Following weapon tests and rhetorical fury in 2017, North Korean leader Kim Jong Un signaled in his New Year address a marked turn toward improving inter-Korean relations. South Korean President Moon Jae-in seized the opening, lauded Trump’s hardline, stood up military hotlines, and moved North Korea to the Olympic moment. The PyeongChang Winter Olympics, Korea’s peace games, won early gold, despite US misgivings. Sport gave way to diplomacy, as North and South Korea agreed to a summit and Seoul sent its representatives north. President Trump surprised everyone by accepting Kim’s offer to meet. Washington and Seoul vowed to maintain maximum pressure and mute Trump trade concerns. Their de facto downgrade in the size of joint military exercises demonstrated flexibility. Seoul couched the Moon-Kim summit as a preliminary to the Kim-Trump sit down. Amid concerns of a split, Moon suggested Trump receive the Nobel Peace Prize.
Coming in from the cold

Winter saw an early thaw as Kim Jong Un declared in his New Year address that the DPRK was “open” to dialogue with the ROK. He promised to refrain from using nuclear weapons without aggression aimed at the DPRK, describing North Korea as “responsible.” Although Kim described the nuclear button as on his desk, a warning to Washington, his address was seen in a largely positive light. President Moon Jae-in moved quickly to seize the opportunity, saying that inter-Korean talks would lead toward security and denuclearization. There is some dispute as to how closely Moon consulted the US, but he hoped to stem US pushback in shrewdly crediting President Trump for bringing the North to the table with his maximum pressure campaign – stepped-up deterrence, sanctions, and financial cut-offs.

Over the first part of the year, Seoul’s Blue House and the White House shared a complex pas de deux that showed unity in approach. Both Seoul and Washington continuously reiterated the primary goal of denuclearization. Washington largely afforded Seoul the space it desired to test Pyongyang on the opening and its resolve. Operationally, the postponement of joint military exercises until after the PyeongChang Olympic Games and the reduction in numbers when it resumed in April showed new flexibility in the alliance and acceptance of Seoul’s suggestion that this was a necessary confidence builder for Pyongyang. A singular snapshot of the trust between the two allies came in the announcement from the White House portico by Seoul’s representatives that Trump had accepted the invitation they had conveyed from Kim Jong Un that the two meet.

President Trump’s emphasis on human rights in the State of the Union Address, where he dramatically recognized a North Korean defector and expressed condolences to the parents of Otto Warmbier, the US student who died after North Korean detention, gave pause to progressives in Seoul who regarded such a high visibility pronouncement as an interrupter. Concerns grew that Trump was building a case for a military strike on North Korea in the public mind, expanding the argument to include human rights in addition to the missile and nuclear threat.

By late January, many analysts in Korea and the United States felt a US strike – limited, targeted or massive – was a likely course of action. Concerns seemed to amplify as the White House confusingly passed over prominent scholar Victor Cha as US ambassador to South Korea. Cha’s appointment had been approved by Seoul, when the National Security Council reportedly pulled the nomination. Cha regarded the bloody nose approach unnecessarily risky, which reportedly was the reason for the break. Personnel issues signaled further discord with the retirement of Joseph Yun, the US lead on North Korea, after Trump’s resistance to talks without preconditions. Later in the period, the replacement of Rex Tillerson and H.R. McMaster with Mike Pompeo and John Bolton as secretary of State and national security advisor, respectively, worried Seoul. It saw a swap of such senior leadership shortly before a US summit with the DPRK as disorganized and flagging a harder line out of sync with the progressive Moon camp.

Washington also looked askance at Moon for what it feared was quick acquiescence to the North Korean leader, especially given the DPRK’s poor record with the US. Vice President Mike Pence, who represented the US at the opening ceremony of the PyeongChang Games, pushed back against North Korea propagandizing, as he saw it, and icily refused to acknowledge North Korea’s delegation, which was sitting nearby and included Kim Jong Un’s sister. He also asked Warmbier’s father to attend the games as part of the US delegation. Although Pence’s team later suggested that North Korea refused a meeting in PyeongChang, the perception was that the Opening Ceremony masked a tremendous level of diplomatic discord.
Nevertheless, Moon wielded his baton with aplomb, crediting Trump for success when he felt things were off-kilter, smoothing potential discord among the North Koreans with a rollout of the red carpet, and balancing the United States’ sole focus on denuclearization with broader issues of inter-Korean dialogue and movement toward a peace agreement. Aside from praising Trump, Moon suggested his historic meeting with Kim Jong Un at Panmunjom on April 27 was a precursor to the US-DPRK summit, which would be a first between a sitting US president and North Korean leader.

