

ASAN KOREA PERSPECTIVE

Inter-Korean Dialogue

On Jan 9, the two Koreas held the first high-level meeting in two years at the Peace House in Panmunjom. ¹ North Korea agreed to send a delegation of athletes, cheerleading squad, and a Taekwondo demonstration troupe to the Winter Games in Pyeongchang while South Korea agreed to delay the joint military exercise previously scheduled for February. ² Both sides also agreed to hold follow-up talks to ease military tensions.

The meeting started out in a friendly atmosphere, but there were tense moments. For instance, the North Korean delegation complained that the South Korean media disclosed the restoration of the military communication line on Jan 9 when the line actually re-opened on Jan 3. ³ North Korea also sidestepped the issue of denuclearization.

Most South Korean observers agreed that the meeting was helpful in lowering tension. However, many critics are skeptical about the likelihood that these dialogues will bring about significant change in the status quo. Some experts question whether Pyongyang is trying to drive a wedge in the ROK-U.S alliance, while others state that North Korea is seeking ways to ease toughened sanctions. ⁴

Inter-Korea Dialogue Delegation⁵

| South Korea | North Korea |
|--|---|
| <ul style="list-style-type: none"> • Cho Myoung- Gyon, Minister of Unification • Chun Hae sung, Vice Minister of Unification • Roh Tae-Kang, second Vice Minister of culture, sports and tourism • Ahn Moon Hyun, Deputy Director- | <ul style="list-style-type: none"> • Ri Son-gwon, Chairman of the Committee for the Peaceful Reunification of DPRK, • Jon Jong-su, Vice Chairman of the Committee for the Peaceful Reunification of DPRK • Hwang Chung-song, a Director at the |

On foreign affairs and national security, President Moon stressed the importance of establishing peace on the Korean peninsula and cooperating with

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| General of the Prime Minister's Office <ul style="list-style-type: none"> • Kim Ki-hong, Vice President of game planning for the Pyeongchang Organizing Committee | committee for the Peaceful Reunification of DPRK <ul style="list-style-type: none"> • Won Kil-u, Vice Minister of physical culture and sports • Ri Kyong-sik, a member of the DRPK Olympic Committee |
|--|--|

Comfort Women Agreement

Amid speculations that the government may renegotiate the 2015 comfort women agreement, the Minister of Foreign Affairs announced on Jan 9 that South Korea will not seek any changes to the existing deal. However, Minister Kang Kyung-wha stated that the South Korean government would compensate the comfort women victims for their suffering rather than make use of the JPY 1 billion provided by the Japanese government. ⁶

Response in South Korea is mixed. Supporters view the announcement as a comprehensive decision that includes the victims in the decision-making process without undermining the bilateral agreement. Critics claim that the government's decision does not benefit anyone involved. ⁷ Several NGOs and comfort women victims criticized the government for not doing enough. There is still much debate in South Korea about how the government should not renege the existing agreement but change its content. Prime Minister Abe has already expressed strong opposition to this decision. ⁸

Moon Jae-in's New Year Speech

President Moon Jae-in delivered his New Year Speech on Jan 10. ⁹ On economics, President Moon emphasized youth employment, switching contract based work to permanent positions, reducing work hours, promoting innovative growth, improving transparency, and increasing minimum wage.

neighboring countries. He also reiterated the government's decision regarding the 2015 comfort women agreement.

MOTIE and the Fourth Industrial Revolution

On Jan 10, the Ministry of Trade, Industry and Energy (MOTIE) released its 2018 plan for improving South Korea’s human capital. The MOTIE’s stated aim is to ensure that South Korea has the workforce that it needs to support an innovation-led economy. The plan’s centerpiece is a sizable investment amounting to KRW 1.4 trillion (approximately USD 1.36 billion) in postgraduate/doctoral education for nine sectors, including manufacturing industry, energy, and trade, among others. The MOTIE is diverting much of its resources to the new plan, which is part of a broader government initiative to support “the Fourth Industrial Revolution.”¹⁰

KORUS FTA

The Korea-US free trade agreement (KORUS FTA) negotiations began on Jan 5. The South Korean Minister for Trade, Kim Hyun-chong, announced that the two sides identified different areas of interest. The US, for instance, pointed to the relaxation of nontariff barriers to US automobile exports while South Korea emphasized the need to improve investor-State dispute settlement (ISDS).

