

# Korean peninsula: State of play

## Further uncertainty follows period of hope

### SUMMARY

North Korea and South Korea have been on different paths since World War II. The North has remained isolated and poor, its regime inspired by Soviet structures, with a centrally planned economy. The South, meanwhile, after alternating periods of autocratic and democratic rule, made a clear choice at the end of the 1980s in favour of democracy and a market economy, a choice that has led the country to success in several sectors.

North and South Korea are still technically at war, as the military conflict of 1950-1953 ended with an armistice that was never followed by a peace treaty. There are 28 500 US (United States) soldiers stationed in South Korea, which signed a Mutual Defence Treaty with Washington in 1953. There have been frequent tensions over the past 70 years, and North Korea has become a *de facto* nuclear power since the 2000s, prompting international sanctions.

Early in 2018 a *detente* raised hopes of peace. North Korean leader Kim Jong-un met with US President Donald Trump and South Korean President Moon Jae-in, but the summits have led neither to the denuclearisation of the Korean peninsula, nor to the easing of sanctions against the North.

Pyongyang's frustration provoked new tensions in the region in June 2020, when the North, in a symbolic move, destroyed the liaison office in the border area, the *de facto* embassy of the two Koreas. But Kim's options seem limited at present, and there is little chance of progress until after the US presidential elections. Meanwhile, Moon Jae-in has invested much political capital in the Korean peace process, and is willing to make further moves before the end of his mandate in 2022.

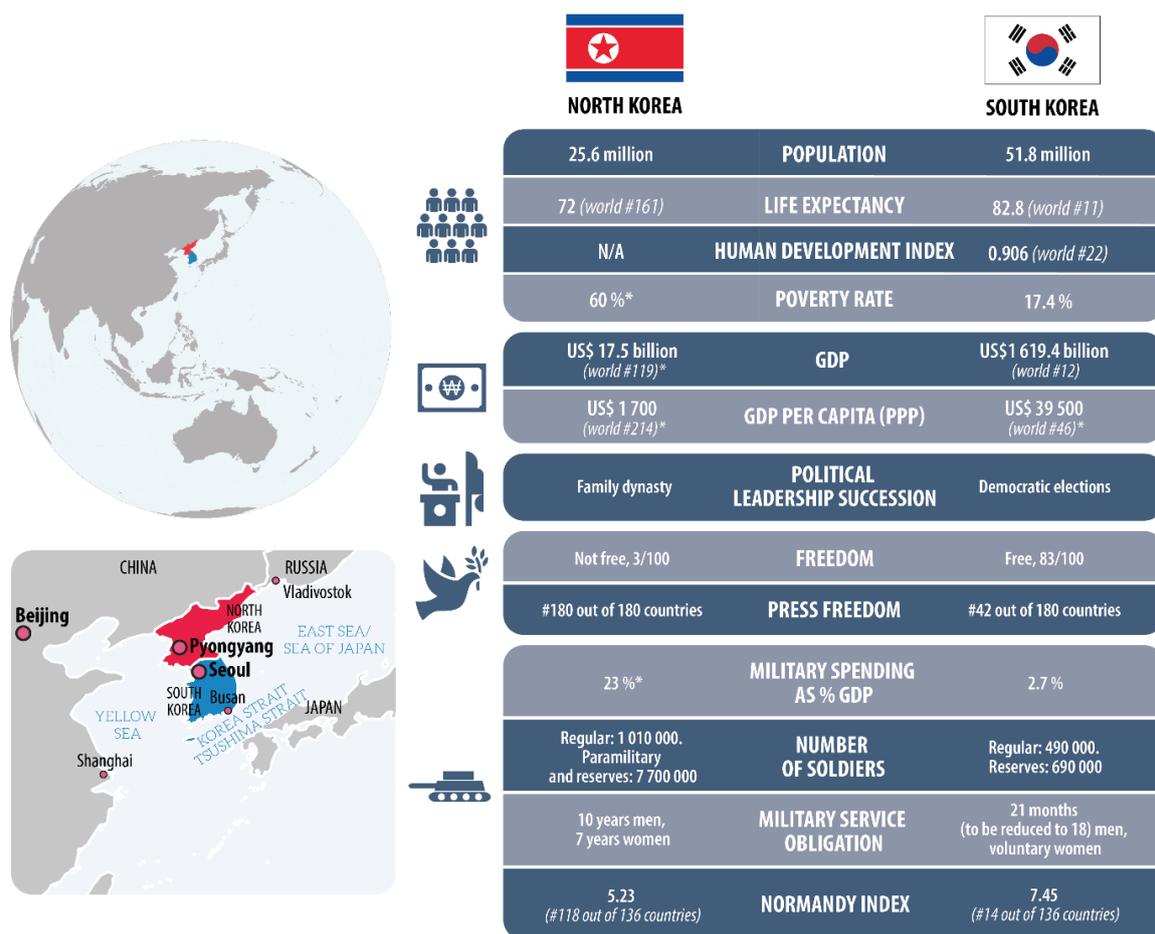
The EU has traditionally maintained a policy of critical engagement towards North Korea, upholding the international non-proliferation regime and supporting a lasting reduction in tensions on the peninsula. The EU and South Korea are strategic partners. During the 30 June 2020 EU–South Korea summit, the EU reaffirmed its support for Seoul's efforts to engage with the North to achieve peace and prosperity on the peninsula.



