than North Korea or the United States to make major concessions; in the case of North Korea, to actually take steps towards denuclearization, or on the side of the United States, to accept that North Korea will retain some level of nuclear weaponry.

The United States has been unclear about its desired pace of negotiations or denuclearization. President Trump said after his meeting with Kim Jong-un that we would soon see North Korea making positive steps but that a few more meetings might be necessary to conclude arrangements. Administration officials have mentioned the end of Donald Trump's current term as a time frame in which we might see North Korean denuclearization. North Korean officials have undoubtedly also seen private American commentators give time frames of ten to fifteen years to complete the denuclearization process.

The main impression that President Trump conveys is that the deal is already made. He has said that he has a contract and a handshake with Kim Jong-un to denuclearize — all that is left is for lower-level officials to fill in the details. If this is the case, then minor setbacks in talks, evidence of North Korea continuing to produce missiles or to improve its nuclear facilities, or China backing off some of its sanctions enforcement are annoyances but secondary to the fact that essential deal has been struck. As long as North Korea does not carry out another nuclear test, a long-range missile test, or a serious conventional provocation, this version of the state of play can remain credible with the American public. Experts might cavil that the threat from North Korea has not diminished and could even be growing, but the absence of testing combined with occasional positive gestures or statements from North Korea can continue to look like a Trump Administration win for a long time to come.

Historically, it has been assumed that North Korea can afford to be patient in approaching the negotiating table and is prepared to drag out negotiations. U.S. elections have put pressure on American leaders to succeed in talks whereas the Kims have been able to wait for the U.S. electoral clock to pressure American negotiators, or to wait them out and see if their successors will be more accommodating. That may no longer be true. Kim may need sanctions relief to promote his ambitions for North Korean economic growth. He may be under pressure from China to reduce tensions on the peninsula. And Kim may believe that he will never have a better opportunity to make an advantageous deal than he will with the unconventional Donald Trump and the progressive Moon Jae-in.

If the U.S. is seeming a little more patient and North Korea a little less patient than usual towards the pace of negotiations, what might push them towards speeding up? If sanctions are putting the Kim regime under domestic pressure, Kim Jong-un may want a settlement to remove them – or at least to achieve a phased reduction of sanctions. As unlikely as it seems, Kim may even be under some domestic political pressure to succeed in the talks, having created the public impression that he initiated them and is personally engaged in them.

The Trump Administration may feel a need to pick up the pace if there is clear and disturbing evidence that North Korea is continuing to develop weapons of mass destruction, or is caught in headline-grabbing instances of cyber-attacks or cyber-crime, or engages in some other form of blatant provocation. The U.S. may also need to accelerate denuclearization negotiations if the inter-Korean talks make great strides and create an impression that they are outstripping the U.S.-North Korean talks, thereby creating a gap between the United States and South Korea.

Absent such outside developments, the U.S.-North Korean denuclearization talks may slow down simply because they are complicated, to be replaced in the headlines by other stories, not least of which will be mid-term elections in the United States. The talks are drifting in the direction that North Korea prefers, one of mutual, step-by-step, unilateral gestures, e.g. U.S. suspension of joint military exercises and North Korean return of U.S. Korean War remains, rather than the stated U.S. preference of a simple two-step process: (1) complete denuclearization, to be followed by (2) normalization of relations and economic engagement.

This change in the nature of the negotiations is not necessarily a bad development if one assumes that the North Korean process is more likely to reach a good outcome for both sides than is the U.S. all-or-nothing approach. That may or may not be true depending upon North Korea's sincerity. The imponderable is what will happen if Donald Trump or Kim Jong-un become frustrated with the process. How would they show their frustration?

The answer to the question, "Time is on whose side?" is that it probably is on everyone's side when it comes to negotiating denuclearization and a more general settlement on the Korean Peninsula. If North Korea takes provocative steps, such as weapons testing, out of frustration with the slowness of the talks, or if the U.S. dramatically steps up pressure because it believes that North Korea is insincere in its offer to denuclearize, the diplomatic process could rupture. That would lead us to a situation at least as bad as prevailed in 2017, and perhaps even more dangerous because the pressure campaign designed to lead North Korea into negotiations would appear to have failed. Diplomacy should be given a chance to succeed.

*Mark Tokola is the Vice President of the Korea Economic Institute of America. The views expressed here are his own.*

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## What Do We Know About Third-Country Born North Korean Children?

Posted on 07 August 2018. Tags: [Human Rights](#) [social issues](#)

By **Suyeon Ham**

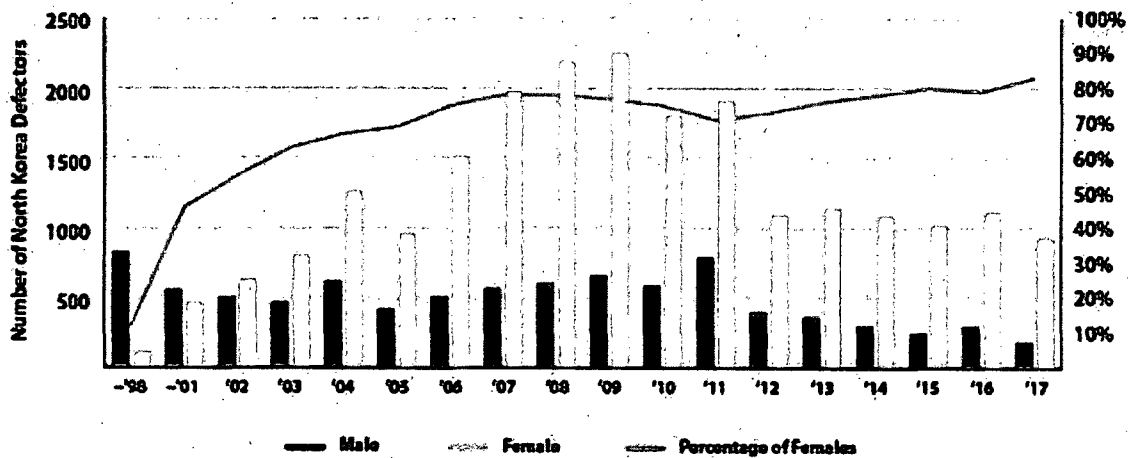
Third-country born North Korean defectors refers to the children of at least one North Korean defector born in a third country, other than North or South Korea, such as China. As the motives and routes of defection from North Korea diversify, the number of North Korean defectors' children born in third countries has been increasing continuously. These children often experience severe difficulties in the process of their settlement in South Korea because they were not eligible for the economic support provided to other defectors under the North Korean Defectors Protection and Settlement Support Act. Considering that the reality of increased entry of third-country born North Korean children, the South Korean government has expanded its policies on economic support to them. Yet many of them face difficulties in adapting to the South Korean society.

### **Increasing Number of Third-country Born Defectors**

During the mid-1990s famine, which killed hundreds of thousands of North Koreans, most defections were due to the lack of basic needs of life, such as starvation and forced labor. However, a recent trend has shown a steady shift in reasons for defection. Nowadays, North Koreans defect increasingly because of disgust with the North Korean regime and ideology, longing for freedom, and the desire for an improved quality of life and better future. In addition, while crossing over the Military Demarcation Line was relatively frequent in the past, defection from North Korea via third countries has increased in the recent years. North Korean defectors stay in third countries such as China, Laos, Vietnam, Myanmar, and Thailand, but their stay in China is the longest. This is because North Korea's boarder with China makes moving to any other third country without crossing China geographically difficult, and also because it is easier for defectors to find work, even if illegal, in China through brokers.

