

The inter-Korean summit and the situation in North-East Asia

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The inter-Korean summit held from September 18 to 20 in Pyongyang between heads of state Moon Jae-in and Kim Jong-un shows their willingness to maintain political initiative. It was held in a changing geostrategic context.

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In a very volatile situation, the Korean leaders have taken the initiative skilfully, as they have periodically done throughout the year, but Russia and China have also shown themselves dramatically with the major Vostok (“East”) 2018 military exercises in Siberia and the Okhotsk Sea off Japan.

Keep the momentum. The media coverage of the Pyongyang summit was highly political. More than ever, they played up the personal proximity of Moon Jae-in and Kim Jong-un, to the point of creating irritation in South Korea. The objective was to show their common willingness to keep the initiative on the burning issue of the Korean crisis in the face of all the powers operating in the region.

The rapprochement between the two Koreas continues, on a tight schedule. An agreement has been signed in the military field to reduce the risk of confrontation. Forward posts in the Demilitarized Zone (DMZ) will be abolished by December. Buffer zones will be established along the DMZ and maritime borders. The “Common Safety Zone” at Panmunjom will be cleared of mines by October. The North Korean tourist site of Mount Kumgang is to be reactivated (visits were suspended after a South Korean tourist was shot dead by North soldiers in 2008). Reunification of families separated by the Korean War (1950-1953) must increase. Humanitarian aid to the population of the North must be increased. Economic exchanges must be developed and rail or road networks between the two countries must be connected before the end of the year. In addition, Moon Jae-in and Kim Jong-un are considering the presentation of a joint bid to host the Summer Olympic Games in 2032.

On the nuclear issue, Kim Jong-un took another “small step forward”, announcing the closure of the Tongchang-ri missile launch site and the promise to suspend the Yongbyon facilities under the condition (important precision) of American “reciprocity”. The denuclearization and de-escalation policy concerns the entire peninsula and not just North Korea. So the ball is back in Donald Trump’s court.

Already on 9 September, during the parade celebrating the 70th anniversary of the Democratic People’s Republic of Korea, Pyongyang had shown its goodwill: no intercontinental missiles had been exhibited, all references to nuclear weapons had disappeared.

Donald Trump was caught off guard. He had rudely cancelled a visit to Pyongyang by Secretary of State Mike Pompeo and had denounced China as “complicating things” with North Korea. Today, he must welcome the renewal of Kim Jong-un’s commitments, but there is no clear direction: the main presidential advisers are tearing each other apart over Korean politics, while the geostrategic situation is getting more complicated.

Where can North Korea go?

Among the question marks that make any forecast perilous are of course the uncertainties of Trump’s and the United States’ foreign policy, but also the developments in North Korea. This does not concern Kim Jong-un’s objectives, which seem quite clear, but rather their implementation. After having made a considerable effort to develop the regime’s nuclear capacity (warheads and missiles) and to obtain some form of international diplomatic recognition, economic development is declared the priority of priorities, in a context marked by the formation of a broadened consumer-oriented social elite and a tolerated market economy, intertwined with the state sector.

The dynamics seem to be similar to the one previously known in China, a capitalist transition. However, North Korea does not have the assets of its neighbour or even those of Vietnam. A large part of the rural population still lives in extreme poverty, to such an extent that it would be difficult to extract from the rural world the funding necessary to modernize industry. Under these conditions, in the event of an opening, companies would be unable to compete with foreign firms, particularly Chinese and South Korean ones.

At the Pyongyang summit, President Moon Jae-in was accompanied by the leaders of the main chaebols (South Korean conglomerates) such as Hyundai, Samsung, LG, SK. In their view, the opening of North Korea would make it possible to exploit a very cheap labour force, to appropriate untapped natural resources and to create new channels to the Chinese market. However, these prospects are still blocked by the continuation of UN sanctions that economically isolate North Korea. In addition, many political considerations will have to be taken into account by the conglomerate management, which is used to working with the Moon presidency.

There is no guarantee that the North Korean regime will be able to manage the upheavals caused by the shocks of a capitalist transition without entering a crisis, with unpredictable consequences.

Russian-Chinese rapprochement

Russia and China tend to stand together against the United States, which has been evident in the North Pacific.

Moscow organised Operation Vostok 2018 in Siberia from 11 to 15 September, the largest military exercise since the end of the USSR, with Beijing’s cooperation. Some 300,000 military personnel were reportedly mobilized (official figures are controversial), 1,000 aircraft, helicopters and drones, 36,000 tanks, armoured tanks and artillery vehicles, as well as 80 ships. China was involved, providing 3,200 soldiers.

Some of the operations took place off the Japanese coast, in the Okhotsk Sea, quite far from the Korean peninsula. China and Russia share the continental border with North Korea and reaffirmed their commitment to defend their strategic interests in the North Pacific; sending a message to Tokyo and Washington.

In 2015, Xi Jinping attended the military parade in Moscow in May and Putin attended the Beijing parade in September. Since then, relations have regularized, with Russia deciding, after hesitating, to sell Sukhoi 35 fighters to China in 2017 and equipment associated with the S-400 ground-to-air anti-aircraft defence systems in 2018. This has led to a new escalation in tension with Washington. Trump announced sanctions against the Chinese Ministry of Defence's arms procurement unit on 20 September. The latter will no longer be able to apply for export licences or integrate into the US financial system, being added to the list of entities with which Americans are not allowed to do business.

This seems to be the first time a country has been punished for buying weapons from Russia. One more step is taken in the escalation of tension. The trade war seems to be spreading to the very lucrative global arms market from which Trump would like to oust Moscow.

The takeoff of the Chinese naval forces

Although these latest events concern the sale of Russian arms, China's military preponderance over its ally is rapidly increasing. The Chinese army's budget, excluding spending on research and development, is four times higher than Russia's: \$228.2 billion compared to \$55.3 billion according to data from the Stockholm International Peace Research Institute.

In terms of military equipment, the Chinese navy outperforms Russia in all areas except strategic submarines and nuclear missiles. Since 2010, it has grown dramatically both quantitatively and qualitatively. It now has two aircraft carriers (one of which is entirely Chinese built), a third is under construction and two others are planned. China could gain control of "the catapult", a complex technology currently controlled by the United States.

As far as warships - destroyers, frigates - are concerned, China is getting closer to the Western level. Yesterday confined to the South China Sea, Chinese naval forces are now deploying in the Pacific and asserting their presence in all maritime theatres. Its weakest point is its lack of experience in combat, as well as in the coordination of large-scale manoeuvres.

Beijing was militarily ousted by Trump from the maritime space between Korea and Japan, with tensions crystallizing over Taiwan and the South China Sea. It can now take the initiative in the region by bypassing the Korean padlock and leaning against Russian Siberia.

Japanese Prime Minister Abe Shinto remains marginalized in this great geopolitical game. The Russians and the Chinese taunted him by conducting naval manoeuvres in the Okhotsk Sea. The United States does not care about its demands. The "North Korean threat" was used to justify his militaristic and ultra-nationalist policy and Kim is no longer sending missiles to the archipelago!

The Korean crisis is at the heart of a series of tensions between powers. Less than ever before, it is cannot be reduced to a face-to-face meeting between Pyongyang and Washington. It is one of the crystallisation points of the China-USA, Russia-USA, China-Japan, South Korea-Japan conflicts, which are rooted in the present, but which also have a never-ending past (Japanese colonisation and invasion, legacy of the Cold War).

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P.S.

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