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Figure 1 – One peninsula, two Koreas



Data sources: [Central Intelligence Agency](#), [United Nations Development Programme](#), [World Bank](#), [The Economist Intelligence Unit](#), [United Nations](#), [Nature](#), [Organisation for Economic Development and Cooperation](#), [Freedom House](#), [Reporters without Borders](#), [Janes](#), [EPRS](#).(\* estimate). There is a [dispute over the name](#) of the sea bordered by the Korean peninsula, Russia and Japan: Japan calls it the 'Sea of Japan', South Korea calls it the 'East Sea'.

## One peninsula, two radically different systems

Korea was under Japanese rule from 1910 to 1945. World War II resulted in the division of the country and its population in two along the 38th parallel, with the Union of Soviet Socialist Republics (USSR) controlling the North, and the US controlling the South. As negotiations did not bring reunification, the Republic of Korea (ROK, capital: Seoul) in the South and the Democratic People's Republic of Korea (DPRK, capital: Pyongyang) in the North were proclaimed between August and September 1948. The North invaded the South in June 1950. The [bloody conflict](#) that followed ended with an [armistice](#) in July 1953, signed by military commanders from China and North Korea on one side and the US-led United Nations Command on behalf of the international community on the other – Seoul was not a signatory. A peace treaty was never signed: the two sides are still technically at war, and tensions and hostilities have been frequent over the past 70 years. The first inter-Korean summit took place in 2000 only (a second was held in 2007), kicking off the ['sunshine policy'](#) that was later discontinued.

North and South took different paths. Pyongyang adopted a political system inspired by Soviet structures; the Workers' Party of Korea (WPK) holds the power and the economy is centrally planned, with the country referred to outside as a 'hermit kingdom'. The South alternated between

democratic and autocratic rule, with a clear shift towards democracy at the end of the 1980s and a later move toward a market-oriented model, where family-owned conglomerates called *chaebols* play a key role in the economy and have gained international recognition. Seoul has also engaged in the main [international](#) political and economic governance institutions, and is a [G20 member](#).

North Korea built a nuclear programme resulting in the first of six nuclear tests in 2006 and sparking United Nations (UN) [sanctions](#) against Pyongyang. It also started a missile programme, culminating in 2017 in the launch of its first intercontinental ballistic missiles (ICBM), the escalation of intimidation between North Korea and the US, and serious [threats to regional stability](#). Its [military capabilities](#) basically lie in the build-up of weapons of mass destruction representing a credible nuclear deterrent, while it is also believed to have developed cyber-threat capabilities, and an arsenal of chemical weapons. South Korea, meanwhile, mindful of the 1950 invasion of its territory, has maintained a technologically advanced army largely to conduct [defensive operations](#). A pillar of Seoul's defence is the [Mutual Defence Treaty](#) signed with Washington in 1953, which allows the US to station [around](#) 28 500 [troops](#) in South Korea. Every year US and South Korean troops perform major two-month field training exercises named [Foal Eagle](#), a regular source of tension with North Korea. In 2017, the US installed terminal high-altitude area defence (THAAD) batteries, provoking a Sino-Korean backlash. North Korea signed the [Treaty of Friendship, Cooperation and Mutual Assistance](#) with Beijing in 1961, but the Chinese do not keep troops on its territory.