Besides the change in defection routes, the continued increase in the ratio of women among North Korean defectors could be cited as another reason for the increase of third-country born North Korean children. The number of female defectors surpassed that of male defectors and the percentage of female defectors has increased as a whole.<sup>[1]</sup>

### Increasing Percentage of Female North Korea Defectors



Overseas Korean Education Institute

Source: South Korean Ministry of Unification

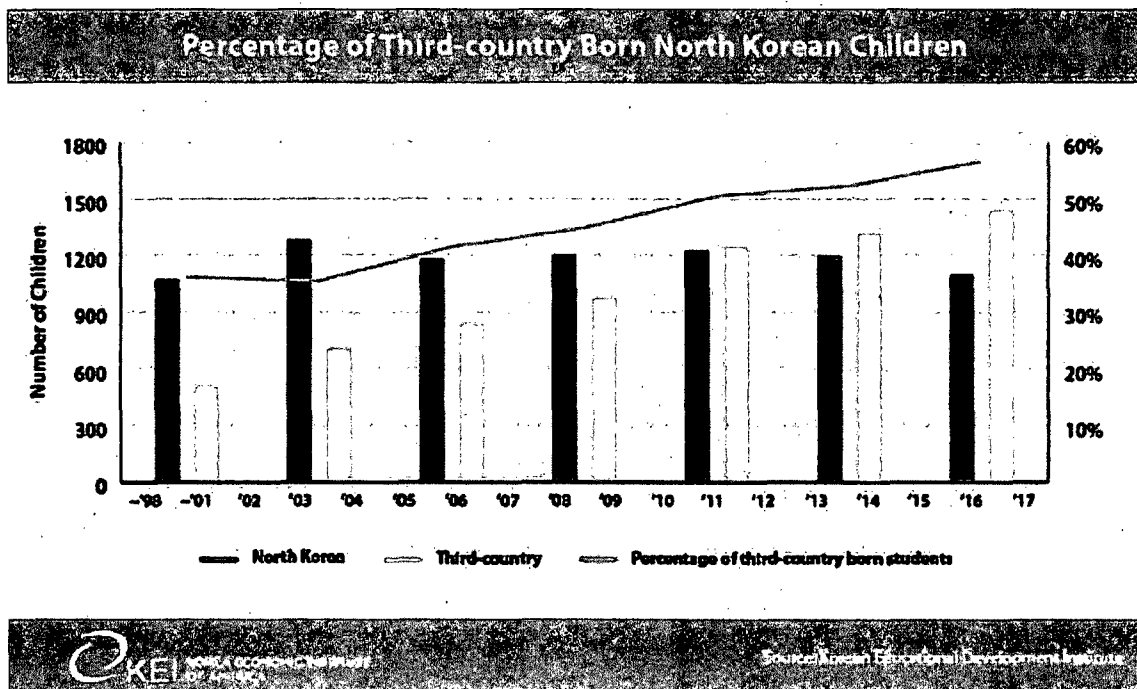
Fleeing North Korea women, especially in China, are frequently forced into marriages with poor local farmers, or into the sex trade because they could be arrested and sent back to North Korea otherwise. For these reasons, there are many half-North Korean children in Northeast China, and some of them escape to South Korea with their North Korean mother. The number of third-country born North Korean young defectors in South Korea has increased constantly and as of 2015 exceeded 50 percent of all defectors in South Korea.

#### Change in Government Policy in South Korea

The South Korean government has recently made efforts to strengthen institutional support in line with the trend. On February 7, 2017, South Korea's Ministry of Unification announced a new support program for North Korean defectors, called "Act on the Protection and Settlement of North Korean Defectors." From the end of February 2017, the parents of North Koreans living in South Korea could receive a one-time subsidy of 4,000,000 KRW per child who is born in a third country. This means that the North Korean families with third-country-born children in South Korea are now able to receive the same level of government financial support as families who are all born in the North. However, only North Korean parents or grandparents who defected to South Korea and are supporting children born in third countries that emigrated to South Korea before the age of 16 are eligible for the additional subsidy.

Further, to support the education of North Korean children born in third countries and entering South Korea in their adolescence, arrangements have been made so that they may also apply for special admission to university within entrance quotas from 2019. Moreover, various policies to reinforce educational support for them are under discussions, such as a plan for simplifying the procedure for the recognition of education completed in China, the expanded assignment of Chinese language instructors

to alternative education facilities, and the college tuition support funded by private donations to the North Korean Hana Foundation.



### Problems

Despite government programs and a growing number of organizations that provide support to defectors, many problems remain not well known and unsolved. The biggest difficulty that third-country-born children face is the language barrier. Korean is not their first language and most of them barely have an opportunity to learn it before they come to South Korea. Many children from unrecognized marriages in third countries did not even have access to education since they do not have a legal identity. Although they learn Korean before they enroll in a Korean educational institute, it is impossible to have the fluency needed to follow the curriculums. Language difficulty becomes a big obstacle not only for the learning ability, but for hanging out with the friends of their age. As a result, many of them fail to catch up on studies in school and have difficulties making friends and adjusting to school life. It is also a problem that there are insufficient teachers to teach the students who are poor at Korean.

In addition, identity confusion is also one of the problems the children experience. In most third-country born North Korean children, their mothers are North Korean defectors and their fathers are local third-country men. So the children who are poor at Korean and have family members with diverse nationalities and have South Korean nationality for their own cannot readily answer the question, "Where are you from?" Besides, they are often isolated by their classmates because of their broken Korean, sometimes for the difference in their appearance, and this deeply hurts them.

### Conclusion

In these days when we have experienced a historic turning point in South-North relations and U.S.-North Korea relations under the Moon Jae-in government, unification has become a step closer. At this moment, improving government policies and the educational system is the first step for unification and true social integration. To help third-country-born Koreans settle down in society as Koreans, social attention and efforts to expand institutional support are needed for their systematic education and the development of a healthy identity.

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*Photo from Khaled Monsoor's photostream on flickr Creative Commons.*

[1] 통일부 (Ministry of Unification)

## Discord on South Korea's "Island of World Peace"

Posted on 08 August 2018. Tags: Human Rights

By Linnea Logie

The constant movement of people around the world, particularly low- and unskilled laborers seeking higher wages and improved living standards, has met with resistance in communities fearful of compromising their cultural integrity or degrading their economic and national security environment. Migrants from insecure parts of the world have proven especially controversial in recent years and continue to ignite local and nationwide debates in their host countries over issues of moral responsibility, identity politics, economic opportunity, and national security. Such anxieties are now gripping Jeju Island, a popular tourist destination in South Korea that aspires to advance the cause of world peace. A recent influx of Yemeni refugees on the island has given rise to a confluence of economic, social, and cultural concerns among South Koreans, prompting a firm government response and casting the fate of many such refugees into doubt.

### **Societal Mistrust**

South Korea only began accepting refugees in 1994 and has since granted asylum to fewer than 900 people (barely over 2 percent of applicants). Of the nearly 10,000 who applied for asylum in 2017, the ROK government offered protections to just 121 (1.2 percent).

Meanwhile, government efforts since at least 2008 to formalize support for, and curb discrimination against, immigrants seeking to become "responsible and self-reliant" members of society seem to have fallen short. Analysts and observers have voiced concern that policies and programs intended to promote multiculturalism (*damunhwa*) over previous notions of Korea as a single-blooded nation (*danil minjok*) tend to emphasize assimilation rather than integration, sustaining latent xenophobia among those bent on preserving what they see as uniquely Korean "ethno-racial purity."

### **Backlash**

Officials from Jeju Island and the South Korean mainland are now scrambling to pacify a restive public after the introduction of direct flights between Jeju and Kuala Lumpur, Malaysia in December 2017 inadvertently created a new destination for individuals fleeing desperate wartime conditions in Yemen. Jeju relies heavily on tourism for local economic growth and has for years sought to attract visitors by offering a 30-day visa waiver program to 180 countries, including Yemen. Provincial government officials hoped the new travel route would help offset declining Chinese tourism. Instead, the direct connection with Malaysia, which also offers foreigners a generous visa-free visitation period, began to deliver dozens of refugees to South Korea's doorstep by early 2018.

Over 950 foreigners have reached the shores of Jeju in search of legal refugee status since the beginning of the year, nearly three times as many as in 2017. Though many of these recent arrivals are of Chinese descent, more than 560 traveled from Yemen, marking a dramatic increase from the mere 46 Yemeni nationals who sought asylum in South Korea for the duration of 2017.

Outrage over this sudden insurgence of Yemeni arrivals erupted almost immediately, triggering public calls for the Jeju government to expel the asylum-seekers. Localized discontent spread rapidly, spawning a petition posted anonymously to the official Blue House website on June 13 that garnered nearly 715,000 signatures within a month. Decrying abuse of the Jeju visa waiver program and emphasizing the need to prioritize public order and safety over refugee considerations, the document demanded immediate expulsion of the Yemeni refugees and strengthened controls on undocumented immigration.