Going for gold

The Olympic movement in its modern form was conceived to provide a forum for political cooperation and peace. With the exception of World War II, when it paused, it has done so, and the PyeongChang Winter Games may well figure as the most significant when it comes to issues of war and peace. Prior to the Olympics, the Korean Peninsula saw the highest state of tensions since the Korean War, and the likelihood of conflict was great. The PyeongChang Olympics put a pause to that and provided the opportunity for the isolated North to join host South Korea.

There were other and perhaps greater reasons why Kim shifted his position at the start of 2018. Perhaps his December pronouncement that the DPRK had met its nuclear development goals (reiterated since) meant a turn to the second part of his byungjin, two-track policy, namely economic modernization. Perhaps it was Washington’s maximum pressure campaign. Perhaps it was the bite of sanctions, which appeared to have taken effect, as Washington has underscored. Chinese compliance with UN sanctions (a reported 87 percent downtick in North Korean exports from the first quarter of 2017 to the first quarter of 2018, according to China’s Commerce Ministry) may have done the trick. Perhaps it was a response to Moon, who had since his candidacy a year back promised movement on improving relations with the North.

Some or all of these reasons and perhaps more led to the shift. All the world’s a stage, and the stage for the world was in PyeongChang. It showed a South Korea united (after two years of domestic political tumult that saw the ouster of Moon’s predecessor), advanced with Samsung, Hyundai, KTX and others on full display, and courteous to a fault. Despite Pence’s distrust of the DPRK delegation, by Games’ end, the two Koreas fielded a unified women’s hockey team, and with Ivanka Trump and hardline Gen. Kim Yong Chol quietly in the stands, discord gave way to the spirit of the Games.

Moon Jae-in maintained the moment, adding momentum, with an expansion of hotlines from military to the leaders, and the promise of a historic third inter-Korean summit.

KORUS and economic concerns

A somewhat surprising source of friction in early 2018 emerged over the Korea-US (KORUS) Free Trade Agreement and Trump’s push for better terms, as well economic concerns in the automotive sector, with GM and Hyundai at odds with respective units and threats of bankruptcy. Trump signaled a step back from his hardline on KORUS during his November trip to Asia, yet still demanded the accord be reframed to be more beneficial to the US. He also reportedly expressed frustration about the persistence of a trade deficit with a principal ally.

Both sides committed to resolve any discord early in the year, with Seoul intent on not having a disruption over trade at a time of a possibly fundamental shift on inter-Korean peace. Trump’s advisors similarly pushed for a quick solution to avoid friction at a time of tremendous security concerns over the North. Seoul acknowledged an uphill battle, but through the perseverance of trade negotiators – some extending stays and switching hotels during prolonged talks – the two sides smoothed over most obstacles. Seoul acquiesced to quotas on steel, and Washington waived tariffs on steel and aluminum.

On the automotive fronts, GM moved to agreement on restructuring, and Korean unions,
despite early objections, agreed to new terms on wages. Economic concerns persist, but both administrations appear intent on moving toward new security and political accommodation.

**Inter-Korean summit**

The excitement around the PyeongChang Games gave way to the political Olympiad at Panmunjom (some observers likened the level of protocol and celebration to what they had witnessed at PyeongChang). Seoul unrolled a dramatic red carpet (several segments, actually), and the world watched as the young North Korean leader made his way across the military demarcation line into the southern part, though briefly taking Moon's hand and guiding him to step into the North in an unscripted moment. Kim Jong Un promised a new time of peace, and both leaders spoke to one another about the hope for an enduring process. Formal talks, a tree planting, and cultural display made for a long, but historic meeting.

Though some observers cautioned against over-excitement, the meeting felt important and different from earlier meetings between Kim Jong Il and Kim Dae Jung (2000) and Roh Moo Hyun (2007). Moon clearly absorbed the significance of the earlier meetings, the latter of which he and his advisors helped orchestrate. Moon's handling of Kim seemed flawless, and to South Korean viewers, they saw in Kim a more animated and even self-deprecating North Korean leader, something different from the stern monolith of still photographs.

