

President Moon's Special Envoys

On May 24, President Moon Jae-in met with the special envoys for the US, China, and Japan. Mr. Hong Seok-hyun, the special envoy to the US who met with President Trump, told President Moon that the US has put North Korea's nuclear problem at the top of its foreign policy agenda and has urged President Moon that "this could be the opportune time to resolve the North Korea issue."¹

Special envoy to China, Mr. Lee Hae-chan, told President Moon that the Chinese delegation had asked for the "complete withdrawal of THAAD on the Korean Peninsula," and warned that Korea-China relations will face difficulties if Korea fails to do so.²

Moon Hee-sang, the special envoy to Japan, reported that his meetings with the Japanese delegation confirmed the two sides' differences over the comfort women agreement. At the same time, both sides agreed to work towards developing a future-oriented relationship.³ President Moon evaluated the special envoy visits as positive developments and announced that Korea made its positions clear to its neighbors on an array of issues including THAAD and comfort women.⁴

Controversy Over THAAD

President Moon was "extremely shocked" when he discovered that four additional launchers for THAAD had been brought into the country without his knowledge. He then ordered a probe into the matter.⁵ Specifically he blamed the Ministry of Defense for failing to report to him. On the other hand, the Ministry of National Defense (MND) claimed that a report containing this information was submitted to the Blue House.⁶ Further investigation found, however, that the information was censored during review by the MND.⁷

In response to the controversy, the ruling Together Democratic Party (TDP) announced that it will push for an oversight hearing against Foreign Minister Yun Byung-se and former Blue House National Security

Advisor Kim Gwan-jin.⁸ During a meeting with Senator Dick Durbin (D-IL), who was visiting Seoul in late May, President Moon has requested that the US remain patient on the environmental review of deploying the THAAD system in Seongju.⁹

Meanwhile, North Korea tested another short-range Scud-type missile on May 29. The missile flew 6 minutes and traveled 450km before falling into the East Sea.¹⁰ This was North Korea's 9th test of the year and 3rd since President Moon's election.¹¹

More Jobs in 100 Days

The Moon administration announced the "100-day plan for job creation," which ends on August 17.¹² The announcement was a major part of his election pledge. Moon's first policy directive as president was to establish the Job Creation Council.

One of the major pillars in President Moon's plan is adding 12,000 jobs in the public sector. He has also called for transitioning all public sector positions from temporary contract based ones to permanent tenured positions. The administration is also exploring the possibility of penalizing companies (KRW 70~100 million) with more than 300 employees if they are maintaining an excessively high number of temporary contract workers on their payroll.¹³ The plan also includes raising minimum wage (to KRW 10,000), promoting SME investment and growth, establishing councils on the 4th industrial revolution.

The president's initiative is likely to face some significant hurdles. The administration is sending the supplementary budget proposal asking more than KRW 1 trillion from the National Assembly later this month. The proposal supports raising the tax rate for high-income earners and large companies to finance the plan.¹⁴ However, it's not clear whether the president's ruling party will be able to whip enough votes to pass the budget bill. The TDP currently holds only 120 seats.

Although there is broad consensus about the need to

address problems with job creation and improvements in the workplace environment, there is strong disagreements about how to achieve these goals. The business sector has been especially critical of growing government intervention in the marketplace through increased regulations.¹⁵ Business leaders were especially angered by the fact that the administration failed to consult the business community before rolling out the latest plan.¹⁶

President Moon's Approval Rating¹⁷

Approve	Disapprove	Neither	Don't know/refused
84%	7%	3%	5%

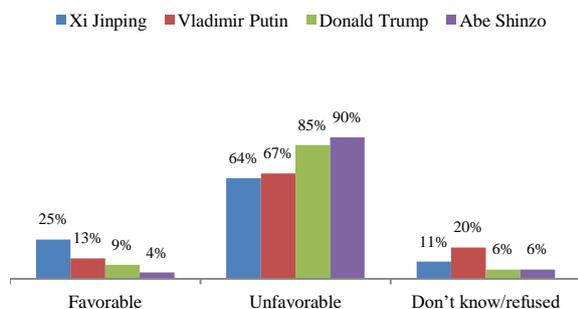
Party Approval Rating

Date	May 23-25 ¹⁸	May 30-June 1 ¹⁹
Together Democratic Party	51%	50%
Liberty Korea Party	8%	8%
People's Party	7%	9%
Righteous Party	6%	8%
Justice Party	6%	8%
Don't know/refused	21%	16%

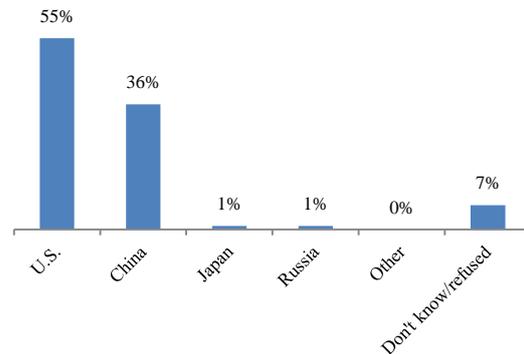
Leadership Favorability Rating²⁰

Leader	Favorable	Unfavorable	Don't know/refused
Xi Jinping	25%	64%	11%
Vladimir Putin	13%	67%	20%
Donald Trump	9%	85%	6%
Abe Shinzo	4%	90%	6%

Leadership Favorability Rating²¹



Most Important Neighbor for Peace on the Korean Peninsula²²



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17 Gallup Korea. Date: May 30-June 1; sample size 1,004; margin of error: ± 3.1 at the 95% confidence level.

18 Gallup Korea. Date: May 23-25; sample size 1,003; margin of error: ± 3.1 at the 95% confidence level.

19 Gallup Korea. Date: May 30-June 1; sample size 1,004; margin of error: ± 3.1 at the 95% confidence level.

20 Gallup Korea. Date: May 23-25; sample size 1,003; margin of error: ± 3.1 at the 95% confidence level.

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22 Gallup Korea. Date: May 23-25; sample size 1,003; margin of error: ± 3.1 at the 95% confidence level.

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