The petition went so far as to propose annulment or major amendment of the Refugee Act, whose passage in 2013 made South Korea the first Asian nation to ratify legislation enabling refugees to not only apply for asylum upon arrival at air or shipping ports, but also remain in-country—collecting various social welfare benefits—throughout the often protracted review period. Before its introduction, South Korean law stipulated that refugees could only apply for asylum at local immigration offices, effectively denying entry to all those lacking proper visas. According to the recent petition, changes to this system have exacerbated existing immigration problems, creating new opportunities for foreigners to take unfair advantage of the visa waiver and thereby endangering Korea's economic security and public safety.

Meanwhile, passions spilled onto the streets. Thousands gathered in central Seoul on June 30 to insist that the government "put Korean citizens before refugees," hoisting signs imploring "fake refugees" to "go home now." Protestors made little effort to conceal their deep misgivings about refugee intentions and disruptive potential, chanting "Koreans first!" and "We want safety!" One signatory to the Blue House petition captured these fears succinctly: "If we continue to allow [Yemeni asylum-seekers into Korea], what is happening in Europe today could become our future."

#### **Divided Opinion**

The refugees are not without allies, however. Many South Koreans have denounced what they see as narrow-minded, zero-sum characterizations of the Yemeni arrivals as potentially harmful to society. Some staged a counter-protest across the street from the anti-refugee demonstrations on June 30. Religious and non-profit groups, including the Korean Red Cross, have stepped in with offers of free medical services, material support, and emotional assistance. Even the Vatican has stepped into the fray, dispatching its top envoy to Jeju on July 28 with a donation made on behalf of Pope Francis.

Also sympathetic are five lawyers associated with the Seoul-based Advocates for Public Interest Law, founded in 2011 to provide legal counsel to migrant workers, refugees, and asylum-seekers. The group acknowledges that accepting refugees presents uncertainties for the South Korean polity but cautions against fearmongering based on misinformation, misperception, and “sensationalized reports on the European refugee crisis.”

High-profile domestic voices such as actor Jung Woo-sung have even joined the conversation. Jung, South Korea’s goodwill ambassador to the UN High Commissioner for Refugees (UNHCR) since 2014, posted a UNHCR statement opposing refugee repatriation to his Instagram account and, in remarks delivered at the June 24 Jeju Forum, rejected the premise that respecting refugee rights necessarily impinges upon the rights enjoyed by Korean citizens. Jung’s emphatic support for the Yemeni refugees has elicited a mixed reaction among concerned Koreans, reflecting divided opinion in the general public. Nearly half of nationwide respondents to a June 20 survey opposed the acceptance of Yemeni asylum seekers (25.7 percent negative and 23.4 percent very negative), while 39 percent expressed support (31.0 percent positive and 8.0 percent very positive), and 11.9 percent were undecided.

#### **A Firm Response**

Facing such public ambivalence, the Moon administration is attempting to strike a balance between its responsibility to protect Korean citizens and its desire for the country to “act as a responsible member of the Convention Relating to the Status of Refugees.” Nevertheless, it is the scale and intensity of domestic backlash—more than the impassioned activism of human rights defenders at home and abroad—that has galvanized government activity. The official response has been firm, marked by assurances that the government will review and redress vulnerabilities in Korea’s refugee laws.

The Justice Ministry moved swiftly to stem the tide of Yemeni refugees soon after Jeju officials began to hear rumblings of public discontent. On April 30, following the departure of several Yemenis for the mainland (but months prior to the outbreak of protests in the South Korean capital), the ministry barred the refugees from traveling beyond Jeju. Fast-forward to the first of June, and Yemen had been stripped of its visa-free travel access to the island, becoming one of just twelve nations excluded from the waiver program.

Ten days later, the Jeju Immigration Office provided mild relief by exempting the Yemenis from measures preventing refugees from seeking employment within the first six months of applying for asylum. Yet, while this reprieve raised the hopes of stranded refugees, many of whom had originally planned on traveling to Seoul, job opportunities have thus far been limited to understaffed fisheries and restaurants. As a result, scores of Yemenis are unemployed, with rapidly dwindling funds. Many live crowded together in ramshackle hotels or camped out on the street, unable to afford nightly rates at higher-quality lodging.

These regrettable working and living conditions, coupled with continued public pressure, have accelerated government efforts to “resolve” the refugee issue. On June 19, President Moon called for an official assessment of the situation on Jeju, and the following day, Blue House Press Secretary Kim Eui-kyeom delivered the stern message that “no more Yemeni refugees” would be allowed into the country.

At the same time, Jeju Governor Won Hee-ryong claimed on June 24 that his government would not “be stingy with humanitarian assistance” to those who had traveled great distance after “escap[ing] from their country at war,” though he also vowed to ensure the local security environment through a “swift yet accurate” asylum deliberation process.

The Jeju Immigration Office began processing some 486 Yemeni asylum applications on June 25, with expectations that the process could take as many as eight months. Shortly thereafter, the Justice Ministry held a working-level meeting with fifteen other government institutions to evaluate public and private grievances. Eager to avoid a protracted review period, the ministry assigned eight additional personnel (six inspectors and two translators) to the Jeju team. Refugees are now expected to begin receiving decisions shortly.

However quickly the cases are resolved, the national debate over Korea’s refugee policies has only just begun. Anti-refugee sentiment remains a significant feature of South Korean society and may, in the near term, prompt the government to adopt increasingly stringent measures toward asylum-seekers.

Signs of this trend are already emerging. On June 27, the Justice Ministry proposed amendment of the Refugee Act to prevent abuse by migrants entering or staying in South Korea illegally, claiming new enforcement mechanisms were required to ensure that work permits are not granted to those merely posing as refugees. The government may also reexamine the countries granted visa-free access to South Korea; the Justice Ministry already expects to add Egypt to the list of twelve countries excluded from the Jeju Island visa-waiver program. Other countries may face similar scrutiny.

### Conclusion

Many South Koreans harbor misgivings about throwing open the country’s doors to immigrants and refugees, alike. Those calling for the immediate expulsion of Yemeni refugees from Jeju fear that failure to do so could precipitate a security crisis throughout South Korea, giving rise to the types of terrorist attacks seen over the past several years across Europe. Yet while any country needs systematic procedures for the screening of those seeking entry or residence, the trepidation and exclusionary worldview among some Koreans could prompt a government overreaction, leading to immigration restrictions that only further exacerbate aging and contraction of Korea’s ethnic population. Ideally, Korea will pause to reflect after passions subside on Jeju. Koreans must consider how their attitudes and policies toward refugees may affect not just their character as a people, but their long-term economic and geopolitical future.

*Linnea Logie is an incoming graduate student with the Security Studies Program at Georgetown University. She is currently an Intern at the Korea Economic Institute of America. The views expressed here are the author’s alone.*