The meeting marked a shift in mindsets, reflective of demographic shifts. A younger South Korean public – and younger South Koreans are a significant part of Moon’s support base – are concerned about their economic well-being, with issues such as jobs and household debt paramount. Gradual integration may appear more appealing, as it is presumably less costly and less conflictual. North Korea has its own millennial effect, with many young people more mindful of Kim Jong Un than his father or grandfather and desiring mobile phones and other modern comforts that come with economic opening.

The meeting felt young, and it felt new. South Korean public support soared after the summit, with a leap from 16 to over 60 percent among those who felt denuclearization likely. The two leaders appeared bent on success – a promising introduction to what Moon later signaled his primary goal: the meeting between Kim and Trump.

**Buildup to a Trump-Kim summit**

Summitry, with its necessary planks, was on full view. Precursors to the inter-Korean summit included a meeting between Japanese Prime Minister Abe and President Trump at Mar-a-Lago in mid-April. Abe sought to ensure short and medium-range missiles and abductees are included in the US-DPRK summit agenda. The visit was overshadowed somewhat by the announcement of now-Secretary of State Pompeo's early-April meeting with Kim Jong Un in Pyongyang.

On the North Korean side, Kim Jong Un traveled to Beijing to meet Xi Jinping, and North Korean Foreign Minister Ri Yong Ho met Russian Foreign Minister Sergei Lavrov in Moscow. In essence, Trump and Kim reinforced positioning in advance of the summit to maximize advantage and smooth communications.

Where then does that leave South Korea? Despite Moon Jae-in’s kind if overly gratuitous recommendation for Trump to receive the Nobel Peace Prize, it appears that it is Seoul that has moved firmly and finally into the driver's seat. Moon appears to be the ringmaster, though clearly Washington remains the prize partner. Should the May or early June meeting between Trump and Kim take place, both are likely to declare it a success, although with a harder-line national security advisor in Bolton, Trump has reiterated that he can walk away.

If the summit is now too big to fail, then it will fall on Kim and Trump – and on Moon himself – to execute a variable, complex process. Denuclearization is the essential aspect for Washington, but it is unlikely that Kim will accede to a Libya-style solution. Kim’s April announcement of a missile and nuclear test moratorium and the shuttering of a possibly...
compromised nuclear test site are first steps. His promise to dismantle his nuclear weapons site in full view of ROK and US press and experts is another promising step. Reports in early May of a release of US detainees in Korea build confidence and relieve families. However, the US is insisting on complete, irreversible, and verifiable dismantlement – a very complex and long process that will take a lot more trust and confidence by both sides.

Moon is also seeking movement toward a peace agreement and a treaty to replace the Armistice and officially end the war. He needs the US firmly on board. Here again, confidence building will prove essential. Here the trust deficit between the US and North Korea will prove to be an additional burden for South Korea.

Integration of US and South Korean interests will prove challenging and necessitate flexibility and adaptability in the alliance. The downgrade in spring military exercises is evidence that the allies can be flexible and that 70 years of alliance means durability. Mutual trust between Trump and Moon is essential. Fears of Trump giving away the shop in what critics have deemed a rushed and irregular negotiation process – one that begins, not ends with a leaders meeting – are real.
CHRONOLOGY OF US-KOREA RELATIONS

JANUARY – APRIL 2018

Jan. 1, 2018: In his 2018 New Year’s speech, Kim Jong Un repeats nuclear threats against the US, acknowledges the effects of sanctions against North Korea, and, in a major shift, is conciliatory toward South Korea, offering to send a delegation to the PyeongChang Winter Olympics.


Jan. 3, 2018: President Donald Trump says his nuclear button is “bigger” than that of Kim in response to Kim’s claim that he has a “nuclear button” on his desk. DPRK uses the hotline to the ROK for the first time in two years.

Jan. 4, 2018: Trump credits his firmness for restoration of ROK-DPRK dialogue, describing talks as “a good thing” and announcing US-ROK exercises would not occur during Olympics.

Jan. 6, 2018: Trump says he would “absolutely” talk to Kim on the phone at the right time.

Jan. 8, 2018: ROK describes quick trade talks with US as an “uphill battle.” ROK and DPRK begin preparatory talks on Olympics.

Jan. 9, 2018: DPRK commits to send a team to the PyeongChang Games.