Until 1984, South Korea was the recipient of UN World Food Programme (WFP) food aid, but it has since become a [top donor](#): its 2019 donation helped to buy 50 000 tonnes of rice for the drought-stricken North. Seoul gives humanitarian aid to Pyongyang annually, though [sanctions make it difficult](#) to operate in North Korea. South Korea committed to spending approximately US\$5.7 million on aid for North Korea in [2020](#). It also provided the North with anti-viral [supplies to fight Covid-19](#). There is virtually [no trade between North and South Korea](#).

## The 2018 *detente* process, then the *impasse*

An [unexpected detente](#) came in early 2018. North Korean athletes took part in the Winter Olympics in South Korea in February, and Pyongyang undertook a charm offensive, culminating in a third inter-Korean summit in April. The North Korean leader, Kim Jong-un (formally Chair of the State Affairs Commission), and the South Korean President, Moon Jae-in, met in the truce village of Panmunjom, in the Korean demilitarised zone (DMZ, a four-kilometre wide strip along the 38th parallel). This was the first summit to take place outside North Korea. The two leaders issued the [Panmunjom Declaration](#). They agreed to pursue trilateral or quadrilateral meetings in the course of 2018 — involving the two Koreas and the US, and possibly China too — with a view to declaring the end of the Korean War and signing a peace treaty. They 'confirmed the common goal of realising, through complete denuclearisation, a nuclear-free Korean Peninsula'. They also agreed to carry out disarmament in a phased manner, to transform the DMZ into a 'peace zone', to cease all hostile acts against each other, and to establish a joint liaison office in Gaeseong — a *de facto* embassy between the two sides. One month later, Kim Jong-un and Moon Jae-in unexpectedly met again, this time in North Korea, for [talks](#) to prepare for the US-North Korea summit. North-South [family reunions](#) took place in August 2018.<sup>1</sup>

In June 2018, a first [US-North Korea summit](#) took place in Singapore, between US President Donald Trump and Kim Jong-un. North Korea confirmed its commitment to denuclearisation, [with no roadmap](#) just a pledge to hold follow-on negotiations. Trump called off the Foal Eagle exercises in favour of more low-profile drills. In September 2018, the third North-South summit in a year took place in Pyongyang. Kim Jong-un and Moon Jae-in signed the [Pyongyang Joint Declaration of 2018](#), to which the 'Agreement on the Implementation of the Historic Panmunjom Declaration in the Military Domain' was annexed. They agreed to engage in close consultations to review the implementation of the agreement and to prevent accidental military clashes by activating the Inter-Korean Joint Military Committee promptly. The North committed to dismantle a missile engine test site and launch platform under the observation of foreign experts from relevant countries and to

take additional measures, providing the US took 'corresponding measures'. The declaration also referred to several other issues, such as rail and road connections, the resumption of economic cooperation projects at the [Gaeseong Industrial Complex](#) (suspended by Seoul in 2016), family reunions, cultural and artistic exchanges – including participating together in the 2020 Summer Olympic Games and a joint bid to host the 2032 Summer Olympic Games. Kim Jong-un agreed to visit Seoul. According to [analysts](#), the declaration, while focusing more narrowly on tangible steps to be taken to reduce tension in the peninsula, has the potential to raise tension between South Korea and the US, as it formally acknowledges denuclearisation as an issue for inter-Korean discussion, rather than treating it exclusively as an issue for discussion with Washington.

