

Unpacking Seoul's Unhappiness with Trump

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by Ramon Pacheco Pardo

Inter-Korean relations “should be done in consultation” with the United States and move in parallel to denuclearisation, said US Ambassador Harry Harris on January 7th. “As the party directly involved in the Korean Peninsula issue, South Korea will expand room for manoeuvres and move forward things that can be carried out independently as much as possible”, came the reply by Ministry of Unification spokesperson Lee Sang-min the day after. And so another sign of South Korea’s unhappiness with the Trump administration was laid bare. For it has become clear in recent months that Seoul and Washington have several important disagreements shaking the foundations of their alliance.

The main issue separating the Moon Jae-in and Donald Trump governments is the speed at which inter-Korean relations should move forward. Seoul is eager to kick-start economic cooperation. Most notably, it would like to resume operation of the Kaesong Industrial Complex, re-open the Mount Kumgang Tourist Region, and move forward with the rebuilding of rail tracks and roads across North Korea connecting South Korea with the rest of the Eurasian landmass. None of these projects, however, can move ahead as long as the current set of sanctions on North Korea remains in place.

Seoul has sought exemptions for these projects, to no avail. The Moon government believes that joint economic projects are an essential step towards inter-Korean reconciliation. But Harris, as well as others such as Secretary of State Mike Pompeo and Special

It has become clear in recent months that Seoul and Washington have several important disagreements shaking the foundations of their alliance. Problems include US demands that inter-Korean cooperation does not move ahead as long as North Korea does not take steps towards denuclearisation; Washington’s demands of a five-fold increase in SMA payments by Seoul; the Trump government’s reaction to the Japan-South Korea trade dispute, especially Seoul’s announcement to let GSOMIA expire; and the US raising “competition-related concerns” against the South Korean government after KORUS was revised. Put together, these issues are shaking the foundations of the South Korea-US alliance. They have led to deep-seated unhappiness with the Donald Trump government in Seoul.

Representative for North Korea Stephen Biegun, have made clear that the US will not allow inter-Korean economic cooperation to move ahead without North Korea taking steps towards denuclearisation. The Moon government feels frustrated, for a nuclear deal including sanctions relief or exemptions remains elusive. While Seoul has made clear that it will not breach sanctions, many in the Moon government blame Washington as much as Pyongyang for South Korea’s inability to move ahead with economic cooperation.

Special Measures Agreement (SMA) negotiations between South Korea and the US are another important driver behind Seoul's discontent with the US. The defence cost-sharing talks are basically at a standstill. Seoul is willing to increase the amount it pays to host the 28,500 U.S. Forces Korea stationed in South Korea. But the five-fold increase demanded by the US was a non-starter for Seoul. And the Trump government's veiled threat to withdraw troops if the demand was not fulfilled was met with outrage. Both liberal and conservative politicians and media have criticised Washington's demand and accompanying threat, which shows that the US\$5 billion price tag set by the US is unacceptable for South Korea. Polls show that a large majority of the South Korean public agrees.

From the Moon government's perspective, the Trump government is holding Seoul ransom with its SMA demands. In recent days, Harris and other US officials have hinted that Washington would be willing to take less than the US\$5 billion demanded. However, this is the second year in a row in which SMA negotiations have proved difficult. Indeed, both in 2019 and this year the agreement has actually expired. And whereas previous agreements were updated every five years, the 2019 agreement only lasted until the end of the year. Seoul believes that this is a way for the Trump government to put regular pressure on South Korea to increase its share of the cost-sharing agreement. In other words, Trump is putting a price on the decades-old South Korea-US alliance rather than focusing on its strategic and military value.

Even though the Japan-South Korea trade dispute does not directly involve the US, the Trump government's behaviour throughout has also become a point of contention between Seoul and Washington. In July 2019, Japan escalated a political dispute with South Korea over payment by Japanese companies to (South) Korean slave labour during its colonisation of Korea. That month, Tokyo announced that it would remove Seoul from its whitelist of trusted trade partners over unspecified export control issues in its neighbour. South

Korea reciprocated by also announcing the removal of Japan from its own whitelist. Seoul then escalated the dispute by announcing that it would let their bilateral General Security of Military Information Agreement (GSOMIA) intelligence pact expire. Whitelist removal by both Tokyo and Seoul did happen, but the Moon government decided not to let GSOMIA expire in the end.

Washington did not intervene in the dispute following Japan's – or South Korea's – whitelist removal announcements. But it was openly critical of Seoul once it announced its original decision not to renew GSOMIA. From a South Korean perspective, this was a case of double standards. The rationale was that if the Abe Shinzo government argued that it did not trust South Korea with its export controls, Seoul could not trust Tokyo with its intelligence. Regardless of the merits of this line of thought, the very open criticism from the Trump government regarding GSOMIA was seen in Seoul as another example of the contempt in which some in the Trump government seem to hold South Korea. It was also seen as Washington taking sides with Tokyo, something that previous US governments have been very careful to avoid. Even if the Japan-South Korea trade dispute is solved, the damage has already been done.

One last important reason explaining the Moon government's unhappiness with the Trump administration relates to trade. South Korea was the first country to revise its existing trade agreement with the US after Trump came to office. Seoul and Washington reached a deal in March 2018, and the revised version was signed in September that same year. However, the Office of the U.S. Trade Representative (USTR) raised "competition-related concerns" under the agreement in July 2019. USTR accused the Korea Fair Trade Commission of "restrictive hearing procedures" detrimental to the interests of US companies. Irrespective of the merits of these claims, these "concerns" were seen by the Moon government as against the spirit of the revised trade agreement. In other words, trade resulted in yet another problem between Seoul and Washington.

Together with President Trump's regular criticisms of South Korea as a "wealthy country" refusing to "pay its fair share" of the costs of its alliance with the US, these grievances help to explain why Seoul is unhappy with the Trump government. In isolation, each of them would create frictions in the South Korea-US relationship – especially the threat

of troop withdrawal. Put together, they play to the Moon government's belief that President Trump is not concerned with having a strong relationship with South Korea. Therefore, we can expect this underlying discontent on the part of Seoul to continue as long as the Trump administration remains in power or some of the more fundamental problems remain unsolved.

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