Jan. 10, 2018: ROK President Moon suggests Trump deserves “big” credit for talks. Trump says, “who knows where it leads?”

Jan. 13, 2018: False alert over DPRK missile threat rattles Hawai'i.

Jan. 15, 2018: DPRK agrees to send orchestra to perform during PyeongChang Games.

Jan. 16, 2018: Secretary of State Rex Tillerson announces that 20 nations meeting in Canada agree to consider more sanctions and US warns on military option. DPRK lambasts US on movement of six B-52s to Guam and dismisses Trump’s button size remark as “spasm of a lunatic.”

Jan. 17, 2018: Secretary Tillerson suggests that there is evidence that DPRK sanctions are “really starting to hurt.”

Jan. 18, 2018: US and ROK hold second meeting of the Extended Deterrence Strategy and Consultation Group (EDSCG) in Washington, DC.


Jan. 21, 2018: DPRK delegation arrives in Seoul for Olympic preparations.

Jan. 22, 2018: ROK President Moon Jae-in states that the Olympics should lead to nuclear talks with the US. Seoul protesters burn images of Kim Jong Un.

Jan. 23, 2018: US and DPRK clash at UN disarmament forum over nuclear weapons.

Jan. 24, 2018: DPRK sends announcement to all Koreans calling for unification. US announces more sanctions on PRC and DPRK companies.

Jan. 30, 2018: Vice Chairman of the US Joint Chiefs of Staff Selva states that the DPRK has not yet demonstrated all components of an ICBM, including a survivable reentry vehicle.

Jan. 30, 2018: White House withdraws nomination of Victor Cha as ambassador to South Korea.


Feb. 1–6, 2018: US Special Representative for North Korea Policy and Deputy Assistant Secretary for Korea and Japan Joseph Yun travels to Tokyo and Seoul to coordinate on the DPRK and other alliance and bilateral issues.
Feb. 2, 2018: UN reports DPRK violated sanctions to earn $200 million in 2017 from banned commodity exports, as well as to export weapons to Syria and Myanmar.

Feb. 5, 2018: ROK Blue House announces DPRK President of the Supreme People’s Assembly Kim Yong Nam to lead delegation to the PyeongChang Olympic Games.

Feb. 5, 2018: ROK says DPRK possible behind hack of Japan’s Coincheck.

Feb. 6, 2018: US Ambassador Robert Wood says at UN Conference on Disarmament that DPRK is “only months away” from the capability to strike the US.

Feb. 7, 2018: DPRK informs the ROK that Kim Yo Jong, younger sister of Kim Jong Un, will join the DPRK Olympic delegation. Vice President Pence in Tokyo states that Washington will levy new sanctions against the planet’s “most tyrannical and oppressive regime.”

Feb. 8, 2018: DPRK stages military parade in Pyongyang, displaying new missiles.

Feb. 8, 2018: ROK President Moon and Vice President Pence hold bilateral meeting at the Blue House in Seoul.

Feb. 8, 2018: Vice President Pence meets North Korean defectors in Seoul and visits Cheonan Memorial.


Feb. 10, 2018: ROK reports that Kim Jong Un invites ROK President Moon for summit. Pence says allies united in isolating North Korea.

Feb. 15, 2018: US Assistant Secretary of State for Asian and Pacific Affairs Susan Thornton states that there is no US “bloody nose” strategy for the DPRK.

Feb. 17, 2018: President Moon describes a difficult road to an inter-Korean summit and the hope for US dialogue with the DPRK.

Feb. 21, 2018: US officials say North Korea canceled Olympic meeting with Vice President Pence. ROK drops denunciations of Kim Jong Un from border broadcasts.

Feb. 22, 2018: ROK announces the DPRK will send Gen. Kim Yong Chol to the Olympic closing ceremonies.

Feb. 23, 2018: US Treasury sanctions one person, 27 companies and 28 ships in its largest package aimed at pressuring the DPRK to abandon missile and nuclear programs. Trump warns of a “phase two” that could be “very, very unfortunate.” US pushes for more UN sanctions targeting DPRK oil, coal, and smuggling.

Feb. 24, 2018: ROK says US sanctions will bolster UN resolutions. PRC warns that new US sanctions threaten cooperation.


Feb. 26, 2018: Trump responds “we’ll see” to Seoul push for US-DPRK talks.

