

# Privatized Foreign Policy? Explaining the Park Geun-hye Administration's Decision-making Process

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## Abstract

*Using a synthesized model with system- and individual-level variables, this article explains how policy makers in the Park Geun-hye administration produced a series of abrupt foreign policy decisions on the issues of comfort women, the Kaesong Industrial Complex, and THAAD deployment. The article finds that President Park and her aides were confronted with external challenges that encompassed increased DPRK's provocations, China's lukewarm responses to those provocative actions, and US pressure to strengthen the US-ROK-Japan security triangle. In responding to such challenges, the ROK's decision makers abruptly made foreign policy decisions which had many negative consequences due to the lack of institutionalized discussions among policy makers, their insensitivity to public opinion, and the influence of a secret advisory group led by Choi Soon-sil.*

**Keywords:** Park Geun-hye, foreign policy decision-making, privatized foreign policy, external challenges, comfort women, Kaesong Industrial Complex, THAAD deployment

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## Introduction

Beginning in October 2016, the Republic of Korea (hereafter, ROK or South Korea) underwent an enormous political upheaval that had been triggered by President Park Geun-hye's involvement in influence-peddling and corruption scandals. A secret advisory group, led by Park's close friend Choi Soon-sil, exerted illegal influence on state governance. Park was charged with abuse of power, extortion, and bribery. The South Korean public was shocked at the scandals, and mass demonstrations, known as the Park Geun-hye Resignation Nationwide Movement, or the Candlelight Revolution, occurred in Seoul and many other cities. The ROK Constitutional Court favorably ruled on the impeachment of President Park in March 2017. On the other hand, both before and after this final impeachment decision, strong supporters of Park launched a series of anti-impeachment movements.

Even before the eruption of this turmoil, President Park, who had been initially complimented by pundits for her skillful diplomacy,<sup>1</sup> made a series of abrupt and strange foreign policy decisions starting in late 2015. Arguably most striking among such decisions were the comfort women<sup>2</sup> agreement made with Japan in December 2015, the shutdown of the Kaesong Industrial Complex (KIC) in February 2016, and the decision to deploy the Terminal High Altitude Area Defense (THAAD) system in South Korea in July 2016. These foreign policy decisions brought about diplomatic crises. Ironically, the comfort women agreement put the ROK government in a defensive position vis-à-vis Japan, the perpetrator state. Japan even suspended talks on a new currency swap deal with South Korea to protest the ROK government's inaction regarding the erection of a comfort women statue by a Korean civil organization in front of the Japanese consulate-general in

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1. Chung-in Moon, "Seonggonghan oegyodaetongnyeong-i doeryeomyeon" (To Become a Successful President), *Joongang Ilbo*, July 21, 2014. <http://news.joins.com/article/15312703>.
  2. "Comfort women" is a euphemism indicating 50,000-200,000 women who were forced to sexually serve Japanese soldiers during World War II. This article adopts this term, because most scholars have often used it in their works.

Busan.<sup>3</sup> The shutdown of the KIC prompted North Korea to cut off all inter-Korean communication channels, leading to more instability on the Korean Peninsula. Moreover, as a protest against THAAD deployment, China suspended or canceled a series of events featuring South Korean actors and pop music within China, limited Chinese tourists' entry into South Korea, and orchestrated a public campaign to block market access of South Korean products (Meick and Salidjanova 2017).

These facts beg the question: why and under what conditions did the Park Geun-hye government make such foreign policy decisions that spawned many negative diplomatic consequences? While conducting case studies regarding the three above-mentioned decisions, this article argues that, starting in late 2015, President Park and her aides faced triple external challenges. They were the Democratic People's Republic of Korea's (DPRK or North Korea) increase of provocative acts, China's lukewarm reactions to the DPRK's provocations, and US pressure to strengthen the US-ROK-Japan security triangle. In response to these exogenous challenges, ROK decision makers made abrupt foreign policy decisions that were derived from flawed decision-making process within the Park administration, characterized as the lack of institutionalized discussions among policy makers, insensitivity to public opinion, and the influence of a secret advisory group orchestrated by Choi Soon-sil.

This article first seeks to construct an analytical framework that explains the privatization of foreign policy formulation. This model then explains the Park government's decision-making process in the cases of the comfort women agreement, the shutdown of the industrial park, and THAAD deployment. Finally, the article recommends that future South Korean policy makers should strive to make foreign policy decisions within a deliberative and transparent process while maintaining the democratic nature of foreign policy formulation by being more attentive to public opinion.

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3. "Japan to Recall Ambassador over 'Comfort Women' Statue," *The Asahi Shimbun*, January 6, 2017, <http://www.asahi.com/ajw/articles/AJ201701060062.html>.

## **Analytical Framework: Privatization of Foreign Policy Decision Making**

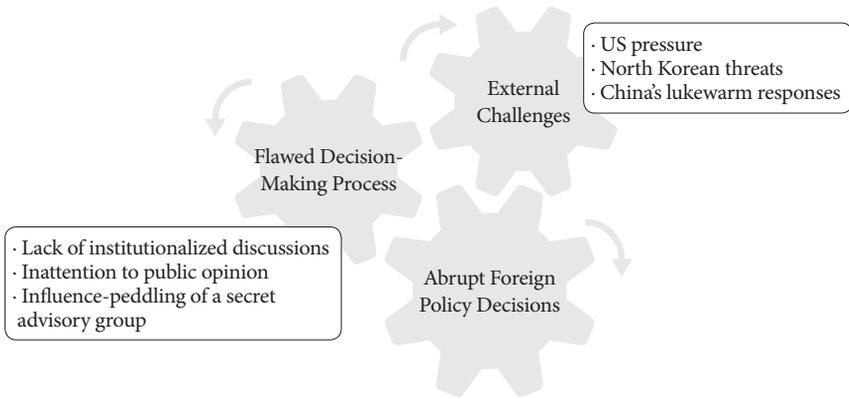
It is difficult to fully understand the process of foreign policy decision-making, because it involves unpacking of the complex roles of various factors, including the structural environment, domestic politics, history, socio-economic conditions, and individual psychology (Chollet and Goldgeier 2002, 165). Major international relations theories, such as realism, liberalism, and constructivism, are mostly unsuitable for explaining a state's foreign policy behavior, as they mainly focus on the analysis of general patterns of state behavior by highlighting relative military capabilities, domestic regime types, the strength of international institutions, or norms (Waltz 1979; Keohane 1984; Wendt 1992; Brown and Lynn-Jones 1996; Finnemore and Sikkink 1998). Unlike those macro-level approaches, scholars have developed mid-range theories of how individuals, small groups, and institutions make choices. For instance, they have highlighted the roles of bureaucratic politics and standard operating procedures in skewing a decision-making process away from the rational utility—maximizing pursuit of “national interest.” The bureaucratic politics model, which posits that “where we stand depends on where we sit,” shows the importance of the positions held by decision makers (Allison and Zelikow 1999). This model stresses the competition among rival agencies, driven by bureaucratic self-interests rather than national interests, in shaping the direction of foreign policy. The organizational process model postulates that “while the standard operating procedures may be rational in terms of the internal functioning of each agency, a lack of interagency coordination prevents the central government from seeing the big picture” (Hook 2017, 94). These pre-existing models can partially explain South Korea's foreign policy formulation. Bureaucratic agencies, such as the Ministry of National Defense and the Ministry of Foreign Affairs, competed in forging state policy over THAAD deployment in South Korea, as addressed later in detail. While the former preferred the installation of THAAD for military defensive purposes, the latter was seriously concerned about diplomatic friction between South Korea and China that such decision could trigger. In

addition, the process of the Park government's foreign policy formulation revealed a significant lack of interagency coordination in dealing with the issues of comfort women and the industrial park.