A second [US-North Korea summit](#) took place on February 2019 in Vietnam's capital Hanoi. This [disappointing](#) summit was cut short, due to disagreement on sanctions relief and with the two countries offering [different reasons](#) for the talks' failure. A third impromptu meeting<sup>2</sup> between Donald Trump and Kim Jong-un took place in June 2019 in the DMZ, the first time an acting US president had set foot in North Korea. The US and North Korea agreed to form teams to resume denuclearisation talks. These met in October 2019 in Stockholm, but the talks broke down immediately and have not resumed since.

### The 'forgotten': Human rights and defectors

[Human rights](#) has never been a topic for discussion between the two Koreas, neither was it addressed in the three Trump-Kim summits, despite massive human rights violations ascertained in the US Department of State [2019 Country Reports on Human Rights Practices](#).

Since 2018, defectors from North Korea to the South (estimated to number between [1 000 and 3 000 every year](#)) have been [allegedly 'silenced'](#) as a consequence of the *rapprochement* between the two Koreas – their appearances in Seoul's media have decreased dramatically. It was only with the April 2020 general elections that [two defectors](#) were elected to the National Assembly for the first time.

## Denuclearisation: One word, two meanings

The Korean peace process currently hinges mainly on North Korea's nuclear programme and the international community's demand that Pyongyang abandon it. In October 2018, a top South Korean official argued that North Korea was estimated to have from [20 to up to 60 nuclear weapons](#). The US believes these nuclear warheads could threaten its mainland if fitted to intercontinental ballistic missiles. Washington has maintained a position summed up in the acronym CVID: complete, verifiable, irreversible dismantlement<sup>3</sup> of the North Korean facilities, carried out under the inspection of independent observers. Therefore, although in April 2018 North Korea announced that it would suspend nuclear tests and shut down the P'unggye-ri nuclear test site, in June 2020 the US State Department's [compliance report](#) noted that international inspectors had not been invited to verify the process (only journalists) and that the results of dismantling activities at this site were 'almost certainly reversible'. However, the 2018 Singapore Summit Joint Statement did not mention whether this process should be verifiable or irreversible, or give a schedule for it. Furthermore, [North Korea's concept of denuclearisation](#) is different, and so its interpretation of what was agreed in Singapore diverges. Pyongyang understands denuclearisation to be a process relating to the entire Korean peninsula, which would imply removing all elements of nuclear threat from both North and South Korean territory – including the US military presence in the South. For the North, denuclearisation could never mean unilateral nuclear capitulation. It must be a two-way process, achieved by means of an incremental approach with synchronised concessions. Experts argue that Pyongyang's *de facto* status as a nuclear power represents [life insurance](#) for the regime and a way to gain [standing](#) within the international community. The North is therefore unlikely to give up on its nuclear programme, [even in case of sanctions relief](#): only a formal US declaration of the end of the Korean war and a commitment to sign a peace treaty could move Kim Jong-un towards denuclearisation.

## Latest developments

In June 2020, North Korea first shut down [communications channels](#), including the hotline between its leadership and the South's president, set up in April 2018, then destroyed the inter-Korean [liaison office](#) in Gaeseong. It also rejected Seoul's proposal to receive [envoys](#) for talks to defuse tensions, dispatched troops to empty guard posts in the DMZ, reinstalled [propaganda loudspeakers](#) in border regions and vowed to [redeploy troops](#) in those areas. Pyongyang justified these actions as retaliation against defectors in the South sending propaganda leaflets to North Korea. It announced that it would print and send to the South 12 million propaganda leaflets.

Under the 2018 Panmunjom Declaration the two sides 'agreed to transform the demilitarised zone into a peace zone in a genuine sense' by ceasing 'all hostile acts' as of 1 May that year and 'eliminating their means, including broadcasting through loudspeakers and distribution of leaflets'. South Korean authorities had already stopped sending [propaganda leaflets](#) as part of 'sunshine policy', they [sometimes prevented](#) civic groups from doing so, and since the 2018 *detente* leafleting operations – irritating for Pyongyang – had been more [sporadic](#). The authorities had failed to stop these activities completely, however. After the North threatened retaliation, the South Korean authorities – also responding to the concerns of border residents [wary of retaliation from the North](#) and of the environmental effects of material falling in their villages – said it would take [legal action](#) against two organisations conducting the operations, a move that prompted domestic and international [criticism](#) that this could restrict freedom of expression.