*Photo from Sunghwan Yoon’s photostream on flickr Creative Commons.*

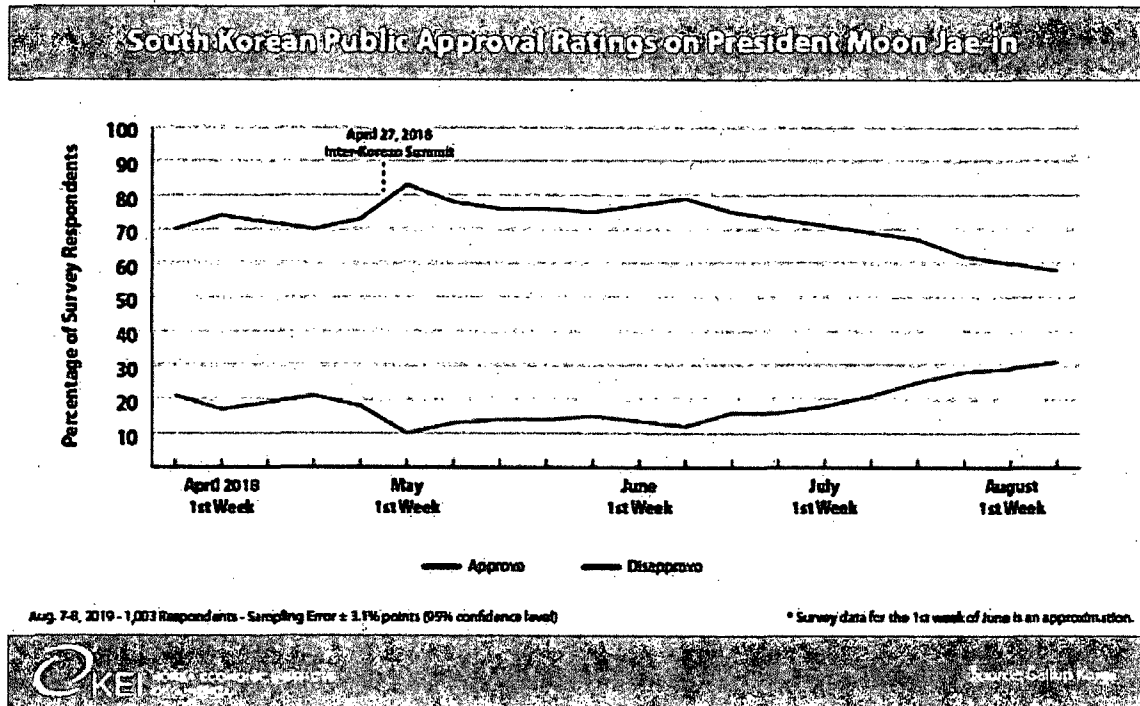
## South Korean Economic Concerns Dampen Moon’s Approval Ratings

Posted on 14 August 2018. Tags: [economics](#), [Moon Jae-In](#), [polling data](#), [South Korea](#)

By Juni Kim

For the first time in his presidency, South Korean President Moon Jae-in has seen his approval ratings fall below 60 percent as economic issues rise to the forefront of public concern. In both the most recent Gallup Korea and Realmeter polls, Moon's rating currently stands at 58 percent, which follows a steady fall in numbers starting in early June.

Buoyed by broad support for his work in facilitating inter-Korean dialogue, Moon had previously enjoyed high approval ratings in the 70 to 80 percent range throughout the first year of his presidency. In the week after the first inter-Korean summit in late April, Moon's approval ratings bounced up from 73 to 83 percent, displaying public confidence in Moon's diplomatic efforts. While Moon remains generally popular, the recent fall in approval ratings show how economic concerns have started to overshadow Moon's foreign affairs performance.



Among those that disapproved, poll results showed that the leading reason behind negative responses is the lack of progress on economic and public welfare issues. In particular, the accelerated minimum wage hike, which had already increased 16.4% this year and is set to rise an additional 10.9% next year, has worried small businesses about rising labor costs and the inability to keep up with the fast pace. Initially framed as part of Moon's income-driven growth policy, the minimum wage increase has prompted apprehension among South Koreans over national unemployment and slowing economic growth.

### South Korean Public Opinion on President Moon Jae-in

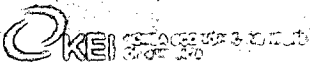
#### Top 6 Reasons for Positive Approval Ratings Among Survey Respondents

|     |                                                     |
|-----|-----------------------------------------------------|
| 13% | Resumption of dialogue<br>with North Korea          |
| 12% | Efforts for ordinary citizens/<br>welfare expansion |
| 9%  | Working hard/<br>Doing his best                     |
| 8%  | Willingness to reform                               |
| 7%  | Skillful diplomacy                                  |
| 7%  | Efforts to increase<br>public communication         |

#### Top 6 Reasons for Negative Approval Ratings Among Survey Respondents

|     |                                                      |
|-----|------------------------------------------------------|
| 40% | Lack of resolving<br>economic/public welfare issues  |
| 10% | Minimum wage increase                                |
| 8%  | Relations with North Korea                           |
| 6%  | Investigating past affairs/<br>political retaliation |
| 4%  | Tax increases                                        |
| 4%  | Excessive Welfare                                    |

Aug. 7-8, 2019 - 1,003 Respondents - Sampling Error ± 3.1% points (95% confidence level)

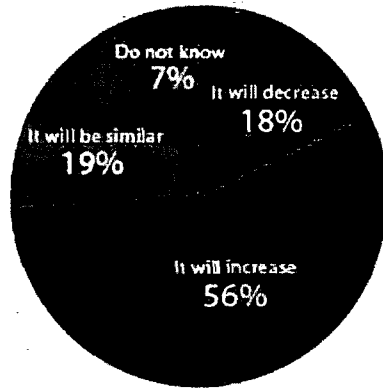


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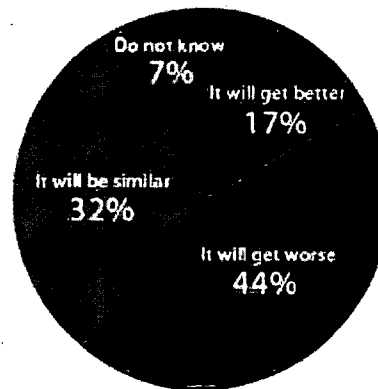
In the same Gallup Korea survey, 44 percent of survey takers responded that the national economy would get worse over the next year, compared to only 17 percent of respondents that believed the economy would get better. Additionally, a majority (56 percent) indicated that the national unemployment rate will likely increase over the next year. In an effort to address these issues, Moon has made public efforts, including holding discussions with both local business owners and the heads of major Korean conglomerates, to listen to concerns over the state of the economy.

### South Korean Public Opinion on the National Economy

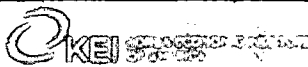
Over the next year, what will the state of the unemployment rate be compared to the present?



Over the next year, what will the state of the national economy be compared to the present?



Aug. 7-8, 2019 - 1,003 Respondents - Sampling Error  $\pm 3.1$  points (95% confidence level)



Survey by Opinion

It is worth noting that nearly every elected South Korean president has had their overall approval ratings fall during the second year of their respective terms. Prior presidents Lee Myung-bak and Roh Moon-hyun both saw increases, but only after significant ratings drops in their first years. After more than a year and a half into every past presidential term, no president has had an average quarterly approval rating that exceeded 60 percent for the rest of their term. Compared to past circumstances, President Moon is faring relatively well despite the recent drop in approval.

President Moon also saw his approval ratings fall in the weeks leading up to the Pyeongchang Winter Olympics over controversial decisions regarding North Korea's participation in the Games. His ratings eventually rebounded after the Olympics, with the public generally approving of the success and execution of the Games.

With the third inter-Korean summit under his administration to take place in September, Moon has another prime opportunity to win back public support. His first summit with Kim Jong-un was warmly received by the South Korean public, and positive results from the upcoming summit could help the President bolster his popularity.

*Juni Kim is the Program Manager and Executive Assistant at the Korea Economic Institute of America (KEI). The views expressed here are the author's alone. Graphics by Juni Kim.*

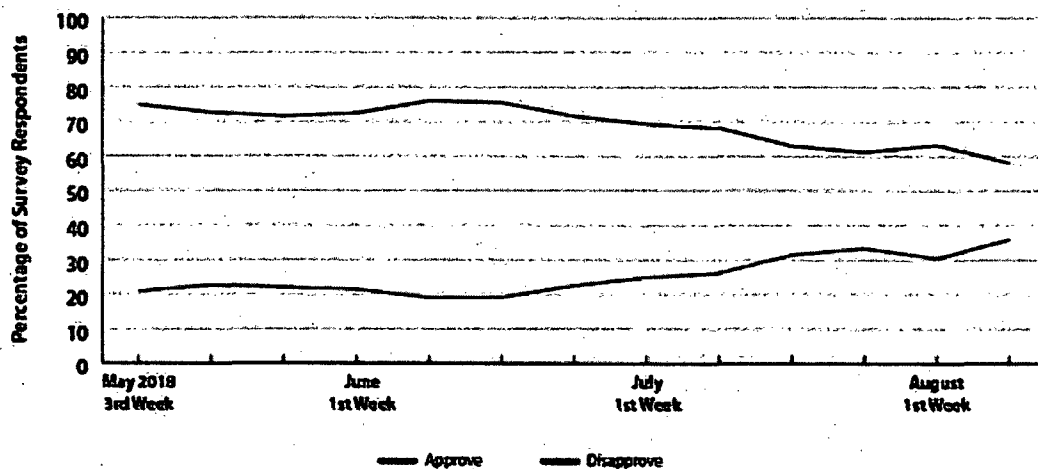
## The Challenges of a Second Minimum Wage Increase in South Korea

Posted on 15 August 2018. Tags: [economics](#)

By Suyeon Ham

The South Korea government announced on July 14 that it will raise the minimum wage next year by 10.9% to 8350 won (\$7.40), following a 16.9% increase this year. President Moon Jae-in's drive to increase the minimum wage is splitting his supporter base, while at the same time casting doubt on his economic policies. As a result of the minimum wage issue, Moon's approval rating fell 6 percentage points to 61.7 percent, which is the biggest drop since he took power last year.