Despite some usefulness, it seems difficult for pre-existing analytical models to adequately explain the series of abrupt foreign policy decisions by the Park Geun-hye administration. To account for such awkwardly made decisions, this article constructs a new analytical framework that synthesizes system- and individual-level variables, as illustrated in Figure 1. The system-level factors are three primary external challenges that worked as a catalyst for President Park and her aides' foreign policy decisions on the issues of comfort women, the industrial park, and THAAD deployment. First, North Korea increased its provocative acts through its fourth nuclear test in January 2016 and rocket launch a month later. In the three years prior, North Korea had not provoked South Korea and the international community with a nuclear test and long-range missile launch, though it continually conducted short-range missile tests. Second, China made only lukewarm responses to the DPRK's provocations. China was reluctant to adopt much harsher economic sanctions toward North Korea, and its leaders evaded Park's urgent request to call Chinese President Xi Jinping to address the North Korean threat.<sup>4</sup> Third, the United States was pushing to strengthen the US-ROK-Japan security triangle in order to more effectively check and balance a more assertive China.

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4. Dong-hun Yi and Jae-hyeok Choi, "Xi Jiping-e silmanghan daetongnyeong 'jung-yeokal gidae malla'" (President Disappointed with Xi Jinping: Do not Expect Chinese Role), *Chosun Ilbo*, February 13, 2016, [http://news.chosun.com/site/data/html\\_dir/2016/02/13/2016021300263.html](http://news.chosun.com/site/data/html_dir/2016/02/13/2016021300263.html).



**Figure 1.** Analytical Framework: Privatization of Foreign Policy Decision-making

These external challenges coupled with flawed decision-making process, which can be dubbed as the privatization of foreign policy formulation, led to a set of abrupt decisions. Some extant literature already addressed the concept of the privatization of foreign policy formulation. However, scholars were mainly focused on the impact of private interest groups, lobbying groups, and federally-financed contractors on the US government's foreign policy formulation and implementation (Davison 2006; Freeman 2012).<sup>5</sup> Instead, the notion of privatized foreign policy making in this article is centered on the nature of the decision makers—primarily President Park Geun-hye and her administration's Defense, Foreign, and Unification Ministers and National Security Chief. As illuminated in Figure 1, the Park government's decision makers showed a significant lack of coordinated and institutionalized discussions among themselves over important foreign policy issues. Being insensitive to public opinion, the decision makers first acted in a secretive manner and then requested the public to accept and follow their decisions. Moreover, President Park was charged in a shocking scandal in which a secret advisory group, led by Park's close confidante Choi Soon-

5. Allison Stanger and Omnivore, "Foreign Policy, Privatized," *The New York Times*, October 5, 2007, <http://www.nytimes.com/2007/10/05/opinion/05stanger.html>.

sil, might have exerted significant influence on state governance including foreign policy. Therefore, this synthesized model suggests that, in responding to external challenges, the three characteristics of decision makers in the Park administration distorted the process of foreign policy making, thereby producing a series of abrupt and arbitrary policy decisions.

### **The Comfort Women Agreement with Japan in December 2015**

The issue of comfort women has been a thorny problem that prevents historical reconciliation between former adversarial states—Japan and South Korea—since the early 1990s when civil society organizations in both nations earnestly began to raise the matter (Yoshimi 2000; Soh 2009; Ward and Lay 2016). The Japanese government made some efforts to come to terms with its past misdeeds due to strong public pressure and the finding of historical documents. In August 1993, Japanese Chief Cabinet Secretary Kono Yohei for the first time acknowledged the involvement of the Japanese military in the forced recruitment of comfort women, most of whom were Koreans.<sup>6</sup> In August 1994, socialist Japanese Prime Minister Murayama Tomiichi sincerely apologized to former comfort women.<sup>7</sup> Moreover, in June 1995, the Japanese government supported the establishment and management of the Asian Women's Fund (AWF), which was primarily organized by the Japanese public. The government paid the medical and welfare expenses of individual victims via the AWF while covering the fund's operating budget. Despite these apologetic acts, Japan faced strong criticism for mainly two reasons. First, the government provided only indirect support for the AWF rather than directly paying individual compensation; Japan seemed to evade its responsibility for past misdeeds. Second, high-ranking Japanese government officials often

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6. Japanese Ministry of Foreign Affairs, "Statement by the Chief Cabinet Secretary Yohei Kono on the Result of the Study on the Issue of Comfort Women," <http://www.mofa.go.jp/policy/women/fund/state9308.html>.

7. Japanese Ministry of Foreign Affairs, "Statement by Prime Minister Tomiichi Murayama on the Peace, Friendship, and Exchange Initiative," <http://www.mofa.go.jp/announce/press/pm/murayama/state9408.html>.

made blunders that attempted to justify or gloss over Japan's past wrongs, thereby countering the previous apologetic statements (Yang 2008, 74–79). Given these facts, therefore, the two governments had challenging time in reaching an agreement to resolve the comfort women issue until the end of 2015.

This stalemate, however, terminated at least at the governmental level on December 28, 2015 when the South Korean government concluded a political deal with Japan on the comfort women issue. In the deal, the Japanese government acknowledged the involvement of the Japanese military authorities and expressed sincere apologies to comfort women victims, though it did not admit any legal responsibility. To support all former comfort women and heal their psychological wounds, the Japanese government also promised to make a one-time contribution of about US\$8.3 million to a foundation to be established and managed by the ROK government. In addition, the two governments confirmed that the issue of the comfort women was resolved “finally and irreversibly” via the agreement, and they pledged not to accuse or criticize each other with respect to the issue in the international community, including at the United Nations. The ROK government, furthermore, affirmed that it would try to properly address the issue of a comfort women statue that had been built in front of the Japanese Embassy in Seoul, which the Japanese government believed impaired the dignity of the Japanese nation.<sup>8</sup>

The making of this agreement was very surprising to many close watchers of South Korea-Japan relations. Although the two governments had intensively discussed the problem, many believed that reaching such an agreement was extremely difficult due to a lingering large perception gap between the two sides. The Japanese have maintained that all legal and compensation issues were already settled by the 1965 Claims Agreement between Japan and South Korea. According to Clause 1 of Article II of that agreement, “The contracting parties confirm that the problem concerning

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8. Japanese Ministry of Foreign Affairs, “Announcement of Foreign Ministers of Japan and the Republic of Korea at the Joint Press Occasion,” [http://www.mofa.go.jp/a\\_o/na/kr/page4e\\_000364.html](http://www.mofa.go.jp/a_o/na/kr/page4e_000364.html).