Based on the results of the first meeting, Minister Kim expected a difficult road ahead for South Korean negotiators. But he also focused on the need to protect national interest. In particular, he stated that it would be better for South Korea to let the negotiations fail rather than agree to a bad deal.¹¹ The Minister’s latest remarks suggest that there are some significant gaps in the two sides’ positions and that there may even be a possibility that the FTA negotiations will fail.¹²

Legislative Bills in South Korea

| Name* | Motion | Status** | Purpose | Likelihood to Pass*** |
|--|---------------|---|---|-----------------------|
| Act on National Intelligence Service ¹³ | 2018 Jan 8 | Proposed to the 355th National Assembly (Extraordinary Session) | Through its own oversight investigations, the National Assembly concludes that the National Intelligence Service (NIS) illegally violated individual privacy and interfered in presidential elections. This Act seeks to reorient the scope of NIS activities to international crime, North Korea, and terrorism, shifting its jurisdiction away from involvement in domestic politics. | Medium |
| Act on the Maintenance of Maritime/Port in Preparation for Emergencies ¹⁴ | 2018 Jan 5 | Proposed to the 355th National Assembly (Extraordinary Session) | 99.7% of exports and imports are conducted via maritime transport. This Act ensures that ports continue to operate through an independent mechanism in order to secure the uninterrupted transport of goods during emergency situations. | Medium to High |
| Special Act on the 100th Anniversary of the Republic of Korea ¹⁵ | 2018 Jan 4 | Proposed to the 355th National Assembly (Extraordinary Session) | Approve budget tied to the preparation of the 100th anniversary of the Republic of Korea. Recognizes the authority of the Provisional Government of the Republic of Korea in 1919, thereby making the year 2019 as South Korea’s 100th Anniversary. | Medium |
| Act on the Low Impact Development ¹⁶ | 2018 Jan 2 | Proposed to the 355th National Assembly (Extraordinary Session) | To deal with the challenge of extreme weather events, this act promotes a low impact development policy through the creation of the Low Impact Development Management Committee. | Medium to High |

*Unofficial translations **As of 2017 January 12

***Likelihood to pass based on news and analytical coverage by major outlets

| | | | |
|-----|-----|--------|------|
| N/A | LOW | MEDIUM | HIGH |
|-----|-----|--------|------|

| | | | |
|---|---|--|---|
| Insufficient coverage to make an assessment | Coverage generally tends to be negative | Coverage generally tends to be split between negative, affirmative, or neutral | Coverage generally tends to be in the affirmative |
|---|---|--|---|

1 "남북고위급회담 공동보도문", Ministry of Unification, Available at:

[http://unikorea.go.kr/unikorea/news/live/?boardId=bbs_000000000000003&mode=view&cntId=54390&category=&pageIdx=]

2 "남북, 군사당국회담 합의", *중앙일보*, 2018년 1월 10일.

3 "남북 고위급회담 타결...공동보도문 채택", *중앙일보*, 2018년 1월 9일.

4 [사설] 남북대화 평창 넘어 북핵 폐기로 갈 수 있나, *조선일보*, 2018년 1월 10일.

5 "남북 5대5 회담 통일부-조평통 주도...대표단 '급' 균형 이뤄", *한겨레*, 2018년 1월 7일.

6 "강경화 "위안부 합의, 일에 재협상 요구 안 해...10억엔 우리 예산으로 충당"", *동아일보*, 2018년 1월 9일.

7 "모두 만족시키려다 아무도 만족시키지 못한 '위안부 합의 정부 입장'", *조선일보*, 2018년 1월 9일.

8 "아베 작심발언 "일본은 합의지켰다, 위안부 추가조치 절대 안돼"", *중앙일보*, 2018년 1월 12일.

9 "2018년 문재인 대통령 신년사", Choeong Wa Dae , Available at: [<http://www1.president.go.kr/articles/2029>]

10 The MOTIE's budget has increased by 4.5%. "4차 산업혁명 시대 전문인력 8천명 양성한다," 매일경제, 2018년 1월 10일.

11 "'한-미FTA 개정협상' 지휘 김현중 "나쁜 협상보다 결렬이 낫다" 한겨레, 2018년 1월 8일.

12 "한미 FTA 개정 협상, "나쁜 협상보다는 아예 타결 안 되는 게 낫다" 중앙일보, 2018년 1월 8일.

13 "국가정보원법 전부개정법률안" Korea Ministry of Government Legislation. Available at: [<http://www.lawmaking.go.kr/lmSts/nsmLmSts/out/2011316/detailRP>].

14 "비상사태등에 대비하기 위한 해운 및 항만 기능 유지에 관한 법률안" Korea Ministry of Government Legislation. Available at: [<http://www.lawmaking.go.kr/lmSts/nsmLmSts/out/2011303/detailRP>].

15 "대한민국 100주년 기념에 관한 특별법안" Korea Ministry of Government Legislation. Available at: [<http://www.lawmaking.go.kr/lmSts/nsmLmSts/out/2011275/detailRP>].

16 "저영향개발을 통한 물순환 회복 및 촉진에 관한 법률안" Korea Ministry of Government Legislation. Available at: [<http://www.lawmaking.go.kr/lmSts/nsmLmSts/out/2011185/detailRP>].

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