### South Korean Public Approval Ratings on President Moon Jae-in



On July 16, President Moon Jae-in apologized for an apparent inability to fulfill his key pledge, increasing the hourly minimum wage to over 10,000 won. To hit Moon's target of 10,000 won by 2020, next year's figure must be increased by 15.3 percent, according to calculations, but this is impossible to achieve. At the meeting, Moon apologized, saying that the Minimum Wage Commission's decision makes it difficult to hit the target, but that he accepts the decision. At the same time, he promised that the government will draw up measures to prevent small businesses and self-employed people from being impacted, not only through employment subsidies but also through commercial property lease protection, reasonable credit card fees, and protecting franchises.

However, there is a growing backlash against the minimum wage hike despite Moon's apology. The Korea Federation of Micro Enterprise said in a statement that merchants under the body will declare a self-moratorium on the state-set minimum wage and instead pay a rate based on separate wage agreements between employers and employees. Experts have warned that many small merchants will not be able to afford the minimum wage. As a result of the rapid increase, the monthly wage for a person who works 40 hours a week will go up from 1.57 million won this year to 1.74 million next year. An analysis by the federation showed that the average income of self-employed last year was 2.09 million won. The federation predicted that the average income of self-employed will fall below two million won due to the hike. Employment data has been worsening since the minimum wage was raised.

last year. The number of precarious workers — those hired temporarily or on a daily basis — fell by 247,000 in a year.

The situation is worse in the convenience store industry where only shopkeepers and employees suffer from the sharp minimum wage hike. The system will not greatly impact on the corporations that own the convenience store brands. However, it will directly influence the shopkeepers and the employees under both management and personal financial shortage. Now not only has the moratorium declared, but also the shopkeepers and their families have to work for themselves to lower labor costs. There are also increasing number of convenience store giving up late-night operation and an expectation that many convenience stores will shut down in the near future. The convenience store industry is especially sensitive to the minimum wage issue because the stores have low operating profits and high labor costs due to long operation hours. The revenue structure of convenience stores is highly dependent on rent, franchise loyalty fees, credit card fees, and labor costs. As the owner cannot control rent, merchant commissions and credit card fees, they have no choice but to reduce labor costs to raise revenue as raising prices has not been a viable option. Of course, the minimum wage hike is not the only reason for the depression in the industry today. For instance, analysts point out the fundamental problem stems from the excessive growth in the number of stores in the local CVS convenience store chain. Last year, the number of CVSs in Korea grew 12.9 percent from a year earlier to reach 36,823, while the revenue for each store increased by 0.2 percent during the same period. However, the minimum wage hike with no proper improving measure might not have a positive effect Moon's economic policy.

It is not only family merchants and small-scale businessmen in cities who suffer from a minimum wage hike. Rather, it has stronger after-effects on the agriculture and fishery industries. Given the characteristics of agriculture and fishery in which labor costs account for great proportion of the costs and the industries dependence on low-wage labor, it is probable that a labor cost hike will be directly linked with the shutdown of business in these industries. The sharp increase in the minimum wage is fatal to the industries which normally employ lots of foreign workers growing or raising fruit, livestock, aquaculture, and coastal fishery. The wages of foreign workers, who could be employed only for KRW 1,450 thousand a month last year, have risen to KRW 1,690 thousand this year, and will rise to KRW 1,870 thousand next year. As for foreign workers, accommodations as well as wages should be provided to them, and so the burden grows heavier. Most foreign workers in agriculture and fishery are provided by their employers with accommodations, but the cost for board and lodging amounting to KRW 400,000~500,000 per month and is not included in the minimum wage.

From the position of the current government that advocates an "income-driven" economy policy, the minimum wage hike is an essential prerequisite. However, too steep of a minimum wage hike to increase the income of low-income people has instead deprived low-income people of jobs and has caused the shutdown of self-employers' businesses, which leads to the risk of economic slump. To minimize the negative effects of the minimum wage hike, first, the differential application of the minimum wage on the basis of business types and regions should be considered. Also, the government should come up with complementary plans for the minimum wage hike, which can be acceptable by both franchisers and franchisees. For example, if CU and GS25, the biggest companies in the field in South Korea, support 7.7% and 8.5% of their total operating profits for their stores, respectively, they will be able to bear 30% of the additional labor costs in the next year as the owners request. Additionally, the speed of the minimum wage hike should be controlled to match the reality of South Korea where the number of self-employed workers exceeds 25% of the total employment.

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## North-South Family Reunions are a Modest Step Forward for Better Inter-Korean Ties

Posted on 16 August 2018. Tags: Human Rights

By Robert R. King

Earlier this week, on August 15, an advance team of 18 officials from the South Korean Red Cross organization and the South Korean Ministry of Unification left Seoul for the resort at Mount Kumgang in North Korea. At this location in just a few days, almost two hundred family members from North and South who were separated in the chaos of the Korean War, will again be able to meet the loved ones they have not seen in seven decades.

These reunions of divided families are the first such gatherings to take place in almost three years. In the 24 such gatherings that have been permitted by North Korea, a total of less than three thousand family members have been permitted to see parents and siblings again, although hundreds of thousands were separated.

The upcoming family reunions will again take place at the Mount Kumgang resort in the southwest corner of North Korea, just across the DMZ border. This is the site where the previous family reunions have been held, including the last reunion in October 2015. The resort is in a beautiful mountainous region near the east coast of the Korean Peninsula. The first upcoming family reunion event involving 93 family members will take place during the period August 20-22. The second involving 88 family members will follow August 24-26.

The advance team from the South will inspect the facilities and will coordinate with North Korean officials on details and procedures for the events. These South Korean officials will remain at Mount Kumgang until the end of August.

### **The Politics of Reunions**

For the South these family reunions are principally humanitarian, but for the North it has more to do with politics and economics. These two reunion events are the result of the April summit four months ago between South Korean President Moon Jae-in and North Korean leader Kim Jong-un. The two agreed to hold these family reunion events as part of the effort to improve the relationship between the North and South. But the reunions are only a small part of ambitious plans both sides are considering in an effort to improve North-South ties and establish stronger economic and political relations.

There has been discussion of railroad links, stronger economic ties, and even some quiet suggestions urging the reopening of the Kaesong Industrial Complex. In Kaesong, South Korean enterprises used cheaper North Korean labor to give South Korean companies a competitive advantage and the North Korean government earned significant hard currency.

These more substantive efforts at North-South cooperation, however, are complicated by UN sanctions against the North in response to its nuclear and missile development programs. The United States has been adamant in pressing to maintain these tough international economic sanctions against the North until there is agreement and compliance with denuclearization, and little progress has been made on that front thus far. For both the North and South, family reunion events are a less sensitive step forward than other economic actions which would raise concerns about the sanctions.

While the family reunions are not an assault on sanctions, the family meetings will bring modest financial benefit to the North. The events are held in North Korea, and North Koreans will staff the facilities. The South will likely pick up the tab for all event costs, which means paying North Korean workers and fees for use of the facilities. North Korean family members will travel to the resort at Mount Kumgang. Elderly people in the North will require assistance to travel as well as the costs for transportation, and they will "need" new clothes so they will look their best for the events. Those costs will likely also be borne by the South.