properties, rights and interests of the two contracting parties and their nationals, including juridical persons, and concerning claims between the contracting parties and their nationals...is settled completely and finally.”<sup>9</sup> On the other hand, the Korean side has claimed that Japan must take legal responsibility and provide official compensation for the past wrong for two reasons. First, as the clause only settled claims stemming from Japan’s colonial occupation of Korea, it did not cover gross human rights violations such as the comfort women issue. Second, the issue did not even appear at the time when the 1965 treaty was concluded.<sup>10</sup>

Due to this perceptual discrepancy, the ROK and Japanese governments had difficulty finding compromise on the resolution of the comfort women issue.<sup>11</sup> Between April 2014 and December 2015, the two governments held twelve director-general talks to resolve the issue, but they failed to find common ground. After the 11th talks on December 15, 2015, Lee Sang-deok, Director General of the Northeast Asian Affairs Bureau in the ROK Foreign Ministry, stated, “We held deep discussions in good faith. It is difficult to hold the next meeting within this year.”<sup>12</sup> This impasse, however, turned into a sudden conclusion of the comfort women deal only thirteen days later. This policy making process was so abrupt and abnormal that in July 2017, the ROK Foreign Ministry under the new Moon Jae-in government launched a task force to review the process of concluding the agreement.<sup>13</sup>

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9. Tack-whan Wi and Lou-chung Chang, “1965 Korea-Japan Agreement should be Re-estimated,” *KOREA.net*, March 23, 2016, <http://www.korea.net/NewsFocus/History/view?articleId=134245>.
  10. Hyun-ju Lee, “Sex Slave Issue: Japan must Change Stance to Untie the Knot,” *The Korea Herald*, December 27, 2015, <http://www.koreaherald.com/view.php?ud=20151227000398>.
  11. Hee-joon Park, “The Holding of ROK-Japan Director-General Talks on the Comfort Women Issue,” *Asian Economy*, January 16, 2015, <http://www.asiae.co.kr/news/view.htm?idxno=2015011611123330290>.
  12. “Japan, South Korea Remain Apart on ‘Comfort Women’ Issue Despite Talks,” *The Japan Times*, December 16, 2015, <https://www.japantimes.co.jp/news/2015/12/16/national/politics-diplomacy/japan-south-korea-remain-apart-comfort-women-issue/#.We76qDsftOo>.
  13. “S. Korea Launches Team to Review Comfort Women Deal with Japan,” *Yonhap News*, July 31, 2017, <http://english.yonhapnews.co.kr/news/2017/07/31/0200000000AEN20170731007053315.html>.

Based on its review results<sup>14</sup> and media reports, the Park government's foreign policy decision-making process regarding the issue of the comfort women had significant shortcomings.

First of all, the Park Geun-hye administration did not make every effort to closely listen to and reflect former victims' opinions before making the deal. This point can be affirmed by many comfort women survivors' complaints expressed right after the conclusion of the agreement. Among the criticisms were the lack of prior communication between the ROK government and former victims, the absence of Japan's legal responsibility that the victims had persistently insisted upon since the early 1990s, and the clause agreeing to address the comfort women statue in Seoul.<sup>15</sup> Survivors and civil society activists supporting them were particularly furious about the fact that the ROK government had agreed to make efforts to move the statue. To understand that concession, it is necessary to factor in US pressure on the Park administration. The US government aspired to promote bilateral cooperation between its two key allies in Asia, Japan and South Korea, in an attempt to check and balance a rising China more effectively. For this reason, the United States pushed the Park government to settle the historical grievance.<sup>16</sup> Notwithstanding this external pressure, however, the Park administration's handling of the issue reflected its insensitivity to the voices of the victims and their supporting groups that had actively conducted transnational campaigns to resolve the problem over more than two decades (Ku 2015).

Second, President Park relied heavily on parochial communication channels while evading coordinated and institutionalized discussions

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14. South Korean Ministry of Foreign Affairs, "Review Report on the ROK-Japan comfort Women Agreement," December 27, 2017, [http://www.mofa.go.kr/eng/brd/m\\_5674/view.do?seq=319637&srchFr=&srchTo=&srchWord=victim&srchTp=0&multi\\_itm\\_seq=0&itm\\_seq\\_1=0&itm\\_seq\\_2=0&company\\_cd=&company\\_nm=&page=1&titleNm=](http://www.mofa.go.kr/eng/brd/m_5674/view.do?seq=319637&srchFr=&srchTo=&srchWord=victim&srchTp=0&multi_itm_seq=0&itm_seq_1=0&itm_seq_2=0&company_cd=&company_nm=&page=1&titleNm=)

15. Myoungsoo Lim, "Wianbu pihae halmeonideul baneung 'naengdam'... 'uri uigyeon banyeongdoeji anatda'" (Comfort Women Victims' "Cold Responses" to the Deal... "It did not Reflect Our Opinions"), *JTBC*, December 28, 2015, [http://news.jtbc.joins.com/article/ArticlePrint.aspx?news\\_id=NB11134235](http://news.jtbc.joins.com/article/ArticlePrint.aspx?news_id=NB11134235).

16. Daniel Sneider, "Behind the Comfort Women Agreement," *Tokyo Business Today*, January 10, 2016, <https://toyokeizai.net/articles/-/99891>.

inside her administration. For instance, Park pushed for the immediate conclusion and announcement of the deal, although then ROK Foreign Minister Yoon Byung-se had not been satisfied with the content of the deal and had requested three more months from Park in order to produce a better agreement.<sup>17</sup> According to a South Korean politician, President Park ordered her chief of staff, Lee Byung-ki, to have secret talks with Japan's national security adviser Yachi Shotaro, and Lee played the decisive role in concluding the deal.<sup>18</sup> The South Korean government's task force report confirms that, starting in February 2015, Lee took the lead in formulating the agreement with Japan in a secretive manner while the South Korean Foreign Ministry that had thus far played a key role in handling the issue became marginalized in the decision making process.<sup>19</sup>

Top political leaders in democratic countries have adopted secret diplomacy to break through a deadlock in foreign relations. A primary example would be that in the early 1970s, US President Richard Nixon took a clandestine approach to normalize the US relationship with the People's Republic of China, with a view to smoothly withdrawing US troops from Vietnam and balancing the Soviet Union (Schaller 2016). However, without garnering support from victims and their supporters as well as forging a rough consensus with the Foreign Minister, it was not a prudent decision for President Park to resolve such a longstanding, complicated issue through secret talks. A South Korean researcher stated,

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17. Je-hun Yi, "Oegyojanggwang 'chugahyeopsang' muksal...Park daetongnyeong 'wianbu habui' ganghaeng" (Ignoring Foreign Minister's Request for Additional Negotiations...President Park's Enforcement to Conclude the Comfort Women Agreement), *Hankyoreh*, November 22, 2016, <http://www.hani.co.kr/arti/politics/defense/771381.html>.

18. Kyung-woo Lee, "Park Byeong-seok 'Yi Byeong-gi jeon gukjeongwonjang, wianbu milsilhabui'" (Park Byeong-seok: Former Director of National Intelligence Service Lee Byung-ki, Secret Agreement), *Women News*, October 16, 2017, <http://www.womennews.co.kr/news/117534>.