However, the propaganda leaflets issue may simply be a pretext for Pyongyang to claim the South's attention. North Korea is at present far from a priority for the US administration, whose agenda is full, with topics including the November 2020 [presidential elections](#), the handling of the [coronavirus pandemic](#), the [trade war](#) with China, record high [unemployment](#), and the '[black lives matter](#)' protests, just to mention a few. The North Korean regime is feeling the additional [consequences on its economy](#) of international sanctions and the closure of its Chinese border owing to the pandemic. Kim Jong-un has failed to deliver on his promise to improve the economic situation of his people: after three summits or meetings each with the US and South Korean leaders, he has failed to obtain sanctions relief or exemptions that would allow the North to

### A rising star – Kim Yo-jong

Kim Jong-un's younger sister had already gained international exposure for her [handshake](#) with South Korea's President Moon Jae-in during the opening ceremony of the 2018 Winter Olympics (being the first member of her [family](#) to enter the South since the end of the Korean War) and for accompanying her brother during summits. Since 2014, Kim Yo-jong has been appointed deputy-director of the [Publicity and Information Department](#) within the WPK (and recognised as its *de facto* leader). Following Kim Jong-un's [prolonged public absence](#) in April 2020, Kim Yo-jong had been rumoured to be his possible [successor](#). In June, she announced the forthcoming shut-down of the inter-Korean liaison office and pronounced [harsh words](#) towards Moon Jae-in and the South Koreans, suggesting she is gaining a prominent role within the regime. She has also become a full member of the WPK's [Political Bureau](#).

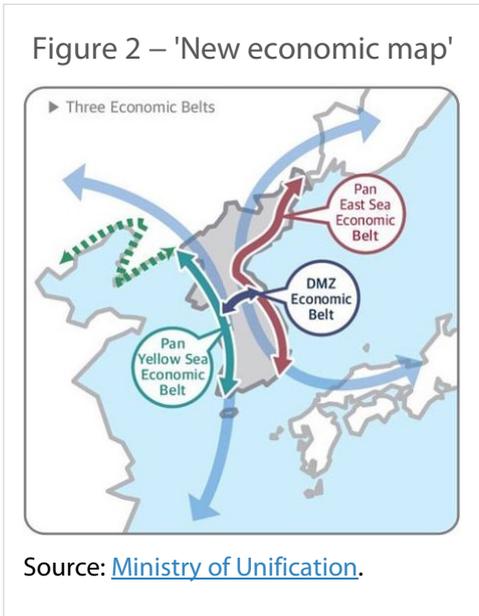
receive investment and to increase its exports. During the plenary session of the WPK in April 2018, he announced the end of the parallel line of simultaneously pursuing economic growth and developing nuclear weapons, to focus solely on economic development. The economic figures are merciless, however: the Economist Intelligence Unit forecast a -4.3 % [drop in North Korea's gross domestic product](#) for 2020, followed by a further contraction of -2.5 % in 2021. According to the spokesperson for the UN World Food Programme (WFP), some 10 million North Koreans (40 % of the population) are facing [malnutrition](#).

Pyongyang has therefore shaken the peninsula, attacking the symbols of inter-Korean rapprochement laid down in the Panmunjom Declaration and the Military Agreement annexed to it. If it cannot draw US attention sufficiently to bring it back to the negotiating table, it may be trying to pressure Seoul to mediate with Washington, or at least to undertake bilateral economic

cooperation, a move that could put the South in the position of violating international sanctions. At the same time, by generating external tensions, the North's leadership may be aiming to rally its population 'around the flag' in order to close ranks around the regime. The South Korean Unification Minister [resigned](#) after two months, but Seoul's response has been firm: its military leadership has [warned North Korea](#) that it will 'pay the price' should it really take military action against the South. A week after blowing the liaison office up, Kim Jong-un decided to [de-escalate](#) the situation, suspending plans for military action against the South and [removing the border area loudspeakers](#).

