

Who Gained What During the Third Summit between the Two Allies

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U.S. President Obama and South Korean President Lee held their third summit meeting on November 19 in Seoul. Thousands of Koreans lined the streets of downtown Seoul to welcome Obama on his first visit to Korea, perhaps the warmest reception he received anywhere on his Asia tour. Korea was the last stop in his nine-day trip to Asia, after visiting Japan, Singapore to attend the APEC meeting, and China. While most Koreans welcomed Obama's visit, some felt that the Korea leg was added almost as an afterthought. Unlike the visit to China, where he spent time with university students in a town hall style meeting, and a series of events in Japan, Obama had no special plans in Seoul other than the summit and a visit to U.S. troops. He also spent the night on an American military facility rather than in a hotel or diplomatic quarters in Seoul. Nevertheless, expectations were high for Obama's visit.

Obama and Lee held their first meeting in London in April on the sideline of the G-20 Summit and their second in June during Lee's visit to the United States. Both times, the issues of the KORUS FTA and the North Korea nuclear program dominated the discussion. They acknowledged the importance of the FTA—not only its economic benefits to both countries but also its significance as a symbol of the strength of the alliance—and vowed to work towards ratification. They also reaffirmed the security alliance between the two countries and pledged continuing friendship. For this summit, anticipation was running high as Koreans were anxiously waiting for a firmer commitment and stronger statement from the leader of the United States regarding a sweeping free trade agreement signed almost 29 months ago.

Bilateral Trade Agreement Remains Stalled

The previous administrations of the two countries agreed in 2007 to a free trade deal that would reduce tariffs and other barriers to trade. The agreement was promoted as a potential \$10 billion boost in bilateral trade annually and a “landmark” deal that would be the most comprehensive and the largest trade agreement for the United States since the North America Free Trade Agreement (NAFTA) with Canada and Mexico took effect in 1994. Since signature of the agreement, ratification has been stalled in both countries due to harsh criticisms from opposition groups. Korea has moved closer to sealing the deal, as the pact was approved by the foreign affairs and trade committee of the National Assembly. The deal has not yet been submitted to the U.S. congress. During the summit meeting in June, Obama said that he would determine the timing for submission of the KORUS FTA to congress once certain issues are dealt with effectively—the imbalance in autos trade and Korean restrictions on imports of U.S. beef.

In the spring of 2008, President Lee took a major political hit over the partial removal of restrictions on imports of U.S. beef. The beef ban had fueled opposition to the free trade pact among key members of the U.S. congress, and by lifting the restrictions Lee had hoped to coax the congress into ratifying the deal. However, his decision sparked weeks of antigovernment protests across Korea and nearly paralyzed his government. Amid Korea's concern, the two governments agreed to a series of “additional negotiations.”

During the third summit, Lee said that “[i]f the imbalance in the automobile sector of the KORUS FTA is a problem, I am willing to discuss any concerns the U.S. might have.” His remark once again set off speculation and criticism at home. Some interpret it as an impatient Korean leader offering to compromise on the automobile provisions of the FTA in order to seek the approval of the U.S. Congress. But officials pointed out that Lee was simply hinting at the possibility of revisiting the issue and said that there will be no shift in Korea's position. Trade Minister Kim Jong-hoon added that additional negotiations to address specific issues are common in any trade accord but that there will be no revision to the text of the pact.

Seeing Eye-to-Eye on North Korea's Nuclear Program

The two leaders continued to be in full agreement on policy toward North Korea's nuclear program. They reaffirmed the two nations' strong joint security system and pledged to implement the “Joint Vision for the Alliance of the Republic of Korea and the United States,” signed at their second summit in Washington. The Joint Vision is intended to transform the Korea-U.S. bilateral alliance into a comprehensive strategic partnership to ensure a peaceful, secure, and prosperous future for the Korean peninsula, the Asia-Pacific region, and the world. They also agreed to engage North Korea through bilateral and multilateral talks. In the summer, North Korea extended an invitation to Stephen Bosworth, U.S. Special Representative for North Korea Policy, for bilateral discussions. In October, the North announced that it may or may not return to multilateral talks depending on the result of the bilateral meetings with the United States. Ambassador Bosworth will visit Pyongyang on Dec. 8 for bilateral talks, primarily to bring the North back to Six Party Talks.

Both leaders sent a strong message to the North by calling for it to break its previous “pattern” of walking out on negotiations and then returning only when provided additional concessions. They reaffirmed close cooperation on the “grand bargain” strategy proposed by President Lee in September. This proposal called for the North to dismantle its nuclear program in exchange for security guarantees and economic support by the international community. It received a less than enthusiastic response from Washington initially, and Pyongyang called it an extremely unrealistic offer that is little different from Lee's original proposal for boosting the North's per capita income to \$3,000 in exchange for denuclearization. However, the two leaders said that this comprehensive “one shot” approach may be the last proposal and that the North should give it serious consideration. Japanese Prime Minister Yukio Hatoyama also expressed support for the proposal, saying that it is an appropriate approach to ending the North's nuclear program. Just a week prior to Obama's visit to the region, the two Koreas clashed at the sea for the first time in seven years, heightening tensions on the Korean peninsula.

Continuing Collaboration on Global Issues

The leaders of the two countries showed their commitment to work together as strategic partners in dealing with global challenges, such as climate change, green growth, antiterrorism, and nuclear nonproliferation. The U.S. president noted the “extraordinary progress” in Korea's economy and democracy and pledged to collaborate closely to make next year's G-20 summit in Seoul a success.

Obama particularly praised Seoul's announcement of an ambitious CO2 target for 2020 and said that the plan is a model for emerging economies. In early November, the Lee government announced that the country will cut carbon emissions by 4% by 2020 from 2005 by increasing the usage of hybrid cars, renewable and nuclear energy, and other energy-efficient technologies. President Lee earlier said that such an effort would pose burdens initially but would bring "broader national gain" in the future. He added "through aggressive greenhouse gas reduction, Korea will be ready for industrialized nations' carbon trade tariffs, raising energy security, and acquiring [a leading] market share in rapidly growing green sectors." Korea announced earlier this year that it would invest 107 trillion won in environmental-related industries over the next five years. The nation is hoping to showcase its green policies during the G-20 summit next November.

Accomplishments and Challenges

President Obama's first trip to Asia was largely viewed as "failed diplomacy" until his last stop in Korea. He was faced with the harsh reality of a jittery relationship with Japan. He was challenged by fast rising economic powerhouse China, the biggest creditor to the United States, holding about \$800 billion of U.S. Treasury securities. Obama was criticized at home for the lack of substance during his Asia tour. He was about to go home empty handed. But Korea saved his face. Even before the U.S. leader landed in Korea, President Lee announced a plan to expand Korea's military presence in Afghanistan and to dispatch a Provincial Reconstruction Team. Lee even offered to study U.S. concerns about the auto provisions of the KORUS FTA to expedite the process. Obama went home with "gifts" from his good friend and ally, Korea. What can Obama offer in return? We hope that he knows the answer.