19. South Korean Ministry of Foreign Affairs, "Review report on the ROK-Japan Comfort Women Agreement," December 27, 2017, [http://www.mofa.go.kr/eng/brd/m\\_5674/view.do?seq=319637&srchFr=&srchTo=&srchWord=victim&srchTp=0&multi\\_itm\\_seq=0&itm\\_seq\\_1=0&itm\\_seq\\_2=0&company\\_cd=&company\\_nm=&page=1&titleNm=](http://www.mofa.go.kr/eng/brd/m_5674/view.do?seq=319637&srchFr=&srchTo=&srchWord=victim&srchTp=0&multi_itm_seq=0&itm_seq_1=0&itm_seq_2=0&company_cd=&company_nm=&page=1&titleNm=)

The ROK government, academic experts on the issue, and civil society groups supporting the victims were in a process of finding common ground at the time. It was necessary for them to have several more months to reach a consensus over the resolution of the issue. But President Park abruptly pushed for the unsatisfactory deal without striving to persuade former victims in an attempt to achieve a resolution within the year of 2015, which was the timeline Park set in a summit with Japanese Prime Minister Abe Shinzo on November 2, 2015.<sup>20</sup>

This abrupt foreign policy decision-making brought about a series of negative consequences. Above all, the ROK government failed to gain South Korean minds and hearts, let alone the consent from comfort women survivors. According to an opinion poll conducted a week after the conclusion of the agreement, 54 percent of respondents said that the deal was wrong, while only 26 percent gave it a positive evaluation.<sup>21</sup> Many Koreans expressed that their government made inadequate efforts to consult with former victims and to build national consensus over the issue while giving too many concessions to the Japanese side in the negotiations. They also criticized the Japanese government for its inadequate and ambiguous apology, as well as its strategy to resolve the issue merely with money. Seventy-two percent of respondents believed that the statue built in front of the Embassy of Japan in Seoul should not be moved, regardless of whether Japan followed the agreement. In addition, 58 percent of respondents argued for the necessity of renegotiation, while only 28 percent opposed that option. Given this negative public opinion, the Park government became sandwiched between the Japanese government and the South Korean public. In the wake of the deal, Japanese Prime Minister Abe, who had cold-heartedly declined a suggestion to send his apologetic letter directly to comfort women survivors, pushing the Park government to abide by the agreed clause and move the comfort women statue to a different place. Responding to this pressure, however, the Park government could not take

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20. Personal interview, Seoul, June 29, 2017.

21. *Gallup Korea Daily Opinion*, January 8, 2016, <http://www.gallup.co.kr/gallupdb/reportContent.asp?seqNo=720&pagePos=18&selectYear=&search=&searchKeyword=>.

such action due to strong public resistance. When Korean activists built another comfort women statue outside the Japanese consulate in Busan in December 2016, the Abe government recalled its ambassador to South Korea and consul general in Busan and declared the suspension of high-level economic talks with the ROK government.<sup>22</sup> Therefore, as a result of the comfort women deal, the ROK government ironically came to be placed in a defensive position vis-à-vis Japan.

### **The Shutdown of the Kaesong Industrial Complex in February 2016**

Only six weeks after the conclusion of the comfort women agreement, the Park government suddenly decided to shut down the Kaesong Industrial Complex (KIC). The KIC, located inside North Korea just across the demilitarized zone from South Korea, was constructed after the 2000 summit between ROK President Kim Dae-jung and DPRK leader Kim Jong-il. As a joint project for inter-Korean economic cooperation, South Korea largely made financial investments while North Korea offered labor and the site for the industrial complex. The KIC thus made it possible for South Korean companies to manufacture products using North Korean labor. As illustrated in Table 1, before the shutdown, 125 companies that made clothing/textiles, car parts, and semiconductors, among others, operated within the industrial park, using 54,988 North Korean workers and 820 South Korean workers. Between 2005 and 2015, the total amount of output from the KIC reached approximately \$3.23 billion, and 1,154,437 people visited the KIC. If the two Koreas had completed all the stages of development as originally planned, the industrial park would have become half the size of Manhattan Island and would have accommodated shopping

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22. Reji Yoshida and Ayako Mie, "Japan Recalls Envoys over New 'Comfort Women' Statue in Busan," *The Japan Times*, January 6, 2017, <https://www.japantimes.co.jp/news/2017/01/06/national/politics-diplomacy/japan-pulls-envoy-south-korea-comfort-women-dispute/#.WfjAlzsfOo>.

and residential areas with tourism and recreation.<sup>23</sup> The industrial complex, therefore, was an important symbol of inter-Korean cooperation before its closure on February 10, 2016.

**Table 1.** Statistics Related to the KIC

Year	Companies	Production (USD10,000 dollars)	DRPK workers	ROK workers	Visitors
2005	18	1,491	6,013	507	40,874
2006	30	7,373	11,160	791	60,999
2007	65	18,478	22,538	785	100,092
2008	93	25,142	38,931	1,055	152,637
2009	117	25,648	42,561	935	111,830
2010	121	32,332	46,284	804	122,997
2011	123	40,185	49,866	776	114,435
2012	123	46,950	53,448	786	120,119
2013	123	22,378	52,329	757	75,990
2014	125	46,997	53,947	815	125,940
2015	125	56,330	54,988	820	128,524

Source: Korean Ministry of Unification, <http://www.unikorea.go.kr/unikorea/business/statistics/>.

The KIC also served as a military buffer zone between the two Koreas, because North Korean military units pulled back more than 10 km at the time of the park's construction. North Korea's four battalions from the 6th division, which had been positioned at the KIC site, were redeployed to outside of the industrial complex, and two battalions were assigned to guard the perimeter. The KIC is very important in military terms, as it is located just over 40 km from the outskirts of Seoul. A direct route from Kaesong to Seoul, via Munsan, could make it possible for North Korea to invade

23. "What is the Kaesong Industrial Complex?" *BBC News*, February 10, 2016, <http://www.bbc.com/news/business-22011178>.

Seoul in the shortest amount of time. During the Korean War, the North Korean military actually took Kaesong without a struggle and occupied Seoul just three days after the war began. For this reason and due to the necessary redeployment, the DPRK military was reportedly opposed to the development of the industrial park, but then-North Korean leader Kim Jong-il pushed for the plan anyway.<sup>24</sup>

After its opening in June 2004, the KIC was often in danger of being closed due to a series of flare-ups on the Korean Peninsula. For instance, in July 2008, a South Korean tourist was shot to death by a DPRK soldier at the Mt. Geumgang resort. After this incident, the ROK government suspended the Mt. Geumgang tour program in retaliation. In response, North Korea declared the annulment of the original laws and contracts related to the KIC and requested increased wages and land rental fees at the industrial complex. The DPRK also stated that South Korean companies could leave the KIC if they refused to accept the requests, thus raising the fear of the closure of the industrial park. In March 2009, North Korea blocked entry into the KIC for several days as a protest against US-ROK joint military exercises. In 2010, the Korean Peninsula reached a peak of tension after the sinking of the South Korean warship Cheonan by North Korea's torpedo attack and the shelling of Yeonpyeong Island. The latter was North Korea's first direct artillery attack since the Korean War (1950–1953). The former resulted in the death of 46 sailors, and the latter killed four South Koreans, including two civilians. In response, the ROK government temporarily blocked South Korean visits to the KIC and banned new investments in the industrial park. In April 2013, furthermore, North Korea shut down the KIC for more than four months after tension caused by North Korea's 3rd nuclear test and US-ROK joint military drills. August 2015 also witnessed the imposition of restrictions on entry to the KIC due to North Korea's planting of land mines inside the DMZ border that wounded two ROK soldiers, and North Korea's