Furthermore, family members from the South know that conditions are difficult in the North, and they will bring presents for their relatives. One South Korean man is bringing a \$440 down coat for his brother, although the most expensive coat he ever bought for himself cost less than a third of that amount. His brother certainly could use a good winter coat. Conditions in the North are harsh, heating in winter is limited at best in the North, and few Northerners can afford a good winter coat. Cash will flow into the North from the reunions, but because the number of family members is small thus far, it will not be great.

It is clear, however, that the humanitarian aspect of these reunions is the highest concern for leaders of the South. In the chaos and confusion of the early days after the North Korean invasion of the South in the summer of 1950, families were disconnected. Parents and children as well as siblings were separated and lost contact with each other, in many cases they had no idea for decades that a family member had survived the war in the North. For the South Koreans, family reunions are deeply personal and meaningful, and the South Korean government reflects that feeling.

#### **The Numbers of Separated Families**

These family reunions are a poignant reminder of the tragic humanitarian consequence of the division of Korea during the Korean War (1950-1953). The chaos of that war led to the death of many innocent civilians as well as extensive population migration both ways across what became the armistice line along the 38<sup>th</sup> parallel when the conflict ended. Demographic studies indicate that some 646 thousand refugees from North Korea fled to the South during the course of the conflict, while less than half that number, 286 thousand, flowed in the opposite direction. These were not political or ideological decisions, but quick action to save lives in a crisis.

Hostile relations between the North and South has meant that for the last seven decades contact with relatives across the border has been and continues to be virtually non-existent. There are no international communication lines between the two countries, and this has been the policy of both sides, though enforcement of separation has been much more rigid and draconian in the North. Mail seldom gets through from the South. If a person in the North gets a letter from a relative in the South, it raises questions of illegal contacts and the consequences for a Northerner could be draconian. Also, for most North Koreans, it is illegal to have a phone that has the capability of making international calls

(particularly to South Korea). It is illegal for a North Korean to make a call to South Korea, and punishment for violation is severe.

The number of South Koreans who have relatives in the North from whom they have been separated was great seven decades ago, but the numbers have dwindled over time as individuals have died. In the South, individuals register with the Red Cross to indicate their desire to meet with family from the North. Efforts are made through the Red Cross organizations in both countries to identify with officials from the North whether relatives of individuals in the South are still living, can be found, and are able and interested to travel to meet their relatives.

The South Korean Red Cross has list of almost 60,000 South Koreans who wish to meet loved ones in the North. Earlier there was no contact permitted at all, but since 2000 some three thousand South Koreans have been able to meet with relatives from the North in carefully controlled, managed and staged reunions. This is largely an elderly population and the size of the pool is shrinking daily as individuals pass away. When there are opportunities for family reunions, participants from the South are chosen by lottery, with some preference given to the oldest individuals.

The North has been less than cooperative in setting up such events. Pyongyang insists that meetings take place on its territory. North Koreans are ideologically prepared for the meetings with their relatives. Party officials reportedly warn the Northerners about the dangers and untruths they will hear from their misguided relatives in the South. The Northerners also reportedly have ideological sessions during the time they are at the reunion events to strengthen them against what they may hear.

The meetings that have taken place in the past have been carefully choreographed, and the meetings next week are expected to follow a similar pattern. Relatives were only allowed to meet under closely observed conditions and only for limited periods of time. The most recent meetings that occurred in October 2015 took place over a period of three days. (Each of the two upcoming events will also extend over three days.) In the past, there were six two-hour meetings with family members. The meetings took place in a single large hall with families sitting together at round tables with a large identifying number at each table. There was no opportunity for intimate private conversations. Family members were able to eat together, but they did not share living quarters. The upcoming meetings are expected to follow this same pattern. These events are once-in-a-lifetime events, and there is no expectation of any subsequent reunions. (Arirang Television News reporting on the October 2015 family reunions has a series of news reports that give a very good feeling for the actual events. See Arirang News.)

#### **Kumgang Resort and Previous Reunions**

The venue for these family reunion events is the Mount Kumgang resort, a tourist facility in a beautiful and rugged mountainous area. It was built in the late 1990s by Hyundai Asan, a leading South Korean conglomerate, to give South Koreans a window on the North. More importantly, it was intended to be the beginning of a much broader engagement with North Korea, which was consistent with the South Korean government's "Sunshine Policy" at the time. When the resort opened in 1998 some 30,000 South Koreans visited the resort in the first two months, and in mid-2005 the resort hosted its one millionth South Korean visitor.

From 2000-2007 during the "Sunshine Policy" era, there were twenty such meetings. However, with the election of Lee Myung-bak as South Korea's president (2008-2013), a harder line emerged toward

engagement with the North. Just a few months after Lee's election, a 53-year-old South Korean female tourist was shot and killed by North Korean soldiers while she was walking near the resort. Both sides aggressively wrangled over the incident. As a result the resort was closed and South Korean tourism ceased. Over the last decade, the resort has been used only a few times for family reunions. Efforts by the North to encourage tourism from other parts of Asia, particularly China, to fill the gap at the Mount Kumgang facility were not successful.

#### **A Footnote on Korean Americans and Family Reunions**

The Korean-American community in the United States has concerns similar to Koreans living in the South with regard to relatives in the North whom they have not seen for decades. There are some 1.8 million Korean-Americans who are U. S. citizens. It is estimated by Korean-American organizations that as many as 100,000 Korean Americans have relatives in the North whom they have not seen for seven decades. There are many elderly Korean Americans who seek the same opportunity to meet with their family members in the North, but they are not included in the South Korean pool of eligible participants.

North Korea has been less willing to consider family reunions with the United States because the North considers the United States its principal enemy. Furthermore, North Koreans are less likely to admit they have relatives who are in America because of the suspicion and scrutiny that would bring. Also, Korean-Americans understand these issues and they tend to be concerned about "outing" their relatives in the North by being too open in identifying their relatives.

As Special Envoy for North Korea Human Rights Issues, I encouraged Korean-Americans trying to reach relatives in the North to work through the American Red Cross, which has been helpful on such issues, though this has been particularly difficult in the case of North Korea. The American Red Cross has reached out to its North Korean counterpart in an effort to open a channel for Korean-Americans, but the larger issues in the relationship between the United States and North Korea have made any progress extremely difficult thus far.

*Robert R. King is a Non-Resident Fellow at the Korea Economic Institute of America. He is former U.S. Special Envoy for North Korea Human Rights. The views expressed here are his own.*

*Photo from KTV blog on Naver.*

## **South Korea's New Goal: Jumpstarting Denuclearization Talks**

Posted on 20 August 2018. Tags: diplomacy, nuclear weapons

**By Yonho Kim**

The historic June 12 Singapore Summit opened an unconventional window of opportunity for negotiated solutions to the North Korea nuclear problem, changing the narrative from a potential war to peace and trust building on the Korean Peninsula. In brokering the summit, South Korea played a critical role of "ice breaker" to initiate dialogues at the summit level. At their first meeting in April, South Korean President Moon Jae-in and North Korean leader Kim Jong-un agreed on "the realization of the nuclear-free Korean peninsula through complete denuclearization," a topic saved for following U.S.-North Korea dialogues in the previous inter-Korea meetings, as their common goal. In restoring the momentum of pre-summit

negotiation between the United States and North Korea, President Moon also proved that South Korea can play a crucial role in facilitating the denuclearization process by having a second summit with Kim without any lengthy preparations. Moon's peace initiative turned out to be one of the determining factors that led to the ruling Democratic Party's landslide victory in the June local elections. However, as much as it took credit for initiating a major geopolitical shift in the region, the Moon government must share the responsibility for any failures in President Donald Trump's North Korean nuclear outreach.

The post-summit negotiations between the United States and North Korea have achieved little progress in implementing the Singapore Agreement. Although Pyongyang followed up on its commitment to the repatriation of American remains from the Korean War, it showed no intention to take meaningful initial steps toward denuclearization unless the United States move forward with a declaration ending the Korean War. This tug of war reveals a "fundamentally different understanding of what Trump and Kim had agreed upon in Singapore." Whereas Trump envisions complete and immediate denuclearization followed by economic benefits to the North, Kim believes a step-by-step process and action-for-action formula were endorsed at the summit. The sequencing problem could worsen if the working level officials are not as excited about the negotiations as the top leaders are even though their leaders are continuing 'letter diplomacy.'