Feb. 27, 2018: President Moon urges the US to ease way for DPRK talks. US announces senior envoy Ambassador Joseph Yun to retire after Trump rejects talks without preconditions.

March 4, 2018: Trump suggests US will meet with DPRK. ROK sends envoys to DPRK as Trump suggests willingness.

March 6, 2018: ROK delegation says DPRK willing to denuclearize. Trump calls North Korea “sincere” on possible talks. Trump tweets that “a serious effort is being made,” and the US is “ready to go hard in either direction.”

March 7, 2018: President Moon cautions that sanctions will remain and suggests it is too early to be optimistic. Trump administration offers support, but remains wary.

March 7, 2018: Representatives from US and ROK meet in Honolulu for first round of talks to develop the 10th Special Measures Agreement (SMA), which will enter into force in 2019.

March 8, 2018: President Trump agrees to meet Kim Jong Un.
March 9, 2018: White House insists on “concrete actions” from DPRK prior to a meeting.

March 10, 2018: Trump tweets that he believes DPRK “will honor that commitment” to not test and states that talks may lead to the “greatest deal for the world.”

March 11, 2018: CIA Director Pompeo describes Trump talks with Kim as not “theater.”


March 16, 2018: President Trump speaks with President Moon to discuss efforts to prepare for their upcoming engagements with North Korea.

March 16, 2018: Deputy Secretary Sullivan meets South Korea’s Foreign Minister Kang and Japanese Foreign Minister Aso Kono in Washington DC.

March 17, 2018: UN report outlines DPRK networks maintaining money flow despite sanctions.


March 20, 2018: Seoul and Washington announce resumption of military exercises, with Foal Eagle slated to start April 1 and Key Resolve beginning in mid–April.

March 20, 2018: President Moon says three–way summit with DPRK and US possible.

March 25, 2018: US and ROK reach agreement on trade and steel tariffs.

March 27, 2018: Hyundai’s union says revised trade deal with US is “humiliating.” GM says ROK subsidiary will file for bankruptcy if no union concessions by April 20.

March 29, 2018: Seoul announces inter–Korean summit between Moon and Kim for April 27. Trump says he may hold up on KORUS trade deal until after the US–DPRK summit meeting.

March 30, 2018: UN Security Council announces new sanctions targeting one individual, 21 shipping companies and 27 vessels for helping the DPRK evade sanctions.

April 1, 2018: US–ROK joint exercise Foal Eagle starts in Korea.

April 3, 2018: CIA Director Pompeo visits Pyongyang and meets Kim Jong Un.

April 9, 2018: KCNA reports leader Kim Jong Un assessed US talks at party meeting.

April 10, 2018: North Korean leader Kim Jong Un talks about prospects for dialogue with the US, his first official comment on a planned summit with President Trump.


April 12, 2018: Secretary of State–designate Pompeo reiterates there will be no reward for the DPRK without complete denuclearization.

April 17, 2018: President Trump announces US had “extremely high” level talks with North Korea, subsequently revealed to have been between Pompeo and Kim.

April 18, 2018: President Trump points to Pompeo forming a “good relationship” with Kim. Trump warns he could walk away from summit and that talks are underway for release of Americans held in North Korea.

April 19, 2018: President Trump expresses hope for talks with Kim. US vows continued pressure, and President Moon states North is seeking “complete denuclearization.”

April 20, 2018: ROK and DPRK install direct hotline between leaders.

April 20, 2018: US Deputy Secretary of State Sullivan calls China, Russia, Iran and North Korea “morally reprehensible” on human rights.

April 20, 2018: KCNA reports that leader Kim Jong Un will suspend nuclear and ICBM missile tests and close the DPRK’s northern nuclear test site at Pyunggye–ri.

April 24, 2018: President Trump says Kim meeting will be “very soon.” Senior US official states that Pompeo will fill Seoul ambassadorship with former Pacific Commander Adm. Harry Harris, Trump’s proposed ambassador to Australia.


April 27, 2018: President Moon and DPRK leader Kim meet in Panmunjom. Declaration aims at denuclearization, movement to a peace agreement, and opening of a representative office at the DMZ. White House hails the meeting and goal of denuclearization.

April 30, 2018: President Moon suggests that Trump deserves the Nobel Peace Prize. Trump floats Panmunjom or Singapore as possible summit sites with Kim.