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24. Byong-su Park, "Closing of Kaesong Industrial Complex Increases Risk of Military Confrontation," *Hankyoreh*, February 13, 2016, [http://english.hani.co.kr/arti/english\\_edition/e\\_northkorea/730220.html](http://english.hani.co.kr/arti/english_edition/e_northkorea/730220.html).

shelling of South Korea across the Western Front.<sup>25</sup>

Despite these frequent outbursts of military tension on the Korean Peninsula, the industrial park continued to operate and expand, as demonstrated in Table 1. On February 10, 2016, however, the Park Geun-hye administration made a lightning decision to shut down the KIC. It is not hard to imagine that this decision was heavily influenced by two North Korean provocative acts—the 4th nuclear test on January 6, 2016 and another long-range rocket test on February 7, 2016. In other words, such provocations provided President Park and her aides with a motive for taking more assertive actions toward North Korea. Nevertheless, on close examination, the process of the Park administration's decision-making contains serious flaws.

In the wake of the DPRK's 4th nuclear test, the ROK government did not consider withdrawing from or shutting down the KIC, although President Park mentioned on January 13, 2016 that whether or not the KIC operated in a normal manner depended on North Korean behavior. Instead, the Park government reduced the number of South Korean workers visiting the KIC to “the minimum required” in order to ensure the safety of citizens.<sup>26</sup> On January 22, 2016, Minister of Unification Hong Yong-pyo, confirmed that he placed more weight on the stable management of the KIC without considering its shutdown as a policy option.<sup>27</sup> An official from the ROK Ministry of Unification reconfirmed this posture a week later, saying that the KIC was not the object of sanctions toward North Korea. Even at the National Security Council (NSC) meeting convened right after DPRK's rocket launch on February 7, 2016, the shutdown of the industrial complex

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25. “Gaeseonggongdan jungdan—uyeogokjeol manatdeon 16nyeou-ui yeoksa” (The Shutdown of the Kaesong Industrial Complex: Sixteen Years of its History Filled with Ups and Downs), *Joongang Ilbo*, February 10, 2016, <http://news.joins.com/article/19549560>.

26. Jin-cheol Kim, “Government Reduces Number of Kaesong Workers to Minimum,” *Hankyoreh*, January 12, 2016, [http://english.hani.co.kr/arti/english\\_edition/e\\_northkorea/725834.html](http://english.hani.co.kr/arti/english_edition/e_northkorea/725834.html).

27. “Hong Yong-pyo ‘Gaeseonggongdan cheolsu geomto anhae anjeongjeog gwalli-e jungjeom’” (Hong Yong-pyo: No Consideration of Withdrawal from Kaesong Industrial Complex, But Focus on Stable Management), *Yonhap News*, January 22, 2016, <http://www.yonhapnews.co.kr/bulletin/2016/01/22/0200000000AKR20160122157700014.HTML>.

was not within its agenda as Defense Minister Han Min-goo confirmed.<sup>28</sup> On that very day, though, President Park stated that the UN Security Council should adopt far stronger sanctions against the DPRK's violations of international law. The Park government additionally imposed restrictions on the number of South Korean workers at the KIC. These relatively moderate approaches turned harsher within only two days, and the Park government made an abrupt decision to close the KIC at another NSC meeting on February 10, 2016.

Given these facts, it is fair to say that the Park Geun-hye administration did not make every effort to carefully discuss such an important issue through institutionalized channels, such as at NSC and Cabinet meetings. On December 28, 2017, the Policy Reform Committee for the Unification Ministry, composed of nine civilian experts, announced a report that President Park had unilaterally ordered the shutdown of the KIC without any discussion among ministries and deliberation in the cabinet meeting. According to the committee report, the NSC meeting was convened two days after Park's verbal order to shut down the industrial complex in an attempt to give procedural legitimacy *ex post facto*. In addition, the Unification Ministry, which was in charge of dealing with inter-Korean affairs, advised Park to cautiously decide on the timing of shutdown as the sudden shutdown would cause serious damage, but Park's Blue House stated it would not change the president's decision.<sup>29</sup>

Moreover, media reports suspect that Choi Soon-sil, a close confidante of President Park, might have exerted influence on such decision. Former Mir Foundation's Secretary General and close Choi associate Lee Sung-han confessed that power broker Choi Soon-sil received presidential report packets almost daily and used them to hold behind-the-scenes meetings to discuss all aspects of governance. About 10 percent of the topics covered at

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28. Jin-cheol Kim and Je-hun Yi, "Cheongwadae, tongilbu-ui gaeseonggongdan 'jamjeongjungdallon' muksalhaetda" (Blue House Ignored "Tentative Suspension" Suggested by the Ministry of Unification), *Hankyoreh*, February 13, 2016, <http://www.hani.co.kr/arti/politics/defense/730199.html>.

29. Kyeong-sung Kwon, "Park's Unilateral Order to Shut Down the Kaesung Industrial Complex," *Hankook Ilbo*, December 28, 2017, <http://m.hankookilbo.com/News/Read/201712281281476727>.

the meetings had something to do with the Mir Foundation, but the other 90 percent were mostly connected with government policies like the shutdown of the Kaesong Industrial Complex. Lee added, "Appointment issues were also discussed at the meetings, and decisions were made on who to make or not make a Cabinet minister. It's a real break with common perceptions to say this, but it's actually a system where Choi tells the President to do things this way or that way."<sup>30</sup> It would be difficult to verify Lee's remarks at this point, but it seems difficult to fully repudiate the connection between the influence-peddling scandal and the sudden decision to shutter the KIC.

On top of these troubling factors, the Park government was also insensitive to public opinion regarding the issue of the industrial park. As shown in Table 2, nearly half of South Korean respondents in public opinion polls from 2009-2015 persistently supported the maintenance of the industrial complex, while only around 20 percent opposed the project.

**Table 2.** Public Opinion Regarding the Maintenance of the Kaesong Industrial Complex

Year	2009	2010	2011	2012	2013	2014	2015
<b>Support</b>	48.6	49.7	46.2	45.8	50.4	45.7	49.8
<b>Neutral</b>	31	32.3	33.7	33.9	31.6	34	30.4
<b>Oppose</b>	20.4	18	20.1	20.3	18	20.3	19.8

Source: Park (2016, 120).

Note: Unit is percent.