The deadlock not only drew sharp criticism of Moon's North Korea policy from conservatives but also posed a threat to political unity among the progressives in South Korea. While maintaining sanctions on the North, the Moon government supported speedy negotiations on exchanging phased denuclearization measures with corresponding economic and political benefits to North Korea. But the nuclear stalemate undermined Moon's argument that Kim showed willingness for complete denuclearization. The progressives, becoming increasingly impatient, started to call for South Korea to take bold initiatives to restart economic cooperation with the North.

To make it worse, in early August Moon's approval ratings fell below 60 percent for the first time since he took the office. It was a shocking contrast to his previous approval ratings in the 70 to 80 percent largely thanks to broad support for his peace-facilitating North Korea policy and the series of summit meetings with Kim. However, a gloomy economic outlook, including sluggish job growth, emerged on the forefront of public concern and started to overshadow Moon's diplomatic performance.

Even with the lackluster results of U.S. Secretary of State Mike Pompeo's third visit to Pyongyang in July, the progressive thinkers in Seoul criticized the main stream in Washington for being too quick to declare failure. However, as the stalemate continues, the progressives started to revisit their optimism; they acknowledged that the United States and North Korea overestimated the value of their own concessions while expecting too much from the other in return. The optimists emphasize the inevitability of North Korea's path to denuclearization led by harsh international sanctions, insurmountable costs of betrayal if Pyongyang rejects economic and political benefits, and the trust building process followed by security guarantee. However, there are critical variables that undermine the validity of the optimism. For example, the sanctions regime has lost force due to improved relations between China and North Korea. China would not be motivated to actively address the current nuclear stalemate between Washington and Pyongyang with a new round of U.S.-China strategic rivalry sparked by the Trump administration's aggressive trade policy.

Then what are the choices left for the Moon government? Obviously, the denuclearization negotiation must be resuscitated to maintain the momentum. And South Korea is the one who has the biggest

motivation to jumpstart the negotiation. Absent a roadmap agreed by the United States and North Korea, the stalemate at the working level must be addressed at the summit level again. If an end-of-war declaration is not viable at this stage, at least the process of the declaration has to be launched in return for corresponding measures by the North, including declaring its timeline for denuclearization. Another Moon-Kim summit could serve as a stepping stone to a second Trump-Kim summit that will facilitate the process. In addition, the accelerated improvement of inter-Korean relations and a refreshed proposal on inter-Korean economic cooperation that envisions regional initiatives would assure Pyongyang of immense material benefits of denuclearization.

Moon's speech on Korea's 73<sup>rd</sup> Liberation Day seems to contain these strategic judgements. He said "Developments in inter-Korean relations are not the by-effects of progress in the relationship between the North and the United States. Rather, advancement in inter-Korean relations is the driving force behind denuclearization of the Korean Peninsula." When Moon visits Pyongyang next month for his third meeting with Kim, the leaders will "take an audacious step to proceed toward the declaration of an end to the Korean War and the signing of a peace treaty as well as the complete denuclearization of the Korean Peninsula." Moon also proclaimed that he will "lead efforts to promote dialogue on denuclearization between North Korea and the United States." Both audacious and risky is his stated goal to hold groundbreaking ceremonies by the end of this year to relink the roads and railways between the two Koreas that could lay the groundwork for an East Asian Railroad Community. It is still unclear how closely Moon's remarks were coordinated with the Trump administration that wants to maintain sanctions pressure on North Korea until denuclearization. Time will tell whether Trump and Kim will take Moon's propositions.

*Yonho Kim is a Non-Resident Fellow at the Korea Economic Institute of America. The views expressed here are the author's alone.*

*Photo from the Republic of Korea's photostream on flickr Creative Commons.*

## Why Was Austria's Intelligence Cooperation with South Korea Exposed?

Posted on 21 August 2018. Tags: [security](#)

**By Troy Stangarone**

Much more is known about North Korea's efforts to spy on South Korea than on the South's efforts to spy on the North. One rare peek at those efforts is the recent movie The Spy Gone North, but there may be a more interesting case of South Korean efforts to spy on its neighbor to the North taking place in Austria.

The Spy Gone North, which is based on a true story, is the tale of a South Korean army officer who infiltrates the North by pretending to be a businessman. While on a long-term mission to gain information on North Korea's nuclear activities at Yongbyon, he ends up being caught up in the mechanizations over efforts to prevent the election of Kim Dae-jung as president in the South.

The efforts to spy on North Korea taking place in Austria are of a different nature and we only know about them as a result of information in an Austrian search warrant. In late February, police raided the main office of Austria's domestic intelligence agency, known as the BVT. According to the warrant, one

of the reasons listed was that BVT officials had worked with South Korean intelligence officials to obtain blank North Korean passports that were being printed in Austria.

As The Washington Post story on the raid notes, that while Kim Jong-un would ostensibly benefit from breaking up any intelligence cooperation between South Korea and Austria to spy on the North, the Austrian BVT's cooperation with South Korean intelligence was likely included in the warrant to help cover up domestic meddling in Austria's spy service. It raises troubling implications.

If the information in the warrant is correct and South Korea has been able to obtain blank North Korean passports, why are North Korean passports being printed in Austria? Even before the recent ratcheting up of sanctions on North Korea at the end of the Obama administration and under the Trump administration there were few economic ties between Austria and North Korea. The EU as a whole did \$32 million in trade with North Korea in 2015 and that fell to \$18 million in 2017. In 2015, Austria did a little over \$1 million in trade with North Korea, mostly imports from North Korea. By 2016, the most recent Austrian data available, trade had grown to almost \$3 million with exports to North Korea having grown to over \$2 million. In contrast to France and Germany, two of the largest economies in the EU, Austria does little trade with North Korea, but interestingly in recent years has done more than the United Kingdom.

With few economic ties with North Korea, it is disconcerting that Austria either intentionally or unintentionally has potentially exposed South Korean intelligence operations. It is unclear why the far-right Freedom Party in Austria, which controls the Interior Ministry and is believed to be behind the raid, would want to help North Korea by potentially exposing South Korean intelligence operations. Even if this is purely part of a ruse to cover up domestic objectives, it should have been clear that the end result would be damaging by including an intelligence operation in the warrant. In doing so, Austria has raised concerns about its ability to keep secrets and credibility as an intelligence partner.

One angle that intelligence analysts will need to explore is whether Russia had any role in the outing a South Korean intelligence operation. The Freedom Party has an official cooperation agreement with Putin's United Russia Party, and Putin recently attended the wedding of the Austrian Foreign Minister. Russia has also been one of the countries most willing to evade UN sanctions on North Korea, something which Secretary of State Mike Pompeo has recently warned against.

At a time when intelligence on North Korea's true intentions towards dismantling its nuclear program and pursuing economic reforms could make the difference in the current opening and help the government in Seoul, and by extension Washington, know if increasing engagement will be reciprocated by Pyongyang and is genuine, this damaging leak by an Austrian state prosecutor could be a truly unfortunate intelligence loss.

*Troy Stangarone is the Senior Director for Congressional Affairs and Trade at the Korea Economic Institute of America. The views expressed here are the author's alone.*

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## Revisiting the Korean War Armistice

Posted on 22 August 2018. Tags: diplomacy, military affairs, security

By Mark Tokola

In the wake of the April 2018 inter-Korean summit in Panmunjom and the June U.S.-North Korea summit in Singapore, there is renewed talk about whether it is time to announce an end to the Korean War by means of a peace declaration, peace regime, peace treaty, or by some other means. There is nothing to prevent either or both Koreas, the United States, and/or China from declaring peace on the peninsula, but formally resolving the July 27, 1953 Armistice raises complex legal and political questions. It is worth revisiting the history and current status of the Armistice.

