



South Korea: Background and U.S. Relations

Overview

Since late 2008, relations between the United States and South Korea (known officially as the Republic of Korea, or ROK) arguably have been the most robust since the formation of the U.S.-ROK alliance in 1953. Cooperation on North Korea policy has been particularly close, and the two countries have adjusted the alliance in the face of a changing threat from Pyongyang. South Korea also has taken the first steps toward a possible entry into the U.S.-led Trans-Pacific Partnership (TPP) free trade agreement (FTA) negotiations, which would build on the 2011 United States-Korea FTA (KORUS FTA). Notwithstanding the positive state of the relationship, in the coming months U.S.-South Korea ties could be tested by developments in areas where the two countries occasionally disagree, such as how best to handle tense South Korea-Japan relations. President Park has promoted a number of initiatives with North Korea that may go against the grain of U.S. policies increasing pressure on Pyongyang. South Korea also hesitates to take steps it perceives China could view as antagonistic, occasionally leading to differences with the United States.

South Korean President Park was scheduled to travel to the United States for a summit with President Obama in mid-June 2015. Less than a week before Park’s scheduled departure, however, she postponed the trip due to criticism over her government’s handling of an outbreak of Middle East Respiratory Syndrome (MERS). The criticism echoes similar reactions to her government’s response to the April 2014 sinking of a ferry, the *Sewol*, in which hundreds died. Park’s approval ratings fell significantly, to near 30%, after that event and had only just begun to recover when the MERS outbreak occurred.

For more, see CRS reports on U.S.-South Korea relations (R41481), the KORUS FTA (RL34330), and U.S.-North Korea relations (R41259).

U.S.-South Korea Security Relations

Under the 1953 Mutual Defense Treaty that established the U.S.-ROK alliance, the United States is committed to helping South Korea defend itself, particularly against any aggression from the North. South Korea is included under the U.S. “nuclear umbrella” (also known as “extended deterrence”), and the United States deploys about 28,500 troops there. South Korea offsets some of the costs of stationing U.S. armed forces in the country. Under a January 2014 agreement, Seoul agreed to increase its annual contributions to about \$870 million.

For the past decade, the United States and South Korea have been taking steps to transform and modernize the

alliance, though there have been some delays in implementation. In 2014, the two countries delayed for the second time a 2007 agreement to transfer wartime operational control (Opcon) from a U.S. commander to a Korean commander, citing the North Korean threat and needed improvements to military interoperability. The U.S. military is in the process of relocating its forces based near the border with North Korea to new facilities farther south on the Korean Peninsula. Seoul has agreed to make its nascent ballistic missile defense capabilities interoperable with U.S. systems but has resisted full integration into the U.S.-led regional missile defense network.



North Korea Policy Coordination

Since 2009, in the wake of North Korean provocations including a long-range ballistic missile test and the country’s second nuclear test, Washington and Seoul have forged a joint approach toward North Korea. In essence, the approach—which many have called “strategic patience”—contains elements of both pressure and engagement. They include (1) keeping the door open to multilateral talks (called the Six-Party Talks) over North Korea’s nuclear program but refusing to re-start them without North Korea’s assurance, backed by “meaningful actions,” that it will take “irreversible steps” to denuclearize; (2) encouraging China to pressure North Korea to denuclearize; and (3) responding to Pyongyang’s provocations by tightening sanctions against North Korean entities. The United States and South Korea have placed significant emphasis on the harder elements of their approach, including strengthening their deterrence posture, calling attention to North Korea’s human rights abuses, and refusing to meet North Korean demands on issues such as scaling back U.S.-ROK military exercises. Many critics say that the Obama

Administration's approach is too passive, with some arguing that it applies insufficient pressure and others contending that it provides insufficient incentives for Pyongyang to change its behavior.

President Park has called for creating a “new era” on the Korean Peninsula by building trust between North and South Korea. She has proposed a number of inter-Korean projects, exchanges, and dialogues. However, she also has stated that a nuclear North Korea “can never be accepted” and that trust-building with Pyongyang will be impossible if North Korea cannot keep its international agreements. An issue for the Obama Administration and Congress is to what extent they will support—or not oppose—Park's proposed inter-Korean initiatives. Thus far, North Korea generally has rebuffed Park's outreach.