However, it is necessary to mention that this public opinion drastically shifted after North Korea's 4th nuclear test and long-range missile test in early 2016. A public opinion poll, directed by the Gallup Korea on February 16-18, 2016, displays that 55 percent of the respondents supported the

30. Eui-kyum Kim and Yi-geun Ryu, "It's Actually a System where Choi Sun-sil Tells the President What to Do," *Hankyoreh*, October 26, 2016, [http://english.hani.co.kr/arti/english\\_edition/e\\_national/767405.html](http://english.hani.co.kr/arti/english_edition/e_national/767405.html).

shutdown of the KIC while only 33 percent criticized the decision.<sup>31</sup> This phenomenon testifies that the increased North Korean threat played a key role in swaying South Korean public opinion while stimulating the Park government to make the abrupt decision to shut down the industrial complex. Surprisingly, in an opinion poll that the Gallup Korea conducted a year later, 75.9 percent of the respondents perceived that the shutdown of the KIC had had a negative impact on inter-Korean relations, and 54.6 percent argued for the reopening of the industrial park.<sup>32</sup>

One seriously negative consequence of the shutdown was the cutting off of all direct communication lines between North and South Korea. After the ROK government declared the closing of the KIC on February 10, 2016, DPRK authorities severed the only remaining military communication lines in the West Sea region and the telephone lines at Panmunjeom. The termination of these lines made it difficult for South or North Korea to figure out each other's true intentions in situations of high tensions and significantly lessened their ability to handle unexpected clashes. The two sides thus came to have a greater risk of a local skirmish escalating into an all-out war.<sup>33</sup> Second, the owners of 125 companies in the KIC lost their properties due to the abrupt decision and had to leave the site within one day after the shutdown, thereby being unable to bring much of their raw materials and finished products back to South Korea. One year after the closure, the association of South Korean firms in the KIC announced that "its combined losses amounted to 1.5 trillion Korean won (about \$1.3 billion), including materials such as fabric, 148.4 billion won in penalty fees for not delivering the promised products, and 314.7 billion won in operating

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31. *Gallup Korea Daily Opinion*, February 19, 2016, <http://www.gallup.co.kr/gallupdb/reportContent.asp?seqNo=727>.

32. Eo-young Ha, "Poll: 75% of South Koreans Feel Kaesong Closure not Helpful to Inter-Korean Relations," *Hankyoreh*, February 3, 2017, [http://english.hani.co.kr/arti/english\\_edition/e\\_northkorea/781217.html](http://english.hani.co.kr/arti/english_edition/e_northkorea/781217.html).

33. Byong-su Park, "Closing of Kaesong Industrial Complex Increases Risk of Military Confrontation," *Hankyoreh*, February 13, 2016, [http://english.hani.co.kr/arti/english\\_edition/e\\_northkorea/730220.html](http://english.hani.co.kr/arti/english_edition/e_northkorea/730220.html).

losses.”<sup>34</sup> According to the association, the ROK government’s financial compensation only accounted for 32 percent of the combined ₩1.5 trillion loss. Third, the ROK government lost one remaining leverage over North Korea due to the shutdown of the KIC, which had worked as a safety valve for inter-Korean relations even amidst difficult circumstances.<sup>35</sup>

### THAAD Deployment Decision in July 2016

Another controversial decision made by the Park Geun-hye administration was the deployment of the Terminal High Altitude Area Defense (THAAD) system in South Korea. The THAAD controversy began with a media report on May 27, 2014 that “the U.S. has conducted a site survey in South Korea for possible locations for THAAD, but no final decisions have been made to deploy the missile defense system.”<sup>36</sup> A week later, US General Curtis M. Scaparrotti, commander of US Forces Korea and head of the UN Command, officially confirmed at a forum in Seoul that Washington, as its own initiative, had been considering the deployment of the THAAD system in South Korea in order to better deal with North Korea’s evolving threat. In response to his statement, a ROK Defense Ministry spokesperson left open the possibility by saying that “there has been no formal request from the US. But if the US makes an official request for our cooperation, at that point the Defense Ministry will review the request on behalf of the government.”<sup>37</sup>

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34. Yoon-mi Kim, “Closure of Inter-Korean Industrial Park Incurs ₩1.5tr loss,” *The Korea Herald*, February 7, 2017, <http://www.koreaherald.com/view.php?ud=20170207000669>.

35. “Closing the Kaesong Industrial Complex is a Mistake,” *Hankyoreh*, February 11, 2016, [http://english.hani.co.kr/arti/english\\_edition/e\\_editorial/729927.html](http://english.hani.co.kr/arti/english_edition/e_editorial/729927.html).

36. Julian E. Barnes, “Washington Considers Missile-Defense System in South Korea,” *The Wall Street Journal*, May 27, 2014, <https://www.wsj.com/articles/washington-considers-missile-defense-system-in-south-korea-1401233131>.

37. Byong-su Park, “USFK Commander Says Deployment of THAAD is in Initial Review,” *Hankyoreh*, June 4, 2016, [http://www.hani.co.kr/arti/english\\_edition/e\\_international/640706.html](http://www.hani.co.kr/arti/english_edition/e_international/640706.html).

China has consistently opposed THAAD deployment in South Korea. Although the United States and South Korea have continued to claim that the missile defense system is mainly aimed at defending against North Korea, Chinese leaders believe that THAAD is mostly targeted at China and could significantly weaken China's missile capabilities (Swaine 2017). On May 28, 2014, Chinese Foreign Ministry spokesperson Qin Gang stated that THAAD deployment in South Korea would be detrimental to regional stability and strategic balance. At a summit with ROK President Park Geun-hye in Seoul on July 4, 2014, Chinese President Xi Jinping requested Park to deal prudently with the THAAD issue. On November 26, 2014, Chinese ambassador to South Korea, Qiu Guohong expressed China's opposition to THAAD deployment in South Korea by arguing that it would damage China-South Korea relations.<sup>38</sup>

Considering China's protest, until the end of 2015, the ROK government maintained strategic ambiguity over THAAD deployment on South Korean soil. In other words, the Park administration took the stance of "three No's." ROK Defense Ministers, Kim Kwan-jin and then Han Min-goo, often expressed that there had been no official request from the US, no consultation, and no decision over THAAD deployment.<sup>39</sup> On the other hand, Kim and Han at times expressed positive postures on THAAD

38. Jun-mo Moon, "Juhan junggukdaesa 'sadeu baechineun hanjunggwangye agyeonghyang' jung songnae-neun?" (Chinese Ambassador to South Korea: THAAD Deployment has a Negative Impact on China-ROK relations), *SBS News*, November 27, 2017, [http://news.sbs.co.kr/news/endPage.do?news\\_id=N1002707307](http://news.sbs.co.kr/news/endPage.do?news_id=N1002707307).

39. Samuel S. Lee, "Why wouldn't S. Korea Want U.S. Missile Defenses?" *CBS News*, June 3, 2014, <https://www.cbsnews.com/news/u-s-proposes-advanced-missile-defense-system-in-south-korea/>; "Sadeu doim georon-buteo gongsikwa-kkaji" (From the Beginning of Discussion over THAAD Deployment to its Formulation), *JTBC News*, July 8, 2016, [http://news.jtbc.joins.com/article/article.aspx?news\\_id=NB11268576](http://news.jtbc.joins.com/article/article.aspx?news_id=NB11268576); U.S. Department of Defense, "Joint Press Conference with Secretary Carter and Defense Minister Han at Seoul, South Korea," April 10, 2015, <https://www.defense.gov/News/Transcripts/Transcript-View/Article/607040/joint-press-conference-with-secretary-carter-and-defense-minister-han-at-seoul/>; U.S. Department of Defense, "Joint Press Briefing by Secretary Carter and Minister Han Min-goo in Seoul, South Korea," November 2, 2015, <https://www.defense.gov/News/Transcripts/Transcript-View/Article/627049/joint-press-briefing-by-secretary-carter-and-minister-han-min-goo-in-seoul-sout/>.