## Moon Jae-in's unification plan: Peace and prosperity

President Moon Jae-in was elected in 2017 on the basis of his promise to engage in *detente* with North Korea, making a clear departure from his predecessor. This policy has paid dividends, including three inter-Korean summits, the historic Panmunjom Declaration and other agreements, family reunions, and confidence-building measures. In 2018, [36 inter-Korean dialogues](#) took place, covering a variety of policy fields (but none in 2019). Moon not only prioritises the creation of a 'new peace regime', where peace is also the foundation for prosperity, but he also relies more on mutual respect between the two Koreas than on international pressure and sanctions, defining 'three no's' – no desire for the North's collapse; no pursuit of unification by absorption; no pursuit of unification through artificial means. This must be an open policy, completed through public participation and interaction. Moon's room for manoeuvre remains limited: the South's security alliance with the US has prevented it from developing economic ties with the North.



[Moon's policy of unification](#) consists of three goals, four strategies and five principles, as set out here.

Three goals	Four strategies	Five principles
Resolution of the North Korean nuclear issue and establishment of permanent peace	Taking a step-by-step and comprehensive approach	Korea-led initiative
Development of sustainable inter-Korean relations	Tackling the issues of inter-Korean relations and the North Korean nuclear threat simultaneously	Strong defence
Realisation of a new economic community on the Korean peninsula	Ensuring sustainability through institutionalisation	Mutual respect
	Laying the foundation for peaceful unification through mutually beneficial cooperation	Interaction with the people
		International cooperation

Moon has emphasised the interconnection between economic cooperation and regional peace. The 'new economic map' (see Figure 2) is supposed to pave the way to economic development and lay the foundations for economic unification by restoring inter-Korean economic cooperation to secure new economic growth drivers. The idea is also to create a [single market](#) for South and North Korea through people-to-people exchange and technical and institutional cooperation with the North.

The map establishes three economic belts – the 'Pan East Sea Belt', the 'Pan Yellow Sea Belt', and the 'DMZ Belt' – which also connect the peninsula to neighbouring countries.

### South Koreans and unification

A [2020 Carnegie poll on unification](#) in South Korea reveals that whereas peaceful unification through dialogue and negotiation is the most desired scenario, with 38.5 % of responses, when opinions in favour of peaceful coexistence (33.9 %) are added to those simply against unification (13.7 %), they make a majority of respondents not in favour of unification (47.6%). Meanwhile, whereas peaceful coexistence is considered to be the most likely scenario (40.5 %), most respondents believe that Korea is bound to unify: through dialogue and negotiation (31.6 %), through absorption following North Korea's collapse (20.6 %), or through conflict (3.6 %), making a majority of 55.8 % of respondents. An overwhelming majority (88.8 %) think a unified Korea should continue to have an alliance with the US.

## The EU and the Korean Peninsula

The EU has a policy of [critical engagement](#) towards North Korea, aiming to support lasting reduction in tensions on the peninsula and in the region, uphold the international non-proliferation regime and improve the human rights situation in the country. The last EU-North Korea political dialogue was held in 2015. EU-South Korea relations were elevated to the level of strategic partnership in 2010. Seoul has signed key agreements covering political, trade and security cooperation: a [framework agreement](#), a [free trade agreement](#) and the [Participation in Crisis Management Agreement](#). During the 30 June 2020 bilateral video-conference [summit](#), the EU reaffirmed its support for South Korea's efforts to engage with the North to achieve peace and prosperity on the peninsula, while backing the complete, verifiable and irreversible dismantlement of Pyongyang's [nuclear and ballistic missile programmes](#), and full implementation of international sanctions.

On 16 June 2020, the EU spokesperson for foreign affairs and security policy [expressed](#) regret at North Korea's demolition of the inter-Korean liaison office, increased military rhetoric and severance of communication links with Seoul. The spokesperson underlined that the EU encourages 'dialogue and the restart of a sustained diplomatic process aimed at building trust and establishing lasting peace and security on the Korean Peninsula, free of nuclear weapons at the earliest possible time'. The EU position upholds 'the complete, verifiable and irreversible dismantlement of [North Korea's] nuclear and other missile programmes' as well as the implementation of sanctions.