South Korea's Regional Relations

China's influence in the region figures into virtually all aspects of South Korean foreign and economic policy. For example, North Korea's growing economic dependence on China since the early 2000s has meant that South Korea increasingly must factor Beijing's actions and intentions into its North Korea policy. As President, Park has held five meetings with Chinese President Xi Jinping, who has yet to meet with North Korean leader Kim Jong-un. Although Park and Xi describe bilateral ties as having reached an “unprecedented level of strategic understanding,” many analysts expect South Korea will not risk damaging the U.S. alliance to pursue closer relations with China.

South Korea's relations with Japan have been tense since 2012, primarily due to differences over how to treat the 1910-1945 period, when Imperial Japan seized and governed the Korean Peninsula. Park has declined to hold a summit with Japanese Prime Minister Shinzo Abe until he adopts a “correct understanding” of history. A poor relationship between Seoul and Tokyo jeopardizes several important U.S. interests, including trilateral cooperation over North Korea policy and the ability to respond effectively to China. Tense relations also complicate Japan's plans to expand its military and diplomatic influence, as well as the creation of an integrated U.S.-Japan-South Korea ballistic missile defense system, both goals the Obama Administration generally supports. 2015 marks the 70th anniversary of the end of World War II and the liberation of the Korean Peninsula from Imperial Japan. Relations between Seoul and Tokyo have improved modestly since the fall of 2014, as Park has adopted a “two track” approach—separating disputes over history from most other aspects of the relationship—for most bilateral activities aside from a summit.

Nuclear Energy Cooperation Agreement

In April 2013, the United States and South Korea agreed to a two-year extension of their existing bilateral civil nuclear cooperation agreement, also known as a “123 agreement.” Both the House and Senate adopted the extension by unanimous consent (P.L. 113-81). It provides a temporary solution to avoid disruption in nuclear trade. The extension is set to expire in March 2016. The two countries have

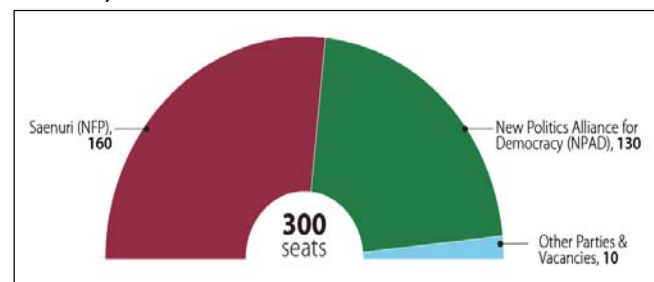
concluded negotiations on the text of a new agreement, which is expected to be signed in June 2015. The two states reportedly have resolved a disagreement over how to treat uranium enrichment and spent fuel reprocessing technologies. The renewed agreement may contain some additional allowances for R&D in South Korea on a reprocessing technology called pyroprocessing. The Atomic Energy Act requires U.S. permission before South Korea can reprocess U.S.-origin spent fuel, including spent fuel from South Korea's U.S.-designed reactors. The United States' nonproliferation policies discourage the building of new fuel-making plants in countries that do not already have such plants. The new agreement will go into effect unless Congress passes a disapproval resolution.

U.S.-South Korea Economic Relations

In 2014, U.S.-South Korea trade was over \$110 billion. South Korea is the sixth-largest U.S. trade partner, while the United States is South Korea's second-largest trade partner, behind China. How the countries resolve problems associated with implementing the KORUS FTA may affect South Korea's potential participation in the TPP talks. South Korea has expressed interest in joining the negotiations, but it has not officially sought entry. While the United States welcomes South Korea's eventual participation, U.S. officials have indicated they will place priority on concluding a TPP agreement among the current 12 negotiating partners before agreeing to the entry of any new countries. In March 2015, reportedly over the Obama Administration's objections, South Korea announced it was applying to join the Asian Infrastructure Investment Bank (AIIB), a new China-led multilateral development bank.

Figure 1. Party Strength in South Korea's National Assembly

As of May 2015



Notes: President Park Geun-hye belongs to the Saenuri (New Frontier) Party. The last nationwide legislative elections were held in April 2012. The next elections are scheduled for April 2016. South Korea's next presidential election is scheduled for December 2017. By law, South Korean presidents are limited to one five-year term.

Mark E. Manyin, mmanyin@crs.loc.gov, 7-7653

Emma Chanlett-Avery, echanlettavery@crs.loc.gov, 7-7748

Mary Beth D. Nikitin, mnikitin@crs.loc.gov, 7-7745

Ian E. Rinehart, irinehart@crs.loc.gov, 7-0345

Brock R. Williams, bwilliams@crs.loc.gov, 7-1157