deployment. During a hearing before the ROK National Assembly in June 2014, the former stated, "It doesn't matter to us whether or not the US military deploys THAAD (in South Korea). That said, we don't have any plans to purchase it to deploy it ourselves." In October 2014, the latter told the National Assembly, "If THAAD is deployed, I believe it would contribute greatly not only to defending the US military but also South Korea."<sup>40</sup>

South Korea's strategic ambiguity over THAAD deployment notably shifted in the wake of the DPRK's 4th nuclear test on January 6, 2016 and another long-range rocket test on February 7, 2016. President Park declared on January 13, 2016, that the ROK government would review the possibility of permitting the US military to deploy the THAAD system based on national security and national interest. This remark was largely the same as the administration's previous position, but it further opened the prospect of reviewing THAAD deployment. Moreover, hours after North Korea's rocket launch on February 7, 2016, the Park government announced that the ROK and the United States agreed to begin negotiations for the "earliest possible" deployment of THAAD.<sup>41</sup> After a series of North Korea's missile provocations, the ROK Ministry of National Defense finally stated on July 8, 2016, "South Korea and the United States have made the joint decision to deploy the THAAD system with US Forces Korea as part of defensive action to guarantee the security of the Republic of Korea and our people from North Korea's nuclear weapons, weapons of mass destruction and ballistic missile threats."<sup>42</sup>

Meanwhile, China's resistance increased after the US and South Korea publicly agreed to begin negotiations over THAAD deployment in February 2016. In an interview with Reuters on February 12, 2016, Chinese Foreign

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40. Byong-su Park, "Park Says Government will Review Possibility of Deploying THAAD in South Korea," *Hankyoreh*, January 14, 2016, [http://english.hani.co.kr/arti/english\\_edition/e\\_national/726204.html](http://english.hani.co.kr/arti/english_edition/e_national/726204.html).

41. Anna Fifield, "South Korea, U.S. to Start Talks on Anti-missile System," *The Washington Post*, February 7, 2016, [https://www.washingtonpost.com/world/south-korea-united-states-to-start-talks-on-thaad-anti-missile-system/2016/02/07/1eaf2df8-9dc4-45e3-8ff1-d76a25673dbe\\_story.html?utm\\_term=.d2300b87e8ea](https://www.washingtonpost.com/world/south-korea-united-states-to-start-talks-on-thaad-anti-missile-system/2016/02/07/1eaf2df8-9dc4-45e3-8ff1-d76a25673dbe_story.html?utm_term=.d2300b87e8ea).

42. Jeong-yo Lim, "Korea, U.S. Reach Decision to Deploy THAAD Defense System in Korea," *The Korea Herald*, July 8, 2016, <http://nwww.koreaherald.com/view.php?ud=20160708000455>.

Minister Wang Yi expressed China's grave concern about the possible deployment of THAAD in South Korea. He explained China's opposition by saying, "The coverage of the THAAD missile defense system, especially the monitoring scope of its X-Band radar, goes far beyond the defense need of the Korean Peninsula. It will reach deep into the hinterland of Asia, which will not only directly damage China's strategic security interests, but also do harm to the security interests of other countries in this region."<sup>43</sup> On February 23, 2016, Chinese ambassador, Qiu Guohong even warned that "the two countries' relationship could be destroyed in an instant if Seoul allowed the THAAD system to be deployed on its soil."<sup>44</sup> At their summit on June 25, 2016, Chinese President Xi Jinping and Russian President Vladimir Putin asserted that "China and Russia are opposed to the possible deployment of THAAD in Northeast Asia, which severely infringe upon strategic security interests of countries in the region."<sup>45</sup> Furthermore, President Xi firmly opposed the deployment of the THAAD system on South Korean soil at another summit with President Park in September 2016.

It is needless to say, therefore, that the Park government made the final decision over THAAD deployment under extreme external challenges, such as US pressure and China's opposition amid mounting North Korean nuclear and missile threats. Another external factor that affected Park's THAAD decision was China's lukewarm responses to North Korean threats in early 2016. After her inauguration as ROK President in February 2013, Park made every effort to improve ROK-China relations in an attempt to deal effectively with North Korea's nuclear and missile challenges. In this regard, Park had summits with Chinese President Xi Jinping six times until the end of 2015. On September 3, 2015, Park even attended China's World

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43. Chinese Ministry of Foreign Affairs, "Wang Yi Talks about US's Plan to Deploy THAAD Missile Defense System in ROK," February 13, 2016, [http://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1340525.shtml](http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1340525.shtml).

44. Sang-hun Choe, "South Korea Tells China Not to Intervene in Missile-Defense System Talks," *The New York Times*, February 24, 2016, <https://www.nytimes.com/2016/02/25/world/asia/south-north-korea-us-missile-defense-thaad-china.html>.

45. "China, Russia Sign Joint Statement on Strengthening Global Strategic Stability," *Xinhua News*, June 25, 2016, [http://news.xinhuanet.com/english/2016-06/26/c\\_135466187.htm](http://news.xinhuanet.com/english/2016-06/26/c_135466187.htm).

War II commemorations, including a massive military parade, although the US discouraged its allies to attend the event that it viewed as China affirming its rising power in the East Asian region.<sup>46</sup> In these circumstances, Park was deeply disappointed with China as the nation was reluctant to take an assertive stance on North Korea's provocative acts. Chinese leaders even evaded Park's urgent request to call Chinese President Xi Jinping to address the North Korean threat (Kim 2017).

On top of these external elements, the South Korean public strongly supported the deployment of THAAD in South Korea before the decision was finally made in July 2016. According to public opinion polls, led by the Asan Institute for Policy Studies in Seoul, 61.4 percent of the South Korean respondents agreed THAAD deployment in March 2015 while 20.3 percent declined the measure (Kim et al. 2017). In February 2016 when North Korea conducted the 4th nuclear test and another long-range missile test, the ratio of supporting the deployment increased up to 73.9 percent with no significant change in the declining ratio (20.7 percent). Interestingly, these ratios significantly changed after the final decision was made. In August 2016, the supporting ratio reduced to 53.6 percent while the declining ratio increased to 36.3 percent. However, the ratios ended up with 46.3 and 45.7 percent respectively in November 2016, as the Park government's influence-peddling scandal was revealed and China took retaliation measures against the decision of THAAD deployment. Overall, these polls show that Park's decision to deploy the THAAD system was based on the preference of her conservative constituents deeply rooted in South Korean society.

Despite these due reasons for the THAAD deployment decision, however, the Park government's decision-making process was problematic. First, as shown in the cases of the comfort women agreement and the shutdown of the Kaesong Industrial Complex, prior to the decision, there was scant systematic and institutionalized debates over such an important strategic issue among the government's top policymaking agents, including the President, Defense Minister, Unification Minister, Foreign Minister, and

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46. "U.S. Understands Park's Decision to Attend China Parade," *Chosun Daily*, September 2, 2015, [http://english.chosun.com/site/data/html\\_dir/2015/09/02/2015090201052.html](http://english.chosun.com/site/data/html_dir/2015/09/02/2015090201052.html).