The main channel for parliamentary diplomacy is the European Parliament's Delegation for Relations with the Korean Peninsula ([DKOR](#)). Parliament has adopted several resolutions on North Korea, regularly highlighting the issue of human rights, even when the nuclear and missile programme was the main focus of attention. In a January 2016 [resolution](#), MEPs asked the High Representative/Vice-President of the Commission to report back to Parliament so as to ensure that the issue stayed high on the EU's political agenda.

## Outlook

Real advances in the peace process are unlikely before the November 2020 US presidential elections. The North has tried to force the South to make advances in economic cooperation independently from the US agreement – the regime has often tried to [sow division](#) between Washington and Seoul in order to gain negotiating traction. Moon Jae-in is unlikely to break the alliance with the US, however, as it is the guarantee of security for South Korea, boxed in by the hostility of its only neighbour, the assertiveness of Beijing, and a [perennial dispute with Tokyo](#).

However, the South Korean president has put most of his [political capital into the Korean peace process](#) (even if much of his country's public opinion is more likely to judge him by his record on economic recovery and job creation). His mandate expires in 2022 and he cannot be re-elected. Meanwhile the April 2020 general elections guaranteed him a historic solid majority in the parliament, mainly because of the government's [successful handling of the coronavirus crisis](#).

Moon Jae-in is likely to continue striving to leave a legacy of an important step forward in the peace and prosperity of the Korean peninsula. In June 2020, as soon as Kim suspended plans for military action against the South, Moon again extended an [overture to the North](#) in an attempt to get inter-Korean relations back on track for peace talks and to join a bold move to formally [end the Korean War](#). Moon's chances of achieving his goal also depend on the support of the US president elected in November 2020. Democratic candidate Joe Biden has hinted at a more [confrontational policy](#), more attentive to human rights, in order to support US alliances and not '[coddle dictators](#)'. The Trump administration has demanded a sharp increase (+400 %) in South Korea's financial contribution to the US military presence and questioned its utility in terms of US interests, provoking concern in Seoul, which has increased its [military spending](#), already one of the world's highest.

[Kim Jong-un's options seem limited](#) at present and his threats [less serious](#). In December 2019, there was no follow-up to the over-reported possibility of North Korea preparing a [Christmas gift](#) for the US. In March 2020, North Korea began [launching ballistic missiles](#) again – violating the UN Security Council resolutions but not the commitment made with US President Trump, which concerned intercontinental ballistic missiles (ICBM) only. When tensions flared again in the first half of June 2020, [analysts](#) hinted at the possibility of an ICBM launch, or even a new nuclear test. [Kim Yo-jong](#) (expected to succeed Kim should his [health](#) worsen) suddenly showed a hawkish attitude during the June 2020 crisis, however this might have been orchestrated to allow Kim to re-enter the scene as a peacemaker. In fact, a nuclear test or high-intensity provocation by North Korea undermining regional stability could entail additional international sanctions, further worsening the domestic economic situation. It could also provoke a reaction from China, a country that is vital to the regime's survival. China [accounts for 90 % of North Korea's trade](#) and [sustains the North](#), enabling it to [evade sanctions](#) ([China and Russia](#) have called repeatedly for sanctions to be eased). The [five meetings](#) between Kim Jong-un and Xi Jinping in 15 months between 2018 and 2019, often before Kim's major summits, demonstrate Beijing's clear stake in the Korean Peninsula. As a result, advances in the peace process may prove elusive until the [US and China normalise](#) their relations – another issue dependent on the outcome of the US presidential elections'.

## ENDNOTES

- <sup>1</sup> As a former South Korean nuclear envoy and deputy national security adviser explained, similar reunions had [already taken place](#) during the mandates of Moon Jae-in's two predecessors.
- <sup>2</sup> Former US national security adviser [John Bolton's memoir](#) refers to this and other events related to the Korean peninsula and rifts between the US and South Korea on how to handle relations with the North. The South Korean authorities have slammed his accounts as [inaccurate and distorted](#).
- <sup>3</sup> Analysts argue that the Trump administration has actually [shifted](#) towards [FFVD](#): final fully verifiable denuclearisation.

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