Conventionally, the purpose of any armistice is for the military commanders who are at war to sign an agreement to end hostilities. The terms of armistices are negotiated to ensure that both sides have the confidence to lay down their weapons and to have a common understanding of the situation that will be left on the battlefield. The later, political resolution of the causes of conflicts, reparations, and assurances of future peace are left to diplomats.

The Napoleonic wars were ended by armistice, leaving the political settlement to the Congress of Vienna. In World War I, the November 11, 1918 armistice that ended the fighting was followed by the Paris Peace Conference. In the case of Korea, the 1953 armistice was followed by a peace conference in Geneva that lasted from April 26 to June 15, 1954. The conference ended in failure and was never resumed, leaving the Korean armistice in place for 65 years and counting.

The 1953 Korean Armistice took the traditional form of being signed by military commanders rather than by politicians or diplomats. It bears two signatures, that of Lieutenant General William K. Harrison, Jr., who signed as "Senior Delegate, United Nations Command Delegation," and that of General Nam Il as, "Korean People's Army Senior Delegate, Delegation of the Korean People's Army and the Chinese People's Volunteers." Exactly whom the two signers were representing is one of the questions regarding the armistice.

Most legal commentators agree that the United Nations Command (UNC) is not synonymous with the United Nations itself. This was made clear at the 1954 Geneva peace conference, in which on one side of the table were the countries which contributed forces to the UNC: the United States, South Korea, Australia, Belgium, Canada, Columbia, Denmark, Ethiopia, France, Greece, Luxembourg, the Netherlands, New Zealand, Philippines, Thailand, Turkey and the United Kingdom. South Africa was a sending state, but did not attend the Geneva conference.

Under the terms of the peace conference, the sending states represented themselves separately. The United States, as Commander of the UNC, had a leading role but could not speak on behalf of the other UNC states without their permission. On the other side of the table were North Korea, the Soviet Union, and China.

China's role in the armistice is ambiguous. On one hand, China denied official involvement in the Korean War, as seen by the Armistice being signed by a North Korean general on behalf of the Chinese People's Volunteers. Even the nature of the Korean War itself was disputed. The UN characterized the conflict as a "collective action" to resist an "aggression." North Korea, China, and the Soviet Union argued that it was a "civil war" in which no outside forces could legally intervene. The United Nations Security Council in 1951 identified China as an "aggressor" in the conflict, but the UNC treated the Soviet Union and China as neutrals to avoid broadening the conflict. China went on to undercut its own legal position by arguing at the United Nations that it had intervened in the conflict in right of self-defense.

The consensus among legal commentators is that China was indisputably a belligerent in the conflict regardless of the legal niceties of whether it was the Chinese People's Army or Chinese People's Volunteers who were involved. Therefore, China could have a role in ending the armistice, unless it chose not to have one. One of the issues raised in ending the armistice is that it may be awkward for China to have to revise its historic explanation of its role in the Korean War.

Regarding the current status of the Korean Armistice, there is little question that it is still in effect although North Korea has occasionally stated that it no longer felt bound by it. In 1996, the President of the United Nations Security Council made a statement endorsed by the full membership, including China and the United States, which said: "The Armistice Agreement shall remain in force until it is replaced by a new peace mechanism." Note that the Security Council did not call for a "peace treaty"; the term "peace mechanism" is open-ended.

Resolving the armistice has been raised now and then. In 1994, North Korea called for talks between itself and the United States, insisting that the armistice could only be resolved by the two signatories — excluding South Korea and everyone else. In 1996, the United States and South Korea called for four-party talks to conclude the armistice: the U.S., South Korea, North Korea, and China.

Today, countries will do as they want regarding the Korean Armistice. There is no international tribunal that would judge whether the armistice was ended following proper procedures. However, in the interest of long-term stability on the peninsula, it would seem worth the effort to keep in mind the role of the United Nations and the United Nations Command sending states at the 1954 Geneva Peace Conference and in the years since. The long series of United Nations Security Council Resolutions regarding the peninsula should be concluded by a United Nations decision. South Korea, North Korea, China, Russia, and the UNC sending states should be parties to a settlement on the peninsula. A war that began and was fought on ambiguous terms should not also end ambiguously.

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## What Does the New NAFTA Agreement Mean for Korean Auto Makers?

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**By Troy Stangarone**

The United States and Mexico recently announced that they have reached a preliminary agreement on updating the North American Free Trade Agreement (NAFTA). While Canada still needs to conclude talks on the revised NAFTA, the initial agreement announced includes proposed changes to automobile trade in North America that have implications for Hyundai and Kia.

In 2016, Kia opened a new production facility in Mexico as part of its efforts to break into the Mexican market and provide extra production for the broader North American market. The plant currently produces the Kia Forte and Rio models, as well as the Hyundai Accent. Last year, the plant

produced 250,000 vehicles, though it has the capacity to expand to 400,000 units, and half of the production was exported to the United States.

In 2017, Kia sold 117,596 Kia Fortes in the United States and 16,760 Rios. While exact export figures from the plant in Mexico are unavailable, it is likely that a significant majority of the Kia Fortes sold in the United States and possibly all of the Rios were produced at Kia's plant in Mexico. The Hyundai Accent, which the plant recently began producing, had sales of 58,955 in the United States last year.

Producing in Mexico is appealing to South Korean automotive producers for its lower labor costs, which on average are a fifth of those in South Korea and only a tenth of that in the United States. For example, as a new contract signed in January for workers at Hyundai in South Korea calls for workers to make an average of 50 million won (\$45,138). In contrast, workers in Mexico at even luxury vehicle producers such as BMW often have a top wage of as little as \$2.53 per hour.

Under the revised NAFTA, to be eligible for export to the United States, 75 percent of the vehicle content would need to be produced in North American (U.S. and Mexico), up from 62.5 percent, and 40-45 percent of that content will need to be produced by workers making at least \$16 per hour. Additionally, there are reports that the United States and Mexico reached a side agreement to exempt the first 2.4 million vehicles produced in Mexico from any national security tariffs the United States might impose from the ongoing Section 232 investigation on automobiles and automotive parts.

In light of the proposed revisions to NAFTA, the simplest course of action for the production of Korean automobiles in Mexico may be to export vehicles to United States while not utilizing NAFTA. At the moment, the vehicles produced at the Kia's plant in Mexico do not contain enough North American content to qualify for NAFTA. According to data from the National Highway Traffic Safety Administration, the Rio and the Forte contain 49 percent North American content, while the Hyundai Accent contains 50 percent North American content.

Choosing to export to the United States without using NAFTA would allow South Korean producers to not have to meet the new, higher North American content requirements. At the same time, it would allow them to not have to deal with the new wage floor established by the NAFTA revisions.

The trickier issue may be the Section 232 case. As a significant exporter of automobiles to the United States from South Korea, the Section 232 investigation has been of concern. However, recent comments by South Korean Trade Minister Kim Hyun-chong suggest that the Seoul and Washington may have reached an understanding on this issue in light of the fact the revised KORUS FTA has already modified the provisions of this pact.

The side letter with Mexico, though, raises two possibilities. The first being that the United States does intend to impose a 25 percent tariffs on imports of automobiles and automotive parts. The second, is that the United States reached an agreement on this issue with Mexico to leverage other trading partners into striking deals as well by signaling that it may follow through with the new tariffs. If it is the first, it would impact Korean exports from Mexico.

Initial reports indicate that the to be eligible for the Section 232 exemption in the side letter with Mexico, vehicles would have to meet the new NAFTA content standards – 75 percent North American content and 40-45 percent of the content from wages above \$16 an hour. If the U.S. did impose a 25

percent tariff on automobiles and automotive parts, Korean producers would need to raise the current North American content level in their production to avoid the new tariff.

However, the U.S. Trade Representative's fact sheet on the new wage standard is unclear on where the content must come from. While the text of the agreement should clarify this issue, if it is merely that 40-45 percent of the North American, not Mexican, content must be from wages over \$16 an hour, it may be more cost effective to use parts from the United States to meet the new standard and maintain the current wage structure in Mexico.

Once the revised text is released in the months ahead, there will be more clarity on how the new NAFTA will work. But at this early stage, it is clear that the changes to NAFTA will also affect South Korea's automotive exports to the United States from Mexico.

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