National Security Chief. The following example evidently shows the lack of communication within the administration. At a committee meeting of the National Assembly on June 28, 2016, ROK Defense Minister Han Min-goo mentioned that the decision on THAAD deployment would be made by the end of the year. A week later, Han also stated that whether or not and where THAAD would be deployed had not yet been decided, as a ROK-US joint task force was still reviewing options. However, just three days later, THAAD deployment was abruptly decided at the NSC's principals committee meeting.<sup>47</sup> According to South Korean politician Kim Jongdae, the THAAD issue was not originally part of the NSC agenda on that day, but it was suddenly included.<sup>48</sup> Kim suspected that then National Security Chief Kim Kwan-jin took the lead in expediting the decision on THAAD deployment without due process while Defense Minister Han, who had been primarily responsible for the issue, merely worked as an auxiliary actor.<sup>49</sup>

Second, the Park administration made little effort to communicate with the South Korean public before the THAAD decision. As found in the previous cases, the Park government first made a vital foreign policy decision in a secretive and abrupt manner, and then requiring the public to merely follow. The decision on THAAD deployment may actually bring significant geopolitical consequences, including strong opposition from China in the form of economic retaliation, the incorporation of the ROK into the US missile defense system, and the weakening of international cooperation vis-à-vis North Korean nuclear/missile threats. The issue also could trigger health and safety problems of residents in the region where the

47. Jae-jung Kim, Je-hyeok Jeong, and Han-sol Kim, "Muyongnon hwaksan-e 'jeongyeok balpyo'..chagijeongbu jeon-e 'daemon bakgi'" (Sudden Announcement Amid Diffusion of "uselessness" argument), *Kyunghyang Shinmun*, July 8, 2017, [http://news.khan.co.kr/kh\\_news/khan\\_art\\_view.html?artid=201607082306005&code=910302](http://news.khan.co.kr/kh_news/khan_art_view.html?artid=201607082306005&code=910302).

48. Jae-hun Kwak, "Sadeu, 7il NSC angeon-edo eopda jeongyeok gyeoljeongdaetda" (On July 7 THAAD was Suddenly Decided though it was not in the NSC Agendas), *Pressian*, July 28, 2016, <http://www.pressian.com/news/article.html?no=139528>.

49. Ho-u Yun, "Kim Gwan-jin juyeon, Kim Gwan-jin joyeon, Kim Gwan-jin yeonchul, sadeu" (Main Actor Kim Kwan-jin, Supporting Actor Kim Kwan-jin, and Director Kim Kwan-jin, THAAD), *Kyunghyang Shinmun*, July 16, 2016, <http://m.khan.co.kr/view.html?artid=201607161753001>.

THAAD system is deployed. Despite this significance of the issue, the Park government did not hold any public hearings or debates over the matter.<sup>50</sup>

As a consequence of the decision on THAAD deployment, the South Korean public has become more polarized. Many residents in Seongju County, where THAAD was deployed, have strongly resisted through frequent ferocious demonstrations. Conservatives supported the decision based on the deployment being within their country's sovereign power, and that THAAD would help defend the nation against the North Korean missile threat. On the other hand, progressives vehemently opposed the decision for three reasons. First, they argued that the THAAD system would not protect South Korea, because it has little capacity to intercept the North's short-range missiles that can hit Seoul and its vicinity. Second, the THAAD deployment could seriously damage ROK-China relations due to China's staunch opposition. Third, it could work as a big impediment to the peaceful resolution of the North Korean nuclear problem, as it makes it difficult for the ROK to gain support from China and Russia in handling North Korea.<sup>51</sup>

South Korea, furthermore, faced China's aggressive public campaign of economic retaliation after the declaration on THAAD deployment in July 2016. China blocked market access of South Korean products and services through tightened regulations and consumer boycotts. This act resulted in enormous damage to South Korean economy, which heavily depends on China. About 25 percent of South Korea's annual exports over the last ten years headed to China. In 2016, South Korea's exports to China amounted to US\$124 billion, which was nearly two times larger than its exports to the United States, South Korea's second largest export market. Chinese sales of South Korean carmakers Hyundai and KIA dramatically decreased by 52 percent year-on-year in March 2017. Chinese regulators had Lotte, a South Korean conglomerate that had agreed to swap one of its golf courses with

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50. Bong-jin Choi, "Gungmin-eun hyeolsoe sseuneunde daetongnyeong-eun kulhage tteonatda" (Strong Rear Storm Caused by Secret Decision...President who Disregards Public Opposition), *OhmyNews*, July 15, 2016, [http://www.ohmynews.com/NWS\\_Web/view/at\\_pg.aspx?CNTN\\_CD=A0002226802](http://www.ohmynews.com/NWS_Web/view/at_pg.aspx?CNTN_CD=A0002226802).

51. Doohyun Kim, "Ten Reasons for the Opposition to THAAD Deployment," *Peace News*, July 14, 2017, <http://www.pn.or.kr/news/articleView.html?idxno=14309>.

a plot of military-owned land in November 2016, shut down 75 of its 99 marts in mainland China for safety violations. The Chinese government also banned the broadcasting of South Korean TV shows on China Central Television and cancelled some events featuring South Korean pop-musicians and actors without explanation. In addition, in March 2017, Chinese travel agencies ceased selling package tours to South Korea by order of the Chinese National Tourism Administration. This measure seriously damaged South Korea's tourism industry, as Chinese visitors accounted for 47 percent of all tourists and 70 percent of sales at duty free shops in the ROK in 2016. According to the Korea Tourism Organization, the number of Chinese tourists to South Korea decreased from 758,534 in June 2016 to 254,930 in June 2017—a 66 percent drop (Meick and Salidjanova 2017).

## **Conclusion**

Through the synthesis of system- and individual-level variables, this article explained how policy makers in the Park Geun-hye administration produced a series of abrupt foreign policy decisions on the issues of comfort women, the Kaesong Industrial Complex, and THAAD deployment. President Park and her aides were confronted with external challenges that encompassed increased DPRK's provocations, China's lukewarm reactions to those actions, and US pressure to strengthen the US-ROK-Japan security triangle. Facing these challenges, ROK's decision makers abruptly made foreign policy decisions having many negative consequences due to the lack of institutionalized discussions among policy makers, insensitivity to public opinion, and the influence of a secret advisory group on state affairs.

Given these findings, future research should further look into the roles of cognitive variables, such as the emotions and shared beliefs of President Park and her aides, when they made foreign policy decisions. One also could seek to generalize the concept of the privatization of foreign policy formulation by making comparisons with previous South Korean governments and/or other similar country cases.

Furthermore, this article provides several policy implications. First, future South Korean policy makers should strive to make foreign policy decisions within a deliberative and transparent process. As a relatively weak nation in the Northeast Asian geopolitical context, South Korea is sandwiched in between the United States and China when making delicate foreign policy decisions such as THAAD deployment. Through a due and transparent decision-making process, however, the South Korean government can at least gain robust support from domestic constituents and cope effectively with foreign pressure through strong internal unity.

Second, before making important foreign policy, ROK government leaders should thoroughly discuss and debate the issues among themselves and with external experts in order to forge effective policy. They also must be more attentive to public opinion. Foreign policy decisions made via such a process could minimize negative consequences, particularly sharp divisions among the public. Abruptly decided policy decisions have triggered serious backlashes in South Korean society, which already suffers from a sharp divide between conservatives and progressives. It is thus critically important to maintain the democratic nature of foreign policy formulation.

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